



Hanford Elementary School District

INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE

September 14, 2017 5:00PM

HESD District Office Board Room
714 N. White Street, Hanford, CA

- | | |
|--|-----------------|
| 1. Welcome | J. Gabler |
| 2. Introductions | J. Gabler |
| 3. Public Comments | |
| 4. Discussion of the Role of the COC | D. Endo |
| 5. Election or Appointment of Officers | J. Gabler |
| 6. Selection of Terms for Members | D. Endo |
| 7. Selection of Future Meeting Dates | Chair |
| 8. Report on Sale of Bonds | D. Endo/J. List |
| 9. Overview of Bond Program | D. Endo/J. List |
| 10. Overview of Bond Projects | D. Endo |
| 11. Other Comments/Business | |
| 12. Adjournment | Chair |

- *Materials related to an item on this agenda submitted to the Board after distribution of the agenda packet are available for public inspection at the superintendent's Office located at 714 N. White Street, Hanford, CA during regular business hours.*
- *Any individual who requires disability-related accommodations or modifications, including auxiliary aides and services, in order to participate in the Board meeting should contact the Superintendent in writing.*

**HANFORD ELEMENTARY SCHOOL DISTRICT
INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE
BYLAWS**

Section 1. Committee Established. The Hanford Elementary School District (the "District") has placed a bond measure on the November 8, 2016 ballot seeking to obtain an authorization from the District's voters to issue up to \$24,000,000 aggregate principal amount of the District's school facilities bond ("Measure U"). The Measure U election is being conducted under Proposition 39, being chaptered as the Strict Accountability in Local School Construction Bonds Act of 2000, at Section 15264 *et seq.* of the Education Code of the State ("Prop 39"). Pursuant to Section 15278 of the Education Code, the District is obligated to establish an Independent Citizens' Bond Oversight Committee in order to satisfy the accountability requirements of Prop 39. The Board of Trustees of the District (the "Board") hereby establishes the Independent Citizens' Bond Oversight Committee (the "Committee") for Measure U which shall have the duties and rights set forth in these Bylaws. The Committee does not have legal capacity independent from the District.

Section 2. Purposes. The purposes of the Committee are set forth in Prop 39, and these Bylaws are specifically made subject to the applicable provisions of Prop 39 as to the duties and rights of the Committee. The Committee shall be deemed to be subject to the *Ralph M. Brown Public Meetings Act* of the State of California and shall conduct its meetings in accordance with the provisions thereof. The District shall provide necessary administrative support to the Committee as shall be consistent with the Committee's purposes, as set forth in Prop 39.

The proceeds of general obligation bonds issued pursuant to Measure U are hereinafter referred to as "bond proceeds." The Committee shall confine itself specifically to bond proceeds generated under the Measure. Regular and deferred maintenance projects and all monies generated under other sources shall fall outside the scope of the Committee's review.

Section 3. Duties. To carry out its stated purposes, the Committee shall perform only the duties set forth in Sections 3.1, 3.2, and 3.3 hereof, and shall refrain from those activities set forth in Sections 3.4 and 3.5.

3.1 **Inform the Public.** The Committee shall inform the public concerning the District's expenditure of bond proceeds. In fulfilling this duty, all official communications to either the Board or the public shall come from the Chair acting on behalf of the Committee. The Chair shall only release information that reflects the majority view of the Committee.

3.2 **Review Expenditures.** The Committee shall review expenditure reports produced by the District to ensure that (a) bond proceeds were expended only for the purposes set forth in Measure U; and (b) no bond proceeds were used for teacher or administrative salaries or other operating expenses in compliance with Attorney General Opinion 04-110, issued on November 9, 2004.

3.3 **Annual Report.** The Committee shall present to the Board, in public session, an annual written report for Measure U which shall include the following:

(a) A statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution; and

(b) A summary of the Committee's proceedings and activities for the preceding year.

3.4 Duties of the Board/Superintendent. Either the Board or the Superintendent, as the Board shall determine, shall have the following powers reserved to it, and the Committee shall have no jurisdiction over the following types of activities:

- (i) Approval of contracts,
- (ii) Approval of change orders,
- (iii) Expenditures of bond funds,
- (iv) Handling of all legal matters,
- (v) Approval of project plans and schedules,
- (vi) Approval of all deferred maintenance plans, and
- (vii) Approval of the sale of bonds.

3.5 Measure U Projects Only. In recognition of the fact that the Committee is charged with overseeing the expenditure of bond proceeds, the Board has not charged the Committee with responsibility for:

(a) Projects financed through the State of California, developer fees, redevelopment tax increment, certificates of participation, lease/revenue bonds, the general fund or the sale of surplus property without bond proceeds shall be outside the authority of the Committee.

