

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

General Obligation Bond Program Presentation

September 19, 2019



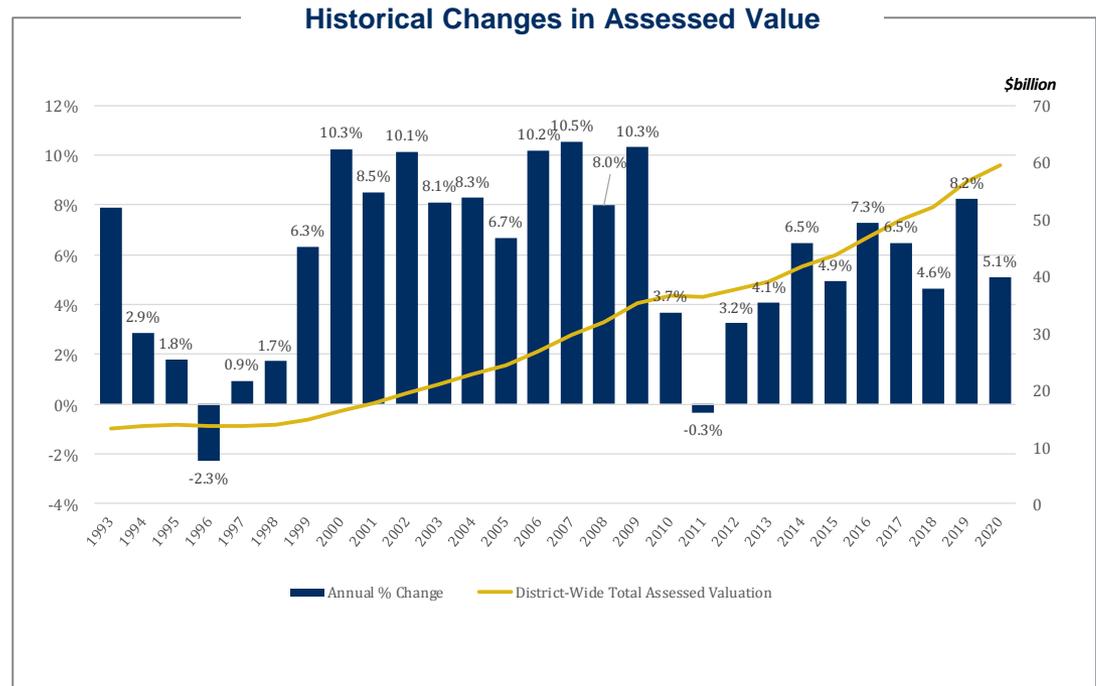
RAYMOND JAMES



Capital
Markets

- District assessed valuation growth has averaged 5.80% over the last 28 years

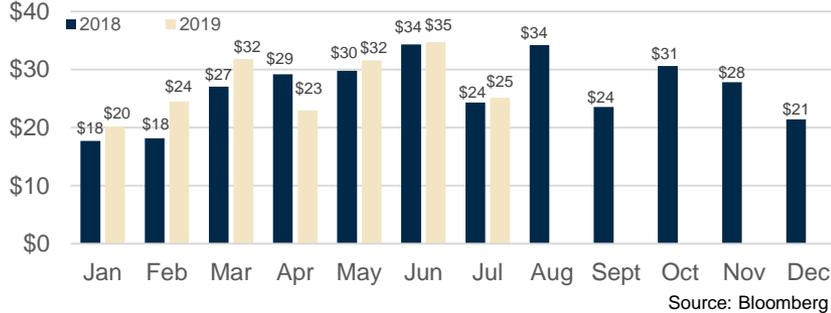
Fiscal Year Ending	District-Wide Total Assessed Valuation	Annual % Change
1992	\$12,247,660,396	--
1993	\$13,212,295,256	7.88%
1994	\$13,589,734,588	2.86%
1995	\$13,831,788,934	1.78%
1996	\$13,517,085,904	-2.28%
1997	\$13,644,313,888	0.94%
1998	\$13,879,224,941	1.72%
1999	\$14,755,885,770	6.32%
2000	\$16,268,617,035	10.25%
2001	\$17,652,511,583	8.51%
2002	\$19,440,867,781	10.13%
2003	\$21,014,678,438	8.10%
2004	\$22,755,683,025	8.28%
2005	\$24,274,572,281	6.67%
2006	\$26,750,651,775	10.20%
2007	\$29,570,115,254	10.54%
2008	\$31,926,254,125	7.97%
2009	\$35,219,582,002	10.32%
2010	\$36,517,722,578	3.69%
2011	\$36,397,355,982	-0.33%
2012	\$37,576,796,540	3.24%
2013	\$39,101,560,390	4.06%
2014	\$41,637,140,788	6.48%
2015	\$43,691,489,591	4.93%
2016	\$46,876,731,510	7.29%
2017	\$49,910,196,224	6.47%
2018	\$52,223,095,636	4.63%
2019	\$56,518,242,786	8.22%
2020	\$59,388,256,644	5.08%



