

November 12, 2019

# Pleasanton Unified School District

Prospective 2020 Bond Election

Pleasanton Unified School District



# Bond Program Variables

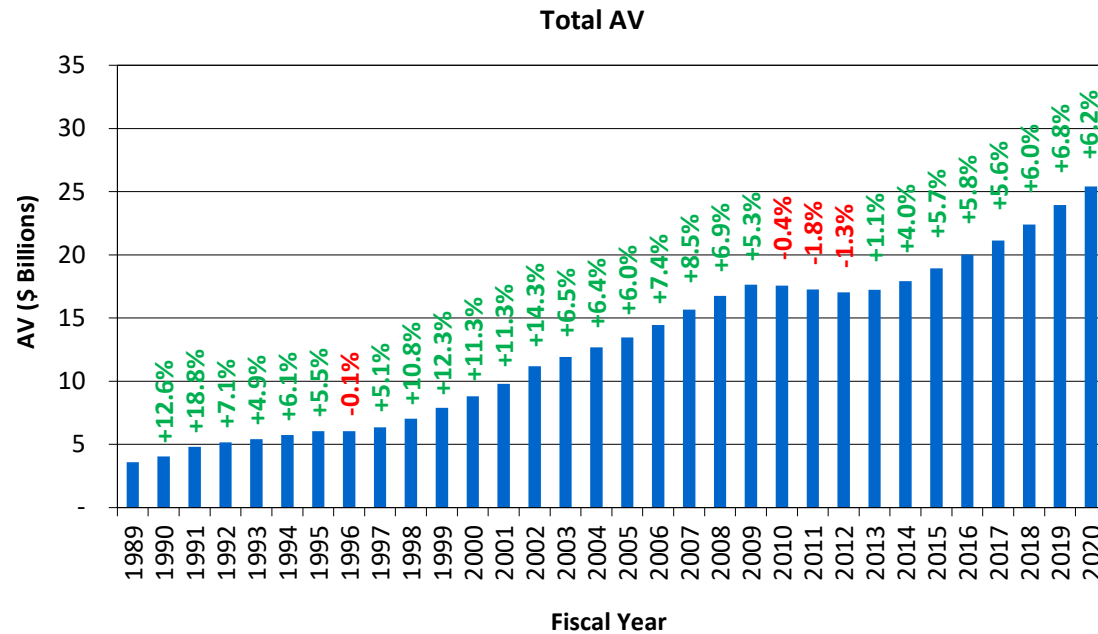
---

General obligation (“GO”) bond programs are generally structured based on:

- ◆ **Funding needs**
  - District projects
    - Scope
    - Cost
    - Timing
- ◆ **Financing constraints**
  - District assessed value (“AV”)
  - Tax rates
  - Interest rates
  - Legal parameters

# AV History

District AV has increased by 49.2% over eight consecutive years of growth following the Great Recession



