



Mill Valley School District

District Financial Analysis

by

Isom Advisors,
a Division of Urban Futures, Inc.



October 20, 2021

District Bond and AV History



District Bond & Assessed Value History



District's tax base has grown 161% since 2003

Mill Valley School District

Mill Valley ESD Historical Assessed Value		
Year	Total AV	% Change
2003	\$5,140,864,404	
2004	\$5,535,717,147	7.68%
2005	\$5,933,265,122	7.18%
2006	\$6,492,880,108	9.43%
2007	\$7,004,628,549	7.88%
2008	\$7,497,747,595	7.04%
2009	\$7,980,074,433	6.43%
2010	\$8,257,130,680	3.47%
2011	\$8,111,918,654	-1.76%
2012	\$8,216,112,319	1.28%
2013	\$8,405,920,325	2.31%
2014	\$8,698,184,230	3.48%
2015	\$9,240,855,814	6.24%
2016	\$9,999,060,199	8.20%
2017	\$10,649,419,958	6.50%
2018	\$11,195,757,593	5.13%
2019	\$11,819,184,705	5.57%
2020	\$12,379,884,272	4.74%
2021	\$13,040,036,336	5.33%
2022	\$13,438,601,242	3.06%
Average		5.22%

Source: California Municipal Statistics/Marin County

- ❖ District voters approved three GO bond measures: an \$18.6 million measure in 1994, a \$7.7 million measure in 1998, and a \$59.8 million measure in 2009
- ❖ All GO bond measures received over 65% voter support
- ❖ The District has no remaining authorization from the 2009 Election
- ❖ Combined 2020-21 tax rate for the District is \$26.20 per \$100,000 of AV

- ❖ District's 2021-22 AV is approximately \$13.4 billion, and the nineteen-year average AV growth rate is 5.22%.
- ❖ The District's gross bonding capacity is approximately \$168.0 million (1.25% x AV); District's outstanding GO bond debt is approximately \$61.5 million resulting in a net bonding capacity of approximately \$106.5 million.

District Bonding Capacity



Bonding Capacity Projection

Mill Valley School District

- ❖ Elementary school districts are limited to outstanding principal of 1.25% of AV, unless a waiver is granted by the State
- ❖ Isom Advisors has helped several districts apply for and receive such waivers.

