

FREMONT UNION HIGH SCHOOL DISTRICT

Bond Program Update



September 23, 2025

BOND PROGRAM BACKGROUND

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Proposition 39

55% Voter Threshold

Proposition 39 lowered the voter threshold for bond measures to 55% in exchange for certain taxpayer protections

- **General Obligation Bonds**
 - ✓ Voter approved long-term debt instruments
 - ✓ Paid back by the legal obligation to levy and collect property taxes sufficient to pay annual debt service on the bonds
- **Proposition 39**
 - ✓ Approved by California voters in **November 2000**
 - ✓ Lowered the threshold for **voter approval to 55%** from two-thirds
 - ✓ **Project list** is required in ballot measure
 - ✓ Election must be conducted on **regularly scheduled election date**
 - ✓ Requires **annual performance and financial audits** and a **citizens' bond oversight committee**
 - ✓ **Maximum tax rate projection of \$30 per \$100,000 in assessed value** for elementary / high school districts per each Proposition 39 bond measure

BOND PROGRAM BACKGROUND

Bond Authorizations

Fremont UHSD voters have passed five bond authorizations since 1998

Strong Voter Support

Date	Bond Authorization Size	Support	Final Maturity
April 1998 (Measure H)	\$144,000,000	78.8% (66.7% required)	2023
June 2008 (Measure B)	\$198,000,000	67.1% (55.0% required)	2044
November 2014 (Measure K)	\$295,000,000	64.8% (55.0% required)	2046
November 2018 (Measure CC)	\$275,000,000	64.6% (55.0% required)	2043
June 2022 (Measure G)	\$275,000,000	55.7% (55.0% required)	2052*

- All the bonds from the 1998 Measure H, 2008 Measure B, 2014 Measure K, and 2018 Measure CC authorizations have been issued.
- The District has \$175 million in authorized but unissued bonds remaining from the 2022 Measure G authorization.

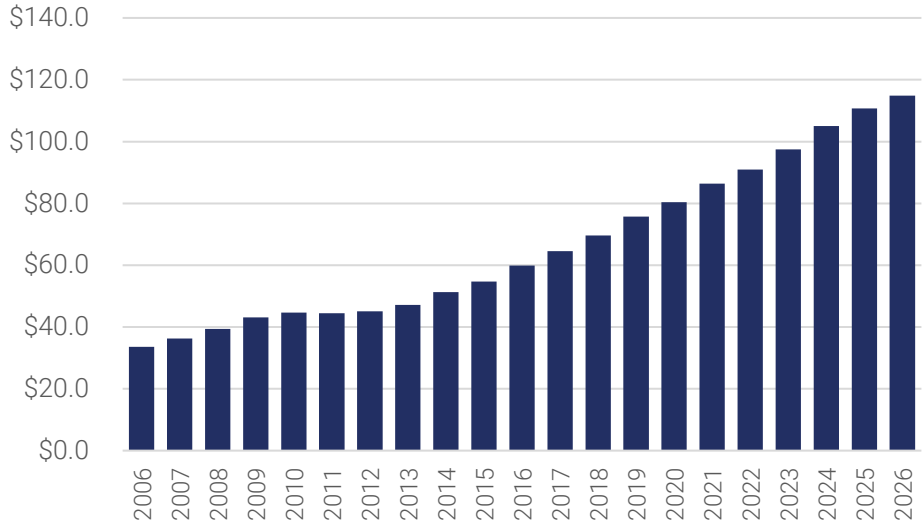
**May change based on repayment term of bonds remaining to be issued
Source: Smartvoter; Ballotpedia*

BOND PROGRAM BACKGROUND

Assessed Valuation

Typically Differs from Market Value

History of Assessed Value Growth*



Timeframe	Average Annual Growth Rate
2006 to present	6.38%
2016 to present	6.74%
2021 to present	5.86%

Assessed values are often significantly below market values due to Prop 13

Assessed Value Per Single Family Residential Parcel (2025-26)

Assessed Value per Parcel	Number of Parcels	% of Parcels
\$0-\$999,999	19,220	47.2%
\$1,000,000 to \$1,999,999	12,897	31.6%
\$2,000,000 to \$2,999,999	6,033	14.8%
\$3,000,000 to \$3,999,999	2,043	5.0%
\$4,000,000+	565	1.4%

*Amount assessed by billions.

