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March 5, 2020

Mr. Dustin Anderson, Town Manager  
Town of Munster  
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Re: Proposed Economic Development Refunding Revenue Bonds

Dear Mr. Anderson:

Per your request, we have prepared this illustrative tax increment financing feasibility analysis to assist you in the discussion and consideration of the proposed Economic Development Refunding Revenue Bonds. The attached schedules (listed below) present unaudited and limited information. The use of these schedules should be restricted to this purpose, for internal use only, as the information is subject to future revision and final report.

<u>Pages</u>	
2	Illustrative Sources and Uses of Funds
3	Illustrative Amortization of \$3,090,000 Principal Amount of Economic Development Revenue Refunding Bonds
4	Illustrative Annual Debt Service Savings
5	Amortization of \$3,245,000 Principal Amount of Outstanding Economic Development Revenue Bonds, Series 2010

In the preparation of these schedules, certain assumptions were made as noted 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 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,

BAKER TILLY MUNICIPAL ADVISORS, LLC

Matthew R. Eckerle, Director

**TOWN OF MUNSTER, INDIANA**

**ILLUSTRATIVE SOURCES AND USES OF FUNDS**

**Illustrative Uses of Funds:**

Deposit to Escrow Account (1)	\$3,309,385
Allowance for Underwriter's discount (.5%) (2)	15,450
Debt Service Reserve (3)	378,900
Allowance for Bond issuance costs and contingencies	<u>154,272</u>
Total Illustrative Project Costs	<u><u>\$3,858,007</u></u>

**Illustrative Sources of Funds:**

Illustrative Economic Development Revenue Refunding Bonds	\$3,090,000
Prior Bond Debt Service Reserve Fund (4)	433,312
Prior Bond Construction Fund (4)	6,920
Reoffering Premium (2)	<u>327,775</u>
Total Illustrative Sources of Funds	<u><u>\$3,858,007</u></u>

- (1) Assumes the Economic Development Revenue Bonds, Series 2010 are refunded May 27, 2020.
- (2) Based upon Stifel's refunding analysis dated January 27, 2020.
- (3) Assumes the Bond purchaser will require the funding of a debt service reserve from Bond proceeds. If a reserve fund is not required, then the Bond size will be adjusted accordingly.
- (4) Per U.S. Bank National Association as of February 18, 2020.

(Subject to the attached letter dated March 5, 2020)  
(Preliminary - Subject to Change)  
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**TOWN OF MUNSTER, INDIANA**

**ILLUSTRATIVE AMORTIZATION OF \$3,090,000 PRINCIPAL AMOUNT OF  
ECONOMIC DEVELOPMENT REVENUE REFUNDING BONDS**

**Assumes Bonds dated May 27, 2020**

<u>Payment Date</u>	<u>Principal Outstanding</u>	<u>Principal</u>	<u>Assumed Interest Rate</u>	<u>Assumed Interest</u>	<u>Assumed Total Debt Service</u>	<u>Assumed Fiscal Year Debt Service</u>
			(1)			
07/15/20	\$3,090,000	\$170,000	4.00%	\$16,480	\$186,480	
01/15/21	2,920,000	130,000	4.00%	58,400	188,400	\$374,880
07/15/21	2,790,000	135,000	4.00%	55,800	190,800	
01/15/22	2,655,000	135,000	4.00%	53,100	188,100	378,900
07/15/22	2,520,000	140,000	4.00%	50,400	190,400	
01/15/23	2,380,000	135,000	4.00%	47,600	182,600	373,000
07/15/23	2,245,000	140,000	4.00%	44,900	184,900	
01/15/24	2,105,000	140,000	4.00%	42,100	182,100	367,000
07/15/24	1,965,000	145,000	4.00%	39,300	184,300	
01/15/25	1,820,000	150,000	4.00%	36,400	186,400	370,700
07/15/25	1,670,000	155,000	4.00%	33,400	188,400	
01/15/26	1,515,000	155,000	4.00%	30,300	185,300	373,700
07/15/26	1,360,000	160,000	4.00%	27,200	187,200	
01/15/27	1,200,000	160,000	4.00%	24,000	184,000	371,200
07/15/27	1,040,000	165,000	4.00%	20,800	185,800	
01/15/28	875,000	170,000	4.00%	17,500	187,500	373,300
07/15/28	705,000	170,000	4.00%	14,100	184,100	
01/15/29	535,000	175,000	4.00%	10,700	185,700	369,800
07/15/29	360,000	180,000	4.00%	7,200	187,200	
01/15/30	180,000	180,000	4.00%	3,600	183,600	370,800
Totals		<u>\$3,090,000</u>		<u>\$633,280</u>	<u>\$3,723,280</u>	<u>\$3,723,280</u>

(1) Per Stifel's refunding analysis dated January 27, 2020. The actual interest rate may vary materially from the rate assumed in this analysis.

