

# **Lynwood Unified School District**

## **Measure “K” Citizens’ Oversight Committee Presentation**

**July 25, 2013**



**RBC Capital Markets®**



# Measure “K” Bond Program Overview

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- Approved by District Voters on November 6, 2012
- Received 57.38% Voter Approval
- Total Bond Program Size of \$93.0 Million
- Targeted Total Tax Rate: \$55.00 per \$100,000 Assessed Valuation
- Measure “K” Ballot Statement:

*“To improve and maintain neighborhood schools by repairing and updating classrooms, science labs and technology, repairing leaky roofs, bathrooms, plumbing, and electrical, improving school safety with lighting, fences, fire alarms, and earthquake retrofits, removing asbestos, replacing portables with permanent classrooms, renovating, constructing, and equipping, modernizing school facilities, shall Lynwood Unified School District issue \$93,000,000 in bonds at legal rates, requiring strict accountability, Independent Citizens’ Oversight Committee review, independent annual audits, with no funds for administrator salaries or pensions?”*

# Summary of 2013 Measure K Bond Sales

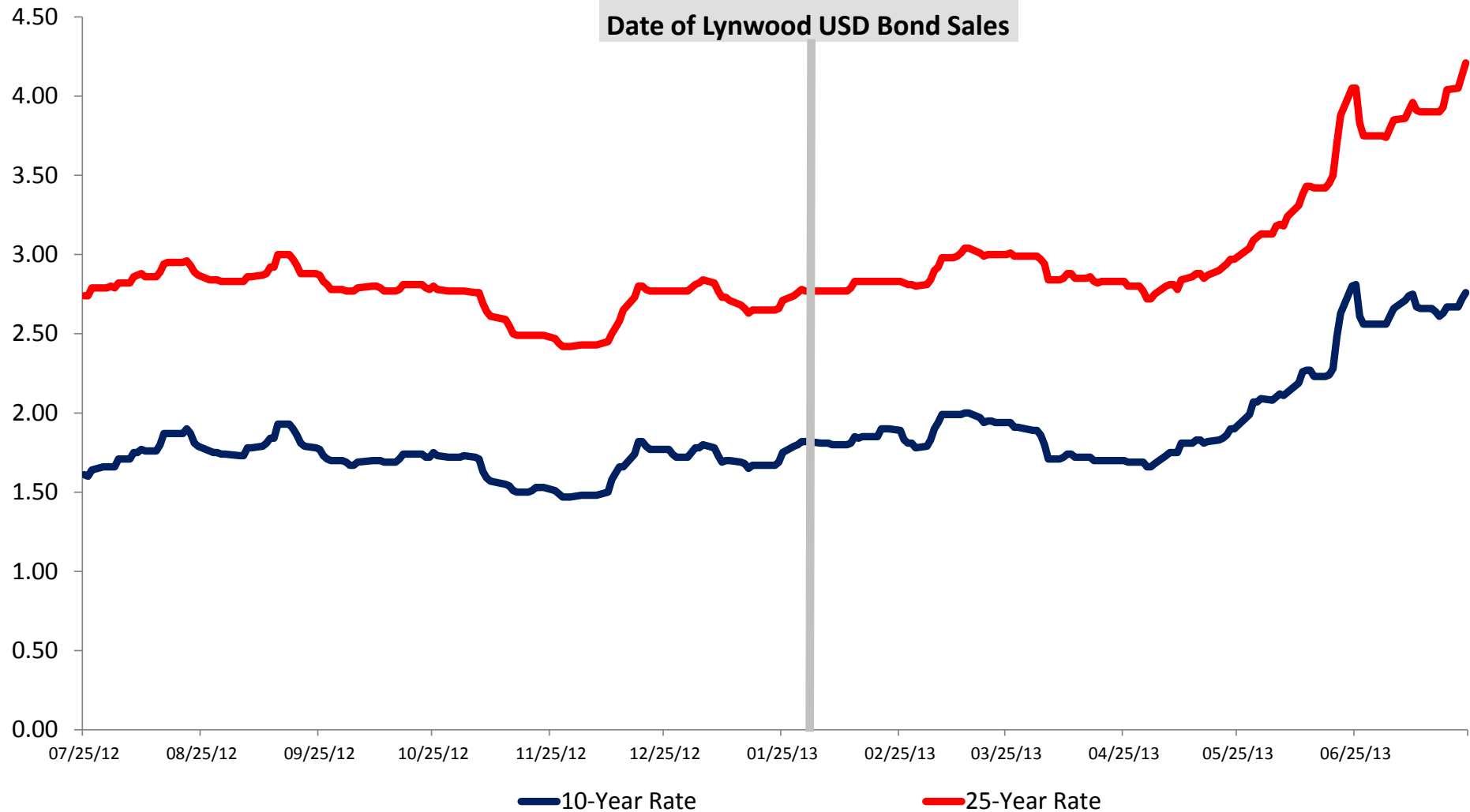


