



Lakewood School District No. 306

Bond Issue Planning

Trevor L. Carlson

MANAGING DIRECTOR

Tel: +1 206-628-2890

Email: trevor.carlson@psc.com

Ryan Swanson

SENIOR VICE PRESIDENT

Tel: +1 206-628-2852

Email: ryan.swanson@psc.com

Election Dates

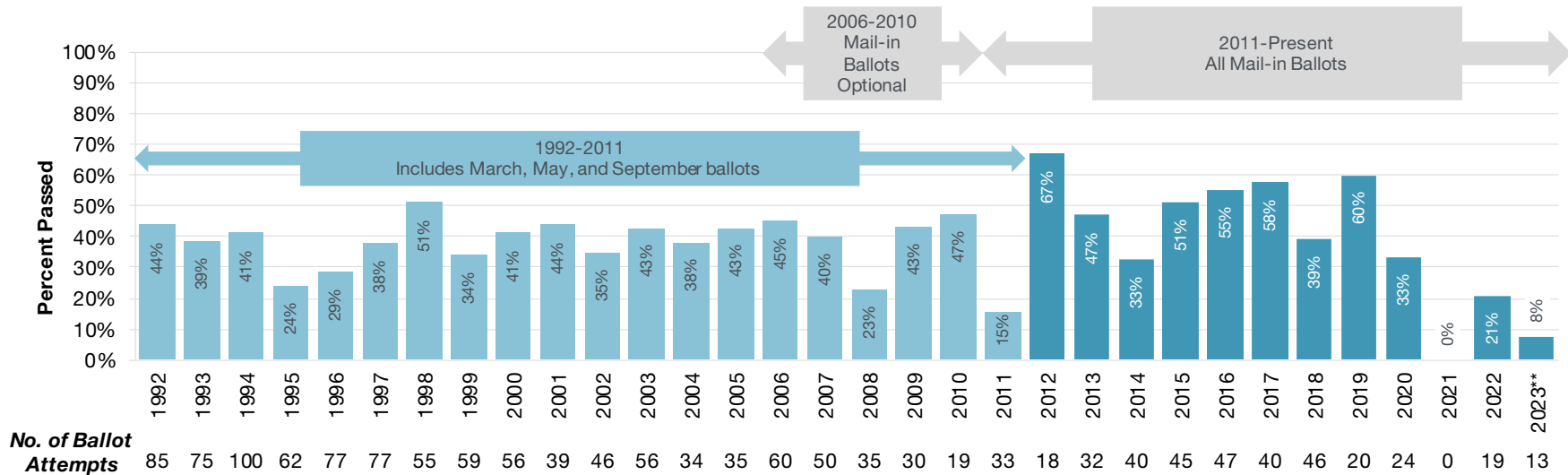
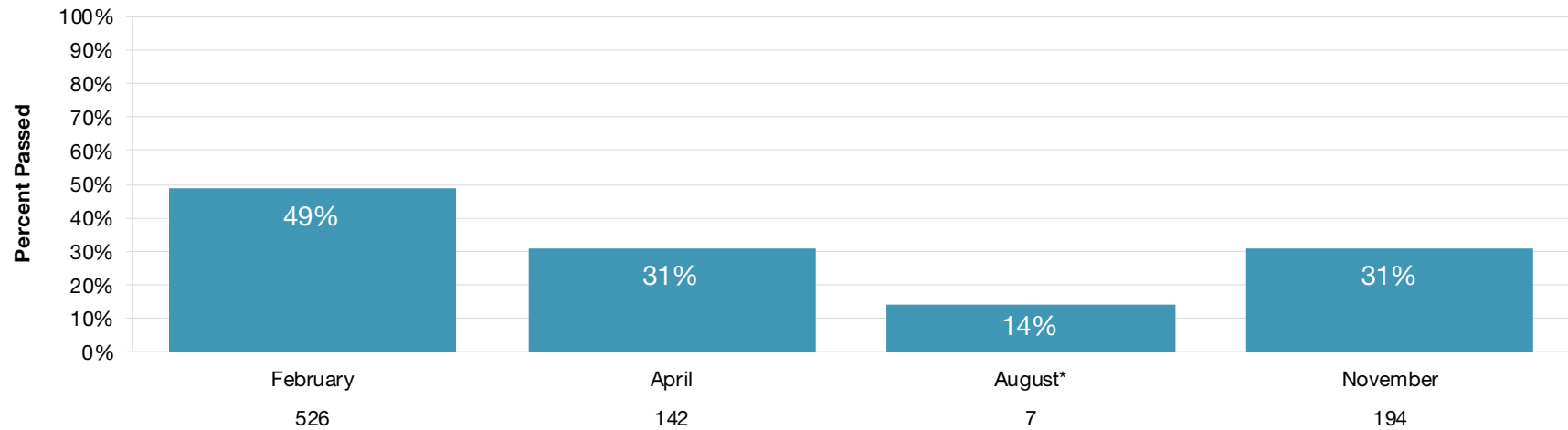
2023-2024-2025 Election and Resolution Filing Dates, Under Current Law			
Election Date	Resolution Filing Date	Approximate Ballot Mailing Date ⁽¹⁾	Certification Date
August 1, 2023	May 12, 2023	July 14, 2023	August 15, 2023
November 7, 2023	August 1, 2023	October 20, 2023	November 28, 2023
February 13, 2024 ⁽²⁾	December 15, 2023	January 26, 2024	February 23, 2024
April 23, 2024 ⁽²⁾	February 23, 2024	April 5, 2024	May 3, 2024
August 6, 2024 ⁽²⁾	May 10, 2024	July 19, 2024	August 20, 2024
November 5, 2024 ⁽²⁾	August 6, 2024	October 18, 2024	November 26, 2024
February 11, 2025 ⁽²⁾	December 13, 2024	January 24, 2025	February 21, 2025
April 22, 2025 ⁽²⁾	February 21, 2025	April 4, 2025	May 2, 2025
August 5, 2025 ⁽²⁾	May 9, 2025	July 18, 2025	August 19, 2025
November 4, 2025 ⁽²⁾	August 5, 2025	October 17, 2025	November 25, 2025

(1) Ballots are required to be mailed no later than 18 days prior to the election date.

