



Scotts Valley Unified School District

History of the District's General Obligation Bond Program

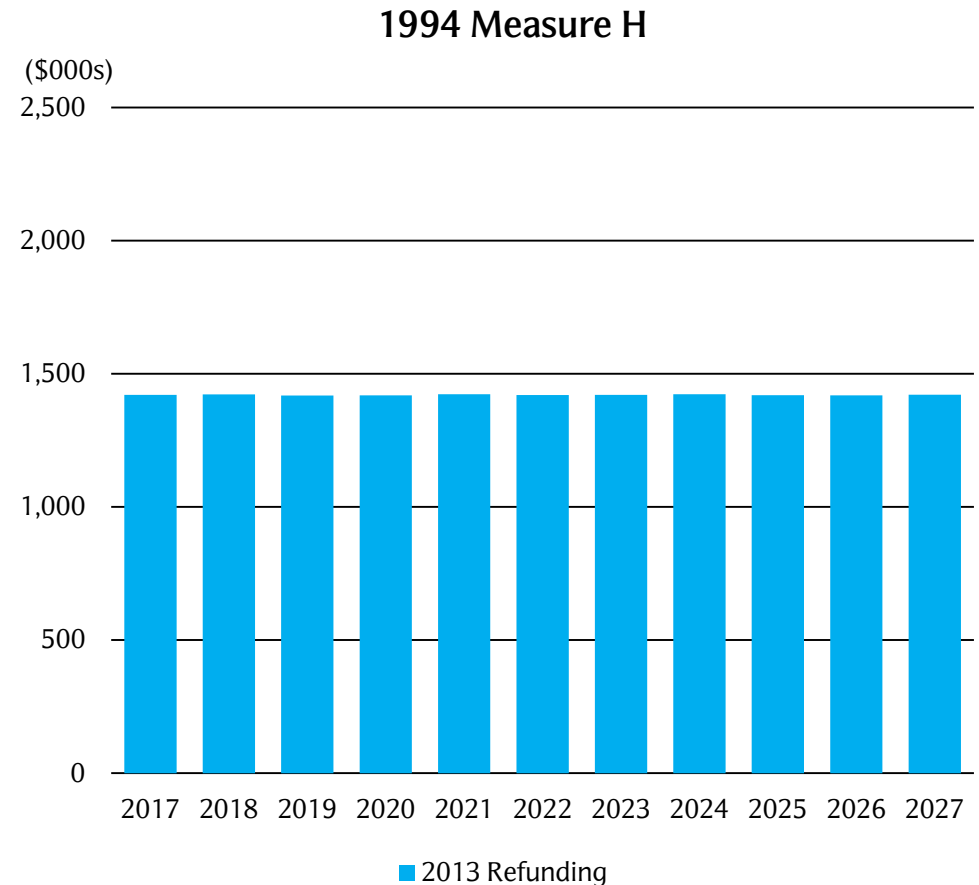
U.S. Public Finance

May 9, 2017

1994 Measure H General Obligation Bond Program

In November 1994, over 74.5% of voters in the District approved Measure H, authorizing the District to issue up to \$22.7 million for the primary purpose of building Scotts Valley High School.

