

Northfield Public Schools Board of Education  
April 19, 2017 Work Session  
Agenda

1. Brief review of previous work sessions
2. Outline of possible referendum question structures
3. Review of potential bond schedules and tax impact
4. Discussion of possible referendum question structures and potential bond schedules and tax impact
5. Next steps

**Vision:** “We will prepare every student for lifelong success within a world-class learning environment with a commitment to community partnerships and sustainability.”

**Strategic Plan Near-term priority alignment:** “Spaces that are modern, innovative, creative and flexible.”

**Definition of Terms**

- **Operating Levy:** A voter-approved levy that appropriates additional revenue per pupil unit that can be used in the same way general fund dollars can be used. Operating levies are limited to a term of 10-years in Minnesota and can be proposed to the voters in a way that includes an automatic inflationary escalator.
- **Bond Referendum:** A voter approved bond referendum allows the school district to borrow the necessary funds to pay for construction of new facilities and/or to remodel existing facilities.
- **Contingent Referendum Questions:** Making a referendum contingent requires passage of one ballot question in order for (a) subsequent ballot question(s). By way of example: A referendum ballot with two questions could indicate that Question 1 must pass in order for Question 2 to pass. If voters pass Question 1, but Question 2 fails, Question 1 still passes. If voters pass Question 2, but Question 1 fails, Question 2 fails as well. If voters pass Question 1 and Question 2 also passes, both questions pass.

**Potential Referendum Questions.** The following matrix includes four scenarios the Board could consider when determining how to structure referendum questions that include an extension and expansion of the current operating levy and both identified ‘Next Projects’ included in the Master Facilities Plan.

| <b>Potential Referendum Question Matrix</b> |  |
|---|--|
| <b>Item #</b>                               | <b>Question structure</b>  |
| 1   | Two questions on ballot: <ul style="list-style-type: none"> <li>● Q1: Increasing operating levy to the state maximum (currently a \$470 increase over our current operating levy of \$1,466.94) for 10-years with the inflationary escalator.</li> <li>● Q2 (contingent on passing the first question): Bond referendum question that includes both the Elementary and High School projects on one question (Total \$106 million)</li> </ul>                                       |
| 2   | Three questions on ballot with <b>non-contingent</b> bond referendum questions. <ul style="list-style-type: none"> <li>● Q1: Increasing operating levy to the state maximum for 10-years with the inflationary escalator. This must pass for either of the other two projects to pass.</li> <li>● Q2: Elementary Project (non-contingent on passage of the High School project)</li> <li>● Q3 High School Project (non-contingent on passage of the Elementary project)</li> </ul> |
| 3   | Three questions on ballot with High School bond project <b>contingent</b> on the passing of the Elementary bond project. <ul style="list-style-type: none"> <li>● Q1: Increasing operating levy to the state maximum for 10-years with the inflationary escalator. This must pass in order for the bond referendum to pass.</li> <li>● Q2: Elementary Project</li> <li>● Q3 High School Project (<b>contingent</b> on passage of the Elementary project)</li> </ul>                |
| 4   | Three questions on ballot with Elementary bond project <b>contingent</b> on the passing of the High School bond project. <ul style="list-style-type: none"> <li>● Q1: Increasing operating levy to the state maximum for 10 years with the inflationary escalator. This must pass in order for the bond referendum to pass.</li> <li>● Q2: High School Project</li> <li>● Q3 Elementary Project (<b>contingent</b> on passage of the High School project)</li> </ul>               |

