

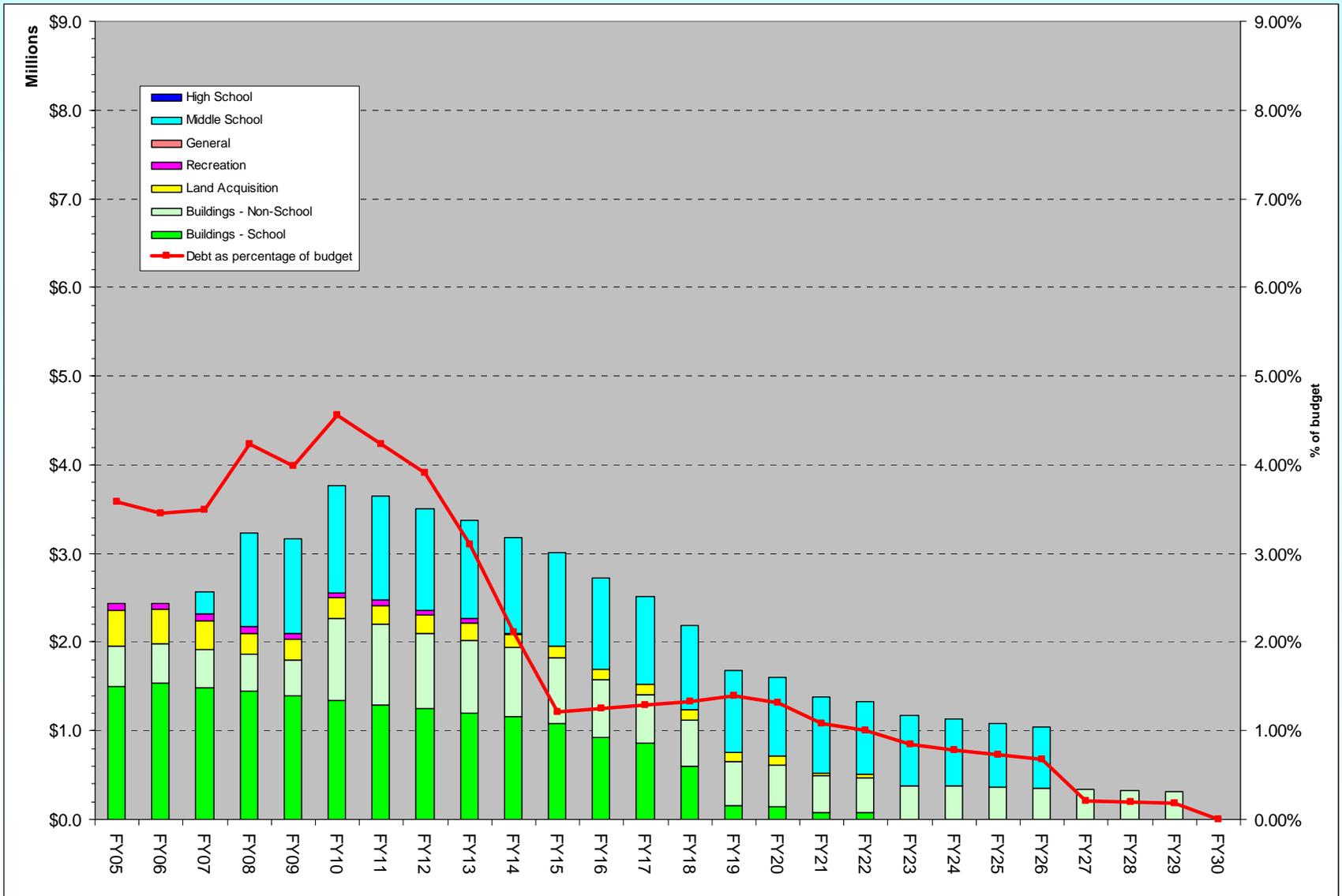


*Danvers High School project
Financing plan*

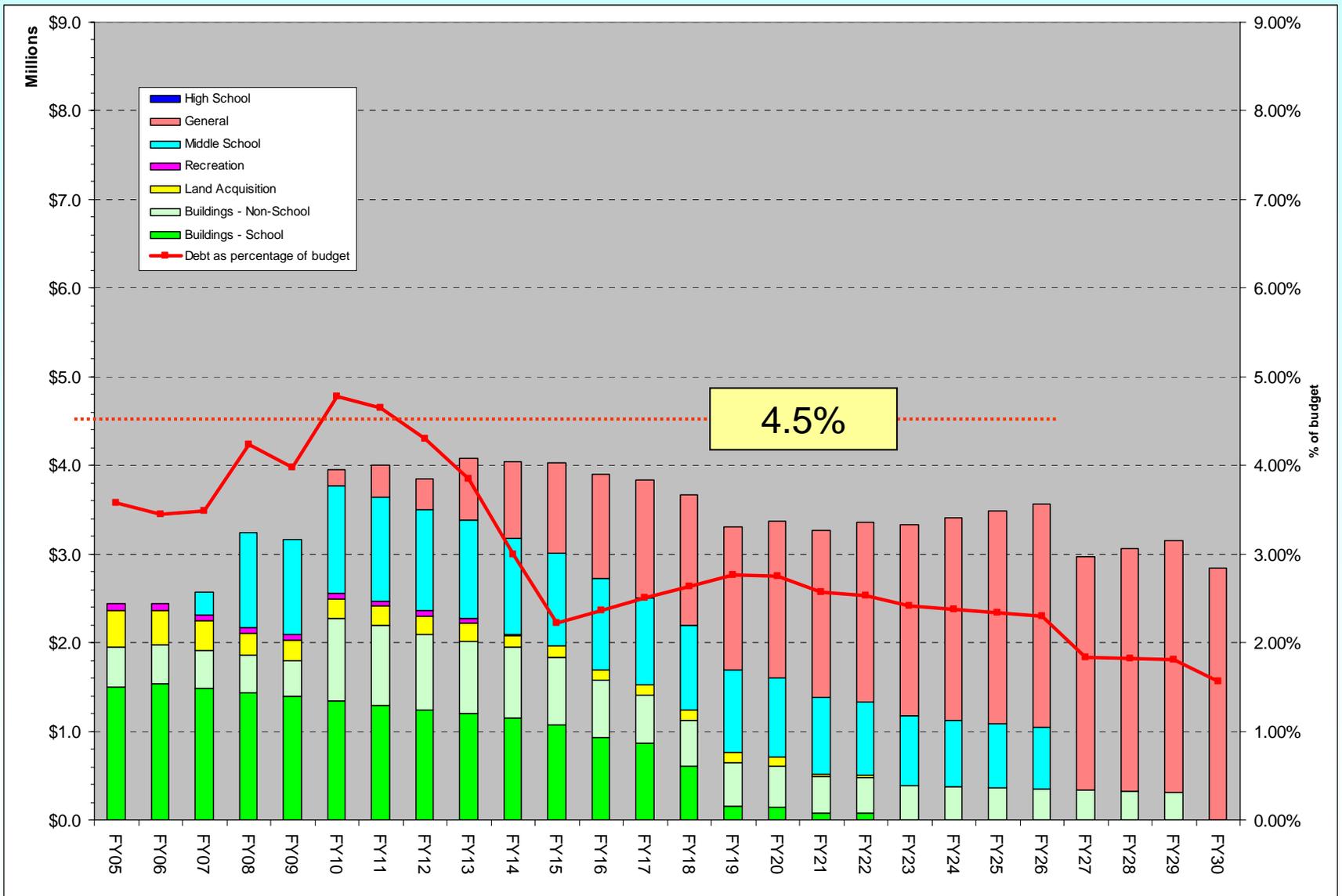
October 6, 2009

- **Affordability**

- Keep debt cost within historic debt limits
- No additional operating budget allocated to debt
- Use of stabilization accounts to minimize impact

