



VILLAGE OF MOUNT PROSPECT

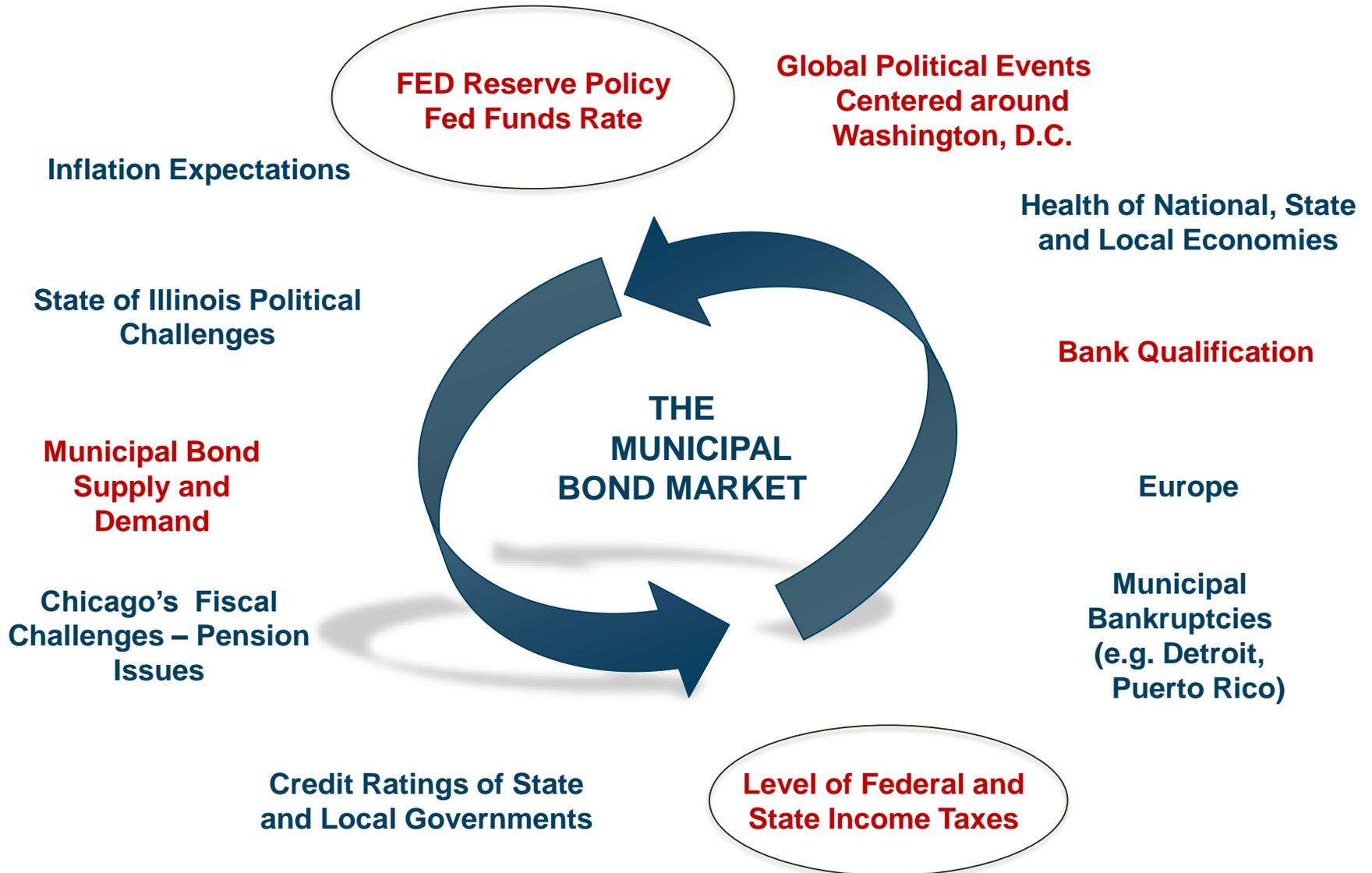
Market Update, Village Debt Overview and Financing Plan