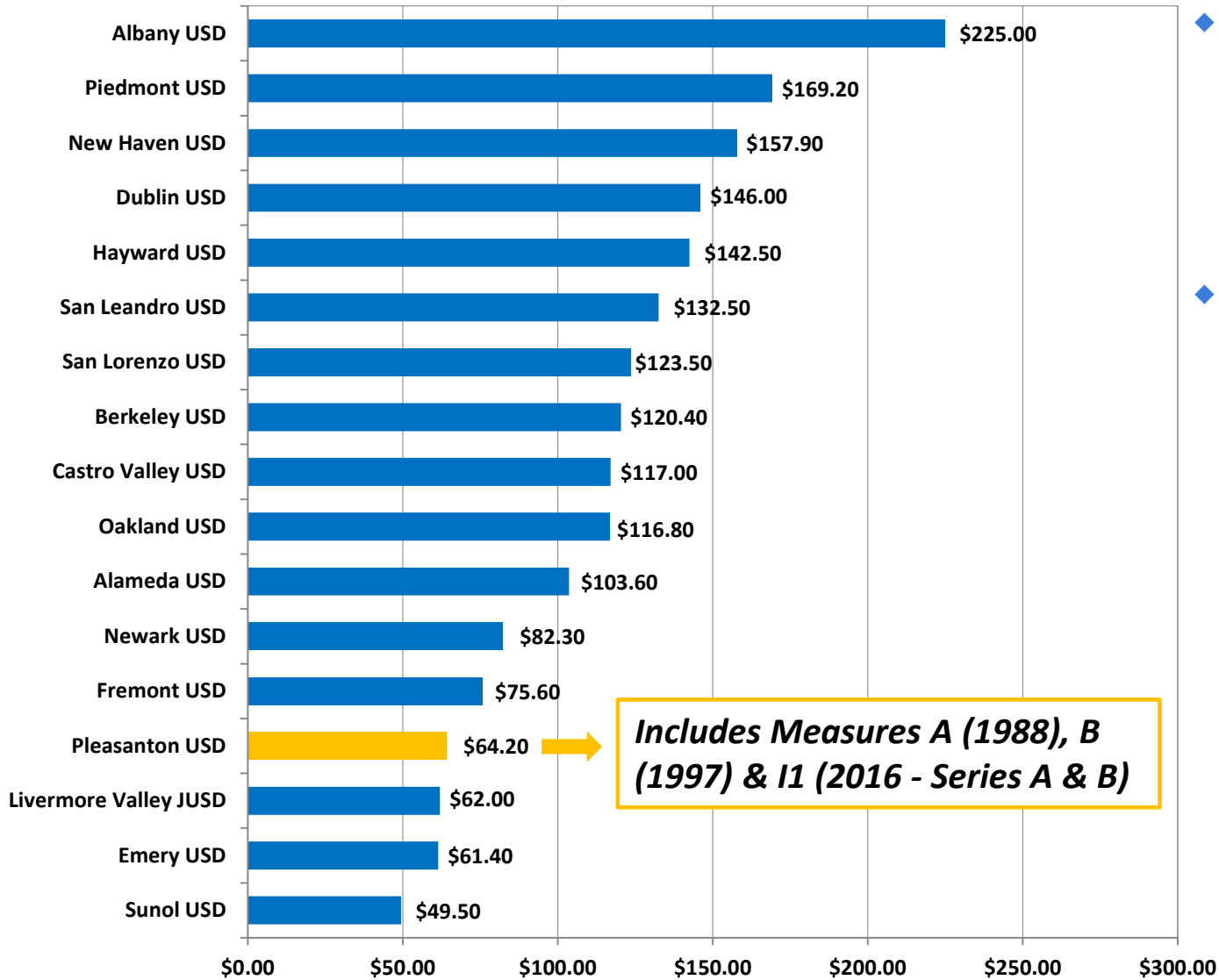
Growth Statistics			
Annualized Growth Rates:		Lowest Rolling Averages:	
1-year:	6.22 %	3-year:	-1.14 %
5-year:	6.08	5-year:	0.31
10-year:	3.76	10-year:	2.95
15-year:	4.34	15-year:	4.29
20-year:	5.45	20-year:	5.45
25-year:	5.91	25-year:	5.80
30-year:	6.31	30-year:	6.31

FY	Total AV <sup>(1)</sup>	Annual % Change
1989	\$ 3,599,081,042	
1990	4,052,921,987	12.61 %
1991	4,814,682,733	18.80
1992	5,158,684,334	7.14
1993	5,410,881,824	4.89
1994	5,740,128,672	6.08
1995	6,054,144,817	5.47
1996	6,046,687,391	-0.12
1997	6,357,957,892	5.15
1998	7,042,523,720	10.77
1999	7,906,064,681	12.26
2000	8,799,112,667	11.30
2001	9,797,379,353	11.35
2002	11,197,154,285	14.29
2003	11,928,597,137	6.53
2004	12,690,509,030	6.39
2005	13,453,687,852	6.01
2006	14,444,664,919	7.37
2007	15,673,862,817	8.51
2008	16,755,713,106	6.90
2009	17,641,105,025	5.28
2010	17,576,015,106	-0.37
2011	17,262,227,657	-1.79
2012	17,043,725,710	-1.27
2013	17,226,233,150	1.07
2014	17,917,372,039	4.01
2015	18,932,201,890	5.66
2016	20,022,167,278	5.76
2017	21,137,228,054	5.57
2018	22,412,000,016	6.03
2019	23,939,421,918	6.82
2020	25,427,942,395	6.22

