

June 13, 2018

Jefferson Elementary School District

Prospective November 2018 Election Scenarios

District Debt Profile

Measure H - November 6, 2001 Election (\$52 Million Authorization)

Issue Date	Issue Amount	Description	Final Maturity	Outstanding
3/28/2002	\$ 15,000,000.00	General Obligation Bonds Election of 2001, Series 2002	N/A	\$ - ⁽¹⁾⁽²⁾
2/4/2004	20,000,000.00	General Obligation Bonds Election of 2001, Series 2004	N/A	- ⁽²⁾
9/1/2005	17,000,000.00	General Obligation Bonds Election of 2001, Series 2005	9/1/2020	1,100,000.00 ⁽³⁾
Total	\$ 52,000,000.00			\$ 1,100,000.00

Measure I - November 6, 2012 (\$67.5 Million Authorization)

Issue Date	Issue Amount	Description	Final Maturity	Outstanding
6/11/2013	\$ 17,500,000.00	Election of 2012 General Obligation Bonds, Series A	9/1/2037	\$ 15,600,000.00
11/13/2014	17,500,000.00	Election of 2012 General Obligation Bonds, Series B	9/1/2044	13,910,000.00
11/17/2015	17,500,000.00	Election of 2012 General Obligation Bonds, Series C	9/1/2040	16,690,000.00
8/15/2017	15,000,000.00	Election of 2012 General Obligation Bonds, Series D	9/1/2035	15,000,000.00
Total	\$ 67,500,000.00			\$ 61,200,000.00

(1) Partially refunded by the 2007 General Obligation Refunding Bonds.

(2) Partially refunded by the 2012 General Obligation Refunding Bonds.

(3) Partially refunded by the 2013 General Obligation Refunding Bonds.

District Debt Profile

General Obligation Refunding Bonds				
Issue Date	Issue Amount	Description	Final Maturity	Outstanding
1/30/2007	\$ 9,229,269.12	2007 General Obligation Refunding Bonds	N/A	\$ - ⁽¹⁾
3/8/2012	17,175,000.00	2012 General Obligation Refunding Bonds	7/15/2022	4,215,000.00 ⁽¹⁾
5/14/2013	15,395,000.00	2013 General Obligation Refunding Bonds	9/1/2030	14,955,000.00
8/15/2017	16,205,000.00	2017 General Obligation Refunding Bonds	7/15/2028	16,205,000.00
Total	\$ 58,004,269.12			\$ 35,375,000.00
Total Outstanding General Obligation Bonds:				\$ 97,675,000.00

(1) Partially refunded by the 2017 General Obligation Refunding Bonds.

Statutory Bonding Indebtedness Limit

The District's statutory bonding indebtedness limit is the amount of general obligation bonds that can be outstanding at any given point in time

- ◆ Limit set by the State
- ◆ Based on:
 - Current AV multiplied by statutory debt limit factor
 - Less: outstanding general obligation bonds
- ◆ Increases as AV grows and outstanding general obligation bonds are paid, and decreases as AV declines and bonds are issued
- ◆ Statutory debt limit factor of 1.25% of AV for non-unified school districts
- ◆ Does not limit amount voters can approve

Estimated Current Bonding Capacity ⁽¹⁾

2017-18 Total AV	\$ 9,936,578,540
Statutory Debt Limit Factor	x 1.25%
Bonding Capacity	124,207,232
Outstanding General Obligation Bonds	(97,675,000)
Available Bonding Capacity	\$ 26,532,232