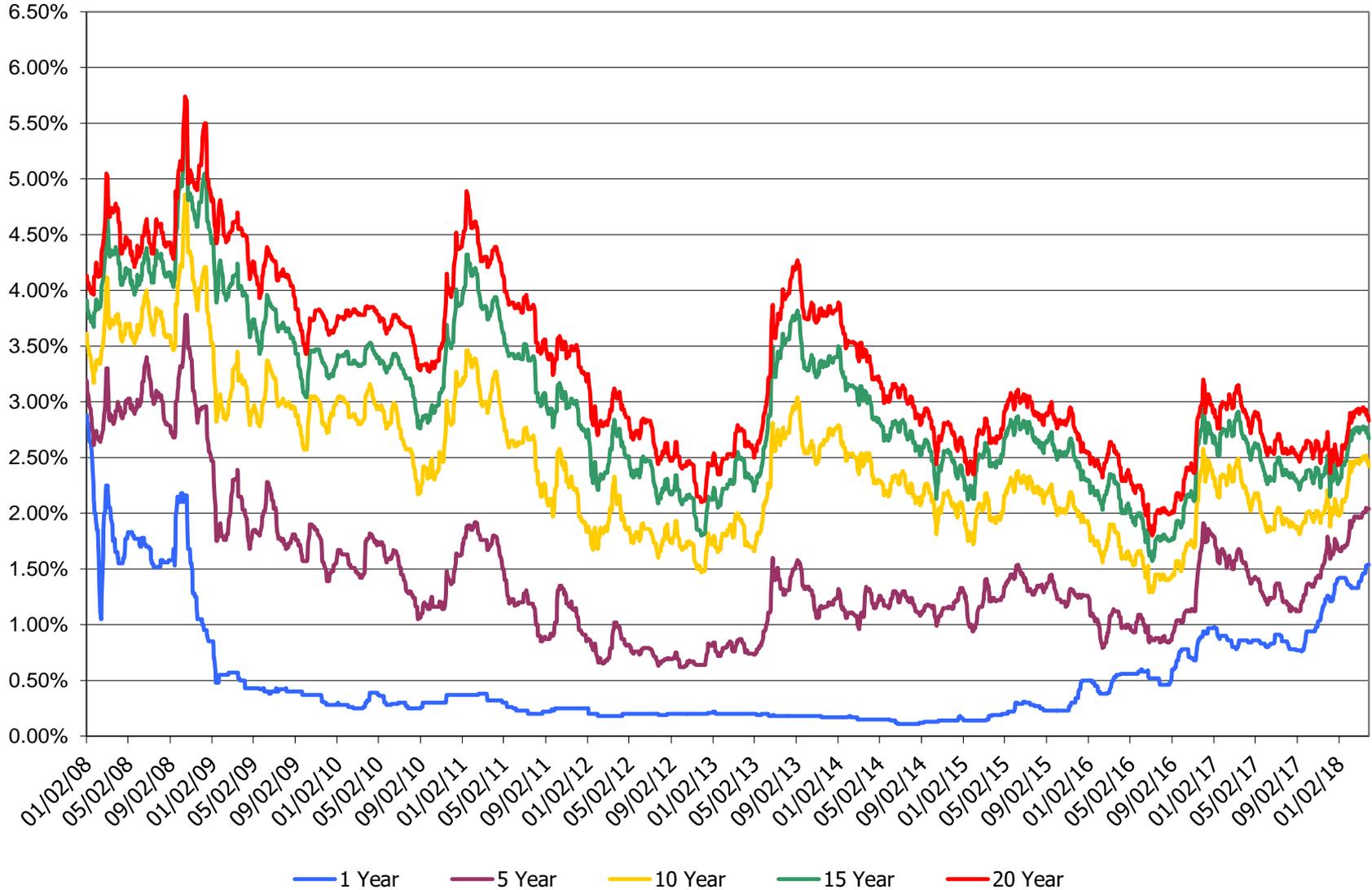
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April 3, 2018

MARKET UPDATE





*The Municipal Market Data "MMD" is a AAA municipal bond market index produced by TM3. As of March 29, 2018.

- **Corporate Income Tax Rate**
 - Reduced from 35% down to 21%
 - Approximately **30%** of the municipal market is owned by “corporations” (banking and insurance companies)
 - The tax rate reduction dis-incentivizes corporations from purchasing tax-exempt municipal bonds, reducing demand in the market
 - Reduced demand will create downward pressure on municipal bond prices and **upward pressure on bond yields**
 - This will have a particularly negative impact on the **bank-qualified bond market** for issuers that issue \$10 million or less of tax-exempt bonds in a single calendar year
 - The municipal bond market will have increased reliance on **retail investor** participation
- **Elimination of Advance Refundings**
 - Advance refundings have typically made up approximately **10% - 25%** of the municipal bond market
 - Elimination will significantly reduce municipal bond supply for at least the next couple years, which may impose **downward pressure on interest rates**
 - The reduced supply is magnified by the fact that an estimated **\$30 billion** of issuance came in December 2017 that otherwise would have come to market throughout 2018

POLICE AND FIRE HQ PROFORMA

	New Police HQ Cost Comparisons	
	New Construction	Adaptive Reuse - Biermann
Construction Cost	\$32,000,000	\$21,597,755
FFE/ By Owner Costs	\$1,000,000	\$1,000,000
Design Fees & Soft Costs	\$2,300,000	\$1,750,000
Project Contingency	\$350,000	\$900k included above
Total Cost Without Land	\$35,650,000	\$24,347,755
Land Acquisition	\$3,702,600	\$5,120,431
Adaptive Reuse Savings		\$9,884,414

	New Fire HQ Cost Comparisons	
	New Construction	Adaptive Reuse - Rand
Construction Cost	\$10,800,000	\$7,277,000
FFE/ By Owner Costs	\$350,000	\$350,000
Design Fees & Soft Costs	\$1,002,000	\$750,000
Project Contingency	\$135,500	\$201,000
Total Cost Without Land	\$12,287,500	\$8,578,000
Land Acquisition	\$1,800,000	\$1,800,000
Adaptive Reuse Savings		\$3,709,500