(b) The establishment of priorities and order of construction for the bond projects, which shall be made by the Board in its sole discretion.

(c) The selection of architects, engineers, soils engineers, construction managers, project managers, CEQA consultants and such other professional service firms as are required to complete the project based on District criteria established by the Board in its sole discretion.

(d) The approval of the design for each project including exterior materials, paint color, interior finishes, site plan and construction methods (modular vs. permanent) which shall be determined by the Board in its sole discretion.

(e) The selection of independent audit firm(s), performance audit consultants and such other consultants as are necessary to support the activities of the Committee.

(f) The approval of an annual budget for the Committee that is sufficient to carry out the activities set forth in Prop 39 and included herein.

(g) The appointment or reappointment of qualified applicants to serve on the Committee, subject to legal limitations, and based on criteria adopted in the Board's sole discretion as part of carrying out its function under Prop 39.

Section 4. Authorized Activities.

4.1 In order to perform the duties set forth in Section 3.0, the Committee may engage in the following authorized activities:

(a) Receive copies of the District’s annual, independent performance audit and annual, independent financial audit required by Prop 39 (Article XIII A of the California Constitution) (together, the “Audits”) at the same time said Audits are submitted to the District, no later than March 31 of each year, and review the Audits.

(b) Inspect District facilities and grounds for which bond proceeds have been or will be expended, in accordance with any access procedure established by the District’s Superintendent.

(c) Review copies of deferred maintenance plans developed by the District.

(d) Review efforts by the District to maximize bond proceeds by implementing various cost-saving measures.

(e) Receive from the Board, within three months of the District receiving the Audits, responses to any and all findings, recommendations, and concerns addressed in the Audits, and review said responses.

Section 5. Membership.

5.1 Number.

The Committee shall consist of at least seven (7) members appointed by the Board from a list of candidates submitting written applications, and based on criteria established by Prop 39, to wit:

- One (1) member shall be the parent or guardian of a child enrolled in the District.
- One (1) member shall be both a parent or guardian of a child enrolled in the District and active in a parent-teacher organization, such as the P.T.A. or a school site council.
- One (1) member active in a business organization representing the business community located in the District.
- One (1) member active in a senior citizens’ organization.
- One (1) member active in a bona-fide taxpayers association.
- Two (2) members of the community at-large.

5.2 Qualification Standards.

(a) To be a qualified person, he or she must be at least 18 years of age.

(b) The Committee may not include any employee, official of the District or any vendor, contractor or consultant of the District.

5.3 Ethics: Conflicts of Interest.

(a) Members of the Committee are not subject to the Political Reform Act (Gov. Code §§ 81000 *et seq.*), and are not required to complete Form 700; but each member shall comply with the Committee Ethics Policy attached as “Attachment A” to these Bylaws.

(b) Pursuant to Section 35233 of the Education Code, the prohibitions contained in Article 4 (commencing with Section 1090) of Division 4 of Title 1 of the Government Code (“Article 4”) and Article 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code (“Article 4.7”) are applicable to members of the Committee. Accordingly:

(i) Members of the Committee shall not be financially interested in any contract made by them in their official capacities or by the Committee, nor shall they be purchasers at any sale or vendors at any purchase made by them in their official capacity, all as prohibited by Article 4; and

(ii) Members of the Committee shall not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to duties as a member of the Committee or with the duties, functions, or responsibilities of the Committee or the District. A member of the Committee shall not perform any work, service, or counsel for compensation where any part of his or her efforts will be subject to approval by any other officer, employee, board, or commission of the District’s Board of Trustees, except as permitted under Article 4.7.

5.4 Term. Except as otherwise provided herein, each member shall serve a term of two (2) years, commencing as of the date of appointment by the Board. No member may serve more than three (3) consecutive terms. At the Committee’s first meeting, members will draw lots or otherwise select a minimum of two members to serve for an initial one (1) year term and the remaining members for an initial two (2) year term. Members whose terms have expired may continue to serve on the Committee until a successor has been appointed. Terms commence on the date the member is appointed to the Committee by the Board of Trustees.

5.5 Appointment. Members of the Committee shall be appointed by the Board through the following process: (a) the District will advertise in the local newspapers, on its website, and in other customary forums, as well as solicit appropriate local groups for applications; (b) the Superintendent will review the applications; and (c) the Superintendent will make recommendations to the Board.

5.6 Removal; Vacancy. The Board may remove any Committee member for any reason, including failure to attend two consecutive Committee meetings without reasonable excuse or for failure to comply with the Committee Ethics Policy. Upon a member’s removal, his or her seat shall be declared vacant. The Board, in accordance with the established appointment process shall fill any vacancies on the Committee. The Board shall seek to fill vacancies within 90 days of the date of occurrence of a vacancy.

