



**Board Meeting Public Comment Q&A
November 18 & 20, 2019**

- 1. Would the District look into sidewalk replacement/addition to the area in front of the mail kiosk in front of Three Creeks K-8 School? This would make it easier to access the mailboxes within that kiosk, as well as avoiding mud, snow, ice etc.**

The area in front of the mail kiosk located on 94th Avenue has been landscaped with large river rock so that residents will have easier access and an area free of mud during inclement weather.

- 2. What is a bond and how does it work?**

A bond is a security that pays interest every 6 months and principal every 12 months. It is used by municipal issuers as a way to raise money for capital projects and can be issued to refinance existing debt as well.

- 3. What kinds of agencies issue bonds and what are some common uses for them?**

Municipalities, schools, airports, toll roads, and water authorities issue bonds along with metropolitan districts. Please see the previous answer for the uses of funds.

- 4. What criteria are used to determine the pricing and quality of bonds? Are they rated? What rating are the District's and why?**

The interest rates associated with bonds are based on the specific ratings assigned to the bonds from the rating agencies, combined with the tenor of the bonds and where interest rates are at the time of issuance. Most bonds are rated, but often metropolitan district bonds are non-rated. The Vauxmont/Cimarron districts did not qualify for an investment-grade rating (BBB- or higher), however, the bonds were able to qualify for insurance which resulted in the bonds being sold with an insured AA rating.

5. How much outstanding general debt does the district have? \$170,000,000 seems very high.

Post the refinancing we just completed the District has \$132,620,000 of debt outstanding. The \$170m figure was used as a maximum parameter figure pre-pricing, but obviously, we were significantly lower than that.

6. What will be the immediate impact of the new bonds on the District? How about over time?

The immediate impact is a reduction in the cost of the district's debt outstanding from 7.85% to 3.97%. As the district continues to have homes built the assessed valuation will continue to grow, and if all homes continue to increase in value, the district may be able to eventually lower the mills that are imposed on the homeowners over time to service the debt.

7. What will the benefits of this restructure be to the taxpayers in the District? Interest cost savings? Does this affect their tax rate/assessment either way over time?

Lower annual debt service is the immediate impact. By refinancing the debt the district saved over \$56.3m over the life (30 years) on a net present value basis compared to what they would have paid (had a refunding not been completed). As stated above, as the district's AV continues to grow the mills required to service the debt may be lowered over the long term. It is difficult to predict exactly when that will occur as we cannot control the pace of development, or the future valuations of homes, within the district.

8. There are some damaged areas on the trail. What can be done to repair them?

The District has gathered proposals from vendors and options will be discussed at the next board meeting on Wednesday, January 22nd.