



## Lawndale Elementary School District

# District Bond Program Update and Planning

by

Isom Advisors,  
a Division of Urban Futures, Inc.

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# Bond Program Update

# History of Bond Authorizations



Strong support from Lawndale community for bond measures

**Lawndale Elementary SD**

- ▶ Lawndale voters have approved three District bond authorizations since 1998.

Election Date	Amount of Authorization	Support Levels
November 3, 1998 (Measure S)	\$26.0 million	73.5% support (2/3 required)
November 8, 2016 (Measure L)	\$27.0 million	73.5% support (55.0% required)
March 3, 2020 (Measure EE)	\$33.8 million	60.9% support (55.0% required)

- ◆ The District has \$16.8 million in authorized but unissued bonds remaining under the 2020 Measure EE authorization.

# Outstanding Bonds

Approximately \$49.2 million in bonds are outstanding

**Lawndale Elementary SD**

- ▶ The District currently has \$49.225 million in bond principal outstanding.

Date Issued	Bond Series	Amount Outstanding	Optional Call Date
3/21/2017	2016 Series A	\$8,855,000	8/1/2026
3/21/2017	2017 GO Refunding Bonds	\$5,020,000	8/1/2026
8/29/2018	2016 Series B	\$8,985,000	8/1/2026
5/6/2020	2020 GO Refunding Bonds	\$3,495,000	N/A
8/26/2020	2016 Series C	\$5,870,000	8/1/2028
5/29/2024	2024 Series A	\$17,000,000	8/1/2032
Total		\$49,225,000	

The orange rows are bonds associated with the 1998 Measure S authorization, the blue rows are bonds associated with the 2016 Measure L authorization, and the green rows are bonds associated with the 2020 Measure EE authorization.

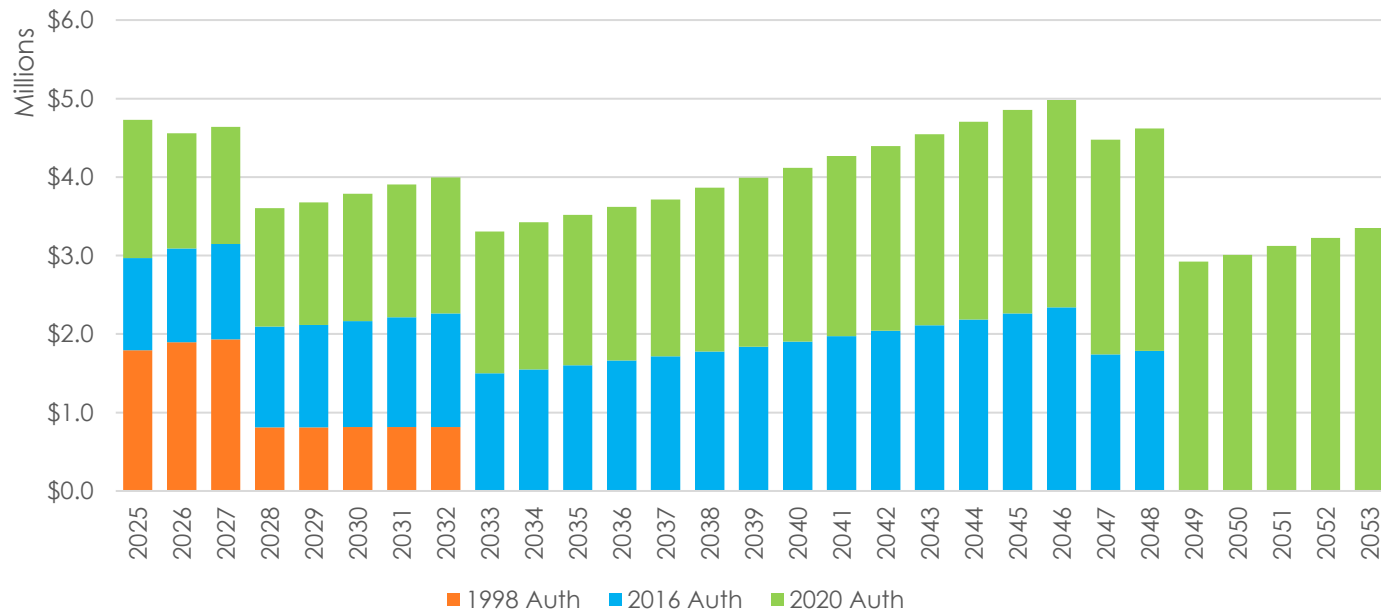
# Debt Service Schedule

Conservative debt service profile

Lawndale Elementary SD

- ▶ The debt service schedule for the outstanding bonds (plus projected debt service for the 2020 Series B Bonds) is shown in the graph below:

Lawndale SD: Debt Service Schedule



Note: The 2020 Measure EE authorization debt service shown above includes projected debt service schedules for the second series of bonds for Measure EE which is scheduled to be issued in fiscal year 2025-26.

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# Planning

# Assessed Value History



District's tax base has more than doubled since 2003

## Lawndale Elementary SD

Lawndale ESD Historical Assessed Value		
Fiscal Year Ending	Total Value	% Change
2003	\$1,838,565,236	N/A
2004	\$1,990,292,098	8.25%
2005	\$2,202,349,917	10.65%
2006	\$2,466,464,881	11.99%
2007	\$2,729,786,685	10.68%
2008	\$2,978,598,778	9.11%
2009	\$3,085,615,141	3.59%
2010	\$3,022,253,342	-2.05%
2011	\$2,974,299,710	-1.59%
2012	\$3,013,931,963	1.33%
2013	\$3,036,372,411	0.74%
2014	\$3,113,104,700	2.53%
2015	\$3,241,268,922	4.12%
<b>2016</b>	<b>\$3,419,487,647</b>	<b>5.50%</b>
2017	\$3,561,705,185	4.16%
2018	\$3,754,298,748	5.41%
2019	\$3,960,444,224	5.49%
2020	\$4,141,707,677	4.58%
2021	\$4,327,329,409	4.48%
2022	\$4,499,398,148	3.98%
2023	\$4,747,076,653	5.50%
2024	\$4,819,313,747	1.52%
<b>2025</b>	<b>\$5,044,691,799</b>	<b>4.68%</b>
<b>Average</b>		<b>4.76%</b>

Source: California Municipal Statistics/Los Angeles County Auditor's Office

◆ Current 2024-25 tax rates are:

- \$33.984 per \$100,000 of assessed valuation for the Measure S program
- \$22.408 per \$100,000 of assessed valuation for the Measure L program
- \$28.947 per \$100,000 of assessed valuation for the Measure EE program

# Bond Measure Sizing (1)

## Separate Tax Rate Target

## Lawndale Elementary SD

- ▶ As it did for Measure L and Measure EE, the District could pursue a new bond authorization with a separate tax rate target.

Lawndale ESD Bond Proceeds at Varying Tax Rates <sup>(1)</sup>				
Tax Rate per \$100,000	Series A 2027	Series B 2029	Series C 2031	Total Bond Proceeds
\$19.00	\$9,500,000	\$8,700,000	\$8,900,000	\$27,100,000
\$25.00	\$12,400,000	\$11,400,000	\$11,700,000	\$35,500,000
\$30.00	\$14,900,000	\$13,700,000	\$14,000,000	\$42,600,000

(1) Assumes AV growth of 3.50% and 30 year bond terms; Preliminary – Subject to change  
Source: Isom Advisors

- ◆ Depending on tax rate selected and assessed value assumptions, District can generate significant proceeds