5.7 Compensation. The Committee members shall not be compensated for their services.

5.8 Authority of Members. (a) Committee members shall not have the authority to direct staff of the District; (b) individual members of the Committee retain the right to address the Board, either on behalf of the Committee or as an individual; (c) the Committee shall not establish subcommittees for any purpose; and (d) the Committee shall have the right to request and receive copies of any public records relating to projects funded by the Measures.

Section 6. Meetings of the Committee.

6.1 Regular Meetings. The Committee shall meet at least once a year, but shall not meet more frequently than quarterly.

6.2 Location. All meetings shall be held within the boundaries of the District, located in Kings County, California.

6.3 Procedures. All meetings shall be open to the public in accordance with the *Ralph M. Brown Act*, Government Code Section 54950 *et seq.* Meetings shall be conducted according to such additional procedural rules as the Committee may adopt. A majority of the number of Committee members shall constitute a quorum for the transaction of any business of the Committee.

Section 7. District Support.

7.1 The District shall provide to the Committee necessary technical and administrative assistance as follows:

- (a) preparation of and posting of public notices as required by the *Brown Act*, ensuring that all notices to the public are provided in the same manner as notices regarding meetings of the District Board;
- (b) provision of a meeting room, including any necessary audio/visual equipment;
- (c) preparation, translation and copies of any documentary meeting materials, such as agendas and reports; and
- (d) retention of all Committee records, and providing public access to such records on an Internet website maintained by the District.

7.2 District staff and/or District consultants shall attend Committee proceedings in order to report on the status of projects and the expenditure of bond proceeds.

Section 8. Reports. In addition to the Annual Report required in Section 3.3, the Committee may report to the Board from time to time in order to advise the Board on the activities of the Committee. Such report shall be in writing and shall summarize the proceedings and activities conducted by the Committee.

Section 9. Officers. The Superintendent shall appoint the initial Chair. Thereafter, the Committee shall elect a Chair and a Vice-Chair who shall act as Chair only when the Chair is absent. The Chair and Vice-Chair shall serve in such capacities for a term of one year and may be re-elected by vote of a majority of the members of the Committee.

Section 10. Amendment of Bylaws. Any amendment to these Bylaws shall be approved by a majority vote of the Board.

Section 11. Termination. The Committee shall automatically terminate and disband concurrently with the Committee's submission of the final Annual Report which reflects the final accounting of the expenditure of all Measure U monies.

**CITIZENS' BOND OVERSIGHT COMMITTEE
ETHICS POLICY STATEMENT**

This Ethics Policy Statement provides general guidelines for Committee members in carrying out their responsibilities. Not all ethical issues that Committee members face are covered in this Statement. However, this Statement captures some of the critical areas that help define ethical and professional conduct for Committee members. The provisions of this Statement were developed from existing laws, rules, policies and procedures as well as from concepts that define generally accepted good business practices. Committee members are expected to strictly adhere to the provisions of this Ethics Policy.

POLICY

- **CONFLICT OF INTEREST.** A Committee member shall not make or influence a District decision related to: (1) any contract funded by bond proceeds, or (2) any construction project which will benefit the Committee member's outside employment, business, or a personal finance or benefit an immediate family member, such as a spouse, child or parent.

- **OUTSIDE EMPLOYMENT.** A Committee member shall not use his or her authority over a particular matter to negotiate future employment with any person or organization that relates to: (1) any contract funded by bond proceeds, or (2) any construction project. A Committee member shall not make or influence a District decision related to any construction project involving the interest of a person with whom the member has an agreement concerning current or future employment, or remuneration of any kind. For a period of two (2) years after leaving the Committee, a former Committee member may not represent any person or organization for compensation in connection with any matter pending before the District that, as a Committee member, he or she participated in personally and substantially. Specifically, for a period of two (2) years after leaving the Committee, a former Committee member and the companies and businesses for which the member works shall be prohibited from contracting with the District with respect to: (1) bidding on projects funded by the bond proceeds; and (2) any construction project.

- **COMMITMENT TO UPHOLD LAW.** A Committee member shall uphold the federal and California Constitutions, the laws and regulations of the United States and the State of California (particularly the Education Code) and all other applicable government entities, and the policies, procedures, rules and regulations of the Hanford Elementary School District.

- **COMMITMENT TO DISTRICT.** A Committee member shall place the interests of the District above any personal or business interest of the member.

**HANFORD ELEMENTARY SCHOOL DISTRICT
APPLICATION FOR INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE**

The Board of Trustees of the Hanford Elementary School District is seeking qualified, interested individuals to serve on a committee of community leaders which will serve as the Independent Citizens' Oversight Committee ("COC") for the implementation of the District's Measure U school facilities bond program.