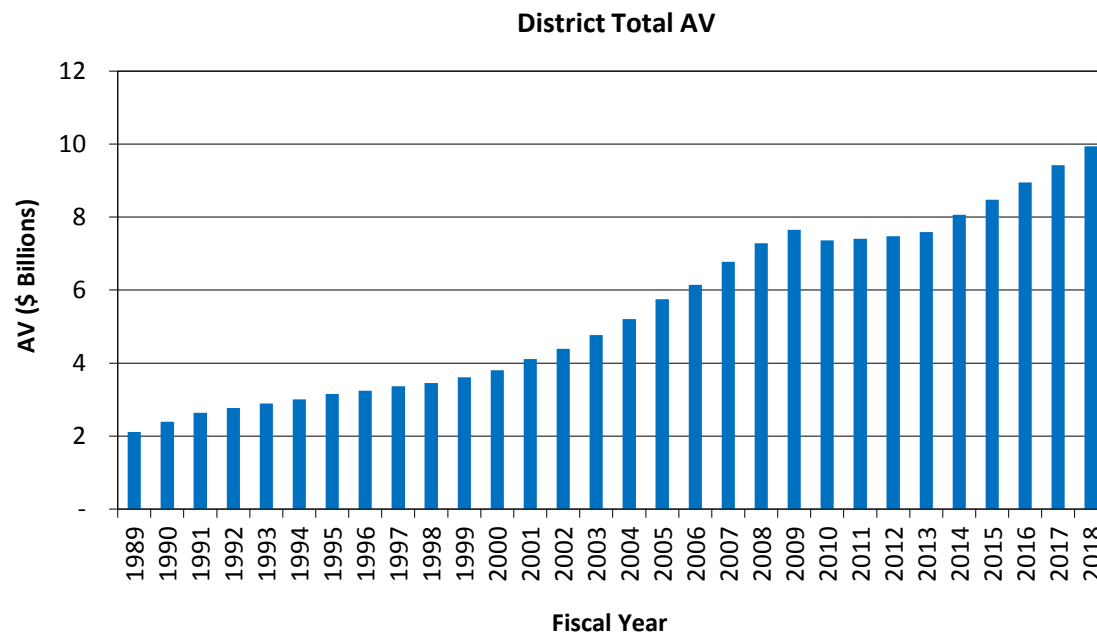
- ◆ State of California routinely grants waivers to school districts

(1) Subject to confirmation by the San Mateo County Auditor-Controller. Assumes outstanding debt as of June 13, 2018.

District Assessed Value History

The District's total assessed value ("AV") experienced 5.49% growth in 2017-18

- San Mateo County's AV tracker as of May 30, 2018 projects 6.99% growth for the District in 2018-19



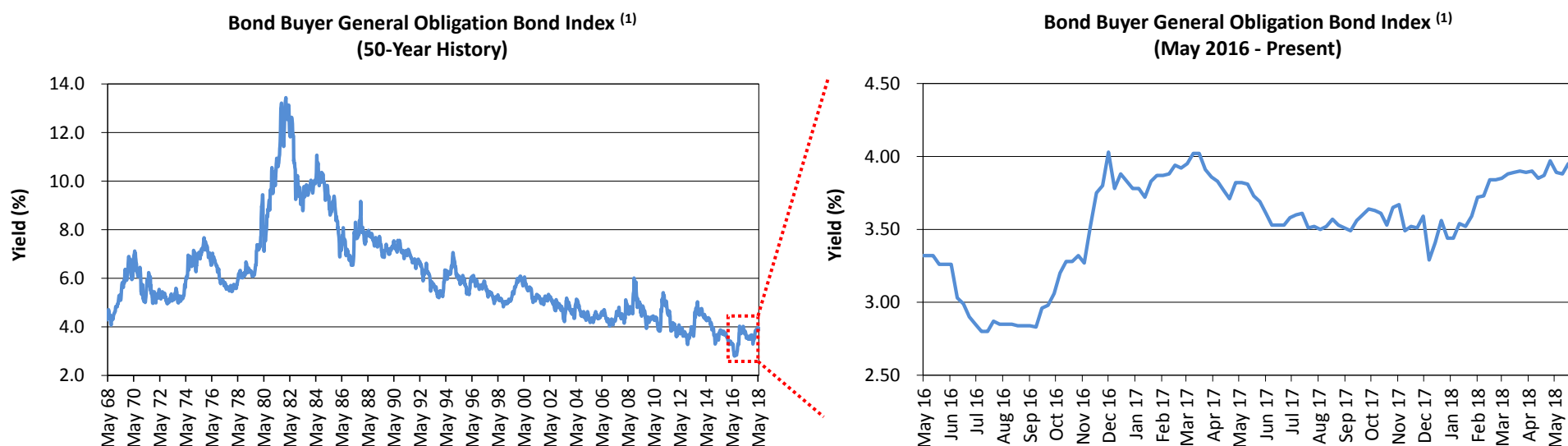
Growth Statistics			
Annualized Growth Rates:		Lowest Rolling Averages:	
1-year:	5.49 %	3-year:	-0.75 %
5-year:	5.54	5-year:	0.83
10-year:	3.16	10-year:	3.16
15-year:	5.01	15-year:	5.01
20-year:	5.42	20-year:	4.94
25-year:	5.06	25-year:	5.00