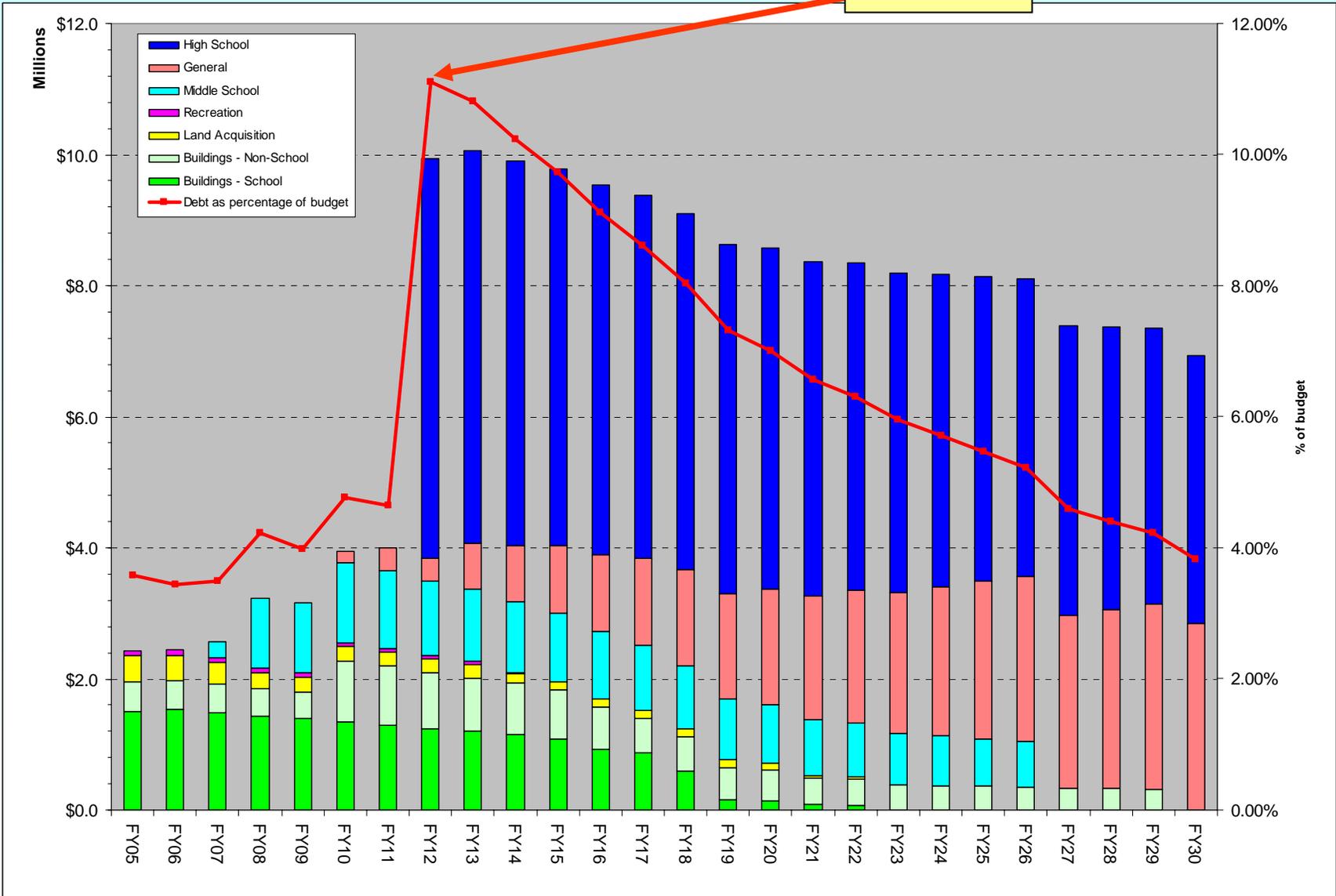


Existing debt

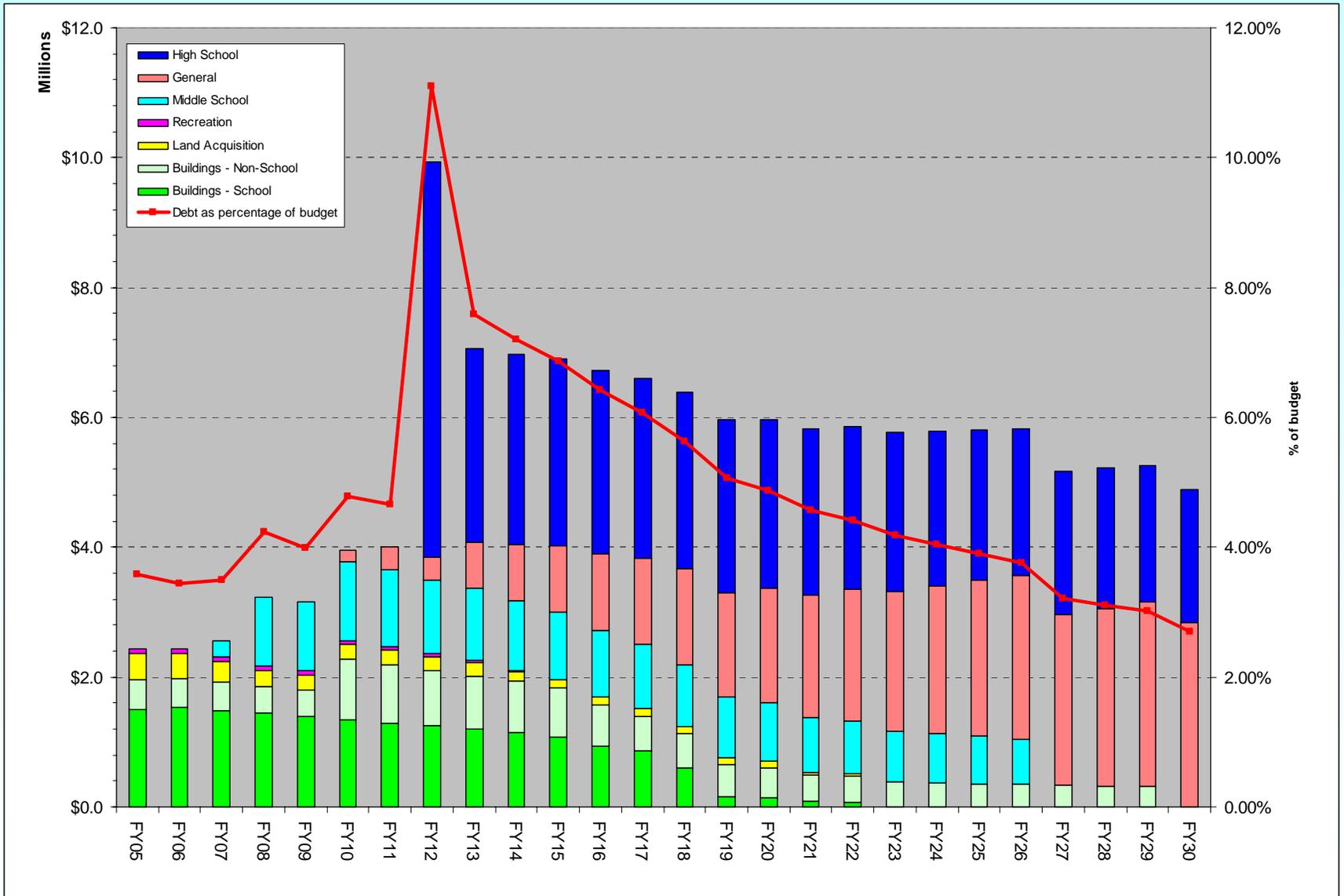


Existing debt with anticipated general borrowing

11.1%

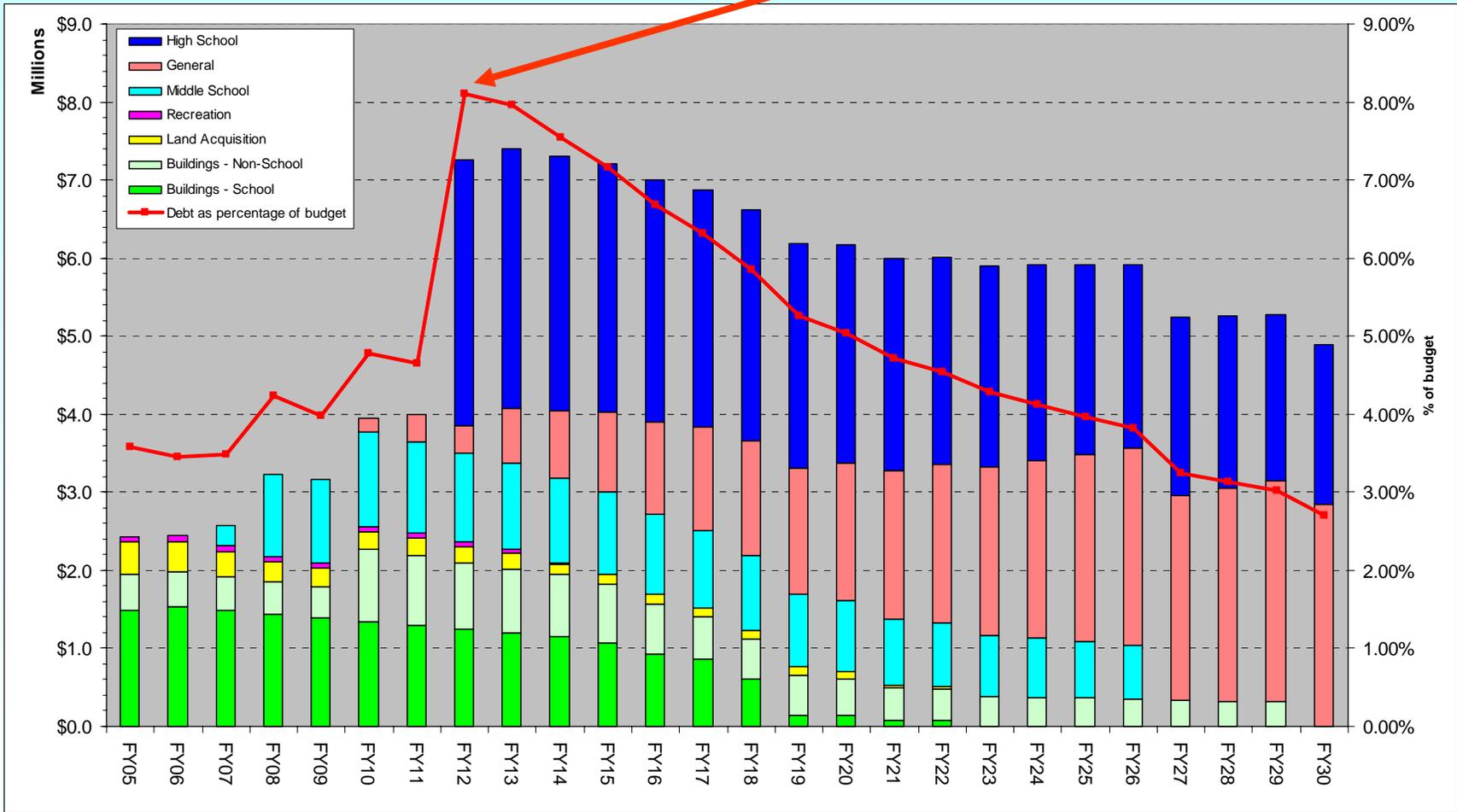


\$83M without MSBA reimbursement



