

Jefferson School District

**Community Meeting**  
**October 9, 2012**

## Statistics of Proposed Series B Bonds

Item	Option 1	Option 2	Option 3	Option 4
Series B Bonds	\$8.0 million	\$12.0 million	\$19.0 million	\$23.0 million
Bond Anticipation Notes	\$4.0 million <sup>[1]</sup>	N/A	N/A	N/A
Total Funding <sup>[2]</sup>	\$12.0 million	\$12.0 million	\$19.0 million	\$23.0 million
Total Debt Service for Funding	\$75.1 million	\$58.6 million	\$ 84.8 million	\$111.24 million
Debt to Per Ratio	6.26 : 1	4.88 : 1	4.46 : 1	4.83 : 1
Estimated Tax Rate	\$23.03/\$100,000 of AV	\$23.03/\$100,000 of AV	\$30/\$100,000 of AV	\$30/\$100,000 of AV
Length of Amortization	40 Years <sup>[3]</sup>	40 Years	40 Years	40 Years
Projected Assessed Value Growth Rate <sup>[4]</sup>	6.70%	6.96%	7.17%	8.13%

[1] Bond Anticipation Notes will be redeemed with proceeds from Series C Bonds

[2] Option 1 consists of \$1.05 million in CIBs and \$10.95 million in CABs; Option 2 consist of \$0.85 million in CIBs and \$11.15 million in CABs; Option 3 consists of \$1.76 million in CIBs and \$17.24 million in CABs; and Option 4 consists of \$1.83 million in CIBs and \$21.17 million in CABs.

[3] Actual total repayment period will be 45 years

[4] Growth rate from 2000 to today has been 8.36%

## Advantages / Disadvantages of Proposed Series B Bonds

	Option 1	Option 2	Option 3	Option 4
Advantages	<ul style="list-style-type: none"> <li>» Funds Phase 1 of Jefferson School</li> <li>» Provides opportunity to fund additional projects, limited, in calendar year 2017</li> <li>» Estimated tax rate at political pledge of Measure J</li> </ul>	<ul style="list-style-type: none"> <li>» Funds Phase 1 of Jefferson School</li> <li>» Estimated tax rate at political pledge of Measure J</li> </ul>	<ul style="list-style-type: none"> <li>» Funds total reconstruction of Jefferson School</li> <li>» Prevents escalating costs for future phases of Jefferson School</li> </ul>	<ul style="list-style-type: none"> <li>» Funds total reconstruction of Jefferson School</li> <li>» Funds construction of gymnasium at Anthony Traina School</li> <li>» Prevents escalating costs for future phases of Jefferson School</li> <li>» Prevents escalating cost of constructing a gymnasium at Traina School</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>» Unlikely to generate additional funds for a period of approximately 10 years (approximately \$3.26 million)</li> <li>» The cost of completing future phases at Jefferson School will be greater in future years</li> <li>» The cost of constructing a gymnasium at Anthony Traina School will be greater in future years</li> <li>» Highest Debt to Par Ratio</li> <li>» Longest amortization of Bonds (45 years)</li> </ul>	<ul style="list-style-type: none"> <li>» Unlikely to generate additional funds for a period of approximately 5 years (approximately \$2.65 million)</li> <li>» The cost of completing future phases at Jefferson School will be greater in future years</li> <li>» The cost of constructing a gymnasium at Anthony Traina School will be greater in future years</li> </ul>	<ul style="list-style-type: none"> <li>» Unlikely to generate additional funds for a period of approximately 5 years (approximately \$3.62 million)</li> <li>» Increases tax rate from \$23.03/\$100,00 of AV to \$30.00/\$100,000 of AV</li> <li>» The cost of constructing a gymnasium at Anthony Traina School will be greater in future years</li> </ul>	<ul style="list-style-type: none"> <li>» Unlikely to generate additional funds for a period of approximately 5 years (approximately \$5.18 million)</li> <li>» Increases tax rate from \$23.03/\$100,00 of AV to \$30.00/\$100,000 of AV</li> </ul>

## Projected Tax Obligation for Median Home

### Planning:

Fiscal Year	Median Home [1]	Tax Rate	Tax Obligation
FY 2009/2010	\$298,000	\$23.03/\$100,000	\$68.63
FY 2010/2011	\$303,960	\$23.03/\$100,000	\$70.00
FY 2011/2012	\$310,039	\$23.03/\$100,000	\$71.40
FY 2012/2013	\$316,240	\$23.03/\$100,000	\$72.83

[1] Assumes a 2.00% increase as permitted by Proposition 13.

### Proposed Increase:

Fiscal Year	Median Home	Tax Rate	Tax Obligation
FY 2012/2013	\$275,640	\$30.00/\$100,000	\$82.69

### Conclusion:

- » By increasing the tax rate from \$23.03 to \$30.00 per \$100,000. The tax obligation on the median home will be \$9.86 higher than originally planned back in FY2009/2010.

## Other Components

- » Development in Mountain House within Lammersville Unified School District is at such a level, the developers of the Ellis and Tracy Hills Projects are moving expeditiously to initiate development.
- » This development will increase the assessed valuation of Jefferson School District, as well as increasing costs of constructing school facilities.
- » Additionally, Jefferson School District will begin the process of planning and constructing school number five (5). School number five (5) will exacerbate the issue of "haves and have not's" if all phases of Jefferson School have not been completed and the gymnasium at Anthony Triana is not constructed.
- » Interest rates on municipal bonds are still at very favorable rates which makes all four (4) options available. As interest rates increase the par amount of the bonds decrease or more debt service is required to service the same amount of the bonds.



Questions?

