



Long-term Debt Financing

Potential Costs and Impacts
October 7, 2025

Introduction

- Advisor team reviewed three potential debt levels:
 - Streetscape and CIP projects = \$28.5 million
 - Two scenarios for Village Hall/Police HQ project:
 - \$70 million
 - \$90 million
- Examined levy impacts and property tax bills for each funding scenario.

Existing Debt Levy

- Village debt levy averages about \$5.75 million per year through fiscal year 2032.
- Drops to \$2.6 million in fiscal 2033.
- Drops to zero in 2041 as last bonds are paid off.

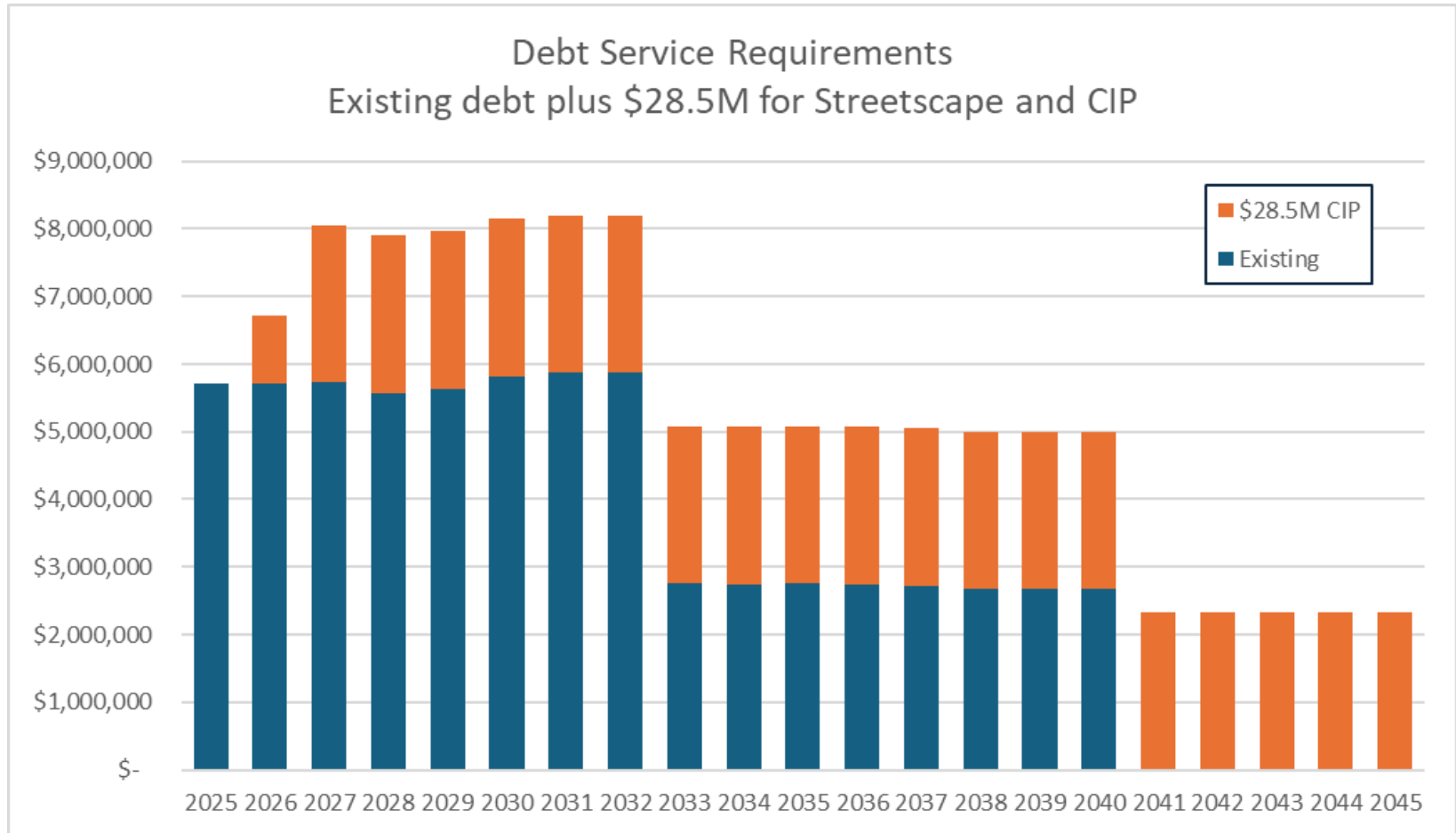
Existing Debt Levy



Streetscape Debt

- Total principal = \$28.5 million
 - \$20 million for Streetscape project
 - \$8.5 for additional capital projects in 2026
- Debt to be paid off over 20 years.
- Annual debt service levy = \$2.3 million

