

UMBAUGH

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January 24, 2018

Members of the Town of Munster
Town Council
1005 Ridge Road
Munster, IN 46321

Re: Proposed Grade Separation Project Financing

Dear Members of the Town Council:

Per your request, we have prepared the attached schedules to assist in the discussion and planning of the proposed grade separation project. The attached schedules (listed below) present unaudited and limited information for this purpose of discussion by the appropriate officers, officials, and advisors of the Town of Munster. The use of these schedules should be restricted to this purpose as the information is subject to future revision.

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2	Estimated Project Costs and Funding
3	Preliminary Amortization of \$5,825,000* Principal Amount of Lease Rental Revenue Bonds, Series 2018
4	Comparison of Estimated Wheel and Excise Tax Revenues and Estimated Lease Rentals

*Preliminary, subject to change.

In the preparation of these schedules, assumptions were made regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected and the resulting differences could be material. We have not examined the underlying assumptions nor have we audited or reviewed the historical data. Consequently, we express no opinion or provide any other form of assurance thereon, nor do we have a responsibility to prepare subsequent reports.

We would appreciate your questions or comments on this information and would provide additional information upon request.

Very truly yours,

UMBAUGH



Matthew R. Eckerle

TOWN OF MUNSTER, INDIANA

Proposed Grade Separation Project

ESTIMATED PROJECT COSTS AND FUNDING

Estimated Project Costs:*

Net proceeds available for project	\$5,615,000
Capitalized interest (1)	0
Allowance for underwriter's discount (1.0%)	58,250
Allowance for issuance costs and contingencies	<u>151,750</u>
Total Estimated Project Costs	<u><u>\$5,825,000</u></u>

Estimated Project Funding:*

Proposed Lease Rental Revenue Bonds, Series 2018 (2)	<u><u>\$5,825,000</u></u>
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*Preliminary, subject to change.

- (1) Assumes capitalized interest is not required. The final financing structure will determine if capitalized interest will be needed.
- (2) Assumes the Bonds will be secured by ad valorem property taxes, but the Town will elect to utilize wheel and excise tax revenues to pay lease rentals in lieu of levying a property tax.

Note: Assumes the Town will lease an existing asset with a value equal to the financing amount. Bond proceeds will be used to fund a portion of the grade separation project.

(Subject to the attached letter dated January 24, 2018)
(Preliminary - Subject to Change)
(For Internal Use Only)

