



# Presentation to Board of Trustees



2021 General Obligation  
Refunding Bonds (Federally Taxable)

*\$17,420,000\**

March 9, 2021

*\*Preliminary and subject to change*



# Summary of Market Conditions

- ❖ During the middle of March to early April 2020, there was extreme volatility in the financial markets, including municipal and treasury interest rates
- ❖ While Treasury rates have risen, pricing spreads have narrowed by an even greater degree which makes advance refundings still advantageous for the District

**Historic Change in UST Yields**  
*(January 1, 2019 through February 5, 2021)*

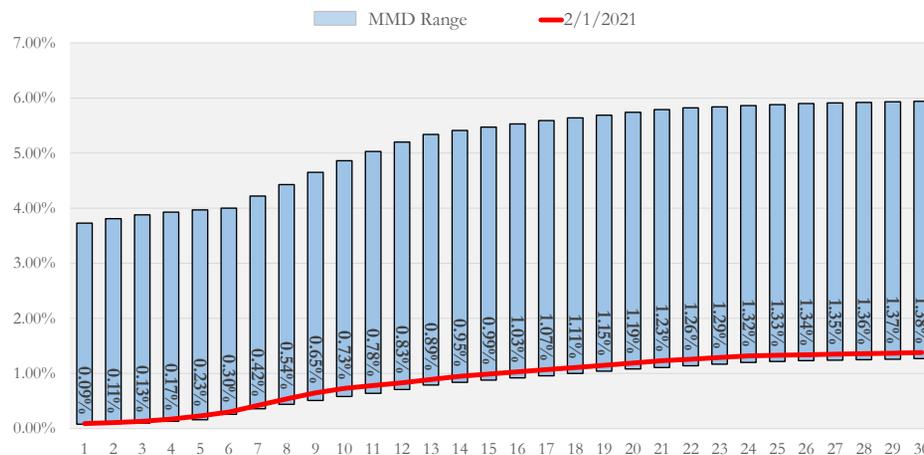




# Summary of Market Conditions

- ❖ **Municipal Market Data (MMD):** ‘AAA’ rated yield curve index published daily by Thomson Reuters. All tax-exempt municipal bonds price based on a spread to MMD.

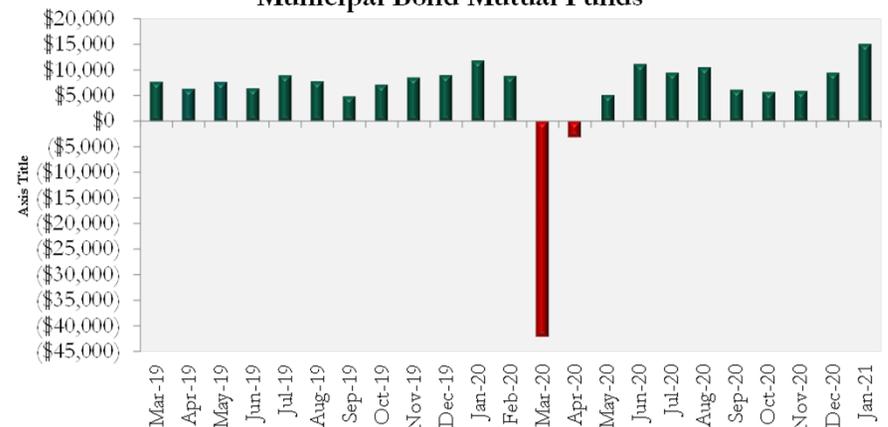
Historical MMD Yield Curve Range: 2005 to Present Day



- ❖ The MMD yield curve throughout all maturities as of February 1st is still considered historically low over the past fifteen years

- ❖ For the week ended February 5th, municipal inflows were \$1.58 billion
- ❖ Monthly inflows have continued since May 2020