|                                                                                            | Series A<br>G.O. Bonds | Bond<br>Anticipation Notes | Total               |
|--------------------------------------------------------------------------------------------|------------------------|----------------------------|---------------------|
| <b>Bond Issue Amount</b><br><i>(Total Bonds Sold to Investors)</i>                         | \$16,500,000           | \$13,499,948               | <b>\$29,999,948</b> |
| <b>Deposit to Building Fund</b><br><i>(Total Proceeds Available for Projects)</i>          | \$16,408,245           | \$13,499,948               | <b>\$29,908,193</b> |
| <b>Deposit to Debt Service Fund</b><br><i>(Extra Proceeds Used to Lower Bond Payments)</i> | \$1,121,240            | \$12,978                   | <b>\$1,134,218</b>  |
| <b>Bond Payback Ratio</b><br><i>(Ratio of Total Payments to Bond Issue Amount)</i>         | 1.71: 1                | 1.03 : 1                   | <b>1.40 : 1</b>     |
| <b>True Interest Cost ("TIC")</b><br><i>(Total Bond Borrowing Rate, Including Costs)</i>   | 3.88%                  | 1.28%                      | <b>3.65%</b>        |
| <b>Final Bond Maturity</b><br><i>(Total Time Period Needed to Pay-Off Bonds)</i>           | 25 Years               | 1 Year                     | <b>25 Years</b>     |

