

Agenda

Northfield Public Schools Board of Education

Work Session | 02.08.2017

1. Review Master Facilities Plan
 - a. Timeline

Superintendent Matt Hillmann will briefly review the history of the Master Facilities Plan process.
 - b. Adopted plan (*Master Facilities Plan Executive Summary included in packet*)
 - i. 10 year plan

Director of Buildings and Grounds Jim Kulseth will review the 10-year Long Term Facilities Maintenance Plan and, specifically, projects associated with Northfield High School.
 - ii. 'Next' Projects

Dr. Hillmann will review the two 'next projects' adopted as part of the Master Facilities Plan.
 - iii. Facilities Advisory Committee

Dr. Hillmann will review the Facilities Advisory Committee structure created as part of the Master Facilities Plan.
2. ThoughtExchange Questions and Strategic Plan
 - a. Question summary

Dr. Hillmann will review key data from previous ThoughtExchange stakeholder feedback processes related to facilities.
 - b. Strategic Plan alignment

Dr. Hillmann will review how the ThoughtExchange questions and the Master Facilities Plan align with the District's strategic plan and near-term priorities.
3. Potential Options
 - a. Current operating levy

Director of Finance Val Mertesdorf will review the District's current operating levy amount, remaining term, and details.
 - b. Levy/bond options discussion

Discussion about what levy/ bond options are available to the Board for consideration. Included in the packet are some preliminary tax impact tables from Ehlers and Associates for discussion purposes. These tables include options outlined in the Master Facilities Plan. Operating levy tax tables will also be available at the Work Session, but were not ready for distribution with this packet. Also included is a copy of a Schools for Equity in Education graph illustrating how the Basic Formula has not kept up with inflation since the 1991-1992 school year. This chronic underfunding has necessitated school districts to rely on operating levys for basic expenditures.
 - c. Potential levy/bond timing discussion.

Discussion about what desire, if any, the Board has regarding levy/ bond timing and any additional research the Board would instruct the Administration to conduct.
4. Next steps

Introduction

Northfield Public Schools embarked on a long-term master facilities planning process in June 2014 and culminates with this Master Facilities Plan proposal. The Master Facilities Plan includes two components: a building life cycle plan and a deferred maintenance plan. The building life cycle plan considers the physical, environmental, and educational adequacy of our current buildings. The Master Facilities Plan Executive Summary will be updated on an annual basis and reviewed with the Board of Education. In addition, the estimated costs will be updated on an annual basis.

History

The Master Facilities Plan was developed between June 2014 and October 2016. Below is a timeline reviewing the process.

- Hazel Reinhardt, of Hazel Reinhardt Consulting Services, presented a detailed demographic report to the Northfield Board of Education in June 2014. The study included five- and ten-year projections for the district's student population, as well as a housing unit projection.
- A facilities study was conducted in the summer of 2014 by ATS&R, the District's consultants.
- A series of 18 community meetings were held in the Fall of 2014. Meetings were held for parents/community members and staff at each site. Attendees were asked to tell the District what was good about their facility, what could be better about their facility, and what one change would they make to the facility to better facilitate teaching and learning.
- ATS&R worked with District staff in the Spring/Summer of 2015 to develop two approaches to the issues identified during the 2014 community meetings.
- An additional series of seven community meetings were held in the Fall of 2015. The two approaches were presented with the estimated cost of each potential project. Participants were asked to identify what they liked, what they didn't like, and any other questions they had about each approach.
- In March 2016, an online ThoughtExchange process was used to gather additional data on the two approaches developed by the District and ATS&R.
- In June 2016, the facilities-focused ThoughtExchange results were presented to the School Board.
- In November 2016, the Master Facilities Plan was presented to the School Board for adoption.

A plan, not an immediate bond issue

It is critical to note that this plan does not immediately initiate a bond issue. It creates a plan that the School Board will consider on an annual basis and determine which parts, if any, should be pursued.

Building Life Cycle Management Plan (physical, environmental, and educational adequacy)

District consultant ATS&R identified four potential building life cycle management pathways as a result of the planning process. Based on stakeholder feedback, this Executive Summary identifies two building life cycle management projects as the prioritized projects for the District. These projects include:

- Pathway 2: Includes modifications at Bridgewater and Sibley Elementary Schools; a new Greenvale Park Elementary School that would be constructed on the same site as the current Greenvale Park building; and minimal renovations of the current

Greenvale Park building for repurposing as the District's Early Childhood Center that would house all Pre-Kindergarten programs and day care. This pathway is referred to below as the **Elementary Project**.

- Modified Pathway 3: Includes the construction of a new Northfield High School on the same site as the current building (where the current baseball and softball fields are located) followed by demolition of the current building and repurposing of that footprint for baseball and softball fields to replace those displaced by the new building's construction. This modified pathway is referred to below as the **High School Project**.

The Board could also consider Pathway 4, which includes both options included above.

Building Life Cycle Management Plan Project Estimated Cost History

The District will update the estimated cost for each prioritized project on an annual basis and present it to the Board as part of the annual capital projects budget presentation.

Year	Elementary Project	High School Project	Totals
2016	\$28.4 million	\$76.5 million	\$104.9 million

Deferred Maintenance/10-Year Plan

The District's deferred maintenance/10-year plan is the second portion of the Master Facilities Plan. This document replaces the deferred maintenance plan shared by ATS&R in February 2015. Since this time, the Minnesota legislature has enacted the Long Term Facilities Maintenance Revenue Program that requires School Boards to annually approve a 10-year plan. In an effort to be efficient, this is proposed to be the second part of the Master Facilities Plan and would be approved on an annual basis when the capital projects budget is approved.

Decision Making and Master Facilities Plan Committee

The Board would authorize projects associated with the Long Term Facilities Maintenance 10-year plan on an annual basis in conjunction with the annual capital budget presentation. At that time, the Board would also review the Building Life Cycle Management plan and determine if conditions necessitate activating a bond campaign for one or both of the identified "next projects."

Many Master Facilities Plans have formal benchmarks that signal activating a particular project. These benchmarks are often associated with enrollment, significant deterioration of the facility's exterior envelope, or significant deferred maintenance needs. The District will initiate a Facilities Advisory Committee comprised of Board members, parents/community members, and staff to review these benchmarks on an annual basis and provide a report to the Board on the current state of the District's facilities each year in March along with recommendations for considering portions of the plan for the following school year.

Summary

The District's proposed Master Facilities Plan includes the two components: the Building Life Cycle Management Plan and the Long Term Facilities Maintenance 10-year Plan. The Building Life Cycle Management Plan has two 'Next Projects' identified. These include an elementary project and a high school project. The elementary project (\$28.4 million) includes a proposed new Greenvale Park Elementary School on the same site as the current building, renovating the current Greenvale Park Elementary for use as the District's Early Childhood Education Center, and modest additions/renovations at both Sibley and Bridgewater Elementary Schools. The High School project focuses on a newly constructed Northfield High School (\$76.5 million) on the same site as the current building. Each year, the Board would review the Master Facilities Plan and decide what Building Life Cycle Management Plan projects, if any, should be brought to the voters for consideration. The Board will also authorize projects to be completed annually based on the 10-year Plan in order to maintain stewardship of our current facilities.

Analysis of Northfield Public Schools

Part I: Overview: Over the past year, the Northfield Public School District has undertaken the responsibility of developing a Long-Term Facility Plan. The purpose of this initiative was to ensure the Northfield school-community that a comprehensive plan to address the repair and betterment needs of its schools was in place and followed by District leadership.

The first step in the planning process was to conduct a thorough review of all district facilities. This review was conducted by a qualified architect and engineering firm. Their findings were completed in the winter of 2015 and presented to the school board at its February work session. After a thorough review by the Board, it requested that the district administration share the 'Facilities Study' with the community in an effort to build an understanding of district needs and to provide opportunities for community feedback.

Beginning in the Fall of 2014 and continuing into the winter and spring of 2016, a series of meetings were held with key stakeholder groups throughout the community. As a part of their efforts, the District utilized the 'Thought Exchange' process as a means of encouraging community engagement in the planning process. The ultimate goal has been to keep the community's thoughts and opinions at the forefront as the District developed its long-term Facilities Master Plan. The Thought Exchange process presented the community with two approaches to consider in moving forward with the development of a final Master Facilities Plan. Those approaches and an analysis of community feedback are presented in parts II and III of this report. Part IV contains suggested alternatives pathways, based upon the community input, for the Board to consider in the implementation of its Master Facility Plan.