Monthly Flow of Funds  
Municipal Bond Mutual Funds





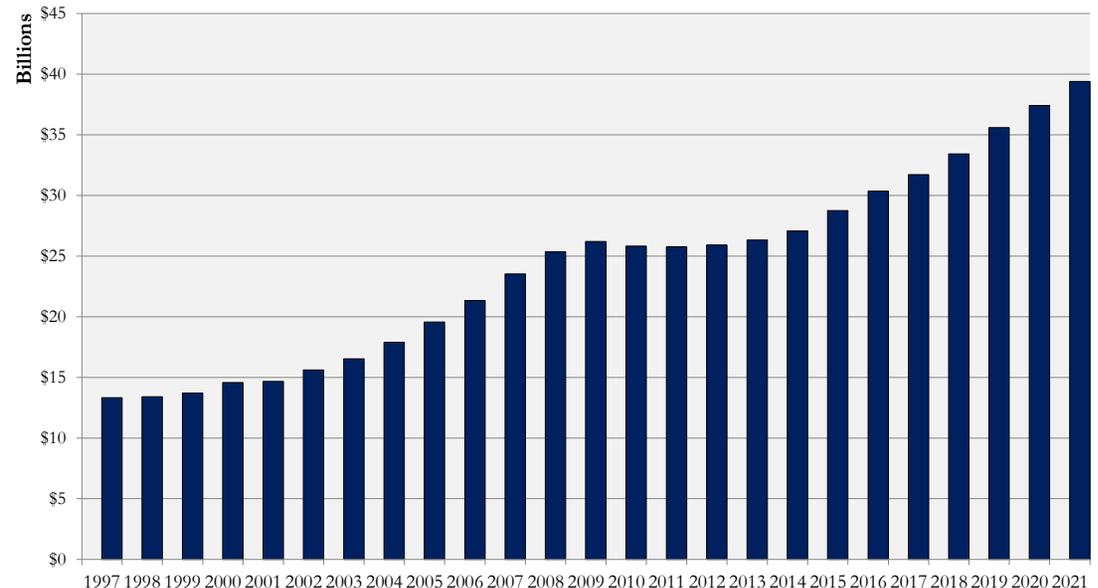
# Historical Assessed Valuation

- ❖ After 2 years of assessed valuation decline in 2010 and 2011, the School District has had ten consecutive years of growth in Assessed Value

*Historical Assessed Valuation*

Fiscal Year Ending	L.A. County	Orange County	Total A.V.	% Change in Total A.V.
1997	\$1,102,770,815	\$12,232,106,309	\$13,334,877,124	-1.20%
1998	1,105,346,085	12,295,383,885	13,400,729,970	0.49%
1999	1,128,411,252	12,574,329,276	13,702,740,528	2.25%
2000	1,161,649,200	13,415,926,643	14,577,575,843	6.38%
2001	1,255,765,116	13,410,854,631	14,666,619,747	0.61%
2002	1,325,385,335	14,284,741,064	15,610,126,399	6.43%
2003	1,411,438,306	15,126,327,885	16,537,766,191	5.94%
2004	1,508,033,385	16,386,688,343	17,894,721,728	8.21%
2005	1,616,745,331	17,943,641,894	19,560,387,225	9.31%
2006	1,768,874,492	19,559,358,789	21,328,233,281	9.04%
2007	1,979,817,867	21,545,545,089	23,525,362,956	10.30%
2008	2,109,177,811	23,235,159,131	25,344,336,942	7.73%
2009	2,196,450,370	23,997,507,290	26,193,957,660	3.35%
2010	2,180,737,272	23,639,899,682	25,820,636,954	-1.43%
2011	2,110,979,072	23,663,933,178	25,774,912,250	-0.18%
2012	2,158,962,680	23,763,473,477	25,922,436,157	0.57%
2013	2,217,732,839	24,101,068,803	26,318,801,642	1.53%
2014	2,307,136,219	24,769,048,188	27,076,184,407	2.88%
2015	2,418,460,340	26,340,861,589	28,759,321,929	6.22%
2016	2,533,713,215	27,815,616,006	30,349,329,221	5.53%
2017	2,643,086,303	29,069,805,213	31,712,891,516	4.49%
2018	2,773,288,053	30,645,356,809	33,418,644,862	5.38%
2019	2,953,557,188	32,628,777,448	35,582,334,636	6.47%
2020	3,098,672,986	34,308,470,855	37,407,143,841	5.13%
2021	3,217,786,998	36,183,486,865	39,401,273,863	5.33%
			<b>25-Year Average:</b>	<b>4.43%</b>
			<b>10-Year Average:</b>	<b>4.35%</b>

