

Cambrian School District

Fiscal Stewardship: Implementing Measure R



Cambrian School
District

Exploring Infinite Possibilities for Learning



**Government
Financial Services**

Joint Powers Authority

March 21, 2024
Presented Rich Malone

Agenda

◆ Measure R, Series 2024 Bonds

◆ For Reference



Bond Election History

General Obligation Bond Elections

<i>Date</i>	<i>Measure</i>	<i>Amount</i>	<i>Required</i>	<i>Received</i>	<i>Bonds Issued</i>	<i>Remaining Authorization</i>
Nov 5, 2002	G	\$20,975,000	55.0%	73.8%	\$20,974,944	\$56
Jun 3, 2014	I	\$39,000,000	55.0%	72.5%	\$39,000,000	\$0
Nov 3, 2020	R	\$88,000,000	55.0%	61.2%	\$53,680,000	\$34,320,000

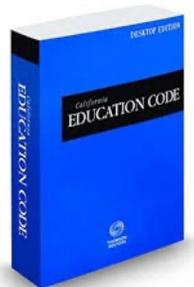
✓ *\$34.32 million of remaining Measure R authorization*



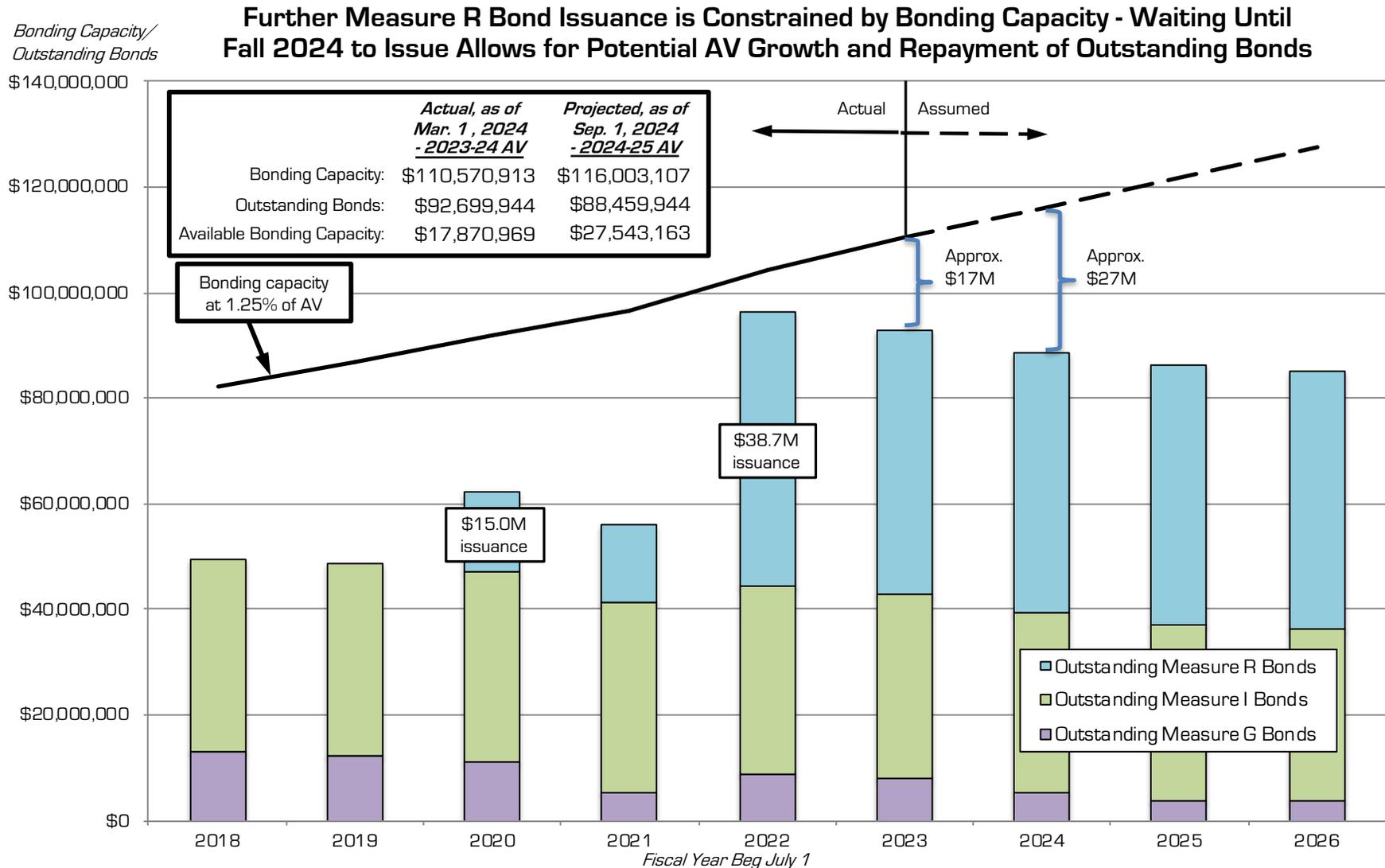
Third Series of Bonds for Measure R - Key Legal Constraints of General Obligation Bonds

- ◆ Taxing Capacity: limit on maximum projected tax levies (this is for 55% voter approval bond measures only)
 - ▶ \$30 per \$100,000 of assessed value for union districts
 - Education Code 15268 ✓
 - ▶ \$60 per \$100,000 of assessed value for unified districts
 - Education Code 15270(a)

- ◆ Bonding Capacity: limit on amount of outstanding bonds (this is for all bond measures combined)
 - ▶ 1.25% of total assessed value for union districts
 - Education Code 15268 ✓
 - ▶ 2.50% of total assessed value for unified districts
 - Education Code 15270(a)