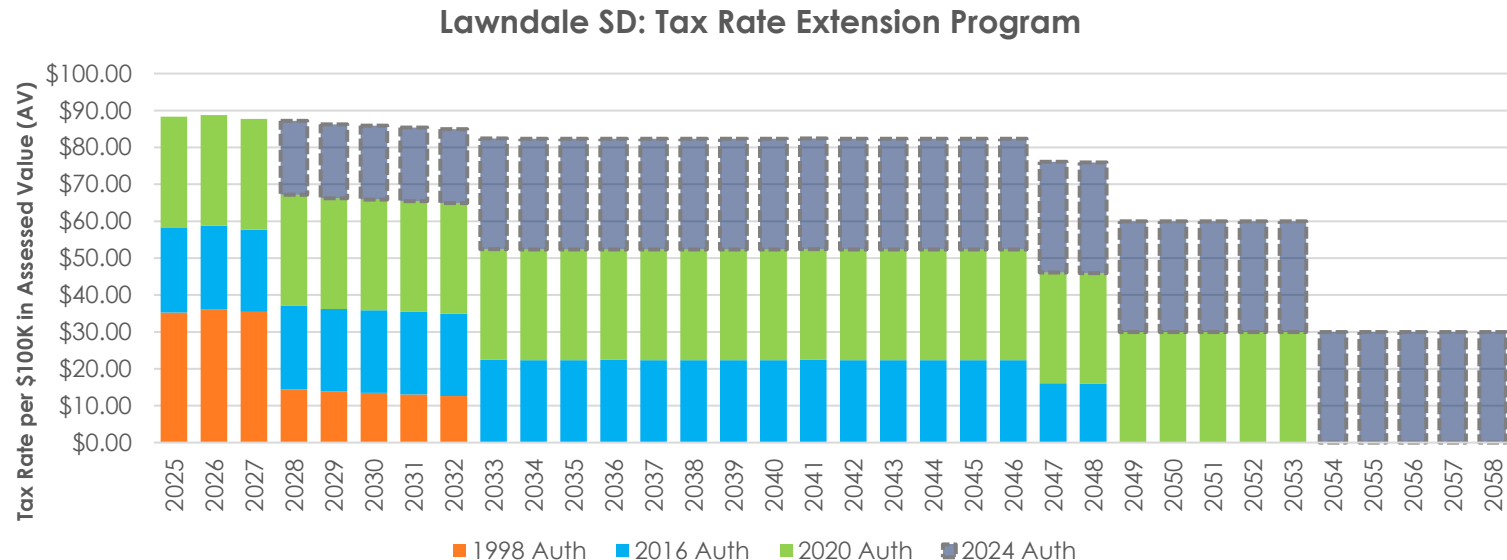


# Bond Measure Sizing (2)

## Combined Tax Rate Target

## Lawndale Elementary SD

- ▶ Alternatively, the District can consider a new bond measure that will “extend” the combined tax rates as the 1998 authorization begins to roll off the tax roll.



- The District could raise approximately \$35 to \$40 million with a tax rate extension program, but the issuance of bonds may need to be slightly slower given the somewhat limited capacity in the earlier years.

# Statutory Bonding Capacity



Bonding capacity may be waived by the California BOE

Lawndale Elementary SD

- ▶ The California Education requires that the total amount of bonds outstanding shall not exceed 1.25% of the taxable property of the district (for elementary school districts).
  - ◆ District's gross bonding capacity is approximately \$63.1 million (1.25% x assessed value)
  - ◆ District's outstanding G.O. bond debt is approximately \$49.2 million
  - ◆ District's net bonding capacity, or current debt limit, is approximately \$13.8 million
  - ◆ The net bonding capacity typically increases as AV grows and outstanding bonds are repaid.
- ▶ California Board of Education has the authority to waive the bonding capacity requirement.
  - ◆ Bonding capacity waivers are common: over 100 bonding capacity waivers have been approved (some amended); none have been denied.
- ▶ With a new bond authorization, it is possible that the District will need to get a bonding capacity waiver to issue the full amount of the authorization.
- ▶ The actual waiver level needed will depend on the assessed value at the time of the request and the size of the new bond authorization.
- ▶ **The sizing of the new bond authorization does not need to be based on the net bonding capacity of the District at the time of the election.**

# Voter Demographics

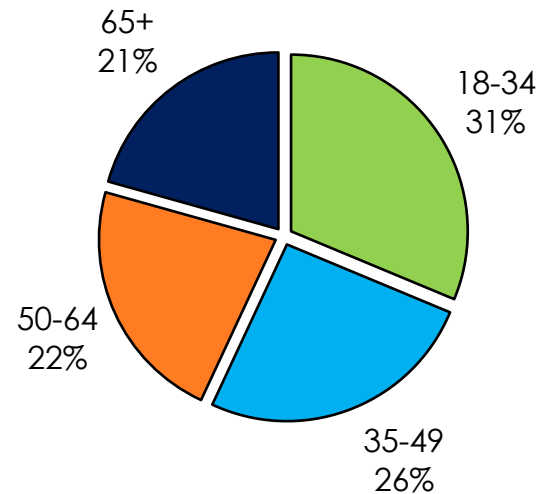
Voter demographics are favorable to bond programs