Proposition 39 Bond Election

On November 8, 2016, voters residing within the Hanford Elementary School District passed Measure U. Measure U is a \$24,000,000 bond measure that authorizes funding for needed repairs, upgrades, and new construction projects to the District's schools. Proposition 39 required a 55% supermajority for approval; Measure U was passed by 69%.

Establishment of a Citizens' Oversight Committee

After a bond authorized under Proposition 39 is passed, state law requires that the Hanford Elementary School District Board of Trustees appoint an Independent Citizens' Oversight Committee to work with the District.

Committee Responsibilities

In accordance with Education Code Section 15278(b), the Citizens' Oversight Committee shall:

- Inform the public concerning the District's expenditure of bond proceeds of Measure U.
- Review expenditure reports produced by the District to ensure that Measure U bond proceeds were expended only for the purposes set forth in Measure U; and
- Present to the Board in public session, an annual written report outlining their activities and conclusions regarding the expenditure of bond proceeds of Measure U.

The Bylaws which govern the Citizens' Oversight Committee are attached to this Application.

Appointment of Committee Members

All appointments will be made by the Board from applications submitted to the District. The Committee shall consist of at least seven (7) members appointed by the Board from a list of candidates submitting written applications, and based on criteria established by Prop 39, to wit:

- One (1) member shall be the parent or guardian of a child enrolled in the District.
- One (1) member shall be both a parent or guardian of a child enrolled in the District and active in a parent-teacher organization, such as the P.T.A. or a school site council.
- One (1) member active in a business organization representing the business community located in the District.
- One (1) member active in a senior citizens' organization.
- One (1) member active in a bona-fide taxpayers association.
- Two (2) members of the community at-large.

Time Commitment and Term

Initial appointments will be staggered, such that some of the initial appointees will be appointed to serve one full two-year term. The other initial appointments will serve a one-year term, but will be eligible for reappointment by the Board for a second and third two-year term.

Would You be Interested in Serving?

If you wish to serve on this important committee, please review the committee Bylaws for more information about the committee's role and responsibilities and complete the attached application. Completed applications should be sent to Hanford Elementary School District by 4:30 PM on _____, 2017.

**Hanford Elementary School District
714 N. White Street, Hanford, CA 93230
Tel: 559.585.3600**

**HANFORD ELEMENTARY SCHOOL DISTRICT
APPLICATION FOR INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE**

(Please Print or Type)

Name: _____

Address: _____

Home Phone: _____ Work Phone: _____

FAX #: _____ E-Mail: _____

Why do you want to serve on the Measure U Independent Citizens' Oversight Committee?

Do you have any special area of expertise or experience that you think would be helpful to the committee?

If you have served on other school district, city or community committees please list and briefly describe your role:

I would be able to represent the following constituencies in the District: (check all that apply)

- Business Representative** - Active in a business organization representing local business
Organization: _____
- Senior Citizen Group Representative** - Active member in a senior citizens' organization.
Organization: _____
- Taxpayer Organization Member** - Active in a bona fide taxpayers' association.
Organization: _____
- Parent or Guardian of Child Enrolled in District.**
Child's Name and School: _____
Child's Name and School: _____
- Parent /Guardian of Child Enrolled in District & Active in a Parent-Teacher Organization**
Child's Name and School: _____
Child's Name and School: _____
Organization: _____
- At-Large Community Member** – Resident of the Hanford Elementary School District.
Name: _____
Name: _____

Please note any additional information you feel should be considered as part of your application:

1. Are you an employee of the District?*
2. Are you a vendor, contractor, or consultant to the school district?*
3. Do you have conflicts that would preclude your attending quarterly meetings?
4. Do you know of any reason, such as a potential conflict of interest, which would adversely affect your ability to serve on the Independent Citizens' Oversight Committee?*
5. Are you willing to comply with the ethics code included in the bylaws?

YES	NO

(*Employees, vendors, contractors, and consultants of the Hanford Elementary School District are prohibited by law from being members of the Citizens' Oversight Committee. Employment which could result in becoming a contractor or subcontractor to the district would also be a potential conflict.)

Signature of Applicant

All answers and statements in this document are true and complete to the best of my knowledge.

Signature _____ Date _____.

Completed applications must be received at
Hanford Elementary School District
714 N. White Street, Hanford, CA 93230

no later than at 4:30 pm, _____, 2017. If you have any questions, please call Hanford Elementary School District at **559.585.3600.**

It is the policy of the Hanford Elementary School District not to unlawfully discriminate on the basis of sex, sexual orientation, gender, ethnic group identification, race, ancestry, national origin, color, religion, marital status, age or mental or physical disability in the educational programs or activities which it operates.

Hanford Elementary School District

Election of 2016 – Bond Program Overview

by

Isom Advisors,
a Division of Urban Futures, Inc.