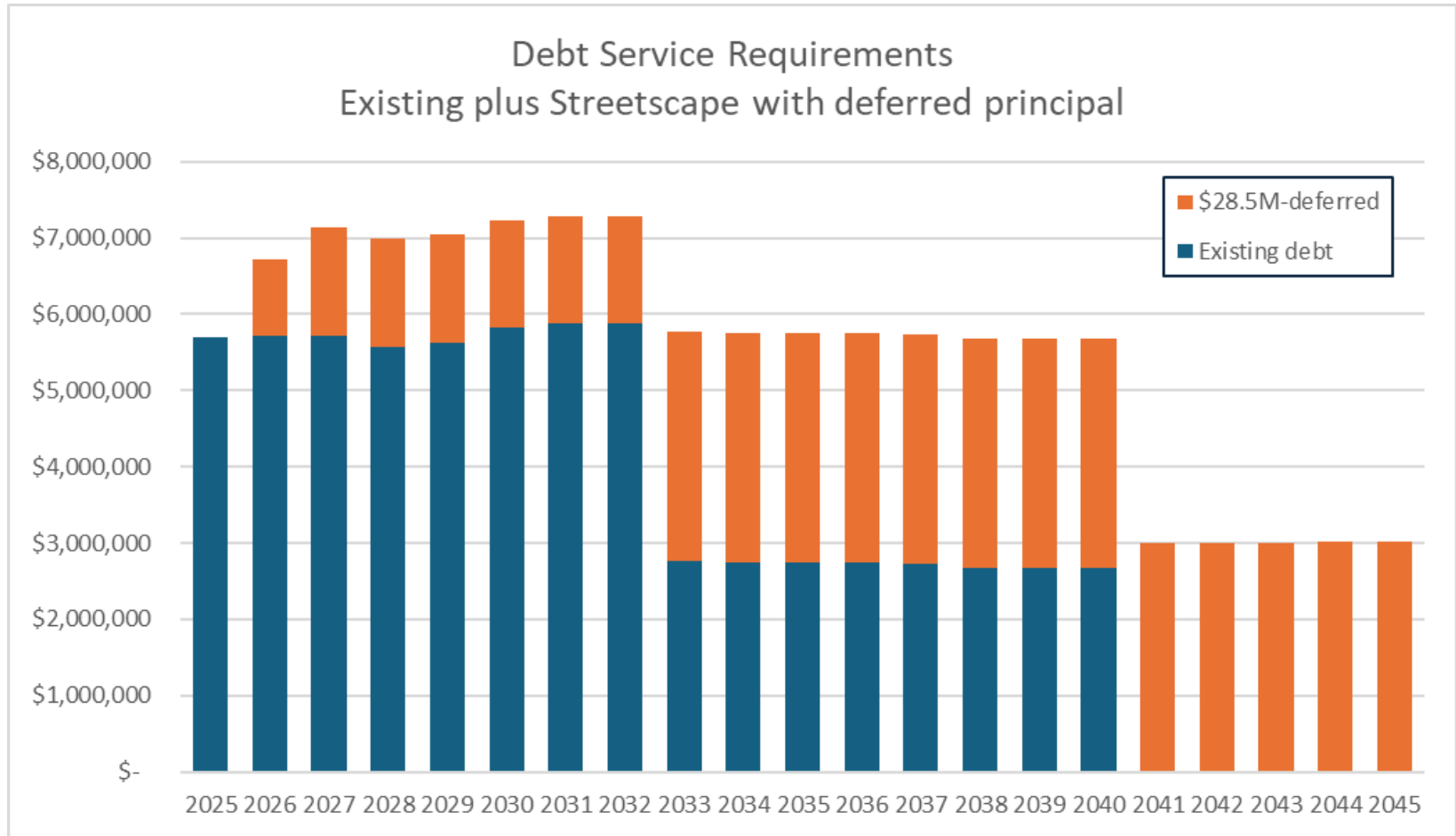
Streetscape Debt (cont.)



Streetscape Debt (cont.)

- Other option for Streetscape bond.
- Still \$28.5 million paid off over 20 years.
- Interest-only payments through 2032 when existing debt service needs fall.
- \$1.4 million payments through 2032.
- \$3.0 million payments from 2033 through 2045.

Streetscape Debt (cont.)