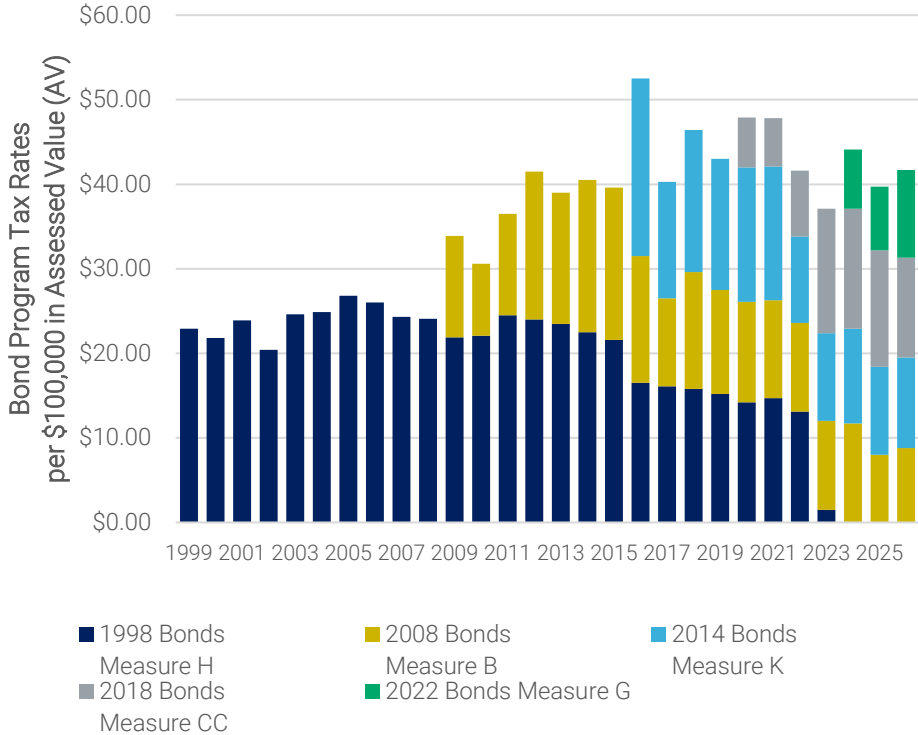
Source: California Municipal Statistics, Inc., Santa Clara County

BOND PROGRAM BACKGROUND

History of Bond Tax Rates

Within Estimates Provided to Voters

Bond program tax rates have been within estimates provided to voters in every single year for every single bond measure



Tax Rate Estimates Provided to Voters at the Time of Approval

Bond Measure	Estimate of the Highest Tax Rate
1998 Measure H	\$30 per \$100,000 in Assessed Value
2008 Measure B	\$18 per \$100,000 in Assessed Value
2014 Measure K	\$21 per \$100,000 in Assessed Value
2018 Measure CC	\$16 per \$100,000 in Assessed Value
2022 Measure G	\$15 per \$100,000 in Assessed Value

Note: All bond program tax rates expressed per \$100,000 in assessed value
 Source: Santa Clara County for tax rates; Tax Rate Statements, Smartvoter; Ballotpedia for tax rate estimates

BOND PROGRAM BACKGROUND

Refunding Issuances

Locking in Taxpayer Savings

Fremont UHSD has generated nearly \$53.8 million in savings to taxpayers through refunding bond issuances since 2015

History of Taxpayer Savings from Refunding Issuances Since 2015				
Refunding Series	Bond Par Amount	Gross Savings	Present Value Savings	PV Savings as % of Refunded Par
2015 Refunding	\$156,115,000	\$32,306,168	\$23,170,262	14.9%
2017 Refunding	\$44,250,000	\$8,394,906	\$6,114,824	13.5%
2021 Refunding	\$52,045,000	\$10,257,521	\$6,882,755	15.0%
2024 Refunding	\$32,605,000	\$2,841,320	\$2,403,016	6.6%
Total		\$53,799,915	\$38,570,857	13.9%