TIF Year [1]	Year [2]	Gross TIF Revenue [3]	School Tuition Reimbursements [4]	Net TIF Revenue [5]
0	2017	\$0	\$0	\$0
1	2018	\$0	\$0	\$0
2	2019	\$0	\$0	\$0
3	2020	\$0	\$0	\$0
4	2021	\$0	\$0	\$0
5	2022	\$163,000	\$55,000	\$108,000
6	2023	\$498,000	\$127,000	\$370,000
7	2024	\$677,000	\$146,000	\$531,000
8	2025	\$677,000	\$148,000	\$529,000
9	2026	\$704,000	\$151,000	\$553,000
10	2027	\$704,000	\$154,000	\$550,000
11	2028	\$704,000	\$158,000	\$547,000
12	2029	\$747,000	\$161,000	\$587,000
13	2030	\$747,000	\$164,000	\$584,000
14	2031	\$747,000	\$167,000	\$580,000
15	2032	\$793,000	\$171,000	\$623,000
16	2033	\$793,000	\$174,000	\$619,000
17	2034	\$793,000	\$177,000	\$616,000
18	2035	\$842,000	\$181,000	\$661,000
19	2036	\$842,000	\$185,000	\$657,000
20	2037	\$842,000	\$188,000	\$653,000
21	2038	\$893,000	\$192,000	\$701,000
22	2039	\$893,000	\$196,000	\$697,000
23	2040	\$893,000	\$200,000	\$693,000
24	2041	\$948,000	\$204,000	\$744,000
Total 2022 - 2041 (Undiscounted)				\$11,603,000
2018 Present Value Discounted at 4%				\$6,698,000

Notes:

- [1] The Mount Prospect Downtown TIF was established in 2017 and is scheduled to expire in 2040 with a final collection year in 2041
- [2] Corresponding calendar year with triennial reassessment years underlined
- [3] Gross TIF Revenues are assumed to be collected one year after the tax year and equal the incremental EAV multiplied by the property tax rate
- [4] Total estimated new student spending not to exceed 40% of Gross TIF Revenue for any particular year
- [5] Costs associated with the administration of the TIF district are not considered

Sources: Cook County Assessor; SB Friedman; Village of Mount Prospect

<u>Prospect and Main TIF</u>		
<u>Gross TIF Revenue</u>	<u>Less: School Tuition Reim.</u>	<u>Net TIF Revenue³</u>
\$ 14,900,000	\$ (3,297,000)	\$ 11,603,000

<u>Police and Fire Headquarters</u>			
<u>Total Biermann Taxes¹</u>	<u>Total Rand Taxes¹</u>	<u>Vlg. Share Biermann Taxes²</u>	<u>Vlg. Share Rand Taxes²</u>
\$ 6,588,080	\$ 8,281,497	\$ 724,689	\$ 910,965

Net TIF revenue	\$ 11,603,000
Less: Property Taxes Removed	<u>1,635,654</u>
Net Gain	<u>\$ 9,967,346</u>

Notes:

1. Assumes 3 percent annual increase to tax bill during 2017-2041 period. Base taxes for calculation are 2016 actuals.
2. Assumes Village continues to receive 11 percent of total annual tax bill.
3. Figures rounded to nearest thousand.

DETAILS OF PROPOSED FINANCINGS

Fiscal Year (December 31)	Annual Operating Balance (Projected) Revenues - Projected Expenditures) (1) (2)	Escalating Annual Debt Service Payments (2%)					
		CM + 50 bps				Total Annual Debt Service Payments	Coverage
		Series 2017 (3)	Series 2018A (4)	Series 2019 (5)	Series 2021 (5)		
2018	\$ 1,768,100	\$ 282,363	\$ 303,938	\$ -	\$ -	\$ 586,301	3.02x
2019	2,441,600	286,131	309,600	-	-	595,731	4.10x
2020	3,858,300	296,131	314,800	615,777	-	1,226,708	3.15x
2021	4,699,000	300,531	319,600	628,088	-	1,248,219	3.76x
2022	5,620,600	304,531	324,000	638,888	521,841	1,789,260	3.14x
2023	6,630,500	313,131	333,000	653,888	532,200	1,832,219	3.62x
2024	7,736,000	321,131	341,400	667,888	544,400	1,874,819	4.13x
2025	8,943,600	328,531	344,200	680,888	555,800	1,909,419	4.68x
2026	8,943,600	335,331	351,600	692,888	566,400	1,946,219	4.60x
2027	8,943,600	338,731	358,400	708,888	576,200	1,982,219	4.51x
2028	8,943,600	347,981	369,600	723,688	590,200	2,031,469	4.40x
2029	8,943,600	356,550	375,000	737,288	598,200	2,067,038	4.33x
2030	8,943,600	364,400	379,800	753,588	610,400	2,108,188	4.24x
2031	8,943,600	371,494	389,000	768,400	626,600	2,155,494	4.15x
2032	8,943,600	374,894	397,400	781,725	635,663	2,189,681	4.08x
2033	8,943,600	387,694	405,000	798,563	648,663	2,239,919	3.99x
2034	8,943,600	392,381	411,800	813,700	660,388	2,278,269	3.93x
2035	8,943,600	401,600	422,800	832,138	675,838	2,332,375	3.83x
2036	8,943,600	410,194	432,800	848,663	689,800	2,381,456	3.76x
2037	8,943,600	418,163	436,800	863,275	702,275	2,420,513	3.69x
2038	8,943,600	-	-	880,975	718,263	1,599,238	5.59x
2039	8,943,600	-	-	896,550	732,550	1,629,100	5.49x
2040	8,943,600	-	-	-	745,138	745,138	12.00x
2041	8,943,600	-	-	-	761,025	761,025	11.75x
Total DS:		\$ 6,931,895	\$ 7,320,538	\$ 14,985,739	\$ 12,691,841	\$ 41,930,013	
Estimated TIC:		3.59%	3.73%	3.98%	3.98%		
Estimated Proceeds:		\$ 4,900,000	\$ 5,000,000	\$ 9,800,000	\$ 8,300,000	\$ 28,000,000	

(1) Per "Water and Sewer Rate Study" produced by Burns & McDonnell June 26, 2017. Project No. 91145

(2) Estimate assuming no change in the Annual Operating Balance after Fiscal Year 2025.