(2) Projected dates as of March 2023 and subject to change by legislation.

Washington State K-12 Bond Election Results

Historically, spring elections have been the most favorable for school bonds.

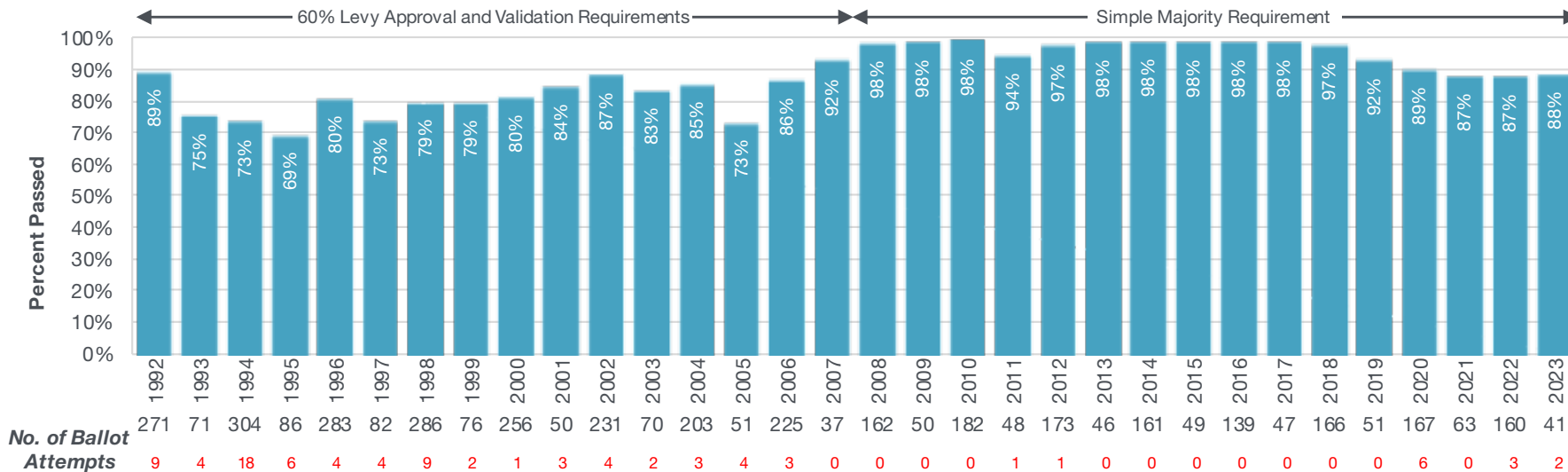
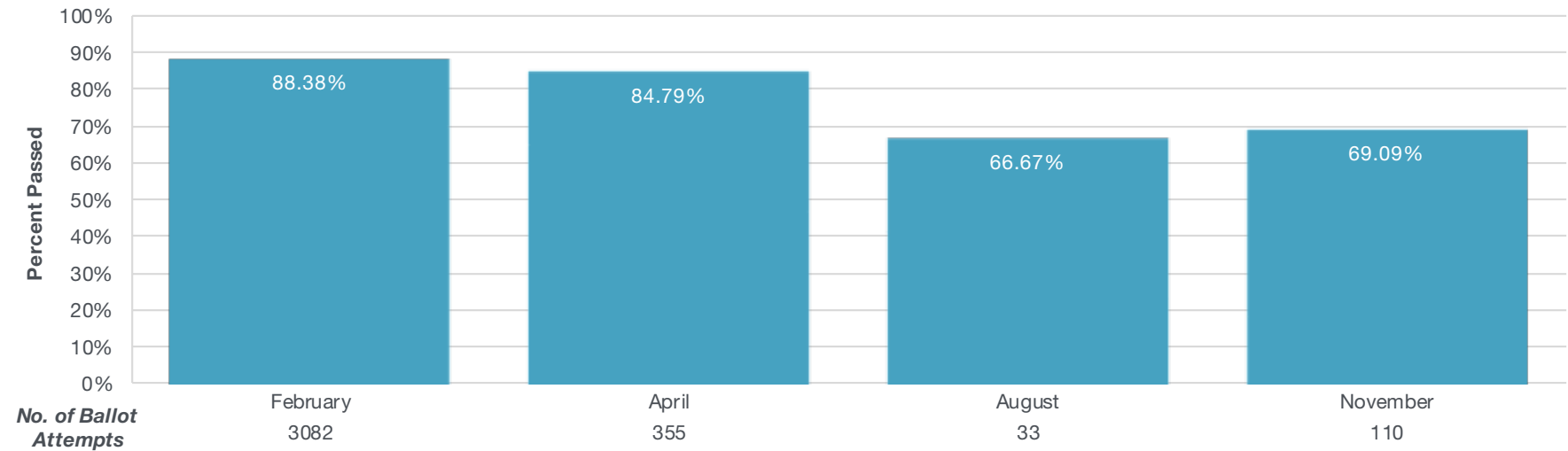


*August elections began in 2007.