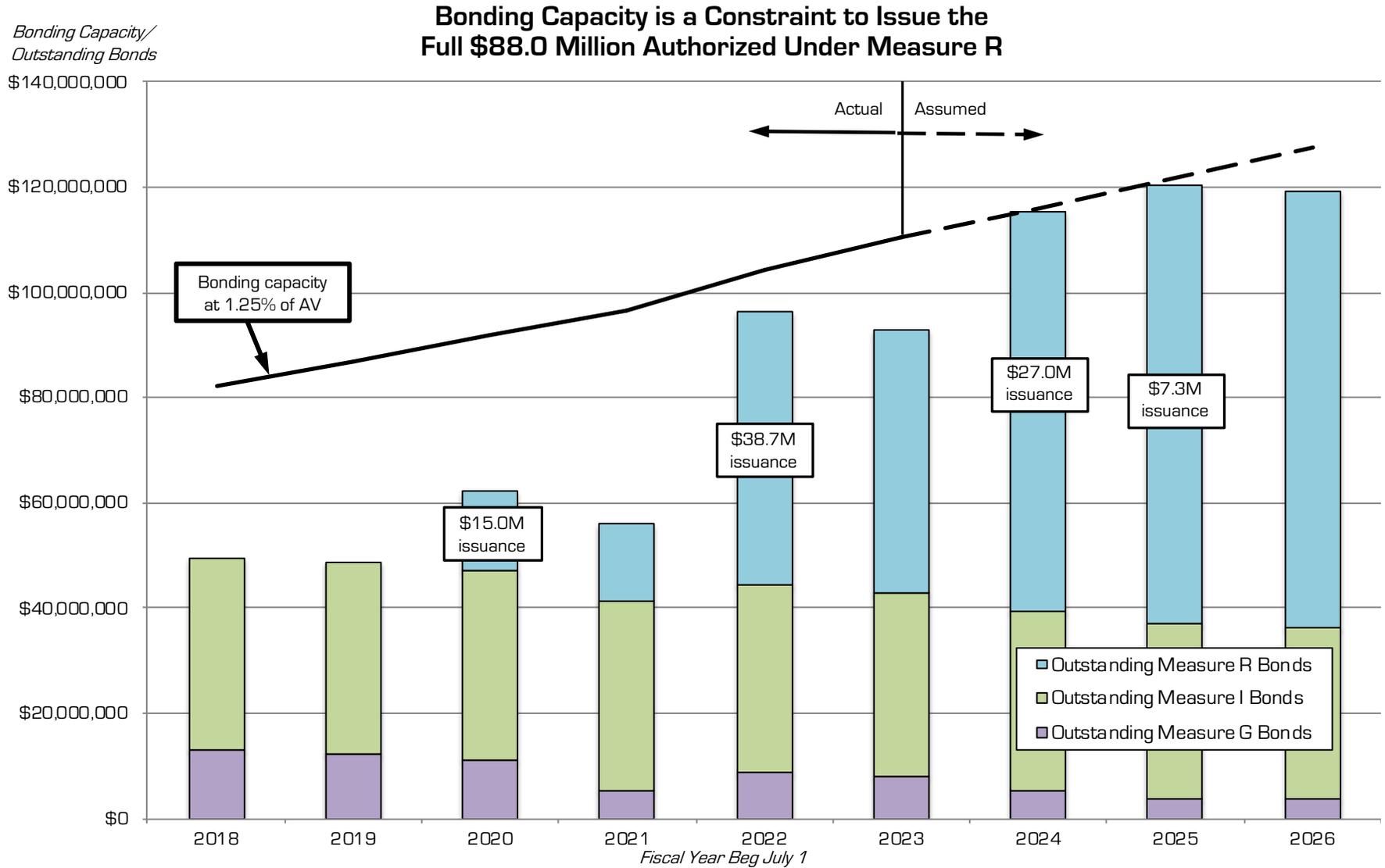


Bonding Capacity Constrains New Issuances



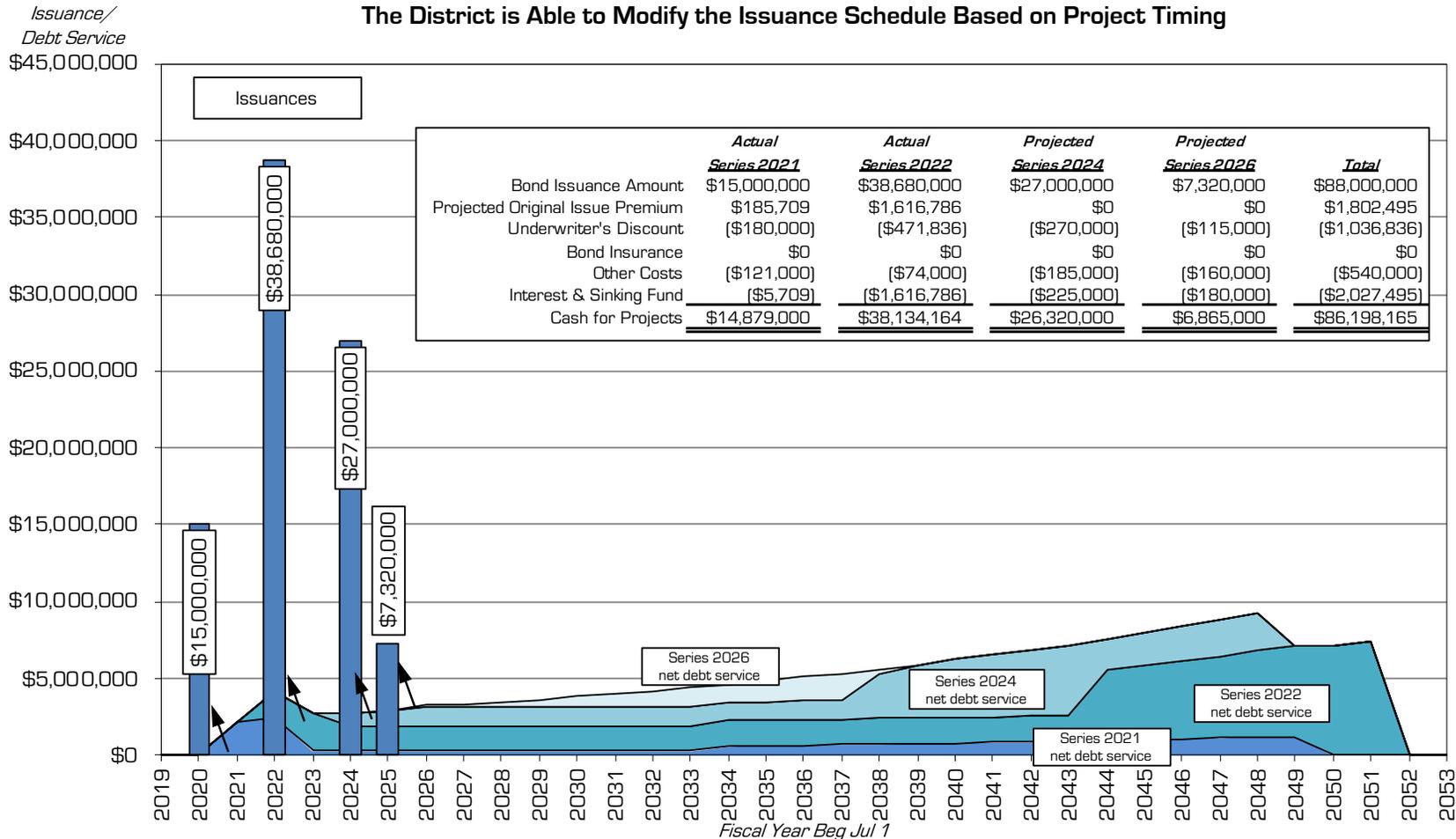
Bonding capacity is 1.25% of union districts total AV. AV is assumed to increase 5% annually for net local secured, while all other AV types are assumed to remain unchanged. Bonding capacity is as of August 20 when the AV becomes "equalized."