\$83M with old MSBA with one year lag

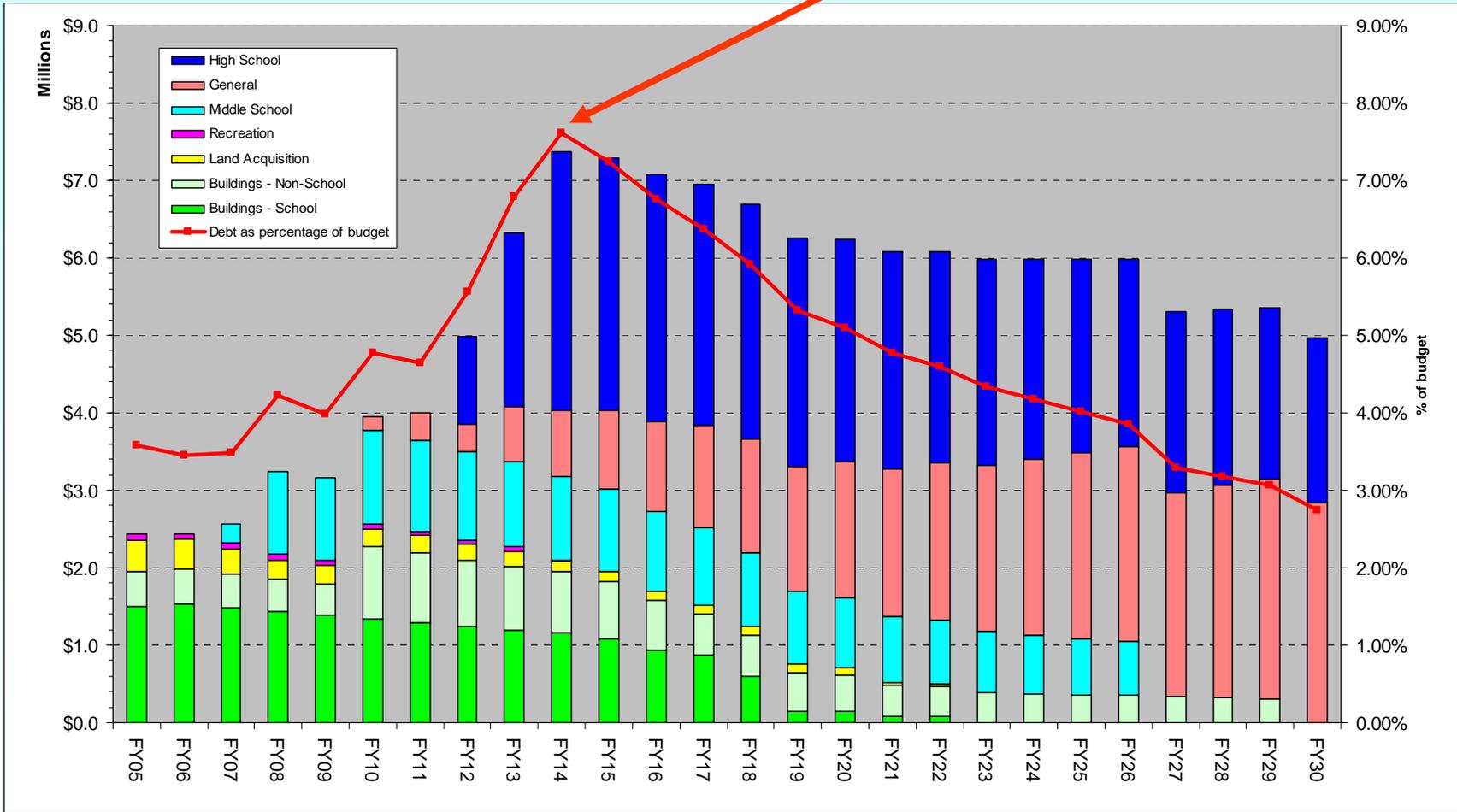
8.1%



\$37.89M with new MSBA

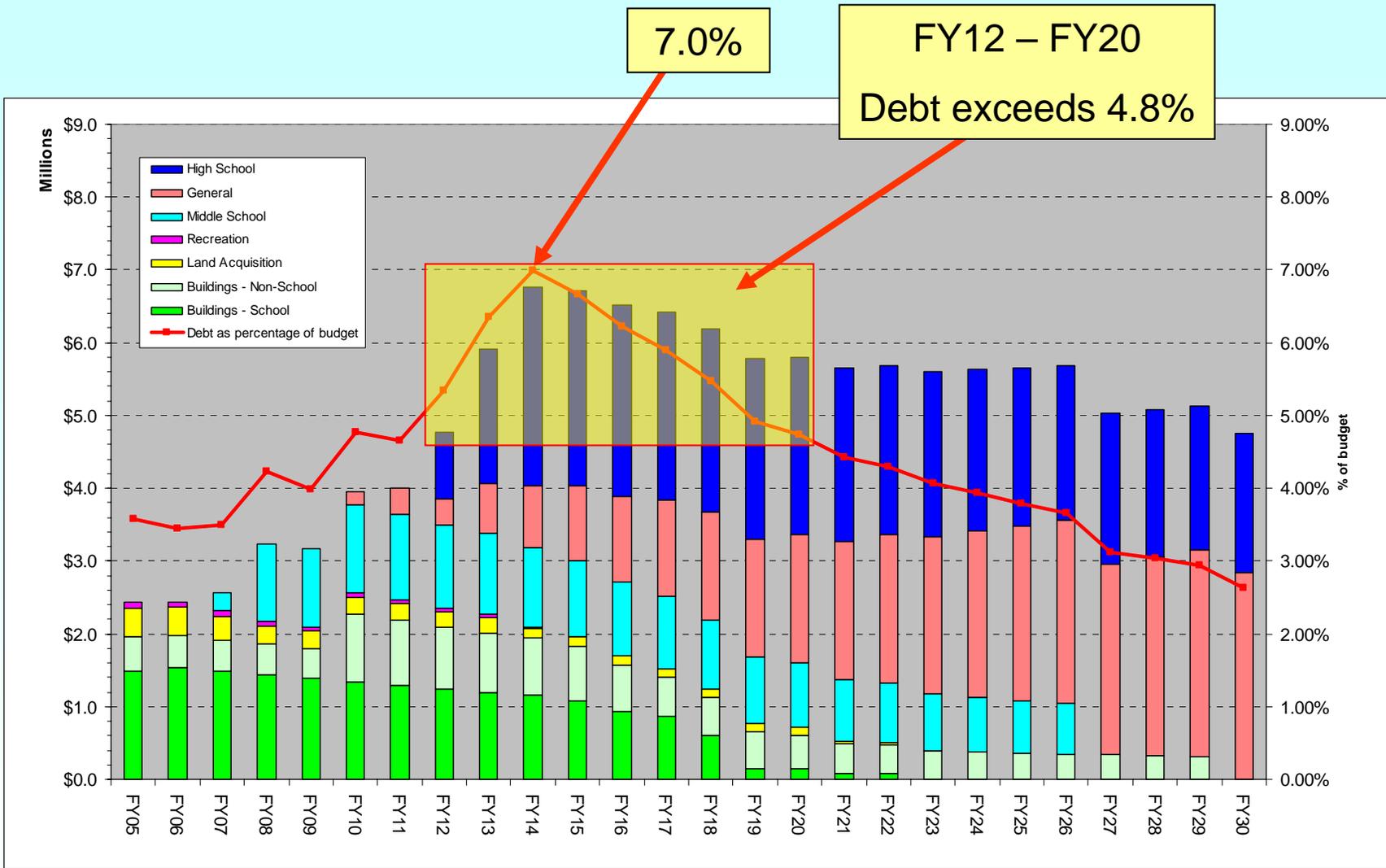
20 year bonding, single phase

7.6%



\$37.89M with new MSBA