(Subject to the attached letter dated March 5, 2020)  
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**TOWN OF MUNSTER, INDIANA**

**ILLUSTRATIVE ANNUAL DEBT SERVICE SAVINGS**

Payment Dates	2010 Bonds Debt Service	Illustrative Refunding Bonds Debt Service	Illustrative Savings	
			Semiannual	Annual
	(1)	(2)		
07/15/20	\$205,471	\$186,480	\$18,991	
01/15/21	203,109	188,400	14,709	\$33,700
07/15/21	205,578	190,800	14,778	
01/15/22	202,953	188,100	14,853	29,630
07/15/22	205,153	190,400	14,753	
01/15/23	202,253	182,600	19,653	34,405
07/15/23	204,244	184,900	19,344	
01/15/24	201,131	182,100	19,031	38,375
07/15/24	202,981	184,300	18,681	
01/15/25	204,726	186,400	18,326	37,008
07/15/25	206,206	188,400	17,806	
01/15/26	202,576	185,300	17,276	35,083
07/15/26	203,946	187,200	16,746	
01/15/27	200,206	184,000	16,206	32,953
07/15/27	201,381	185,800	15,581	
01/15/28	202,444	187,500	14,944	30,525
07/15/28	203,169	184,100	19,069	
01/15/29	203,775	185,700	18,075	37,144
07/15/29	204,263	187,200	17,063	
01/15/30	199,631	183,600	16,031	33,094
Totals	<u>\$4,065,195</u>	<u>\$3,723,280</u>	<u>\$341,915</u>	341,915
Transfer from prior issue funds				(440,232)
Cash funded debt service reserve				<u>378,900</u>
Gross future value savings				<u>\$280,583</u>
Net present value savings (7.91%)				<u>\$256,657</u>

(1) See page 5.

(2) See page 3.

(Subject to the attached letter dated March 5, 2020)  
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**TOWN OF MUNSTER, INDIANA**

**AMORTIZATION OF \$3,245,000 PRINCIPAL AMOUNT OF OUTSTANDING  
ECONOMIC DEVELOPMENT REVENUE BONDS, SERIES 2010**  
**Bonds dated October 20, 2010**

<u>Payment Date</u>	<u>Principal Outstanding</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Fiscal Year Debt Service</u>
07/15/20	\$3,245,000	\$135,000	3.50%	\$70,471.25	\$205,471.25	
01/15/21	3,110,000	135,000	3.75%	68,108.75	203,108.75	\$408,580.00
07/15/21	2,975,000	140,000	3.75%	65,577.50	205,577.50	
01/15/22	2,835,000	140,000	4.00%	62,952.50	202,952.50	408,530.00
07/15/22	2,695,000	145,000	4.00%	60,152.50	205,152.50	
01/15/23	2,550,000	145,000	4.15%	57,252.50	202,252.50	407,405.00
07/15/23	2,405,000	150,000	4.15%	54,243.75	204,243.75	
01/15/24	2,255,000	150,000	4.20%	51,131.25	201,131.25	405,375.00
07/15/24	2,105,000	155,000	4.20%	47,981.25	202,981.25	
01/15/25	1,950,000	160,000	4.40%	44,726.25	204,726.25	407,707.50
07/15/25	1,790,000	165,000	4.40%	41,206.25	206,206.25	
01/15/26	1,625,000	165,000	4.40%	37,576.25	202,576.25	408,782.50
07/15/26	1,460,000	170,000	4.40%	33,946.25	203,946.25	
01/15/27	1,290,000	170,000	4.50%	30,206.25	200,206.25	404,152.50
07/15/27	1,120,000	175,000	4.50%	26,381.25	201,381.25	
01/15/28	945,000	180,000	4.75%	22,443.75	202,443.75	403,825.00
07/15/28	765,000	185,000	4.75%	18,168.75	203,168.75	
01/15/29	580,000	190,000	4.75%	13,775.00	203,775.00	406,943.75
07/15/29	390,000	195,000	4.75%	9,262.50	204,262.50	
01/15/30	195,000	195,000	4.75%	4,631.25	199,631.25	403,893.75
Totals		<u>\$3,245,000</u>		<u>\$820,195.00</u>	<u>\$4,065,195.00</u>	<u>\$4,065,195.00</u>

Note: The 2010 Bonds are subject to optional redemption by the Town of Munster prior to maturity, beginning July 15, 2020, upon thirty (30) days' notice, at par plus accrued interest.

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