**Through April election.

EP&O Levies Election Results

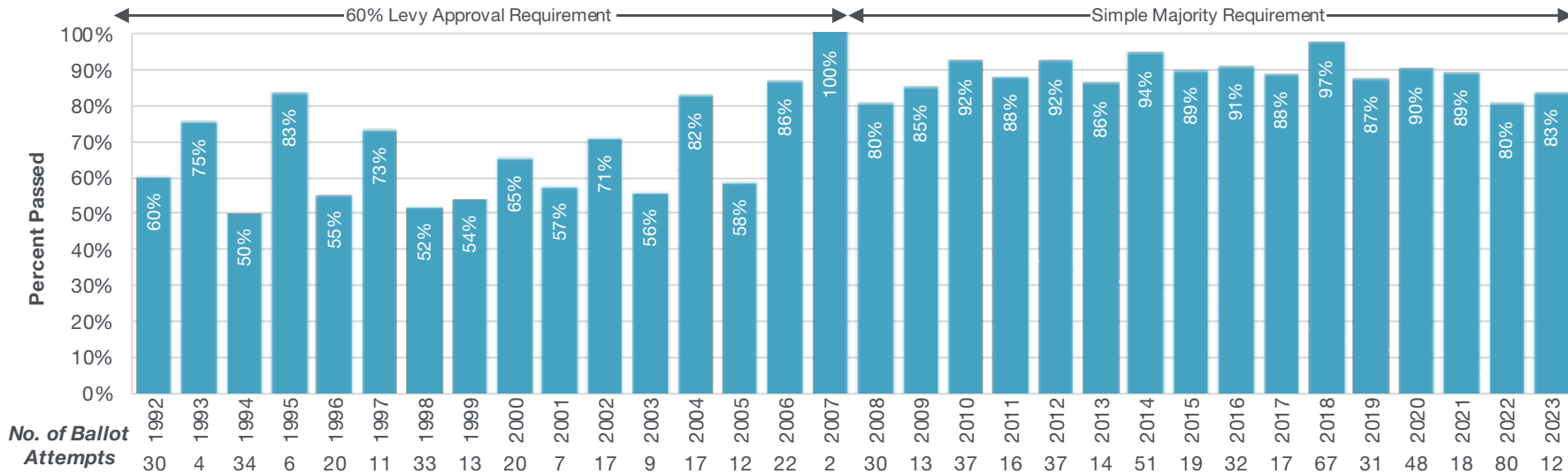
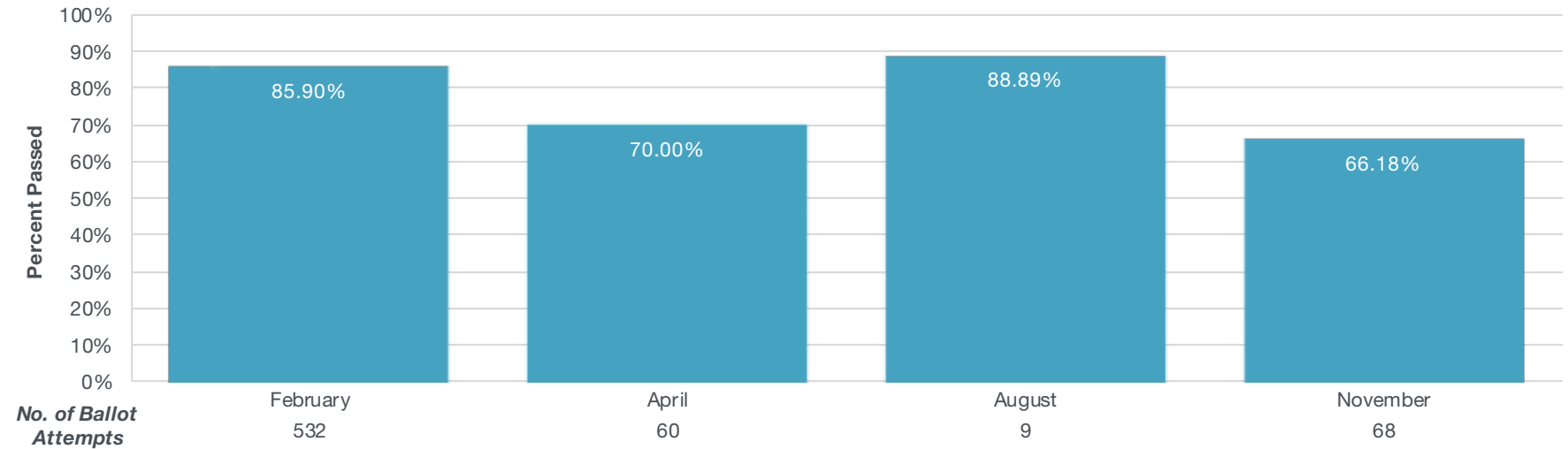
Historically, spring elections have been the most favorable for school EP&O levies.



Notes: 2023 data through February only. "Red" numbers denote double levy failures.

Capital Projects Levies Election Results

Historically, spring elections have been the most favorable for school capital projects levies.



Note: 2023 data through February only.