(3) Debt service reflects actual results from 2017 financing

(4) Rates based upon the "AAA" MMD index for February 15, 2018 and recent bond sales which PMA believes to be accurate and reliable plus 0.25%.

(5) Rates based upon the "AAA" MMD index for February 15, 2018 and recent bond sales which PMA believes to be accurate and reliable plus 0.50%.

General Obligation Bonds, Series 2018A

Fiscal Year (December 31)	Water & Sewer Purpose		Total Annual Debt Service Payments
	2% Growth		
	Principal	Interest	
2018	\$ 190,000	\$ 113,938	\$ 303,938
2019	120,000	189,600	309,600
2020	130,000	184,800	314,800
2021	140,000	179,600	319,600
2022	150,000	174,000	324,000
2023	165,000	168,000	333,000
2024	180,000	161,400	341,400
2025	190,000	154,200	344,200
2026	205,000	146,600	351,600
2027	220,000	138,400	358,400
2028	240,000	129,600	369,600
2029	255,000	120,000	375,000
2030	270,000	109,800	379,800
2031	290,000	99,000	389,000
2032	310,000	87,400	397,400
2033	330,000	75,000	405,000
2034	350,000	61,800	411,800
2035	375,000	47,800	422,800
2036	400,000	32,800	432,800
2037	420,000	16,800	436,800
Total DS:	\$ 4,930,000	\$ 2,390,538	\$ 7,320,538

Fiscal Year (December 31)	TIF Revenue Purpose			Total Annual Debt Service Payments
	3% Growth			
	Principal	Interest	Capitalized Interest	
2018	\$ -	\$ 165,244	\$ (165,244)	\$ -
2019	-	286,000	(286,000)	-
2020	-	286,000	(286,000)	-
2021	185,000	286,000	-	471,000
2022	210,000	278,600	-	488,600
2023	230,000	270,200	-	500,200
2024	255,000	261,000	-	516,000
2025	280,000	250,800	-	530,800
2026	305,000	239,600	-	544,600
2027	335,000	227,400	-	562,400
2028	365,000	214,000	-	579,000
2029	400,000	199,400	-	599,400
2030	435,000	183,400	-	618,400
2031	470,000	166,000	-	636,000
2032	505,000	147,200	-	652,200
2033	545,000	127,000	-	672,000
2034	590,000	105,200	-	695,200
2035	630,000	81,600	-	711,600
2036	680,000	56,400	-	736,400
2037	730,000	29,200	-	759,200
Total DS:	\$ 7,150,000	\$ 3,860,244	\$ (737,244)	\$ 10,273,000

Fiscal Year (December 31)	Proposed Overall Structure		Total Annual Debt Service Payments
	3% Growth		
	Principal	Interest	
2018	\$ 190,000	\$ 279,182	\$ 303,938
2019	120,000	475,600	309,600
2020	130,000	470,800	314,800
2021	325,000	465,600	790,600
2022	360,000	452,600	812,600
2023	395,000	438,200	833,200
2024	435,000	422,400	857,400
2025	470,000	405,000	875,000
2026	510,000	386,200	896,200
2027	555,000	365,800	920,800
2028	605,000	343,600	948,600
2029	655,000	319,400	974,400
2030	705,000	293,200	998,200
2031	760,000	265,000	1,025,000
2032	815,000	234,600	1,049,600
2033	875,000	202,000	1,077,000
2034	940,000	167,000	1,107,000
2035	1,005,000	129,400	1,134,400
2036	1,080,000	89,200	1,169,200
2037	1,150,000	46,000	1,196,000
Total DS:	\$ 12,080,000	\$ 6,250,782	\$ 17,593,538