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

# Alameda County Bond Tax Rates

2019-20 Alameda County K-12 Tax Rates <sup>(1)</sup>

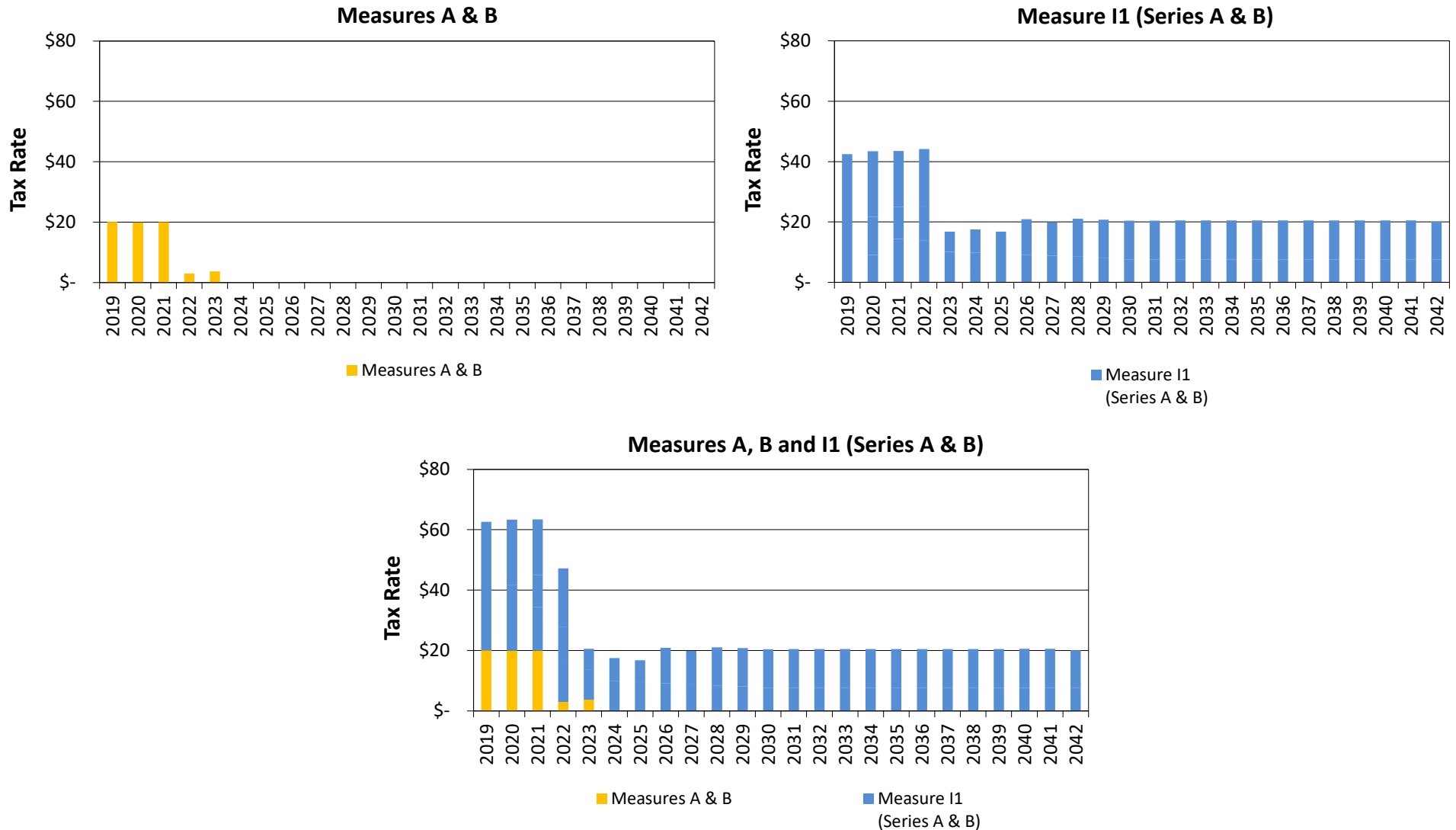


- ◆ Reflects only taxes relating to GO bonds
  - Does not include parcel taxes
  
- ◆ Community college district tax rates also overlap with specific K-12 districts:
  - Chabot-Las Positas: \$42.20
  - Ohlone: \$30.80
  - Peralta: \$25.70

(1) Source: Alameda County Auditor-Controller's Office.