TOWN OF MUNSTER, INDIANA

Proposed Grade Separation Project

**PRELIMINARY AMORTIZATION OF \$5,825,000* PRINCIPAL AMOUNT OF
LEASE RENTAL REVENUE BONDS, SERIES 2018**

Assumes Bonds dated March 29, 2018

Payment Date	Principal Outstanding	Principal	Assumed Interest Rates (1)	Assumed Interest	Estimated Total Debt Service	Estimated Fiscal Year Debt Service	Estimated Fiscal Year Lease Rentals (2)
07/15/18	\$5,825,000	\$130,000	1.90%	\$53,854	\$183,854		
01/15/19	5,695,000	125,000	2.05%	90,215	215,215	\$399,069	\$405,000
07/15/19	5,570,000	110,000	2.05%	88,934	198,934		
01/15/20	5,460,000	115,000	2.20%	87,806	202,806	401,740	407,000
07/15/20	5,345,000	115,000	2.20%	86,541	201,541		
01/15/21	5,230,000	115,000	2.35%	85,276	200,276	401,818	407,000
07/15/21	5,115,000	115,000	2.35%	83,925	198,925		
01/15/22	5,000,000	120,000	2.45%	82,574	202,574	401,499	407,000
07/15/22	4,880,000	120,000	2.45%	81,104	201,104		
01/15/23	4,760,000	120,000	2.55%	79,634	199,634	400,738	406,000
07/15/23	4,640,000	120,000	2.55%	78,104	198,104		
01/15/24	4,520,000	125,000	2.65%	76,574	201,574	399,678	405,000
07/15/24	4,395,000	125,000	2.65%	74,918	199,918		
01/15/25	4,270,000	130,000	2.75%	73,261	203,261	403,179	409,000
07/15/25	4,140,000	130,000	2.75%	71,474	201,474		
01/15/26	4,010,000	130,000	2.85%	69,686	199,686	401,160	407,000
07/15/26	3,880,000	135,000	2.85%	67,834	202,834		
01/15/27	3,745,000	135,000	2.95%	65,910	200,910	403,744	409,000
07/15/27	3,610,000	135,000	2.95%	63,919	198,919		
01/15/28	3,475,000	140,000	3.10%	61,928	201,928	400,846	406,000
07/15/28	3,335,000	140,000	3.10%	59,758	199,758		
01/15/29	3,195,000	145,000	3.20%	57,588	202,588	402,345	408,000
07/15/29	3,050,000	145,000	3.20%	55,268	200,268		
01/15/30	2,905,000	150,000	3.30%	52,948	202,948	403,215	409,000
07/15/30	2,755,000	150,000	3.30%	50,473	200,473		
01/15/31	2,605,000	155,000	3.40%	47,998	202,998	403,470	409,000
07/15/31	2,450,000	155,000	3.40%	45,363	200,363		
01/15/32	2,295,000	160,000	3.50%	42,728	202,728	403,090	409,000
07/15/32	2,135,000	160,000	3.50%	39,928	199,928		
01/15/33	1,975,000	165,000	3.60%	37,128	202,128	402,055	408,000
07/15/33	1,810,000	165,000	3.60%	34,158	199,158		
01/15/34	1,645,000	170,000	3.70%	31,188	201,188	400,345	406,000
07/15/34	1,475,000	175,000	3.70%	28,043	203,043		
01/15/35	1,300,000	175,000	3.75%	24,805	199,805	402,848	408,000
07/15/35	1,125,000	180,000	3.75%	21,524	201,524		
01/15/36	945,000	180,000	3.80%	18,149	198,149	399,673	405,000
07/15/36	765,000	185,000	3.80%	14,729	199,729		
01/15/37	580,000	190,000	3.85%	11,214	201,214	400,943	406,000
07/15/37	390,000	195,000	3.85%	7,556	202,556		
01/15/38	195,000	195,000	3.90%	3,803	198,803	401,359	407,000
Totals		<u>\$5,825,000</u>		<u>\$2,207,810</u>	<u>\$8,032,810</u>	<u>\$8,032,810</u>	<u>\$8,143,000</u>

*Preliminary, subject to change.

- (1) We have prepared the interest rate assumptions using our evaluation of the underlying credit pledge to this financing and current market conditions. These factors are subject to change. Changes may result in the actual interest rates varying from the interest rates assumed for this analysis and that variance may be material.
- (2) Lease Rentals are to be equal to the annual principal and interest payment rounded up to the next \$1,000 plus \$5,000 for the payment of miscellaneous expenses.

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TOWN OF MUNSTER, INDIANA

Proposed Grade Separation Project

**COMPARISON OF ESTIMATED WHEEL AND EXCISE TAX REVENUES
AND ESTIMATED LEASE RENTALS**

Taxes Payable Year	Estimated Wheel and Excise Tax Revenues	Estimated Lease Rentals	Estimated Wheel and Excise Tax Revenues Remaining	Estimated Wheel and Excise Tax Revenue Coverage
	(1)	(2)		
2018	\$512,000	(\$405,000)	\$107,000	126%
2019	512,000	(407,000)	105,000	126%
2020	512,000	(407,000)	105,000	126%
2021	512,000	(407,000)	105,000	126%
2022	512,000	(406,000)	106,000	126%
2023	512,000	(405,000)	107,000	126%
2024	512,000	(409,000)	103,000	125%
2025	512,000	(407,000)	105,000	126%
2026	512,000	(409,000)	103,000	125%
2027	512,000	(406,000)	106,000	126%
2028	512,000	(408,000)	104,000	125%
2029	512,000	(409,000)	103,000	125%
2030	512,000	(409,000)	103,000	125%
2031	512,000	(409,000)	103,000	125%
2032	512,000	(408,000)	104,000	125%
2033	512,000	(406,000)	106,000	126%
2034	512,000	(408,000)	104,000	125%
2035	512,000	(405,000)	107,000	126%
2036	512,000	(406,000)	106,000	126%
2037	512,000	(407,000)	105,000	126%
Totals	<u>\$10,240,000</u>	<u>(\$8,143,000)</u>	<u>\$2,097,000</u>	

- (1) Per the Indiana Local Technical Assistance Program 2017 Wheel Tax and Excise Surtax Report, assumes maximum rate. Per the Town of Muster's Ordinance 1682, the Wheel Tax rate will be reviewed within 5 years of June 20, 2016.
- (2) See page 3.

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