Mill Valley ESD
Bond Capacity Projection

	Outstanding Principal Debt					Projected AV @5.0% Growth	Outstanding Principal	Gross Capacity (AV x 1.25%)	Net Capacity (AV less Principal)	Gross Capacity (AV x 2.00%) ¹	Net Capacity @2.0% ¹ (AV less Principal)
	1998, Series A	Election of 2009, Series B	2017 GO	2020 GO	Total						
			Refunding Bonds	Refunding Bonds							
2022	221,996	240,000	\$910,000	\$320,000	\$1,691,996	\$13,438,601,242	\$61,524,028	\$167,982,516	\$106,458,488	\$268,772,025	\$207,247,997
2023	217,032	235,000	1,085,000	\$320,000	\$1,857,032	\$14,110,531,304	\$59,832,032	\$176,381,641	\$116,549,609	\$282,210,626	\$222,378,594
2024			1,275,000	\$555,000	\$1,830,000	\$14,816,057,869	\$57,975,000	\$185,200,723	\$127,225,723	\$296,321,157	\$238,346,157
2025			1,485,000	\$545,000	\$2,030,000	\$15,556,860,763	\$56,145,000	\$194,460,760	\$138,315,760	\$311,137,215	\$254,992,215
2026			1,715,000	\$535,000	\$2,250,000	\$16,334,703,801	\$54,115,000	\$204,183,798	\$150,068,798	\$326,694,076	\$272,579,076
2027			1,965,000	\$520,000	\$2,485,000	\$17,151,438,991	\$51,865,000	\$214,392,987	\$162,527,987	\$343,028,780	\$291,163,780
2028			2,225,000	\$515,000	\$2,740,000	\$18,009,010,941	\$49,380,000	\$225,112,637	\$175,732,637	\$360,180,219	\$310,800,219
2029			2,465,000	\$505,000	\$2,970,000	\$18,909,461,488	\$46,640,000	\$236,368,269	\$189,728,269	\$378,189,230	\$331,549,230
2030			2,725,000	\$490,000	\$3,215,000	\$19,854,934,562	\$43,670,000	\$248,186,682	\$204,516,682	\$397,098,691	\$353,428,691
2031			3,000,000	\$460,000	\$3,460,000	\$20,847,681,290	\$40,455,000	\$260,596,016	\$220,141,016	\$416,953,626	\$376,498,626
2032			3,300,000	\$445,000	\$3,745,000	\$21,890,065,354	\$36,995,000	\$273,625,817	\$236,630,817	\$437,801,307	\$400,806,307
2033			3,615,000	\$435,000	\$4,050,000	\$22,984,568,622	\$33,250,000	\$287,307,108	\$254,057,108	\$459,691,372	\$426,441,372
2034			3,955,000	\$420,000	\$4,375,000	\$24,133,797,053	\$29,200,000	\$301,672,463	\$272,472,463	\$482,675,941	\$453,475,941
2035				\$4,825,000	\$4,825,000	\$25,340,486,906	\$24,825,000	\$316,756,086	\$291,931,086	\$506,809,738	\$481,984,738
2036				\$5,185,000	\$5,185,000	\$26,607,511,251	\$20,000,000	\$332,593,891	\$312,593,891	\$532,150,225	\$512,150,225
2037				\$5,560,000	\$5,560,000	\$27,937,886,814	\$14,815,000	\$349,223,585	\$334,408,585	\$558,757,736	\$543,942,736
2038				\$5,960,000	\$5,960,000	\$29,334,781,155	\$9,255,000	\$366,684,764	\$357,429,764	\$586,695,623	\$577,440,623
2039				\$3,295,000	\$3,295,000	\$30,801,520,212	\$3,295,000	\$385,019,003	\$381,724,003	\$616,030,404	\$612,735,404
Total:	\$439,028	\$475,000	\$29,720,000		\$61,524,028						

General Obligation Bond Proceeds



District can generate between \$138.8 million and \$193.7 million

Mill Valley School District

Mill Valley ESD Bond Measure Proceeds					
	<u>Option 1</u>	<u>Option 2a</u>	<u>Option 2b</u>	<u>Option 3</u>	<u>Option 4</u>
Authorization	\$138.8 million	\$162.9 million	\$177.0 million	\$183.0 million	\$193.7 million
Sales Schedule	2022: \$22.6 million 2024: \$116.2 million	2022: \$54.5 million 2024: \$52.6 million 2027: \$55.8 million	2022: \$22.6 million 2024: \$74.9 million 2027: \$79.5 million	2022: \$45.5 million 2024: \$44.4 million 2027: \$45.1 million 2030: \$48.0 million	2022: \$40.1 million 2024: \$37.4 million 2027: \$37.3 million 2029: \$38.5 million 2031: \$40.4 million
Repayment Terms (per series & total measure)	30 years final payment 2053	30 years final payment 2057	30 years final payment 2057	30 years final payment 2057	30 years final payment 2058
Total Repayment Amount (debt ratio)	\$250.9 million 1.81 : 1	\$310.7 million 1.91 : 1	\$340.1 million 1.92 : 1	\$346.7 million 1.89 : 1	\$363.8 million 1.88 : 1
Avg. Tax Rate per \$100k AV	\$27.04	\$26.99	\$28.27	\$26.25	\$26.16
Notes: Assumes AV growth of 5.0% and conservative 4.0% interest rates. Preliminary – Subject to change. Source: Isom Advisors					

- ❖ With projected annual assessed value growth of 5.0%, the District can generate up to \$193.7 million.
- ❖ At more aggressive growth rates or a longer bond program, the District could generate up to \$209.0 million.
- ❖ Another option for the District, is to pursue two separate bond measures on the ballot at the same time for different amounts, different tax rates and different projects, i.e. solar, technology, and teacher/staff housing.