Lawndale Elementary SD

- ▶ District has 24,187 total voters (11,698 households)
- ▶ Majority of voters are Democrats (51.9%)
- ▶ District has a younger voting population with only 43% of voters aged 50 and older

District Voter Demographics		
	<u>Total</u>	<u>Percent</u>
Republicans	4,341	17.9%
<b>Democrats</b>	<b>12,560</b>	<b>51.9%</b>
Other	7,286	30.1%

Voter Age Demographics



Source: Political Data

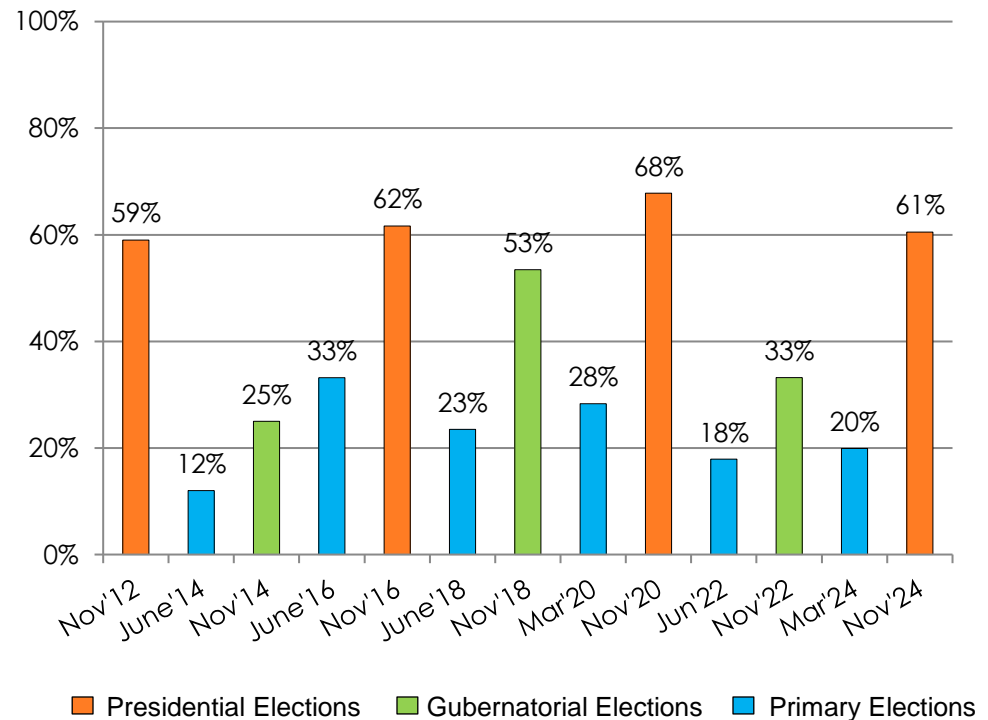
# Voter Turnout

Turnout can have a significant bearing on success

Lawndale Elementary SD

- ▶ Historical voter turnout has ranged from a low of 12% in June of 2014 to a high of 68% in November 2020
- ▶ Voter turnout varies considerably by election date and type of election and must be considered as different voters show up for different elections

