

Cambrian School District

Measure R, Series 2024 Bonds - Sale Results



Cambrian School
District

Exploring Infinite Possibilities for Learning



**Government
Financial Services**

Joint Powers Authority

October 1, 2024
Presented by Lori Raineri

Tonight's Agenda

- ◆ Bond Sale Process
- ◆ Bond Sale Results
- ◆ Next Steps
- ◆ For Reference



Several GFOA Best Practices Utilized

◆ Government Finance Officers Association (GFOA):



▶ Competitive Process to Select Underwriter/Bank



▶ Evaluated and Selected Credit Rating Agencies



▶ Managed the Cost of Debt Issuance



▶ Call Features Incorporated into New Issuances



▶ Use of Independent Financial Consultant



Credit Rating Process

- ◆ In preparation for the sale of bonds, the bonds were evaluated for a credit rating by one of the main credit rating agencies:

S&P Global Ratings

- ◆ S&P *maintained* rating of “AA-” for District’s Bonds.
- ◆ The following reasons were cited:
 - ▶ Extremely strong residential tax base in Silicon Valley supporting steady AV growth and very strong incomes;
 - ▶ Good institutional policies and fiscal practices . . . including the use of historical information to formulate realistic revenue and expenditure assumptions; adherence to state guidelines for interim reporting, multiyear projections, and debt management; annually updated capital improvement plan that is tied to bond issuances; and a formal policy to maintain reserves at a minimum of 5% of general fund expenditures.

S&P's Bond Rating Scale			
AAA	●	Prime	Investment Grade
AA+	●		
AA	●	High grade	
AA-	●		
A+	●	Upper medium grade	
A	●		
A-	●		
BBB+	●	Lower medium grade	
BBB	●		
BBB-	●		
BB+	●	Speculative	Non - Investment Grade
BB	●		
BB-	●	Very speculative	
B+	●		
B	●		
B-	●	Extremely speculative	
CCC+	●		
CCC	●		
CCC-	●	Default imminent	
CC	●		
C	●		
D	●	In default	

Bond Sale Process

OVERVIEW REPORT



Issuer	State	Issue Size	Sale Date
Cambrian School District	CA	\$29,320,000	08/27/2024
Issue Description	Moody's/S&P/Fitch/Kroll		Sale Time
General Obligation Bonds, Election of 2020, Series 2024	/AA- / /		8:35AM PDST
Dated Date	Due Date	First Int Date	Delivery
09/11/2024	08/01/2025 Thru 08/01/2049	08/01/2025	On or about 09/11/2024
Bid Award		Bank Qualified	
Low TIC - Dated Date excluding Accrued Int		No	

- ◆ Competitive bidding on August 27th, with bidding concluding at 8:35 a.m.
- ◆ Internet bidding platform “Parity”:
 - ▶ Used to notify potential bidders and to accept bids.
 - ▶ Also posted in The Bond Buyer industry newspaper.
 - ▶ Any bank or underwriter was allowed to bid.
 - ▶ Bidding allowed within flexible parameters.
- ✓ *More competition → better results for the District*

District's Bond Sale Was the Only Competitive Sale for the Week

The screenshot shows the REFINITIV TM3 interface. At the top, there are navigation tabs: NEWS, MUNICIPAL MARKET DATA, PRIMARY MARKETS, SECONDARY MARKETS, MUNI/DATA ANALYSIS, VRDN NETWORK, and TOOLS. A search bar is located on the right with a dropdown menu set to 'CUSIP9' and a 'SEARCH' button. Below the navigation, there are sub-tabs: CUSIP9 Search, Deal Search, Bond Calculator Analysis, and Munistatements. The 'Deal Search' tab is active, displaying the following search criteria: STATE: CA, OFFERING TYPE: Competitive, SALE DATE: 8/26/2024 - 8/30/2024. Below the criteria, it shows 'MOODY'S: UR to Aaa MOODY'S UNDERLYING: UR to Aaa OR S&P: UR to AAA S&P UNDERLYING: UR to AAA' and an 'EDIT QUERY' button. The search results show '1 match' and a table with the following data:

STATE	ISSUER	PAR AMOUNT	DATED	SERIES	CORP./PROJECT
CA	CAMBRIAN CALIF SCH DIST	\$29,320,000.00	09/11/2024	2024	NA

Note: The Municipal Market Monitor (TM3)