**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: | 4.00%         |

April 10, 2017

| Levy<br>Pay.<br>Year | Fiscal<br>Year | Tax Capa-<br>city Value <sup>1</sup><br>(\$000s) |          | Existing Commitments             |                  |                    |                   |                                      | Other Levies     |                   | Proposed New Debt                |                       |                       |                    | Combined Totals    |                   |                    |                    |       |
|----------------------|----------------|--|----------|----------------------------------|------------------|--------------------|-------------------|--------------------------------------|------------------|-------------------|----------------------------------|-----------------------|-----------------------|--------------------|--------------------|-------------------|--------------------|--------------------|-------|
|                      |                | Building<br>Bonds <sup>2</sup>                   | Alt. Fac | Est. Debt<br>Excess <sup>3</sup> | Net<br>Levy      | Tax<br>Rate        | Lease<br>Levy     | Capital Project<br>Levy <sup>4</sup> | Principal        | Interest          | Est. Debt<br>Excess <sup>3</sup> | Adjusted<br>Debt Levy | Adjusted<br>Debt Levy | Other<br>Levies    | State<br>Debt Aid  | Net<br>Levy       | Tax<br>Rate        |                    |       |
| 2017                 | 2018           | 26,385   | 6.2%     | 4,656,638                        | 959,044          | (517,065)          | 5,098,617         | 19.32                                | 333,351          | 750,000           | -                                | -                     | -                     | 5,098,617          | 1,083,351          | -                 | 6,181,968          | 23.43              |       |
| 2018                 | 2019           | 27,045   | 2.5%     | 4,660,943                        | 1,004,745        | (304,574)          | 5,361,114         | 19.82                                | 333,351          | 750,000           | -                                | 4,240,000             | 5                     | 4,397,400          | 9,758,514          | 1,083,351         | -                  | 10,841,865         | 40.09 |
| 2019                 | 2020           | 27,315   | 1.0%     | 4,659,053                        | 1,044,330        | (226,628)          | 5,476,756         | 20.05                                | 333,351          | 750,000           | -                                | 4,240,000             | -                     | 4,452,000          | 9,928,756          | 1,083,351         | (61,888)           | 10,950,219         | 40.09 |
| 2020                 | 2021           | 27,589   | 1.0%     | 4,661,468                        | 1,089,060        | (228,135)          | 5,522,393         | 20.02                                | 333,351          | 750,000           | -                                | 4,240,000             | -                     | 4,452,000          | 9,974,393          | 1,083,351         | (40,191)           | 11,017,553         | 39.94 |
| 2021                 | 2022           | 27,589   | 0.0%     | 2,415,728                        | 1,132,530        | (230,021)          | 3,318,237         | 12.03                                | 333,351          | 750,000           | 2,245,000                        | 4,240,000             | (178,080)             | 6,631,170          | 9,949,407          | 1,083,351         | (12,590)           | 11,020,169         | 39.94 |
| 2022                 | 2023           | 27,589   | 0.0%     | 2,643,664                        | 1,179,990        | (141,930)          | 3,681,723         | 13.35                                | 333,351          | 750,000           | 2,055,000                        | 4,150,200             | (265,247)             | 6,250,213          | 9,931,937          | 1,083,351         | -                  | 11,015,288         | 39.93 |
| 2023                 | 2024           | 27,589   | 0.0%     | 2,655,096                        | 1,226,085        | (152,946)          | 3,728,234         | 13.51                                | 333,351          | 750,000           | 2,080,000                        | 4,068,000             | (250,009)             | 6,205,391          | 9,933,626          | 1,083,351         | -                  | 11,016,977         | 39.93 |
| 2024                 | 2025           | 27,589   | 0.0%     | -                                | 1,354,815        | (155,247)          | 1,199,568         | 4.35                                 | 333,351          | 750,000           | 4,570,000                        | 3,984,800             | (248,216)             | 8,734,324          | 9,933,892          | 1,083,351         | -                  | 11,017,243         | 39.93 |
| 2025                 | 2026           | 27,589   | 0.0%     | -                                | -                | -                  | -                 | -                                    | 333,351          | 750,000           | 5,685,000                        | 3,802,000             | (349,373)             | 9,611,977          | 9,611,977          | 1,083,351         | (314,092)          | 10,381,236         | 37.63 |
| 2026                 | 2027           | 27,589   | 0.0%     | -                                | -                | -                  | -                 | -                                    | 333,351          | 750,000           | 5,945,000                        | 3,574,600             | (384,479)             | 9,611,101          | 9,611,101          | 1,083,351         | (313,949)          | 10,380,503         | 37.63 |
| 2027                 | 2028           | 27,589   | 0.0%     | -                                | -                | -                  | -                 | -                                    | 333,351          | 750,000           | 6,185,000                        | 3,336,800             | (384,444)             | 9,613,446          | 9,613,446          | 1,083,351         | (314,331)          | 10,382,466         | 37.63 |
| 2028                 | 2029           | 27,589   | 0.0%     | -                                | -                | -                  | -                 | -                                    | 333,351          | 750,000           | 6,435,000                        | 3,089,400             | (384,538)             | 9,616,082          | 9,616,082          | 1,083,351         | (314,759)          | 10,384,674         | 37.64 |
| 2029                 | 2030           | 27,589   | 0.0%     | -                                | -                | -                  | -                 | -                                    | 333,351          | 750,000           | 6,690,000                        | 2,832,000             | (384,643)             | 9,613,457          | 9,613,457          | 1,083,351         | (314,332)          | 10,382,475         | 37.63 |
| 2030                 | 2031           | 27,589   | 0.0%     | -                                | -                | -                  | -                 | -                                    | 333,351          | 750,000           | 6,960,000                        | 2,564,400             | (384,538)             | 9,616,082          | 9,616,082          | 1,083,351         | (314,759)          | 10,384,674         | 37.64 |
| 2031                 | 2032           | 27,589   | 0.0%     | -                                | -                | -                  | -                 | -                                    | 333,351          | 750,000           | 7,235,000                        | 2,286,000             | (384,643)             | 9,612,407          | 9,612,407          | 1,083,351         | (314,162)          | 10,381,596         | 37.63 |
| 2032                 | 2033           | 27,589   | 0.0%     | -                                | -                | -                  | -                 | -                                    | 333,351          | 750,000           | 7,525,000                        | 1,996,600             | (384,496)             | 9,613,184          | 9,613,184          | 1,083,351         | (314,288)          | 10,382,247         | 37.63 |
| 2033                 | 2034           | 27,589   | 0.0%     | -                                | -                | -                  | -                 | -                                    | 333,351          | 750,000           | 7,825,000                        | 1,695,600             | (384,527)             | 9,612,103          | 9,612,103          | 1,083,351         | (314,112)          | 10,381,341         | 37.63 |
| 2034                 | 2035           | 27,589   | 0.0%     | -                                | -                | -                  | -                 | -                                    | 333,351          | 750,000           | 8,140,000                        | 1,362,600             | (384,484)             | 9,614,246          | 9,614,246          | 1,083,351         | (314,461)          | 10,383,136         | 37.64 |
| 2035                 | 2036           | 27,589   | 0.0%     | -                                | -                | -                  | -                 | -                                    | 333,351          | 750,000           | 8,465,000                        | 1,057,000             | (384,570)             | 9,613,530          | 9,613,530          | 1,083,351         | (314,344)          | 10,382,537         | 37.63 |
| 2036                 | 2037           | 27,589   | 0.0%     | -                                | -                | -                  | -                 | -                                    | 333,351          | 750,000           | 8,805,000                        | 718,400               | (384,541)             | 9,615,029          | 9,615,029          | 1,083,351         | (314,588)          | 10,383,792         | 37.64 |
| 2037                 | 2038           | 27,589   | 0.0%     | -                                | -                | -                  | -                 | -                                    | 333,351          | 750,000           | 9,155,000                        | 366,200               | (384,601)             | 9,612,659          | 9,612,659          | 1,083,351         | (314,203)          | 10,381,807         | 37.63 |
| 2038                 | 2039           | 27,589   | 0.0%     | -                                | -                | -                  | -                 | -                                    | 333,351          | 750,000           | -                                | -                     | -                     | -                  | -                  | 1,083,351         | -                  | 1,083,351          | 3.93  |
| 2039                 | 2040           | 27,589   | 0.0%     | -                                | -                | -                  | -                 | -                                    | 333,351          | 750,000           | -                                | -                     | -                     | -                  | -                  | 1,083,351         | -                  | 1,083,351          | 3.93  |
| 2040                 | 2041           | 27,589   | 0.0%     | -                                | -                | -                  | -                 | -                                    | 333,351          | 750,000           | -                                | -                     | -                     | -                  | -                  | 1,083,351         | -                  | 1,083,351          | 3.93  |
| 2041                 | 2042           | 27,589   | 0.0%     | -                                | -                | -                  | -                 | -                                    | 333,351          | 750,000           | -                                | -                     | -                     | -                  | -                  | 1,083,351         | -                  | 1,083,351          | 3.93  |
| 2042                 | 2043           | 27,589   | 0.0%     | -                                | -                | -                  | -                 | -                                    | 333,351          | 750,000           | -                                | -                     | -                     | -                  | -                  | 1,083,351         | -                  | 1,083,351          | 3.93  |
| <b>Totals</b>        |                |  |          | <b>26,352,592</b>                | <b>8,990,599</b> | <b>(1,956,547)</b> | <b>33,386,644</b> |                                      | <b>8,667,126</b> | <b>19,500,000</b> | <b>106,000,000</b>               | <b>57,864,600</b>     | <b>(5,905,430)</b>    | <b>166,097,800</b> | <b>199,484,444</b> | <b>28,167,126</b> | <b>(4,201,049)</b> | <b>223,450,521</b> |       |