General Obligation Bond Proceeds



District can generate between \$125.6 million and \$166.4 million

Mill Valley School District

Mill Valley ESD Bond Measure Proceeds					
	<u>Option 1</u>	<u>Option 2a</u>	<u>Option 2b</u>	<u>Option 3</u>	<u>Option 4</u>
Authorization	\$125.6 million	\$141.1 million	\$150.1 million	\$156.6 million	\$166.4 million
Sales Schedule	2022: \$20.3 million 2024: \$105.3 million	2022: \$47.7 million 2024: \$45.4 million 2027: \$48.0 million	2022: \$20.3 million 2024: \$63.9 million 2027: \$65.9 million	2022: \$40.3 million 2024: \$37.8 million 2027: \$38.0 million 2030: \$40.5 million	2022: \$35.7 million 2024: \$32.1 million 2027: \$31.7 million 2029: \$32.6 million 2031: \$34.3 million
Repayment Terms (per series & total measure)	30 years final payment 2053	30 years final payment 2057	30 years final payment 2057	30 years final payment 2057	30 years final payment 2058
Total Repayment Amount (debt ratio)	\$226.4 million 1.80 : 1	\$264.7 million 1.88 : 1	\$280.4 million 1.87 : 1	\$290.8 million 1.86 : 1	\$307.9 million 1.85 : 1
Avg. Tax Rate per \$100k AV	\$28.24	\$27.46	\$28.40	\$26.65	\$26.77
Notes: Assumes AV growth of 4.0% and conservative 4.0% interest rates. Preliminary – Subject to change. Source: Isom Advisors					

- ❖ With projected annual assessed value growth of 4.0%, the District can generate up to \$166.4 million.
- ❖ At more aggressive growth rates or a longer bond program, the District could generate up to \$179.5 million.
- ❖ Another option for the District, is to pursue two separate bond measures on the ballot at the same time for different amounts, different tax rates and different projects, i.e. solar, technology teacher/staff housing

Next Steps



June 2022 Election Timeline



Following these steps is key to District's success

Mill Valley School District

Task	Responsible Party	Date
Update needs list/master plan	District	Ongoing
Board Meeting - Approve "exploring" feasibility of a GO Bond	District	November 2021
Prepare and Conduct Survey	Consultant	November 2021
Board Meeting – Survey Results Presentation	Consultant	December 2021
Initiate public information program, speaking with elected officials, stakeholders, teachers/staff, community service groups to discuss proposed tax measure	District	Ongoing
Finalize Capital and Financing Plan based on Community Outreach	Consultant	December 2021
Prepare Resolution for Calling Election, including Ballot Language, Project List, and Tax Rate Statement to reflect community feedback	Consultant/ Attorneys	December 2021
Board Meeting – Adopt Resolution Calling Election	District	February 2022
Deadline to Submit Resolution Calling Election/Tax Rate Statement	District	March 2022
Prepare and Submit Argument in Favor of Measure	Consultant/District	March 2022
Form campaign committee and conduct campaign kick-off meeting	Campaign Committee	March 2022
Run Campaign	Campaign Committee	March – June 2022
Election Day		June 7, 2022