**Historical Change in Total Assessed Value**





# General Obligation Bond Debt Outstanding

## General Obligation Bonds

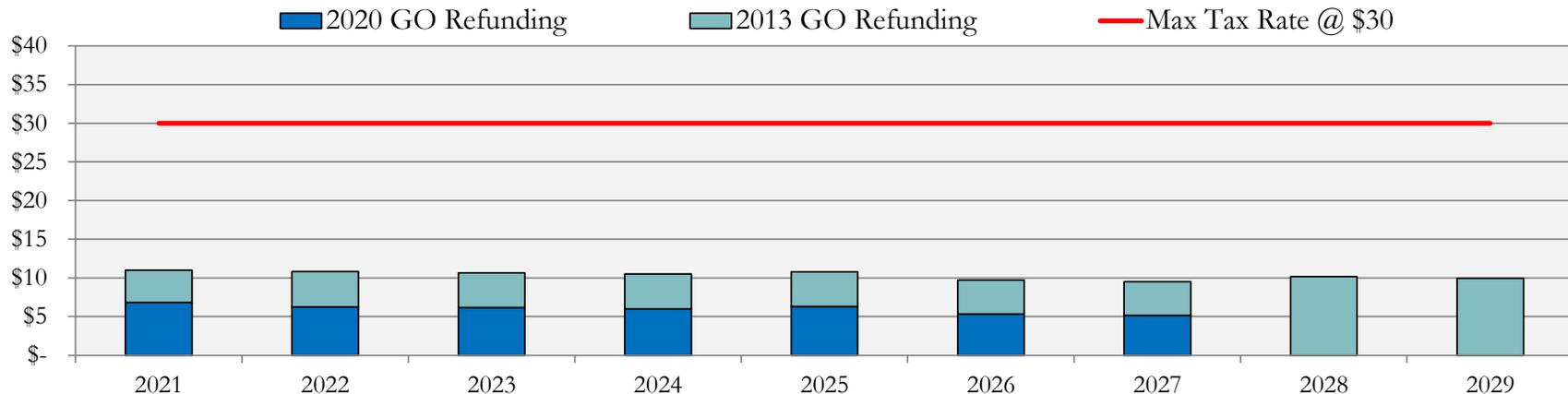
Issue	Dated Date	Final Maturity	Original Principal	Principal Outstanding as of 3-1-21	Next Call Date
2013 GO Refunding	5/14/13	8/1/29	21,700,000	18,025,000	Callable 8/1/23 @ 100% any date
Election of 2014, Series A (2015)	10/28/15	8/1/40	42,500,000	35,010,000	Callable 8/1/25 @ 100% any date
Election of 2014, Series B (2017)	4/26/17	8/1/41	40,000,000	32,945,000	Callable 8/1/27 @ 100% any date
Election of 2014, Series C (2018)	4/25/18	8/1/42	48,000,000	46,500,000	Callable 2/1/28 @ 100% any date
Election of 2014, Series D (2019)	2/27/19	8/1/42	21,000,000	20,820,000	Callable 2/1/28 @ 100% any date
Election of 2014, Series E (2020)	6/10/20	8/1/43	23,500,000	23,500,000	Callable 8/1/29 @ 100% any date
2020 GO Refunding	6/10/20	8/1/27	15,295,000	15,040,000	Not Callable
<b>Total:</b>				<b>\$191,840,000</b>	



# Election of 2002 Debt Outstanding

- ❖ The District has two series of GO Bonds outstanding under the March 5, 2002 Prop 39 Election
  - Not-to-exceed authorization of \$67,940,000; no unissued authorization remains
  - Bond refinancings were completed in 2010, 2013 and 2020 for taxpayer savings