Part II: Approach A- Educational Upgrades To All Buildings:

Description: The objective of this approach is to focus the resources provided through the passage of a school bond levy toward making modest updates to each school in order to accommodate changes in educational programs and address safety needs. These changes included:

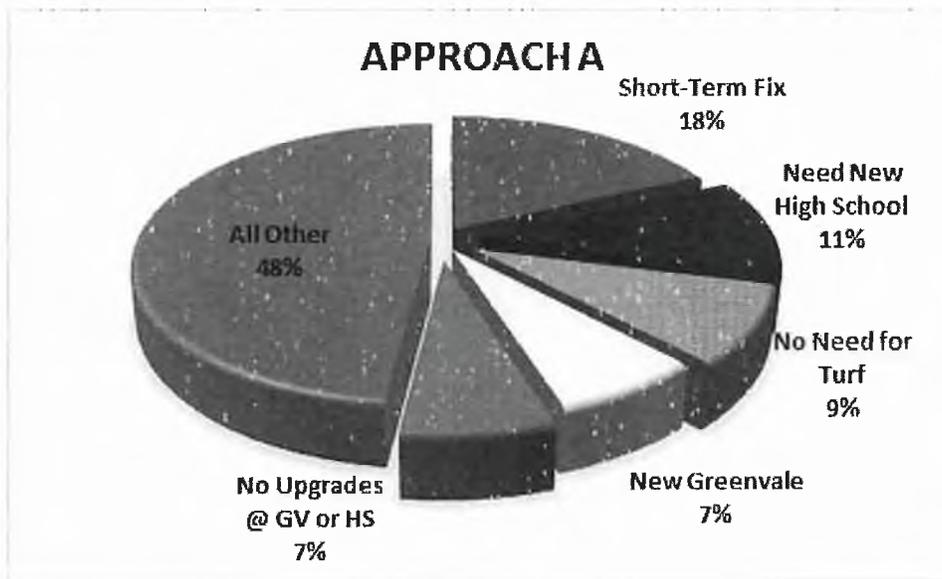
- Sibley Elementary
- Bridgewater Elementary
- Greenvale Park Elementary
- Northfield Middle School
- Northfield High School
- Longfellow School

Because of the building design and changes in program needs, the greatest changes would be to Greenvale Park.

This approach was presented to the community through the 'Thought Exchange' process. Five-hundred and eighty-four (584) community stakeholders participated in the process. Five key themes representing over 50% of the responses were identified through this process. Those themes were:

- Approach A represented only a 'short-term' method of addressing the needs of district facilities.
- Approach A failed to address the need for a new high school.
- The District should not consider upgrades to the current athletic fields.
- A new Greenvale Park elementary should be constructed to replace the existing facility.
- Do not spend dollars on either Greenvale or the high school.

Below is a graphic representation of the responses to Approach A.



In the case of school planning, the 'Pareto Effect'- otherwise known as the 85-15 or 80-20 rule- suggests that 80% of the needs in a plan can be identified by 20% of the response. In the results of the Thought Exchange process as shown above, the results appear to suggest that there is an overwhelming sense that Approach A is too short-term to pursue.

Part III: Approach B- Limited Deferred Maintenance and Construction of New School(s)

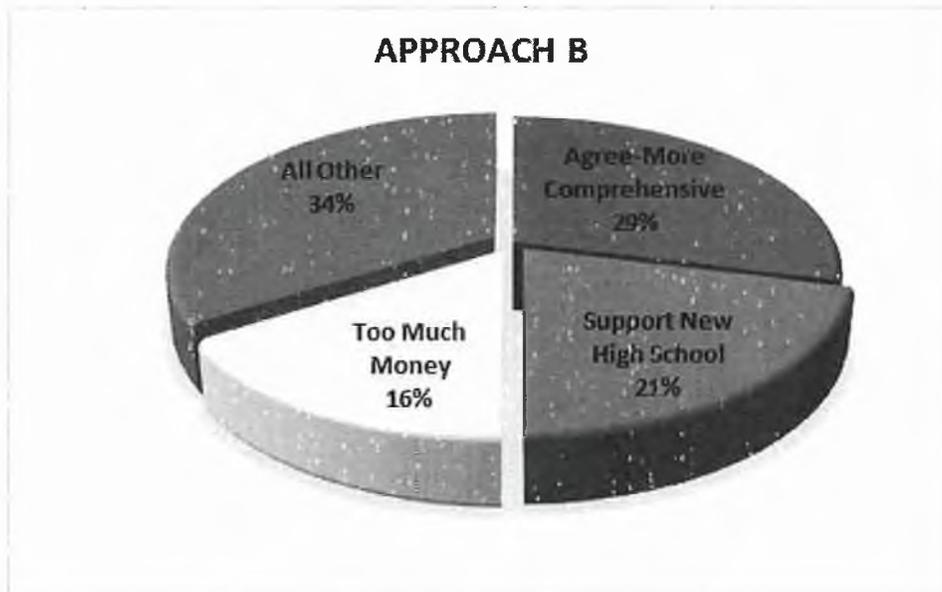
Description: The objective of this approach is to focus the resources provided through the passage of a school bond levy toward the construction of a new senior high school and new Greenvale Park elementary school and conduct more limited educational adequacy projects in

each school. In addition, there would be some realignment of programs/grade configurations. To this end, these projects would be inter-connected and would present some scheduling challenges.

In this approach, three key themes representing over 60% of the responses were identified. Those themes were:

- Approach B is more comprehensive and long-term in nature.
- This approach includes a new high school; something badly needed.
- The approach appears to be too costly for the community to support.

Below is a graphic representation of their responses.



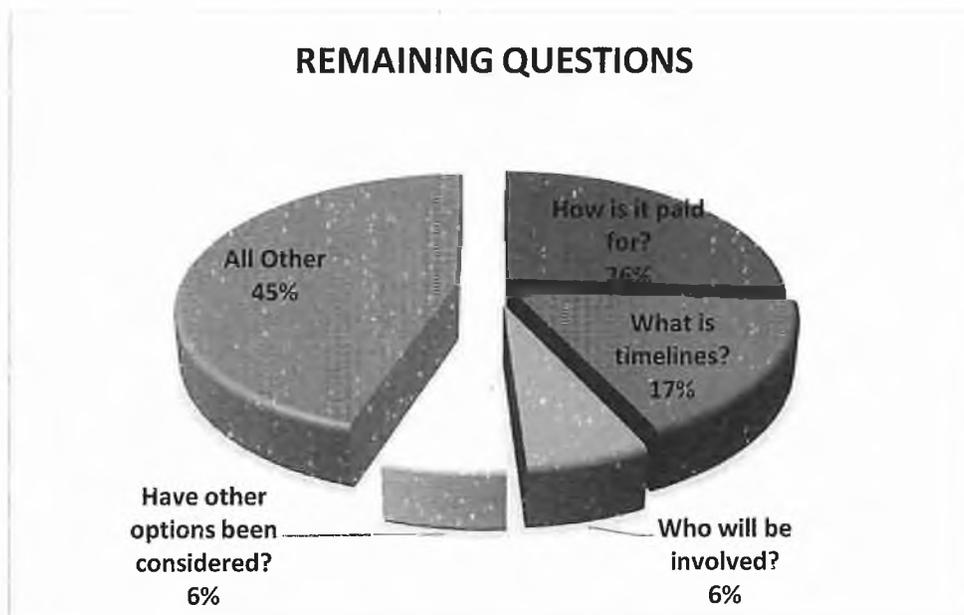
In the analysis of Approach B using the 'Pareto Effect,' the results of the Thought Exchange process as shown above, would suggest that there is an overwhelming sense that this approach has long-term benefits to the district. Also, this approach reinforces the community's belief that a new high school is needed.

The Thought Exchange process also provided respondents with the opportunity to submit additional questions for the Board and district administration to consider.

As was the case in the response to Approach B, there were three (3) questions that were formulated by respondents and given overwhelming support. Those questions are:

- How much will this initiative cost the community?
- What are the timelines for project(s) completion?
- Who will be involved in the design, development and implementation of what is done?

The graph below illustrates the results of that question.