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.

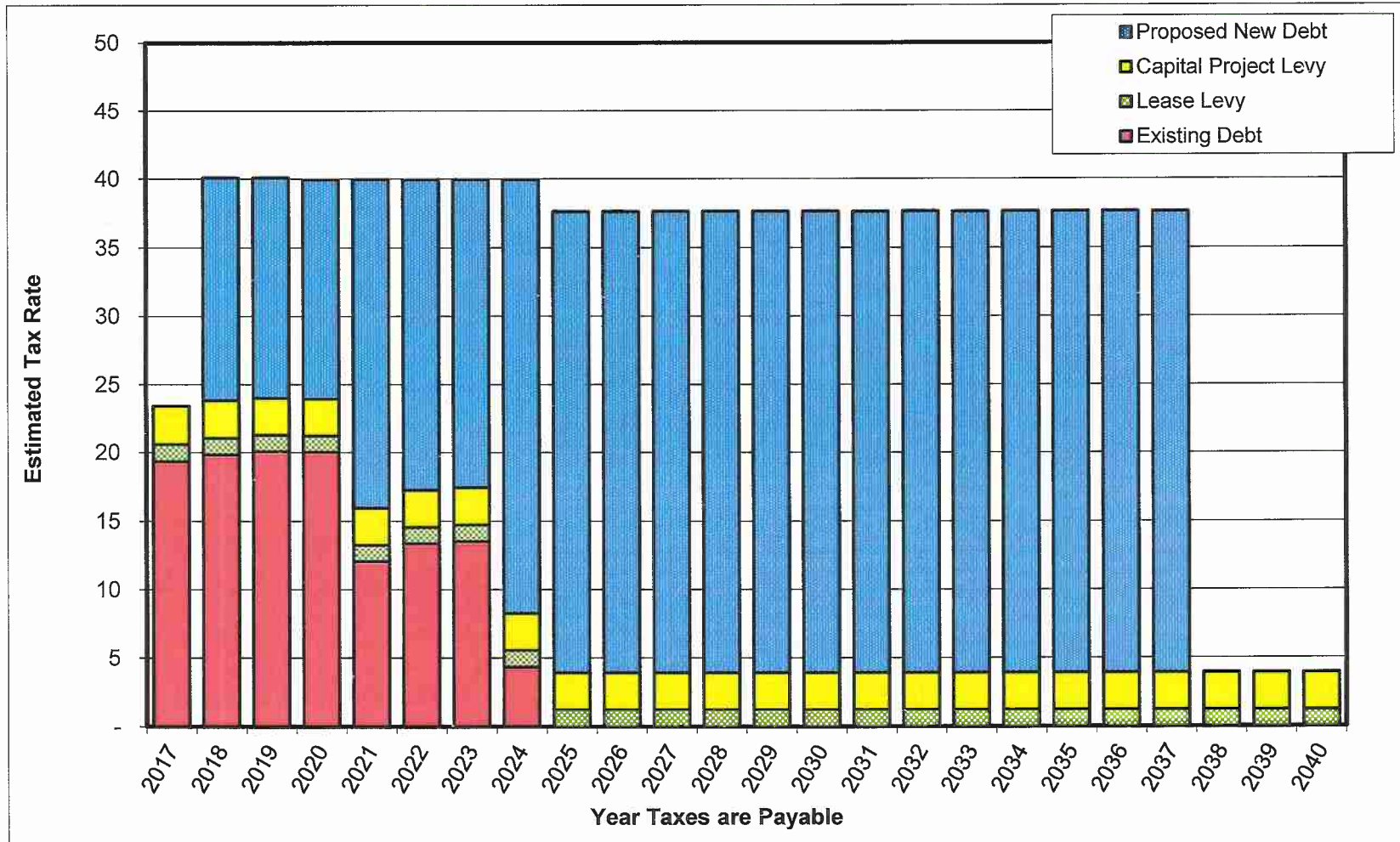


**PRELIMINARY INFORMATION - FOR DISCUSSION ONLY**

**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: April 10, 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 Building Program**  
**November 2017 Election; 25 Years**  
**2 Bond Sales; Wrapped Around Existing Debt**

|                     |                             |                              |
|---------------------|-----------------------------|------------------------------|
| Principal Amount:   | First Issue<br>\$65,000,000 | Second Issue<br>\$41,000,000 |
| Dated Date:         | 2/1/2018                    | 5/1/2020                     |
| Avg. Interest Rate: | 4.20%                       | 4.20%                        |