# Projected Tax Rates – Currently Outstanding Bonds <sup>(1)</sup>

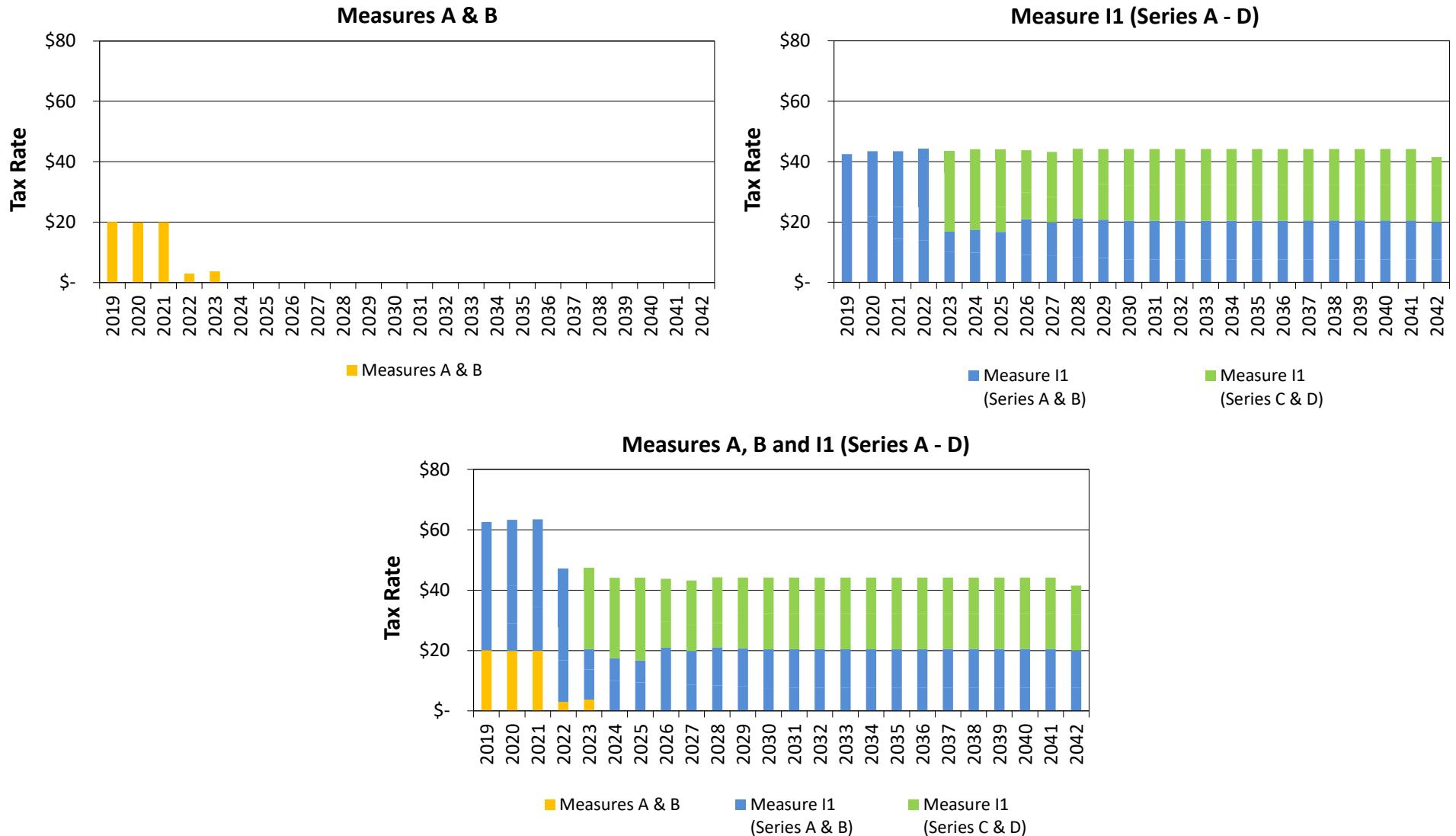
Following is a projection of tax rates for all currently outstanding bonds



(1) Assumes annual AV growth rates of 2020-21: 2.0%, 2021-22: 3.0%, and thereafter: 4.0%.

# Projected Tax Rates – All Authorized Bonds <sup>(1)</sup>

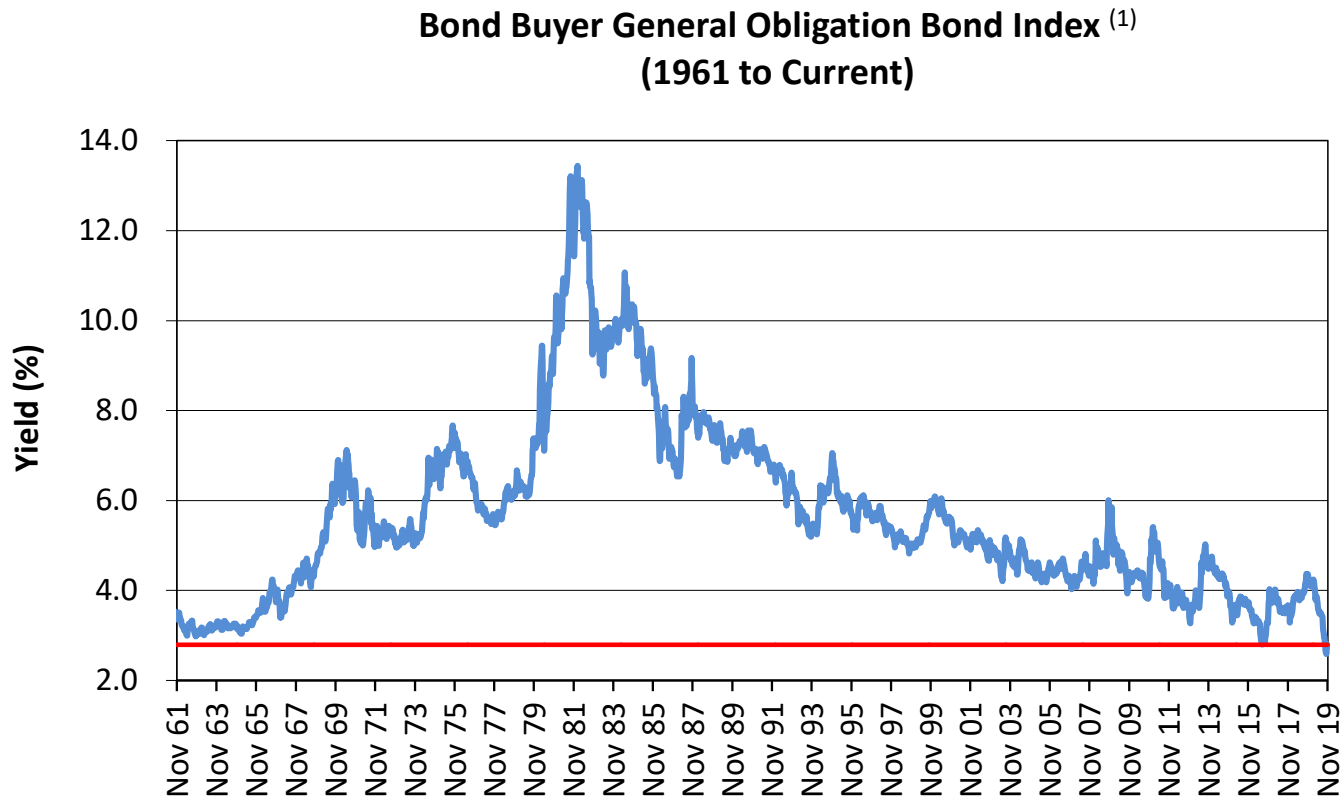
Following is a projection of tax rates for all currently outstanding **& unissued** bonds