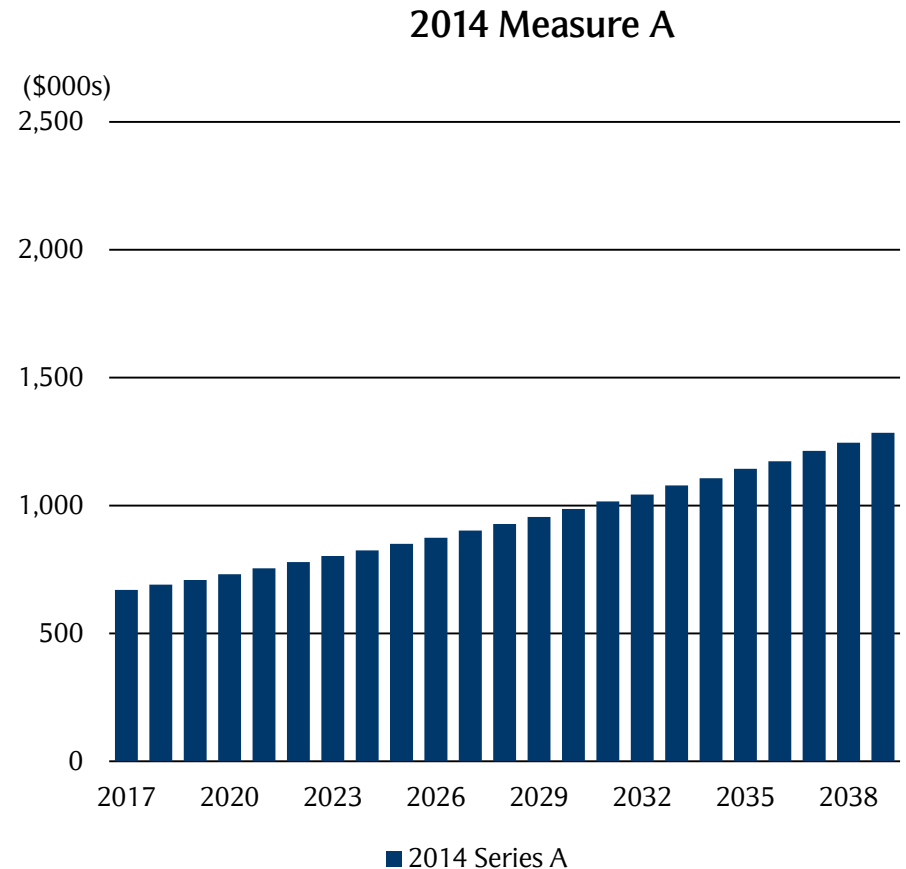
- Proposition 46 Election (2/3 vote required)
- Bonds were issued in 1995 and 1997
- Subsequent refunding bonds were issued in 2003, 2004 and 2013
- \$12.405 million of bond principal associated with the 1994 election remains outstanding
- Final principal payment: August 1, 2027



2014 Measure A General Obligation Bond Program

In June 2014, voters supported Measure A, authorizing the District to issue up to \$35 million primarily for the purpose of modernizing/renovating the Scotts Valley Middle School

- Proposition 39 Election (55% vote required)
- Tax rate estimate of \$57.00 per \$100,000 AV
- Statutory tax rate maximum of \$60 per \$100,000 AV
- \$15.0 million of bonds have been issued; \$13.615 million remain outstanding
- \$20.0 million in remaining authorization
- Final principal payment: August 1, 2039



History of General Obligation Bond Issuances

Bond Issuance	Issuance Date	Final Maturity	Par Amount (\$mm)	True Interest Cost (TIC)	Current Status
1994 Election Series A	5/1/95	2019	4.500	5.778%	Refinanced in 2003
1994 Election, Series B	8/1/97	2027	18.200	5.380%	Refinanced in 2004
2003 Refunding	4/1/03	2019	4.290	3.722%	Refinanced in 2013
2004 Refunding	10/28/04	2027	17.815	4.095%	Refinanced in 2013
2013 Refunding	9/19/13	2027	15.145	3.226%	Callable 8/1/2023
2014 Election Series A	1/29/15	2039	15.000	3.316%	Callable 8/1/2025