FY	Total AV ⁽¹⁾	Annual % Change
1989	\$ 2,111,607,297	
1990	2,393,699,598	13.36 %
1991	2,641,223,278	10.34
1992	2,769,478,914	4.86
1993	2,891,873,961	4.42
1994	3,006,272,025	3.96
1995	3,157,024,547	5.01
1996	3,242,446,592	2.71
1997	3,364,109,642	3.75
1998	3,454,472,870	2.69
1999	3,614,987,770	4.65
2000	3,808,854,098	5.36
2001	4,109,877,714	7.90
2002	4,393,442,647	6.90
2003	4,771,193,980	8.60
2004	5,206,653,822	9.13
2005	5,753,198,197	10.50
2006	6,140,635,400	6.73
2007	6,771,893,464	10.28
2008	7,281,539,070	7.53
2009	7,650,411,973	5.07
2010	7,358,138,124	-3.82
2011	7,409,973,189	0.70
2012	7,478,679,180	0.93
2013	7,589,877,107	1.49
2014	8,067,053,408	6.29
2015	8,477,809,733	5.09
2016	8,947,644,403	5.54
2017	9,419,028,141	5.27
2018	9,936,578,540	5.49

(1) Source: California Municipal Statistics, Inc. and San Mateo County.

Interest Rates

Municipal bond interest rates have increased significantly since the November 2016 election but remain near historic lows



(1) Index reflects average yield to maturity of 20 general obligation bonds with 20-year maturities rated 'Aa2' by Moody's Investors Service and 'AA' by Standard and Poor's. Source: The Bond Buyer & Bloomberg.

Scenario 1 – Maximum Next 6 Years

Summary: Request voters to authorize a new tax in the amount of \$30 per \$100,000 of AV (Proposition 39 maximum); issue bonds over next six years

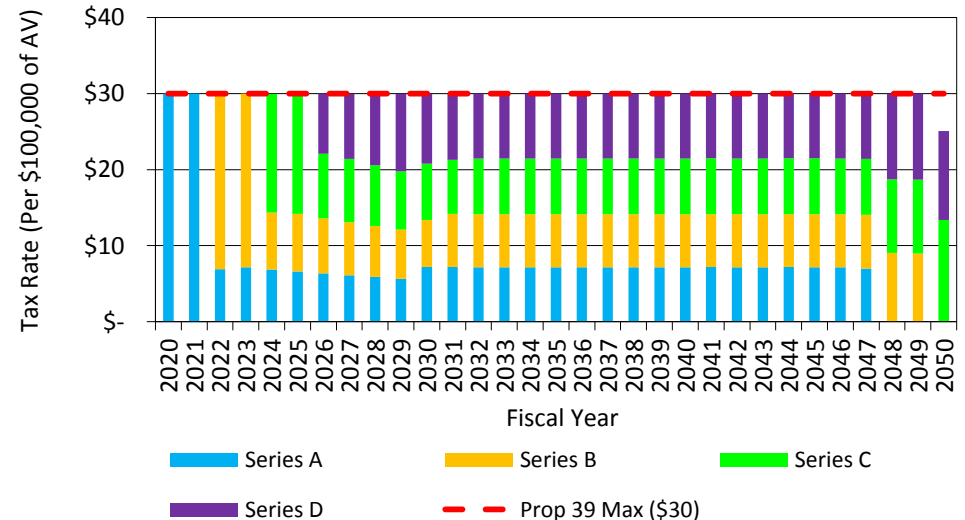
Prospective Issuance Schedule ⁽¹⁾

Issue	Issue Date	Proceeds	Net Repayment Ratio	% of CABs
Series A	March 2019	\$ 22,250,000	1.86 to 1	0.0%
Series B	September 2021	22,250,000	1.99 to 1	0.0%
Series C	September 2023	22,250,000	2.17 to 1	0.0%
Series D	September 2025	22,250,000	2.25 to 1	0.0%
Total		\$ 89,000,000	2.07 to 1	0.0%

◆ **Assumptions:**

- Interest rate: 4.5% - 6.0% ⁽²⁾
- Annual AV growth rates:
 - 2018-19: 2.0%
 - 2019-20: 3.0%
 - Thereafter: 4.0%
- Financing term: 29 years
- 100% CIBs

Projected Tax Rates



(1) Issuance schedule for illustrative purposes only. Actual amounts and dates will be tailored to the District's project needs.

