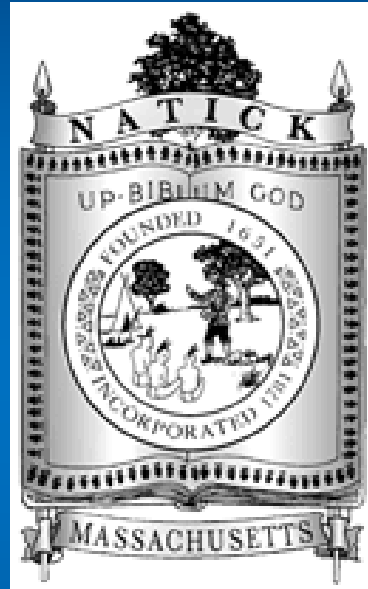


# *Town of Natick*

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## Natick High School & Community/ Senior Center Tax Impacts

August 15, 2011



# *Town of Natick*

Tax Impacts for Debt Excluded Projects – Revised August 2011

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## **Presentation Summary:**

1. Assumptions
2. Changes from January 2010 to August 2011
3. Total Project Costs
4. Community / Senior Center Tax Impacts
5. Natick High School Tax Impacts
6. FY 2012 Tax Impact



# *Town of Natick*

Tax Impacts for Debt Excluded Projects – Revised August 2011

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## 1. Assumptions

This analysis has been produced by Town Administration and the Finance Department.

It assumes the following:

- All project costs known ***to-date*** are included (project budgets, borrowing costs, and contingencies)
- No shift in the “Residential Factor” (*in other words a uniform tax rate – no split*)
- No change in Residential share of the levy (*FY 2011 Percentage: 76.47%*)
- No change in the number of Households (*FY 2011 Number estimated at 12,718*)



# Town of Natick

Tax Impacts for Debt Excluded Projects – Revised August 2011

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## 2. Changes from January 2010 to August 2011

	<u>Jan-10</u>	<u>Aug-11</u>	<u>Difference</u>
<b>Total Costs (both projects combined)</b>	\$79,267,378	\$70,558,177	\$ (8,709,201)
<b>Average Cost/Household (first year)</b>	\$ 308.70	\$ 244.02	\$ (65)
<b>Total Average Cost/Household (all 20 years)</b>	\$ 4,870.56	\$ 4,242.33	\$ (628)

Reasons:

- Favorable bids on High School project dramatically lowered anticipated cost; Community Senior Center has come in on budget
- High reimbursement rate from Massachusetts School Building Authority (MSBA)
- Town's strong AAA/Stable credit rating enabled extremely favorable rates of borrowing
- Continued growth in residential units in Natick has resulted in impact spread amongst more homes



# Town of Natick

## Tax Impacts for Debt Excluded Projects – Revised August 2011

### 3. Total Project Costs

	<u>Forecast - January 2010</u>	<u>Actual - August 2011</u>	<u>Difference</u>
<b>Natick High School Project</b>			
Estimated Total Project Cost	\$ 88,987,414	\$ 80,022,617	\$ (8,964,797)
less estimated MSBA Reimbursement	\$ (43,165,317)	\$ (37,437,617)	\$ 5,727,700
<b>Estimated Principal Cost To Taxpayers</b>	<b>\$ 45,822,097</b>	<b>\$ 42,585,000</b>	<b>\$ (3,237,097)</b>
Issuance Term	20 Years	20 Years	
Average Interest Rate Assumed / Actual	4.00%	2.82%	-1.18%
Estimated Interest Cost To Taxpayers	\$ 19,245,281	\$ 14,452,181	\$ (4,793,100)
<b>Total Project Cost to Taxpayers (Principal &amp; Interest)</b>	<b>\$ 65,067,378</b>	<b>\$ 57,037,181</b>	<b>\$ (8,030,197)</b>
<b>Community Senior Center Project</b>			
Estimated Total Project Cost	\$ 10,000,000	\$ 10,000,000	\$ -
<b>Estimated Excluded Debt Cost To Taxpayers</b>	<b>\$ 10,000,000</b>	<b>\$ 10,000,000</b>	<b>\$ -</b>
Issuance Term	20 Years	20 Years	
Average Interest Rate Assumed / Actual	4.00%	3.53%	-0.47%
Estimated Interest Cost To Taxpayers	\$ 4,200,000	\$ 3,520,996	\$ (679,004)
<b>Total Project Cost to Taxpayers (Principal &amp; Interest)</b>	<b>\$ 14,200,000</b>	<b>\$ 13,520,996</b>	<b>\$ (679,004)</b>
<b>Total of both projects to Natick Taxpayers (Prin. &amp; Int.)</b>	<b>\$ 79,267,378</b>	<b>\$ 70,558,177</b>	<b>\$ (8,709,201)</b>