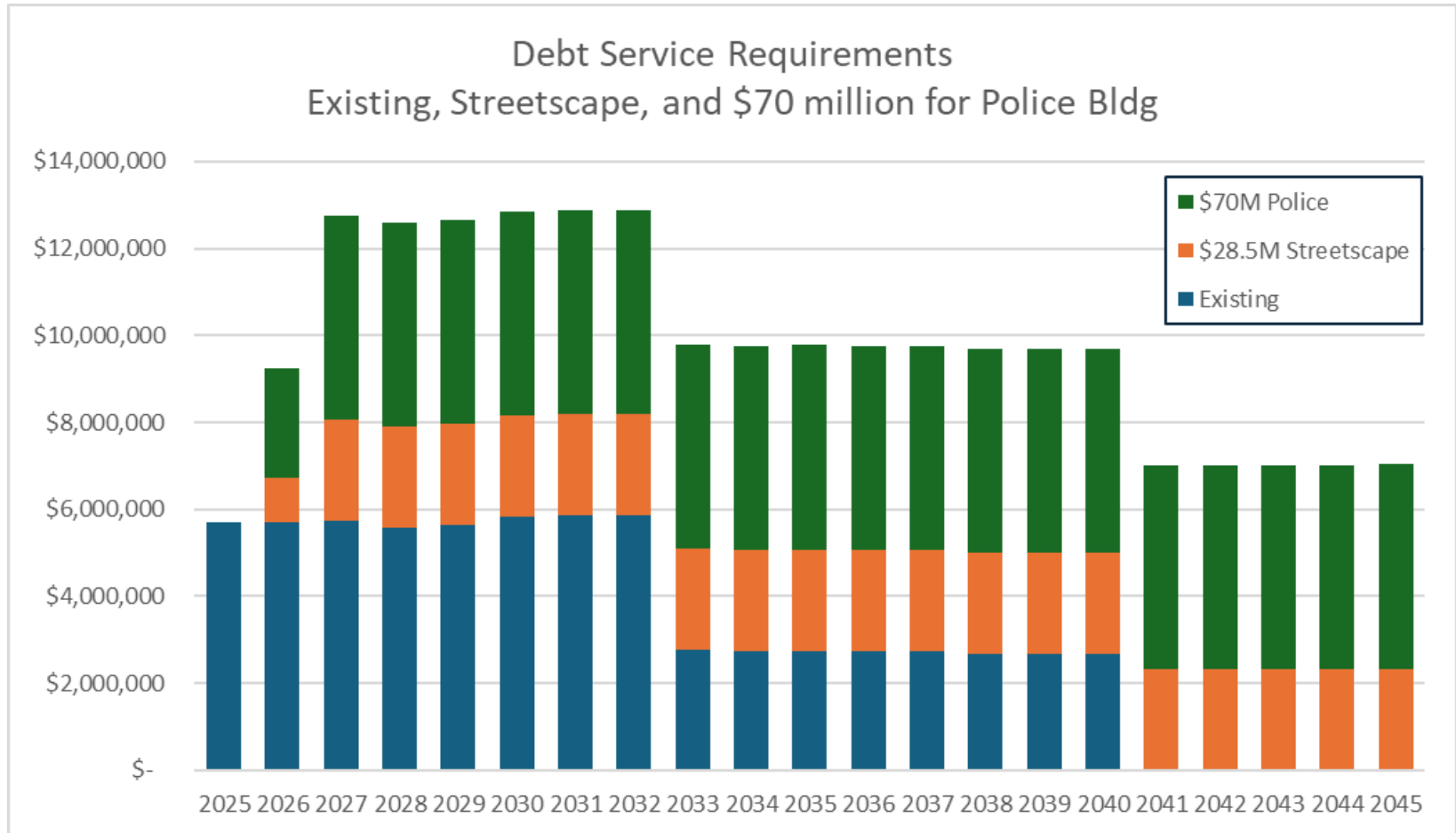
Scenario A (cont.)

- We reviewed two potential debt levels: \$70 million and \$90 million
 - We initially looked at additional \$120 million option, but we don't recommend \$120 million on top of Streetscape debt.
- Each is assumed to be paid off over 30 years.
- Consistent debt service payments (principal & interest) each year.

Scenario A (cont.)

- \$70 million bond
 - Annual debt service is \$4.7 million per year
 - Payments include principal and interest starting in first year after project
 - Combined debt service would be \$12.8 million, falling to \$9.8 million in 2033.