2022 Washington School Bond Election Results

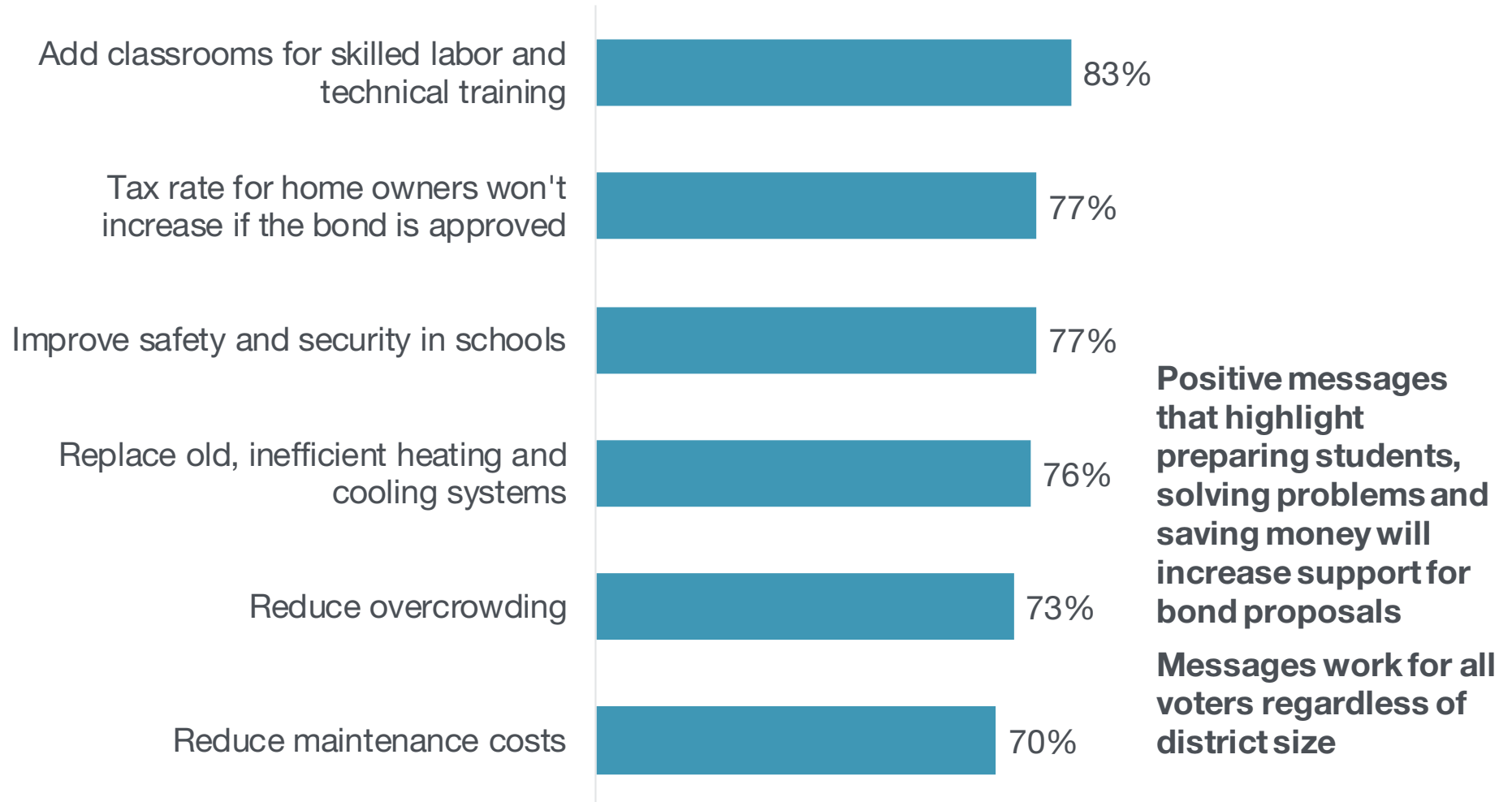
DATE	COUNTY	ISSUER	PAR AMOUNT	YES	RESULT
Feb-22	Adams	Othello School District No. 147-163-55	\$51,000,000	46.01%	FAILED
Feb-22	Clark	Ridgefield School District No. 122	\$62,565,000	57.48%	FAILED
Feb-22	Grays Harbor	North Beach School District No. 64	\$110,000,000	41.73%	FAILED
Feb-22	Island	Oak Harbor School District No. 201	\$184,000,000	45.86%	FAILED
Feb-22	Jefferson	Quilcene School District No. 48	\$12,300,000	59.40%	FAILED
Feb-22	King	Northshore School District No. 417	\$425,000,000	61.20%	PASSED
Feb-22	Lewis	Morton School District No. 214	\$24,500,000	56.14%	FAILED
Feb-22	Mason	Hood Canal School District No. 404	\$25,126,770	56.55%	FAILED
Feb-22	Walla Walla	Columbia School District No. 400	\$5,266,000	53.71%	FAILED
Feb-22	Whatcom	Bellingham School District No. 501	\$122,000,000	60.60%	PASSED
Feb-22	Yakima	Union Gap School District No. 2	\$9,055,500	45.94%	FAILED
Apr-22	Clark	Ridgefield School District No. 122	\$62,565,000	59.17%	FAILED
Apr-22	Jefferson	Quilcene School District No. 48	\$12,300,000	48.98%	FAILED
Apr-22	Pacific	Ocean Beach School District No. 101	\$96,150,000	24.25%	FAILED
Nov-22	Douglas	Eastmont School District No. 206	\$185,000,000	51.26%	FAILED
Nov-22	King	Highline School District No. 401	\$518,397,000	68.84%	PASSED
Nov-22	King	Renton School District No. 403	\$676,000,000	64.32%	PASSED
Nov-22	Yakima	Mabton School District No. 120	\$12,800,000	54.36%	FAILED
Nov-22	Yakima	Union Gap School District No. 2	\$9,655,000	56.43%	FAILED

2023 Washington School Bond Election Results

DATE	COUNTY	ISSUER	PAR AMOUNT	YES	RESULT
Feb-23	Franklin	Pasco School District No. 1	\$195,500,000	60.91%	PASSED
Feb-23	Grays Harbor	Elma School District No. 68	\$66,000,000	35.44%	FAILED
Feb-23	Island	Oak Harbor School District No. 201	\$121,000,000	55.86%	FAILED
Feb-23	King	Enumclaw School District No. 216	\$253,210,000	24.73%	FAILED
Feb-23	Lewis	Napavine School District No. 14	\$17,000,000	54.10%	FAILED
Feb-23	Pierce	Orting School District No. 344	\$150,000,000	54.92%	FAILED
Feb-23	Pierce	Steilacoom Historical School District No. 1	\$116,000,000	58.76%	FAILED
Feb-23	Yakima	Mabton School District No. 120	\$12,800,000	55.90%	FAILED
Apr-23	Asotin	Clarkston School District No. J250-185	\$79,397,621	51.80%	FAILED
Apr-23	Island	South Whidbey School District No. 206	\$80,000,000	58.26%	FAILED
Apr-23	King	Kent School District No. 415	\$495,000,000	48.02%	FAILED
Apr-23	Pierce	Orting School District No. 344	\$150,000,000	51.84%	FAILED
Apr-23	Pierce	Steilacoom Historical School District No. 1	\$116,000,000	54.80%	FAILED