*** If District is not ready in June, the next available election date would be in November 2022.**

Appendix: Voter Demographics



Voter Demographics

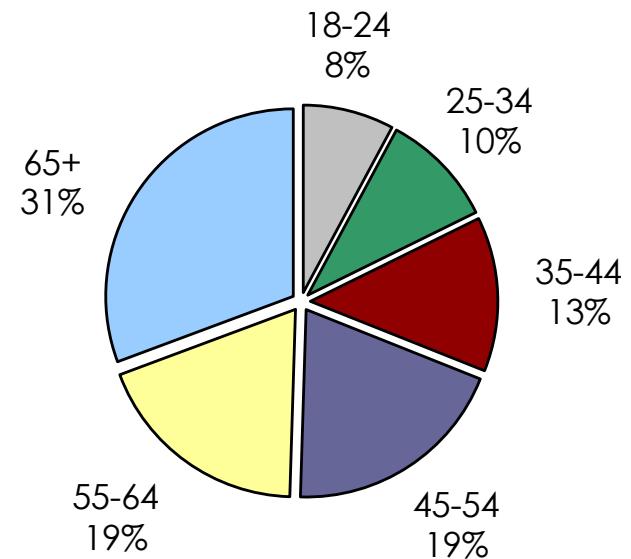


Voter demographics are favorable to bond programs

Mill Valley School District

- ❖ The District has 23,862 total voters.
- ❖ A majority of voters are Democrats (66%).
- ❖ 88% of voters vote-by-mail.
- ❖ The District has an older voting population with 50% of voters aged 55 and older.

Voter Age Demographics



District Voter Demographics		
	Total	Percent
Republicans	2,014	8%
Democrats	15,716	66%
Other	6,132	26%
VBM Voters	20,962	88%

Source: Political Data

Voter Turnout

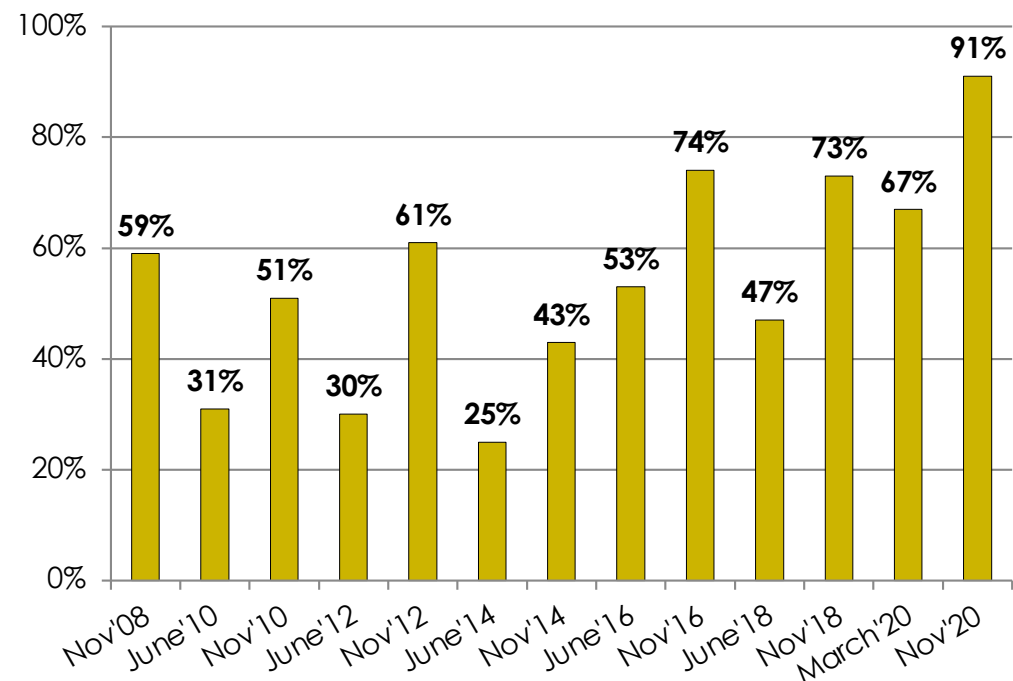


Turnout can have a significant bearing on success

Mill Valley School District

- ❖ Historical voter turnout has ranged from a low of 25% in June of 2014 to a high of 91% in November 2020
- ❖ Voter turnout varies considerably by election date and type of election and must be considered as different voters show up for different elections
- ❖ June 2022 turnout is estimated to be 50%

Recent District Voter Turnouts



Source: Political Data