Tonight's Agenda

✓ Bond Sale Process

◆ Bond Sale Results

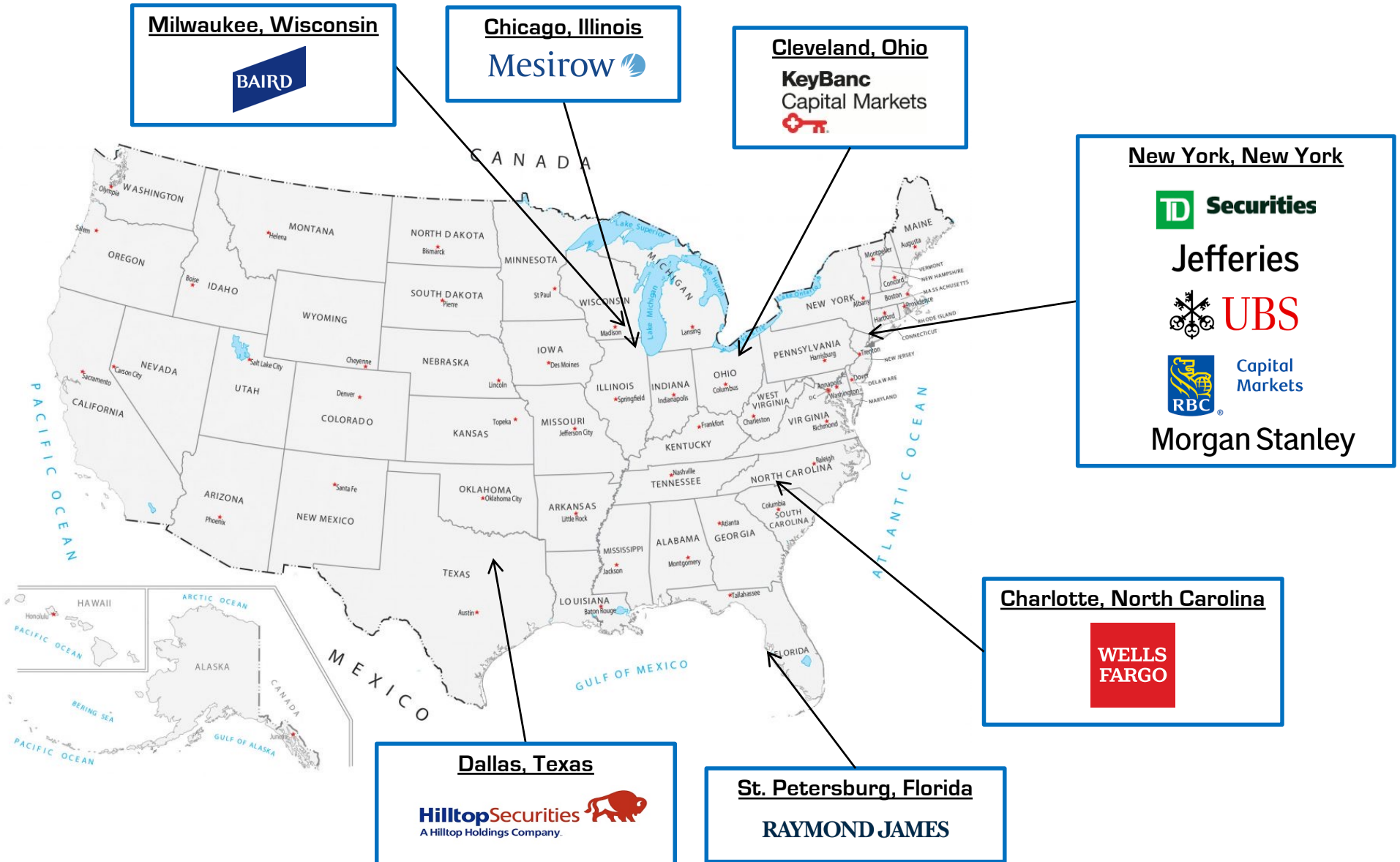
◆ Next Steps

◆ For Reference



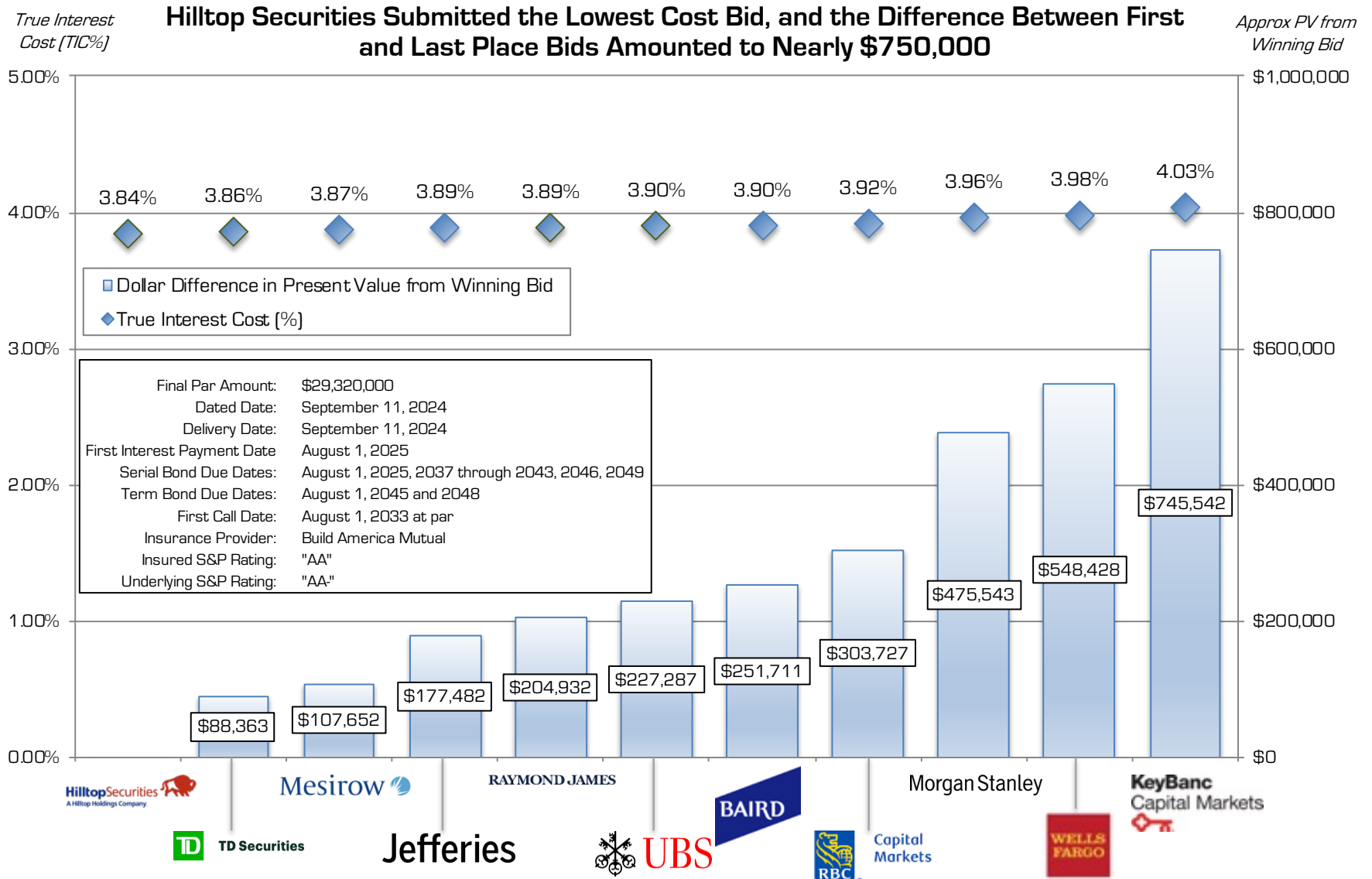
11 Firms Bid From Across the U.S.

