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# Emmett Independent School District No. 221

Bond and Levy Review  
April 15, 2019

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- ❑ Overview of Voted Levies
- ❑ Current & Historical Levy Data for Emmett School District
- ❑ Bond Planning Overview
- ❑ Election Timelines and Idaho School Election Data

## Overview of Voted Levies

	Bond Levy	Plant Levy	Supplemental
Voter Threshold	66 2/3%	55% if bond & plant < 0.2% 60% if bond & plant < 0.3% 66 2/3% if bond & plant > 0.3%	50% Plus 1
Use of Funds	Capital Projects Limited by Ballot Title	Capital Repair and Replacement (cannot be used for operations)	Typically for General Fund Expenditures (Operations)
Debt	Yes. Bond levy used to repay general obligation bonds	No	No
Interest Cost	Yes	No	No
Timing of Funds	Proceeds are received ("borrowed") up front	Semi-annual tax collections	Semi-annual tax collections
Certification	See 33-802A	Tax Rate or \$ Amount	\$ Amount
Maximum Term	30 yrs	10 yrs	2 yrs <sup>(*)</sup>
Maximum Amount	5% of Full Market Value	0.4% levy rate cap	No Limit
State Bond Levy Equalization	Yes	No	No
State School Bond Guaranty	Yes	No	No

(\*) Possibility of permanent supplemental under certain circumstances.

# Bonds - What are they?

A Bond is a certificate of indebtedness, between the *issuer* (borrower) and the *bondholder* (investor), i.e., a loan; a formal contract to repay borrowed money with interest at fixed intervals.

## Bonds in Idaho

- Receive a General Obligation Pledge
- Authorizes a Property Tax Levy to repay bonds
- Requires 66 <sup>2</sup>/<sub>3</sub>% voter approval

## Benefits

- Receive the benefit of State Programs i.e. School Bond Guaranty and Levy Equalization
- Cash is generated up front
- Payments spread over time (up to 30 years but typically 20 years)
- Have some control over taxpayer impacts

## Voted Levy Election History

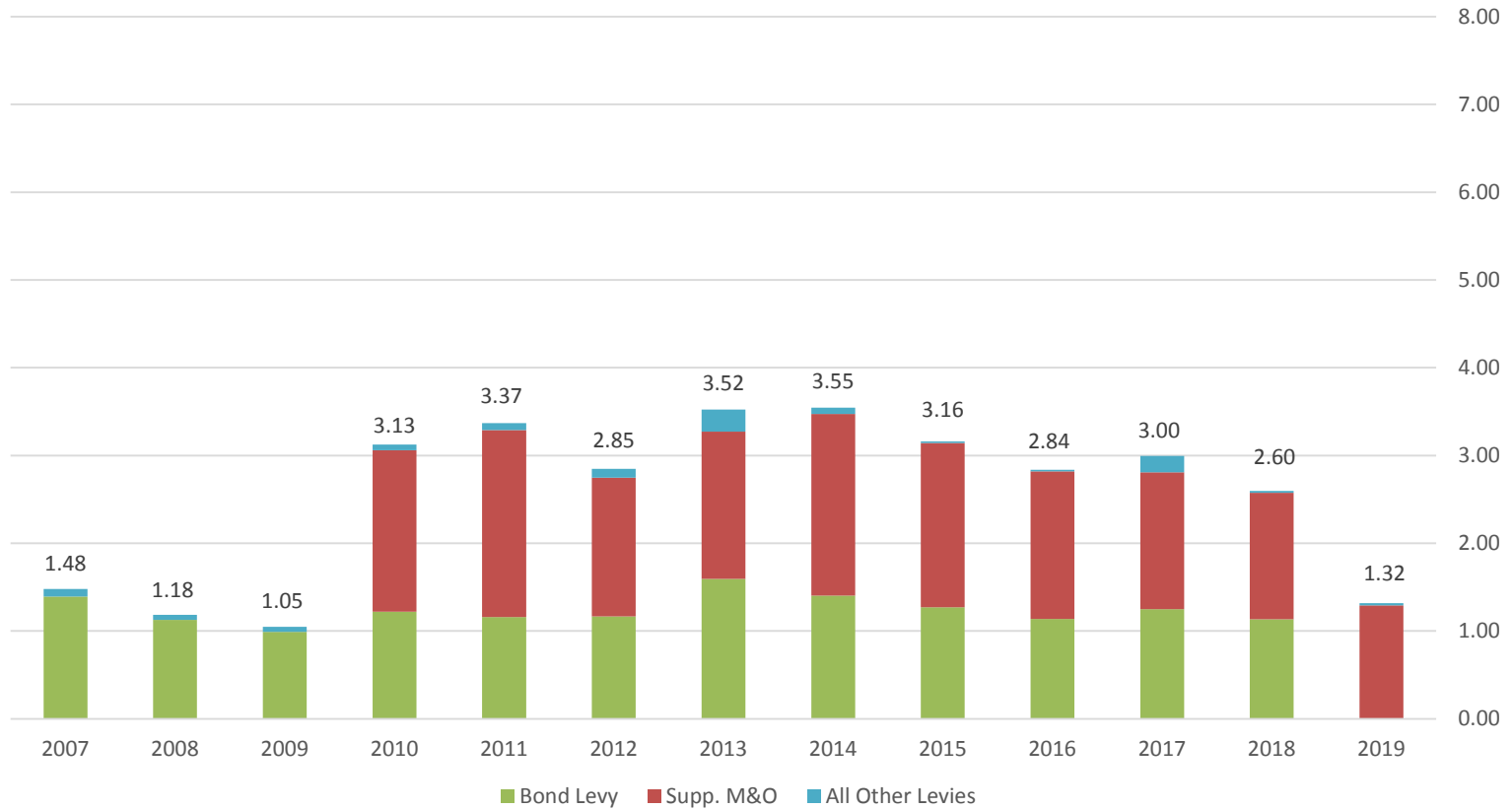
Date of Election	Election Type	% Approval	Pass/Fail	Amount
2005	Bond	63.74%	Fail	9,000,000
2009	Supplemental M&O	54.62%	Pass	1,700,000
2011	Supplemental M&O	56.35%	Pass	1,000,000
2013	Supplemental M&O	48.96%	Fail	1,500,000
2013	Supplemental M&O	54.44%	Pass	1,400,000
2015	Supplemental M&O	63.09%	Pass	1,400,000
2017	Supplemental M&O	61.01%	Pass	1,400,000
2018	Bond	40.72%	Fail	20,400,000