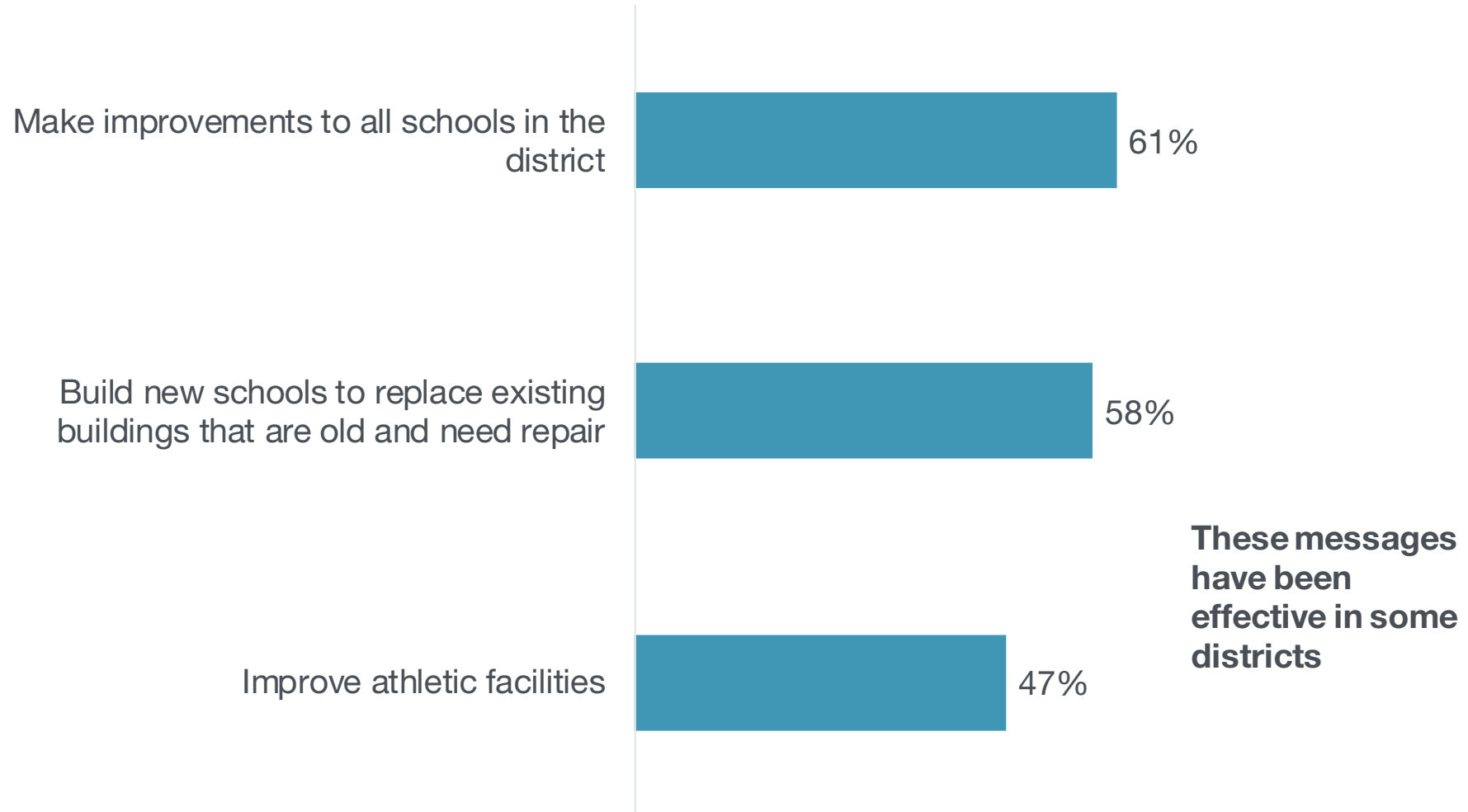
More Effective Messages

Would you favor or oppose a bond measure for your school district if you knew the funds would be used to:



Less Effective Messages

Would you favor or oppose a bond measure for your school district if you knew the funds would be used to:



Election Results

Historical Bond Elections			
Date	Par Amount	% Yes	Result
Apr-14	\$66,800,000	60.09%	PASSED
Feb-14	\$66,800,000	58.93%	FAILED
Mar-00	\$14,258,664	61.25%	PASSED
Sep-99	\$14,343,964	53.41%	FAILED
Apr-99	\$14,343,964	50.26%	FAILED
Sep-97	\$10,268,842	53.45%	FAILED
Sep-97	\$6,497,000	43.97%	FAILED
May-97	\$16,765,000	49.87%	FAILED
May-92	\$7,800,000	71.49%	PASSED
May-91	\$8,377,293	58.00%	FAILED
Feb-91	\$8,377,293	59.50%	FAILED

Historical Capital Projects Levy Elections								
Date	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	% Yes	Result
Apr-22	\$835,000	\$905,000	\$990,000	\$1,080,000	--	--	44.19%	FAILED
Aug-20	\$412,500	\$437,500	--	--	--	--	51.36%	PASSED
Feb-20	\$825,000	\$875,000	\$925,000	\$975,000	--	--	46.57%	FAILED
Feb-16	\$675,000	\$700,000	\$725,000	\$750,000	--	--	54.28%	PASSED
Apr-12	\$3,807,591	\$3,510,569	--	--	--	--	55.12%	PASSED
Feb-08	\$800,000	\$900,000	\$1,000,000	\$1,100,000	--	--	54.89%	PASSED