April 10, 2017

| Levy Year     | Fiscal Year | Tax Capacity Value <sup>1</sup><br>(\$000s) | Existing Commitments        |                   |                               |                    |                   | Other Levies |                                   | Proposed New Debt |                    |                               |                    | Combined Totals    |                    |                   |                    |                    |       |
|---------------|-------------|---|-----------------------------|-------------------|-------------------------------|--------------------|-------------------|--------------|-----------------------------------|-------------------|--------------------|-------------------------------|--------------------|--------------------|--------------------|-------------------|--------------------|--------------------|-------|
|               |             |   | Building Bonds <sup>2</sup> | Alt. Fac          | Est. Debt Excess <sup>3</sup> | Net Levy           | Tax Rate          | Lease Levy   | Capital Project Levy <sup>4</sup> | Principal         | Interest           | Est. Debt Excess <sup>3</sup> | Adjusted Debt Levy | Adjusted Debt Levy | Other Levies       | State Debt Aid    | Net Levy           | Tax Rate           |       |
| 2017          | 2018        | 26,385                                      | 6.2%                        | 4,656,638         | 959,044                       | (517,065)          | 5,098,617         | 19.32        | 333,351                           | 750,000           | -                  | -                             | -                  | -                  | 5,098,617          | 1,083,351         | -                  | 6,181,968          | 23.43 |
| 2018          | 2019        | 27,045                                      | 2.5%                        | 4,660,943         | 1,004,745                     | (304,574)          | 5,361,114         | 19.82        | 333,351                           | 750,000           | -                  | 2,730,000                     | 2,866,500          | 8,227,614          | 1,083,351          | -                 | 9,310,965          | 34.43              |       |
| 2019          | 2020        | 27,315                                      | 1.0%                        | 4,659,053         | 1,044,330                     | (226,628)          | 5,476,756         | 20.05        | 333,351                           | 750,000           | -                  | 2,730,000                     | 2,866,500          | 8,343,256          | 1,083,351          | -                 | 9,426,607          | 34.51              |       |
| 2020          | 2021        | 27,589                                      | 1.0%                        | 4,661,468         | 1,089,060                     | (228,135)          | 5,522,393         | 20.02        | 333,351                           | 750,000           | -                  | 4,021,500 <sup>5</sup>        | 2,915,325          | 8,437,718          | 1,083,351          | -                 | 9,521,069          | 34.51              |       |
| 2021          | 2022        | 27,589                                      | 0.0%                        | 2,415,728         | 1,132,530                     | (230,021)          | 3,318,237         | 12.03        | 333,351                           | 750,000           | 535,000            | 4,452,000                     | (116,613)          | 5,119,737          | 8,437,974          | 1,083,351         | -                  | 9,521,325          | 34.51 |
| 2022          | 2023        | 27,589                                      | 0.0%                        | 2,643,664         | 1,179,990                     | (141,930)          | 3,681,723         | 13.35        | 333,351                           | 750,000           | 295,000            | 4,429,530                     | (204,769)          | 4,755,967          | 8,437,690          | 1,083,351         | -                  | 9,521,041          | 34.51 |
| 2023          | 2024        | 27,589                                      | 0.0%                        | 2,655,096         | 1,226,085                     | (152,946)          | 3,728,234         | 13.51        | 333,351                           | 750,000           | 250,000            | 4,417,140                     | (190,239)          | 4,710,258          | 8,438,493          | 1,083,351         | -                  | 9,521,844          | 34.51 |
| 2024          | 2025        | 27,589                                      | 0.0%                        | -                 | 1,354,815                     | (155,247)          | 1,199,568         | 4.35         | 333,351                           | 750,000           | 2,665,000          | 4,406,640                     | (188,410)          | 7,236,812          | 8,436,379          | 1,083,351         | -                  | 9,519,730          | 34.51 |
| 2025          | 2026        | 27,589                                      | 0.0%                        | -                 | -                             | -                  | -                 | -            | 333,351                           | 750,000           | 3,880,000          | 4,294,710                     | (289,472)          | 8,293,973          | 8,293,973          | 1,083,351         | (99,779)           | 9,277,545          | 33.63 |
| 2026          | 2027        | 27,589                                      | 0.0%                        | -                 | -                             | -                  | -                 | -            | 333,351                           | 750,000           | 4,080,000          | 4,131,750                     | (331,759)          | 8,290,579          | 8,290,579          | 1,083,351         | (99,227)           | 9,274,702          | 33.62 |
| 2027          | 2028        | 27,589                                      | 0.0%                        | -                 | -                             | -                  | -                 | -            | 333,351                           | 750,000           | 4,250,000          | 3,960,390                     | (331,623)          | 8,289,286          | 8,289,286          | 1,083,351         | (99,017)           | 9,273,620          | 33.61 |
| 2028          | 2029        | 27,589                                      | 0.0%                        | -                 | -                             | -                  | -                 | -            | 333,351                           | 750,000           | 4,430,000          | 3,781,890                     | (331,571)          | 8,290,913          | 8,290,913          | 1,083,351         | (99,282)           | 9,274,982          | 33.62 |