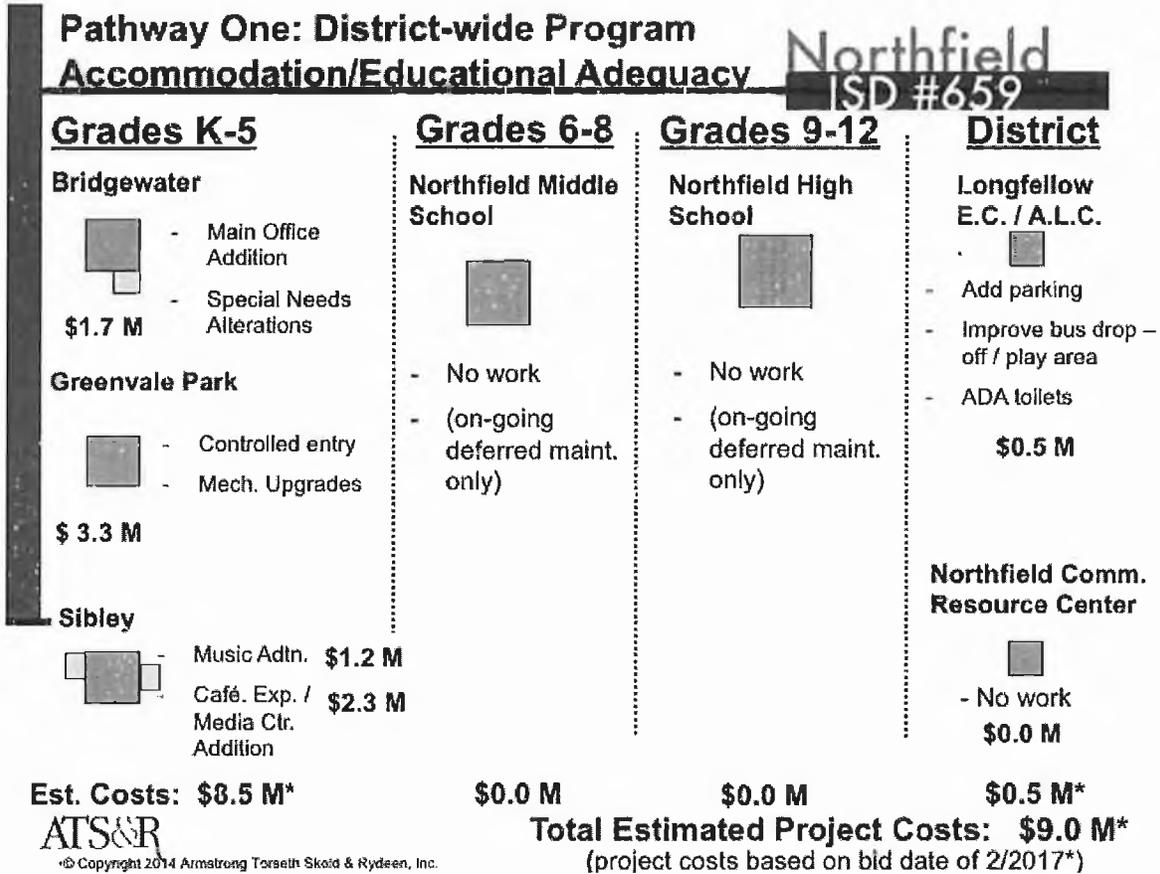
Part IV: Alternative Approaches Based Upon Thought Exchange Process

A careful analysis of the Thought Exchange Process, suggests the community views:

1. The high school to be outdated. Further expansion on this site should not be a priority.
2. Greenvale Park's design fails to provide either maximum security for students and staff or appropriate learning spaces for instruction.
3. A decision to pursue only projects designed to address immediate instructional needs is short-term and a less desirable approach to facility upgrades.
4. Any decision made by the board should take into consideration the tax impact on the community.

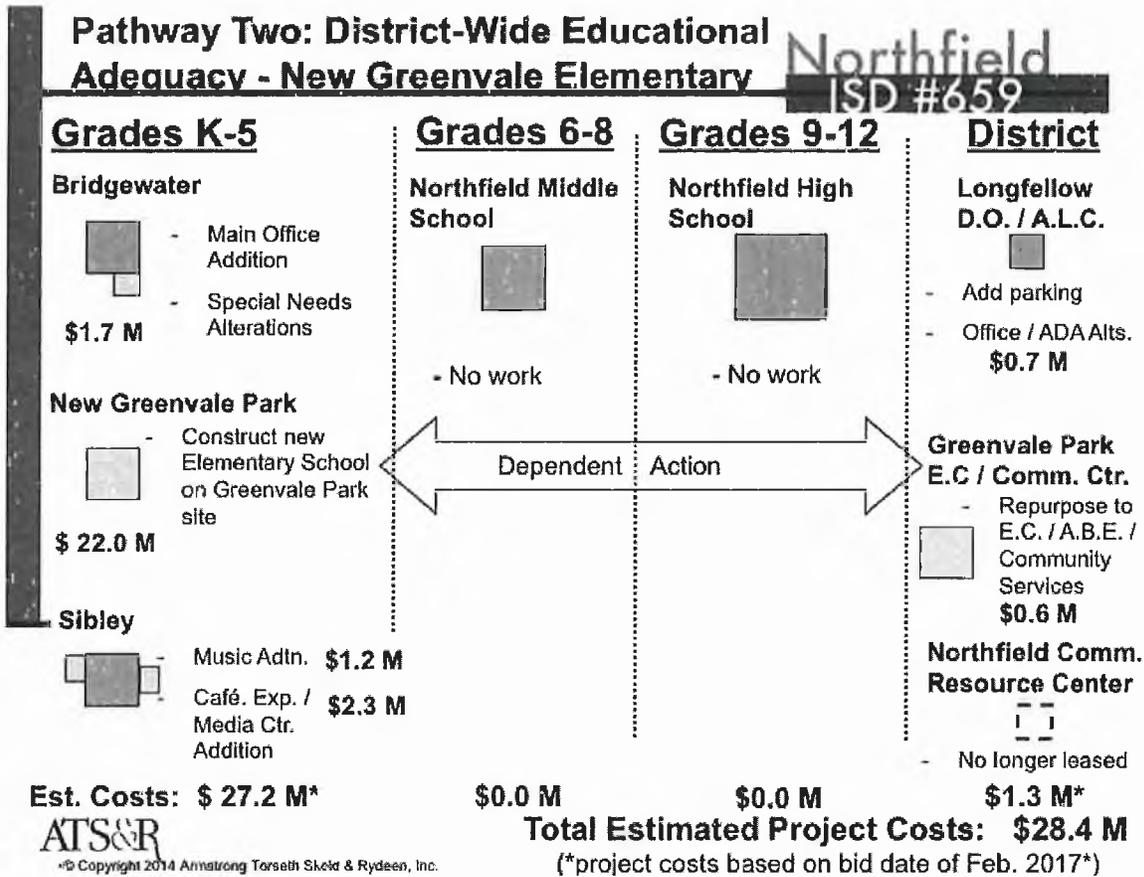
Following extensive community engagement, and based upon an analysis of the input received, it would appear as though the Board should consider one of several pathways in the development of its Master Facility Plan.

Pathway One: Design and construct minimal modifications to all buildings to accommodate educational changes and safety concerns in each. This approach is illustrated in the graph below.



Implementing this approach would provide the most significant changes in school design to both Bridgewater and Sibley Elementary Schools and modest educational upgrades to Greenvale Park Elementary School. Some modest repair and betterment projects would be carried out at Northfield Middle School and High School to ensure the long-term viability of each building. Parking lot upgrades would be completed at the Longfellow School as well.