20 year bonding, three phases

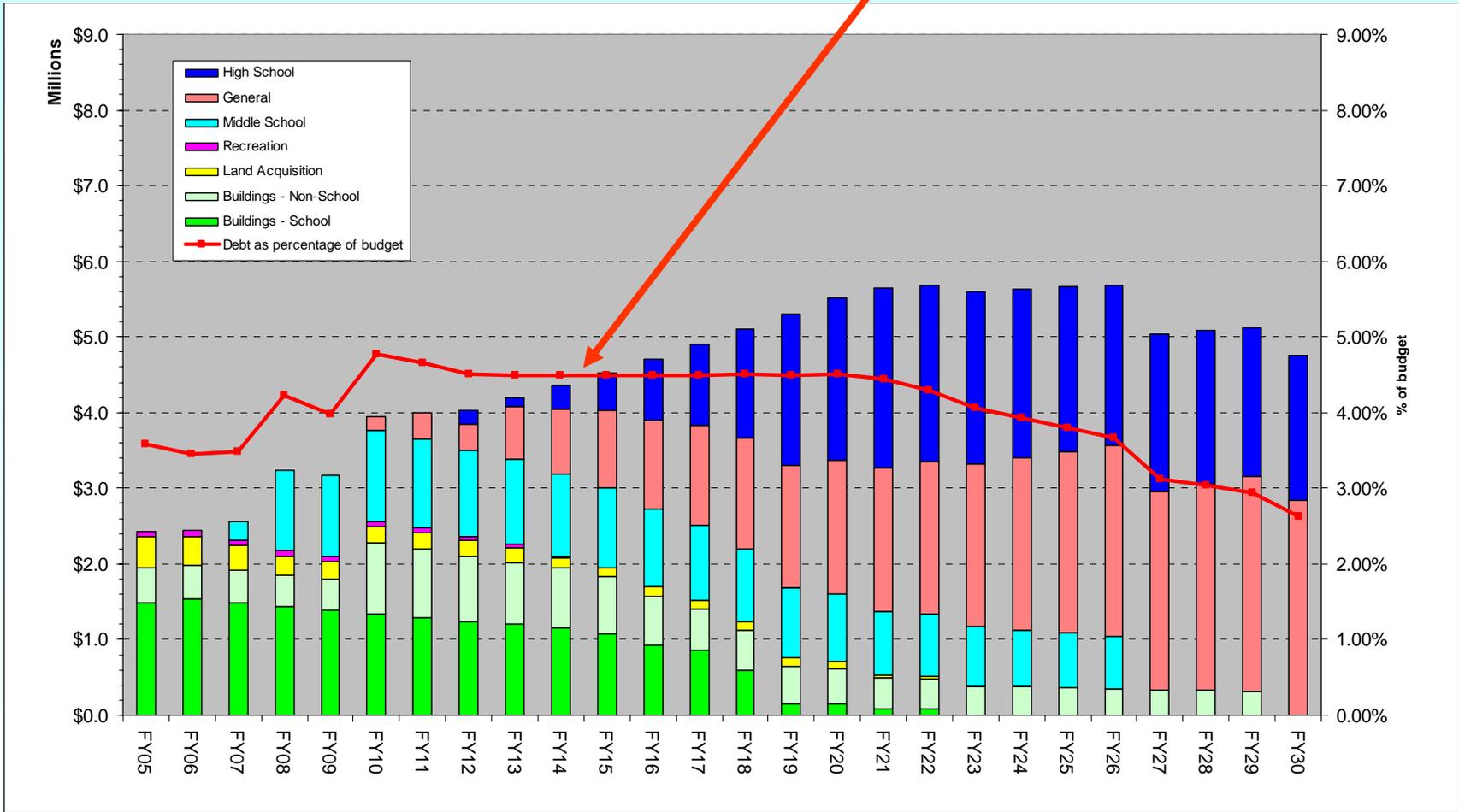


\$37.89M with new MSBA

30 year bonding, three phases

- **HS/MS stabilization fund balance**
 - Created in 2001 to help offset the cost of school construction.
 - Current balance (9/30/2009) \$6.7M
 - With continued annual contributions, FY14 fund balance will be > \$9.2M
 - Continued annual contributions make more funds available during payback period