Election Results

Historical EP&O Levy Elections						
Date	1st Year	2nd Year	3rd Year	4th Year	% Yes	Result
Apr-21	\$6,081,871	\$6,446,783	\$6,833,590	--	53.67%	PASSED
Aug-20	\$6,369,514	\$6,679,013	\$7,003,944	\$7,345,033	46.14%	FAILED
Feb-20	\$6,539,780	\$6,884,164	\$7,246,685	\$7,628,295	44.99%	FAILED
Feb-16	\$6,401,810	\$6,561,855	\$6,725,902	\$6,894,049	54.42%	PASSED
Apr-12	\$5,949,000	\$6,246,000	\$6,559,000	\$6,887,000	58.36%	PASSED
Feb-08	\$4,466,623	\$4,801,620	\$5,197,753	\$5,665,551	58.49%	PASSED
Apr-04	\$3,496,944	\$3,598,762	\$3,706,725	\$3,817,926	64.37%	PASSED
Mar-04	\$3,496,944	\$3,598,726	\$3,706,725	\$3,817,926	54.98%	FAILED
Feb-02	\$3,013,610	\$3,073,882	--	--	60.58%	PASSED
Mar-00	\$2,314,803	\$2,361,099	--	--	66.46%	PASSED
Apr-98	\$1,948,000	\$1,987,000	--	--	65.79%	PASSED
Feb-98	\$1,948,000	\$1,987,000	--	--	50.20%	FAILED
Feb-96	\$1,418,000	\$1,561,000	--	--	64.45%	PASSED
Feb-94	\$1,180,000	\$1,256,000	--	--	62.84%	PASSED
Feb-92	\$825,000	\$875,000	--	--	74.10%	PASSED

Historical Transportation Vehicle Levy Elections				
Date	1st Year	2nd Year	% Yes	Result
Feb-98	\$94,000	\$97,000	55.43%	FAILED

Tax Rate History

Historical Levy Rates						
Year	Bond Levy	Capital Projects Levy	Technology Levy	Transportation Vehicle Levy	EP&O Levy	Total
2002	\$2.28	\$--	\$--	\$--	\$2.34	\$4.62
2003	2.38	--	--	--	2.87	5.26
2004	2.35	--	--	--	2.89	5.23
2005	1.93	--	--	--	2.78	4.71
2006	1.79	--	--	--	2.56	4.35
2007	1.55	--	--	--	2.17	3.72
2008	1.32	--	--	--	1.82	3.14
2009	1.30	0.37	--	--	2.04	3.72
2010	1.42	0.44	--	--	2.38	4.24
2011	1.58	0.54	--	--	2.87	4.99
2012	1.82	0.67	--	--	3.25	5.74
2013	--	1.89	--	--	3.53	5.42
2014	--	2.12	--	--	3.15	5.26
2015	2.19	--	--	--	3.21	5.40
2016	2.13	--	--	--	3.13	5.26
2017	2.12	0.32	--	--	3.13	5.57
2018	1.88	0.30	--	--	2.81	4.99
2019	1.70	0.28	--	--	1.50	3.48
2020	1.55	0.26	--	--	2.18	3.99
2021	1.42	0.13	--	--	--	1.55
2022	1.32	0.13	--	--	1.75	3.20
2023	1.11	--	--	--	1.53	2.64

Comparable Tax Rates

Snohomish & Skagit County School Districts 2023 Total Tax Rates						
District	Assessed Value	Bonds	EP&O	Capital Projects	Trans.	Total
Mount Vernon SD No. 320	\$ 6,667,844,156	\$ 1.05	\$ 2.24	\$ 0.78	\$ -	\$ 4.07
Snohomish SD No. 201	17,042,698,682	1.64	1.44	0.48	-	3.56
Everett SD No. 2	35,879,417,121	0.59	1.71	0.98	-	3.28
Lake Stevens SD No. 4	11,388,683,477	1.17	1.60	0.22	-	2.99
Sedro-Woolley SD No. 101	5,621,819,517	0.23	2.14	0.44	-	2.82
Granite Falls SD No. 332	3,672,581,733	1.23	1.37	0.20	-	2.80
Mukilteo SD No. 6	29,604,785,013	0.81	1.47	0.51	-	2.79
Lakewood SD No. 306	4,242,430,762	1.11	1.53	-	-	2.64
Edmonds SD No. 15	50,901,713,110	0.32	1.23	1.06	-	2.62
La Conner SD No. 311	890,007,167	1.46	1.12	-	-	2.58
Burlington-Edison SD No. 100	5,873,235,881	0.12	1.79	0.61	-	2.52
Stanwood-Camano SD No. 401/205	11,067,595,850	0.98	1.28	-	-	2.27
Conway SD No. 317	886,481,018	0.73	1.36	0.09	-	2.18
Sultan SD No. 311	3,137,082,926	-	1.26	0.80	-	2.07
Monroe SD No. 103	11,643,087,911	0.64	1.37	-	-	2.01
Arlington SD No. 16	7,897,280,868	-	1.21	0.80	-	2.00
Anacortes SD No. 103	8,944,632,473	0.71	0.83	0.31	-	1.85
Darrington SD No. 330	778,328,035	-	1.30	0.46	-	1.76
Concrete SD No. 11	1,145,566,632	-	1.40	-	-	1.40
Marysville SD No. 25	14,372,449,961	0.66	-	-	-	0.66
Index No. 63	229,542,109	-	0.42	-	-	0.42