*Source: Idaho Department of Education, Consolidated School Levy Election report.*

- The District's Supplemental M&O Levy is authorized for annual collection of up to \$1,400,000 through FY 2019 (2-year levy cycle).

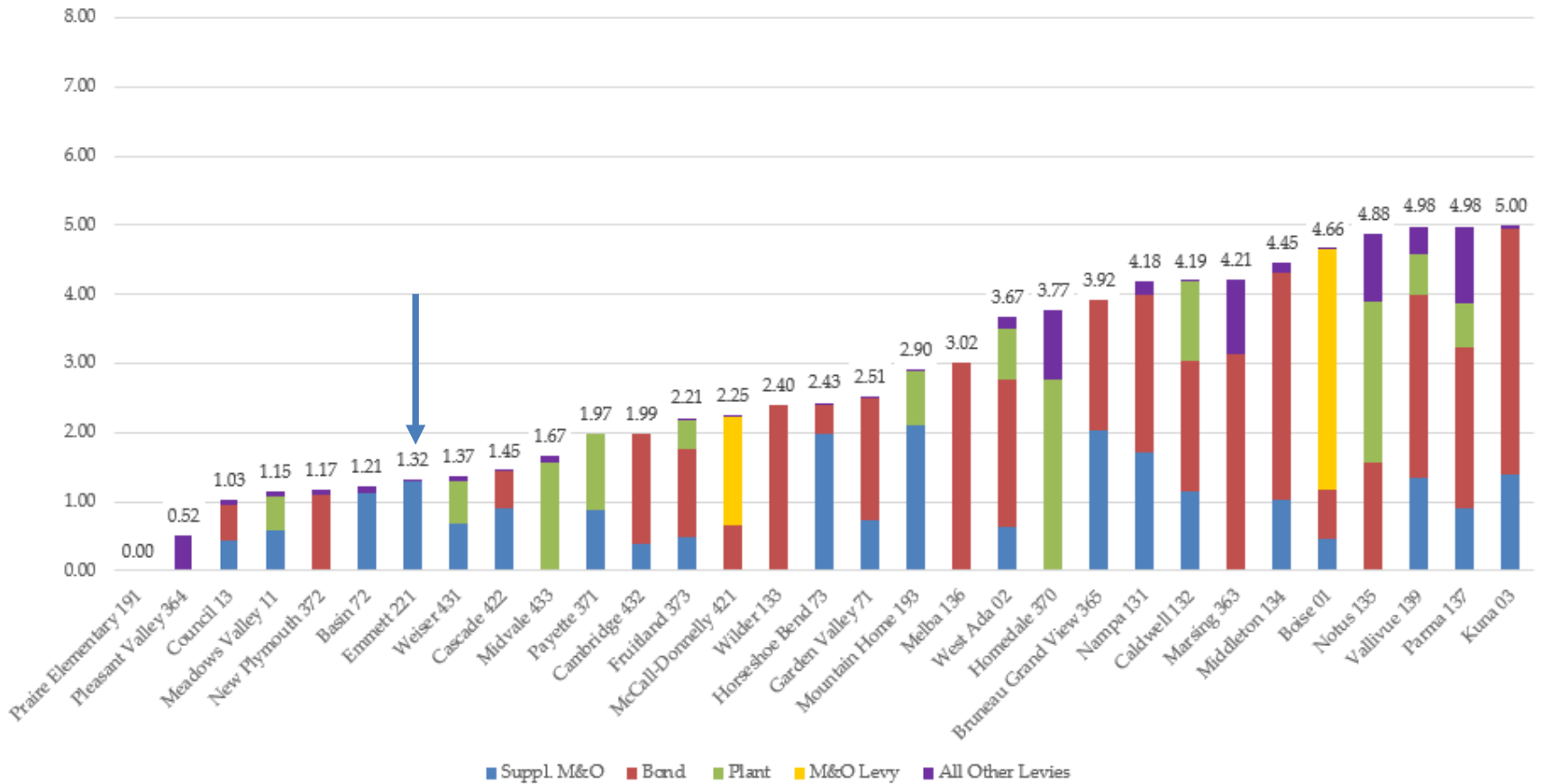
# Historical Tax Rates

The following is a 12-year history of the District's total property tax rates.



# Comparative Tax Rates

The following is a comparison of Fiscal Year 2019 total property tax rates for Region III school districts. The Statewide Average school district tax rate for Fiscal Year 2019 is \$3.22 per \$1,000.



# Comparative Levy Rates per Student – Region III

School District	FY 2019 Tax Rate per \$1,000	FY 2019 Total Tax Levy Amount	FY 2019 Enrollment	FY 2019 Tax Levy Per Student
Weiser 431	1.37	701,765	1,579	444
New Plymouth 372	1.17	529,649	994	533
Payette 371	1.97	890,281	1,562	570
<b>Emmett 221</b>	<b>1.32</b>	<b>1,426,533</b>	<b>2,452</b>	<b>582</b>
Fruitland 373	2.21	1,355,918	1,769	766
Mountain Home 193	2.90	3,721,950	3,915	951