| 2029          | 2030        | 27,589                                      | 0.0%                        | -                 | -                             | -                  | -                 | -            | 333,351                           | 750,000           | 4,615,000          | 3,595,830                     | (331,637)          | 8,289,735          | 8,289,735          | 1,083,351         | (99,090)           | 9,273,996          | 33.62 |
| 2030          | 2031        | 27,589                                      | 0.0%                        | -                 | -                             | -                  | -                 | -            | 333,351                           | 750,000           | 4,810,000          | 3,402,000                     | (331,589)          | 8,291,011          | 8,291,011          | 1,083,351         | (99,298)           | 9,275,064          | 33.62 |
| 2031          | 2032        | 27,589                                      | 0.0%                        | -                 | -                             | -                  | -                 | -            | 333,351                           | 750,000           | 5,015,000          | 3,199,980                     | (331,640)          | 8,294,089          | 8,294,089          | 1,083,351         | (99,798)           | 9,277,642          | 33.63 |
| 2032          | 2033        | 27,589                                      | 0.0%                        | -                 | -                             | -                  | -                 | -            | 333,351                           | 750,000           | 5,225,000          | 2,989,350                     | (331,764)          | 8,293,304          | 8,293,304          | 1,083,351         | (99,670)           | 9,276,985          | 33.63 |
| 2033          | 2034        | 27,589                                      | 0.0%                        | -                 | -                             | -                  | -                 | -            | 333,351                           | 750,000           | 5,445,000          | 2,769,900                     | (331,732)          | 8,293,913          | 8,293,913          | 1,083,351         | (99,769)           | 9,277,494          | 33.63 |
| 2034          | 2035        | 27,589                                      | 0.0%                        | -                 | -                             | -                  | -                 | -            | 333,351                           | 750,000           | 5,670,000          | 2,541,210                     | (331,757)          | 8,290,014          | 8,290,014          | 1,083,351         | (99,135)           | 9,274,230          | 33.62 |
| 2035          | 2036        | 27,589                                      | 0.0%                        | -                 | -                             | -                  | -                 | -            | 333,351                           | 750,000           | 5,910,000          | 2,303,070                     | (331,601)          | 8,292,123          | 8,292,123          | 1,083,351         | (99,478)           | 9,275,996          | 33.62 |
| 2036          | 2037        | 27,589                                      | 0.0%                        | -                 | -                             | -                  | -                 | -            | 333,351                           | 750,000           | 6,160,000          | 2,054,850                     | (331,685)          | 8,293,908          | 8,293,908          | 1,083,351         | (99,769)           | 9,277,490          | 33.63 |
| 2037          | 2038        | 27,589                                      | 0.0%                        | -                 | -                             | -                  | -                 | -            | 333,351                           | 750,000           | 6,415,000          | 1,796,130                     | (331,756)          | 8,289,930          | 8,289,930          | 1,083,351         | (99,122)           | 9,274,159          | 33.62 |
| 2038          | 2039        | 27,589                                      | 0.0%                        | -                 | -                             | -                  | -                 | -            | 333,351                           | 750,000           | 6,685,000          | 1,526,700                     | (331,597)          | 8,290,688          | 8,290,688          | 1,083,351         | (99,245)           | 9,274,794          | 33.62 |
| 2039          | 2040        | 27,589                                      | 0.0%                        | -                 | -                             | -                  | -                 | -            | 333,351                           | 750,000           | 6,965,000          | 1,245,930                     | (331,628)          | 8,289,849          | 8,289,849          | 1,083,351         | (99,109)           | 9,274,091          | 33.62 |
| 2040          | 2041        | 27,589                                      | 0.0%                        | -                 | -                             | -                  | -                 | -            | 333,351                           | 750,000           | 7,260,000          | 953,400                       | (331,694)          | 8,292,476          | 8,292,476          | 1,083,351         | (99,536)           | 9,276,291          | 33.62 |
| 2041          | 2042        | 27,589                                      | 0.0%                        | -                 | -                             | -                  | -                 | -            | 333,351                           | 750,000           | 7,565,000          | 648,480                       | (331,699)          | 8,292,455          | 8,292,455          | 1,083,351         | (99,532)           | 9,276,274          | 33.62 |
| 2042          | 2043        | 27,589                                      | 0.0%                        | -                 | -                             | -                  | -                 | -            | 333,351                           | 750,000           | 7,875,000          | 330,750                       | (331,698)          | 8,284,339          | 8,284,339          | 1,083,351         | (98,213)           | 9,269,478          | 33.60 |
| <b>Totals</b> |             |   |                             | <b>26,352,592</b> | <b>8,990,599</b>              | <b>(1,956,547)</b> | <b>33,386,644</b> |              | <b>8,667,126</b>                  | <b>19,500,000</b> | <b>106,000,000</b> | <b>72,713,130</b>             | <b>(6,945,894)</b> | <b>179,379,740</b> | <b>212,766,384</b> | <b>28,167,126</b> | <b>(1,788,070)</b> | <b>239,145,440</b> |       |