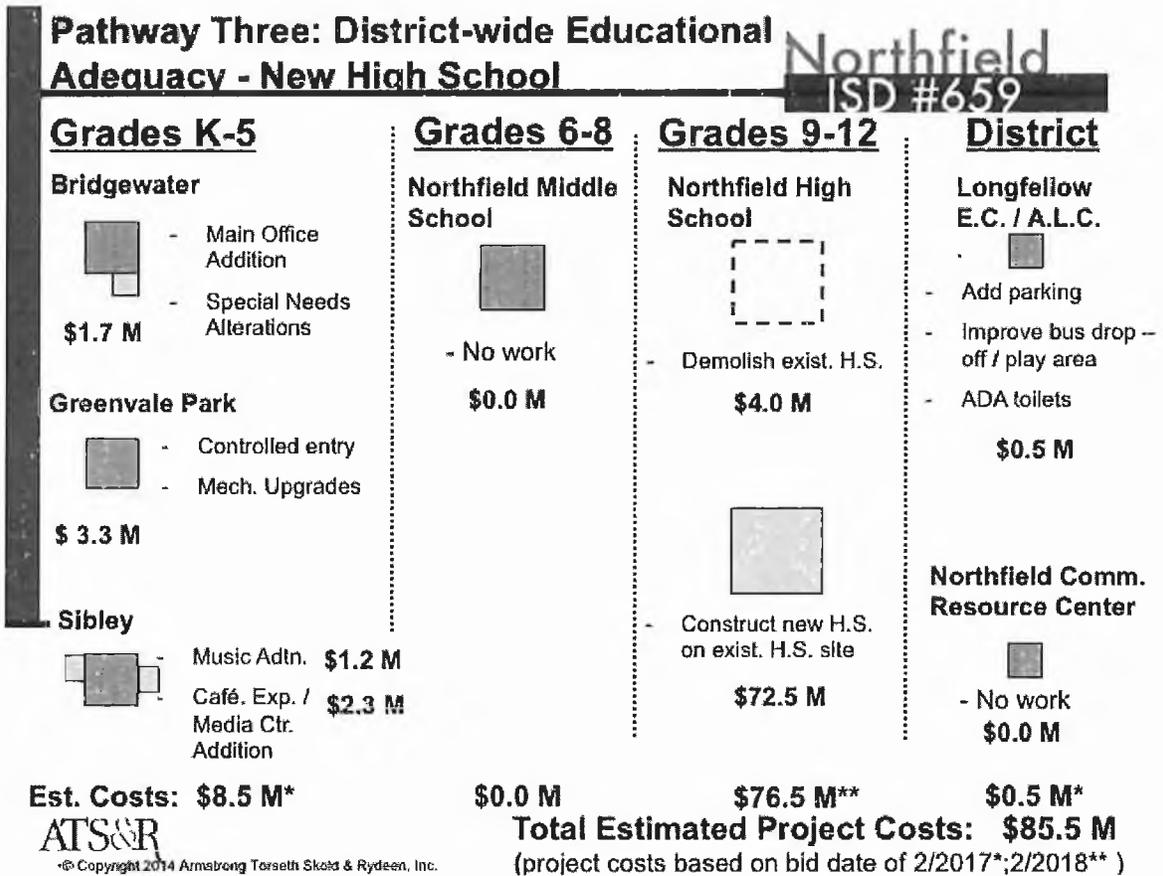
Pathway Two: Construct a new elementary school to replace Greenvale Park and repurpose the school to accommodate early childhood programs. Design and construct minimal modifications to all other buildings to accommodate educational changes and safety concerns in each. This approach is illustrated in the graph below.



Implementing this approach would provide modest improvements to both Sibley and Bridgewater Elementary Schools. Greenvale Park School would be repurposed to accommodate the District's E.C. and A.B.E. programs. A new elementary school would be constructed on the current site at a cost of \$22M. Some modest repair and betterment projects would be initiated at Northfield Middle School and High School to ensure the long-term viability of each building. Construction of a new elementary school would take approximately two (2) years from the time the bond levy was approved. Greenvale Park would remain operational until the construction on the new elementary school was completed.

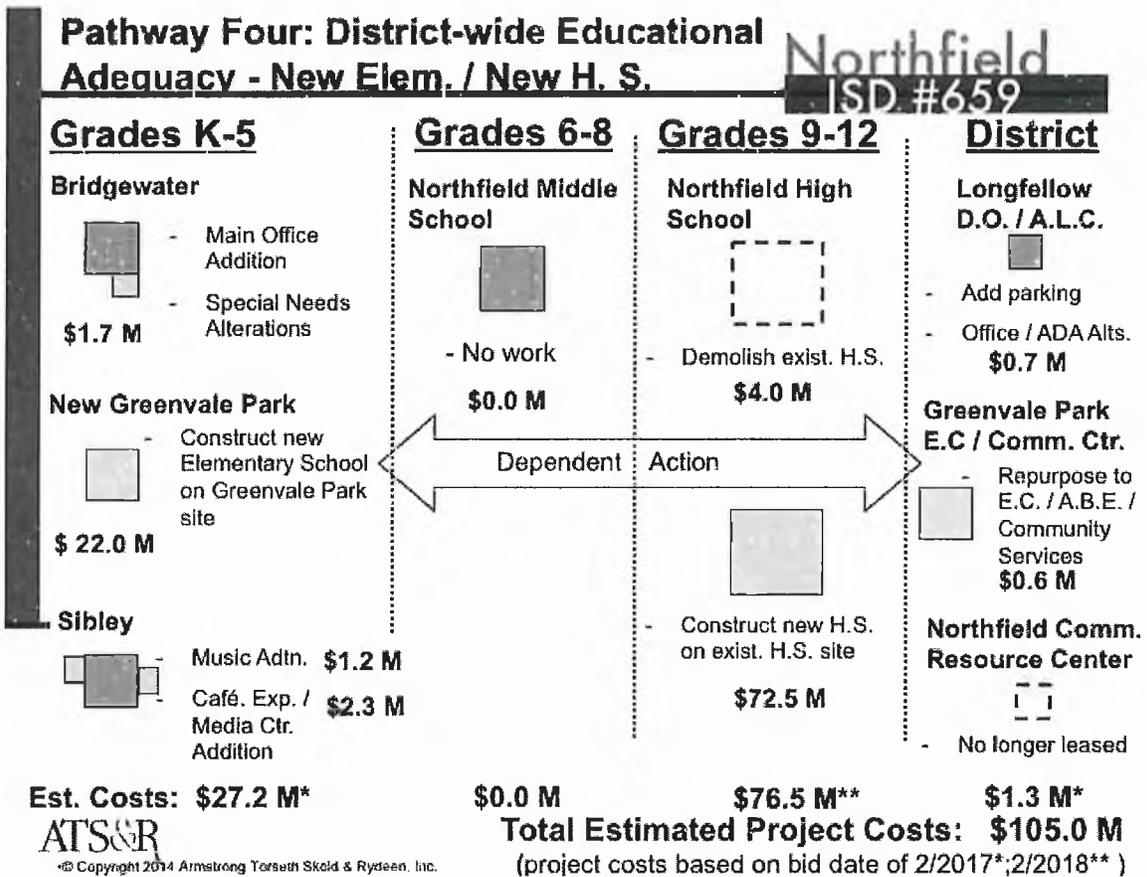
Following completion, Greenvale would be repurposed to accommodate the E.C and A.B.E programs.

Pathway Three: Construct a new senior high school. Design and construct minimal modifications to all other buildings to accommodate educational changes and safety concerns in each. This approach is illustrated in the graph below.



Implementing this approach would see only minimal upgrades in each of the District's elementary schools to accommodate identified educational adequacy issues in each. The focus of this approach is the construction of a new senior high school. It would be located on the existing site. Students would continue to use the existing high school until the new school is completed. Once completed, the current high school would be demolished and the site repurposed to accommodate athletic practice fields. It should be anticipated that completion of this project would take from twenty-four (24) to thirty (30) months following the passage of a bond levy.

Pathway Four: Design and construct a new elementary school to replace Greenvale Park. Design and construct a new senior high school. Design and construct minimal modifications to Sibley Elementary and Bridgewater to accommodate educational changes and safety concerns in both. Repurpose Greenvale Park to accommodate early childhood programs. This approach is illustrated in the graph below.



This pathway is a combination of pathways two and three; constructing a new elementary school as well as a new senior high school. While the results of the 'Thought Exchange' process found those responding to be more supportive of the construction of a new senior high school, support for a new elementary school and the general belief that Greenvale Park- as it is currently configured- is inadequate and should not be invested in by the District suggest that replacing both should be given consideration. It should be anticipated that completion of these two (2) projects would take from twenty-four (24) to thirty (30) months following the passage of a bond levy.

Part V: Steps Forward

District administration conducted over twenty (20) meetings in the community. As noted above, more than five-hundred and eighty (580) responded to the Thought Exchange Process. Based upon an analysis of the feedback, it would appear that Pathway One is the least favorably viewed by those who participated in the many outreach activities. Pathways Two and Three each have significant support. The question facing the Board then is to decide which should be done first; Pathway Two or Three? Or, given the importance to both Pathways whether to Implement Pathway Four. It goes without saying that each Pathway has implications for tax increases on the community.

PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Northfield School District No. 659

Estimated Payments and Tax Levies for Existing Debt and Proposed New Debt

\$27,000,000 Bond Issue
November 2017 Election
20 Years; Wrapped Around Existing Debt

Principal Amount:	\$27,000,000
Dated Date:	2/1/2018
Avg. Interest Rate:	4.25%

February 1, 2017

Levy Pay Year	Fiscal Year	Tax Capa- city Value ¹ (\$000s)		Existing Commitments				Other Levies		Proposed New Debt				Combined Totals					
				Building Bonds ²	Alt Fac	Est Debt Excess ³	Net Levy	Tax Rate	Lease Levy	Capital Project Levy ⁴	Prncpal	Interest	Est Debt Excess ³	Adjusted Debt Levy	Adjusted Debt Levy	Other Levies	State Debt Aid	Net Levy	Tax Rate
2017	2018	26,200	5.4%	4,656,838	959,044	(517,065)	5,098,817	19.46	333,351	750,000	-	-	-	-	5,098,817	1,083,351	-	6,181,968	23.60
2018	2019	26,986	3.0%	4,660,943	1,004,745	(304,574)	5,361,114	19.87	333,351	750,000	-	1,147,500	1,204,875	-	6,565,989	1,083,351	-	7,649,340	28.35
2019	2020	26,986	0.0%	4,659,053	1,044,330	(226,628)	5,476,756	20.29	333,351	750,000	-	1,147,500	1,204,875	-	6,681,631	1,083,351	-	7,764,982	28.77
2020	2021	26,986	0.0%	4,661,468	1,089,060	(228,135)	5,522,393	20.46	333,351	750,000	-	1,147,500	1,204,875	-	6,727,268	1,083,351	-	7,810,619	28.94
2021	2022	26,986	0.0%	2,415,728	1,132,530	(230,021)	3,318,237	12.30	333,351	750,000	615,000	1,147,500	(48,195)	1,800,020	5,118,258	1,083,351	-	6,201,609	22.98
2022	2023	26,986	0.0%	2,643,664	1,179,990	(141,930)	3,681,723	13.64	333,351	750,000	320,000	1,121,363	(72,001)	1,437,830	5,119,553	1,083,351	-	6,202,904	22.99
2023	2024	26,986	0.0%	2,655,096	1,226,085	(152,946)	3,728,234	13.82	333,351	750,000	275,000	1,107,763	(57,513)	1,391,512	5,119,746	1,083,351	-	6,203,097	22.99
2024	2025	26,986	0.0%	-	1,354,815	(155,247)	1,199,568	4.45	333,351	750,000	310,000	1,096,075	(55,660)	1,417,935	2,617,503	1,083,351	-	3,700,854	13.71
2025	2026	26,986	0.0%	-	-	-	-	-	333,351	750,000	1,465,000	1,082,900	(56,717)	2,615,742	2,615,742	1,083,351	-	3,699,093	13.71
2026	2027	26,986	0.0%	-	-	-	-	-	333,351	750,000	1,575,000	1,020,638	(104,630)	2,615,558	2,615,558	1,083,351	-	3,698,909	13.71
2027	2028	26,986	0.0%	-	-	-	-	-	333,351	750,000	1,640,000	953,700	(104,622)	2,613,532	2,613,532	1,083,351	-	3,696,883	13.70
2028	2029	26,986	0.0%	-	-	-	-	-	333,351	750,000	1,710,000	884,000	(104,541)	2,613,932	2,613,932	1,083,351	-	3,697,283	13.70
2029	2030	26,986	0.0%	-	-	-	-	-	333,351	750,000	1,785,000	811,325	(104,557)	2,616,356	2,616,356	1,083,351	-	3,699,707	13.71
2030	2031	26,986	0.0%	-	-	-	-	-	333,351	750,000	1,860,000	735,483	(104,654)	2,615,349	2,615,349	1,083,351	-	3,698,700	13.71
2031	2032	26,986	0.0%	-	-	-	-	-	333,351	750,000	1,940,000	656,413	(104,614)	2,616,388	2,616,388	1,083,351	-	3,699,739	13.71
2032	2033	26,986	0.0%	-	-	-	-	-	333,351	750,000	2,020,000	573,963	(104,656)	2,613,772	2,613,772	1,083,351	-	3,697,123	13.70
2033	2034	26,986	0.0%	-	-	-	-	-	333,351	750,000	2,110,000	488,113	(104,551)	2,618,240	2,618,240	1,083,351	-	3,701,591	13.72
2034	2035	26,986	0.0%	-	-	-	-	-	333,351	750,000	2,200,000	398,438	(104,730)	2,618,393	2,618,393	1,083,351	-	3,701,744	13.72
2035	2036	26,986	0.0%	-	-	-	-	-	333,351	750,000	2,290,000	304,938	(104,736)	2,614,712	2,614,712	1,083,351	-	3,698,063	13.70
2036	2037	26,986	0.0%	-	-	-	-	-	333,351	750,000	2,390,000	207,613	(104,588)	2,617,675	2,617,675	1,083,351	-	3,701,026	13.71
2037	2038	26,986	0.0%	-	-	-	-	-	333,351	750,000	2,495,000	106,038	(104,707)	2,621,147	2,621,147	1,083,351	-	3,704,498	13.73
2038	2039	26,986	0.0%	-	-	-	-	-	333,351	750,000	-	-	-	-	-	1,083,351	-	1,083,351	4.01
2039	2040	26,986	0.0%	-	-	-	-	-	333,351	750,000	-	-	-	-	-	1,083,351	-	1,083,351	4.01
2040	2041	26,986	0.0%	-	-	-	-	-	333,351	750,000	-	-	-	-	-	1,083,351	-	1,083,351	4.01
2041	2042	26,986	0.0%	-	-	-	-	-	333,351	750,000	-	-	-	-	-	1,083,351	-	1,083,351	4.01
2042	2043	26,986	0.0%	-	-	-	-	-	333,351	750,000	-	-	-	-	-	1,083,351	-	1,083,351	4.01
Totals				26,352,592	8,990,599	(1,956,547)	33,386,644		8,667,126	19,500,000	27,000,000	16,138,738	(1,545,673)	43,672,718	77,059,361	28,167,126	-	105,226,487	

1 Tax capacity value for taxes payable in 2017 is a preliminary figure from Rice County. Estimates for future years are based on the percentage changes as shown above.
 2 Initial debt service levies (prior to subtracting debt equalization aid) are set at 105 percent of the principal and interest payments during the next fiscal year.
 3 Debt excess adjustment for taxes payable in 2017 is the actual amount and for 2018 is a preliminary estimate based on the debt service fund balance as of June 30, 2016. Debt excess for future years is estimated at 4% of the prior year's initial debt service levy.
 4 Assumes that the capital project levy will be continued at the same dollar amount prior to expiring.

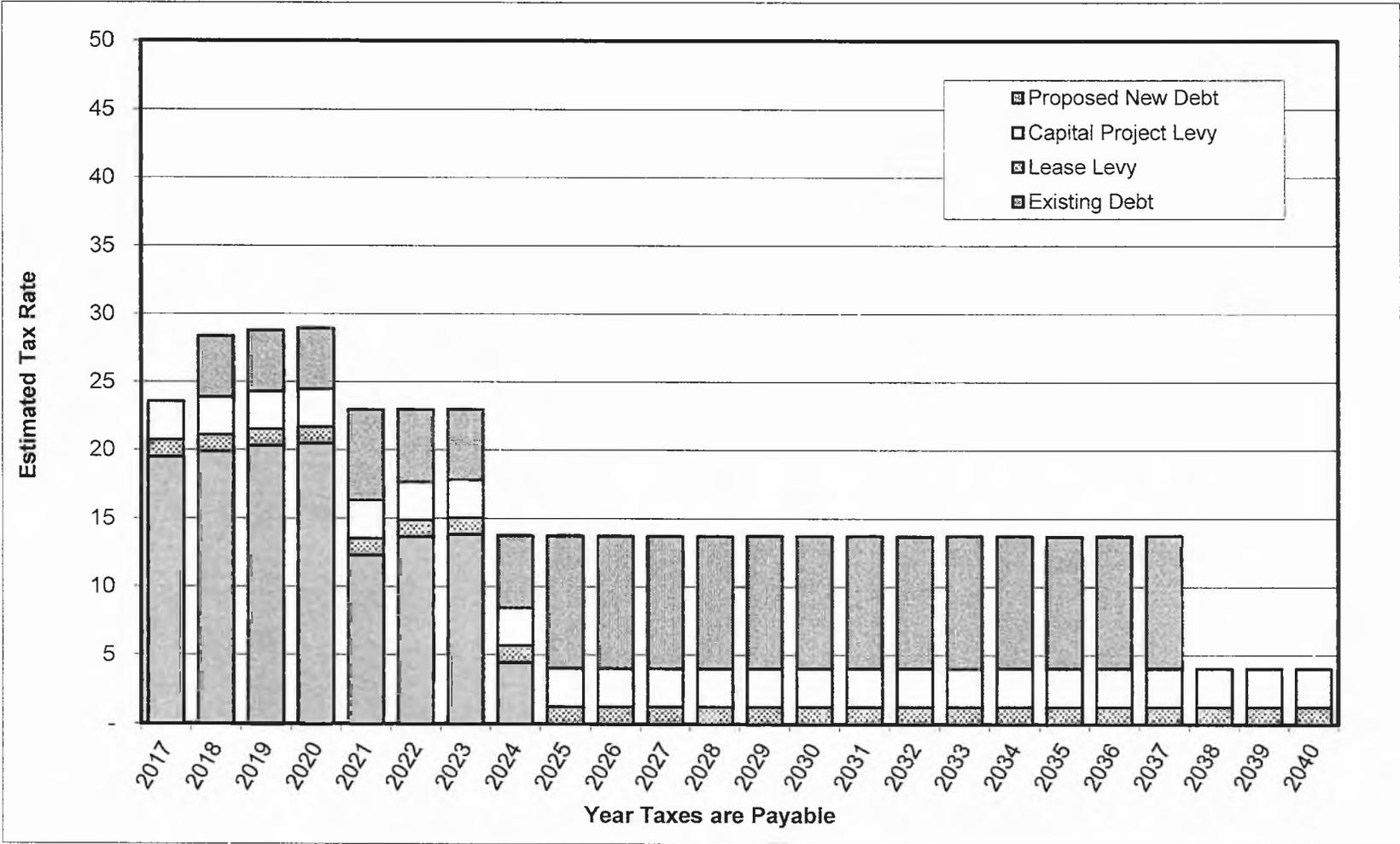


PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Northfield School District No. 659
 Estimated Tax Rates for Capital and Debt Service Levies
 Existing Commitments and Proposed New Debt

