

Bond Issue – New Courthouse

Informational Meeting
September 20, 2016
Central Lee High School

Agenda

- Jason Parrott-Moderator
- John Hansen, Midwest Construction Consultants
- Ed Soenke, The Design Partnership
- Cindy Renstrom, Lee County Budget Director
- Question and Answer Period

Bond Schedule

General Obligation Bond Financing Scenarios

Courthouse Project

Scenario 1: \$8,500,000 of Voted GO Bonds - 20 year

Fiscal Year	Principal	Interest	Annual Payment	Estimated Tax Rate	Est. Interest Rate
2018	335,000	246,188	581,188	0.44940	1.70%
2019	340,000	240,493	580,493	0.44886	1.80%
2020	350,000	234,373	584,373	0.45186	1.90%
2021	355,000	227,723	582,723	0.45059	2.00%
2022	360,000	220,623	580,623	0.44896	2.10%
2023	370,000	213,063	583,063	0.45085	2.20%
2024	375,000	204,923	579,923	0.44842	2.40%
2025	385,000	195,923	580,923	0.44919	2.55%
2026	395,000	186,105	581,105	0.44934	2.65%
2027	405,000	175,638	580,638	0.44897	2.80%
2028	420,000	164,298	584,298	0.45180	2.90%
2029	430,000	152,118	582,118	0.45012	3.00%
2030	445,000	139,218	584,218	0.45174	3.10%
2031	455,000	125,423	580,423	0.44881	3.25%
2032	470,000	110,635	580,635	0.44897	3.35%
2033	485,000	94,890	579,890	0.44840	3.45%
2034	505,000	78,158	583,158	0.45092	3.55%
2035	520,000	60,230	580,230	0.44866	3.65%
2036	540,000	41,250	581,250	0.44945	3.75%
2037	560,000	21,000	581,000	0.44925	3.75%
Totals:	8,500,000	3,132,265	11,632,265	0.44973	

Sources of Funds:

Par Amount of Bonds:	8,500,000
County Cash:	0

Total: 8,500,000

Uses of Funds:

Project Funds:	8,327,500
Issuance Costs:	45,000
Underwriting Costs:	127,500

Surplus: 0

Total: 8,500,000

Average Annual Payment:	581,613
Average Levy Rate / \$1000:	0.44973
Average Life of Bonds:	11.408
Average Rate:	3.230%
1/15 Taxable Valuation:	1,293,254,373

Spread to Current Rates: 1.000%

Cost to Taxpayers

Lee County, Iowa
 County Courthouse/Administration Building Bond Issue
 Tax Impact Analysis
 Prepared on August 31, 2016

Based on Rollback for FY16/17	
Residential	55.6259%
Agricultural	46.1068%
Commercial	90.0000%

Maximum Amount of Bond Issue	\$8,500,000
Total Taxable Valuation	1,212,881,374
Average Ag Land Taxable Value Per Acre	\$675

Bond Amount	\$8,500,000
Bond Term	20 Year
Average Annual Payment	\$581,600
Levy Amount (\$/1,000)	0.45
Residential Property	
\$50,000	\$12.52
\$100,000	\$25.03
\$150,000	\$37.55
\$200,000	\$50.06
Agricultural Property	
Per Acre	\$0.30
Per 40 Acre Parcel	\$12.00
Commercial Property	
\$50,000	\$20.25
\$100,000	\$40.50
\$150,000	\$60.75
\$200,000	\$81.00

The average interest rate is 2.79%

10 Year Cost History by Building

	South Courthouse	North Courthouse	North Attorney	Health Dept - Kensington	Totals	Cost Over Next 20 Years
Budget/Line items	Prior 10 Year Maintenance Cost					
Electrical Supplies	9,087.83	2,696.13	79.13	-	11,863.09	23,726.18
Ground Maint. Supplies	931.53	1,276.95	227.23	-	2,435.71	4,871.42
Custodial Supplies	20,609.96	5,494.33	16.50	-	26,120.79	52,241.58
Other Supplies	4,133.76	-	-	-	4,133.76	8,267.52
Equipment	6,376.59	501.41	68.47	-	6,946.47	13,892.94
Telephone	5,054.33	-	-	-	5,054.33	10,108.66
Gas Bills	115,878.27	42,832.26	17,894.64	-	176,605.17	353,210.34
Electric Bill	299,696.72	138,345.22	21,857.21	-	459,899.15	919,798.30
Water Bill	10,579.09	15,433.15	5,954.26	-	31,966.50	63,933.00
Janitorial Services	194,151.09	106,863.00	56,671.17	-	357,685.26	715,370.52
Extermination Services	4,097.33	9,770.25	2,147.00	-	16,014.58	32,029.16
Trash Hauling	6,321.79	10,717.17	-	-	17,038.96	34,077.92
Snow Removal	15,790.42	2,136.30	169.80	-	18,096.52	36,193.04
Electrical/Furnance/AC	-	-	-	20,255.00	20,255.00	40,510.00
Building Repairs	254,785.77	66,795.31	11,771.61	12,750.00	346,102.69	692,205.38
Elevator Maintenance	-	-	-	16,939.00	16,939.00	33,878.00
Maintenance Agreements	49,740.28	48,040.44	149.02	-	97,929.74	195,859.48
Panic Buttons/Alarms	5,537.05	2,748.90	-	-	8,285.95	16,571.90
Licenses/Permits	1,435.00	1,035.00	-	-	2,470.00	4,940.00
Capital Improvements	173,698.33	77,341.38	21,341.22	-	272,380.93	544,761.86
TOTALS	1,177,905.14	532,027.20	138,347.26	49,944.00	1,898,223.60	3,796,447.20