(2) Higher than current market. Subject to market fluctuation.

Scenario 2 - \$25 Million/Single Series

Summary: Request voters to authorize a new tax in the amount of \$11.50 per \$100,000 of AV; issue one series of bonds

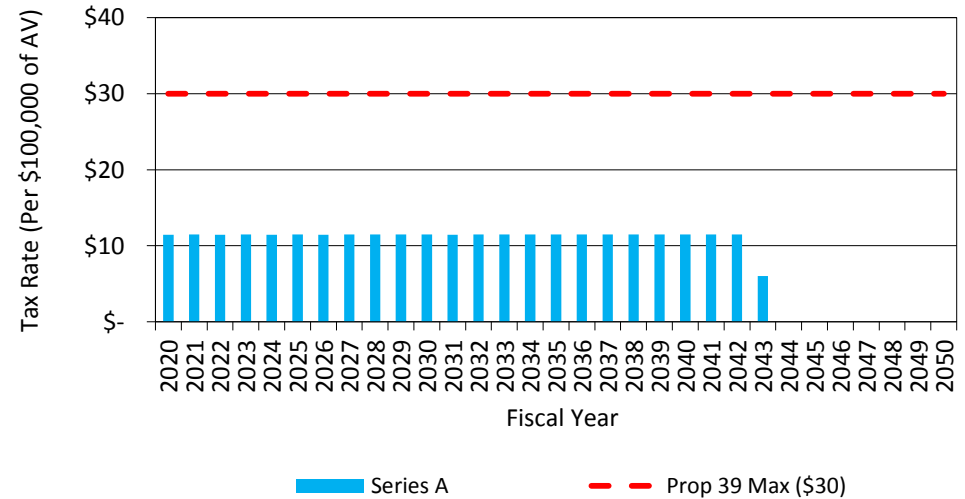
Prospective Issuance Schedule ⁽¹⁾

Issue	Issue Date	Proceeds	Net	
			Repayment Ratio	% of CABs
Series A	March 2019	\$ 25,000,000	1.82 to 1	0.0%
Total		\$ 25,000,000	1.82 to 1	0.0%

◆ **Assumptions:**

- Interest rate: 4.5% ⁽²⁾
- Annual AV growth rates:
 - 2018-19: 2.0%
 - 2019-20: 3.0%
 - Thereafter: 4.0%
- Financing term: 25 years
- 100% current interest bonds (“CIBs”)

Projected Tax Rates



(1) Issuance schedule for illustrative purposes only. Actual amounts and dates will be tailored to the District’s project needs.

(2) Higher than current market. Subject to market fluctuation.

Scenario 3 – \$30 Million/Two Series

Summary: Request voters to authorize a new tax in the amount of \$11.30 per \$100,000 of AV; issue \$30 million over two series of bonds