(All From Outside California)



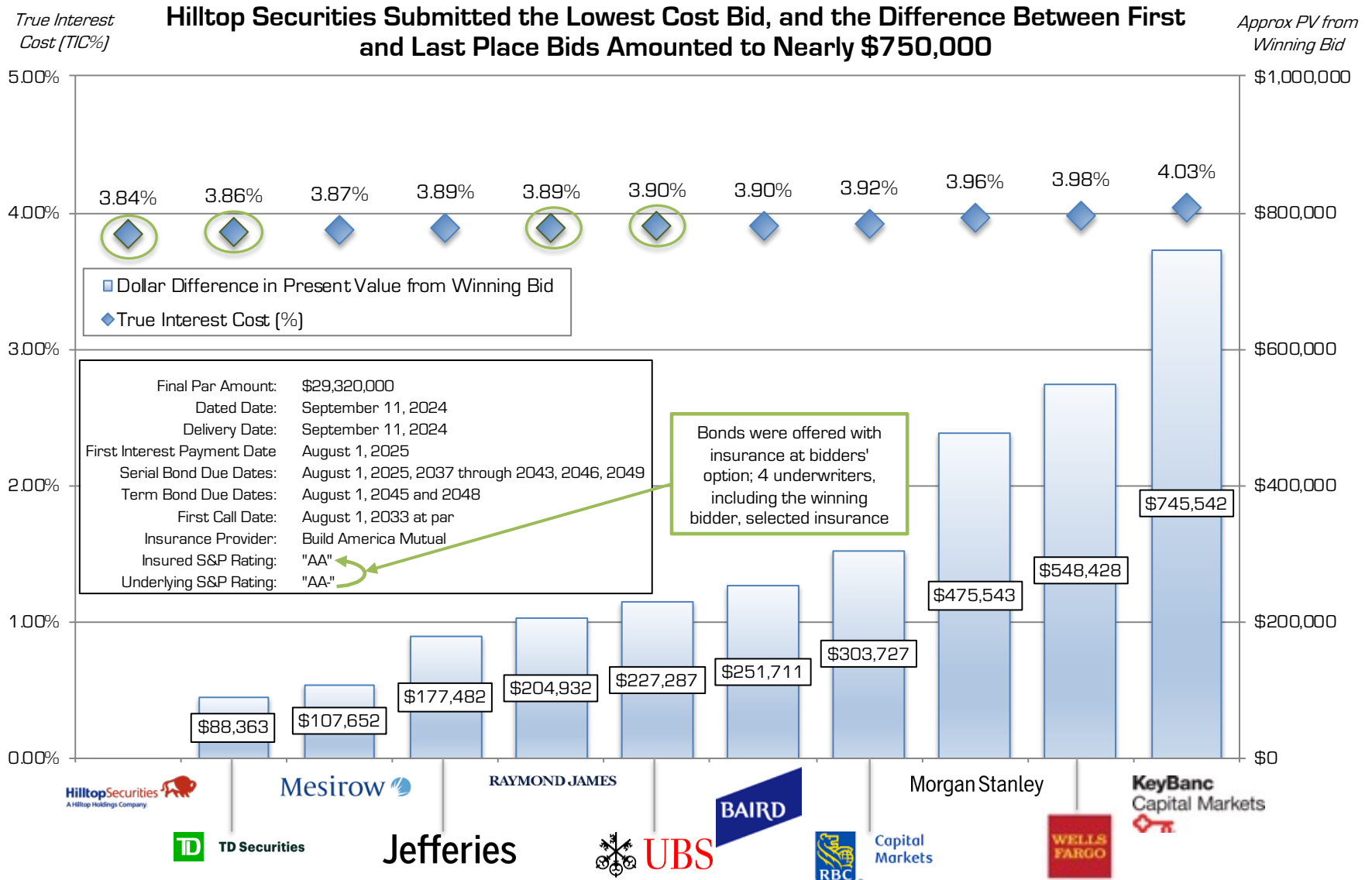
11 Bids Received!

(better than 95% of our experience of 423 competitive sales since 2003)



Notes: data from bids received. Subsequent to the bidding, the winning bid was restructured, changing the True Interest Cost (TIC) to 3.839641%.