Estimated TIC: 3.74%
 Estimated Proceeds: \$ 5,000,000

Estimated TIC: 3.78%
 Estimated Proceeds: \$ 6,500,000

Estimated TIC: 3.77%
 Estimated Proceeds: \$ 11,500,000

General Obligation Bonds: Series 2018 & Series 2019

Existing Debt Service			Net Debt Service After Proposed Financings											Total Proposed		
Fiscal Year (December 31)	Total GO Debt Service Paid from Village and Library Property Taxes	Annual Change in Debt Service	Dated Date: October 1, 2018			Dated Date: May 1, 2019			Funds on Hand	Total Annual Debt Service Payments (2)	Total Proposed Village and Library Debt Service Levy	Annual Change in Combined Debt Service	Difference vs. Current Levy Structure			
			Refunded Debt Service [Net Change in Debt Service] 2009B	Refunded Debt Service [Net Change in Debt Service] 2009C	Principal	Interest	Capitalized Interest	Principal						Interest	Capitalized Interest	
2018	\$3,952,774	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,952,774	\$ -	\$0	
2019	3,991,173	38,399	(1,125)	(1,251)	-	1,021,300	(1,021,300)	-	370,417	(370,417)	-	-	3,988,797	36,023	(2,376)	
2020	4,201,415	210,242	(3,575)	(1,256)	-	875,400	(875,400)	-	635,000	(635,000)	-	-	4,196,584	207,787	(4,831)	
2021	4,462,208	260,793	(4,275)	(142,218)	-	875,400	(729,500)	-	635,000	(635,000)	-	145,900	4,461,615	265,031	(593)	
2022	4,547,535	85,327	-	(492,746)	-	875,400	-	-	635,000	(264,583)	(750,000)	495,817	4,550,605	88,991	3,070	
2023	2,599,425	(1,948,110)	-	(416,221)	-	875,400	-	-	635,000	-	-	1,510,400	3,693,604	(857,002)	1,094,179	
2024	1,971,725	(627,700)	-	203,620	-	875,400	-	-	635,000	-	-	1,510,400	3,685,745	(7,859)	1,714,020	
2025	1,995,925	24,200	-	202,020	-	875,400	-	-	635,000	-	-	1,510,400	3,708,345	22,600	1,712,420	
2026	1,998,725	2,800	-	200,220	-	875,400	-	-	635,000	-	-	1,510,400	3,709,345	1,000	1,710,620	
2027	1,994,875	(3,850)	-	203,220	-	875,400	-	-	635,000	-	-	1,510,400	3,708,495	(850)	1,713,620	
2028	1,999,525	4,650	-	200,820	-	875,400	-	-	635,000	-	-	1,510,400	3,710,745	2,250	1,711,220	
2029	1,037,375	(962,150)	-	203,220	-	875,400	-	750,000	635,000	-	-	2,260,400	3,500,995	(209,750)	2,463,620	
2030	-	(1,037,375)	-	-	1,195,000	875,400	-	830,000	605,000	-	-	3,505,400	3,505,400	4,405	3,505,400	
2031	-	-	-	-	1,245,000	827,600	-	860,000	571,800	-	-	3,504,400	3,504,400	(1,000)	3,504,400	
2032	-	-	-	-	1,295,000	777,800	-	895,000	537,400	-	-	3,505,200	3,505,200	800	3,505,200	
2033	-	-	-	-	1,345,000	726,000	-	930,000	501,600	-	-	3,502,600	3,502,600	(2,600)	3,502,600	
2034	-	-	-	-	1,400,000	672,200	-	965,000	464,400	-	-	3,501,600	3,501,600	(1,000)	3,501,600	
2035	-	-	-	-	1,455,000	616,200	-	1,005,000	425,800	-	-	3,502,000	3,502,000	400	3,502,000	
2036	-	-	-	-	1,515,000	558,000	-	1,045,000	385,600	-	-	3,503,600	3,503,600	1,600	3,503,600	
2037	-	-	-	-	1,575,000	497,400	-	1,085,000	343,800	-	-	3,501,200	3,501,200	(2,400)	3,501,200	
2038	-	-	-	-	1,640,000	434,400	-	1,130,000	300,400	-	-	3,504,800	3,504,800	3,600	3,504,800	
2039	-	-	-	-	1,705,000	368,800	-	1,175,000	255,200	-	-	3,504,000	3,504,000	(800)	3,504,000	
2040	-	-	-	-	1,770,000	300,600	-	1,225,000	208,200	-	-	3,503,800	3,503,800	(200)	3,503,800	
2041	-	-	-	-	1,840,000	229,800	-	1,275,000	159,200	-	-	3,504,000	3,504,000	200	3,504,000	
2042	-	-	-	-	1,915,000	156,200	-	1,325,000	108,200	-	-	3,504,400	3,504,400	400	3,504,400	
2043	-	-	-	-	1,990,000	79,600	-	1,380,000	55,200	-	-	3,504,800	3,504,800	400	3,504,800	
Total DS:	\$ 34,752,680	\$ (3,952,774)	\$ (6,975)	\$ 159,427	\$ 21,885,000	\$ 16,895,300	\$ (2,626,200)	\$ 15,875,000	\$ 11,642,217	\$ (1,905,000)	\$ (750,000)	\$ 61,016,317	\$ 95,919,448			
Estimated TIC:					4.02%			3.99%				3.98%				
Estimated Proceeds:					\$ 18,962,500			\$ 13,835,255				\$ 32,797,755				

(1) Includes BAB subsidy payments. Does not include payments made from Home Rule Sales Tax, Water & Sewer, TIF or the Library.

(2) Rates based upon the "AAA" MMD index for February 15, 2018 and recent bond sales which PMA believes to be accurate and reliable, plus 0.25%.

NOTE: Scenarios where a greater portion of the overall debt is issued in advance of the expenditures of the proceeds will likely result in higher fees earned by the investment manager of the debt proceeds.