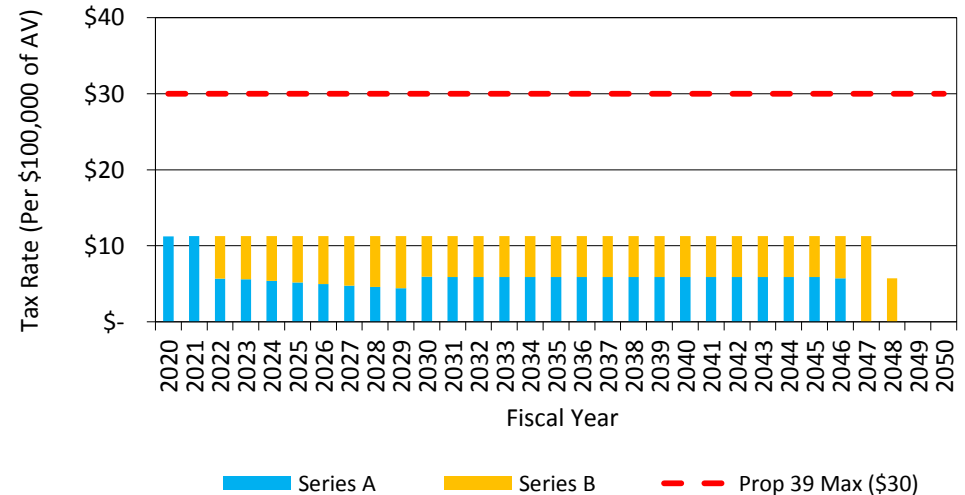
Prospective Issuance Schedule ⁽¹⁾

Issue	Issue Date	Proceeds	Net	
			Repayment Ratio	% of CABs
Series A	March 2019	\$ 15,000,000	1.95 to 1	0.0%
Series B	September 2021	15,000,000	2.10 to 1	0.0%
Total		\$ 30,000,000	2.02 to 1	0.0%

◆ **Assumptions:**

- Interest rate: 4.5% - 5.0% ⁽²⁾
- Annual AV growth rates:
 - 2018-19: 2.0%
 - 2019-20: 3.0%
 - Thereafter: 4.0%
- Financing term: 28 years
- 100% CIBs

Projected Tax Rates



(1) Issuance schedule for illustrative purposes only. Actual amounts and dates will be tailored to the District's project needs.

(2) Higher than current market. Subject to market fluctuation.

Scenario 4 – \$45 Million/Two Series

Summary: Request voters to authorize a new tax in the amount of \$16.95 per \$100,000 of AV; issue \$45 million over two series of bonds

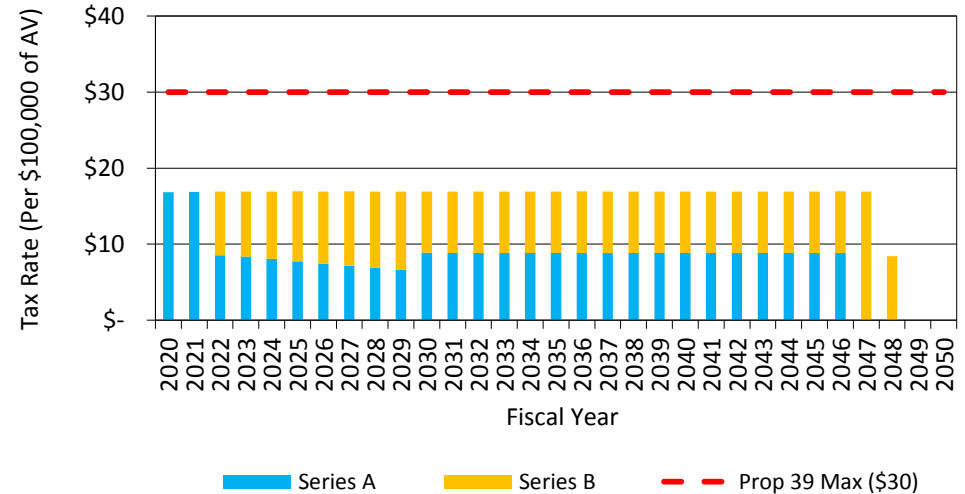
Prospective Issuance Schedule ⁽¹⁾

Issue	Issue Date	Proceeds	Net Repayment Ratio	% of CABs
Series A	March 2019	\$ 22,500,000	1.95 to 1	0.0%
Series B	September 2021	22,500,000	2.10 to 1	0.0%
Total		\$ 45,000,000	2.02 to 1	0.0%

◆ **Assumptions:**

- Interest rate: 4.5% - 5.0% ⁽²⁾
- Annual AV growth rates:
 - 2018-19: 2.0%
 - 2019-20: 3.0%
 - Thereafter: 4.0%
- Financing term: 28 years
- 100% CIBs

Projected Tax Rates



(1) Issuance schedule for illustrative purposes only. Actual amounts and dates will be tailored to the District's project needs.

(2) Higher than current market. Subject to market fluctuation.