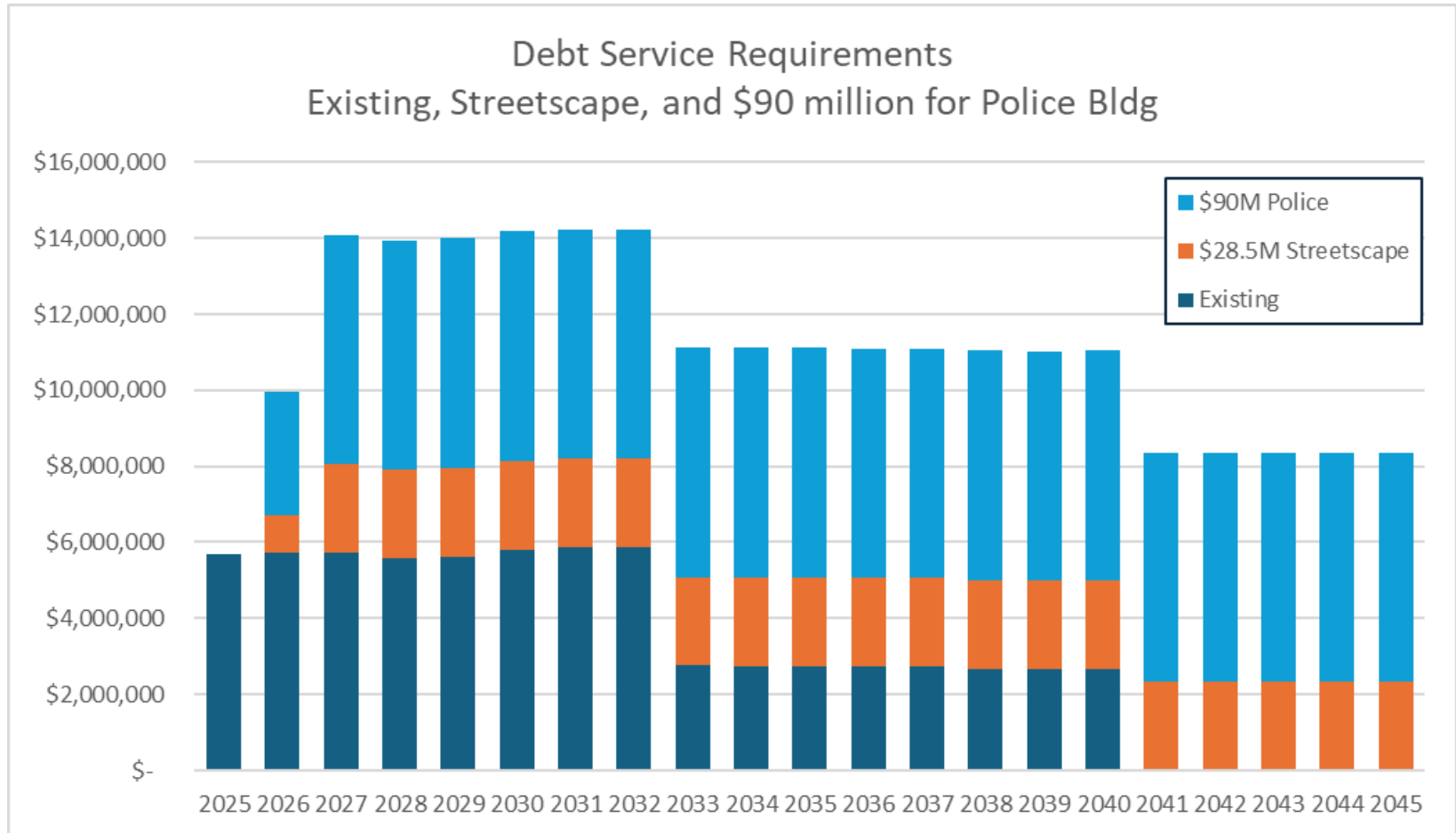
Scenario A (cont.)



Scenario A (cont.)

- \$90 million bond
 - Annual debt service is \$6.0 million per year
 - Payments include principal and interest starting in first year after project
 - Total debt service would be \$14.2 million, falling to \$11.1 million in 2033.

Scenario A (cont.)