Lew Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Collection Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Fiscal Year Ending 12/31	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Direct Debt, Beginning of Period (1)	\$ 44,120,000	\$ 50,530,000	\$ 80,580,000	\$ 107,705,000	\$ 86,835,000	\$ 82,070,000	\$ 77,060,000	\$ 73,835,000	\$ 71,110,000	\$ 68,240,000	\$ 65,245,000	
Additional Borrowing - Series 2017 G.O. (W&S/TIF) (2) (3)	9,740,000	-	-	-	-	-	-	-	-	-	-	-
Additional Borrowing - Series 2018 G.O. (W&S/TIF) (2) (3)	-	\$12,080,000	-	-	-	-	-	-	-	-	-	-
Additional Borrowing - Series 2018 G.O. (PS) (4)	-	21,885,000	-	-	-	-	-	-	-	-	-	-
Additional Borrowing - Series 2019 G.O. (W&S) (2)	-	-	9,120,000	-	-	-	-	-	-	-	-	-
Additional Borrowing - Series 2019 G.O. (TIF) (3)	-	-	6,165,000	-	-	-	-	-	-	-	-	-
Additional Borrowing - Series 2019 G.O. (PS) (4)	-	-	15,875,000	-	-	-	-	-	-	-	-	-
Additional Borrowing - Series 2020 G.O. (PS) (4)	-	-	-	-	-	-	-	-	-	-	-	-
Additional Borrowing - Series 2021 G.O. (W&S) (2)	-	-	-	-	-	-	-	-	-	-	-	-
Principal Paydown, Series 2009 (5)	-	-	-	-	-	-	-	(600,000)	-	-	-	-
Principal Paydown, Series 2009B (5)	(320,000)	(330,000)	(340,000)	(360,000)	(370,000)	-	-	-	-	-	-	-
Principal Paydown, Series 2009C (5)	(75,000)	(95,000)	(120,000)	(140,000)	(160,000)	(500,000)	(440,000)	-	-	-	-	-
Principal Paydown, Series 2011B (5)	(715,000)	(735,000)	(755,000)	(775,000)	-	-	-	-	-	-	-	-
Principal Paydown, Series 2012 (5)	-	-	-	-	(860,000)	(885,000)	-	-	-	-	-	-
Principal Paydown, 2012 Installment Notes (5)	(420,000)	(515,000)	(590,000)	-	-	-	-	-	-	-	-	-
Principal Paydown, Series 2013 (5)	-	-	-	(555,000)	(570,000)	(585,000)	(605,000)	(625,000)	(650,000)	(675,000)	(700,000)	-
Principal Paydown, Series 2014 (5)	(305,000)	(405,000)	(560,000)	(760,000)	(965,000)	(1,125,000)	(1,265,000)	-	-	-	-	-
Principal Paydown, Series 2016 (5)	(1,375,000)	(1,400,000)	(1,425,000)	(1,470,000)	(1,515,000)	(1,550,000)	-	-	-	-	-	-
Principal Paydown, Series 2016A (5)	(120,000)	(120,000)	-	-	-	-	(515,000)	(1,060,000)	(1,740,000)	(1,795,000)	(1,845,000)	-
Principal Paydown, Series 2017 (W&S) (5)	-	(125,000)	(125,000)	(140,000)	-	-	-	-	-	-	-	-
Principal Paydown, Series 2017 (TIF) (5)	-	-	-	-	(140,000)	(155,000)	(170,000)	(185,000)	(200,000)	(220,000)	(235,000)	-
Principal Paydown, Series 2018A (W&S) (5)	-	(190,000)	(120,000)	(130,000)	-	-	-	-	-	-	-	-
Principal Paydown, Series 2018A (TIF) (5)	-	-	-	-	(185,000)	(210,000)	(230,000)	(255,000)	(280,000)	(305,000)	(335,000)	-
Principal Paydown, Series 2018B (5)	-	-	-	-	-	-	-	-	-	-	-	-
Principal Paydown, Series 2019A (5)	-	-	-	(155,000)	-	-	-	-	-	-	-	-
Principal Paydown, Series 2019B (5)	-	-	-	-	-	-	-	-	-	-	-	-
Principal Paydown, Series 2019C (5)	-	-	-	-	-	-	-	-	-	-	-	-
Principal Paydown, Series 2020 (5)	-	-	-	-	-	-	-	-	-	-	-	-
Principal Paydown, Series 2021 (5)	-	-	-	-	-	-	-	-	-	-	-	-
Direct Debt, End of Period (1)	\$ 50,530,000	\$ 80,580,000	\$ 107,705,000	\$ 103,220,000	\$ 82,070,000	\$ 77,060,000	\$ 73,835,000	\$ 71,110,000	\$ 68,240,000	\$ 65,245,000	\$ 62,130,000	
Net Direct Debt (6)	\$53,860,000	\$84,495,000	\$111,740,000	\$107,705,000	\$86,835,000	\$82,070,000	\$77,060,000	\$73,835,000	\$71,110,000	\$68,240,000	\$65,245,000	
Total Governmental Funds Revenue (7)	\$72,973,339	\$76,622,006	\$80,453,106	\$84,475,762	\$88,699,550	\$93,134,527	\$97,791,253	\$102,680,816	\$107,814,857	\$113,205,600	\$118,865,880	
Debt-to-Revenue Percentage	73.81%	110.28%	138.89%	127.50%	97.90%	88.12%	78.80%	71.91%	65.96%	60.28%	54.89%	
Total Governmental Funds Debt Service (8)	\$4,651,547	\$5,750,289	\$6,641,154	\$7,286,819	\$8,371,464	\$8,878,521	\$7,368,231	\$7,001,181	\$7,001,181	\$7,001,181	\$7,001,181	
Total Governmental Funds Expenditures (9)	\$73,156,192	\$76,814,002	\$80,654,702	\$84,687,437	\$88,921,809	\$93,367,899	\$98,036,294	\$102,938,109	\$108,085,014	\$113,489,265	\$119,163,728	
Debt Service-to-Expenditures Percentage	6.36%	7.49%	8.23%	8.60%	9.41%	9.51%	7.52%	6.80%	6.48%	6.17%	5.88%	
Overall Net Debt (10)	\$158,114,881	\$188,749,881	\$215,994,881	\$211,959,881	\$191,089,881	\$186,324,881	\$181,314,881	\$178,089,881	\$175,364,881	\$172,494,881	\$169,499,881	
Estimated Market Value (assumes annual growth of 1.5%)	\$4,857,476,556	\$4,930,338,704	\$5,004,293,785	\$5,079,358,192	\$5,155,548,565	\$5,232,881,793	\$5,311,375,020	\$5,391,045,645	\$5,471,911,330	\$5,553,990,000	\$5,637,299,850	
Debt-to-Market Value Ratio	3.26%	3.83%	4.32%	4.17%	3.71%	3.56%	3.41%	3.30%	3.20%	3.11%	3.01%	