Scenario 5 – \$45 Million/Three Series

Summary: Request voters to authorize a new tax in the amount of \$15.80 per \$100,000 of AV; issue \$45 million over three series of bonds

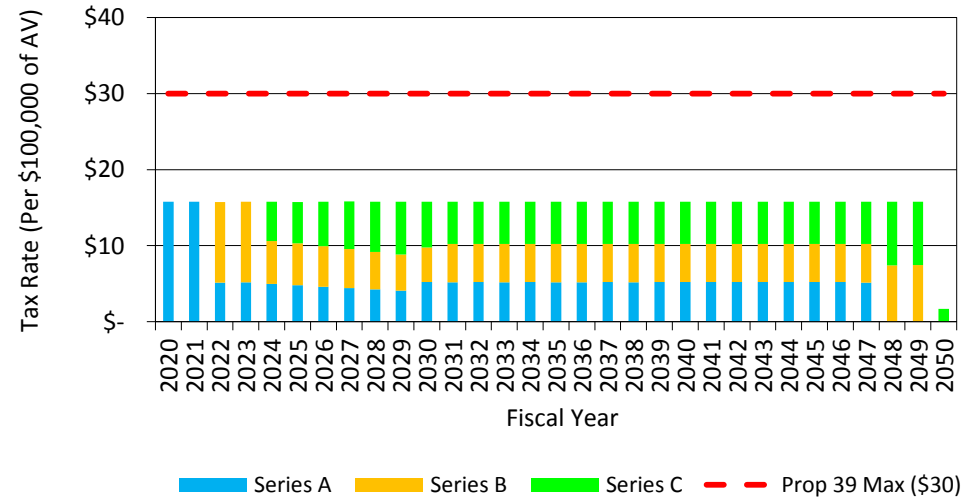
Prospective Issuance Schedule ⁽¹⁾

Issue	Issue Date	Proceeds	Net Repayment Ratio	% of CABs
Series A	March 2019	\$ 15,000,000	1.92 to 1	0.0%
Series B	September 2021	15,000,000	2.08 to 1	0.0%
Series C	September 2023	15,000,000	2.20 to 1	0.0%
Total		\$ 45,000,000	2.07 to 1	0.0%

◆ **Assumptions:**

- Interest rate: 4.5% - 5.5% ⁽²⁾
- Annual AV growth rates:
 - 2018-19: 2.0%
 - 2019-20: 3.0%
 - Thereafter: 4.0%
- Financing term: 29 years
- 100% CIBs

Projected Tax Rates



(1) Issuance schedule for illustrative purposes only. Actual amounts and dates will be tailored to the District's project needs.

(2) Higher than current market. Subject to market fluctuation.

Illustrative Scenarios Summary

	Scenario 1		Scenario 2		Scenario 3		Scenario 4		Scenario 5	
	Maximum/ 6 Years		\$25 Million/ 1 Series of Bonds		\$30 Million/ 2 Series of Bonds		\$45 Million/ 2 Series of Bonds		\$45 Million/ 3 Series of Bonds	
Issue	Date	Proceeds ⁽¹⁾	Date	Proceeds ⁽¹⁾	Date	Proceeds ⁽¹⁾	Date	Proceeds ⁽¹⁾	Date	Proceeds ⁽¹⁾
Series A	3/2019	\$22,250,000	3/2019	\$25,000,000	3/2019	\$15,000,000	3/2019	\$22,500,000	3/2019	\$15,000,000
Series B	9/2021	22,250,000			9/2021	15,000,000	9/2021	22,500,000	9/2021	15,000,000
Series C	9/2023	22,250,000							9/2023	15,000,000
Series D	9/2025	22,250,000								
		\$89,000,000		\$25,000,000		\$30,000,000		\$45,000,000		\$45,000,000
Proj. Tax ⁽²⁾ :		\$30.00		\$11.50		\$11.30		\$16.95		\$11.50
Proj. Tax Term:		29 Years		25 Years		28 Years		28 Years		29 Years
Proj. Final Tax:		2050		2043		2048		2048		2050

(1) Issuance schedule for illustrative purposes only. Actual amounts and dates will be tailored to the District's project needs.

(2) Per \$100,000 of AV.

Illustrative November 6, 2018 Election Timeline

Activity	Minimum Timing
Identify and prioritize potential bond projects	Currently – June 2018
Finalize bond projects list, election amount, estimated tax rates, and draft ballot language	July 2018
Adopt resolution, including tax rate statement, calling for bond election <i>(must be received by County Registrar of Voters by August 10, 2018)</i>	July – August 2018
Election	November 6, 2018
Certify election results	December 2018
Issuance of bonds	March 2019