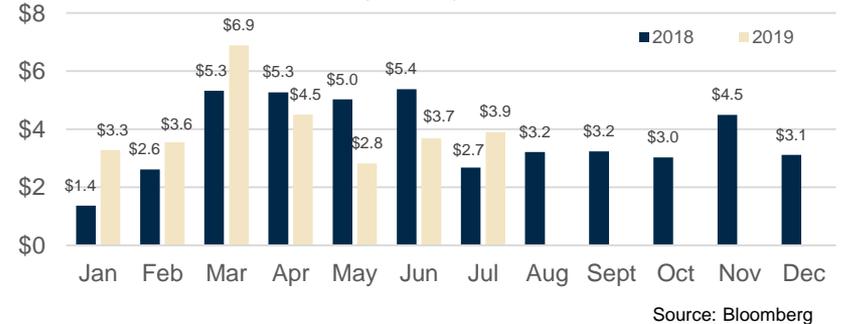
Average Growth Rates	
5-Year Growth Rate	6.33%
10-Year Growth Rate	4.98%
15-Year Growth Rate	6.15%
20-Year Growth Rate	6.69%

- 2019 YTD National volume up 5.8% vs. 2018; California volume up 3.4% year-over-year
 - Demand for muni bonds remains solid, supported by sustained inflows to mutual funds exceeding \$1 billion per week (\$35+ billion YTD)
 - Ratios hover around the 90% level for 30-year maturities
 - 10-year ratio at 80.6% (September 11) vs. 85.3% (January 2)

National Municipal Issuance (2018 & 2019)
(\$ billions)



CA Municipal Issuance (2018 & 2019)
(\$ billions)



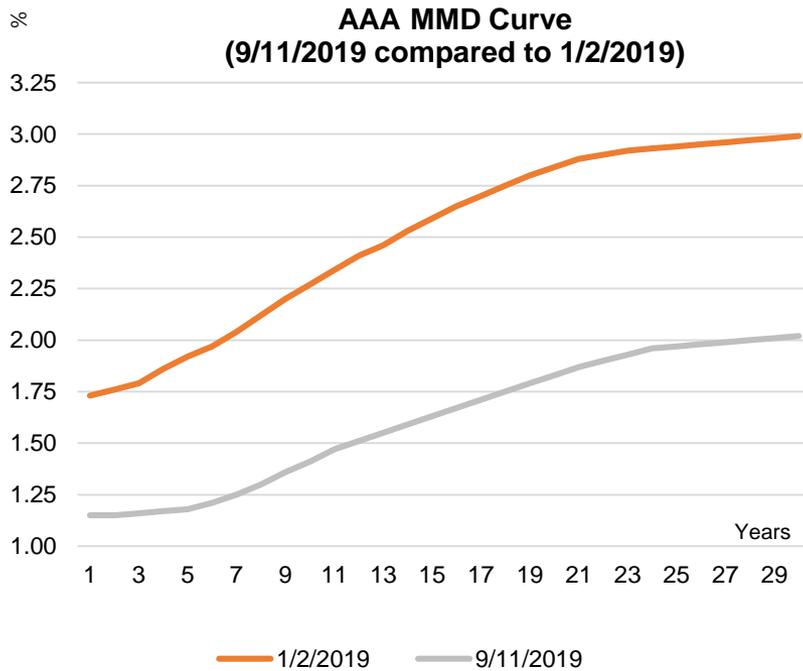
- The FOMC cut rates by 25 bps at its July 31 meeting, lowering the target rates from 2.25%-2.50% to 2.00%-2.25%
 - Additional 25 bps rate cut expected at next meeting in September
- Strong potential for muni refunding volume to balloon if rates hold steady or continue downward trend

