

Judicial Center:

\$48,200,000 G.O. Public Improvement Bonds, Series 2024

950,000 Bond Premium (estimate)

850,000 Interest during Construction (estimate)

\$50,000,000 Project Funds

The Bonds would be structured as a fixed rate 30 year Bond with a debt service requirement of approximately \$3,045,000 (subject to decreases and increases in interest rates at the time of issuance).

For planning purposes, this would require a new revenue source of approximately \$2,625,000 annually, together with the current revenue stream to Debt Service. Revenue available in FY 26 after retirement of G.O. Refunding & Improvement Bonds, Series 2010 is approximately \$640,000 annually.

Current value of \$.01 of property tax = \$61,442 which would require a property tax increase of approximately \$.43 or a combination of Wheel Tax and Property Tax to raise \$2,625,000 to the Debt Service Fund.

Wheel Tax will net (less Clerks 5%) Per \$10	-	\$	209,000
	\$20		418,000
	\$30		627,000
	\$40		836,000
	\$50		\$1,045,000

Upon agreement, the Wheel Tax could expire upon payment of the debt issued for the Judicial Center if County Commission deems appropriate. Each \$10 Wheel Tax increment lowers the needed property tax by \$.034 (3.4 cents).

Debt Service Fund increase	\$.43
General Fund Increase	<u>.00</u>
Total needed	\$.43

See Exhibit B.

NOTE:

The difference in the Debt Service Fund requirement for a Judicial Center vs a Jail is approximately \$625,000. Although this would require an additional fixed \$.10 property tax equivalent increase for Debt Service, it avoids the \$.09 property tax increase (at current values) to the General Fund needed for additional personnel in the Sheriffs' Dept which may increase annually.

DeKalb Jail

\$38,500,000 G.O. Public Improvement Bonds, Series 2024
800,000 Bond Premium (estimate)
700,000 Interest during Construction (estimate)
\$40,000,000 Project Funds

The Bonds would be structured as a fixed rate 30 year Bond with a debt service requirement of approximately \$2,420,000 (subject to decreases and increases in interest rates at the time of issuance).

For planning purposes, this would require a new revenue source of approximately \$2,000,000 annually, together with the current revenue stream to Debt Service. Revenue available in FY 26 after retirement of G.O. Refunding & Improvement Bonds, Series 2010 is approximately \$640,000 annually.

Current value of \$.01 of property tax = \$61,442 which would require a property tax increase of approximately \$.33 or a combination of Wheel Tax and Property Tax to raise \$2,000,000 to the Debt Service Fund.

Wheel Tax will net (less Clerks 5%) Per \$10	-	\$ 209,000
	\$20	418,000
	\$30	627,000
	\$40	836,000
	\$50	\$1,045,000

Upon agreement, the Wheel Tax could expire upon payment of the debt issued for the Jail if County Commission deems appropriate. Each \$10 Wheel Tax increment lowers the needed property tax by \$.034 (3.4 cents).

Additional operations expense in the Sheriffs Dept of approximately \$ 550,000 per year are estimated for the additional personnel expense at current values if a Jail only is constructed.

These expenses will increase annually due to cost of living increases, healthcare costs, patrol cars, firearms, etc.. and extends indefinitely.

Therefore, an additional property tax increase to the General Fund of approximately \$.09 for the expenses should also be anticipated.

See Exhibit A.

Debt Service Fund increase	\$.33
General Fund Increase	<u>.09</u>
Total needed	\$.42

NOTE:

The difference in the Debt Service Fund requirement for a Judicial Center vs a Jail is approximately \$100,000. If an additional fixed \$40 property tax equivalent increase for Debt Service, it would offset the \$.09 property tax increase (at current values) to the General Fund needed for additional personnel in the Sheriffs' Dept which may increase annually.

Debt Management Policy - Ratios & Standards

At the end of FY 2024 existing outstanding debt will be \$2,085,000
2020 census population is 20,080 with per capita debt of \$103.84 at June 30, 2024.
Current policy is \$2,200 per capita.

Jail Only:

Post issuance gross debt (\$72,585,000) per-capita would increase to \$3,614.80
Net debt (\$70,548,269) increases to \$3,513.36 (at current debt service fund balance estimate)

Current Policy is that Net Debt to Assessed Values should not exceed 9% requiring a policy change to approximately 12% to Assessed Values.

Current Policy is that Ratio of Debt expenditures to Total Government expenditures is 9% requiring a Policy change. In FY25 the total debt service expenditures is estimated at \$6,583,026 and dropping thereafter. Based upon current FY24 expenditures of \$57,936,000 (with exclusions) the policy would need to change to 12% to accommodate FY25 expenditures.

Debt Service Fund Balance Policy is either 13 months of the annual expenditures or no less than 80% of expenditures. Using FY25 expenditures of \$6,583,026 and 80% of expenditures as the base, the fund balance needs to be \$5,266,421 in FY25 under current Policy.

Transfers from Local Purpose to Debt Service can accommodate the School Bond portion. Growth and planning for debt service fund balance is needed for the County portion as well as consideration of changes to the Debt Policy.

Judicial Center:

Adding approximately \$10,000,000 for the DeKalb Judicial Center (instead of increasing operations costs to the General Fund) will increase:

Gross Debt: \$4,112.80

Net Debt: \$4,011.36

Debt to Assessed Value: 13%

Debt Service Exp to Govt Exp: 13%

Debt Service Fund balance would need to be approx. \$5,771,421 under current Policy.

Increases in the local contribution to the General Purpose School Fund is anticipated and the County should continue to monitor annually the local contributions to the General Purpose School Fund. Incremental increases from local sources can avoid a major tax increase once the Sales Tax Agreements expire.

Budget amendments to Education Debt Service prior to debt issuance is recommended to adhere to Debt Management Policy requirements.

See "Exhibit A" Debt Service Forecast.