

McKINLEYVILLE UNION SCHOOL DISTRICT
School Board Agenda Background

Agenda Item: 1.0

Agenda Title: PUBLIC COMMENTS

Meeting Date: August 20, 2014

Presented By: Board President

Type of Item: Action Discussion Information

Type of Action

Required: No Action Voice Vote Roll Call Vote

Non-Agenda Items:

Individuals wishing to speak on matters not listed on the Agenda are asked to step forward and clearly state their name and address. No action will be taken on items not on the Agenda.

Agenda Items:

Members of the public may address the Board on each of the items listed on the Agenda as those items are taken up. Individuals will be acknowledged by the Board President and are asked to clearly state their name and address.

Speakers are to limit their remarks to three minutes on each agenda or non-agenda item.

McKINLEYVILLE UNION SCHOOL DISTRICT
School Board Agenda Background

Agenda Item: 3.1

Agenda Title: Consideration and Action on Savings Options for 2014 GO Bonds Refunding

Meeting Date: August 20, 2014

Presented By: Michael Davies-Hughes

Type of Item: Action Discussion Information

Type of Action

Required: No Action Voice Vote Roll Call Vote

Background:

At their August 13, 2014 Regular Meeting the MUSD Board of Trustees directed District Staff to work with the District's Financial Advisor (FA), Isom Advisors, in analyzing savings options regarding the 2014 GO Bond refunding. The Board asked that the FA provide an analysis that would show both overall savings and tax rate implications for each of the presented options. The analysis was to be presented to the Board for consideration and action at a Special Meeting prior to the sale of the Bonds.

On the following pages the Board will find tables showing both the total savings and the tax rate projections for three refunding options. Either Greg Isom or Jason List from Isom Advisors will be available by telephone to provide input and answer questions from the Board at the meeting.

Fiscal Implications:

Potential Savings to McKinleyville Residents of \$11,013,879.45 to \$16,958,001.40.

Strategic Planning Goal/Objective: 1.0

Recommendation:

Option 3 - shortens amortization by one year, provides favorable overall savings, and provides a modest decrease in tax rate.

Prepared by: Michael Davies-Hughes

McKinleyville Union School District
 2014 GO Refunding Bonds
 Savings Options
 Preliminary as of 8/15/2014

All scenarios assume a 2021 Call Date (matches call date of bonds to be refunded)

Year	Original Proposal: Uniform Annual Savings			Option 2: Lowest Cost of Borrowing			Option 3: Shorten Amortization by 1 Year		
	Old D/S	New D/S	D/S Savings	Old D/S	New D/S	D/S Savings	Old D/S	New D/S	D/S Savings
2015	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2016	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2022	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2023	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2024	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2025	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2026	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2027	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2028	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2029	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2030	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2031	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2032	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2033	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2034	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2035	1,650,000.00	865,271.46	784,728.54	1,650,000.00	1,646,028.03	3,971.97	1,650,000.00	1,058,448.34	591,551.66
2036	1,810,000.00	1,023,988.27	786,011.73	1,810,000.00	1,805,788.45	4,211.55	1,810,000.00	1,219,438.32	590,561.68
2037	1,989,774.16	1,202,200.09	787,574.07	1,989,774.16	1,987,218.80	2,555.36	1,989,774.16	1,399,576.22	590,197.94
2038	2,176,280.37	1,387,629.75	788,650.62	2,176,280.37	2,173,795.42	2,484.95	2,176,280.37	1,586,539.14	589,741.23
2039	1,585,000.00	800,000.00	785,000.00	1,585,000.00	1,585,000.00	0.00	1,585,000.00	995,000.00	590,000.00
2040	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2041	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2042	3,563,787.80	2,772,558.01	791,229.79	3,563,787.80	3,563,685.80	102.00	3,563,787.80	2,972,154.14	591,633.66
2043	3,838,449.26	3,051,132.34	787,316.92	3,838,449.26	3,837,332.48	1,116.78	3,838,449.26	3,248,617.14	589,832.12
2044	4,129,865.39	3,341,974.51	787,890.88	4,129,865.39	4,126,700.01	3,165.38	4,129,865.39	3,539,307.29	590,558.10
2045	4,447,788.39	3,660,044.40	787,743.99	4,447,788.39	4,445,137.24	2,651.15	4,447,788.39	3,856,544.75	591,243.64
2046	4,790,000.00	4,003,747.03	786,252.97	4,790,000.00	4,786,584.85	3,415.15	4,790,000.00	4,198,398.25	591,601.75
2047	5,159,740.54	4,374,984.60	784,755.94	5,159,740.54	5,157,365.35	2,375.19	5,159,740.54	4,571,117.61	588,622.93
2048	5,557,144.55	4,771,326.14	785,818.41	5,557,144.55	1,055,000.00	4,502,144.55	5,557,144.55	4,967,897.51	589,247.04
2049	5,984,807.37	5,198,901.78	785,905.59	5,984,807.37	0.00	5,984,807.37	5,984,807.37	5,395,000.00	589,807.37
2050	6,445,000.00	5,660,000.00	785,000.00	6,445,000.00	0.00	6,445,000.00	6,445,000.00	0.00	6,445,000.00
Total	53,127,637.83	42,113,758.38	11,013,879.45	53,127,637.83	36,169,636.43	16,958,001.40	53,127,637.83	39,008,038.71	14,119,599.12

Preliminary, subject to change based on market interest rates at the time of pricing.