# Town of Natick

## Tax Impacts for Debt Excluded Projects – Revised August 2011

### 4. Community/Senior Center Tax Impacts

Issuance of \$10,000,000 of Principal costs (plus Interest)										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Debt Payment	\$ 731,715	\$ 723,263	\$ 813,810	\$ 798,971	\$ 784,131	\$ 760,840	\$ 746,001	\$ 731,162	\$ 712,097	\$ 697,257
Residential Amount of Levy	76.47%	76.47%	76.47%	76.47%	76.47%	76.47%	76.47%	76.47%	76.47%	76.47%
Households	12,718	12,718	12,718	12,718	12,718	12,718	12,718	12,718	12,718	12,718
<b>Average/Household</b>	<b>\$ 43.99</b>	<b>\$ 43.49</b>	<b>\$ 48.93</b>	<b>\$ 48.04</b>	<b>\$ 47.15</b>	<b>\$ 45.75</b>	<b>\$ 44.85</b>	<b>\$ 43.96</b>	<b>\$ 42.82</b>	<b>\$ 41.92</b>
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Total Debt Payment	\$ 677,418	\$ 662,722	\$ 648,025	\$ 632,284	\$ 615,498	\$ 598,712	\$ 574,837	\$ 556,127	\$ 537,418	\$ 518,709
Residential Amount of Levy	76.47%	76.47%	76.47%	76.47%	76.47%	76.47%	76.47%	76.47%	76.47%	76.47%
Households	12,718	12,718	12,718	12,718	12,718	12,718	12,718	12,718	12,718	12,718
<b>Average/Household</b>	<b>\$ 40.73</b>	<b>\$ 39.85</b>	<b>\$ 38.96</b>	<b>\$ 38.02</b>	<b>\$ 37.01</b>	<b>\$ 36.00</b>	<b>\$ 34.56</b>	<b>\$ 33.44</b>	<b>\$ 32.31</b>	<b>\$ 31.19</b>
<b>Total Average Project Cost/Household for 20 years - (as of January 2010)</b>										<b>\$ 872.51</b>
<b>Total Average Project Cost/Household for 20 years - (as of August 2011)</b>										<b>\$ 812.95</b>
<b>Savings</b>										<b>\$ 59.56</b>



# Town of Natick

## Tax Impacts for Debt Excluded Projects – Revised August 2011

### 5. Natick High School Tax Impacts

Issuance of \$42,585,000 of Principal costs (plus Interest)										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Debt Payment	\$ 3,326,791	\$ 3,283,338	\$ 3,933,470	\$ 3,850,265	\$ 3,767,202	\$ 3,631,112	\$ 2,928,758	\$ 2,872,071	\$ 2,796,488	\$ 2,734,801
Residential Amount of Levy	76.47%	76.47%	76.47%	76.47%	76.47%	76.47%	76.47%	76.47%	76.47%	76.47%
Households	12,718	12,718	12,718	12,718	12,718	12,718	12,718	12,718	12,718	12,718
<b>Average/Household</b>	<b>\$ 200.02</b>	<b>\$ 197.41</b>	<b>\$ 236.50</b>	<b>\$ 231.50</b>	<b>\$ 226.50</b>	<b>\$ 218.32</b>	<b>\$ 176.09</b>	<b>\$ 172.68</b>	<b>\$ 168.14</b>	<b>\$ 164.43</b>
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Total Debt Payment	\$ 2,678,256	\$ 2,621,711	\$ 2,565,165	\$ 2,503,908	\$ 2,437,938	\$ 2,371,969	\$ 2,296,575	\$ 2,221,181	\$ 2,145,787	\$ 2,070,394
Residential Amount of Levy	76.47%	76.47%	76.47%	76.47%	76.47%	76.47%	76.47%	76.47%	76.47%	76.47%
Households	12,718	12,718	12,718	12,718	12,718	12,718	12,718	12,718	12,718	12,718
<b>Average/Household</b>	<b>\$ 161.03</b>	<b>\$ 157.63</b>	<b>\$ 154.23</b>	<b>\$ 150.55</b>	<b>\$ 146.58</b>	<b>\$ 142.62</b>	<b>\$ 138.08</b>	<b>\$ 133.55</b>	<b>\$ 129.02</b>	<b>\$ 124.48</b>
<b>Total Average Project Cost/Household for 20 years - (as of January 2010)</b>										<b>\$ 3,998.04</b>
<b>Total Average Project Cost/Household for 20 years - (as of August 2011)</b>										<b>\$ 3,429.38</b>
<b>Savings</b>										<b>\$ 568.66</b>



# Town of Natick

Tax Impacts for Debt Excluded Projects – Revised August 2011

## 6. FY 2012 Tax Impact

<b>Projected FY 2012 Tax Impact on Median Single Family Home</b>	
Median Household Value in Natick, FY 2011	\$ 384,000
x FY 2011 Rate	\$ 12.60
<b>FY 2011 Median Household Tax Bill</b>	<b>\$ 4,838.40</b>
add Allowable 2.5%	\$ 120.96
add project costs	\$ 244.02
add misc. change in levy (excess capacity/growth)	\$ 24.27
<b>Projected FY 2012 Median Household Tax Bill</b>	<b>\$ 5,227.65</b>
Rate increase	8.04%
Rate increase attributable to both projects	5.04%





# *Town of Natick ~ Home of Champions*

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# *Thank You*