Via Insurance, these Bonds are Rated AA



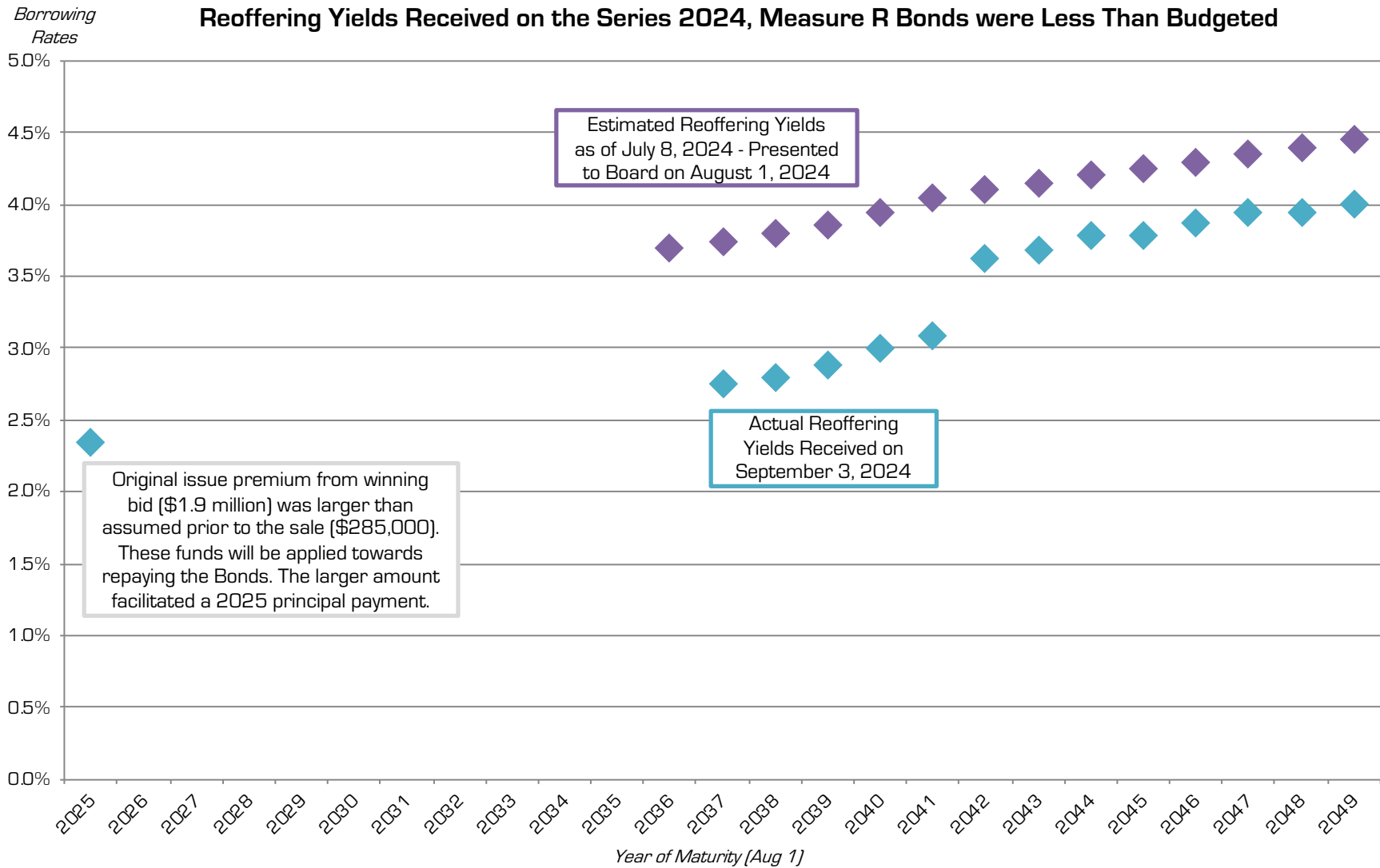
Notes: data from bids received. Subsequent to the bidding, the winning bid was restructured, changing the True Interest Cost (TIC) to 3.839641%.

District's Remarkable Competitive Sale Record

<i>Financings</i>	<i>Number of Bids</i>	<i>Winning Bidder</i>
2024 GO Bonds	11	Hilltop Securities
2024 GO Refunding Bonds	16	Morgan Stanley & Co. LLC
2022 GO Refunding Bonds	4	Wells Fargo Bank, National Association
2022 GO Bonds	8	Mesirow Financial, Inc.
2021 GO Bonds	8	Citigroup Global Markets Inc.
2014 GO Bonds	6	Stifel, Nicolaus & Co., Inc.
2013 GO Refunding Bonds	3	Morgan Stanley & Co. LLC

✓ *Seven different underwriters have submitting winning bids*

Interest Rates Lower than Budgeted



Actual reoffering yields received on September 3, 2024 sale date. Estimated reoffering yields based on "AAA" MMD rates as of July 8, 2024 plus 0.50% for "AA-" credit rating adjustment, +0.40% for potential rate increases prior to issuance, and assumed premium of \$285,000.