Homedale 370	3.77	1,151,366	1,208	953
Melba 136	3.02	861,285	873	987
Wilder 133	2.40	594,757	542	1,097
Council 13	1.03	196,061	281	1,167
Marsing 363	4.21	1,142,792	854	1,338
Caldwell 132	4.19	8,614,802	6,423	1,341
Basin 72	1.21	459,813	342	1,344
Middleton 134	4.45	5,701,188	4,088	1,395
Horseshoe Bend 73	2.43	368,738	243	1,517
Notus 135	4.88	654,931	426	1,537
Nampa 131	4.18	22,827,504	13,978	1,633
Kuna 03	5.00	8,987,474	5,400	1,664
Vallivue 139	4.98	15,646,889	9,091	1,721
Pleasant Valley 364	0.52	10,641	6	1,774
Parma 137	4.98	1,927,897	1,074	1,795
Meadows Valley 11	1.15	305,846	168	1,821
West Ada 02	3.67	79,669,001	39,532	2,015
Midvale 433	1.67	264,953	127	2,086
Bruneau Grand view 365	3.92	803,158	303	2,651
Cambridge 432	1.99	398,977	130	3,069
Cascade 422	1.45	806,954	226	3,571
Boise 01	4.66	106,054,565	25,529	4,154
Garden Valley 71	2.51	1,207,364	265	4,556
McCall-Donnelly 421	2.25	8,016,955	1,288	6,224
Prairie Elementary 191	0.00	-	2	-

Notes:

Total Tax Levy is actual amount certified per Idaho Department of Education data.