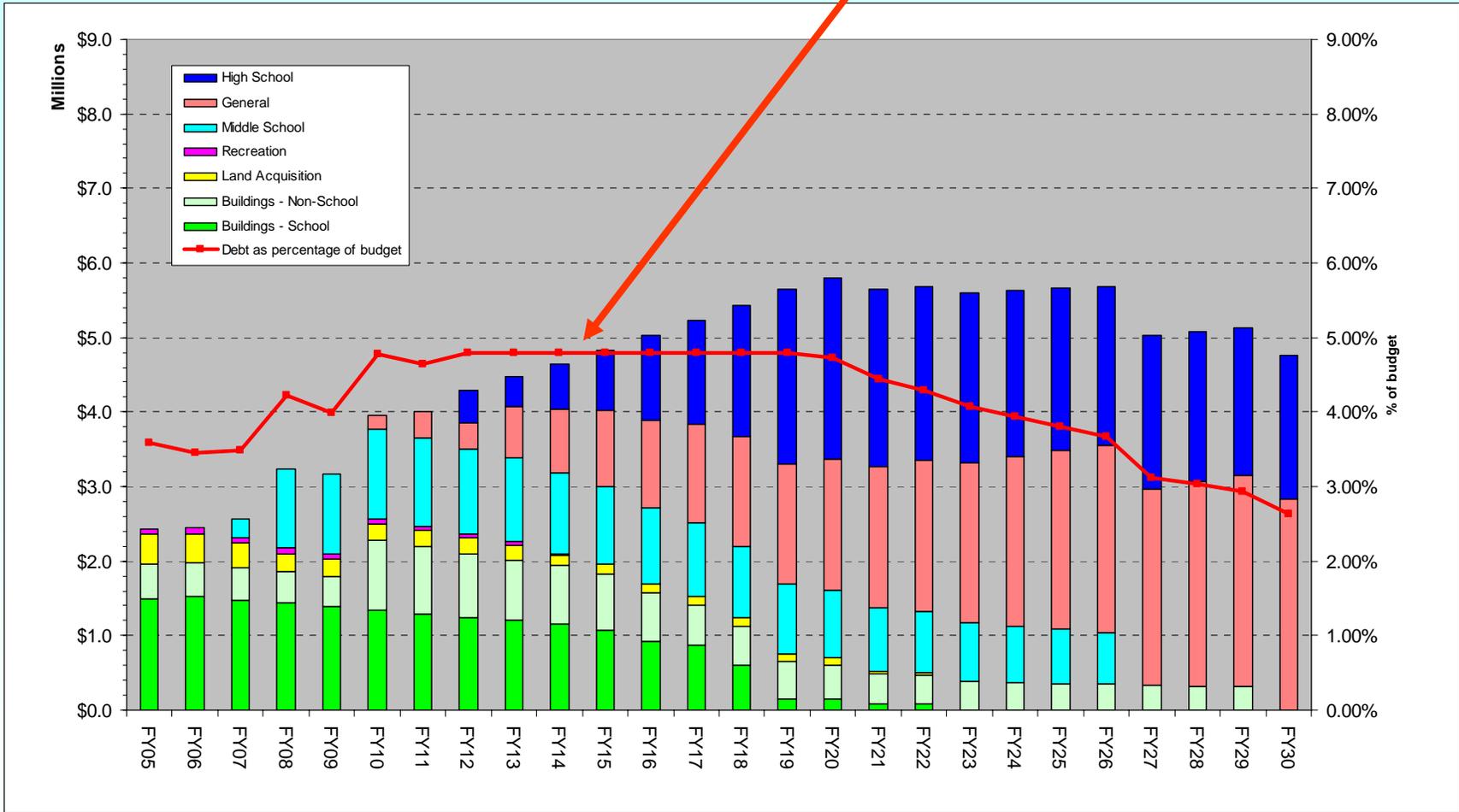
4.5%



\$37.89M with new MSBA

30 year bonding, three phases, using HS/MS Stabilization (need \$12.2M)