(1) Assumes annual AV growth rates of 2020-21: 2.0%, 2021-22: 3.0%, and thereafter: 4.0%.

# Interest Rates

Municipal bond interest rates are 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.

# \$150 Million

## Assumptions:

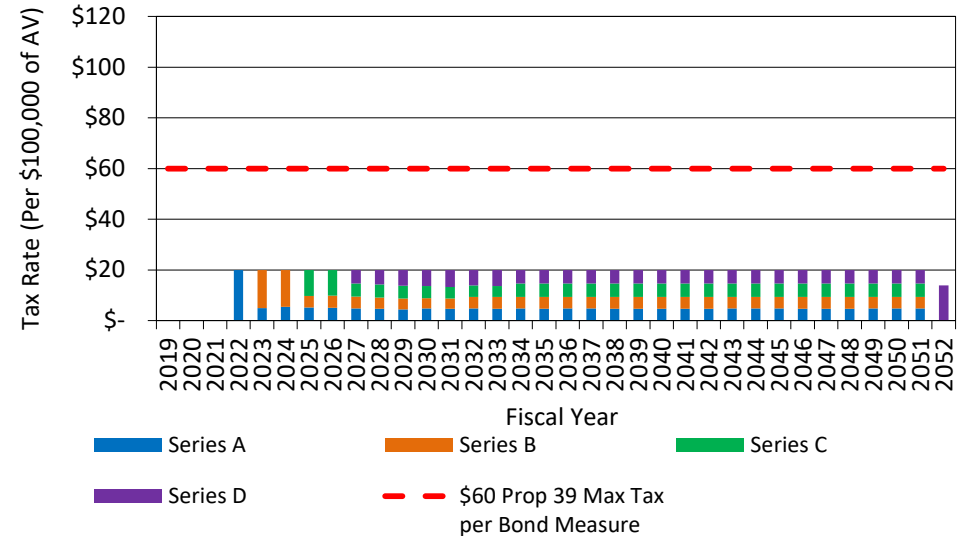
- ◆ March 2020 Proposition 39 Election
- ◆ Tax rate: **\$20** per \$100,000 of AV
- ◆ Annual AV growth rates:
  - 2020-21: 2.0%
  - 2021-22: 3.0%
  - Thereafter: 4.0%
- ◆ Interest rates: 4.25% - 5.75% <sup>(1)</sup>
- ◆ Estimated final tax: 2052
- ◆ Current interest bonds only (no capital appreciation bonds)

### Illustrative Issuance Schedule <sup>(2)</sup>

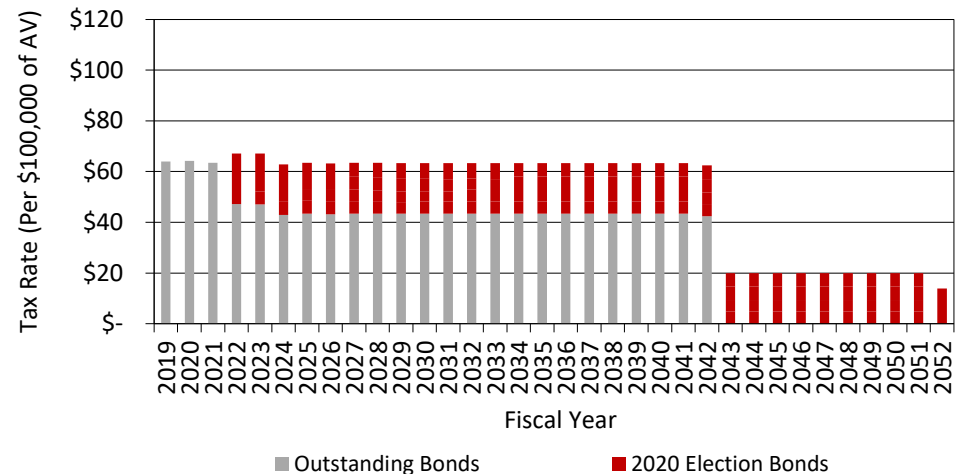
Issue	Issue Date	Proceeds	Est Repayment Ratio
Series A	August 2020	\$ 37,500,000	2.00 to 1
Series B	August 2022	37,500,000	1.91 to 1
Series C	August 2024	37,500,000	2.00 to 1
Series D	August 2026	37,500,000	2.27 to 1
<b>Total</b>		<b>\$ 150,000,000</b>	<b>2.05 to 1</b>

- (1) Higher than current market interest rates to be conservative.
- (2) Issuance schedule for illustrative purposes only. Actual amounts and dates will be tailored to the District's project needs.
- (3) Assumes Measure I1 is fully issued.