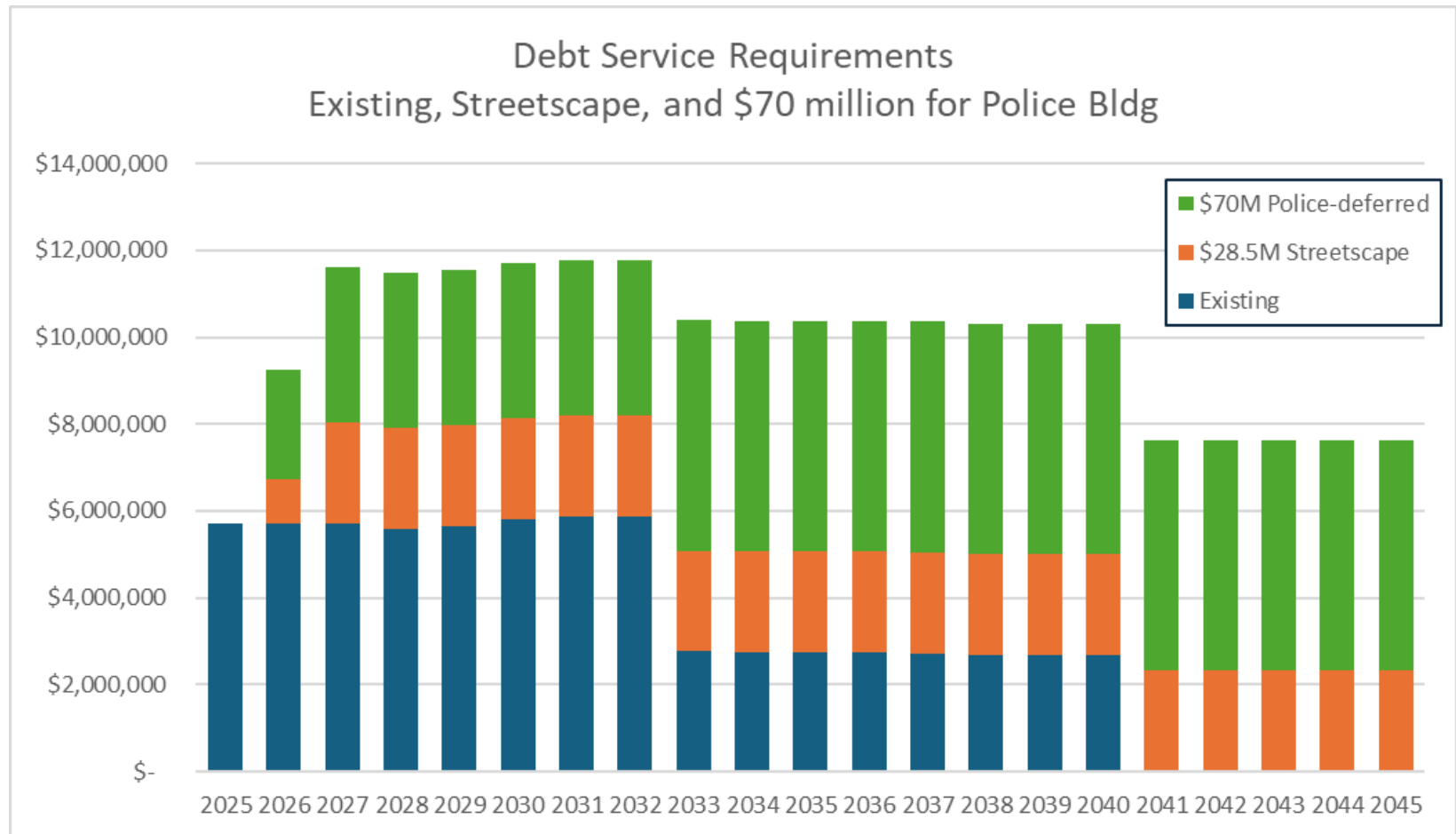
Police Building Debt – Scenario B

- Same two debt levels (\$70 and \$90 million)
- Same 30-year term
- Set up as interest-only until existing debt drops off in 2032.
- Even without principal payments, interest payments on \$70-90 million are significant.

Scenario B (*cont.*)

- \$70 million bond
 - Interest-only payments are \$3.6 million per year.
 - Debt service jumps to \$5.3 million in 2033.
- Compared to consistent payments in Scenario A, debt service is \$1.1 million less in early years but \$600,000 higher in 2033.

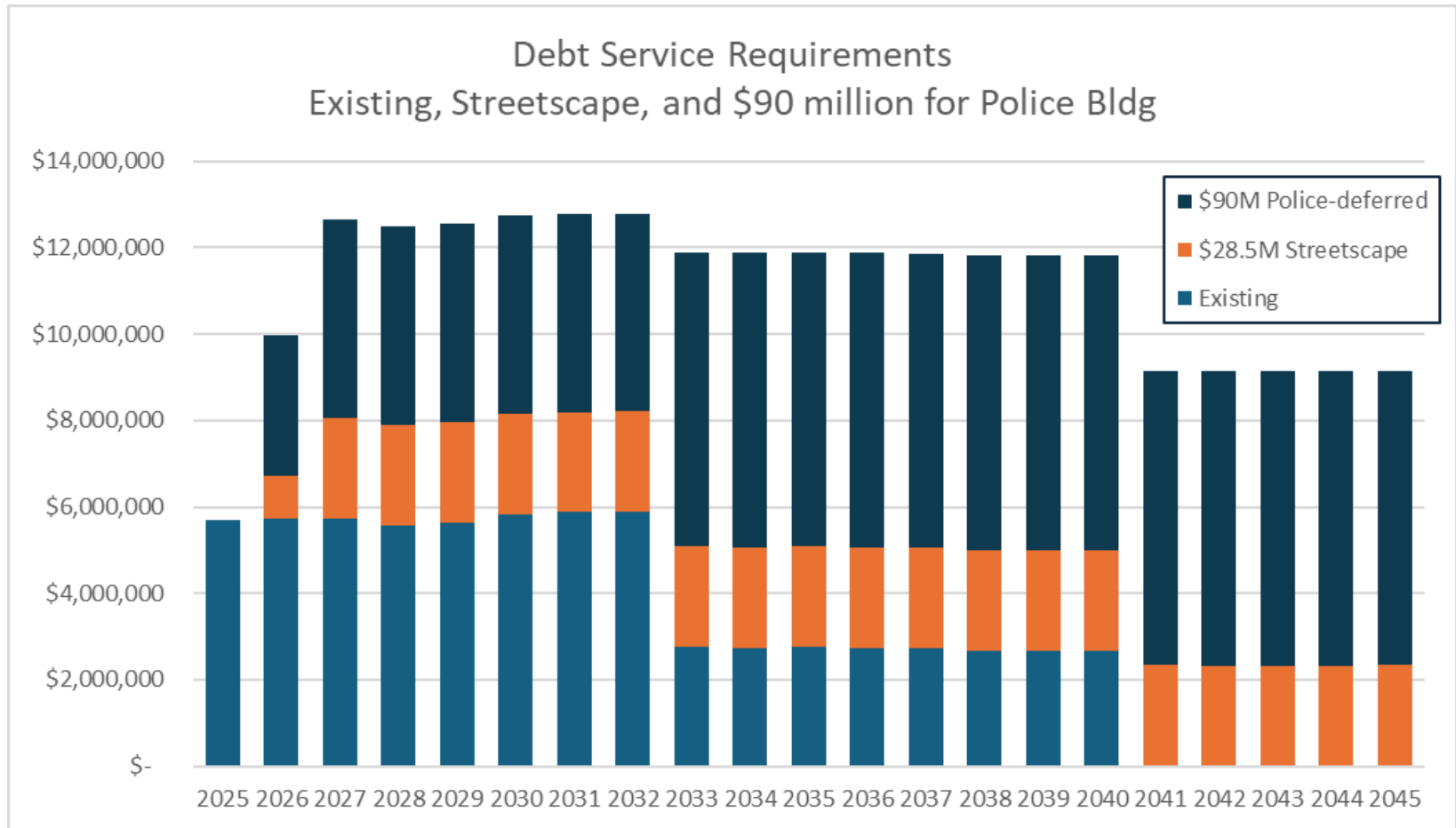
Scenario B (cont.)