# Comparison of FY2019 School Levy Cost on Median Home Value

## Comparison with 20-Largest School Districts (Enrollment)

District	Median Home Value <sup>(1)</sup>	Median Home Value less H.O. Exemption <sup>(2)</sup>	FY 2019 School District Total Tax Rate (per \$1,000)	Property tax bill for Median Home Value
<b>Emmett</b>	<b>\$230,000</b>	<b>\$130,000</b>	<b>1.32</b>	<b>172</b>
Minidoka (County)	\$160,000	\$80,000	2.68	214
Cassia (County)	\$178,000	\$89,000	2.93	261
Pocatello	\$154,000	\$77,000	3.85	296
Jerome	\$189,000	\$94,500	3.23	305
Post Falls	\$276,000	\$176,000	2.08	366
Idaho Falls 91	\$192,000	\$96,000	4.24	407
Caldwell	\$199,000	\$99,500	4.19	417
Twin Falls	\$191,000	\$95,500	4.59	438
Coeur d'Alene	\$298,000	\$198,000	2.23	441
Nampa	\$209,000	\$109,000	4.18	455
<b>Statewide Average</b>	<b>\$247,000</b>	<b>\$147,000</b>	<b>3.22</b>	<b>473</b>
Vallivue (Caldwell)	\$199,000	\$99,500	4.98	496
Vallivue (Nampa)	\$209,000	\$109,000	4.98	543
Jefferson (Rigby)	\$232,000	\$132,000	4.27	564
Rexburg	\$238,000	\$138,000	4.50	621
Middleton	\$247,000	\$147,000	4.45	654
Bonneville (Ammon)	\$219,000	\$119,000	5.80	690
Kuna	\$241,000	\$141,000	5.00	705
West Ada (Meridian)	\$295,000	\$195,000	3.67	716
Lakeland (Rathdrum)	\$290,000	\$190,000	4.12	783
Lewiston	\$222,000	\$122,000	6.57	802
Boise	\$277,000	\$177,000	4.66	825
West Ada (Eagle)	\$453,000	\$353,000	3.67	1,296

(1) Source: Zillow.com. Data through October 31, 2018.

(2) The Idaho home owners exemption provides a property tax exemption of 50% of the value of a home, up to a maximum exemption of \$100,000 for a primary residence.

## Overview of District's Bonds – Debt Capacity

Section 33-1103, Idaho Code limits bonded indebtedness for Idaho School Districts to 5% of the Full Market Value. Based on data from the Idaho Tax Commission and the District, the mathematical calculation of legal debt capacity for the Emmett School District is as follows:

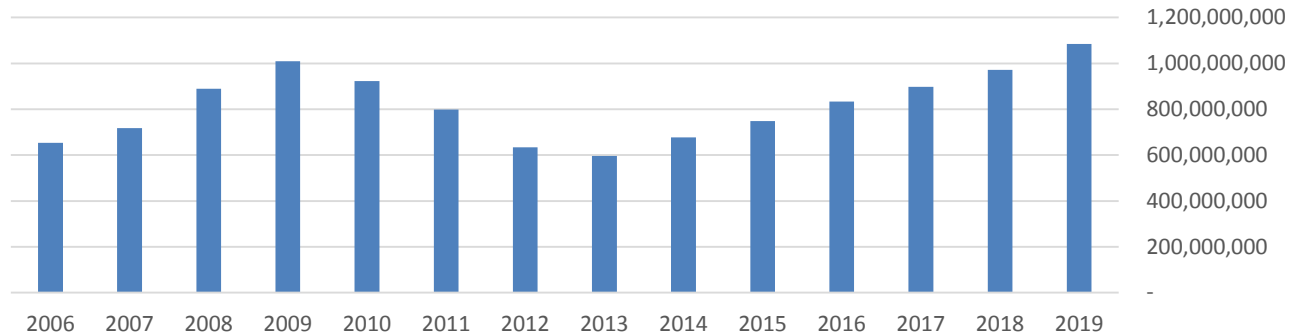
<b>Legal Debt Capacity Calculation</b>	
September 2018 Full Value (FY 2019)	1,473,445,952
	<u>x 5%</u>
Total Debt Capacity @ 5%	<u><u>73,672,298</u></u>
<b>Less: Principal Outstanding</b>	0
<b>Plus: Adjustments – Principal Due 2019</b>	<u>0</u>
Remaining Debt Capacity	73,672,298

# Net Taxable Values

The 20-year compound growth rate of the District's net taxable value is 4.48%.