Notes:

- Assumes that the principal due in the current year is paid or that the funds are set aside for payment.
- Water & Sewer Bonds
- Tax Increment Financing Bonds
- Public Safety Bonds
- Principal paid on December 1 of the fiscal year.
- Net Direct Debt includes only General Obligation debt
- Total Governmental Funds Revenue assumed to grow at 5% annually
- Total Governmental Funds Debt Service may not include Business District Limited Tax Note
- Total Governmental Funds Expenditures assumed to grow at 5% annually
- Overall Net Debt includes approximately \$105 million (held constant each year) of overlapping debt shared with other taxing districts located in the Village
- The analysis intentionally excludes the \$8,300,000 bond issue for water & sewer purposes anticipated to be sold in 2021. By this time, the Village will have produced three years of audits demonstrating that the water & sewer system generates sufficient coverage of the debt service payments. Beginning in FY 2021, the analysis also excludes the remaining principal maturities for all other outstanding water & sewer bonds for the same reason.

S&P Rating Criteria	
Net Direct Debt as a % of Total Govt'l Funds Revenue	
Strong:	< 30%
Above Average:	30% - 60%
Average:	60% - 120%
Below Average:	120% - 180%
Poor:	> 180%
Total Gov't funds debt service as % of Total Gov't'l Funds Expenditures	
Strong:	< 8%
Above Average:	8% - 15%
Average:	15% - 25%
Below Average:	25% - 35%
Poor:	> 35%
Overall Net Debt as a % of Market Value	
Strong:	< 3%
Average:	3.1% - 9.9%
Poor:	> 10%

Levy Year	2016	2017	2018	2019	2020	2021	2022	2023	2023
Collection Year	2017	2018	2019	2020	2021	2022	2023	2023	2024
Fiscal Year Ending 12/31	2017	2018	2019	2020	2021	2022	2023	2023	2024
Direct Debt, Beginning of Period (1)	\$ 24,060,000	\$ 21,150,000	\$ 39,950,000	\$ 52,625,000	\$ 49,120,000	\$ 45,250,000	\$ 41,190,000	\$ 38,970,000	
Additional Borrowing - Series 2017 G.O. (W&S/TIF) (2) (3)	-	-	-	-	-	-	-	-	-
Additional Borrowing - Series 2018 G.O. (W&S) (2)	-	-	-	-	-	-	-	-	-
Additional Borrowing - Series 2018 G.O. (PS) (4)	-	21,885,000	-	-	-	-	-	-	-
Additional Borrowing - Series 2019 G.O. (W&S) (2)	-	-	-	-	-	-	-	-	-
Additional Borrowing - Series 2019 G.O. (TIF) (3)	-	-	-	-	-	-	-	-	-
Additional Borrowing - Series 2019 G.O. (PS) (4)	-	-	15,875,000	-	-	-	-	-	-
Additional Borrowing - Series 2020 G.O. (PS) (4)	-	-	-	-	-	-	-	-	-
Additional Borrowing - Series 2021 G.O. (W&S) (2)	-	-	-	-	-	-	-	-	-
Principal Paydown, Series 2009 (5)	-	-	-	-	-	-	-	-	(600,000)
Principal Paydown, Series 2009B (5)	(320,000)	(330,000)	(340,000)	(360,000)	(370,000)	-	-	-	-
Principal Paydown, Series 2009C (5)	(75,000)	(95,000)	(120,000)	(140,000)	(160,000)	(500,000)	(440,000)	-	-
Principal Paydown, Series 2011B (5)	(715,000)	(735,000)	(755,000)	(775,000)	-	-	-	-	-
Principal Paydown, Series 2012 (5)	-	-	-	-	(860,000)	(885,000)	-	-	-
Principal Paydown, Series 2014 (5)	(305,000)	(405,000)	(560,000)	(760,000)	(965,000)	(1,125,000)	(1,265,000)	-	-
Principal Paydown, Series 2016 (5)	(1,375,000)	(1,400,000)	(1,425,000)	(1,470,000)	(1,515,000)	(1,550,000)	-	-	-
Principal Paydown, Series 2016A (5)	(120,000)	(120,000)	-	-	-	-	(515,000)	(1,060,000)	-
Principal Paydown, Series 2018B (5)	-	-	-	-	-	-	-	-	-
Principal Paydown, Series 2019C (5)	-	-	-	-	-	-	-	-	-
Principal Paydown, Series 2020 (5)	-	-	-	-	-	-	-	-	-
Direct Debt, End of Period (1)	\$ 21,150,000	\$ 39,950,000	\$ 52,625,000	\$ 49,120,000	\$ 45,250,000	\$ 41,190,000	\$ 38,970,000	\$ 37,310,000	
% of Outstanding Debt to be Repaid within 10 Years	81.55%	92.77%	49.11%	37.28%	39.94%	43.36%	47.63%	50.35%	
Net Direct Debt (6)	\$24,060,000	\$43,035,000	\$55,825,000	\$52,625,000	\$49,120,000	\$45,250,000	\$41,190,000	\$38,970,000	
Equalized Assessed Valuation (7)	\$1,619,158,852	\$1,651,542,029	\$1,684,572,870	\$1,718,264,327	\$1,752,629,614	\$1,787,682,206	\$1,823,435,850	\$1,859,904,567	
Debt-to-EAV Percentage	1.49%	2.61%	3.31%	3.06%	2.80%	2.53%	2.26%	2.10%	
Net Direct Debt (6)	\$24,060,000	\$43,035,000	\$55,825,000	\$52,625,000	\$49,120,000	\$45,250,000	\$41,190,000	\$38,970,000	
Village Population Estimates (8)	54,874	56,520	58,216	59,962	61,761	63,614	65,522	67,488	
Outstanding Debt per Capita	\$438	\$761	\$959	\$878	\$795	\$711	\$629	\$577	
Debt Service Expenditures (D/S Exp.) (9)	\$2,272,859	\$2,376,624	\$2,418,023	\$2,626,015	\$3,031,808	\$3,462,352	\$4,109,825	\$3,482,125	
General Fund Expenditures (including transfers and D/S Exp.) (10)	\$55,349,148	\$56,456,131	\$57,585,254	\$58,736,959	\$59,911,698	\$61,109,932	\$62,332,130	\$63,578,773	
Ratio of D/S Exp.-to-General Fund Expenditures	4.11%	4.21%	4.20%	4.47%	5.06%	5.67%	6.59%	5.48%	