September 14, 2017



Series A - Summary of Results

Bond Program

Election of 2016

Hanford Elementary School District

- ❖ Voters approved a \$24,000,000 General Obligation Bond program at the November 8, 2016 election.
- ❖ Proceeds are being used to repair/upgrade/renovate classrooms and school facilities.
- ❖ The first series of bonds ("Series A") were sold on May 24, 2017 with a total par amount of \$8,800,000; authorization of \$15,200,000 remains.
 - Series B: \$7,600,000 is currently scheduled to sell in 2019
 - Series C: \$7,600,000 is currently scheduled to sell in 2021

Period Ending	Principal	Interest	Total Debt Service	Debt Service Fund	Net Debt Service
8/1/2018	600,000.00	380,262.36	980,262.36	368,317.37	611,944.99
8/1/2019	115,000.00	324,350.00	439,350.00	-	439,350.00
8/1/2020	-	320,900.00	320,900.00	-	320,900.00
8/1/2021	-	320,900.00	320,900.00	-	320,900.00
8/1/2022	-	320,900.00	320,900.00	-	320,900.00
8/1/2023	-	320,900.00	320,900.00	-	320,900.00
8/1/2024	70,000.00	320,900.00	390,900.00	-	390,900.00
8/1/2025	90,000.00	318,100.00	408,100.00	-	408,100.00
8/1/2026	105,000.00	314,500.00	419,500.00	-	419,500.00
8/1/2027	125,000.00	309,250.00	434,250.00	-	434,250.00
8/1/2028	145,000.00	303,000.00	448,000.00	-	448,000.00
8/1/2029	170,000.00	295,750.00	465,750.00	-	465,750.00
8/1/2030	190,000.00	287,250.00	477,250.00	-	477,250.00
8/1/2031	215,000.00	277,750.00	492,750.00	-	492,750.00
8/1/2032	240,000.00	271,300.00	511,300.00	-	511,300.00
8/1/2033	260,000.00	264,100.00	524,100.00	-	524,100.00
8/1/2034	285,000.00	255,975.00	540,975.00	-	540,975.00
8/1/2035	310,000.00	247,068.76	557,068.76	-	557,068.76
8/1/2036	340,000.00	236,993.76	576,993.76	-	576,993.76
8/1/2037	375,000.00	223,393.76	598,393.76	-	598,393.76
8/1/2038	410,000.00	211,206.26	621,206.26	-	621,206.26
8/1/2039	445,000.00	197,368.76	642,368.76	-	642,368.76
8/1/2040	480,000.00	182,350.00	662,350.00	-	662,350.00
8/1/2041	520,000.00	166,150.00	686,150.00	-	686,150.00
8/1/2042	565,000.00	147,950.00	712,950.00	-	712,950.00
8/1/2043	605,000.00	128,175.00	733,175.00	-	733,175.00
8/1/2044	650,000.00	107,000.00	757,000.00	-	757,000.00
8/1/2045	715,000.00	74,500.00	789,500.00	-	789,500.00
8/1/2046	775,000.00	38,750.00	813,750.00	-	813,750.00
Total:	<u>8,800,000.00</u>	<u>7,166,993.66</u>	<u>15,966,993.66</u>	<u>368,317.37</u>	<u>15,598,676.29</u>

Bond Rating

S&P Global Ratings

Hanford Elementary School District

- ❖ District staff and the finance team held a meeting with Standard & Poor's Global Ratings ("S&P") on May 5, 2017.
- ❖ S&P assigned the District an A+ citing as strengths:
 - Assessed valuation growth after its recent economic downturn;
 - Stable financial profile, as evidenced by a recent trend of surpluses and growing fund balances; and
 - Low overall debt burden.

S&P Global
Ratings

Fitch	S&P	Moody's	Rating grade description (Moody's)	
AAA	AAA	Aaa	Investment grade	Minimal credit risk
AA+	AA+	Aa1		Very low credit risk
AA	AA	Aa2		
AA-	AA-	Aa3		
A+	A+	A1		Low credit risk
A	A	A2		
A-	A-	A3		
BBB+	BBB+	Baa1	Moderate credit risk	
BBB	BBB	Baa2		
BBB-	BBB-	Baa3		
BB+	BB+	Ba1	Speculative grade	Substantial credit risk
BB	BB	Ba2		
BB-	BB-	Ba3		
B+	B+	B1		High credit risk
B	B	B2		
B-	B-	B3		
CCC+	CCC+	Caa1		Very high credit risk
CCC	CCC	Caa2		
CCC-	CCC-	Caa3		
CC	CC	Ca	In or near default, with possibility of recovery	
C	C			
DDD	SD	C		
DD	D		In default, with little chance of recovery	
D				