FOMC Target Rate Projections (as of September 11, 2019)

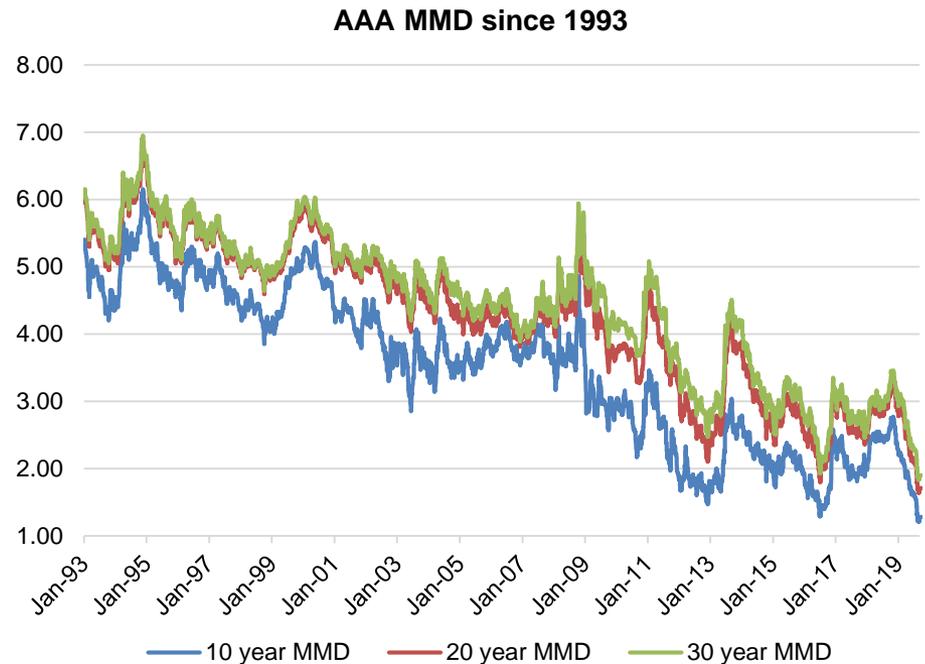
Rate Change	-75 bps	-50 bps	-25 bps	Current Rate
Target Rate	1.25-1.50%	1.50-1.75%	1.75-2.00%	2.00-2.25%
9/18/2019	0.0%	2.8%	97.2%	0.0%
10/30/2019	1.6%	55.5%	42.9%	0.0%
12/11/2019	32.7%	48.2%	18.1%	0.0%
1/29/2020	39.9%	34.2%	9.8%	0.0%
3/18/2020	38.3%	27.2%	6.9%	0.0%
4/29/2020	36.2%	23.3%	5.6%	0.0%

Source: Bloomberg

- 30-year AAA MMD lower by 97 bps since January 1, 2019
- Tax-exempt rates at all-time lows



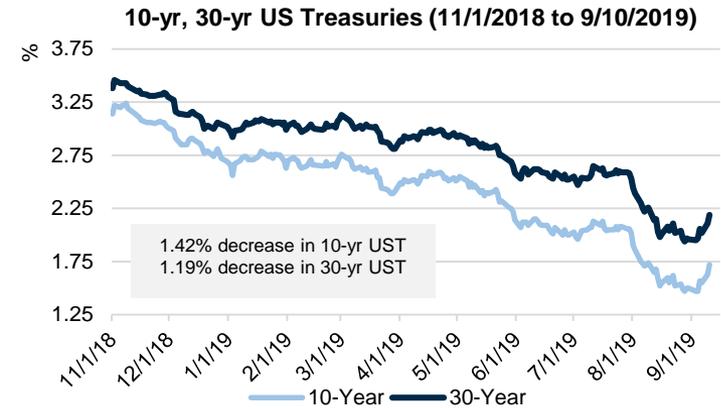
Source: Thomson Reuters Municipal Market Monitor