\$27,000,000 Bond Issue
 November 2017 Election
 20 Years; Wrapped Around Existing Debt

Date Prepared: February 1, 2017



PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Northfield School District No. 659

Estimated Payments and Tax Levies for Existing Debt and Proposed New Debt

\$77,000,000 Bond Issue
November 2017 Election
20 Years; Wrapped Around Existing Debt

Principal Amount:	\$77,000,000
Dated Date:	2/1/2018
Avg. Interest Rate:	4.25%

February 1, 2017

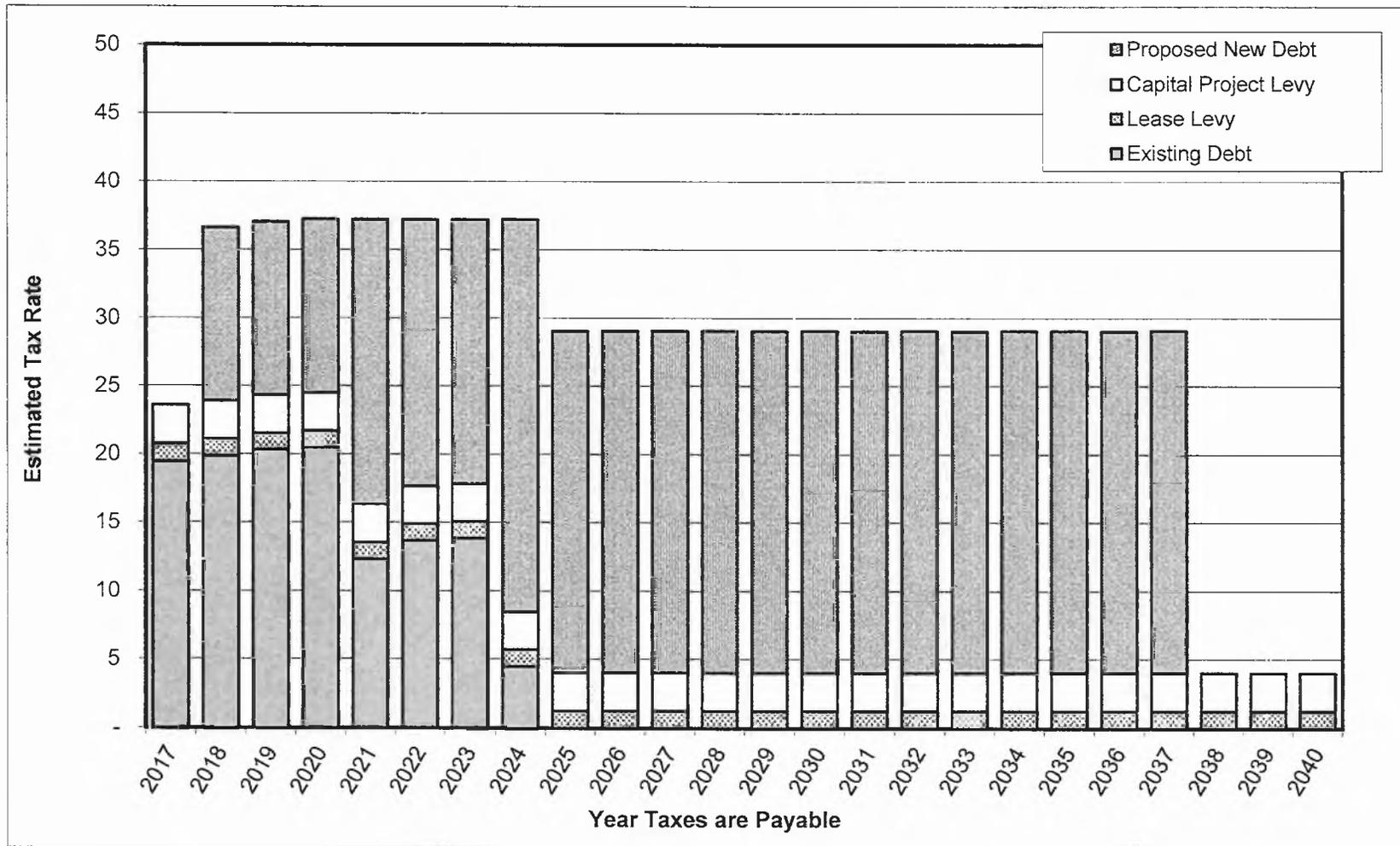
Levy	Pay. Year	Fiscal Year	Tax Capa- city Value ¹ (\$000s)	Existing Commitments					Other Levies		Proposed New Debt				Combined Totals				
				Building Bonds ²	Alt. Fac	Est Debt Excess ³	Net Levy	Tax Rate	Lease Levy	Capital Project Levy ⁴	Prncpal	Interest	Est. Debt Excess ³	Adjusted Debt Levy	Adjusted Debt Levy	Other Levies	State Debt Aid	Net Levy	Tax Rate
2017	2018	26,200	5.4%	4,656,638	959,044	(517,065)	5,098,617	19.46	333,351	750,000	-	-	-	5,098,617	1,083,351	-	6,181,968	23.60	
2018	2019	26,986	3.0%	4,660,943	1,004,745	(304,574)	5,361,114	19.87	333,351	750,000	-	3,272,500	3,436,125	8,797,239	1,083,351	-	9,880,590	36.61	
2019	2020	26,986	0.0%	4,659,053	1,044,330	(226,628)	5,476,756	20.29	333,351	750,000	-	3,272,500	3,436,125	8,912,881	1,083,351	-	9,996,232	37.04	
2020	2021	26,986	0.0%	4,661,468	1,089,060	(228,135)	5,522,393	20.46	333,351	750,000	-	3,272,500	3,436,125	8,958,518	1,083,351	-	10,041,869	37.21	
2021	2022	26,986	0.0%	2,415,728	1,132,530	(230,021)	3,318,237	12.30	333,351	750,000	2,240,000	3,272,500	(137,445)	5,643,808	8,962,045	1,083,351	-	10,045,396	37.22
2022	2023	26,986	0.0%	2,643,664	1,179,990	(141,930)	3,681,723	13.64	333,351	750,000	2,070,000	3,177,300	(225,752)	5,272,625	8,954,348	1,083,351	-	10,037,699	37.20
2023	2024	26,986	0.0%	2,555,096	1,226,085	(152,946)	3,728,234	13.82	333,351	750,000	2,100,000	3,089,325	(210,905)	5,227,341	8,955,575	1,083,351	-	10,038,926	37.20
2024	2025	26,986	0.0%	-	1,354,815	(155,247)	1,199,568	4.45	333,351	750,000	4,595,000	3,000,075	(209,094)	7,755,280	8,954,848	1,083,351	-	10,038,199	37.20
2025	2026	26,986	0.0%	-	-	-	-	-	333,351	750,000	3,940,000	2,804,788	(310,211)	6,756,305	6,756,305	1,083,351	-	7,839,656	29.05
2026	2027	26,986	0.0%	-	-	-	-	-	333,351	750,000	4,070,000	2,837,338	(270,252)	6,758,940	6,758,940	1,083,351	-	7,842,291	29.06
2027	2028	26,986	0.0%	-	-	-	-	-	333,351	750,000	4,245,000	2,464,363	(270,358)	6,760,955	6,760,955	1,083,351	-	7,844,306	29.07
2028	2029	26,986	0.0%	-	-	-	-	-	333,351	750,000	4,425,000	2,283,950	(270,438)	6,760,437	6,760,437	1,083,351	-	7,843,788	29.07
2029	2030	26,986	0.0%	-	-	-	-	-	333,351	750,000	4,610,000	2,095,888	(270,417)	6,757,244	6,757,244	1,083,351	-	7,840,595	29.05
2030	2031	26,986	0.0%	-	-	-	-	-	333,351	750,000	4,810,000	1,899,963	(270,290)	6,761,656	6,761,656	1,083,351	-	7,845,007	29.07
2031	2032	26,986	0.0%	-	-	-	-	-	333,351	750,000	5,010,000	1,695,538	(270,466)	6,756,825	6,756,825	1,083,351	-	7,840,176	29.05
2032	2033	26,986	0.0%	-	-	-	-	-	333,351	750,000	5,225,000	1,482,813	(270,273)	6,759,206	6,759,206	1,083,351	-	7,842,557	29.06
2033	2034	26,986	0.0%	-	-	-	-	-	333,351	750,000	5,445,000	1,260,550	(270,368)	6,756,941	6,756,941	1,083,351	-	7,840,292	29.05
2034	2035	26,986	0.0%	-	-	-	-	-	333,351	750,000	5,680,000	1,029,138	(270,278)	6,760,803	6,760,803	1,083,351	-	7,844,154	29.07
2035	2036	26,986	0.0%	-	-	-	-	-	333,351	750,000	5,920,000	787,738	(270,432)	6,759,171	6,759,171	1,083,351	-	7,842,522	29.06
2036	2037	26,986	0.0%	-	-	-	-	-	333,351	750,000	6,170,000	536,138	(270,367)	6,757,559	6,757,559	1,083,351	-	7,840,910	29.06
2037	2038	26,986	0.0%	-	-	-	-	-	333,351	750,000	6,445,000	273,913	(270,302)	6,771,041	6,771,041	1,083,351	-	7,854,392	29.11
2038	2039	26,986	0.0%	-	-	-	-	-	333,351	750,000	-	-	-	-	-	1,083,351	-	1,083,351	4.01
2039	2040	26,986	0.0%	-	-	-	-	-	333,351	750,000	-	-	-	-	-	1,083,351	-	1,083,351	4.01
2040	2041	26,986	0.0%	-	-	-	-	-	333,351	750,000	-	-	-	-	-	1,083,351	-	1,083,351	4.01
2041	2042	26,986	0.0%	-	-	-	-	-	333,351	750,000	-	-	-	-	-	1,083,351	-	1,083,351	4.01
2042	2043	26,986	0.0%	-	-	-	-	-	333,351	750,000	-	-	-	-	-	1,083,351	-	1,083,351	4.01
Totals				26,352,592	8,990,599	(1,956,547)	33,386,644		8,667,126	19,500,000	77,000,000	43,808,613	(4,337,649)	122,084,512	155,471,155	28,167,126	-	183,638,281	