Comparable Tax Rates

Washington School Districts 2023 - With Similar Assessed Values						
District	Assessed Value	Bonds	EP&O	Capital Projects	Trans.	Total
Ellensburg SD No. 401	\$ 4,385,731,175	\$ 1.37	\$ 2.21	\$ 0.22	\$ -	\$ 3.80
Washougal SD No. 112	4,418,314,523	1.49	1.95	0.20	-	3.65
Kelso SD No. 458	3,960,338,237	1.72	1.81	-	-	3.53
Dieringer SD No. 343	3,709,449,658	0.15	1.57	1.75	-	3.47
West Valley SD No. 363	3,656,316,116	-	2.24	1.22	-	3.46
West Valley SD No. 208	4,739,594,684	1.77	1.47	-	-	3.24
Walla Walla SD No. 140	5,237,390,943	0.91	2.21	-	-	3.12
Granite Falls SD No. 332	3,672,581,733	1.23	1.37	0.20	-	2.80
Lakewood SD No. 306	4,242,430,762	1.11	1.53	-	-	2.64
Lynden SD No. 504	4,468,838,343	0.70	1.70	0.18	-	2.59
Centralia SD No. 401	4,166,208,382	1.08	1.11	-	-	2.20
Vashon Island SD No. 402	4,955,159,195	0.84	0.91	0.30	-	2.06
North Mason SD No. 403	3,481,842,612	0.84	1.11	-	-	1.95
Cascade SD No. 228	4,666,280,797	0.99	0.78	0.12	-	1.89
Port Townsend SD No. 50	4,289,573,358	0.65	0.81	0.41	-	1.87
Orting SD No. 344	3,312,547,706	-	1.72	-	-	1.72
Coupeville SD No. 204	3,602,547,326	-	0.69	0.96	-	1.65
Ocean Beach SD No. 101	3,335,222,105	-	0.88	0.38	-	1.26
Orcas Island SD No. 137	4,360,268,277	0.29	0.54	0.05	0.11	1.00
Lake Chelan SD No. 129J	4,435,462,137	-	0.87	0.06	-	0.93
North Beach SD No. 064	3,619,961,616	0.01	0.59	-	-	0.60

Overview of Bonds and Capital Projects Levies

Unlimited Tax General Obligations (UTGO) Bonds are the primary method used by Washington school districts to finance the “local share” of major capital projects because:

- Cash is generated up front
- Payments can be spread over time
- Districts have some control over taxpayer impacts

Unlimited Tax General Obligation (UTGO) Bonds

- New revenue created
- Repaid with property taxes levied annually over the term of the bond
- Approved with a 60% yes vote, 40% validation
- Statutory borrowing limit of 5% assessed value
- 40-year maximum term (match useful life of asset)
- May only be submitted to voters twice in a calendar year

Capital Projects Levy

- One- to six-year collection cycle
- Simple majority (50% + 1)
- Multiple capital projects levy may be authorized for the same period (e.g. technology and new roof)
- Possible life cycle mismatch
- No interest cost
- If a capital projects levy fails, may be resubmitted to voters only once in the same 12-month period
- Pay costs to construct, modernize or remodel school facilities (includes technology improvements)

Non-Voted Limited General Obligation (LGO) Bond

- Repaid with existing revenue (typically General Fund)
- Can't be used for “new” construction
- Statutory borrowing limit of 3/8 of 1% assessed value
- Taxes collected from a Capital Projects Levy may be used to repay principal of an LGO Bond (NOT the interest)
- Public hearing required if more than \$250,000 is borrowed

Calculation of Statutory Debt Capacity

Constitution of the State of Washington: Article 8, Section 6: Limitations Upon Municipal Indebtedness.
Revised Code of Washington (RCW) 39.36.020: Limitation of indebtedness prescribed.

Total Debt Capacity

Certified 2023 Bond Assessed Value	\$4,242,430,762
Statutory Capacity Rate	5.000%
Total Statutory Capacity	\$212,121,538
Less: Voted Debt	(\$45,970,000)
Less: Estimated Non-Voted Debt	\$0
Remaining Capacity	\$166,151,538

RCW 28A.530.080: Additional authority to contract indebtedness – Notice.

Non-Voted Limited General Obligation (LGO) Bond Debt Capacity

Certified 2023 Bond Assessed Value	\$4,242,430,762
Statutory Capacity Rate	0.375%
Non-Voted Statutory Capacity	\$15,909,115
Less: Estimated Non-Voted Debt	\$0
Less: Refunding Use of Non-Voted Debt	\$0
Remaining Capacity	\$15,909,115

Financial Plan

There are a number of items to consider when creating a financial plan.

Project Budget

- What are the estimated costs of the project?
- What are the estimated revenues to help pay for the project?
 - Bonds
 - State match
 - Investment earnings
 - Impact fees

Timing

- When do you need the money?
- What is the construction draw schedule?
- Tax law considerations
 - Provide funds when needed for project costs (IRS 85% spend-down within three years)
 - Arbitrage rebate exemptions
 - Spend-down test
 - Issuance amount (issue \$15 million or less per year)

