1) Beech Grove has immediate capital needs, but lacks the funds to pay for these needs.

2) Beech Grove has not had a Cumulative Capital Development (CCD) Fund property tax rate since 2004 and therefore has not accumulated any funds to eliminate or lessen the need for a bond issue.

3) Cities typically issue GO Bonds in order to make capital purchase for which they lack cash.

4) Beech Grove has previously issued GO Bonds to pay for its capital needs.

5) Beech Grove has had continuous outstanding GO Bonds for many years.

6) Beech Grove currently has outstanding GO Bonds which mature in 2012 and 2013.

7) Cities which fund capital through GO Bonds typically issue new bonds as the old bonds mature. This allows cities to maintain capital with a consistent property tax rate.

8) The estimated property tax rate for a new bond of $2,000,000 repaid over 10 years would be less than the tax imposed in 2009 – 2011 to make payments on the then outstanding bonds (the 2012 property tax rate is less as the final payments on one of the bonds was funded through taxes collected in 2011).

Please call if you have questions or wish to discuss further. Thanks JP

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