Issuance Costs Less than Budgeted

Measure R, Series 2024

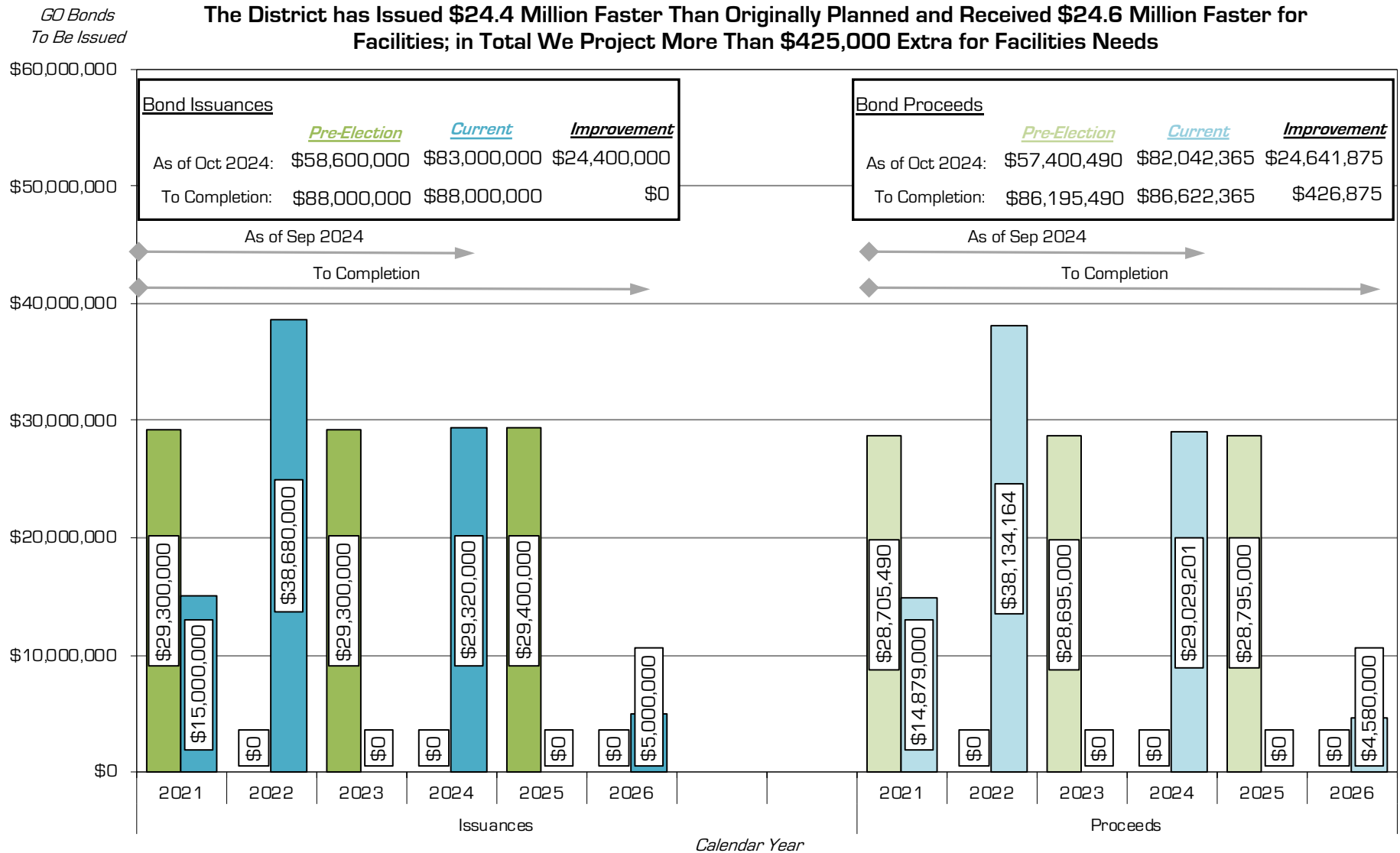
	<i>Pre-Sale Estimate</i>	<i>Actual</i>	<i>Improvement</i>
GO Bonds Issued	\$29,320,000	\$29,320,000	\$0
Underwriter's Discount	(\$295,000)	(\$150,799)	\$144,201
Bond Insurance	\$0	\$0	\$0
Other Costs	(\$185,000)	(\$140,000)	\$45,000
Original Issue Premium	\$285,000	\$1,898,045	\$1,613,045
Tax Collection Fund	(\$285,000)	(\$1,898,045)	(\$1,613,045)
Cash for Facilities Projects	\$28,840,000	\$29,029,201	\$189,201

✓ *Lower issuance costs = \$189,201 more funds for facilities*



Bond Issuance Plan Was Adjusted Favorably

(based on bonds issued and planned to be issued)

