



# DJUSD Bond Program Financing and Sequencing

DJUSD Board of Education 3.19.2020

The logo of Davis Joint Unified School District is a circular seal. The outer ring contains the text "Davis Joint Unified" at the top and "Building Our Future" at the bottom. The center of the seal is divided into four quadrants, each containing a different icon: a puzzle piece, a padlock, a network of nodes, and a group of three people.

# **Bond Financing and Project Sequencing**

# Purpose

- To have the Board of Education engage in a discussion regarding Bond program financing, specifically future Bond sales date(s) and the sequencing of future Bond projects.
- This discussion will inform a staff recommendation, which will be provided to the Board of Education for action on March 19, 2020 meeting.



# Bond Sales Timing

- Considerations

- Timing of projects (cash spending needs)
- Project planning, management and construction capacities
  - If construction window is accelerated, more capacity will be needed.
- Construction cost inflation
  - Currently projected at 7% per year, projected to decline to 5% in 2022 and beyond
- Future bond interest rate(s)
  - Potential savings to taxpayers



# Sequencing Workshop

In preparation for the March 19, 2020 BOE meeting, staff seeks Board input on sequencing priorities.

## **Considerations for sequencing:**

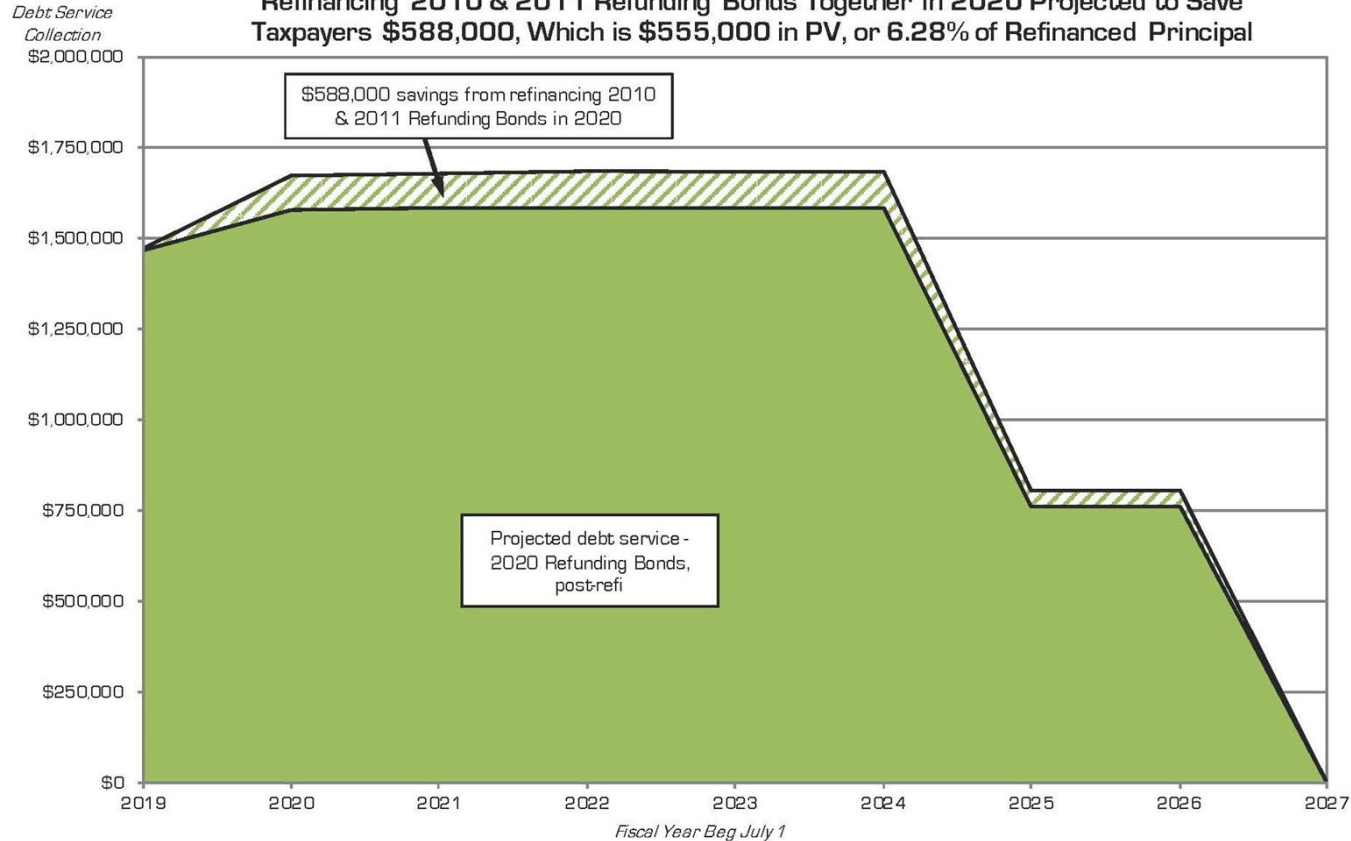
- School site and student needs
- Cashflow
- Project duration and cost
- Community interests
- Economy of scale for construction/design
- Other projects (DJUSD, City of Davis, UCD, etc.)
- Other considerations?