Potential for \$27 Million Issuance in Fall 2024



Bonding capacity is 1.25% of union districts total AV. AV is assumed to increase 5% annually for net local secured, while all other AV types are assumed to remain unchanged. Bonding capacity is as of August 20 when the AV becomes "equalized."

Estimated \$27 Million of Series 2024 Bonds Nets Approximately \$26.3 Million For Facilities



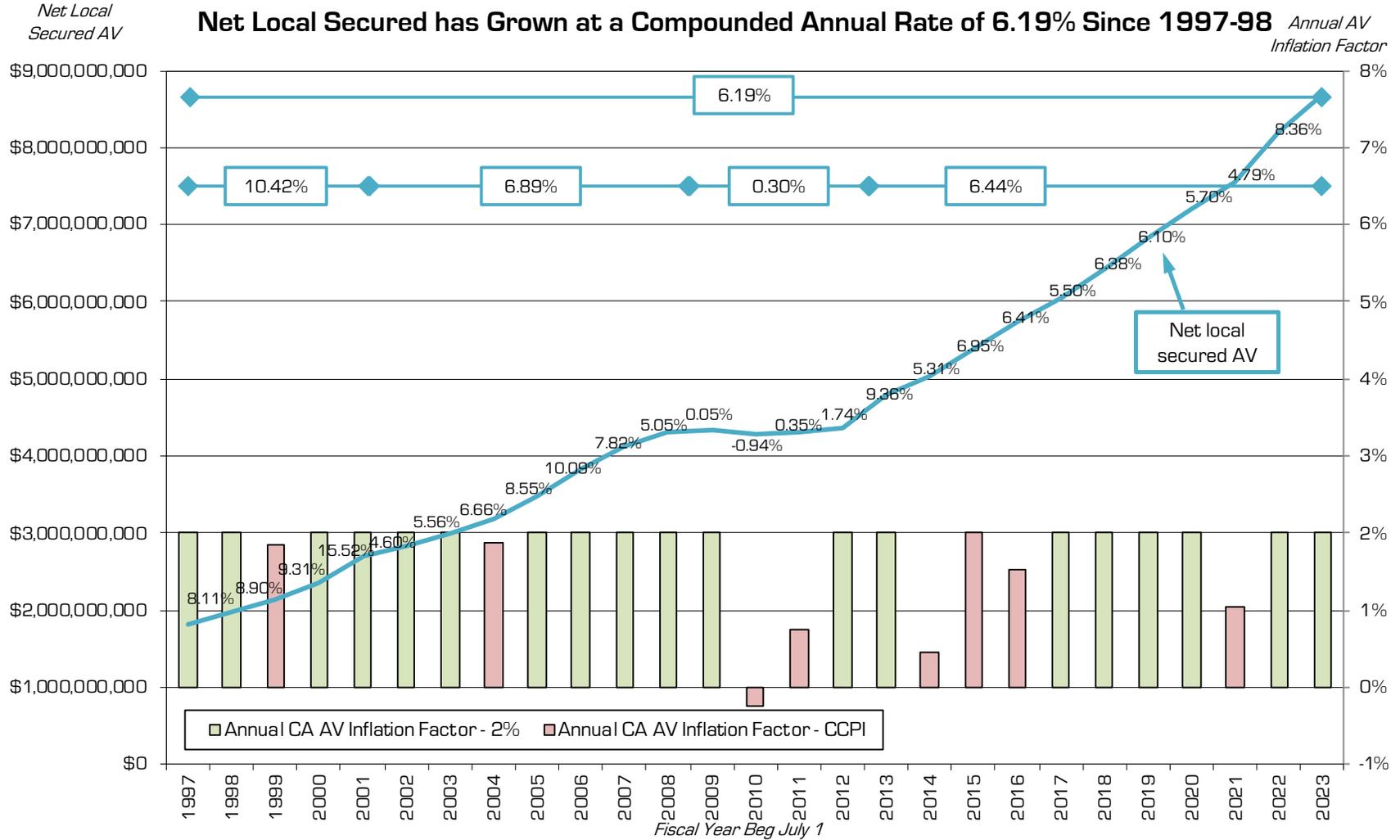
Analysis based on 2023-24 AV from Santa Clara Co Auditor-Controllers department and assumed 5% annual growth in net local secured, while all others AV types are assumed to remain unchanged. Series 2021 and Series 2022 results are actual, and includes amounts deposited to Debt Service Fund. Series 2024 and Series 2026 results are projected. Series 2024 projected sale based on MMD "AAA" rates as of Feb 9, 2024 plus 65bp timing adjustment for potential rate increases prior to issuance, +60bp adjustment for assumed "AA-" rating. Series 2026 projected sale based on MMD "AAA" rates as of Feb 9, 2024 plus 125bp timing adjustment for potential rate increases prior to issuance, +60bp adjustment for assumed "AA-" rating, and +90bp for callable CABs. County's collection methodology consists of current Fiscal Year debt service plus a reserve equal to the payment due during the first half of the following Fiscal Year, less previously collected reserve. Values rounded.