	Fiscal Year	Net Taxable Value	% Growth
Historical	2019	1,084,168,827	11.62%
	2018	971,267,346	8.18%
	2017	897,794,402	7.63%
	2016	834,117,801	11.51%
	2015	748,005,397	10.50%
	2014	676,916,904	13.57%
	2013	596,029,805	-5.88%
	2012	633,278,517	-20.64%
	2011	797,960,458	-13.57%
	2010	923,221,388	-8.53%
	2009	1,009,306,420	13.56%
	2008	888,761,975	23.87%
	2007	717,520,931	9.69%
	2006	654,156,309	- - -

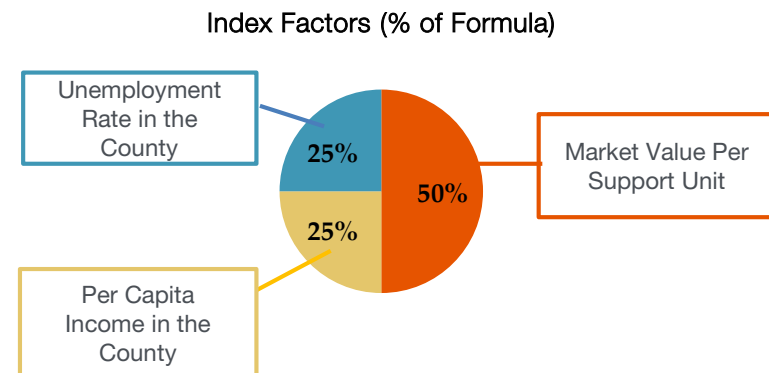
Emmett Ind. SD No. 221 Historical Net Values



# School Bond Levy Equalization Program (Subsidy)

Fiscal Year	Index Factor	% of P&I
2019	0.8147	18.53%
2018	0.8079	19.21%
2017	0.7992	20.08%
2016	0.7758	22.42%
2015	0.7471	25.29%
2014	0.7067	29.33%
2013	0.7199	28.01%
2012	0.7803	21.97%
2011	0.766	23.40%
2010	0.7427	25.73%
2009	0.7316	26.84%
2008	0.7125	28.75%
2007	0.7278	27.22%

Idaho School Bond Levy Equalization subsidy is a direct payment to the District based on an index that is derived from the following factors:



Index Factor	Subsidy
1.50 or greater	No subsidy
1.00 to 1.50	Minimum 10% of Interest Cost
Below 1.00	Portion of Principal and Interest paid

The subsidy has been in place since 2002 and the Idaho Legislature has continued to fund this program even in difficult economic times.

# Summary of Bond Analysis

## Assumptions for Analysis

Ratings	Enhanced "Aaa" School Bond Guaranty/Underlying "A2"
Interest Rates	Current as of 4-9-2019 Plus 0.50% Cushion
2018 September Net Taxable Value (FY 2019)	\$1,084,168,827
Structure	Level Debt Service
Repayment Term	20 years
Levy Equalization	20% of principal and interest cost

## Summary of Bond Cost Analysis

Bond Amount	\$50M Bond	\$60M Bond
True Interest Cost (TIC)	3.45%	3.45%
Bond Proceeds	\$50,000,000	\$60,000,000
Interest Cost	\$20,134,050	\$24,126,500
Total Cost	\$70,134,050	\$84,126,500
Projected Levy Equalization (@ 20%)	(\$14,026,810)	(\$16,825,300)
<b>Net Total Bond Cost</b>	<b>\$56,107,240</b>	<b>\$67,301,200</b>
<b>Net Average Annual Payment</b>	<b>\$2,805,362</b>	<b>\$3,365,060</b>
<b>Tax Rate Projection Per \$1,000</b>	<b>\$2.59</b>	<b>\$3.10</b>
<b>Cost Per \$100,000 of taxable value</b>	<b>\$259</b>	<b>\$310</b>

## Projected taxpayer impact of bond on median home value

	<b>\$50 million Bond</b>	<b>\$60 million Bond</b>
Median Home Value (Zillow, October 2018)	230,000	230,000
Less: Homeowners Exemption (1)	(100,000)	(100,000)
<b>Equals: Taxable Market Value</b>	<b>130,000</b>	<b>130,000</b>
<b>Projected Tax Rate (per \$1,000)</b>	<b>0.00259</b>	<b>0.00310</b>
Annual Tax Cost	337	403
Monthly Tax Cost	28	34
Daily Tax Cost	0.92	1.10

(1) Idaho homeowner's exemption provides for an exemption for a primary residence equal to 50% of the full value up to a maximum exemption of \$100,000.