Buildings

- The new, more centrally located courthouse will eliminate four old, inefficient buildings with one energy efficient, secure new building. In addition to the North and South Courthouses, the existing rented Health Dept location will be eliminated, with the Health Dept moving into the North Office Building. The fourth building is the Attorney's building in Fort Madison.

Maintenance Costs

- The prior 10 year maintenance costs for utilities, maintenance, snow removal, janitorial services for the four buildings equals \$1,898,224, leading to an estimated future 20 year cost of \$3,796,448.
- These costs do not include the rental costs of \$1,068,000 for the Health Dept for the next 20 years.

Estimated Cost of New Courthouse

	Estimated Cost Over Next 20 Years
Budget/Line items	
Electrical Supplies	4,400.00
Ground Maint. Supplies	3,800.00
Custodial Supplies	60,000.00
Other Supplies	6,600.00
Equipment	6,000.00
Telephone	15,000.00
Gas Bills	48,000.00
Electric Bill	450,000.00
Water Bill	32,000.00
Janitorial Services	499,920.00
Extermination Services	10,600.00
Trash Hauling	27,360.00
Snow Removal	42,000.00
Building Repairs	100,000.00
Maintenance Agreements	120,000.00
Licenses/Permits	2,400.00
Capital Improvements	100,000.00
TOTALS	1,528,080.00

- The same projected maintenance costs for the new building is \$1,528,000 for 20 years.
- The projected 20 year savings for the maintenance of the new courthouse is \$3,336,368 including the rental savings for the Health Dept.

- The costs for the new courthouse, plus moving the Health Dept is \$8.5 million. If the bond issue does not pass, another bond issue will likely be put before the voters to build a new building for the Health Dept (\$2.5 million), plus \$1.0 million to address maintenance issues with the existing buildings, plus an undetermined amount to address security issues for the court system. Any structural issues with the current buildings have not been determined and were not part of the building evaluation. In 1980, when the buildings were upgraded, the Board of Supervisors were told the two courthouses had an expected life of 25 to 30 years.

Projected Costs – Maintaining current buildings and returning services

TOTALS	1,177,905.14	532,027.20	138,347.26	49,944.00	1,898,223.60	3,796,447.20
Cost to Build New Health Dept Building						2,500,000.00
Costs for Maintenance to Both Courthouses						1,248,500.00
Returned Services - Both						
▶ Treasurer's Office			\$295,225/year*			5,904,528.00
▶ Auditor's Office			\$76,832/year*			1,536,640.00
▶ Recorder's Office			\$80,265/year*			1,605,300.00
▶ Maintenance Dept			\$76,732/year*			1,534,640.00
▶ Board of Supervisors			\$58,725/year*			1,174,500.00
			Totals:			19,300,555.20
Court/Building Security Upgrades are not included in current 20 Year Cost						Additional Cost
ADA Issues						Additional Cost
Structural Issues (Unknown at this time)						Additional Cost
* Payroll figures based on current wages, does not include any % wage increases over the 20 years						

Final Totals

	Total Costs	\$ 19,300,555.20
Costs to upgrade court security		additional costs
Costs to bring buildings up to ADA		additional costs
<hr/>		
Costs for New Courthouse		
20 Year Bond Payments		8,500,000.00
20 Year Estimated New Courthouse Costs		<u>1,528,080.00</u>
		\$ 10,028,080.00
Costs to upgrade court security		included in cost
Costs to bring buildings up to ADA		included in cost
20 Year Cost Savings With New vs Old		\$ 9,272,475.20

* Payroll figures based on current wages, does not include any % wage increases over the 20 years

That concludes the presentation...