Bond Tax Levies

- ◆ Bond tax rate \approx debt service \div assessed value
- ◆ Each property pays its share of the debt service for the bonds issued based on its individual assessed value (not market value)



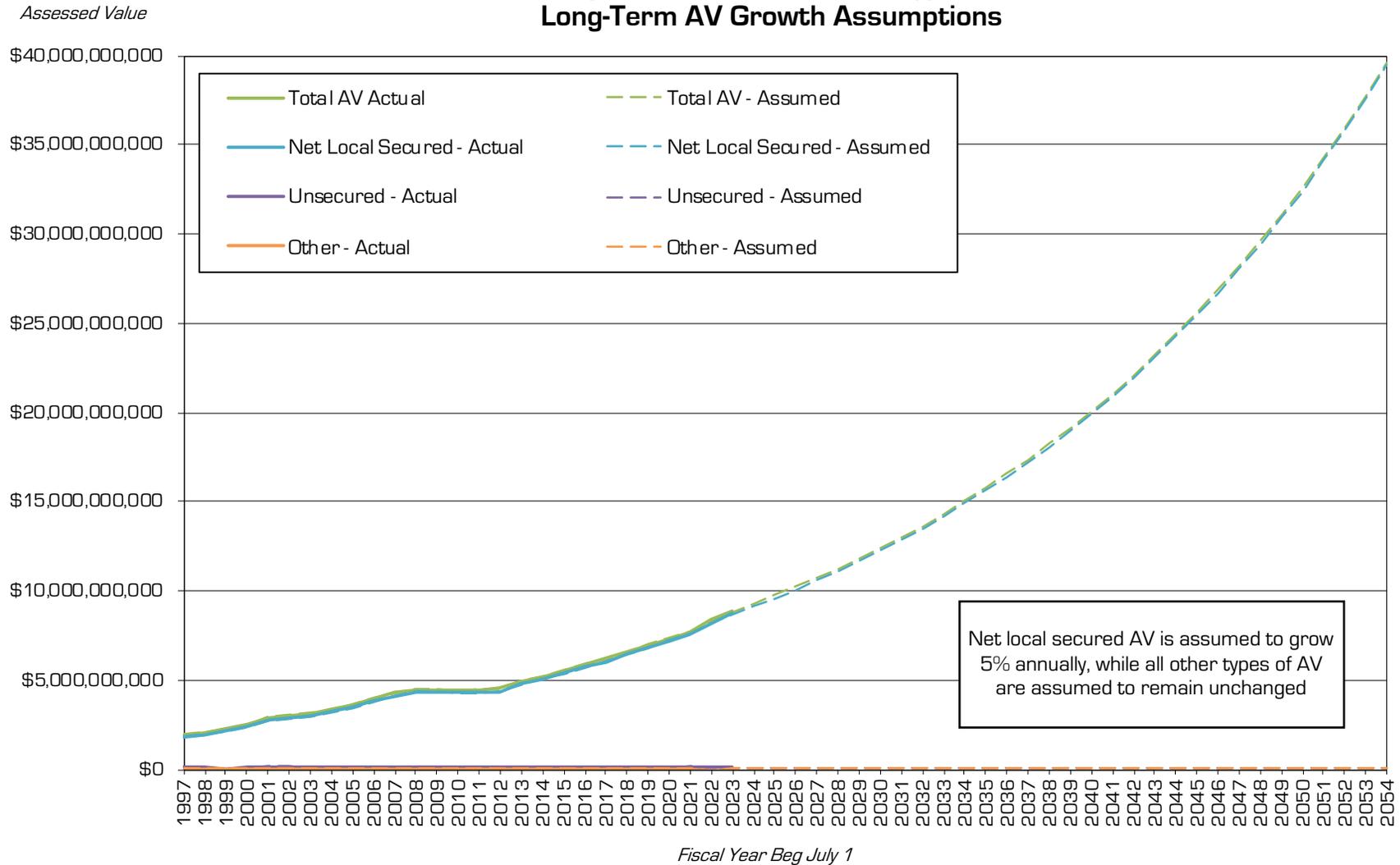
Historical Assessed Value



Historical assessed value (AV) provided by the Santa Clara County Auditor-Controller's Office, except 1997-98, 1999-00, 2002-03, & 2003-04, which were taken from the District's Series B Official Statement (2005) citing California Municipal Statistics, Inc.; net local secured is estimated for those years as HOX is not listed. The District's total AV is comprised of net local secured, utility, homeowners exemption, and unsecured values. Net local secured has comprised between 94 - 98% of the District's total AV. Changes shown are annual changes, while ranges are compounded annual rates. Annual California AV inflation factor provided by California State Board of Equalization, and is the lesser of the annual change in the CA CPI or 2%.

Projected Assessed Value

Different AV Assumptions Based on the AV Types Lead to Moderate Long-Term AV Growth Assumptions