# Summary Tax Impact – Agricultural Property

## Projected taxpayer impact on Agricultural Property

		IRRIGATED AG LAND <sup>(1)</sup>			
	Tax Rate	Estimated Taxable Market Value Per Acre	Estimated Property Tax Per Acre	Tax Impact per 100 acres	Tax Impact per 1,000 acres
\$50 Million Bond	0.00259	1,026	2.66	266	2,657
\$60 Million Bond	0.00310	1,026	3.18	318	3,181
		IRRIGATED GRAZING LAND <sup>(1)</sup>			
	Tax Rate	Estimated Taxable Market Value Per Acre	Estimated Property Tax Per Acre	Tax Impact per 100 acres	Tax Impact per 1,000 acres
\$50 Million Bond	0.00259	933	2.42	242	2,416
\$60 Million Bond	0.00310	933	2.89	289	2,892
		DRY AG LAND <sup>(1)</sup>			
	Tax Rate	Estimated Taxable Market Value Per Acre	Estimated Property Tax Per Acre	Tax Impact per 100 acres	Tax Impact per 1,000 acres
\$50 Million Bond	0.00259	376	0.97	97	974
\$60 Million Bond	0.00310	376	1.17	117	1,166
		DRY GRAZING LAND <sup>(1)</sup>			
	Tax Rate	Estimated Taxable Market Value Per Acre	Estimated Property Tax Per Acre	Tax Impact per 100 acres	Tax Impact per 1,000 acres
\$50 Million Bond	0.00259	170	0.44	44	440
\$60 Million Bond	0.00310	170	0.53	53	527

(1) Agricultural values shown are from the Gem County Assessor's Office for 2017.

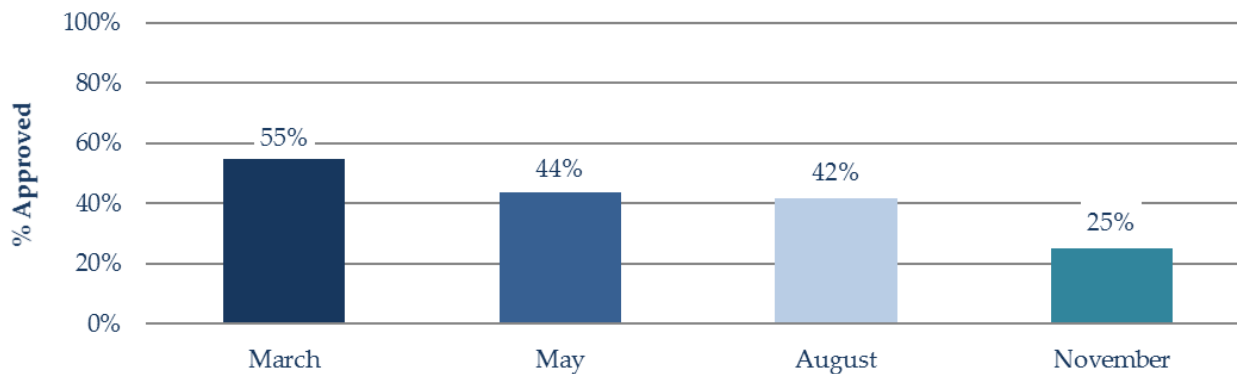
Election Date <sup>(1)</sup>	Deadline for Filing with County Clerk
March 12, 2019	January 18, 2019 <sup>(2)</sup>
May 21, 2019	March 29, 2019 <sup>(3)</sup>
August 27, 2019	July 5, 2019 <sup>(2)</sup>
November 5, 2019	September 13, 2019 <sup>(3)</sup>

- (1) Election dates for school district property tax levy questions (bonds, plant and supplemental levies) are the 2<sup>nd</sup> Tuesday in March, 3<sup>rd</sup> Tuesday in May, last Tuesday in August and the Tuesday after the 1<sup>st</sup> Monday in November.
- (2) March and August elections require filing more than 50 days prior to the election.
- (3) May and November elections of even number years, require filing more than 60 days prior to the election date (odd number years require 50 days).



# Which Election Dates Are Best?

Idaho Bond Election Passage History By Election Date Since 2011



# of Elections	March	May	August	November
	51	16	24	16

Idaho Bond Election Passage History