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.  
5 These estimates assume that a portion of the payments due during fiscal year 2021 on the second bond issue, estimated at \$1,245,000, would be made from funds on hand or bond proceeds.



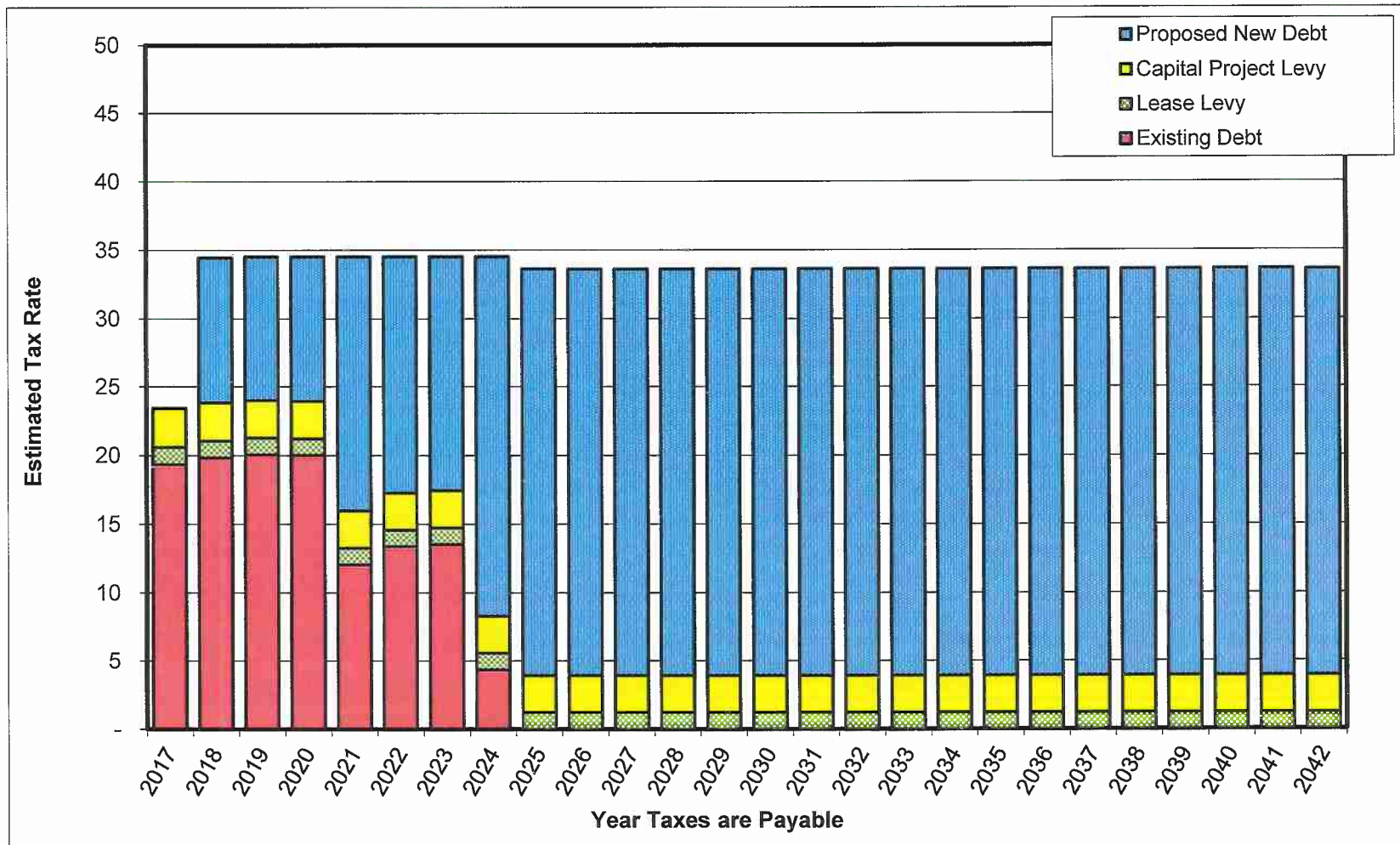


**PRELIMINARY INFORMATION - FOR DISCUSSION ONLY**

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

**\$106,000,000 Building Program**  
 November 2017 Election; 25 Years  
 2 Bond Sales; Wrapped Around Existing Debt

Date Prepared: April 10, 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 Building Program  
November 2017 Election; 30 Years  
2 Bond Sales; Wrapped Around Existing Debt**

|                     |                             |                              |
|---------------------|-----------------------------|------------------------------|
| Principal Amount:   | First Issue<br>\$65,000,000 | Second Issue<br>\$41,000,000 |
| Dated Date:         | 2/1/2018                    | 5/1/2020                     |
| Avg. Interest Rate: | 4.45%                       | 4.45%                        |