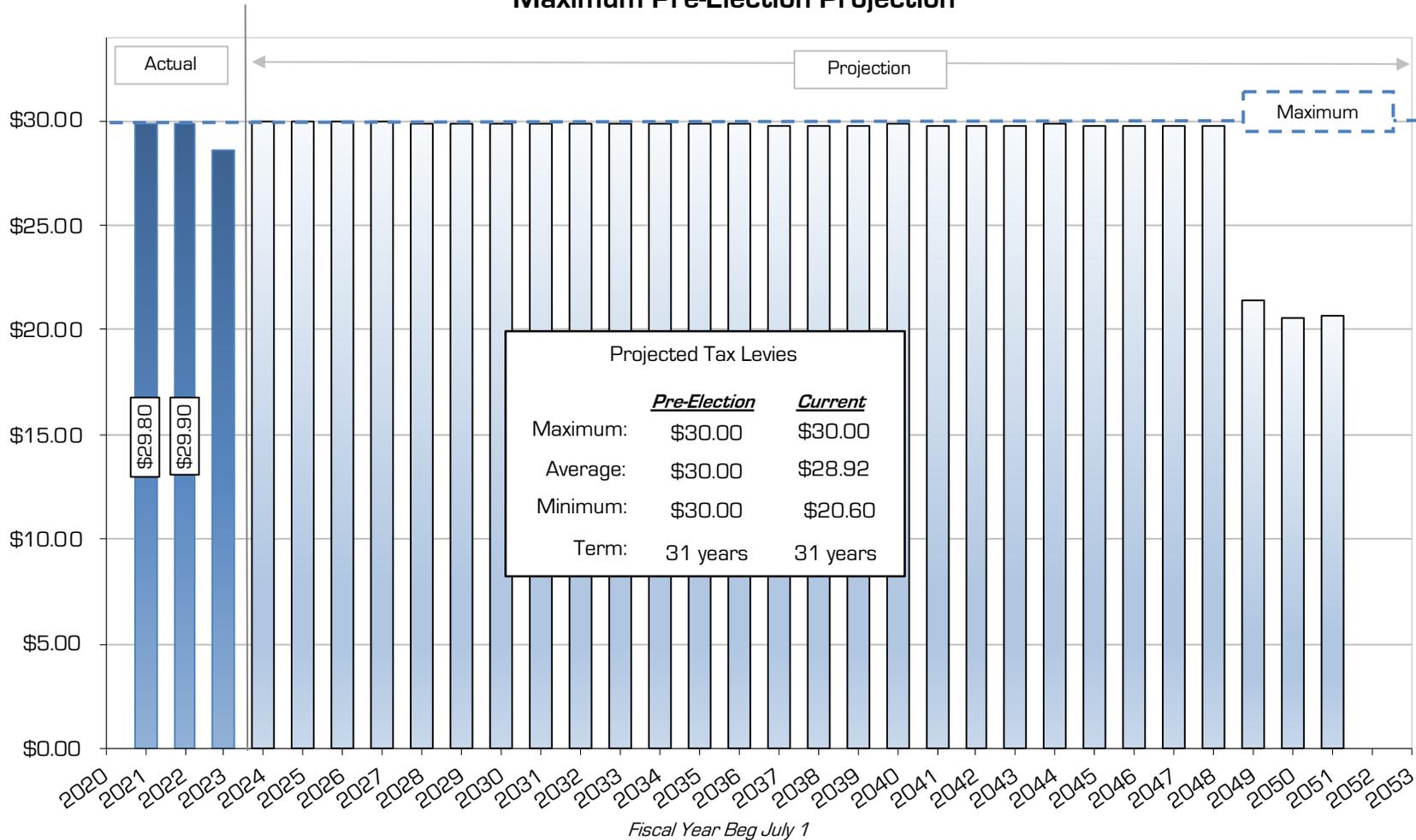
Historical assessed value (AV) provided by the Santa Clara County Auditor-Controller's Office. The District's total AV is comprised of net local secured, net unsecured, and other (utility & homeowners exemption). As homeowners exemption & unsecured components are relatively small and tend to be subject to less predictable volatility, the AV focuses on net local secured.

Measure R

Projected Levies < Pre-Election Estimates

Tax Levies per
\$100,000 of AV

Measure R Tax Levies are Projected to Remain Below the
Maximum Pre-Election Projection



Notes: actual tax levies provided by Santa Clara County. Future tax levies are based on County's collection methodology which consists of current Fiscal Year debt service plus a reserve equal to the payment due during the first half of the following Fiscal Year, less previously collected reserve. Levies based on an assumed 5% annual increase in net local secured AV, while all other types of AV are assumed to remain unchanged. Future paying agent fees equal to 2022-23 fee (\$3,000). Tax levies are per \$100,000 of assessed value. Tax levies are per \$100,000 of assessed value. Maximum pre-election projection per Tax Rate Statement.

Estimated Debt Service Schedule Needed

- ◆ The District is planning to issue the next series of Measure R bonds in Fall 2024, which is after Santa Clara County's mid-May 2024 deadline for the 2024-25 tax roll.
- ◆ To improve efficiency on the bonds and to ensure that the 2024-25 tax levies reflect the proposed bond issuance, an estimated debt service schedule can be filed with the County before the deadline.



Next Steps - Series 2024 Bonds (Measure R)

- ◆ Today's Board meeting
 - ▶ Information presentation
- ◆ May 2, 2024 Board meeting
 - ▶ Board considers adoption of resolution authorizing the County to levy 2024-25 property taxes based on an estimated debt service schedule
- ◆ August 1, 2024 Board meeting
 - ▶ Presentation regarding proposed sale of Series 2024 Bonds
- ◆ August 15, 2024 Board meeting
 - ▶ Board considers adoption of resolution authorizing issuance of Series 2024 Bonds
- ◆ September 11, 2024
 - ▶ Sale of Series 2024 Bonds
- ◆ September 26, 2024
 - ▶ Closing: Proceeds deposited with County
- ◆ October 3, 2024 Board meeting
 - ▶ Presentation of results of sale of Series 2024 Bonds



Agenda

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Thank you, Any Questions?