### 2020 Election Projected Tax Rates



### Aggregate Projected Tax Rates <sup>(3)</sup>





# \$393 Million

## Assumptions:

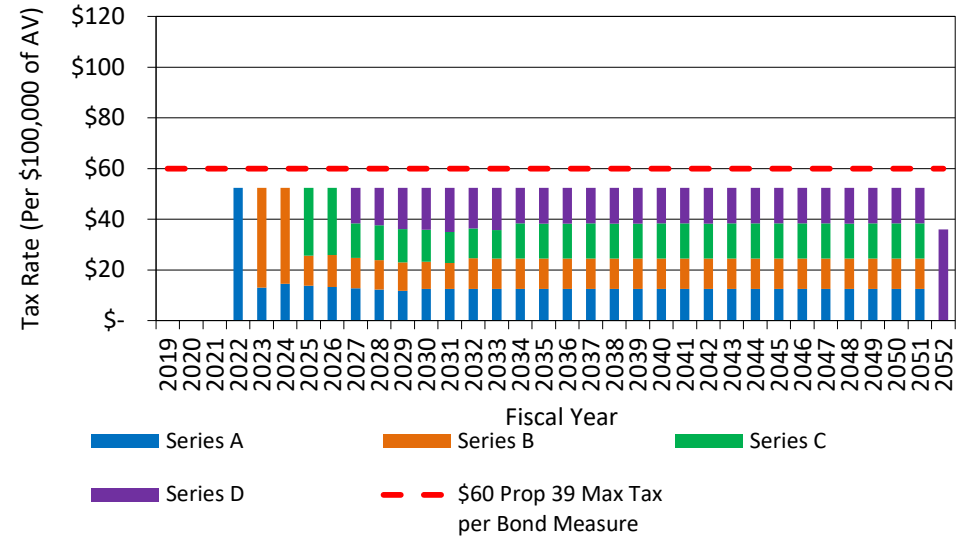
- ◆ March 2020 Proposition 39 Election
- ◆ Tax rate: **\$52** per \$100,000 of AV
- ◆ Annual AV growth rates:
  - 2020-21: 2.0%
  - 2021-22: 3.0%
  - Thereafter: 4.0%
- ◆ Interest rates: 4.25% - 5.75% <sup>(1)</sup>
- ◆ Estimated final tax: 2052
- ◆ Current interest bonds only (no capital appreciation bonds)

### Illustrative Issuance Schedule <sup>(2)</sup>

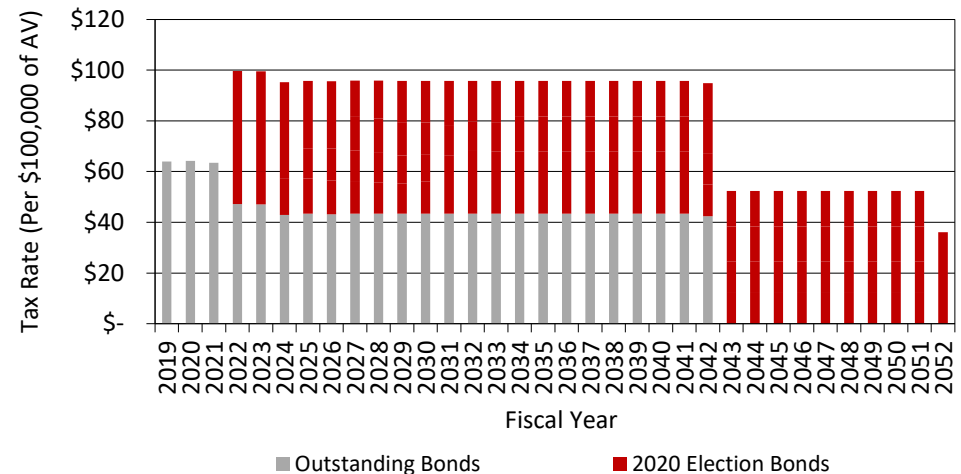
Issue	Issue Date	Proceeds	Est Repayment Ratio
Series A	August 2020	\$ 98,250,000	2.00 to 1
Series B	August 2022	98,250,000	1.91 to 1
Series C	August 2024	98,250,000	2.00 to 1
Series D	August 2026	98,250,000	2.27 to 1
<b>Total</b>		<b>\$ 393,000,000</b>	<b>2.05 to 1</b>

- (1) Higher than current market interest rates to be conservative.
- (2) Issuance schedule for illustrative purposes only. Actual amounts and dates will be tailored to the District's project needs.
- (3) Assumes Measure I1 is fully issued.

