

Hamilton Unified School District

District Financial Analysis

by

Isom Advisors,
a Division of Urban Futures, Inc.

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About the Firm

Introduction

Meeting your financial challenges and saving you money

Hamilton Unified School District

- ❖ Isom Advisors is a full service planning, campaign, and financial advisory firm that serves California school districts
- ❖ The leading financial advisor to school districts for 2011, 2012 and 2013
- ❖ We are independent with no conflicts of interest
- ❖ Our staff has over 50 years experience providing honest advice and the highest level of service
- ❖ Regional experience includes:
 - Chico USD
 - Corning HSD
 - Gridley USD
 - Hamilton USD
 - Manzanita ESD
 - Orland JUSD
 - Pierce JUSD
 - Princeton JUSD
 - Red Bluff HSD
 - Wheatland HSD
 - Willows USD



"Isom Advisors brought to me an innovative plan that would upgrade and renovate our facilities as well as improve the general fund. They implemented the plan to perfection and we won handily."

**Tim Baird, Superintendent
Encinitas Union School District**

2014 Bond Program Successes

Assisting 40 school districts pass tax measures

Hamilton Unified School District

- ❖ In June 2014, we assisted nearly 50% of all K-12 school bonds in California
- ❖ In November 2014, we helped an additional 27 school districts with local tax measures; nearly 33% of all school bonds in California

June 2014 G.O. Bond Successes		
District	County	Amount ⁽¹⁾
Bayshore ESD	San Mateo	\$6.0
Benicia USD	Solano	\$49.6
Cotati RP USD	Sonoma	\$80.0
Happy Valley ESD	Shasta	\$2.5
Hydseville ESD	Humboldt	\$1.1
Kingsburg HSD	Fresno	\$13.0
Le Grand HSD	Merced	\$4.2
Merced River ESD	Merced	\$1.7
Parlier USD	Fresno	\$6.0
Petaluma ESD	Sonoma	\$21.0
Petaluma HSD	Sonoma	\$68.0
Princeton USD	Glenn	\$2.8
Round Valley USD	Mendocino	\$4.0
Springville ESD	Tulare	\$4.0
Winters USD	Yolo	\$15.0

⁽¹⁾ In Millions

Nov. 2014 Tax Measure Successes		
District	County	Amount ⁽¹⁾
Azusa USD	Los Angeles	\$92.0
Bassett USD	Los Angeles	\$30.0
Briggs ESD	Ventura	\$4.0
Cinnabar ESD	Sonoma	\$2.5
Columbia ESD	Shasta	\$8.6
Dixie ESD	Marin	\$30.0
East Nicolaus HSD	Sutter	\$4.0
Farmersville USD	Tulare	\$4.8
Greenfield ESD – A	Monterey	\$10.0
Greenfield ESD – B	Monterey	\$10.0
Gustine USD	Merced	\$14.0
Kentfield ESD	Marin	\$30.0
Lakeport USD	Lake	\$17.0
Madera USD	Madera	\$70.0
Mendota USD	Fresno	\$15.0
Oak Grove ESD	Sonoma	\$6.0
Ojai USD	Ventura	\$35.0
Rio ESD	Ventura	\$38.5
San Luis Coastal USD	San Luis Ob.	\$177.0
Santa Rosa ESD	Sonoma	\$54.0
Santa Rosa HSD	Sonoma	\$175.0
Southern Humboldt USD	Humboldt	\$10.0
Tipton ESD	Tulare	\$3.3
Torrance USD - A	Los Angeles	\$144.3
Torrance USD - B	Los Angeles	\$50.0
Vacaville USD	Solano	\$194.0
Yreka HSD	Siskiyou	\$8.0

⁽¹⁾ In Millions

2012 Bond Program Successes

Assisting 37 school districts pass tax measures

Hamilton Unified School District

- ❖ In June 2012, we assisted 14 out of 15 school districts pass GO bonds to improve their schools, which was again over 50% of all successful bond elections in June 2012
- ❖ In November 2012, we helped an additional 23 school districts pass local tax measures

June 2012 G.O. Bond Successes		
District	County	Amount ⁽¹⁾
Buellton ESD	Santa Barbara	\$3.3
Cabrillo USD	San Mateo	\$81.0
Gridley SFID USD	Butte	\$2.5
Guerneville ESD	Sonoma	\$6.0
Healdsburg USD	Sonoma	\$35.0
Lincoln USD	San Joaquin	\$48.5
Old Adobe ESD	Sonoma	\$26.0
Pollock Pines ESD	El Dorado	\$9.0
Reef Sunset USD	Kings	\$10.8
Sebastopol ESD	Sonoma	\$9.0
S. Trinity USD	Trinity	\$2.3
Taft City ESD	Kern	\$23.6
Trinidad ESD	Humboldt	\$2.2
Wright ESD	Sonoma	\$14.0