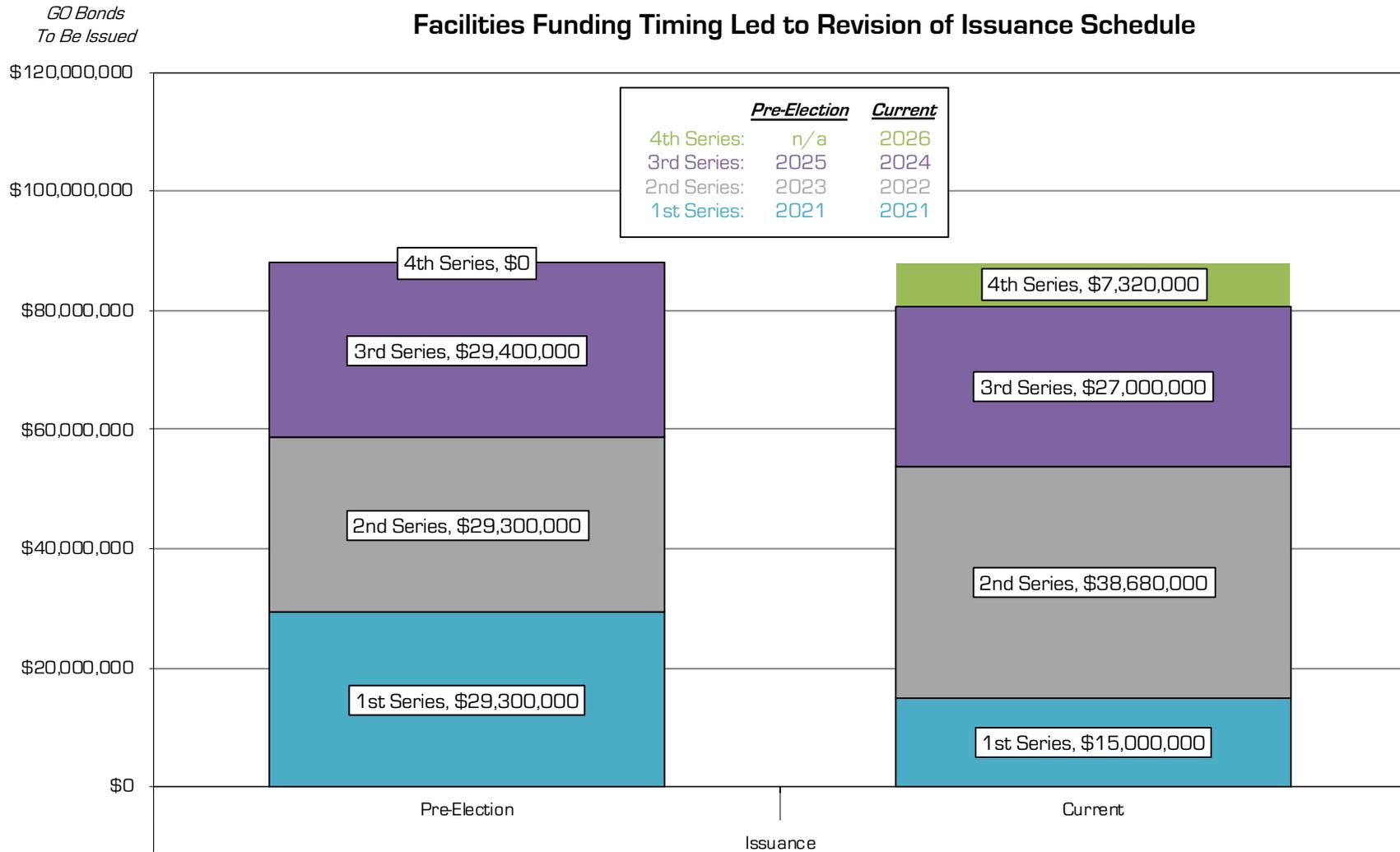


For Reference

- ◆ Measure R Actual and Projected Issuances
- ◆ Additional Information Regarding Assessed Valuation

Measure R

Actual and Projected Issuances

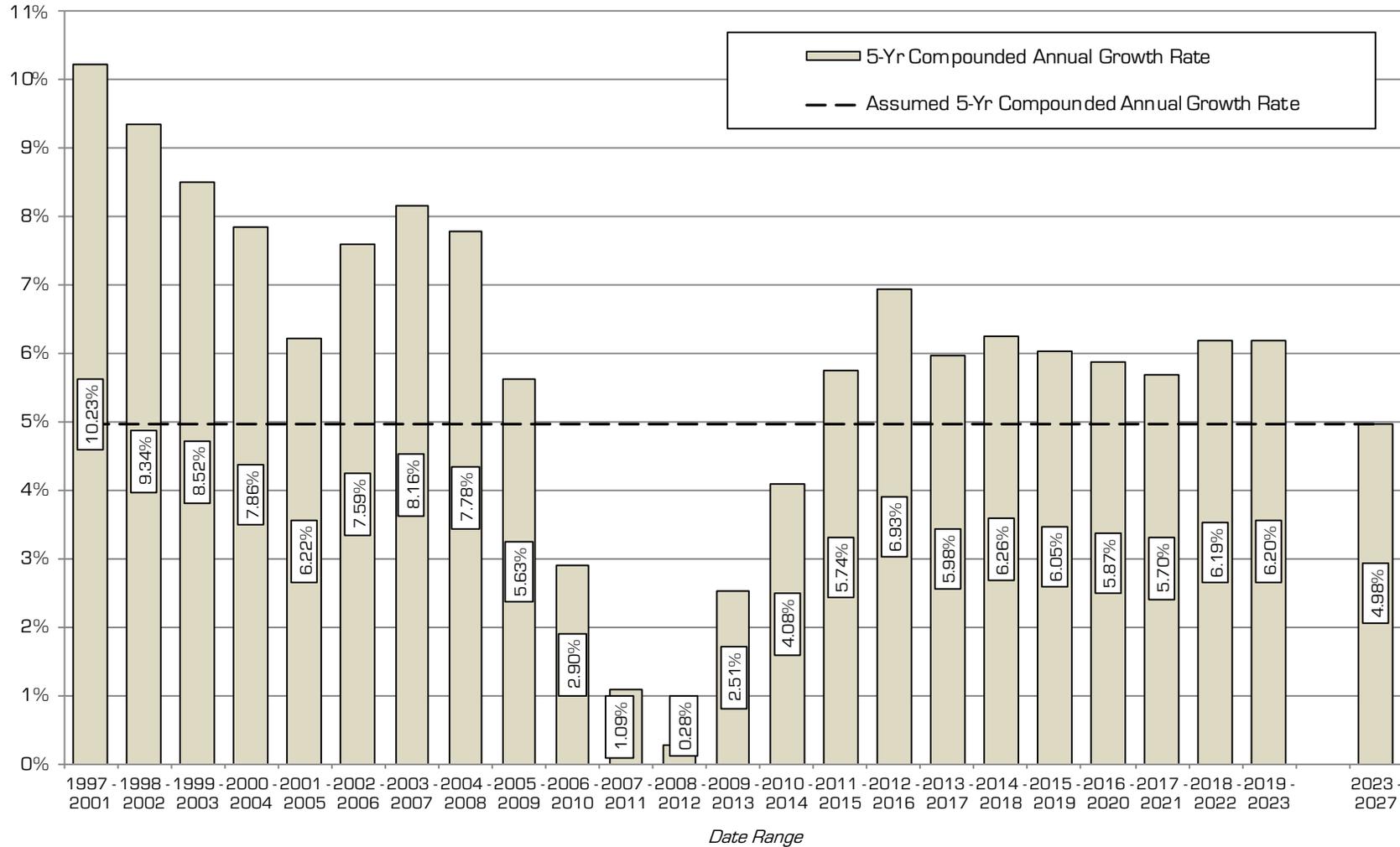


Pre-election information from pre-election bond plan. For current scenario, Series 2021 & 2022 information is actual, with 2024 and 2026 projected. We project a bonding capacity waiver of 1.33% would be required to issue the bonds as detailed. Values rounded.