### 2020 Election Projected Tax Rates



### Aggregate Projected Tax Rates <sup>(3)</sup>



# \$323 Million

## Assumptions:

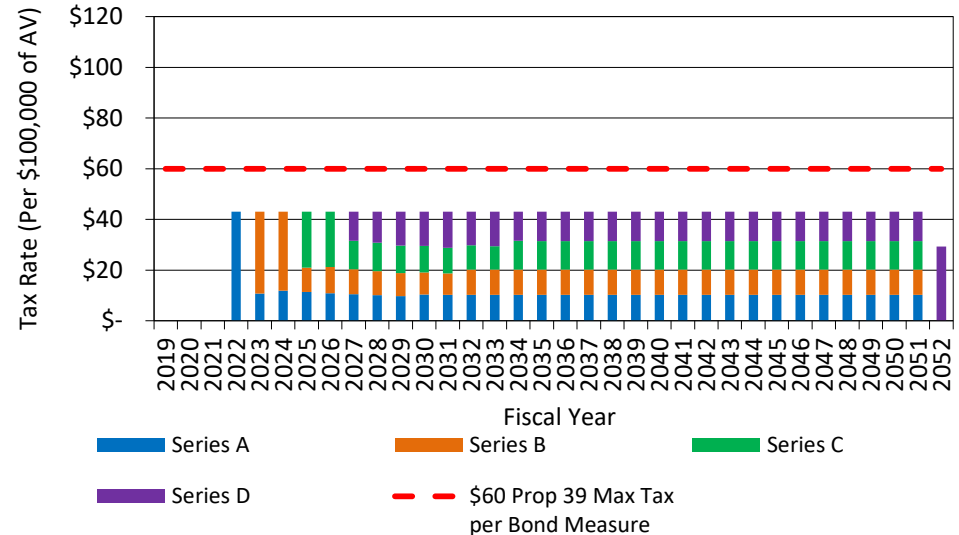
- ◆ March 2020 Proposition 39 Election
- ◆ Tax rate: **\$43.10** per \$100,000 of AV
- ◆ Annual AV growth rates:
  - 2020-21: 2.0%
  - 2021-22: 3.0%
  - Thereafter: 4.0%
- ◆ Interest rates: 4.25% - 5.75% <sup>(1)</sup>
- ◆ Estimated final tax: 2052
- ◆ Current interest bonds only (no capital appreciation bonds)

### Illustrative Issuance Schedule <sup>(2)</sup>

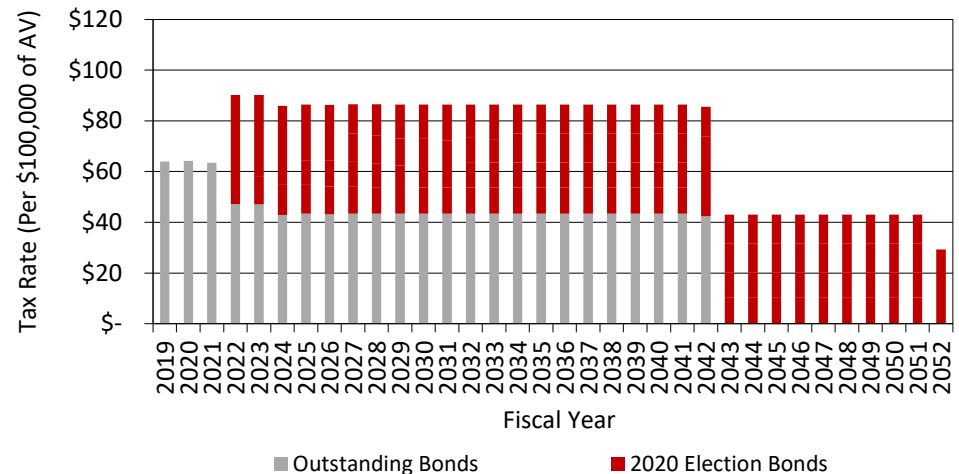
Issue	Issue Date	Proceeds	Est Repayment Ratio
Series A	August 2020	\$ 80,750,000	2.00 to 1
Series B	August 2022	80,750,000	1.91 to 1
Series C	August 2024	80,750,000	2.00 to 1
Series D	August 2026	80,750,000	2.27 to 1
<b>Total</b>		<b>\$ 323,000,000</b>	<b>2.05 to 1</b>

- (1) Higher than current market interest rates to be conservative.
- (2) Issuance schedule for illustrative purposes only. Actual amounts and dates will be tailored to the District's project needs.
- (3) Assumes Measure I1 is fully issued.