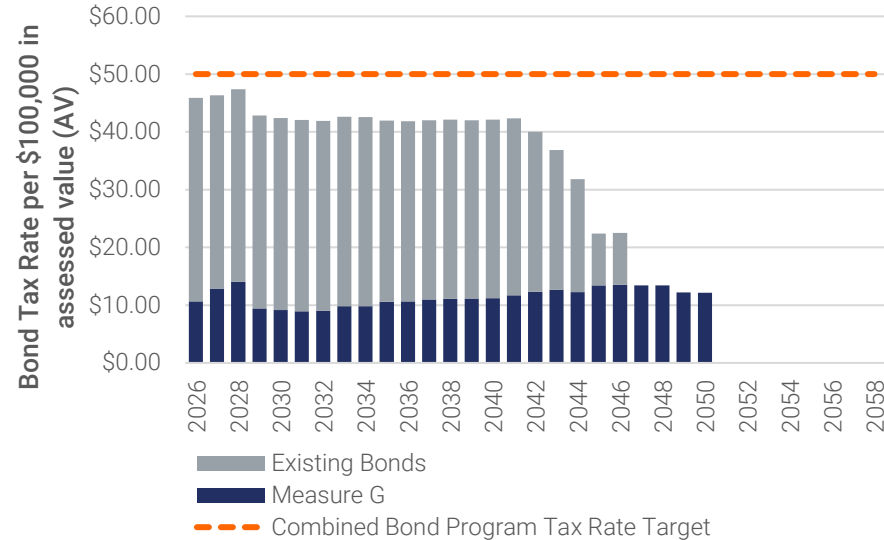
2026 GO BOND ISSUANCE

2026 GO Bond Issuance

2022 Measure G

Series 2026 Bonds

Bond Program Tax Rate Projections



Series 2026 Bonds will be structured to keep combined bond program tax rates around \$50 per \$100,000 in assessed value

Conservative Structure for Series 2026 Bonds

Par Amount	\$100,000,000 (to meet project needs in the next two to three years)
Bond Structure	Traditional current interest bonds
Repayment Term	25 to 30 years

Bond Program	Tax Rate Target
2022 Measure G	\$15 per \$100,000 in Assessed Value
Combined Bond Program	~\$50 per \$100,000 in Assessed Value*

*There has been no combined tax rate target promise to voters in connection with any of the prior bond measures.

2026 GO Bond Issuance

Potential Refunding

\$3.9 million in Projected Savings

Potential opportunity to refund other outstanding bonds to generate taxpayer savings

- Refunding Candidates

Series	Par Amount	Call Feature
2014 Series 2015	\$25,855,000	Current
2015 Refunding	\$31,500,000	Current

- Refunding Features

- ✓ **Savings Structure** = Uniform Savings (in years where there is principal)
- ✓ **Final Maturity** = Does not extend the final repayment term
- ✓ **Combining with New Money** = Issuing the refunding bonds with new money issuances reduces issuance costs
- ✓ **Managing Bond Tax Rate** = Helps to manage bond program tax rates

Estimated Refunding Statistics

Par Amount	\$51,475,000
Gross Savings	\$3,947,376
Present Value (PV) Savings	\$2,260,350
PV Savings as % of Refunded Par Amount	3.94%