⁽¹⁾ In Millions

Nov. 2012 Tax Measure Successes		
District	County	Amount ⁽¹⁾
Anderson HSD	Shasta	\$12.3
Arcata ESD	Humboldt	\$7.0
Arcata ESD	Humboldt	\$49/parcel
Brawley ESD	Imperial	\$7.5
Chico USD	Butte	\$78.0
Delhi USD	Merced	\$8.0
Fortuna HSD	Humboldt	\$10.0
Gravenstein ESD	Sonoma	\$6.0
Hueneme ESD	Ventura	\$19.6
Inglewood USD	Los Angeles	\$90.0
Mendota USD	Fresno	\$19.0
Morgan Hill USD	Santa Clara	\$198.5
Pacific ESD	Santa Cruz	\$830K
Redondo Beach USD	Los Angeles	\$63.0
Roseland ESD	Sonoma	\$7.0
Sebastopol ESD	Sonoma	\$72/parcel
Somis ESD	Ventura	\$9.0
Sonora HSD	Tuolumne	\$23.0
Summerville HSD	Tuolumne	\$8.0
West Sonoma County HSD	Sonoma	\$48/parcel
Wheatland HSD	Yuba	\$9.0
Whittier City ESD	Los Angeles	\$55.0
Wilmar ESD	Sonoma	\$4.0

⁽¹⁾ In Millions

About the District

District Bond & Assessed Value History

District's tax base has grown by 53% since 2005

Hamilton Unified School District

Hamilton USD Historical Assessed Value		
Fiscal Year Ending	Total Value	% Change
2005	\$194,250,978	
2006	\$210,435,008	8.33%
2007	\$228,622,327	8.64%
2008	\$245,776,295	7.50%
2009	\$267,047,921	8.65%
2010	\$277,289,368	3.84%
2011	\$283,537,129	2.25%
2012	\$281,213,709	-0.82%
2013	\$284,774,956	1.27%
2014	\$299,287,770	5.10%
2015	\$297,477,353	-0.60%
	Average	4.42%

Source: Glenn County

- ❖ In 1998, Hamilton HSD voters approved a \$1.34 million bond measure at 73.9%
- ❖ District has no remaining authorization from the Election of 1998

- ❖ District's 2014-15 assessed value is approximately \$297.5 million; ten-year average assessed value growth rate is 4.42%
- ❖ District's gross bonding capacity is approximately \$7.4 million (2.50% x assessed value); District's outstanding G.O. bond debt is approximately \$701,000
- ❖ District's net bonding capacity, or current debt limit, is approximately \$6.7 million

General Obligation Bond Proceeds

District can generate between \$6.1 million and \$8.0 million

Hamilton Unified School District

Hamilton USD Bond Proceeds at Varying Tax Rates ⁽¹⁾			
Tax Rate per \$100,000	Series A 2016	Series B 2019	Total Bond Proceeds
\$45.00	\$3,000,000	\$3,100,000	\$6,100,000
\$50.00	\$3,400,000	\$3,400,000	\$6,800,000
\$60.00	\$4,000,000	\$4,000,000	\$8,000,000

*(1) Assumes average AV growth of 4.50% and 35 year bond terms; Preliminary – Subject to change
Source: Isom Advisors*

- ❖ With projected annual assessed value growth of 4.50%, the District can generate up to \$8.0 million
- ❖ At more aggressive growth rates or a longer bond program, the District could generate up to \$10.0 million
- ❖ Depending on tax rate selected and assessed value assumptions, District can generate significant proceeds
- ❖ District could also consider two bond measures; a District-wide for the High School District and a SFID for the Elementary School District