- 1 Tax capacity value for taxes payable in 2017 is a preliminary figure from Rice County. Estimates for future years are based on the percentage changes as shown above.
- 2 Initial debt service levies (prior to subtracting debt equalization aid) are set at 105 percent of the principal and interest payments during the next fiscal year.
- 3 Debt excess adjustment for taxes payable in 2017 is the actual amount and for 2018 is a preliminary estimate based on the debt service fund balance as of June 30, 2016. Debt excess for future years is estimated at 4% of the prior year's initial debt service levy.
- 4 Assumes that the capital project levy will be continued at the same dollar amount prior to expiring.

Northfield School District No. 659
Estimated Tax Rates for Capital and Debt Service Levies
Existing Commitments and Proposed New Debt

\$77,000,000 Bond Issue
November 2017 Election
20 Years; Wrapped Around Existing Debt

Date Prepared: February 1, 2017



PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Northfield School District No. 659

Estimated Payments and Tax Levies for Existing Debt and Proposed New Debt

\$106,000,000 Bond Issue
November 2017 Election
20 Years; Wrapped Around Existing Debt

Principal Amount:	\$106,000,000
Dated Date:	2/1/2018
Avg. Interest Rate:	4.25%

February 1, 2017

Levy	Tax Capa-	Existing Commitments					Other Levies		Proposed New Debt				Combined Totals							
		Pay. Year	Fiscal Year	city Value ¹ (\$000s)	Building Bonds ²	Alt. Fac	Est. Debt Excess ³	Net Levy	Tax Rate	Lease Levy	Capital Project ⁴	Principal	Interest	Est Debt Excess ³	Adjusted Debt Levy	Adjusted Debt Levy	Other Levies	State Debt Aid	Net Levy	Tax Rate
2017	2018	26,200	5.4%	4,656,638	959,044	(517,065)	5,098,617	19.46	333,351	750,000	-	-	-	-	5,098,617	1,083,351	-	-	6,181,968	23.60
2018	2019	26,986	3.0%	4,660,943	1,004,745	(304,574)	5,361,114	19.87	333,351	750,000	-	4,505,000	-	4,730,250	10,091,364	1,083,351	-	-	11,174,715	41.41
2019	2020	26,986	0.0%	4,859,053	1,044,330	(226,628)	5,476,756	20.29	333,351	750,000	-	4,505,000	-	4,730,250	10,207,006	1,083,351	(114,774)	-	11,175,583	41.41
2020	2021	26,986	0.0%	4,661,468	1,089,060	(228,135)	5,522,393	20.46	333,351	750,000	-	4,505,000	-	4,730,250	10,252,643	1,083,351	(109,466)	-	11,226,528	41.60
2021	2022	26,986	0.0%	2,415,728	1,132,530	(230,021)	3,318,237	12.30	333,351	750,000	2,275,000	4,505,000	(189,210)	6,920,330	10,238,567	1,083,351	(96,658)	-	11,225,259	41.60
2022	2023	26,986	0.0%	2,643,664	1,179,990	(141,930)	3,681,723	13.64	333,351	750,000	2,085,000	4,408,313	(276,813)	6,527,324	10,209,048	1,083,351	(68,790)	-	11,223,608	41.59
2023	2024	26,986	0.0%	2,655,096	1,226,085	(152,946)	3,728,234	13.82	333,351	750,000	2,095,000	4,319,700	(261,093)	6,461,287	10,189,522	1,083,351	(49,399)	-	11,223,474	41.59
2024	2025	26,986	0.0%	-	1,354,815	(155,247)	1,199,568	4.45	333,351	750,000	4,560,000	4,230,663	(258,451)	8,958,822	10,158,389	1,083,351	(16,537)	-	11,225,203	41.60
2025	2026	26,986	0.0%	-	-	-	-	-	333,351	750,000	5,595,000	4,036,863	(358,353)	9,737,185	9,737,185	1,083,351	(402,417)	-	10,418,120	38.61
2026	2027	26,986	0.0%	-	-	-	-	-	333,351	750,000	5,865,000	3,799,075	(389,487)	9,738,317	9,738,317	1,083,351	(402,621)	-	10,419,047	38.61
2027	2028	26,986	0.0%	-	-	-	-	-	333,351	750,000	6,115,000	3,549,813	(389,533)	9,739,044	9,739,044	1,083,351	(402,753)	-	10,419,642	38.61
2028	2029	26,986	0.0%	-	-	-	-	-	333,351	750,000	6,375,000	3,289,925	(389,562)	9,739,131	9,739,131	1,083,351	(402,769)	-	10,419,714	38.61
2029	2030	26,986	0.0%	-	-	-	-	-	333,351	750,000	6,645,000	3,018,988	(389,565)	9,738,143	9,738,143	1,083,351	(402,590)	-	10,418,904	38.61
2030	2031	26,986	0.0%	-	-	-	-	-	333,351	750,000	6,925,000	2,736,575	(389,526)	9,735,652	9,735,652	1,083,351	(402,139)	-	10,416,864	38.60
2031	2032	26,986	0.0%	-	-	-	-	-	333,351	750,000	7,220,000	2,442,263	(389,426)	9,736,478	9,736,478	1,083,351	(402,289)	-	10,417,541	38.60
2032	2033	26,986	0.0%	-	-	-	-	-	333,351	750,000	7,530,000	2,135,413	(389,459)	9,739,751	9,739,751	1,083,351	(402,981)	-	10,420,221	38.61
2033	2034	26,986	0.0%	-	-	-	-	-	333,351	750,000	7,850,000	1,815,388	(389,590)	9,739,587	9,739,587	1,083,351	(402,551)	-	10,420,087	38.61
2034	2035	26,986	0.0%	-	-	-	-	-	333,351	750,000	8,180,000	1,481,763	(389,583)	9,735,788	9,735,788	1,083,351	(402,164)	-	10,416,975	38.60
2035	2036	26,986	0.0%	-	-	-	-	-	333,351	750,000	8,530,000	1,134,113	(389,432)	9,738,415	9,738,415	1,083,351	(402,639)	-	10,419,127	38.61
2036	2037	26,986	0.0%	-	-	-	-	-	333,351	750,000	8,890,000	771,588	(389,537)	9,735,653	9,735,653	1,083,351	(402,139)	-	10,416,865	38.60
2037	2038	26,986	0.0%	-	-	-	-	-	333,351	750,000	9,265,000	393,763	(389,426)	9,732,803	9,732,803	1,083,351	(401,624)	-	10,414,530	38.59
2038	2039	26,986	0.0%	-	-	-	-	-	333,351	750,000	-	-	-	-	-	1,083,351	-	-	1,083,351	4.01
2039	2040	26,986	0.0%	-	-	-	-	-	333,351	750,000	-	-	-	-	-	1,083,351	-	-	1,083,351	4.01
2040	2041	26,986	0.0%	-	-	-	-	-	333,351	750,000	-	-	-	-	-	1,083,351	-	-	1,083,351	4.01
2041	2042	26,986	0.0%	-	-	-	-	-	333,351	750,000	-	-	-	-	-	1,083,351	-	-	1,083,351	4.01
2042	2043	26,986	0.0%	-	-	-	-	-	333,351	750,000	-	-	-	-	-	1,083,351	-	-	1,083,351	4.01
Totals				26,352,592	8,990,599	(1,956,547)	33,386,644		8,667,126	19,500,000	106,000,000	61,584,200	(6,018,046)	169,644,461	203,031,105	28,167,126	(5,687,500)		225,510,731	