The logo of Davis Joint Unified School District is a circular seal. The top arc contains the text "Davis Joint Unified" and the bottom arc contains "Building Our Future". The center of the seal is divided into four quadrants by a cross. The top-left quadrant shows a puzzle piece, the top-right shows a padlock, the bottom-left shows a profile of a head with a network of lines, and the bottom-right shows three stylized human figures.

# **Series 2010 and 2011 Bond Refinancing**

# BOND REFINANCING

**Refinancing 2010 & 2011 Refunding Bonds Together in 2020 Projected to Save Taxpayers \$588,000, Which is \$555,000 in PV, or 6.28% of Refinanced Principal**

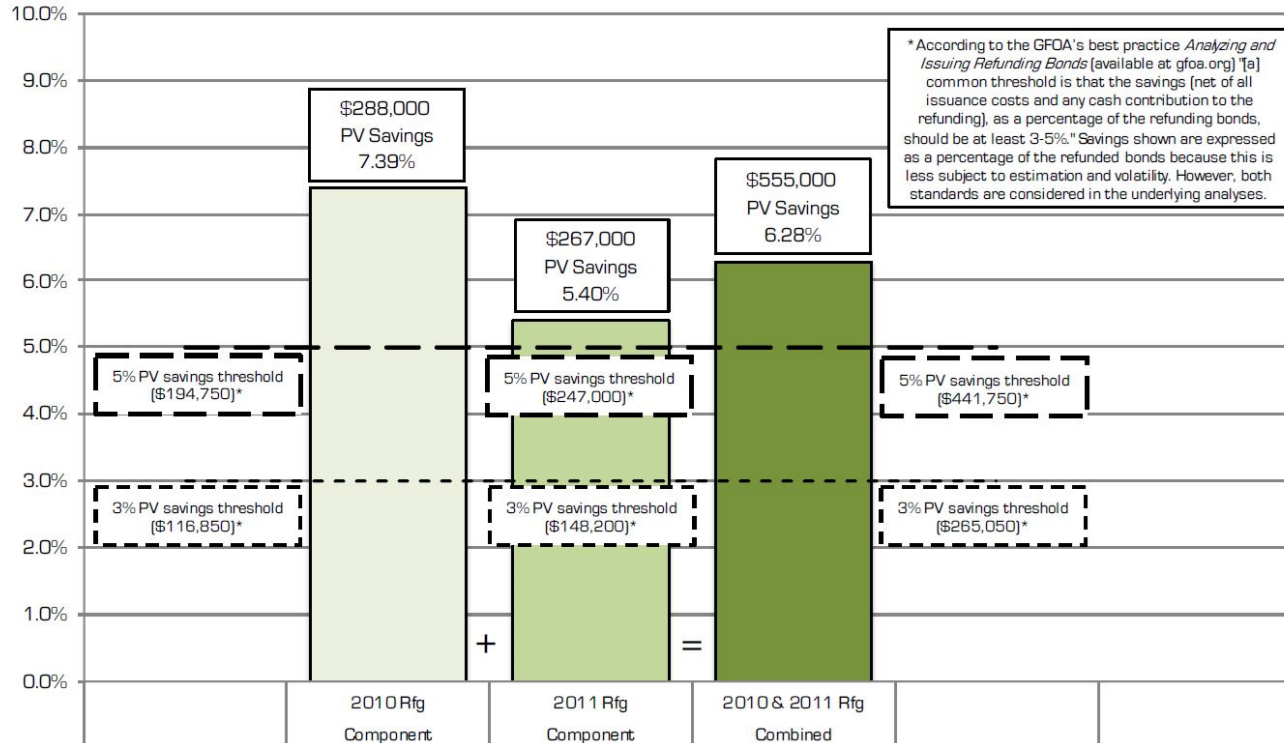


Debt service from District's *Official Statements*. For cash flow purposes, debt service collection is equal to the following calendar year debt service. Refinancing based on MMD "AAA" rates as of Feb 21, 2020 + 40bp.