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REFUNDING SAVINGS OPPORTUNITY

- Global events (Expected QE, China, Iran, Brexit, European fiscal stress) have driven US Treasuries to multi-year lows, with yield on the 30-year dropping below 2% for the first time on August 15
- Based on current market rates (as of 9/10/19), the District could save an estimated **\$14,968,731 in taxpayer savings (\$10,046,704 net present value savings or 10.75% of refunded par)** by refunding select maturities from the District's Election of 2006, Series D and Election of 2012, Series D bonds



Refunding Savings Summary Statistics

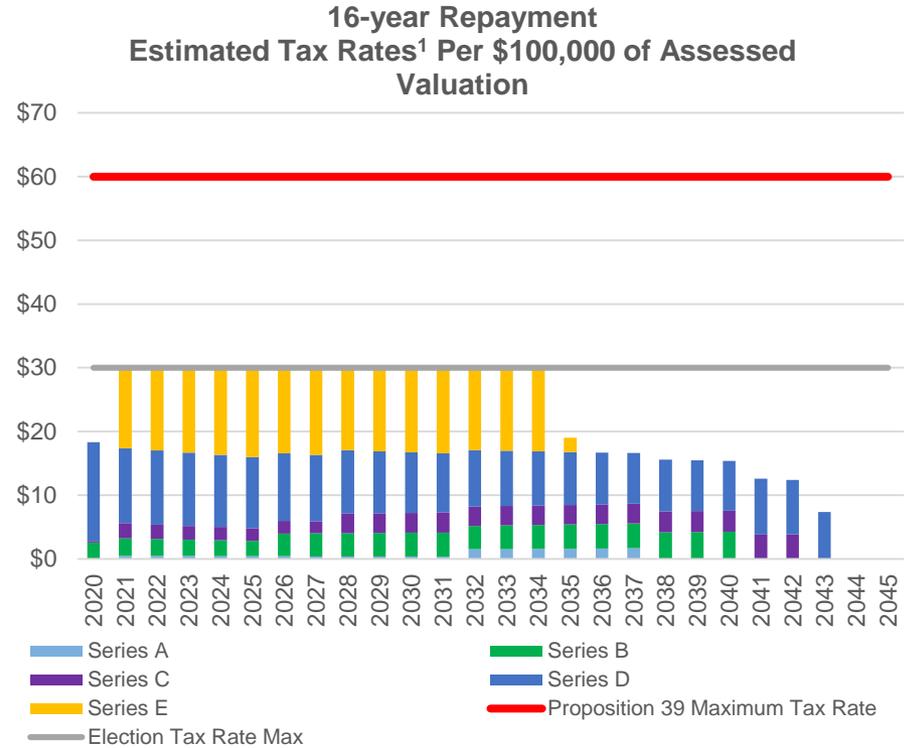
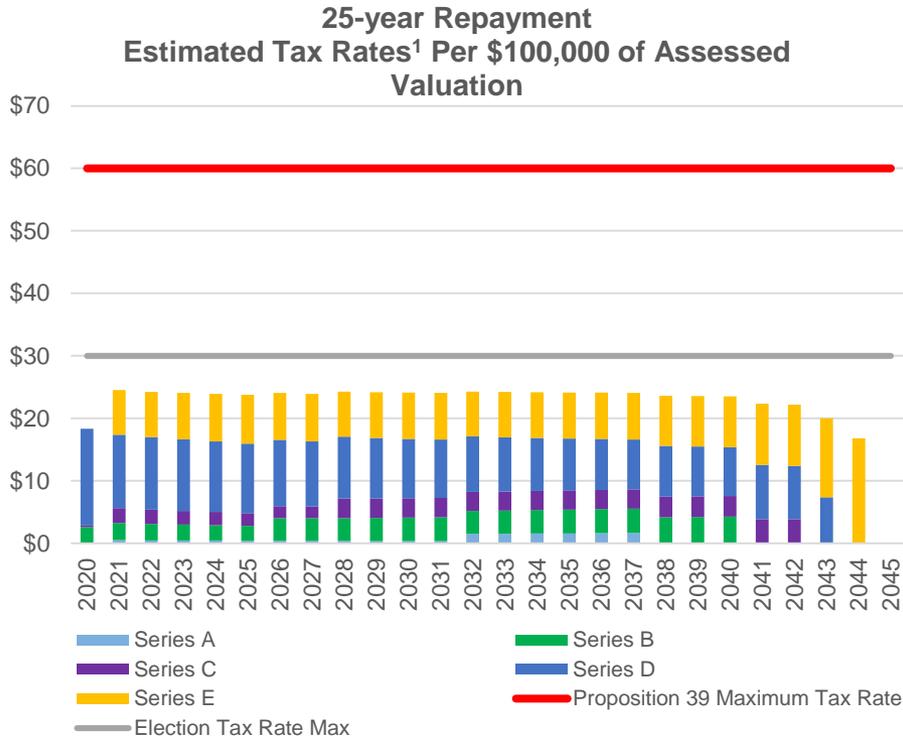
Bond Series Refunded	Election of 2006, Series D	Election of 2012, Series D	Total
Type of Refunding	Taxable Advance	Taxable Advance	Taxable Advance
Maturities Refunded	2026-2037	2039-2043	-
Call Date of Refunded Bonds	7/1/2023	8/1/2023	-
Bond Par Amount	\$58,835,000	\$46,505,000	\$105,340,000
True Interest Cost	2.875%	3.089%	2.984%
Par amount of refunded bonds	52,805,000	40,650,000	93,455,000
Average coupon of refunded bonds	4.169%	5.000%	4.613%
Value of Negative Arbitrage	2,786,550	2,226,617	5,013,167
Savings	3,776,293	11,192,438	14,968,731
Net PV Savings	2,880,846	7,165,858	10,046,704
Net PV Savings (% of refunded)	5.456%	17.628%	10.750%
Sensitivity			
NPV Savings (current market + 0.25%)	1,672,412	5,606,991	7,279,402
NPV Savings (current market - 0.25%)	4,147,683	8,817,601	12,965,283
Breakeven Change in Rates*	1.23%	0.63%	-