April 12, 2017

| Levy Year     | Fiscal Year | Tax Capacity Value <sup>1</sup><br>(\$000s) | Tax Rate | Existing Commitments        |                  |                               |                   |          | Other Levies      |                                   | Proposed New Debt  |                        |                               |                    | Combined Totals    |                   |                |                    |          |
|---------------|-------------|---|----------|-----------------------------|------------------|-------------------------------|-------------------|----------|-------------------|-----------------------------------|--------------------|------------------------|-------------------------------|--------------------|--------------------|-------------------|----------------|--------------------|----------|
|               |             |   |          | Building Bonds <sup>2</sup> | Alt. Fac         | Est. Debt Excess <sup>3</sup> | Net Levy          | Tax Rate | Lease Levy        | Capital Project Levy <sup>4</sup> | Principal          | Interest               | Est. Debt Excess <sup>3</sup> | Adjusted Debt Levy | Adjusted Debt Levy | Other Levies      | State Debt Aid | Net Levy           | Tax Rate |
| 2017          | 2018        | 26,385                                      | 6.2%     | 4,656,638                   | 959,044          | (517,065)                     | 5,098,617         | 19.32    | 333,351           | 750,000                           | -                  | -                      | -                             | -                  | 5,098,617          | 1,083,351         | -              | 6,181,968          | 23.43    |
| 2018          | 2019        | 27,045                                      | 2.5%     | 4,660,943                   | 1,004,745        | (304,574)                     | 5,361,114         | 19.82    | 333,351           | 750,000                           | -                  | 2,892,500              | 3,037,125                     | 8,398,239          | 1,083,351          | -                 | 9,481,590      | 35.06              |          |
| 2019          | 2020        | 27,315                                      | 1.0%     | 4,659,053                   | 1,044,330        | (226,628)                     | 5,476,756         | 20.05    | 333,351           | 750,000                           | -                  | 2,892,500              | 3,037,125                     | 8,513,881          | 1,083,351          | -                 | 9,597,232      | 35.13              |          |
| 2020          | 2021        | 27,589                                      | 1.0%     | 4,661,468                   | 1,089,060        | (228,135)                     | 5,522,393         | 20.02    | 333,351           | 750,000                           | -                  | 4,260,875 <sup>5</sup> | 3,084,769                     | 8,607,162          | 1,083,351          | -                 | 9,690,513      | 35.13              |          |
| 2021          | 2022        | 27,589                                      | 0.0%     | 2,415,728                   | 1,132,530        | (230,021)                     | 3,318,237         | 12.03    | 333,351           | 750,000                           | 440,000            | 4,717,000              | (123,391)                     | 5,291,459          | 8,609,697          | 1,083,351         | -              | 9,693,048          | 35.13    |
| 2022          | 2023        | 27,589                                      | 0.0%     | 2,643,664                   | 1,179,990        | (141,930)                     | 3,681,723         | 13.35    | 333,351           | 750,000                           | 195,000            | 4,697,420              | (211,658)                     | 4,925,383          | 8,607,106          | 1,083,351         | -              | 9,690,457          | 35.12    |
| 2023          | 2024        | 27,589                                      | 0.0%     | 2,655,096                   | 1,226,085        | (152,946)                     | 3,728,234         | 13.51    | 333,351           | 750,000                           | 145,000            | 4,688,743              | (197,015)                     | 4,878,414          | 8,606,649          | 1,083,351         | -              | 9,690,000          | 35.12    |
| 2024          | 2025        | 27,589                                      | 0.0%     | -                           | 1,354,815        | (155,247)                     | 1,199,568         | 4.35     | 333,351           | 750,000                           | 1,385,000          | 4,682,290              | (195,137)                     | 6,175,518          | 7,375,086          | 1,083,351         | -              | 8,458,437          | 30.66    |
| 2025          | 2026        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 2,640,000          | 4,620,658              | (247,021)                     | 7,376,670          | 7,376,670          | 1,083,351         | -              | 8,460,021          | 30.66    |
| 2026          | 2027        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 2,800,000          | 4,503,178              | (295,067)                     | 7,373,270          | 7,373,270          | 1,083,351         | -              | 8,456,621          | 30.65    |
| 2027          | 2028        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 2,925,000          | 4,378,578              | (294,931)                     | 7,373,826          | 7,373,826          | 1,083,351         | -              | 8,457,177          | 30.65    |
| 2028          | 2029        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 3,055,000          | 4,248,415              | (294,953)                     | 7,373,633          | 7,373,633          | 1,083,351         | -              | 8,456,984          | 30.65    |
| 2029          | 2030        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 3,190,000          | 4,112,488              | (294,945)                     | 7,372,646          | 7,372,646          | 1,083,351         | -              | 8,455,997          | 30.65    |
| 2030          | 2031        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 3,335,000          | 3,970,513              | (294,906)                     | 7,375,882          | 7,375,882          | 1,083,351         | -              | 8,459,233          | 30.66    |
| 2031          | 2032        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 3,485,000          | 3,822,105              | (295,035)                     | 7,377,425          | 7,377,425          | 1,083,351         | -              | 8,460,776          | 30.67    |
| 2032          | 2033        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 3,640,000          | 3,667,023              | (295,097)                     | 7,377,277          | 7,377,277          | 1,083,351         | -              | 8,460,628          | 30.67    |
| 2033          | 2034        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 3,800,000          | 3,505,043              | (295,091)                     | 7,375,204          | 7,375,204          | 1,083,351         | -              | 8,458,555          | 30.66    |
| 2034          | 2035        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 3,970,000          | 3,335,943              | (295,008)                     | 7,376,231          | 7,376,231          | 1,083,351         | -              | 8,459,582          | 30.66    |
| 2035          | 2036        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 4,145,000          | 3,159,278              | (295,049)                     | 7,374,442          | 7,374,442          | 1,083,351         | -              | 8,457,793          | 30.66    |
| 2036          | 2037        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 4,330,000          | 2,974,825              | (294,978)                     | 7,375,089          | 7,375,089          | 1,083,351         | -              | 8,458,440          | 30.66    |
| 2037          | 2038        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 4,525,000          | 2,782,140              | (295,004)                     | 7,377,493          | 7,377,493          | 1,083,351         | -              | 8,460,844          | 30.67    |
| 2038          | 2039        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 4,725,000          | 2,580,778              | (295,100)                     | 7,375,967          | 7,375,967          | 1,083,351         | -              | 8,459,318          | 30.66    |
| 2039          | 2040        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 4,935,000          | 2,370,515              | (295,039)                     | 7,375,752          | 7,375,752          | 1,083,351         | -              | 8,459,103          | 30.66    |
| 2040          | 2041        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 5,155,000          | 2,150,908              | (295,030)                     | 7,376,173          | 7,376,173          | 1,083,351         | -              | 8,459,524          | 30.66    |
| 2041          | 2042        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 5,385,000          | 1,921,510              | (295,047)                     | 7,376,789          | 7,376,789          | 1,083,351         | -              | 8,460,140          | 30.67    |
| 2042          | 2043        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 5,625,000          | 1,681,878              | (295,072)                     | 7,377,150          | 7,377,150          | 1,083,351         | -              | 8,460,501          | 30.67    |
| 2043          | 2044        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 5,885,000          | 1,431,565              | (295,086)                     | 7,372,553          | 7,372,553          | 1,083,351         | -              | 8,455,904          | 30.65    |
| 2044          | 2045        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 6,150,000          | 1,169,683              | (294,902)                     | 7,376,019          | 7,376,019          | 1,083,351         | -              | 8,459,370          | 30.66    |
| 2045          | 2046        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 6,420,000          | 896,008                | (295,041)                     | 7,372,015          | 7,372,015          | 1,083,351         | -              | 8,455,366          | 30.65    |
| 2046          | 2047        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 6,705,000          | 610,318                | (294,881)                     | 7,371,459          | 7,371,459          | 1,083,351         | -              | 8,454,810          | 30.65    |
| 2047          | 2048        | 27,589                                      | 0.0%     | -                           | -                | -                             | -                 | -        | 333,351           | 750,000                           | 7,010,000          | 311,945                | (294,858)                     | 7,378,441          | 7,378,441          | 1,083,351         | -              | 8,461,792          | 30.67    |
| <b>Totals</b> |             |   |          | <b>26,352,592</b>           | <b>8,990,599</b> | <b>(1,956,547)</b>            | <b>33,386,644</b> |          | <b>10,333,881</b> | <b>23,250,000</b>                 | <b>106,000,000</b> | <b>93,036,595</b>      | <b>(7,464,340)</b>            | <b>200,061,196</b> | <b>233,447,840</b> | <b>33,583,881</b> | <b>-</b>       | <b>267,031,721</b> |          |