Historical AV Analysis - 5 Year Periods

Compounded Annual
Growth Rate - Secured AV

AV Assumptions Used Result in 4.98% Annual Growth Rate over 5 Years

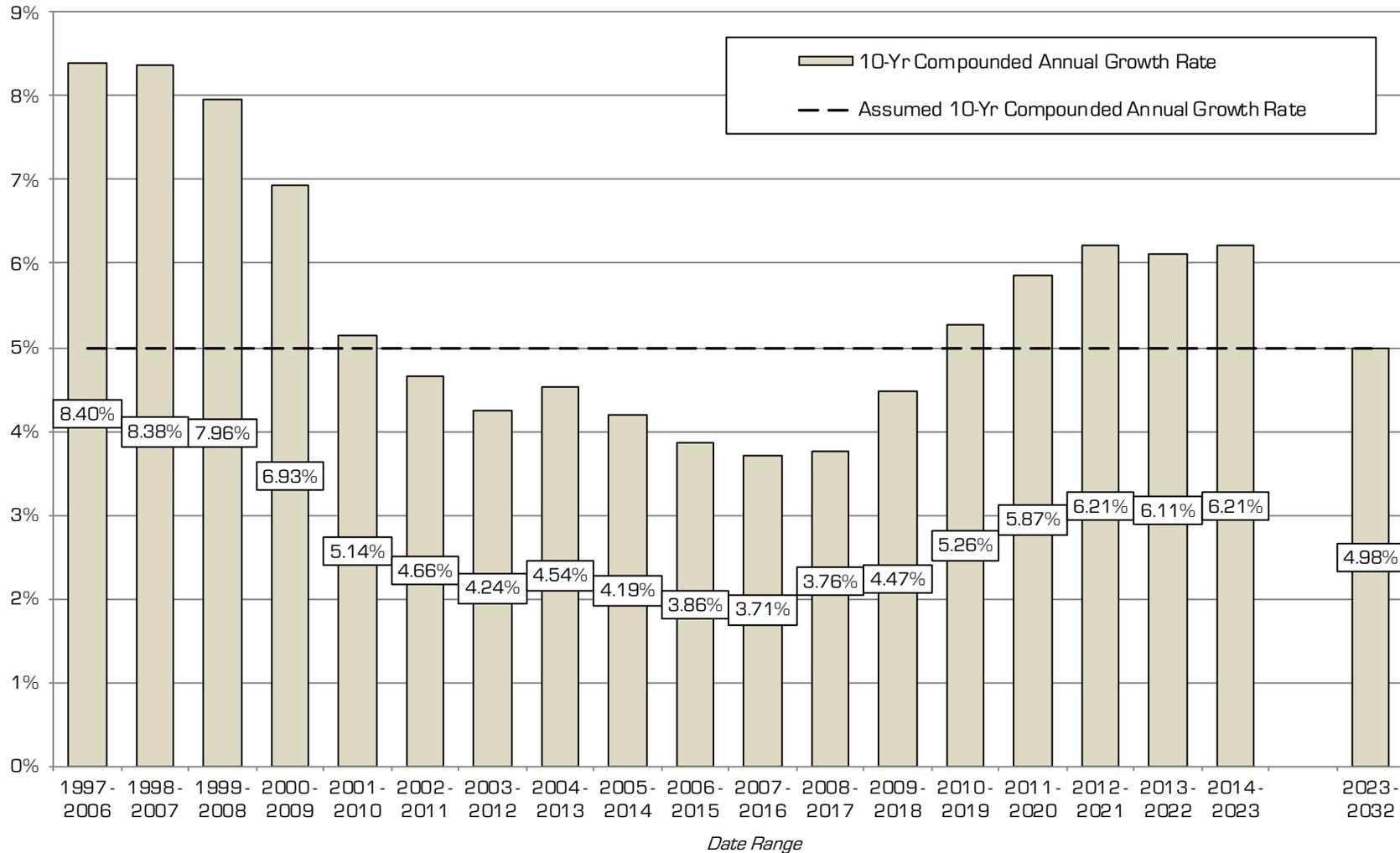


Historical data from Santa Clara County Auditor-Controller's office. Net local secured AV is assumed to increase 5% annually, while all other AV types are assumed to remain unchanged.