Recent District Voter Turnouts



Source: Political Data

# Timeline – 2024 Election



Following these steps are key to District's success

## Lawndale Elementary SD

Task	Responsible Party	June 2026	November 2026
Board Meeting - approve "exploring" feasibility of a tax measure	District	Spring 2025	Spring 2025
Prepare project list	District/Architect	Summer / Fall 2025	Summer / Fall 2025
Conduct Survey	Consultant	September 2025	September 2025
Board Meeting - Survey Results Presentation	Consultant	October 2025	October 2025
Initiate public information program, speaking with elected officials, large taxpayers, community service groups to discuss proposed tax measure	District	Late Fall 2025	Spring 2026
Finalize Capital and Financing Plan based on Community Outreach	Consultant	January 2026	Spring 2026
Prepare Resolution for Calling Election, including Ballot Language, Project List, Tax rate Statement	Consultant/ Bond Counsel	January 2026	April 2026
Board Meeting - Board action to adopt Resolution Calling Election	District	February 2026	May 2026
<b>Submit Resolution Calling Election and Tax Rate Statement*</b>	<b>District</b>	<b>March 6, 2026</b>	<b>August 7, 2026</b>
Prepare Argument in Favor of Measure	Consultant/District	March 2026	August 2026
Submit Argument in Favor of Measure	Consultant/District	March 2026	August 2026
Form campaign committee and conduct campaign kick-off meeting	Campaign Committee	March 2026	August 2026
Run Campaign	Campaign Committee	March – June 2026	August – November 2026
<b>Election Day</b>		<b>June 2, 2026</b>	<b>November 3, 2026</b>

# Regulatory Disclosure

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## **Conflicts of Interest and Other Matters Requiring Disclosures**

Pursuant to Municipal Securities Rulemaking Board ("MSRB") Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of Isom Advisors, a Division of Urban Futures, Inc. (Isom Advisors) and its associated persons.

### **The following are potential conflicts of interest to be considered.**

- Isom Advisors represents that in connection with the issuance of municipal securities, Isom Advisors may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, Isom Advisors hereby discloses, that such contingent and/or transactional compensation may present a potential conflict of interest regarding Isom Advisors' ability to provide unbiased advice to enter into such transaction. The contingent fee arrangement creates an incentive for Isom Advisors to recommend unnecessary financings or financings that are disadvantageous to the client, or to advise the client to increase the size of the issue. This potential conflict of interest will not impair Isom Advisors' ability to render unbiased and competent advice or to fulfill its fiduciary duty to the client.
- Isom Advisors fees under this potential agreement may be based on hourly fees of Isom Advisors' personnel, with the aggregate amount equaling the number of hours worked by such personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest because it could create an incentive for Isom Advisors to recommend alternatives that would result in more hours worked. This conflict of interest will not impair Isom Advisors' ability to render unbiased and competent advice or to fulfill its fiduciary duty to its clients.
- Isom Advisors' fees under this potential agreement, may be a fixed amount established at the outset of the Agreement. The amount is usually based upon an analysis by the client and Isom Advisors of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by Isom Advisors. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, Isom Advisors may suffer a loss. Thus, Isom Advisors may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest will not impair Isom Advisors' ability to render unbiased and competent advice or to fulfill its fiduciary duty to the client.
- The fee paid to Isom Advisors increases the cost of investment to client. The increased cost occurs from compensating Isom Advisors for municipal advisory services provided.
- Isom Advisors serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of another Isom Advisors client. For example, Isom Advisors serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, Isom Advisors could potentially face a conflict of interest arising from these competing client interests. Isom Advisors fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with its clients.
- Isom Advisors does not have any affiliate that provides any advice, service, or product to or on behalf of the client that is directly or indirectly related to the municipal advisory activities to be performed by Isom Advisors;
- Isom Advisors has not made any payments directly or indirectly to obtain or retain its clients municipal advisory business;
- Isom Advisors has not received any payments from third parties to enlist Isom Advisors' recommendation to its clients of its services, any municipal securities transaction or any municipal finance product;
- Isom Advisors has not engaged in any fee-splitting arrangements involving Isom Advisors and any provider of investments or services to its clients;
- Isom Advisors does not have any legal or disciplinary event that is material to its clients evaluation of the municipal advisory or the integrity of its management or advisory personnel.
- Isom Advisors does not act as principal in any of the transaction(s) related to this Agreement.
- Randall Merritt, a Managing Principal, previously worked at Raymond James & Associates, Inc. from December 2015 until December 2023. Urban's relationships with Raymond James and all other investment banks are conducted in an arm's length manner, and any recommendations are independent of any prior employment or other relationships.

## **Legal Events and Disciplinary History**

Isom Advisors does not have any legal events and disciplinary history on its Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The District may electronically access Isom Advisors' the most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: [www.sec.gov/edgar/searchedgar/companysearch.html](http://www.sec.gov/edgar/searchedgar/companysearch.html). There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.