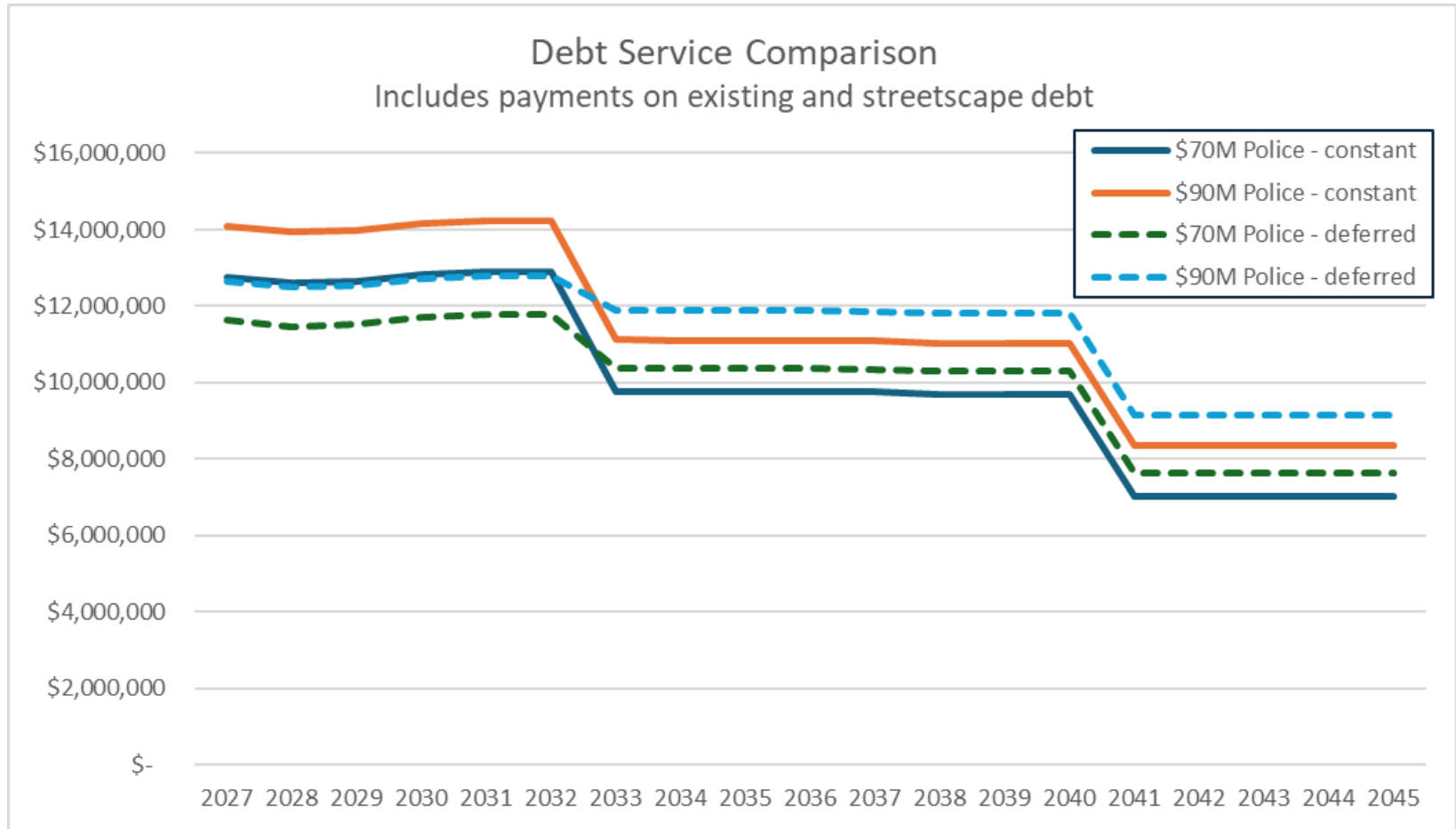
Scenario B (cont.)