## Election of 2002 - Projected Tax Rates <sup>(1)</sup>



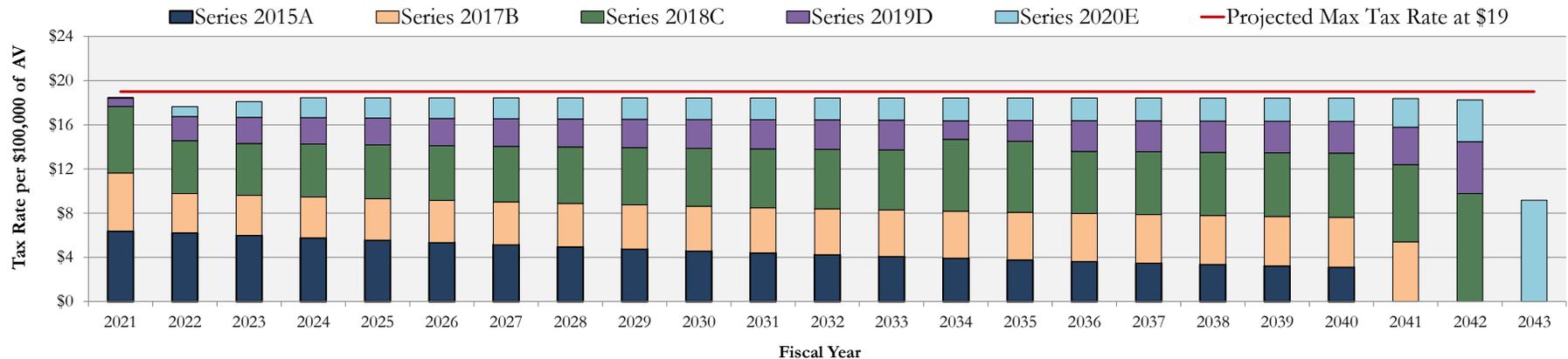
<sup>(1)</sup> Assumes 4.00% growth for FY 21-22 and every year thereafter.



# 2014 Measure I Projected Tax Rates

- ❖ The School District's voters approved Measure I, a \$175 million bond measure on the November 4, 2014 ballot with an approval rate of 59%
- ❖ Tax rate projection of \$19 per \$100,000 of AV throughout the life of the bonds
- ❖ In June 2020 the District issued its fifth and final series of bonds for Measure I in the amount of \$23.5 million
- ❖ No remaining authorization left for Measure I

**Election of 2014 - Projected Tax Rates**



(1) Assumes 4.00% growth for FY 21-22 and every year thereafter.



# 2021 General Obligation Refunding Bonds Overview\*

- ❖ The School District's 2013 General Obligation Refunding Bonds can be refinanced with taxable rates to provide approximately \$1.7 million in taxpayer savings

Key Refunding Highlights	
Call Date	8/1/2023
Call Price	100%
Gross Savings	\$1,741,626
NPV Savings (\$)	\$1,652,339
NPV Savings (%)	10.85%
Annual Savings	\$217,492
Negative Arbitrage	\$404,624

Refunding Savings of 2013 Refunding Bonds\*

Payment Date	Prior Debt Service	Refunding Debt Service	Gross Savings	NPV Savings @ 3.6765674%
8/1/2021	\$380,625	\$378,936	\$1,689	\$1,682
8/1/2022	761,250	546,194	215,056	213,290
8/1/2023	761,250	545,324	215,926	211,534
8/1/2024	1,956,250	1,739,277	216,973	209,960
8/1/2025	2,026,500	1,807,860	218,640	208,822
8/1/2026	2,065,250	1,847,590	217,660	205,194
8/1/2027	2,143,750	1,923,654	220,096	204,779
8/1/2028	5,164,750	4,949,020	215,730	198,122
8/1/2029	5,265,750	5,045,892	219,858	198,955
<b>Total</b>	<b>\$20,525,375</b>	<b>\$18,783,749</b>	<b>\$1,741,626</b>	<b>\$1,652,339</b>

\* Preliminary and subject to change.  
 Note: Assumes market conditions as of January 2021.



# Financing Schedule\*

Date	Activity
3/9/2021	Board Meeting to Introduce Refunding Plan
3/29/2021	Rating Presentation
4/9/2021	Rating Received
4/13/2021	Board Meeting to Consider Resolution of Issuance
4/21/2021	Hold Competitive Sale
5/5/2021	Closing

\* Preliminary, subject to change.