

Cotati-Rohnert Park Unified School District

Summary of Sale Results and Bond Program Next Steps

by

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Bond Program Review and Sale Summary

Bond Program Review

Authorization and Issuance Overview

Cotati-Rohnert Park USD

- ❖ Voters approved a \$80,000,000 General Obligation Bond program at the June 3, 2014 election.
- ❖ The Series A and Series B Bonds from the 2014 election were sold in October 2014 with a combined par amount of \$21,000,000.
- ❖ The Series C and Series D Bonds from the 2014 election were sold in November 2015 with a combined par amount of \$25,500,000.
- ❖ Remaining authorization to be issued is \$33,500,000.
- ❖ District anticipates final bond sale in fall of 2017.

Bond Sale Overview

Bond Sale Highlights

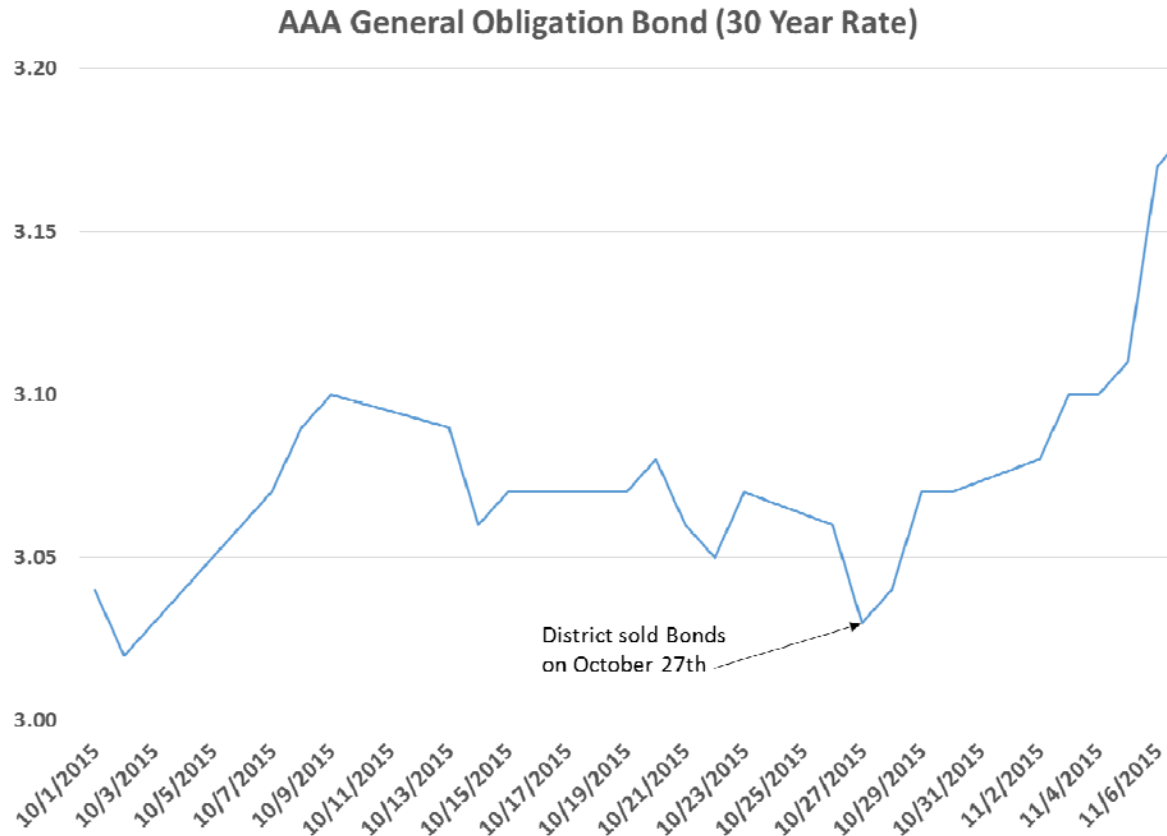
Cotati-Rohnert Park USD

- ❖ The District's Bonds were sold through a two-day negotiated sale process (October 26th and October 27th).
- ❖ Structure and preliminary interest rates were established on the first day.
- ❖ Final structure and interest rates were set on the second day in response to the market.
- ❖ District sold \$25.5 million in current interest G.O. Bonds; no CABs were sold.
- ❖ The True Interest Cost (TIC) of the 35-year financing was 4.105434%.
- ❖ District sold \$25,500,000 in principal with \$28,860,701.91 in interest for a total of \$54,360,701.91 in debt service.
- ❖ The principal to interest ratio was \$1 in principal to \$1.13 in interest.

Bond Sale Overview

Municipal Bond Rates Spike After Bond Sale

Cotati-Rohnert Park USD



Bond Program - Next Steps

Bond Program Overview

Next Steps

Cotati-Rohnert Park USD

- ❖ The District has \$33.5 million in remaining, unissued bond authorization.
- ❖ District anticipates final bond sale (Series E) in fall of 2017.
- ❖ Due to the debt service constraints of maintaining a tax rate at or below \$49/\$100,000 assessed value (AV), the Series E Bonds will likely use both current interest bonds and capital appreciation bonds.
- ❖ Based on an overall average borrowing cost of 4.6% with the assumed assessed valuation growth of 3.5%, the current Plan of Finance anticipates approximately \$26.5 million in current interest bonds and \$7 million in capital appreciation bonds.

Bond Program Overview

Assembly Bill 182

Cotati-Rohnert Park USD

- ❖ Effective January 1, 2014 Assembly Bill 182 placed restrictions on the issuance of GO bonds by school districts by adding important safeguards which eliminate the misuse of CABs that took place in the past:
 - ❖ Capital Appreciation Bonds shall not have a maturity exceeding 25 years; those that mature after 10 years from issuance must allow for prior redemption.
 - ❖ Total ratio of repayments to the amount borrowed cannot exceed 4 to 1.
 - ❖ Additional disclosure requirements (overall cost of financing, comparison of overall cost of issuing only current interest bonds, reason for recommending CABs, estimated AV over term of bonds) must be presented at two consecutive Board meetings prior to issuance.