- \$90 million bond
 - Interest-only payments are \$4.6 million per year.
 - Debt service jumps to \$6.8 million in 2033.
- Compared to Scenario A, debt service is \$1.4 million less in early years, but \$775,000 higher in 2033.

Scenario B (cont.)



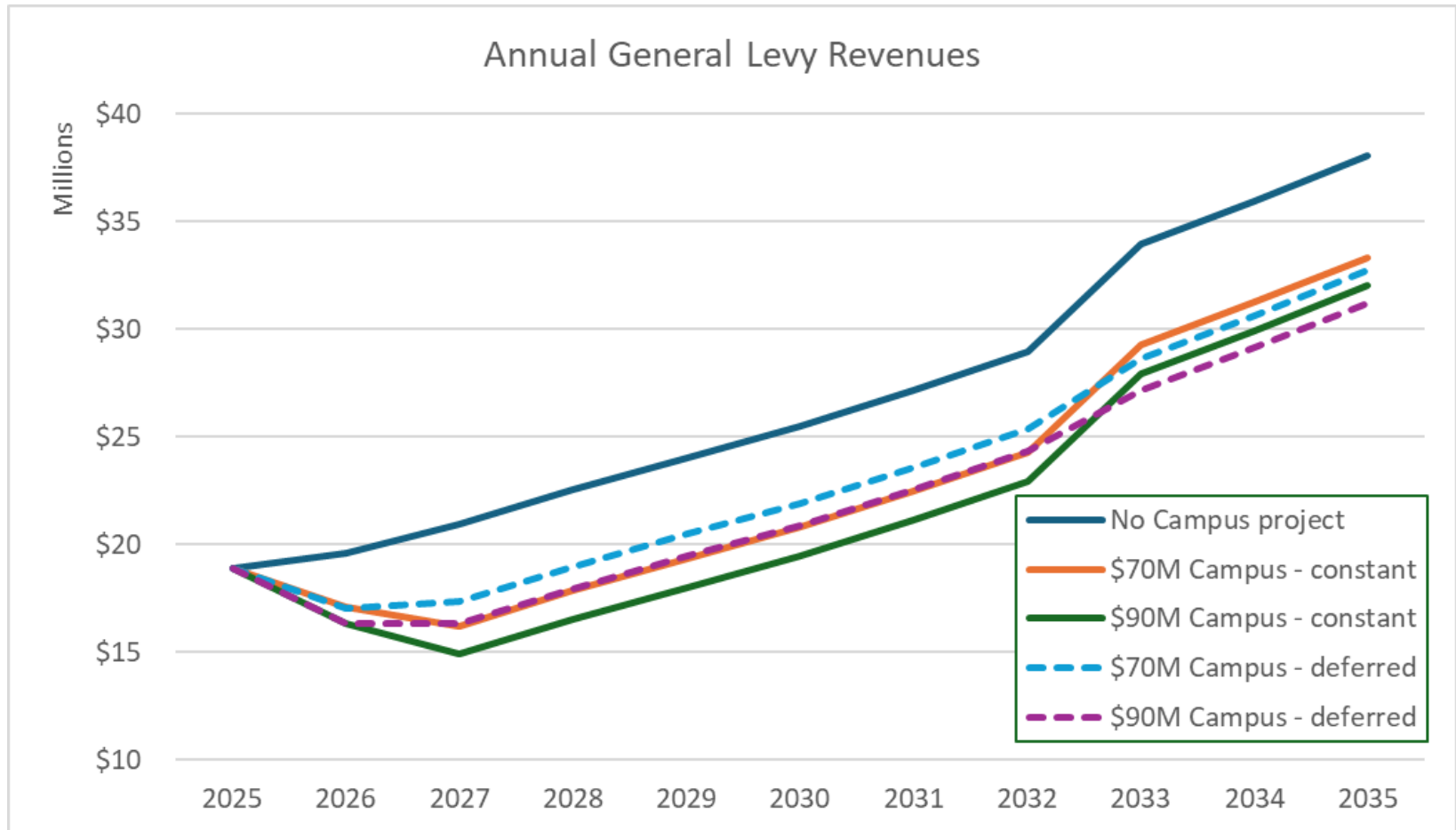
Scenario Comparison



Impacts on General Levy

- Assumptions:
 - FY 2026 total levy set at \$41.9 million.
 - Combined levy rate allowed to grow 3% annually.
 - Fire pension levy grows 6% annually.
 - Police pension levy grows 4% annually.
 - Debt levy based on Police/Village Hall scenarios.
 - General levy equal to whatever remains after pensions and debt service are covered.