Bond Sale

Bond Sale Highlights

Hanford Elementary School District

- ❖ The Bonds were sold through a two-day negotiated sale process (May 23/May 24).
 - Structure and preliminary interest rate were established on the first day (Pre-Pricing Day)
 - Final structure and interest rates were set on the second day in response to the market (Pricing Day)

- ❖ District sold \$8.8 million of new money bonds – all as current interest bonds
 - ❖ The debt repayment ratio is 1.77:1 (for each \$1 in principal, it cost \$0.77 in interest)
 - ❖ True Interest Cost: 3.67%
 - ❖ Final Maturity: 8/1/2046
 - ❖ Optional Redemption: 08/01/2027 @ par

Bond Sale

Costs of Issuance

Hanford Elementary School District

Firm	Service	Estimate
1. Stradling Yocca Carlson & Rauth	Bond & Disclosure Counsel Fee & Expenses	\$75,000.00
2. U.S. Bank, N.A.	Paying/COI Agent	1,990.00
3. Isom Advisors	Financial Advisor Fee & Expenses	66,156.15
4. Royce Printing	OS Printing Costs	2,500.00
5. S&P	Rating Fee	15,000.00
6. Cal Muni	Demographic & Financial Reports (Reimburse Isom Advisors)	1,425.00
7. ---	*Contingency	2,928.85
Total COI		\$165,000.00

*Contingency dollars are returned to the debt service fund held at the county 90 days after closing.

Comparable Transactions

Comparable Sales

Pricing Analysis

Hanford Elementary School District

- Relative to similarly rated credits, the District's pricing performance was very good.

Issuer (Issue)	Hanford Elementary School District Election of General Obligation Bonds, Series A								Exeter Unified School District Improvement District No. 1 General Obligation Bonds Election of 2016, Series A								Winters Joint Unified School District General Obligation Bonds, 2016 Election, 2017 Series A													
	Par Amt	Under. Rating	Insurance	Bank Qualified	Optional Call	10 Year TSY	Pricing Date	Year	Par (8/1)	Coupon	Yield	YTM	AAA AUG MMD	Yield Spread	YTM Spread	Par (8/1)	Coupon	Yield	YTM	AAA AUG MMD	Yield Spread	YTM Spread	Par (8/1)	Coupon	Yield	YTM	AAA AUG MMD	Yield Spread	YTM Spread	
	\$8,800,000	- / A+ / -	BAM	Yes	8/1/2027 @ 100%	2.29%	Proposed Final Pricing - May 24, 2017																							
	\$8,800,000	- / A+ / -	BAM	Yes	8/1/2027 @ 100%	2.23%	May 18, 2017																							
	\$6,000,000	- / A+ / -	BAM	Yes	8/1/2025 @ 100%	2.42%	May 9, 2017																							
2018	600,000	2.000	0.870									0.850	+2										440,000	2.000	1.000		0.900	+10		
2019	115,000	3.000	0.990									0.940	+5										425,000	2.000	1.150		1.020	+13		
2020																							110,000	2.000	1.300		1.140	+16		
2021																							120,000	2.000	1.500		1.290	+21		
2022															35,000	4.000	1.550													
2023															30,000	4.000	1.730													
2024	70,000	4.000	1.880									1.580	+30		45,000	2.000	1.890													
2025	90,000	4.000	2.030									1.730	+30		50,000	2.000	2.070					135,000	2.000	2.200		1.940	+26			
2026	105,000	5.000	2.180									1.880	+30		55,000	2.000	2.250													
2027	125,000	5.000	2.380									1.980	+40		65,000	2.000	2.400													
2028	145,000	5.000	2.480	2.657								2.080	+40	+58	70,000	2.375	2.650					200,000	4.000	2.700	2.995	2.290	+41	+71		
2029	170,000	5.000	2.590	2.899								2.190	+40	+71	75,000	2.625	2.850													
2030	190,000	5.000	2.670	3.084								2.270	+40	+81	85,000	3.000	3.050													
2031	215,000	3.000	3.150									2.350	+80		90,000	3.000	3.160					315,000	3.125	3.300		2.550	+75			
2032	240,000	3.000	3.220									2.420	+80		265,000	4.000	3.000	3.267												
2033	260,000	3.125	3.290									2.490	+80		285,000	4.000	3.070	3.350												
2034	285,000	3.125	3.350									2.550	+80		305,000	3.250	3.400													
2035	310,000	3.250	3.400									2.600	+80		325,000	4.000	3.170	3.465				630,000	4.000	3.380	3.666	2.820	+56	+85		
2036	340,000	4.000	3.140	3.467								2.640	+50	+83	350,000	4.000	3.210	3.509												
2037	375,000	3.250	3.480									2.680	+80		375,000	4.000	3.250	3.550												
2038	410,000	3.375	3.540									2.710	+83																	
2039	445,000	3.375	3.580									2.730	+85										940,000	3.750	3.880		2.950	+93		
2040	480,000	3.375	3.590									2.740	+85																	
2041																														
2042															2,295,000	5.000	3.180	4.004					960,000	5.000	3.330	4.229	2.990	+34	+124	
2043	1,690,000	3.500	3.630									2.780	+85																	
2044																														
2045																														
2046	2,140,000	5.000	3.110	4.042								2.810	+30	+123									1,725,000	4.000	3.950	3.980	3.030	+92	+95	
2047															3,200,000	5.000	3.230	4.114												

