

UTGO BOND ANALYSIS



Board Retreat – March 6, 2004

Projected Capital Improvement

- \$2,500,000
- 3 Year Project
- 15 Year Estimated Useful Life
- Primary Funding Source: District Funds
- Secondary Funding Sources
 - Federal & State Grants/Appropriations

UTGO BOND

- UTGO: Unlimited Tax General Obligation Bond
- One time voter approval
- Tax payments equal to debt servicing
- District receives bond amount in Year 1

Financial Impacts of UTGO Bond

- Rate & Term:
 - 15 years
 - 5% interest
- Payments:
 - \$237,238 per year for 15 years



Reimbursement Impact

Reimbursement Impact

- Cost-Based Reimbursement
 - Medicare & Medicaid
- GCHD % of Costs Reimbursed
 - Prior to Nov 1, 2002 Swing Bed Conversion
 - 31%
 - After Swing Bed Conversion
 - 56%
 - If Remaining 20 SNF beds were taken out of service
 - 81%

How Much Reimbursement?

- Reimbursement at 56%
 - Approximately \$1,775,000 over 15 years:
 - \$135,000 years 1-5
 - \$120,000 years 6-10
 - \$100,000 years 11-15

THOUGHTS.....

- What does the community want?
- How much will it cost?
- Who will be paying for it?
- What is the benefit?
- Who will be receiving the benefit?

Potential changes...

- Reduction of Special levy by amount of increase in Cost-Based Reimbursement
- Reduction in overhead costs
- Improved “Community Satisfaction” (including employee satisfaction)
- Will Cost-Based Reimbursement continue?
- On and on and on.....

Deep thoughts by Harry....

**“I’d rather be rich
than stupid”**

...just think about that...