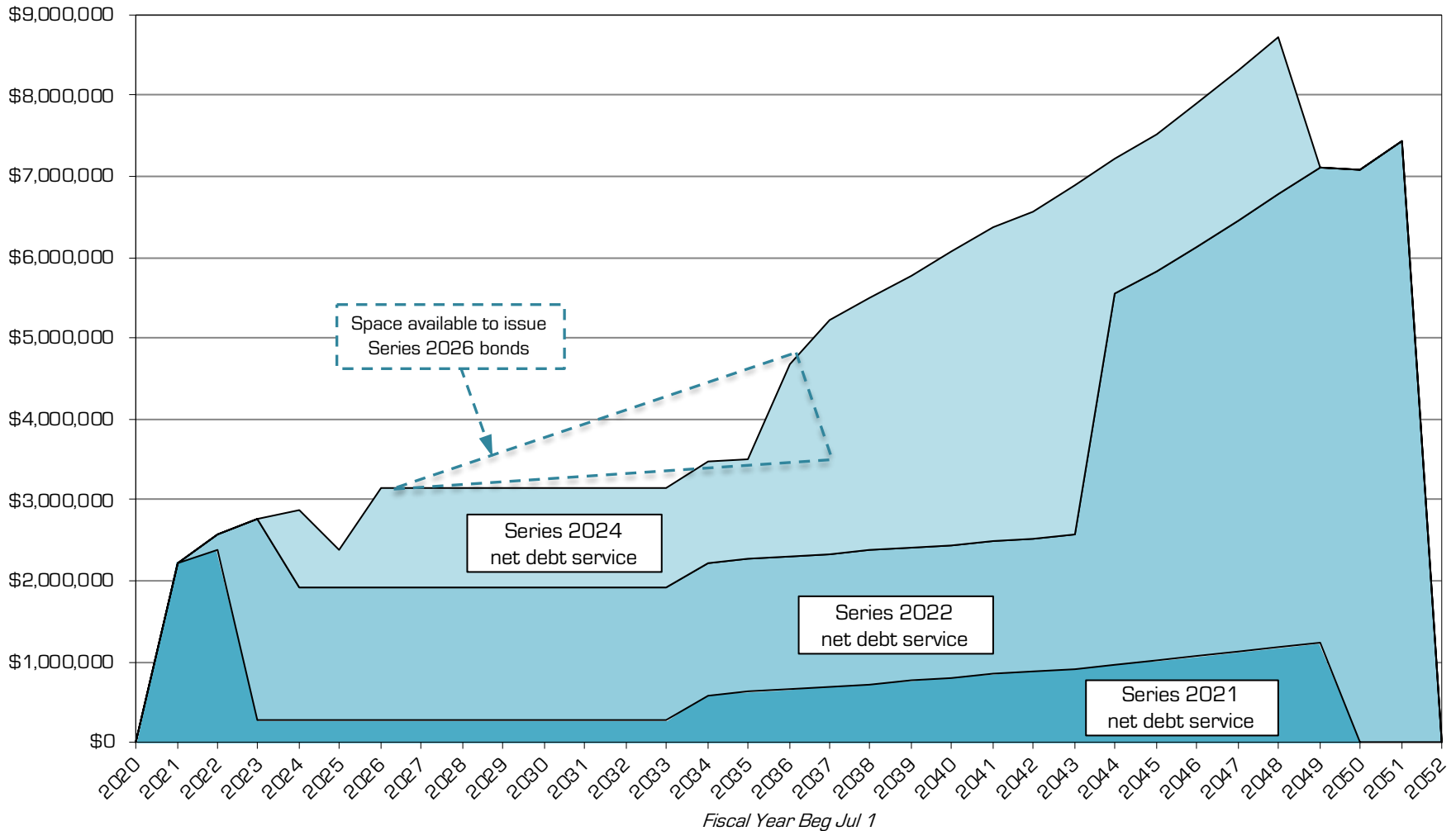


Pre-election figures were estimated. For Current scenario, Series 2021, 2022 & 2024 issuance and proceeds amounts are actual, while Series 2026 is projected. Values rounded.

Measure R Debt Service

Net Debt Service

Series 2024 Bonds Structured to Facilitate Issuance of Final Series of Bonds, Projected for 2026

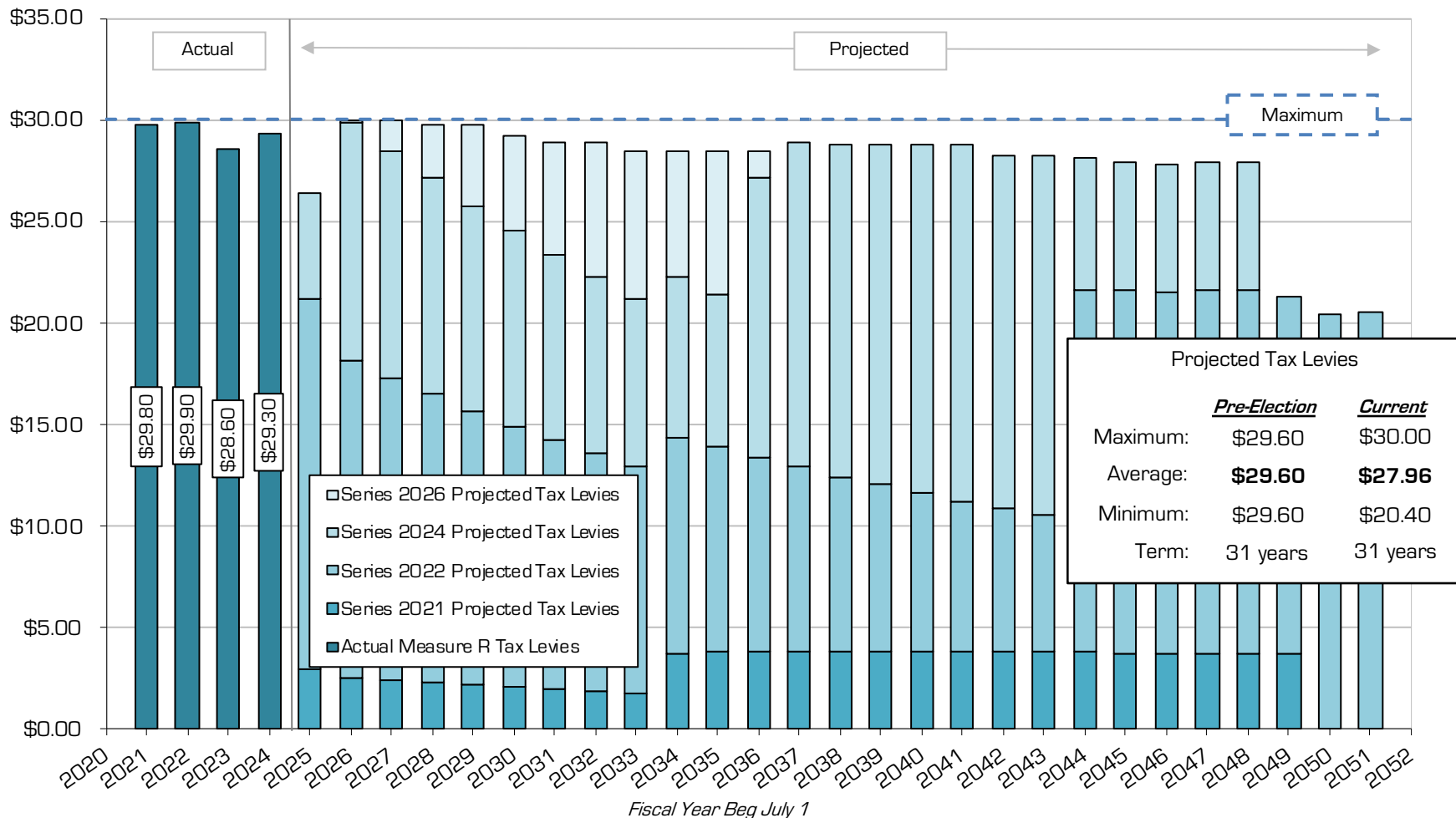


Note: net debt service is actual FY debt service from District's Official Statements + County reserve (first 6 months of following FY debt service) - prior year's reserve - deposits to debt service fund.