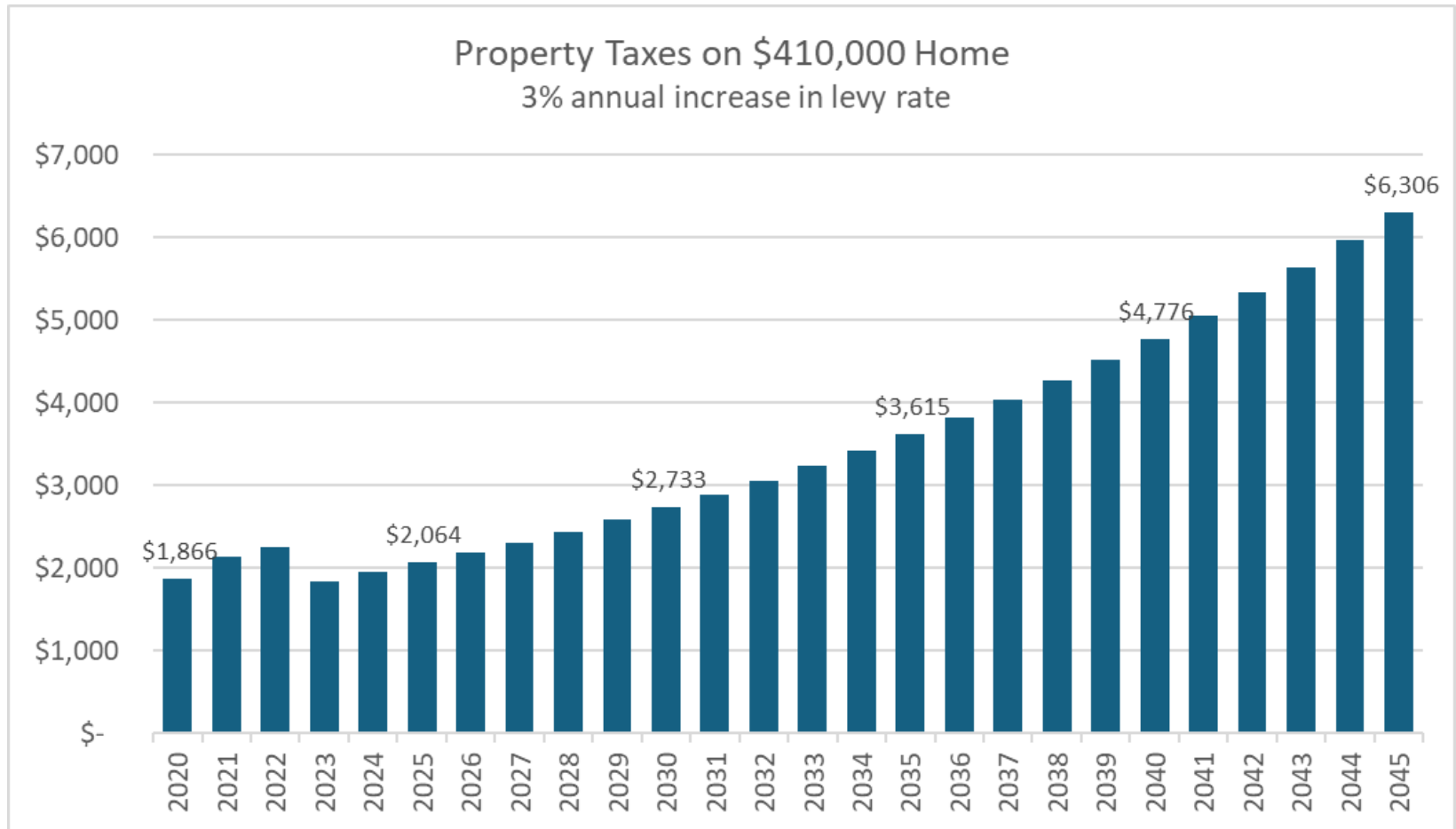
Impacts on General Levy (cont.)



Impacts on Tax Bill

- Median home valued at \$410,000
- Village portion of tax bill for 2025 is \$2,064
 - Accounts for homeowner exemption
- Homes appreciate at 2% annually.
- Village levy rate grows at 3% annually.

Impacts on Tax Bill (cont.)



Long-Term Debt Impacts – Oct 2025

Questions?