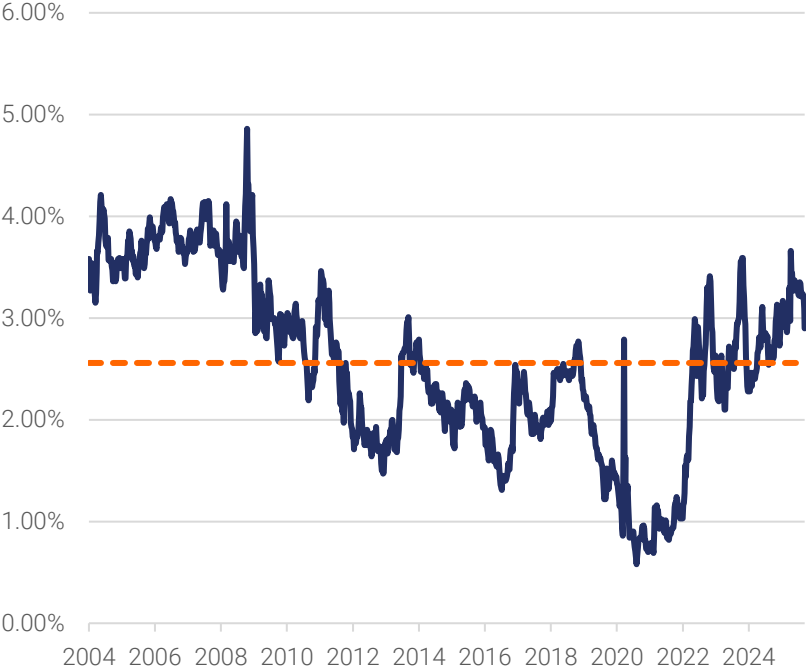
**Based on municipal bond market environment on September 10, 2025*

2026 GO Bond Issuance

Municipal Bond Market

Municipal Market Data (MMD)*

AAA 10-year rates



Municipal bond rates are higher than the historical lows in 2020 and 2021, but still relatively close to historical averages

Summary Statistics for AAA MMD 10-year Rates

Highest Since 2004	4.86%
Lowest Since 2004	0.58%
Highest In 2025	3.89%
Lowest In 2025	2.86%
Current Level	2.90%

*The Municipal Market Data (MMD) AAA curve is a proprietary yield curve that provides an approximation of the borrowing rate of "AAA" rated state general obligation bonds and serves as a benchmark yield in the municipal bond market.

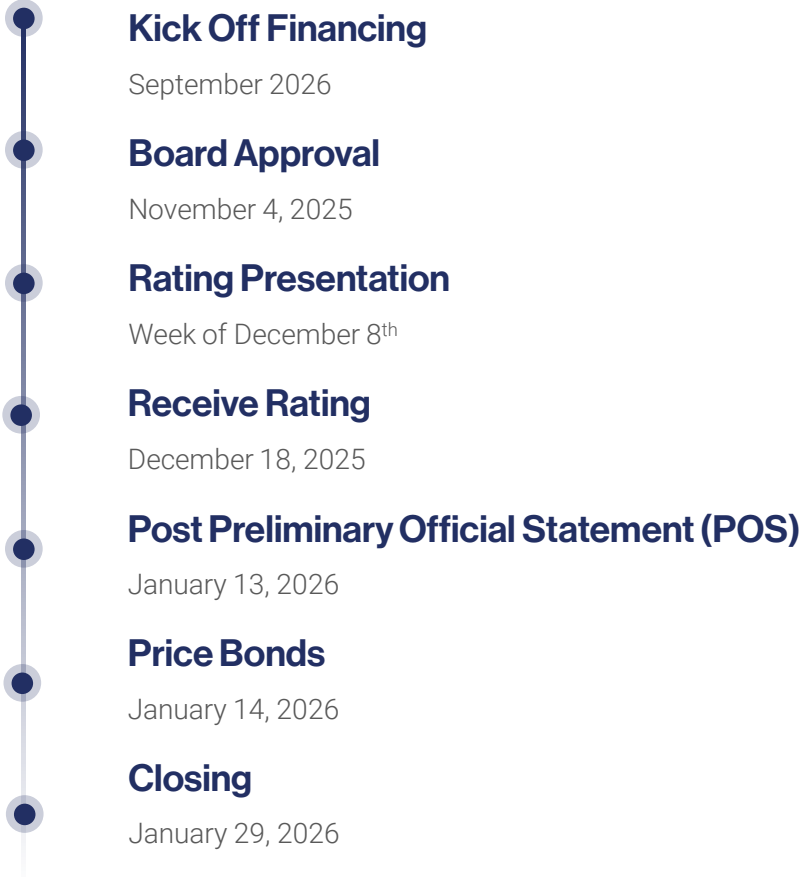
Source: Refinitiv (tm3)

2026 GO Bond Issuance

Issuance Schedule

Bond Issuance in January 2026

The bond issuance process typically takes two to three months



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Conflicts of Interest and Other Matters Requiring Disclosures

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- 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.

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