Projected Levies < Pre-Election Estimates

Tax Levies per \$100,000 of AV

Measure R Tax Levies are Projected to Remain within the \$30 Maximum Allowable Projection

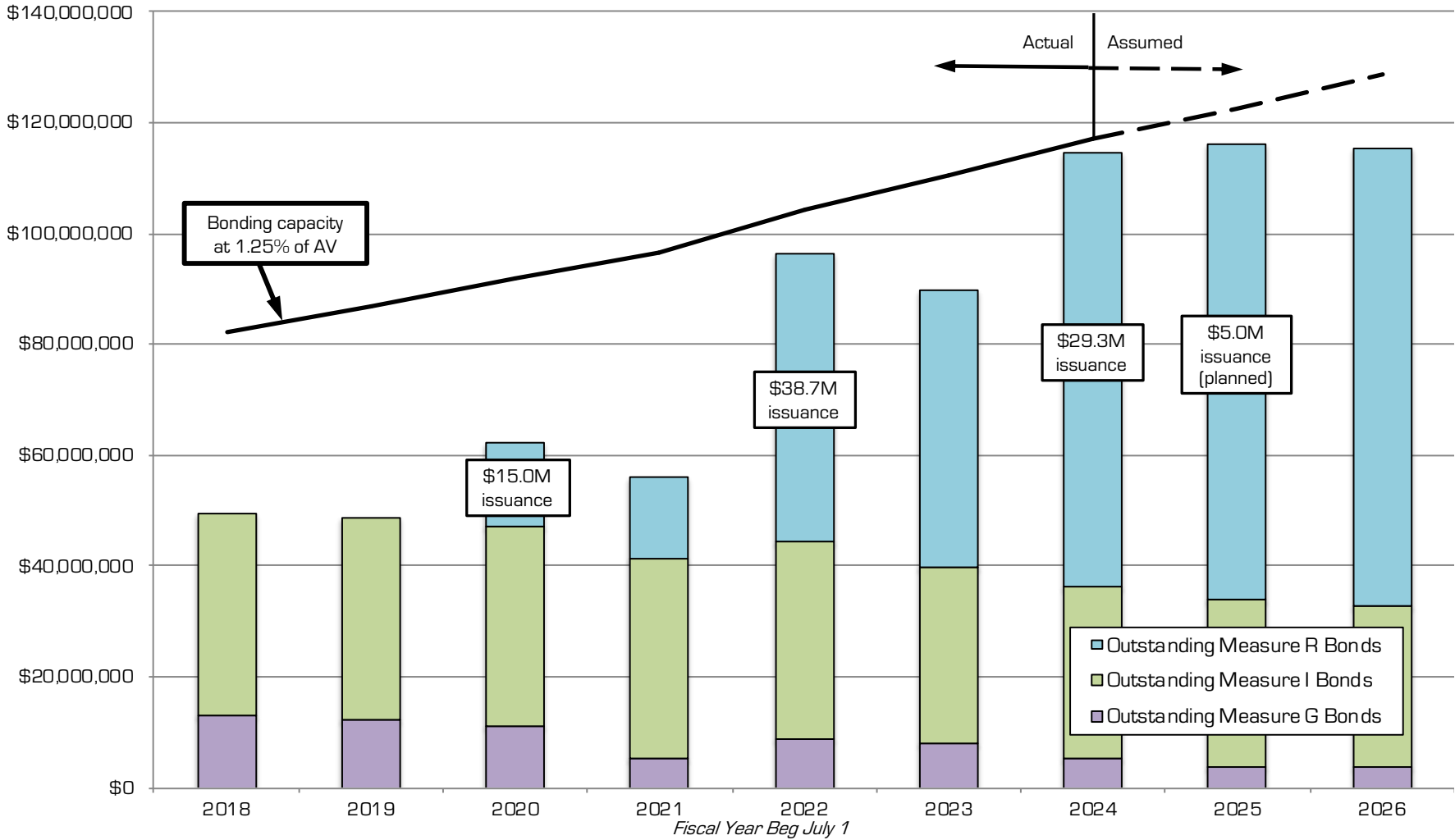


Notes: actual tax levies provided by Santa Clara County. Future tax levies are based on County's collection methodology which consists of current Fiscal Year debt service plus a reserve equal to the payment due during the first half of the following Fiscal Year, less previously collected reserve. Levies based on an assumed 5% annual increase in net local secured AV, while all other types of AV are assumed to remain unchanged. Future paying agent fees equal to 2024-25 fee (\$4,500). Tax levies are per \$100,000 of assessed value. Maximum pre-election projection per Tax Rate Statement.

Bonding Capacity Sufficient

\$5.0 Million in Remaining Measure R Authorization Planned for Issuance in FY 2025-26

Bonding Capacity/
Outstanding Bonds



Bonding capacity is 1.25% of union districts total AV. AV is assumed to increase 5% annually for net local secured, while all other AV types are assumed to remain unchanged. Bonding capacity is as of August 20 when the AV becomes "equalized."

Tonight's Agenda

✓ Bond Sale Process

✓ Bond Sale Results

◆ Next Steps

◆ For Reference

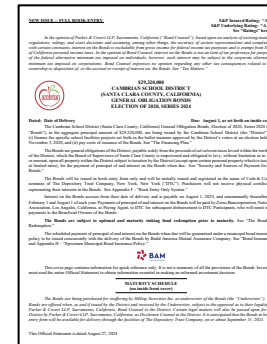


Next Steps

◆ The bond sale was completed and the proceeds were deposited in the District's account at the County on Wednesday, September 11.



Controller-Treasurer Department



◆ Ongoing administration, including:

- ▶ Continuing disclosure reporting
- ▶ CDIAC annual debt transparency reporting
- ▶ Monitoring for refinancing opportunities