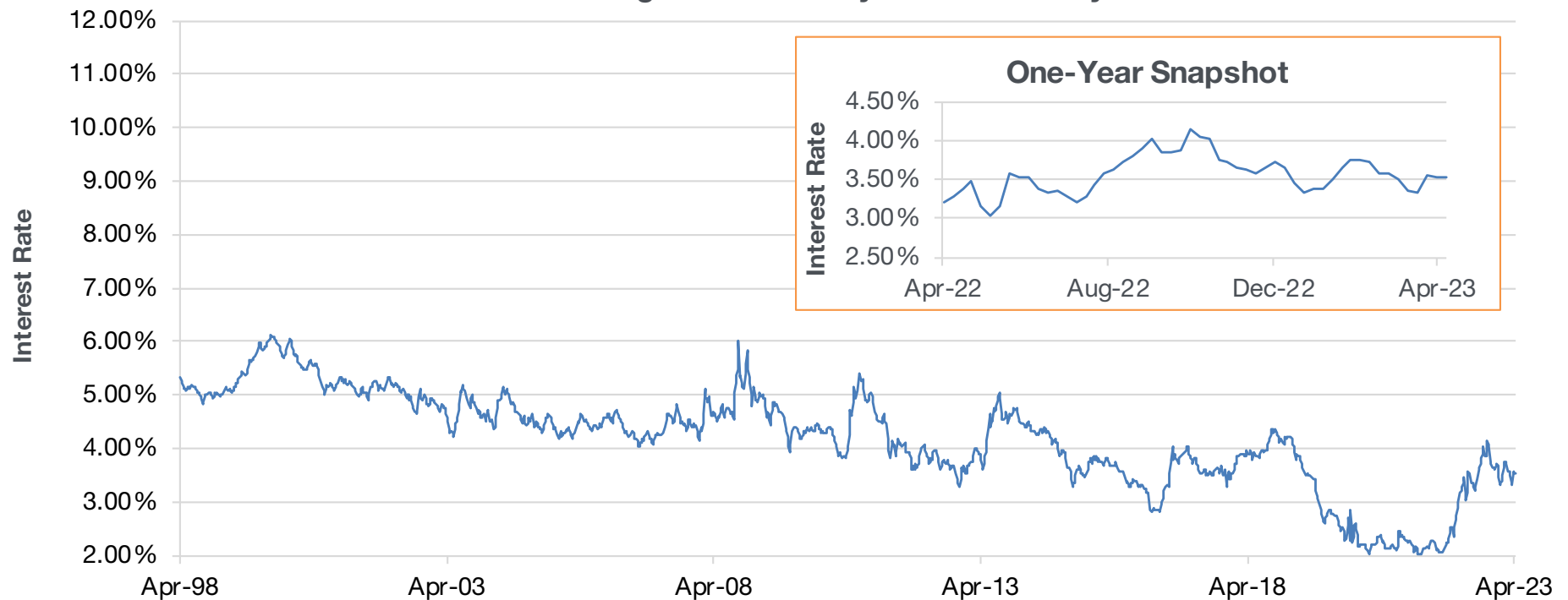
Taxpayer Impact

- What is the impact of the project on property owners (taxpayers)?
- Tax rates are the standard means of communicating the tax impact on property owners. The tax rate will be affected by the assumptions used for the following:
 - Interest Rates
 - Bond Rating
 - Assessed Value
 - Bond Structure

Interest Rates

At a regularly scheduled meeting, on May 3, 2023, the Federal Reserve raised its federal funds target range 25 basis points to 5.00% to 5.25%. The Committee will closely monitor incoming information and assess the implications for monetary policy. The Committee anticipates that some additional policy firming may be appropriate in order to attain a stance of monetary policy that is sufficiently restrictive to return inflation to 2 percent over time. In determining the extent of future increases in the target range, the Committee will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities.

General Obligation Bond Buyer Index History



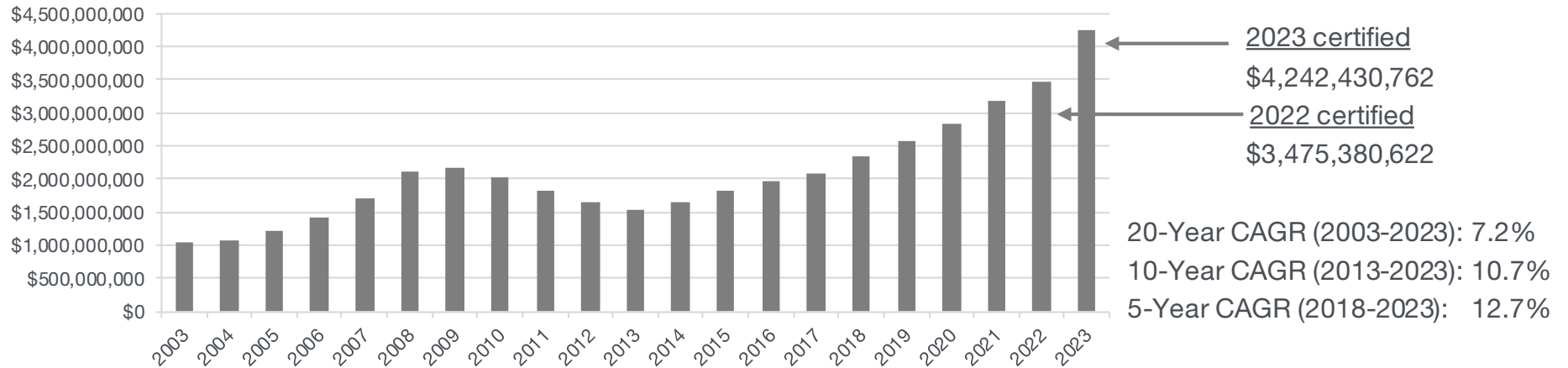
Credit Analysis: How Moody's Investors Service Views Lakewood SD

Nov. 21, 2021	Moody's
Rating	Aa3
Credit Strengths	- Healthy economy - Stable enrollment trend - Robust financial position
Concerns	- Mid-ranged leverage - Moderate fixed costs

Moody's
Highest Rated
Aaa
Aa1
Aa2
Aa3
A1
A2
A3
Baa1
Baa2
Baa3
NR (Non-Rated)
"Junk Bonds"

Assessed Value

Lakewood School District's Bond Assessed Value



Projection

Final 2021	11.9% growth
Final 2022	9.1% growth
Final 2023	22.1% growth
Assumed 2024 and on	3.0% annual growth

- Higher assessed values will lower the District's tax rates (but not the overall payment)
- An individual's taxes will be based on the assessed value of his or her own property
- Dissecting the components that make up the assessed value growth will be important. How much of the growth is related to new construction versus increased value of existing properties?

Assessed Value

Year	Assessed Value Total	% Change
2003	\$1,048,797,671	--
2004	1,065,237,838	1.6%
2005	1,226,878,418	15.2%
2006	1,407,543,046	14.7%
2007	1,707,961,814	21.3%
2008	2,102,503,719	23.1%
2009	2,176,289,981	3.5%
2010	2,025,242,350	(6.9%)
2011	1,835,924,878	(9.3%)
2012	1,644,694,651	(10.4%)
2013	1,541,582,483	(6.3%)
2014	1,657,133,449	7.5%
2015	1,811,314,671	9.3%
2016	1,971,011,701	8.8%
2017	2,077,822,652	5.4%
2018	2,335,083,281	12.4%
2019	2,586,974,547	10.8%
2020	2,844,669,383	10.0%
2021	3,184,462,781	11.9%
2022	3,475,380,622	9.1%
2023	4,242,430,762	22.1%