### 2020 Election Projected Tax Rates

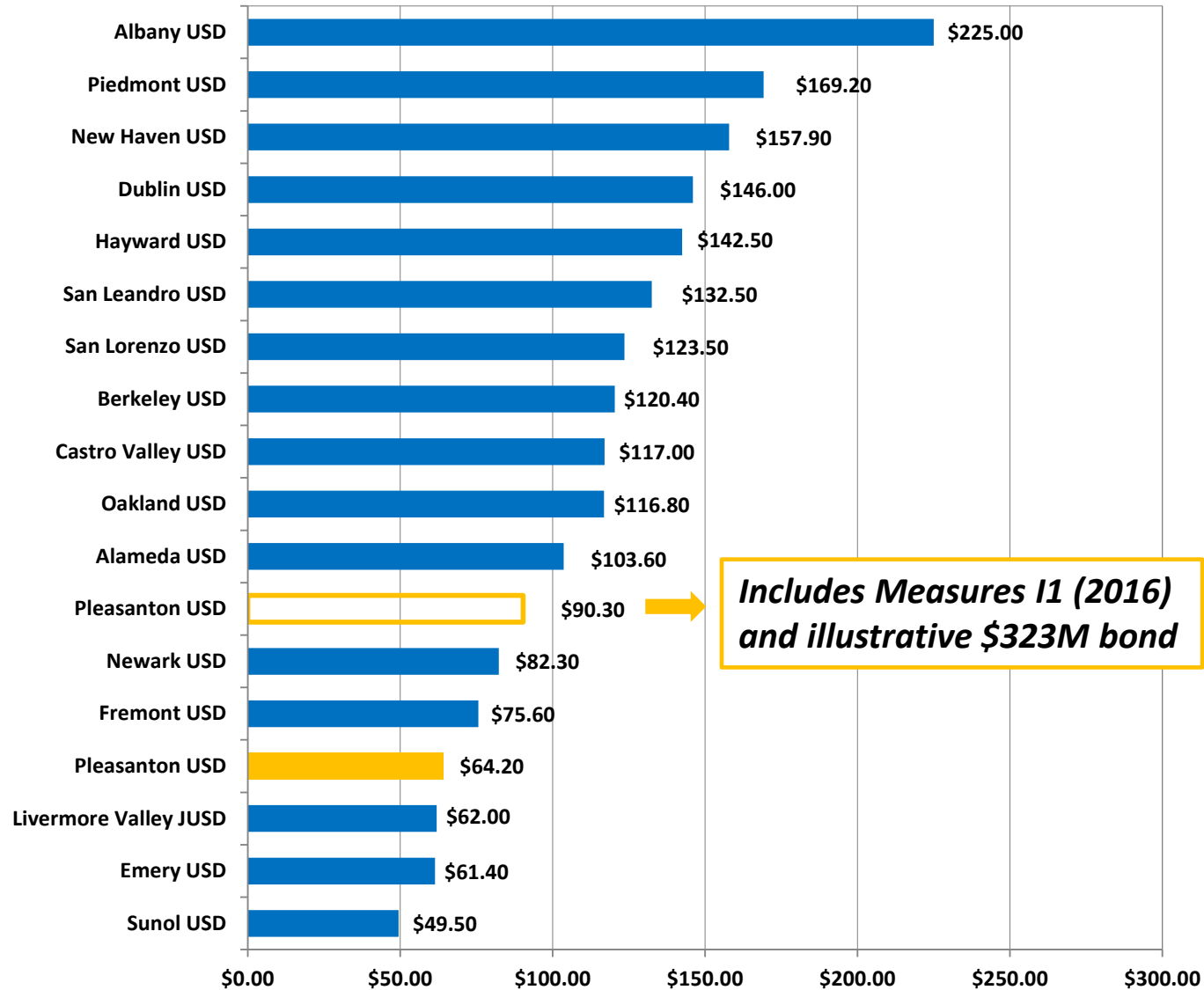


### Aggregate Projected Tax Rates <sup>(3)</sup>



# Illustrative Alameda County Bond Tax Rates

2019-20 Alameda County K-12 Tax Rates <sup>(1)</sup>



(1) Source: Alameda County Auditor-Controller's Office. Reflects the 2019-20 tax rates for all districts except for Pleasanton USD.

# Cost Information for Election Documents

---

Following are the cost parameters which would be incorporated in the 75-word ballot and tax rate statement:

**Amount:** \$323,000,000

**75-word ballot statement:**

Tax amount:	\$43.10 per \$100,000 AV (\$0.0431 per \$100 AV)
Average annual tax levy:	\$21,317,714

**Tax-rate statement:**

Average annual tax rate:	\$43.10 per \$100,000 AV (\$0.0431 per \$100 AV)
Projected final FY of tax:	2051-52
Highest tax rate:	\$43.10 per \$100,000 AV (\$0.0431 per \$100 AV)
First FY of tax:	2021-22
Estimated total debt service:	\$660,849,125