Prepared by George K. Baum & Company

McKinleyville Union School District
 2014 GO Refunding Bonds
 Savings Options - Tax Rate Projections
 Preliminary as of 8/15/2014

All scenarios assume a 2021 Call Date (matches call date of bonds to be refunded)

Year	Original Proposal: Uniform Annual Savings			Option 2: Lowest Cost of Borrowing			Option 3: Shorten Amortization by 1 Year		
	Old Tax Rate	New Tax Rate	Tax Rate Savings	Old Tax Rate	New Tax Rate	Tax Rate Savings	Old Tax Rate	New Tax Rate	Tax Rate Savings
2015	33.39	33.39	0.00	33.39	33.39	0.00	33.39	33.39	0.00
2016	33.86	33.86	0.00	33.86	33.86	0.00	33.86	33.86	0.00
2017	34.20	34.20	0.00	34.20	34.20	0.00	34.20	34.20	0.00
2018	34.41	34.41	0.00	34.41	34.41	0.00	34.41	34.41	0.00
2019	42.15	42.15	0.00	42.15	42.15	0.00	42.15	42.15	0.00
2020	43.75	43.75	0.00	43.75	43.75	0.00	43.75	43.75	0.00
2021	45.42	45.42	0.00	45.42	45.42	0.00	45.42	45.42	0.00
2022	47.46	47.46	0.00	47.46	47.46	0.00	47.46	47.46	0.00
2023	49.27	49.27	0.00	49.27	49.27	0.00	49.27	49.27	0.00
2024	51.34	51.34	0.00	51.34	51.34	0.00	51.34	51.34	0.00
2025	53.36	53.36	0.00	53.36	53.36	0.00	53.36	53.36	0.00
2026	55.59	55.59	0.00	55.59	55.59	0.00	55.59	55.59	0.00
2027	57.86	57.86	0.00	57.86	57.86	0.00	57.86	57.86	0.00
2028	60.15	60.15	0.00	60.15	60.15	0.00	60.15	60.15	0.00
2029	62.52	62.52	0.00	62.52	62.52	0.00	62.52	62.52	0.00
2030	65.16	65.16	0.00	65.16	65.16	0.00	65.16	65.16	0.00
2031	67.66	67.66	0.00	67.66	67.66	0.00	67.66	67.66	0.00
2032	70.53	70.53	0.00	70.53	70.53	0.00	70.53	70.53	0.00
2033	73.41	73.41	0.00	73.41	73.41	0.00	73.41	73.41	0.00
2034	76.24	76.24	0.00	76.24	76.24	0.00	76.24	76.24	0.00
2035	79.48	49.29	30.19	79.48	79.33	0.15	79.48	56.72	22.76
2036	82.58	54.19	28.39	82.58	82.43	0.15	82.58	61.25	21.33
2037	86.09	58.58	27.51	86.09	86.00	0.09	86.09	65.48	20.61
2038	89.47	62.86	26.61	89.47	89.39	0.08	89.47	69.58	19.90
2039	93.11	67.52	25.59	93.11	93.11	0.00	93.11	73.87	19.23
2040	96.95	96.95	0.00	96.95	96.95	0.00	96.95	96.95	0.00
2041	100.87	100.87	0.00	100.87	100.87	0.00	100.87	100.87	0.00
2042	105.00	81.07	23.93	105.00	104.99	0.00	105.00	87.10	17.89
2043	109.26	86.92	22.35	109.26	109.23	0.03	109.26	92.52	16.74
2044	113.70	92.07	21.63	113.70	113.61	0.09	113.70	97.49	16.21
2045	118.30	97.41	20.89	118.30	118.23	0.07	118.30	102.62	15.68
2046	123.10	102.95	20.15	123.10	123.01	0.09	123.10	107.94	15.16
2047	128.10	108.67	19.43	128.10	128.04	0.06	128.10	113.53	14.57
2048	133.30	114.50	18.80	133.30	22.54	110.76	133.30	119.20	14.10
2049	138.70	120.54	18.16	138.70	0.00	138.70	138.70	125.07	13.63
2050	144.30	126.77	17.53	144.30	0.00	144.30	144.30	0.00	144.30
Total	2,800.04	2,478.90	321.14	2,800.04	2,405.46	394.58	2,800.04	2,427.93	372.11

Tax rates shown are per \$100,000 of assessed valuation and assume 3.50% growth starting in 2016
 Preliminary, subject to change based on market interest rates at the time of pricing; tax rates are subject to change based on actual assessed valuation growth/decline.