Historical AV Analysis - 10 Year Periods

Compounded Annual
Growth Rate - Secured AV

AV Assumptions Used Result in 4.98% Annual Growth Rate over 10 Years

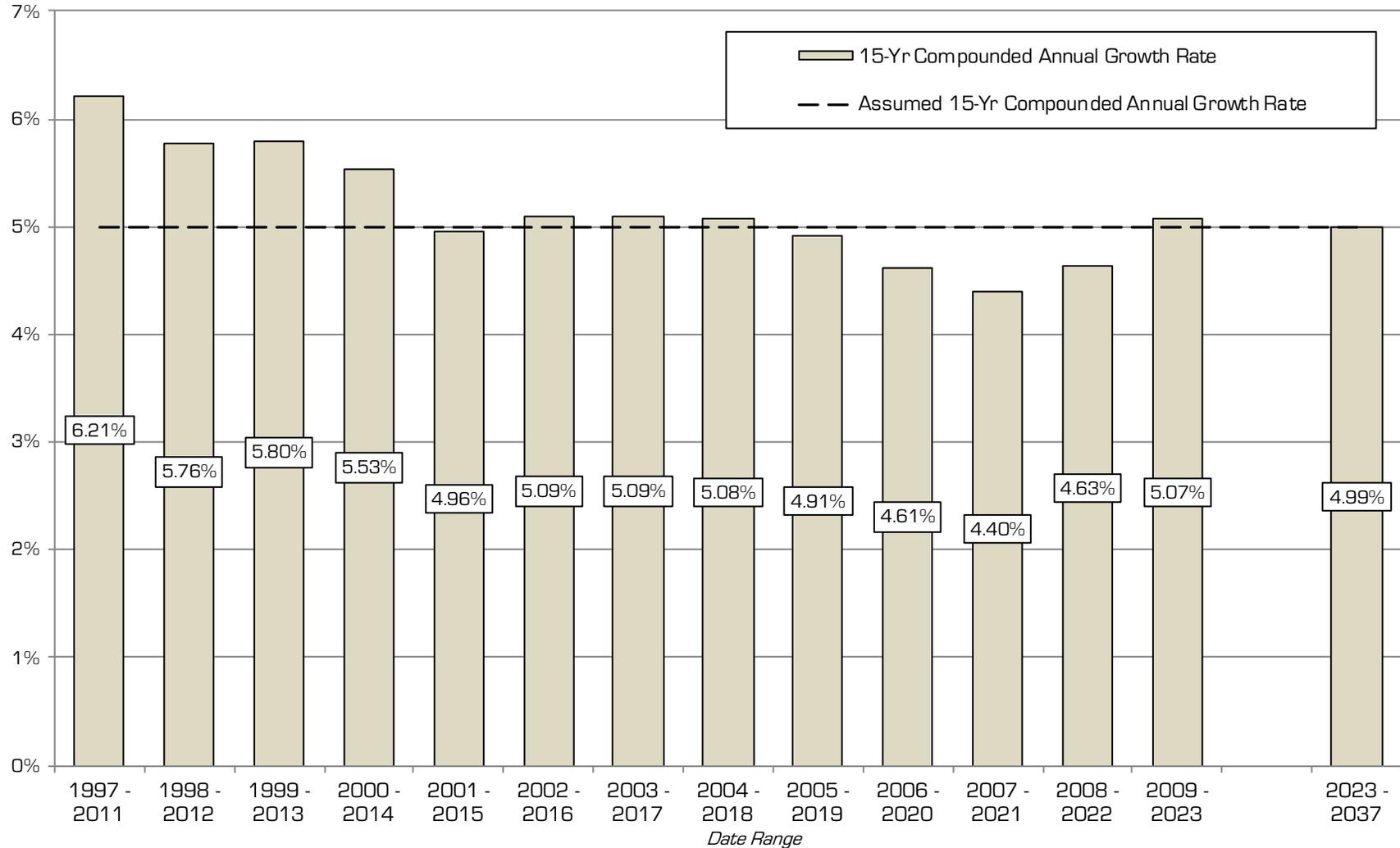


Historical data from Santa Clara County Auditor-Controller's office. Net local secured AV is assumed to increase 5% annually, while all other AV types are assumed to remain unchanged.

Historical AV Analysis - 15 Year Periods

Compounded Annual
Growth Rate - Secured AV

AV Assumptions Used Result in 4.99% Annual Growth Rate over 15 Years

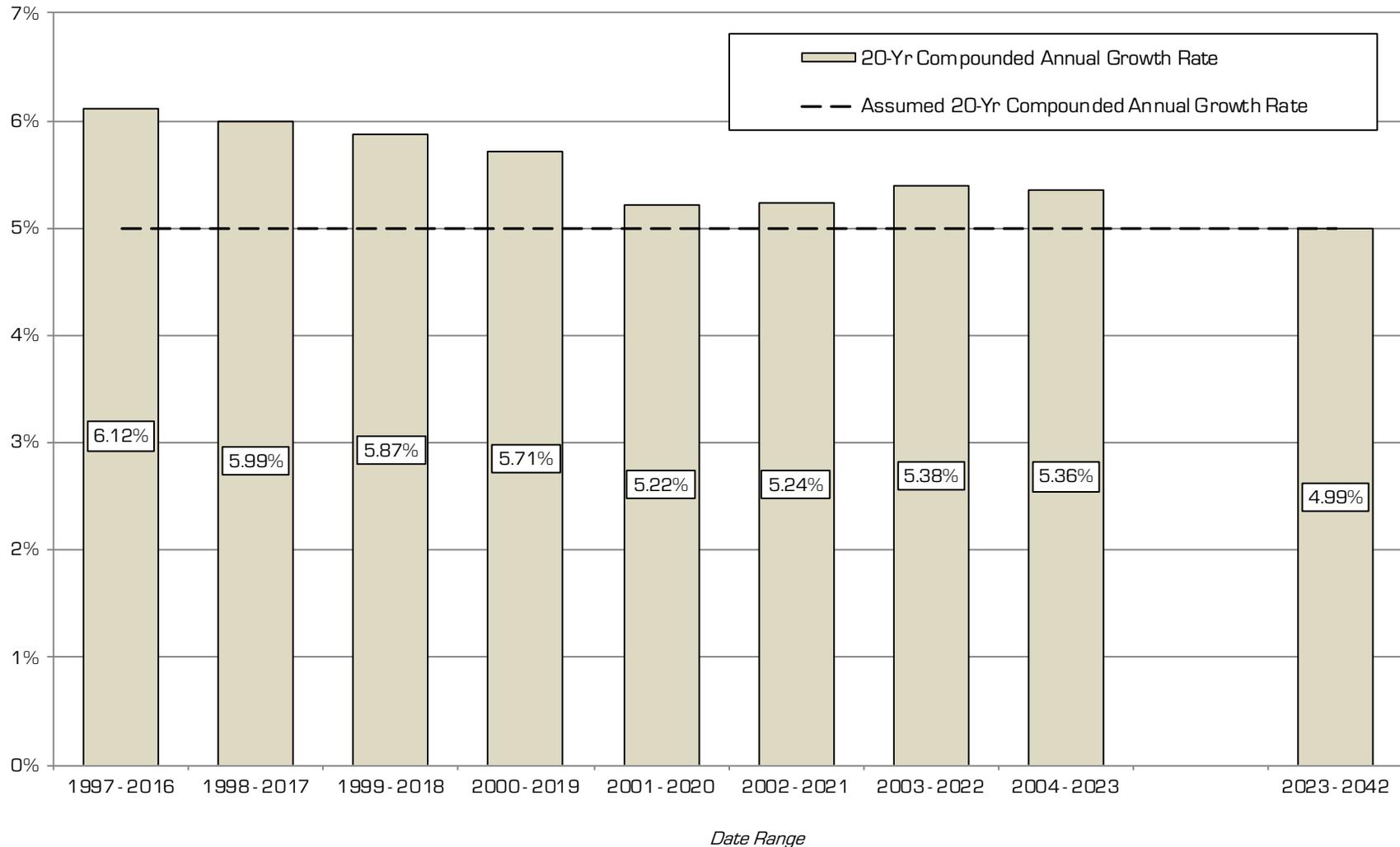


Historical data from Santa Clara County Auditor-Controller's office. Net local secured AV is assumed to increase 5% annually, while all other AV types are assumed to remain unchanged.

Historical AV Analysis - 20 Year Periods

Compounded Annual
Growth Rate - Secured AV

AV Assumptions Used Result in 4.99% Annual Growth Rate over 20 Years



Historical data from Santa Clara County Auditor-Controller's office. Net local secured AV is assumed to increase 5% annually, while all other AV types are assumed to remain unchanged.