# Summary of Benchmark Interest Rates

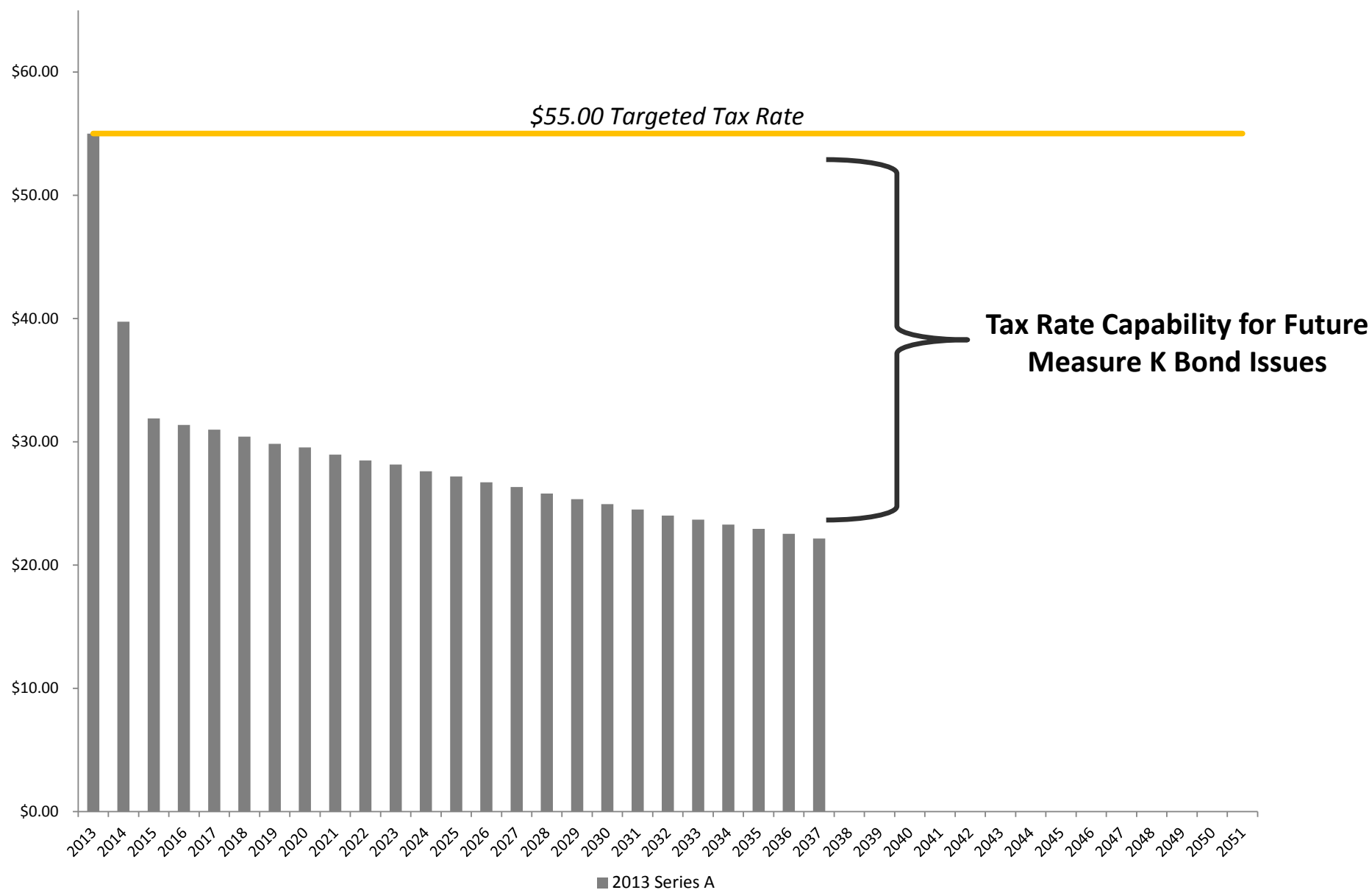


January 30, 2013 –  
Date of Lynwood USD Bond Sales





# Current Measure K Tax Rate Projections



# School Bond Legislation

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AMENDED IN SENATE JULY 11, 2013  
AMENDED IN SENATE JULY 1, 2013  
AMENDED IN SENATE MAY 21, 2013  
AMENDED IN ASSEMBLY APRIL 2, 2013  
AMENDED IN ASSEMBLY MARCH 12, 2013  
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

## ASSEMBLY BILL

**No. 182**

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**Introduced by Assembly Members Buchanan and Hueso**  
**(Principal coauthor: Assembly Member Alejo)**  
(Principal coauthors: Senators Block and Wyland)  
(~~Coauthor: Senator Torres~~)  
**(Coauthors: Assembly Members Ian Calderon, Chávez,**  
**Roger Hernández, and Williams)**  
(*Coauthor: Senator Torres*)

January 24, 2013

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An act to amend Section 15146 of, and to add Sections 15140.5, 15144.1, 15144.2, and 15144.3 to, the Education Code, and to add Section 53508.5 to, *and to add and repeal Section 53508.6 of*, the Government Code, relating to bonds.

# School Bond Legislation

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## AB 182 Update

- Amended on July 11, 2013
- Current Version of Legislation Includes:
  - **Limits CABs to 25-Year Maximum Maturity**
  - **Requires all CABs to be Sold With “Call” Options**
  - **Allows 30-Year Maximum Maturity for Interest Paying Bonds**
    - *Up to 40-Year Current Interest Bond Maturity Under Certain Conditions*
  - **Sets a Maximum 4:1 Bond Payback Ratio**