Coupon changed
Spread Changed

Comparable Sales

Pricing Analysis

Hanford Elementary School District

Issuer (Issue)	Hanford Elementary School District Election of General Obligation Bonds, Series A							Gateway Unified School District General Obligation Bonds, Election of 2008, Series 2017* 2017 General Obligation Refunding Bonds							Exeter Unified School District 2017 General Obligation Refunding Bonds				
Par Amt	\$8,800,000							\$4,865,000							\$3,135,000				
Under. Rating	-- / A+ / --							-- / A+ / --							-- / A+ / --				
Insurance	BAM							BAM							BAM				
Bank Qualified	Yes							Yes							Yes				
Optional Call	8/1/2027 @ 100%							2/1/2027 @ 100%							Non-Callable				
10 Year TSY	2.29%							2.30%							2.30%				
Pricing Date	Proposed Final Pricing - May 24, 2017							April 27, 2017							April 27, 2017				
Year	Par (8/1)	Coupon	Yield	YTM	AAA AUG MMD	Yield Spread	YTM Spread	Par (8/1)	Coupon	Yield	YTM	AAA AUG MMD	Yield Spread	YTM Spread	Par (8/1)	Coupon	Yield	AAA AUG MMD	Yield Spread
2018	600,000	2.000	0.870		0.850	+2		15,000	2.000	1.090		0.910	+18						
2019	115,000	3.000	0.990		0.940	+5		50,000	2.000	1.220		1.020	+20						
2020								55,000	2.000	1.410		1.160	+25		335,000	3.000	1.400	1.160	+24
2021								85,000	4.000	1.560		1.310	+25		365,000	4.000	1.550	1.310	+24
2022								90,000	4.000	1.770		1.470	+30		380,000	4.000	1.750	1.470	+28
2023								110,000	2.000	1.900		1.600	+30		430,000	4.000	1.900	1.600	+30
2024	70,000	4.000	1.880		1.580	+30		575,000	3.000	2.080		1.750	+33		455,000	5.000	2.050	1.750	+30
2025	90,000	4.000	2.030		1.730	+30		625,000	4.000	2.280		1.930	+35		525,000	5.000	2.250	1.930	+32
2026	105,000	5.000	2.180		1.880	+30		665,000	4.000	2.410		2.060	+35		620,000	2.125	2.380	2.060	+32
2027	125,000	5.000	2.380		1.980	+40		700,000	4.000	2.550	2.609	2.150	+40	+46					
2028	145,000	5.000	2.480	2.657	2.080	+40	+58	710,000	4.000	2.850	2.977	2.250	+60	+73					
2029	170,000	5.000	2.590	2.899	2.190	+40	+71	20,000	3.000	3.150		2.350	+80						
2030	190,000	5.000	2.670	3.084	2.270	+40	+81	20,000	3.000	3.230		2.430	+80						
2031	215,000	3.000	3.150		2.350	+80		45,000	3.125	3.340		2.510	+83						
2032	240,000	3.000	3.220		2.420	+80		90,000	3.250	3.420		2.590	+83						
2033	260,000	3.125	3.290		2.490	+80													
2034	285,000	3.125	3.350		2.550	+80													
2035	310,000	3.250	3.400		2.600	+80													
2036	340,000	4.000	3.140	3.467	2.640	+50	+83												
2037	375,000	3.250	3.480		2.680	+80													
2038	410,000	3.375	3.540		2.710	+83		960,000	5.250	3.220	4.060	2.900	+32	+116					
2039	445,000	3.375	3.580		2.730	+85													
2040	480,000	3.375	3.590		2.740	+85													
2041																			
2042																			
2043	1,690,000	3.500	3.630		2.780	+85													
2044																			
2045																			
2046	2,140,000	5.000	3.110	4.042	2.810	+30	+123												
2047																			