* Maximum change in future tax-exempt rates required for 2023 tax-exempt current refunding to be advantageous compared to 2019 taxable advance refunding

Annual Savings

Maturity Date	Election of 2006, Series D	Election of 2012, Series D	Total
8/1/2020	\$96,569	\$267,318	\$363,887
8/1/2021	98,496	266,508	365,004
8/1/2022	97,559	263,262	360,821
8/1/2023	96,685	265,107	361,792
8/1/2024	96,200	267,200	363,400
8/1/2025	96,168	264,587	360,755
8/1/2026	187,169	262,789	449,958
8/1/2027	194,399	266,837	461,236
8/1/2028	205,255	266,605	471,860
8/1/2029	213,155	266,820	479,975
8/1/2030	200,883	262,492	463,375
8/1/2031	247,532	263,845	511,376
8/1/2032	67,896	265,824	333,720
8/1/2033	66,405	263,397	329,802
8/1/2034	65,340	266,606	331,946
8/1/2035	64,712	265,334	330,046
8/1/2036	1,055,808	266,598	1,322,406
8/1/2037	626,064	263,318	889,382
8/1/2038		265,646	265,646
8/1/2039		1,133,430	1,133,430
8/1/2040		1,150,426	1,150,426
8/1/2041		1,325,364	1,325,364
8/1/2042		1,343,727	1,343,727
8/1/2043		1,199,400	1,199,400
Total	\$3,776,293	\$11,192,438	\$14,968,731

ESTIMATED DISTRICT-WIDE MEASURE ES TAX RATE



Principal Amount	Financing Term	Rate ²	Structure	Repayment Ratio
\$115,000,000	25 years	3.14%	100% CIBs	1.61 to 1

Principal Amount	Financing Term	Rate ²	Structure	Repayment Ratio
\$115,000,000	16 years	2.11%	100% CIBs	1.20 to 1

¹ Based on assumed future annual assessed valuation growth rate of 3.50%

² Estimate based on market rates from 9/10/19 pricing + 0.25%

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