4.8%

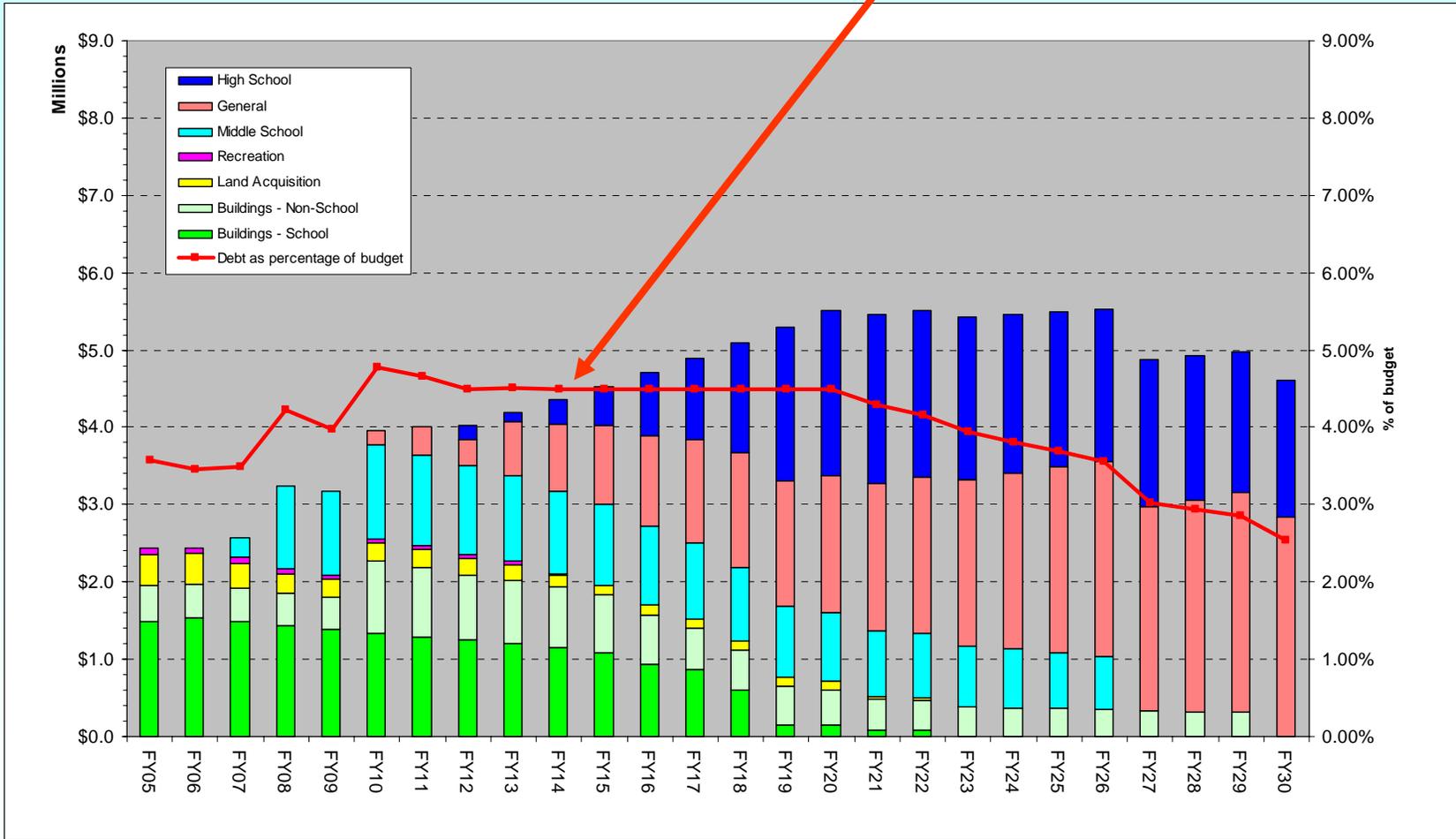


\$37.89M with new MSBA

30 year bonding, three phases, using HS/MS Stabilization (need \$9.4M)

- Holten-Richmond performance
 - Budget / Warrant article amount \$31M
 - Actual cost \$28.787M (92% of budget)
 - Debt issued \$12.978M
 - High school bonding could be lower than budget

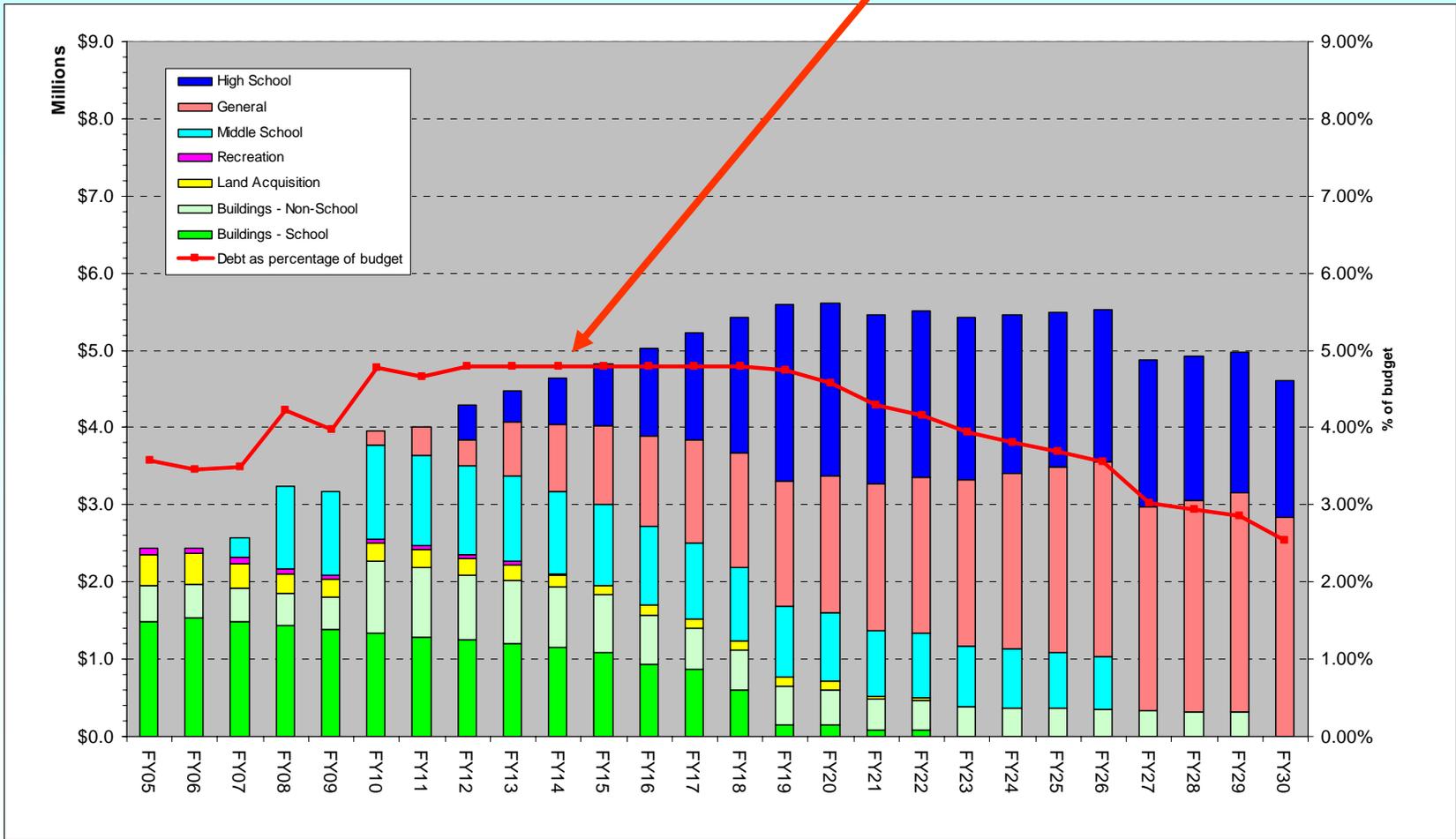
4.5%



\$35M with new MSBA

30 year bonding, three phases, using HS/MS Stabilization (need \$10.7M)

4.8%



\$35M with new MSBA

30 year bonding, three phases, using HS/MS Stabilization (need \$8.1M)

• Conclusions

- Use multiphase borrowing to reduce peak year impact
- Use 30 year bonding
- Use HR/MS stabilization fund in peak years (FY12-FY20)
- Continue annual funding (\$500K) of HR/MS stabilization fund
- Continue efforts to reduce / defer costs where possible