Voter Demographics

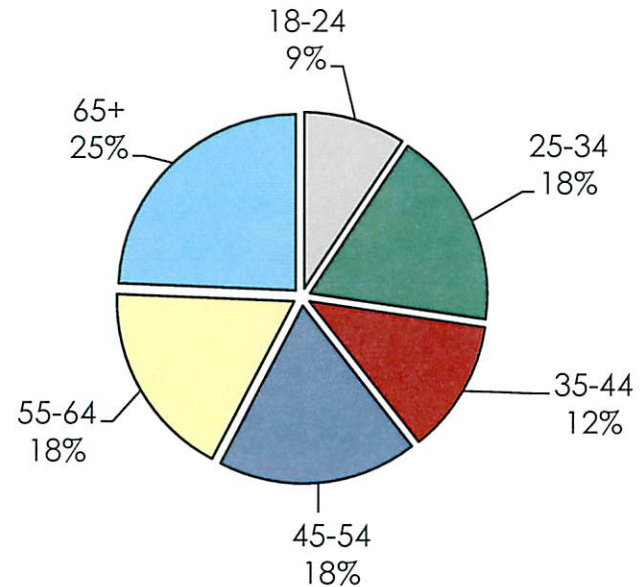
Voter Demographics

Voter demographics are favorable to bond programs

Hamilton Unified School District

- ❖ District has 1,293 total voters
- ❖ Majority of voters are Democrats (43%)
- ❖ 45% of voters vote-by-mail
- ❖ District has an older voting population with 43% of voters aged 55 and older

Voter Age Demographics



District Voter Demographics		
	<u>Total</u>	<u>Percent</u>
Republicans	422	33%
Democrats	555	43%
Other	316	24%
VBM Voters	579	45%

Source: Political Data

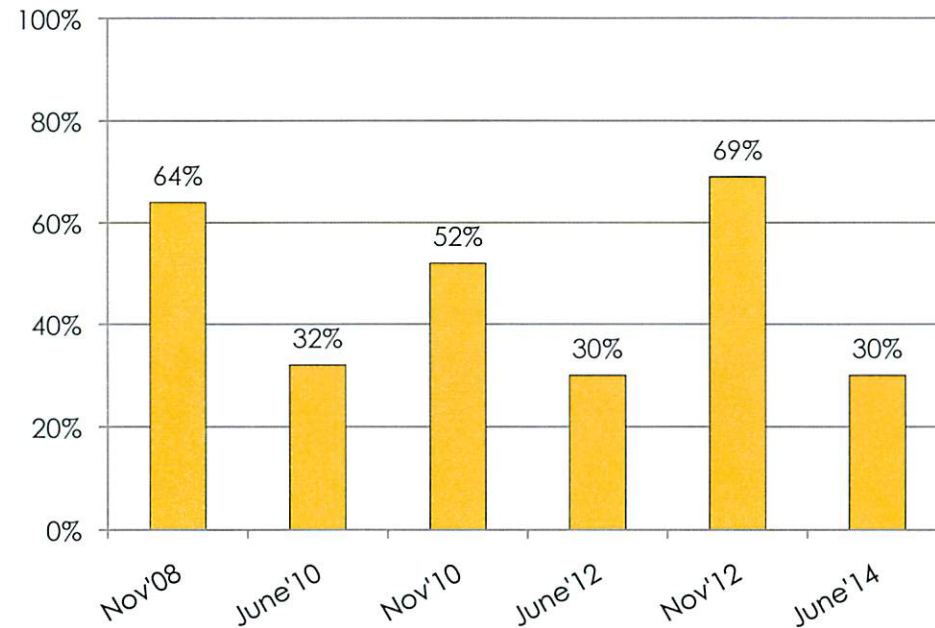
Voter Turnout

Turnout can have a significant bearing on success

Hamilton Unified School District

- ❖ Historical voter turnout has ranged from a low of 30% in June of 2012 and 2014 to a high of 69% in November 2012
- ❖ Voter turnout varies considerably by election date and type of election and must be considered as different voters show up for different elections
- ❖ June 2016 turnout is estimated to be 35%; November 2016 turnout is estimated to be 65%

Recent District Voter Turnouts



Source: Political Data

Next Steps

Timeline – November 2016 Election

Following these steps are key to District's success

Hamilton Unified School District

Task	Responsible Party	Date
Prepare project list	District/Architect	March
Board Meeting - approve "exploring" feasibility of a bond	District	March/April
Initiate public information program, speaking with elected officials, large taxpayers, community service groups to discuss proposed bond	District	May - September
Conduct Survey	Consultant	October
Board Meeting - Survey Results Presentation	Consultant	November
Finalize Capital and Financing Plan based on Community Outreach	Consultant	January 2016
Prepare Resolution for Calling Election, including Ballot Language, Project List, Tax rate Statement	Consultant/Bond Counsel	February
Board Meeting - Board action to adopt Resolution Calling Election	District	March
Submit Resolution Calling Election and Tax Rate Statement	District	April
Prepare Argument in Favor of Measure	Consultant/District	June
Submit Argument in Favor of Measure	Consultant/District	June
Form campaign committee and conduct campaign kick-off meeting	Campaign Committee	July
Run Campaign	Campaign Committee	Aug. – Nov.
Election Day		November 2016