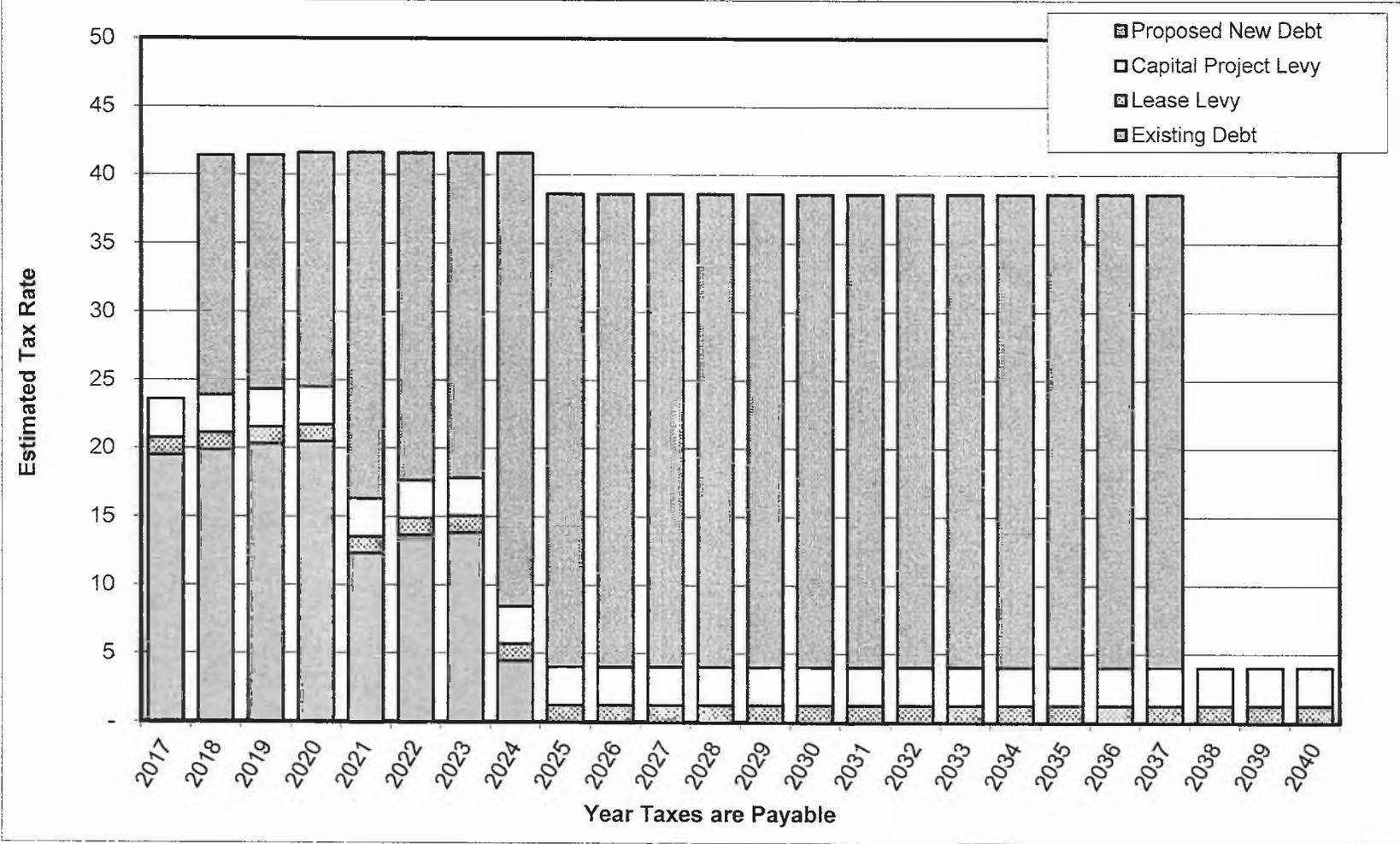
1 Tax capacity value for taxes payable in 2017 is a preliminary figure from Rice County. Estimates for future years are based on the percentage changes as shown above.
 2 Initial debt service levies (prior to subtracting debt equalization aid) are set at 105 percent of the principal and interest payments during the next fiscal year.
 3 Debt excess adjustment for taxes payable in 2017 is the actual amount and for 2018 is a preliminary estimate based on the debt service fund balance as of June 30, 2016. Debt excess for future years is estimated at 4% of the prior year's initial debt service levy.
 4 Assumes that the capital project levy will be continued at the same dollar amount prior to expiring.

PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Northfield School District No. 659
Estimated Tax Rates for Capital and Debt Service Levies
Existing Commitments and Proposed New Debt

\$106,000,000 Bond Issue
November 2017 Election
20 Years; Wrapped Around Existing Debt

Date Prepared: February 1, 2017



PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Northfield School District No. 659

Analysis of Tax Impact for Potential Bond Issue

November 2017 Election

February 2, 2017

Bond Issue Amount	\$27,000,000	\$77,000,000	\$106,000,000
Number of Years	20	20	20
Estimate Tax Levy Payable in 2018	\$1,204,875	\$3,436,125	\$4,730,250
Estimated Tax Rate	4.46%	12.73%	17.53%

Type of Property	Estimated Market Value	Estimated Tax Impact, Payable 2018*		
Residential Homestead	\$100,000	\$32	\$91	\$126
	125,000	44	126	174
	150,000	56	161	221
	175,000	69	195	269
	200,000	81	230	317
	250,000	105	300	412
	300,000	129	369	508
	350,000	154	438	603
	400,000	178	508	699
Commercial/Industrial +	500,000	\$190	\$541	\$745
	1,000,000	413	1,178	1,621
	2,000,000	859	2,451	3,374
	2,000,000	1,752	4,998	6,880
Apartments	\$200,000	\$112	\$318	\$438
	500,000	279	796	1,096
	1,000,000	558	1,592	2,191
Agricultural Homestead **	2,000,000	1,116	3,183	4,382
	\$500,000	\$135	\$384	\$528
	750,000	190	543	747
	1,000,000	246	702	966
Agricultural Non-Homestead (dollars per acre)	2,000,000	469	1,339	1,843
	\$4,000	\$1.79	\$5.09	\$7.01
	5,000	2.23	6.37	8.76
	6,000	2.68	7.64	10.52
	7,000	3.13	8.91	12.27
	8,000	3.57	10.19	14.02

* The estimated tax impact includes principal and interest payments on the new bonds. The figures in the table are based on school district taxes for bonded debt levies only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net effect of the proposed bond issue for many property owners.

+ For commercial-industrial property, the tax impact estimates above are for property in Rice and Goodhue counties. For commercial-industrial property in Dakota county, the tax impact of the bond issue would be less than shown above, due to the impact of the Twin Cities Fiscal Disparities program.

** For agricultural homestead property, a value of \$150,000 was assumed for the house, garage, and one acre.



The Basic Formula Has Not Kept Up With Inflation

The basic formula provides the majority of the funding that districts receive from the state

