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Measure S **Resolution to authorize** **the sale of** **General Obligation Bonds**

Adam Bauer, Fieldman Rolapp & Associates
David Rivera, Assistant Superintendent
School Board Meeting Presentation
May 24, 2018

Resolution Number 34-17-18

- On November 8, 2016, the District successfully passed Measure S in the amount of \$288 million
- District Staff is seeking authorization under respective Government Codes to sell \$188 million of General Obligation Bonds in a competitive sale
- Proceeds are to be used solely for the construction and renovation of facilities at Canyon, El Modena, Orange and Villa Park High Schools
- Projects consist of building 21st Century Science Buildings

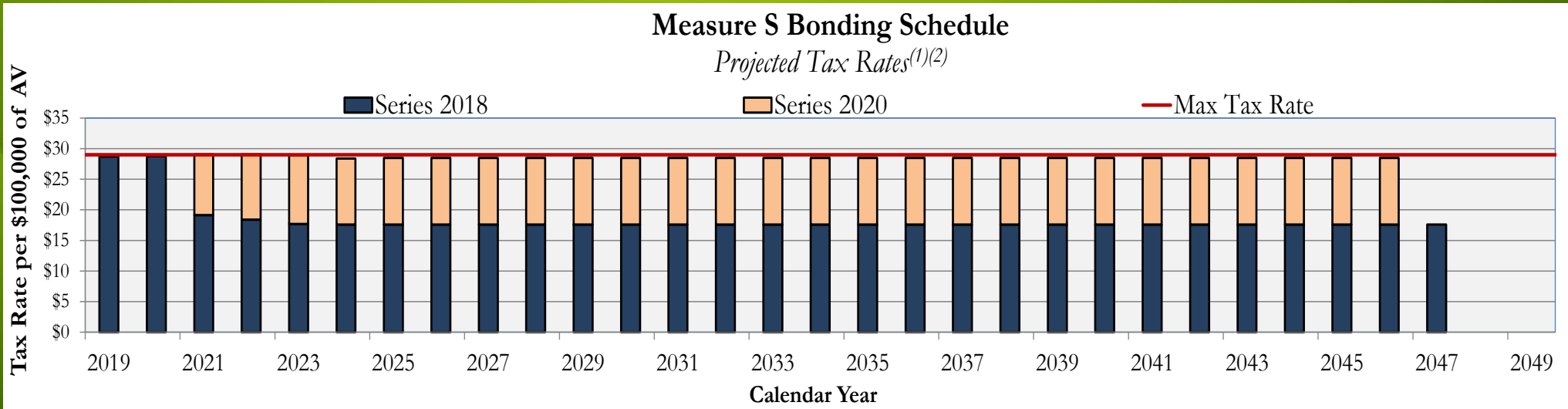


Resolution Number 34-17-18

- The community will be assessed approximately \$29 per \$100,000 of assessed property values
- Bonds will be authorized and issued only as current interest bonds. No capital appreciation bonds are authorized under this resolution.
- The Orange Unified School District will be funding the cost of issuance for bond sales
- Bond sale is being facilitated by our Financial Advisor: Fieldman, Rolapp & Associates (CEO/President, Mr. Adam Bauer)
- The District has contracted with Orrick, Herrington & Sutcliffe LLP for Bond Disclosure Counsel (Mr. Don Field)



Measure S Bonding Schedule (\$188M Series A)



	Series 2018	Series 2020	Total
Issue Date	6/21/2018	12/1/2020	-
Par Amount	\$188,000,000	\$100,000,000	\$288,000,000
Project Amount	\$188,000,000	\$100,000,000	\$288,000,000
Final Maturity Date	8/1/2047	8/1/2046	8/1/2047
Percentage of CIBs	100%	100%	100%
Percentage of CABs	0%	0%	0%
Repayment Ratio	1.81	1.85	1.82
Maximum Repayment Ratio Allowed	4.00	4.00	4.00

⁽¹⁾Assumes 4.00% growth for FY 18-19 and 4.00% every year thereafter.

⁽²⁾Series 2018 assumes current market conditions as of April 2018. Series 2020 assumes 5.00% coupons and MMD 10-year average 'AA' yields.

⁽³⁾ Principal and interest are paid semiannually and fully repaid by 2047.

Overview of Series 2018 Bonds (\$188M Series A)⁽¹⁾

Sources & Uses

SOURCES		Series A
Bond Proceeds		
Par Amount		\$ 188,000,000.00
Premium		<u>15,769,101.30</u>
Total		\$ 203,769,101.30
USES		
Project Fund Deposits		
Project Fund		\$ 188,000,000.00
Other Fund Deposits		
Debt Service Fund		\$ 15,111,101.30
Delivery Date Expenses		
Underwriter's Discount		\$ 658,000.00
Total		\$ 203,111,101.30

- Bond Principal is reduced starting in 2021 (still pays current interest) to allow for final bond sale in late 2020

⁽¹⁾Preliminary, subject to change in market conditions.

Debt Service

Date	Principle	Interest	Debt Service Fund	Net Debt Service
8/1/2019	\$10,200,000	\$9,028,833	\$9,028,833	\$10,200,000
8/1/2020	9,000,000	7,717,950	6,082,268	10,635,682
8/1/2021	-	7,357,950	-	7,357,950
8/1/2022	-	7,357,950	-	7,357,950
8/1/2023	-	7,357,950	-	7,357,950
8/1/2024	245,000	7,357,950	-	7,602,950
8/1/2025	560,000	7,345,700	-	7,905,700
8/1/2026	905,000	7,317,700	-	8,222,700
8/1/2027	1,280,000	7,272,450	-	8,552,450
8/1/2028	1,685,000	7,208,450	-	8,893,450
8/1/2029	2,125,000	7,124,200	-	9,249,200
8/1/2030	2,605,000	7,017,950	-	9,622,950
8/1/2031	3,120,000	6,887,700	-	10,007,700
8/1/2032	3,675,000	6,731,700	-	10,406,700
8/1/2033	4,275,000	6,547,950	-	10,822,950
8/1/2034	4,880,000	6,376,950	-	11,256,950
8/1/2035	5,525,000	6,181,750	-	11,706,750
8/1/2036	6,210,000	5,960,750	-	12,170,750
8/1/2037	6,945,000	5,712,350	-	12,657,350
8/1/2038	7,730,000	5,434,550	-	13,164,550
8/1/2039	8,565,000	5,125,350	-	13,690,350
8/1/2040	9,460,000	4,782,750	-	14,242,750
8/1/2041	10,500,000	4,309,750	-	14,809,750
8/1/2042	11,620,000	3,784,750	-	15,404,750
8/1/2043	12,815,000	3,203,750	-	16,018,750
8/1/2044	14,095,000	2,563,000	-	16,658,000
8/1/2045	15,325,000	1,999,200	-	17,324,200
8/1/2046	16,635,000	1,386,200	-	18,021,200
8/1/2047	18,020,000	720,800	-	18,740,800
	\$188,000,000	\$167,174,283	\$15,111,101	\$340,063,182



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Questions or Comments