# BOND REFINANCING

Refinance  
PV Savings

Currently Projected Refinancing Savings for the 2010 & 2011 Refunding Bonds Exceeds GFOA's Recommended Minimum Savings Thresholds Both Individually and as a Combined Refinancing

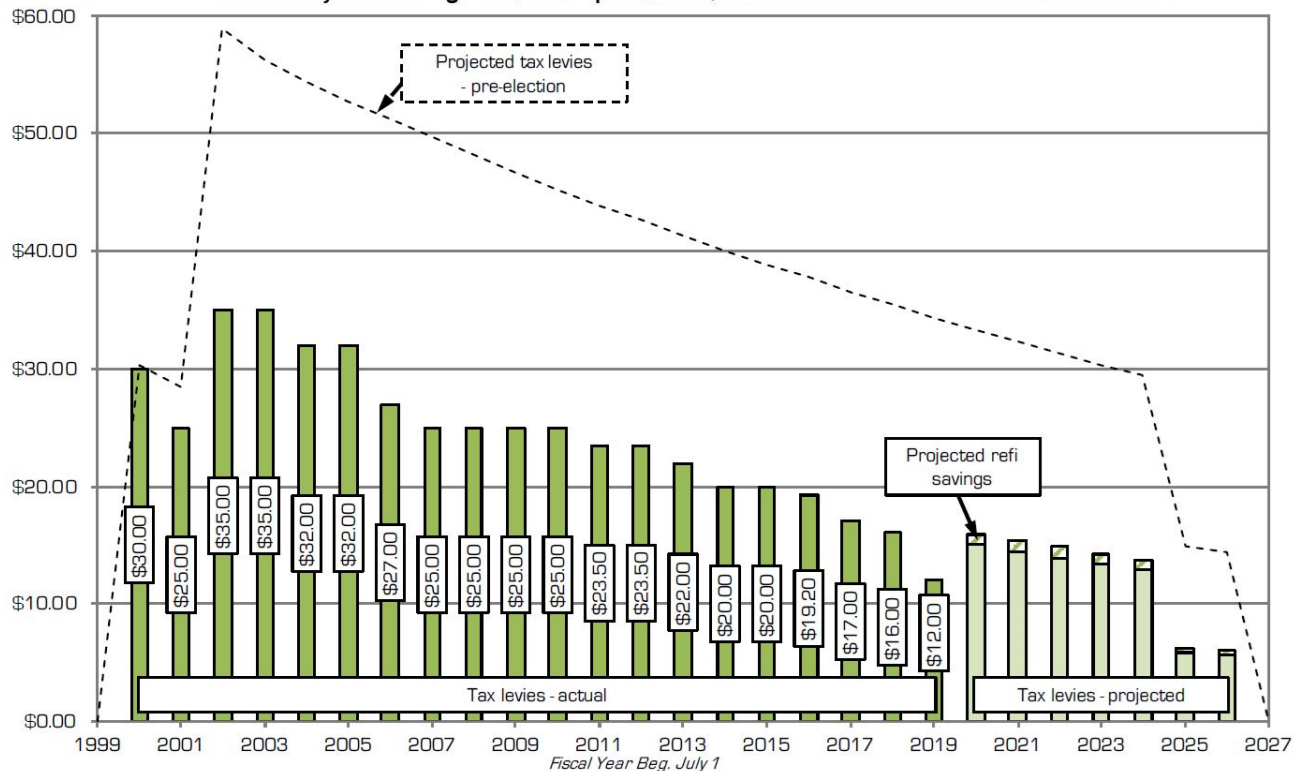




# BOND REFINANCING

Tax Levy per  
\$100K of AV

**Refinancing Measure K's 2010 & 2011 Refunding Bonds is Projected to Reduce Tax Levies by an Average of \$0.72 per \$100,000 of AV from 2020-21 to 2026-27**



Tax levies through 2019-20 are actual levies provided by Yolo County Auditor-Controller's Department. Future levies based on assumed changes to net local secured AV of 4% annually, while all other AV types are assumed to remain unchanged. Debt service from District's *Official Statements*.



# Share Your Thoughts and Learn More

- Additional feedback can be sent to [FacilityPlanning@djUSD.net](mailto:FacilityPlanning@djUSD.net)
- Webpage by project with Key Aspects of the Project, milestones and FAQs [www.djUSD.net/bond](http://www.djUSD.net/bond)
- Subscribe to the DJUSD Bond Program e-newsletter by visiting the website or leaving your email today