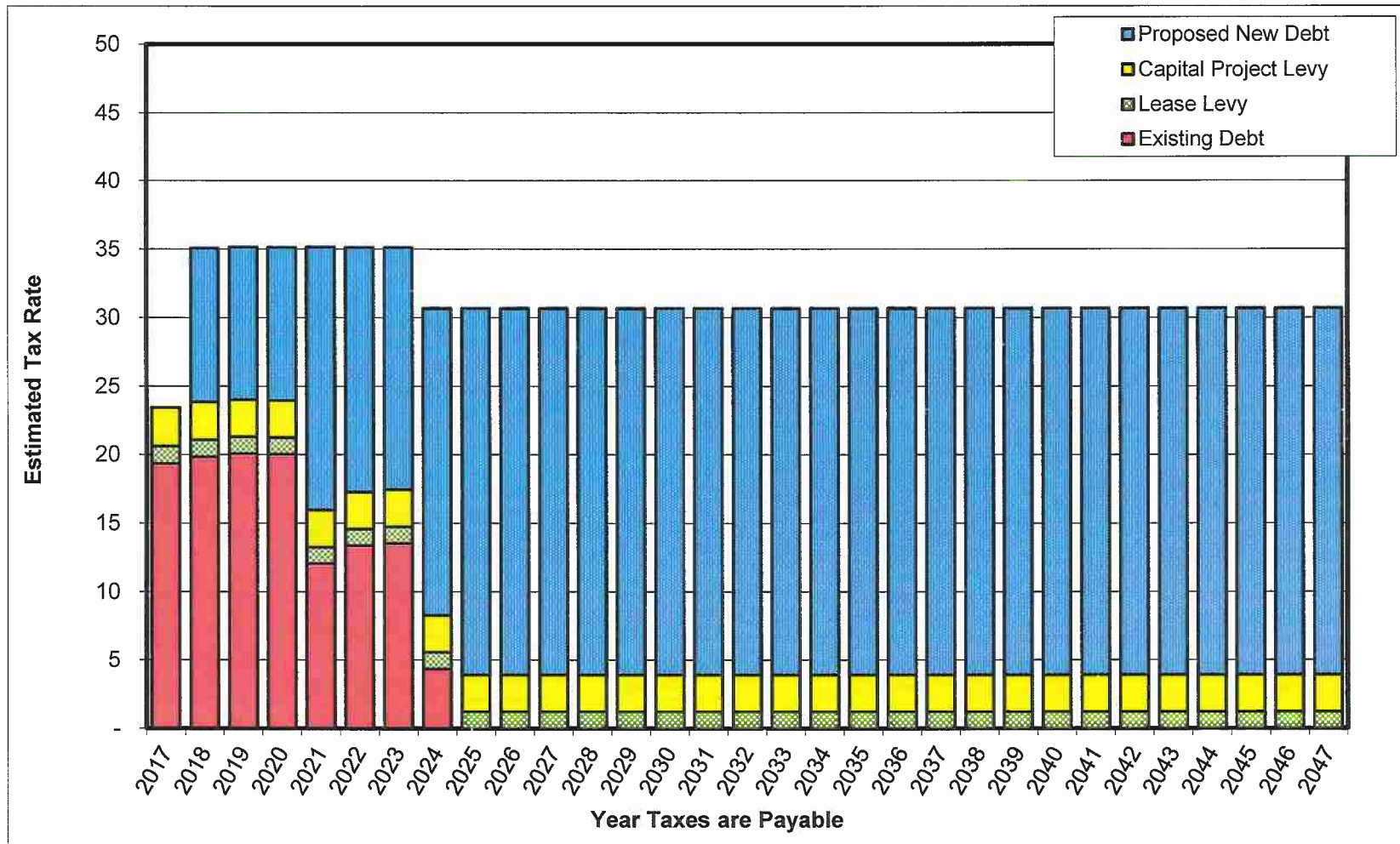
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 3 Debt excess adjustment for taxes payable in 2017 is the actual amount and for 2018 is a preliminary estimate based on the debt service fund balance as of June 30, 2016. Debt excess for future years is estimated at 4% of the prior year's initial debt service levy.  
 4 Assumes that the capital project levy will be continued at the same dollar amount prior to expiring.  
 5 These estimates assume that a portion of the payments due during fiscal year 2021 on the second bond issue, estimated at \$1,323,000, would be made from funds on hand or bond proceeds.

**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 Building Program**  
**November 2017 Election; 30 Years**  
**2 Bond Sales; Wrapped Around Existing Debt**

Date Prepared: April 12, 2017





**PRELIMINARY INFORMATION - FOR DISCUSSION ONLY**

**Northfield School District No. 659**

Analysis of Tax Impact for Potential Bond Issue  
November 2017 Election

April 12, 2017

|  |               |               |               |
|--|---------------|---------------|---------------|
| Bond Issue Amount                            | \$106,000,000 | \$106,000,000 | \$106,000,000 |
| Number of Years                              | 20            | 25            | 30            |
| Number of Bond Sales                         | 1             | 2             | 2             |
| Estimate Tax Levy Payable in 2018            | \$4,397,400   | \$2,866,500   | \$3,037,125   |
| Total Estimated Interest Payments, All Years | \$57,864,600  | \$72,713,130  | \$93,036,595  |
| Estimated Tax Rate                           | 16.26%        | 10.60%        | 11.23%        |

| Type of Property                              | Estimated Market Value | Estimated Tax Impact, Payable 2018* |        |        |
|---|------------------------|-------------------------------------|--------|--------|
|   |                        |                                     |        |        |
| Residential Homestead                         | \$100,000              | \$117                               | \$76   | \$81   |
|   | 125,000                | 161                                 | 105    | 111    |
|   | 150,000                | 205                                 | 134    | 142    |
|   | 175,000                | 250                                 | 163    | 172    |
|   | 200,000                | 294                                 | 192    | 203    |
|   | 250,000                | 383                                 | 249    | 264    |
|   | 300,000                | 471                                 | 307    | 325    |
|   | 350,000                | 560                                 | 365    | 387    |
|   | 400,000                | 648                                 | 423    | 448    |
| Commercial/Industrial +                       | 500,000                | \$691                               | \$450  | \$477  |
|   | 1,000,000              | 1504                                | 980    | 1039   |
|   | 2,000,000              | 3130                                | 2040   | 2162   |
|   | 4,000,000              | 6,382                               | 4,160  | 4,408  |
| Apartments                                    | \$200,000              | \$406                               | \$265  | \$281  |
|   | 500,000                | 1,016                               | 662    | 702    |
|   | 1,000,000              | 2,032                               | 1,325  | 1,404  |
| Agricultural Homestead **                     | 2,000,000              | 4,065                               | 2,650  | 2,807  |
|   | \$500,000              | \$490                               | \$319  | \$338  |
|   | 750,000                | 693                                 | 452    | 479    |
|   | 1,000,000              | 896                                 | 584    | 619    |
| Agricultural Non-Homestead (dollars per acre) | 2,000,000              | 1,709                               | 1,114  | 1,181  |
|   | \$4,000                | \$6.50                              | \$4.24 | \$4.49 |
|   | 5,000                  | 8.13                                | 5.30   | 5.61   |
|   | 6,000                  | 9.76                                | 6.36   | 6.74   |
|   | 7,000                  | 11.38                               | 7.42   | 7.86   |
|   | 8,000                  | 13.01                               | 8.48   | 8.98   |

\* 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.