No longer outstanding

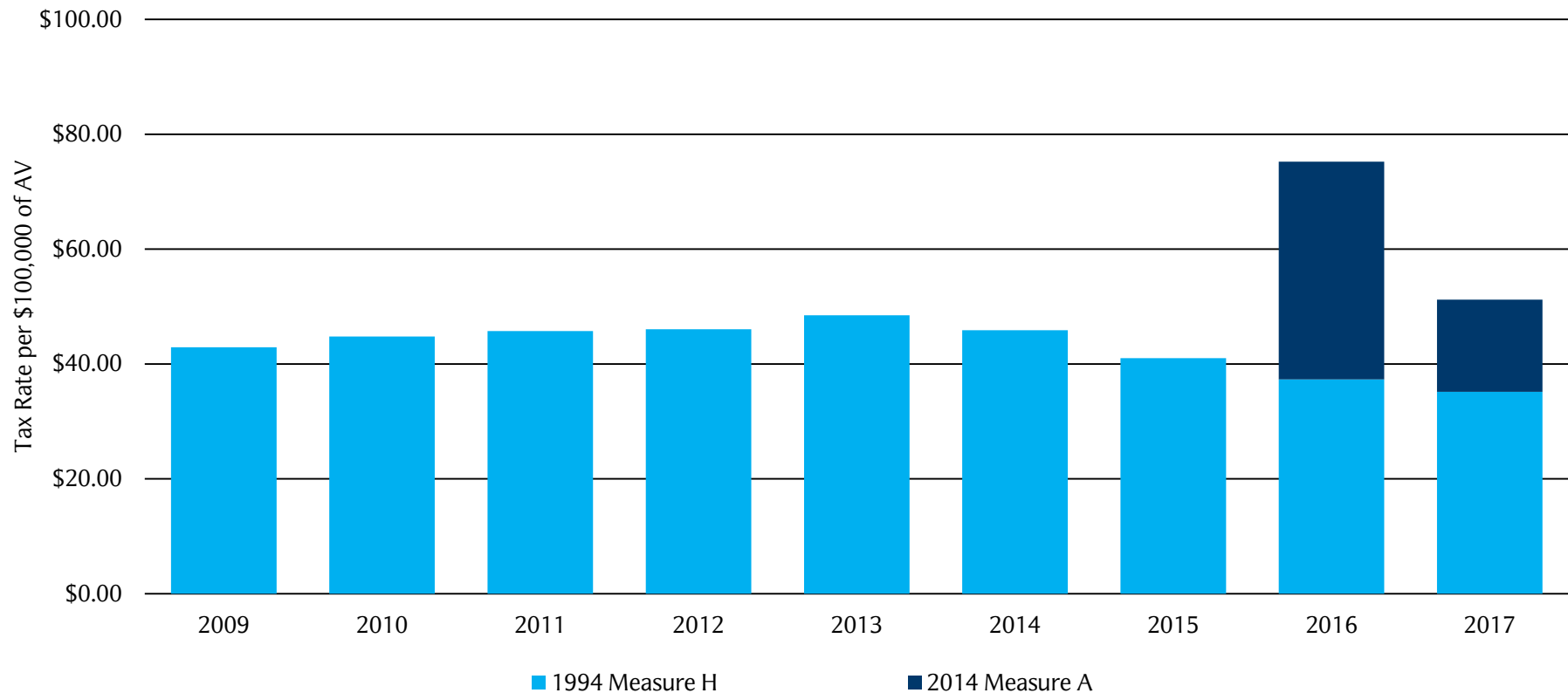


Outstanding



History of Secured Tax Rates

The tax rate impact of the District's outstanding general obligation bonds is currently \$51.20 per \$100,000 of assessed valuation



Comparison of Local Tax Rates

The tax rate impact of the District's outstanding general obligation bonds is currently \$51.20 per \$100,000 of assessed valuation

District	SVUSD	SLVUSD	PVUSD	SC ESD & HSD
Bonds Authorized:	\$57.7 mm	\$37.4 mm	\$275.5 mm	\$294 mm
2017 Tax Rate (per \$100,00):	\$51.20	\$71.53	\$53.82	\$37.54



Current General Obligation Bond Ratings

- The District's current general obligation bond ratings are Aa2 from Moody's Investors Service and AA- from Standard & Poor's
- ▶ SVUSD received a rating upgrade to AA- from A+ from S&P during the course of the 2015 financing
- ▶ SVUSD was upgraded by Moody's in 2010 as part of a global rating criteria change

<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>	<u>Meaning</u>
Aaa	AAA	AAA	Prime
Aa1	AA+	AA+	High Grade
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	Upper Medium Grade
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	Lower Medium Grade
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	

SVUSD Current G.O. Bond Ratings

2015 Highlighted Credit Positives

- Above average socio-economic indicators
- Sound fiscal management reflected in healthy reserves and liquidity
- Access to regional employment in Silicon Valley
- Stable and diverse tax base
- Low debt burden

2015 Highlighted Credit Challenges

- Relatively small tax base (\$3.4 bn in 2014-15)
- Reliance on State aid

2015 Highlighted Outlook & Future Factors

- Both ratings have a stable outlook
- Rating could be lowered if the District draws down reserve levels and/or weakens its liquidity position
- Growth/contraction to the tax base



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