Coupon changed
Spread Changed

* Current interest bonds only

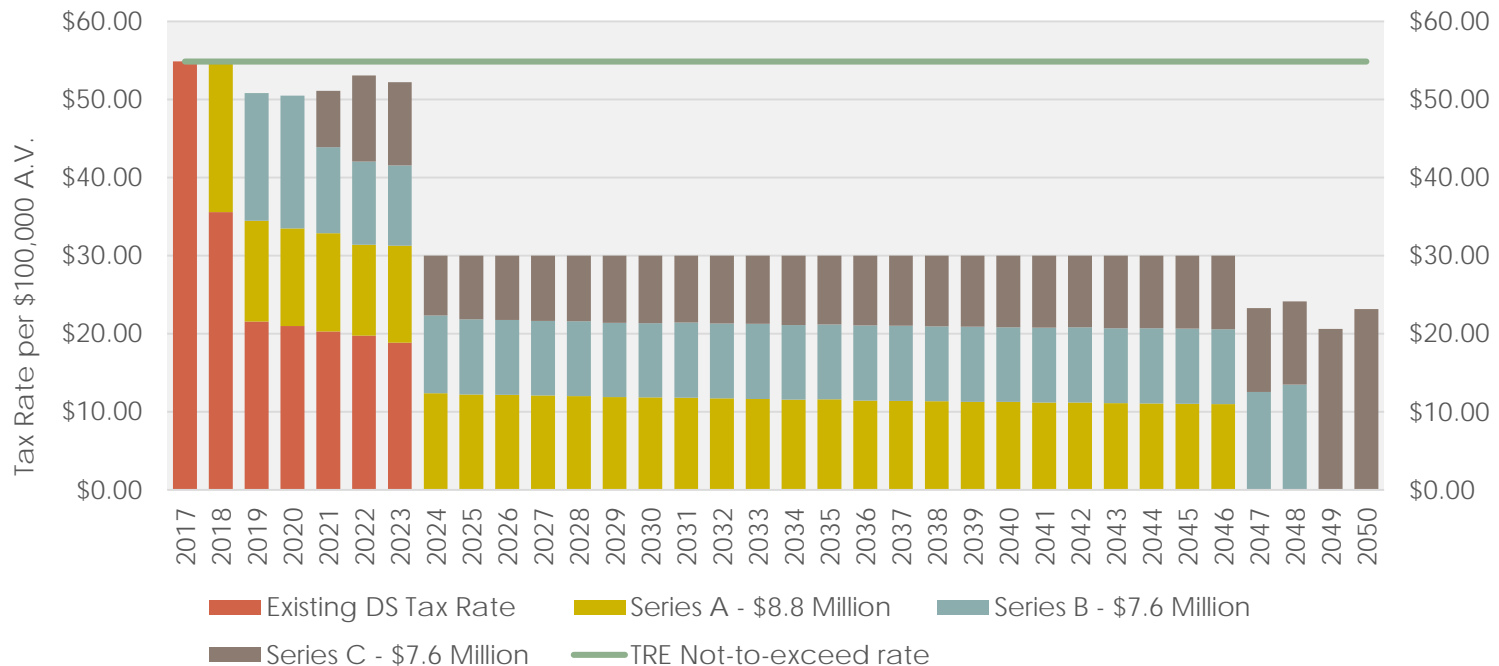
Future of 2016 GO Bond Authorization

General Obligation Bond Proceeds

Tax Rate Extension – \$24.0 Million Proceeds

Hanford Elementary School District

- ❖ As existing debt falls off (*dark orange bars in graph*) new debt is sold in its place to keep the current tax rate of \$54.85 in place.
 - This bond sale process is what is know as a “tax rate extension”
- ❖ After the existing debt matures in 2023, the maximum projected tax rate will be \$30.00



Measure U Project Report

As of 7/31/2017

<i>Bond Series</i>	<i>School</i>	<i>Specific Work</i>	<i>Status</i>	<i>Total Project Cost</i>	<i>Estimated Bond Cost</i>	<i>Potential Estimated State Funding</i>	<i>Estimated Other Funding</i>
1	Lincoln	Modernization	Planning	\$ 430,288	\$ 348,788	\$ 81,500	\$ -
1	Lincoln	Portable Replacement	Planning	\$ 1,961,712	\$ 1,136,712	\$ 825,000	\$ -
1	Martin Luther King	Portable Replacement	Planning	\$ 3,278,363	\$ 1,639,181	\$ 1,639,181	\$ -
1	Martin Luther King/CDS	Develop CDS Site	Planning	\$ 700,350	\$ 700,350	\$ -	\$ -
1	Monroe Administration	Administration/Library Building	In Construction	\$ 2,490,000	\$ 1,974,875	\$ 318,000	\$ 197,125
1	Jefferson	Administration/Library Building	Planning	\$ 2,490,000	\$ 2,490,000	\$ -	\$ -
Totals				11,350,713	8,289,906	2,863,681	197,125