Notes:

- (1) Assumes that the principal due in the current year is paid or that the funds are set aside for payment.
- (2) Water & Sewer Bonds
- (3) Tax Increment Financing Bonds
- (4) Public Safety Bonds
- (5) Principal paid on December 1 of the fiscal year.
- (6) Net Direct Debt includes only General Obligation debt paid by property tax levy (excludes Library debt)
- (7) EAV assumes annual growth of 2.0%
- (8) Village Population Estimate increases by 0.30% annually, the approximate population change average of the Village over the last six years
- (9) Debt Service includes only that debt service applicable to bonds paid by the property tax levy
- (10) General Fund Expenditures as reported in the Village's most recent Comprehensive Annual Financial Report with assumed 2% annual increases

Village of Mount Prospect Debt Policy Guidelines (Village seeks to maintain debt below 75th percentile range)	
% of Outstanding Debt to be Repaid within 10 Years	
Guideline:	50%
Outstanding Debt as a % of EAV	
Guideline:	1.0% to 3.0%
75% of Guideline:	2.50%
Outstanding Debt per Capita	
Guideline:	\$500 to \$1,000
75% of Guideline:	\$875
Debt Service Exp. as a % of GF Exp. and Debt Service Payments	
Guideline:	5.0% to 10.0%
75% of Guideline:	8.75%

- **Police & Fire Relocation Financing Proforma**
 - Compares existing debt service paid from Bond & Interest (B&I) levy with aggregate B&I debt service after public safety bonds are issued
 - Overall B&I debt service remains the same as currently scheduled through FY2022, accomplished through:
 - Refunding of 2009B and 2009C bonds
 - Funds on hand in FY2022
 - Capitalized interest on public safety bonds and/or additional funds on hand to reduce the amount of capitalized interest
 - Beginning in FY2023, aggregate B&I levy increases over currently scheduled amount, but still significantly less than the currently scheduled peak in FY2022

- **Summary of Multi-Year Financing Plan**
 - Provides summary of all future financings scheduled for the Village to analyze potential impact of increased debt on Village's rating (currently a AA+)
 - Impact based on S&P's own rating metrics and shows that the Village's debt profile returns to strong levels in all major debt categories by FY2027
 - Analysis takes into account removal of all water & sewer debt in FY2021, once three consecutive audits confirm sufficient revenue to cover debt service

- **Summary of Debt Policy Analysis**
 - Provides summary of the impact of future financings on the Village's own debt policy
 - Proposed financings only cause one of the metrics to fall outside of the policy guidelines; other two metrics remain within policy guidelines
 - All metrics fall within policy guidelines by FY2024

- S&P Global Ratings and Disclosure Counsel Due Diligence Calls.....March 30
- First Reading Ordinance and Public Discussion.....April 3
- Receive Village Rating from S&P Global Ratings.....April 10
- Public Discussion at COW.....April 10
- Distribute Preliminary Official Statement.....April 11
- Village Approves Ordinance.....April 17
- Competitive Bond Sale.....April 18
- Closing.....May 1

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