Thank You



Tonight's Agenda

- ✓ Bond Sale Process
- ✓ Bond Sale Results
- ✓ Next Steps

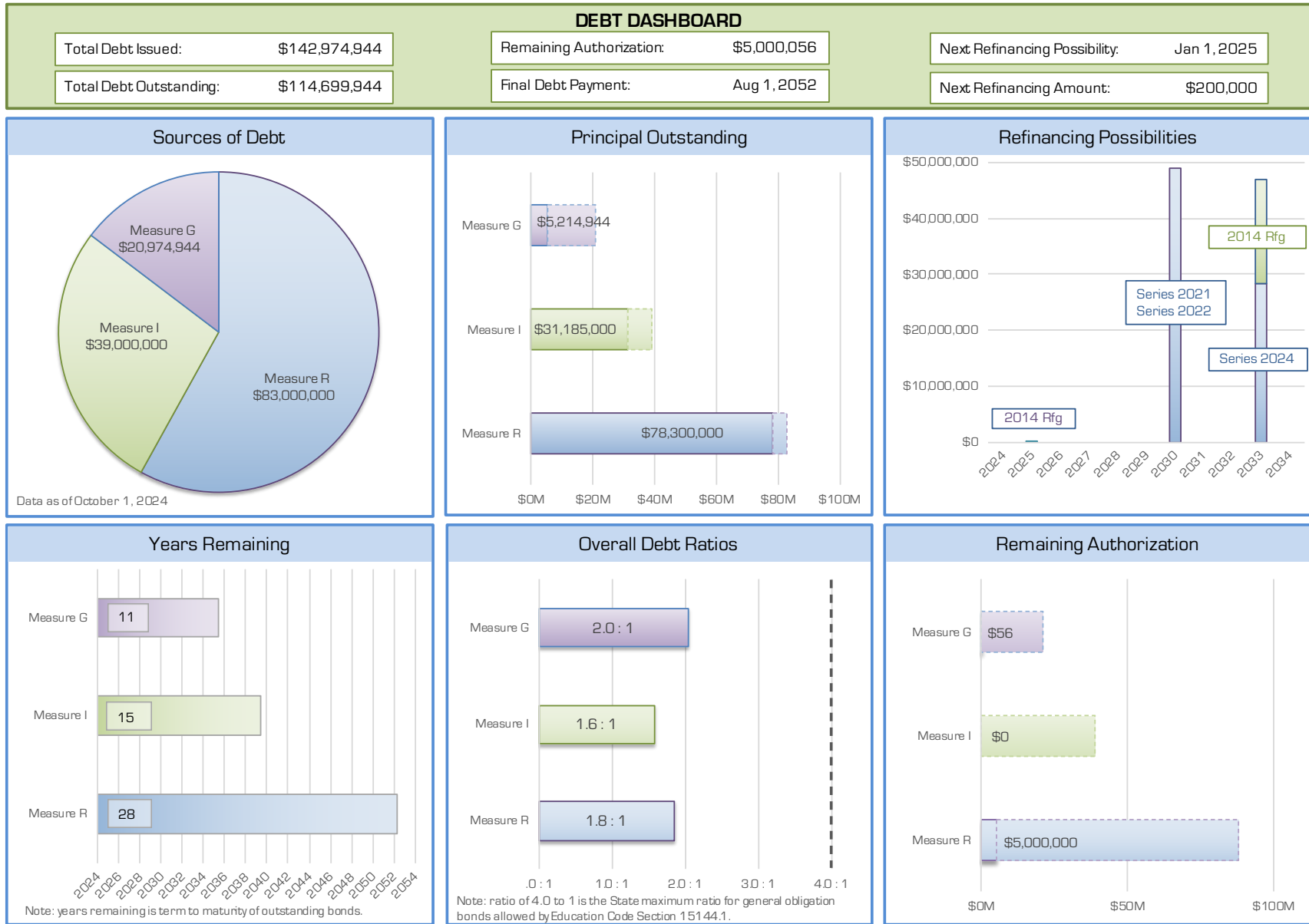
◆ For Reference



For Reference

- ◆ Bond Portfolio - Dashboard Summary
- ◆ Bond Issuance History
- ◆ Measure R Actual and Projected Issuances
- ◆ August 1, 2024 and March 21, 2024 Board Presentations

Bond Portfolio - Dashboard Summary



Bond Issuance History - Measure G

General Obligation Bonds, November 2002 Election, Measure G, \$20,975,000

Series	Year of Sale	Bond Type	Issuance - New Money	Issuance - Refinancing	Total Issuance	Net Debt Service at Issuance	Ratio of Debt Service to Principal for Orig Issuance	Principal Paid & to be Repaid as of Oct. 1, 2024	Debt Service Paid & to be Repaid as of Oct. 1, 2024	Outstanding Principal as of Oct. 1, 2024	Final Maturity Year	Able to Call?	Next Call Date	Callable Principal	Weighted Average Callable Coupon	Next Call Premium
A	2003	CIBs	\$15,105,000	\$0	\$15,105,000	\$25,224,698	1.73 : 1	\$3,250,000	\$9,016,895	\$0	2013	n/a	n/a	\$0	n/a	n/a
		CABs	\$419,912	\$0	\$419,912	\$1,570,000		\$419,912	\$1,570,000	\$419,912	2028	No	n/a	\$0	n/a	n/a
B	2005	CIBs	\$2,215,000	\$0	\$2,215,000	\$3,497,002	3.23 : 1	\$655,000	\$1,439,977	\$0	2015	n/a	n/a	\$0	n/a	n/a
		CABs	\$3,235,032	\$0	\$3,235,032	\$14,085,000		\$3,235,032	\$14,085,000	\$3,235,032	2035	No	n/a	\$0	n/a	n/a
2013 Rfg	2013	CIBs	\$0	\$11,510,000	\$11,510,000	\$15,065,829	1.31 : 1	\$6,765,000	\$9,830,179	\$0	2022	n/a	n/a	\$0	n/a	n/a
2014 Rfg	2014	CIBs	\$0	\$1,415,000	\$1,415,000	\$1,899,891	1.34 : 1	\$1,415,000	\$1,899,891	\$200,000	2025	Yes	Jan 1, 2025	\$200,000	5.00%	0%
2022 Rfg	2022	CIBs	\$0	\$4,620,000	\$4,620,000	\$5,098,392	1.10 : 1	\$4,620,000	\$5,098,392	\$1,360,000	2025	No	n/a	\$0	n/a	n/a
			<u>\$20,974,944</u>	<u>\$17,545,000</u>	<u>\$38,519,944</u>	<u>\$66,440,812</u>		<u>\$20,359,944</u>	<u>\$42,940,334</u>	<u>\$5,214,944</u>				<u>\$200,000</u>		

Debt Service to Principal Ratios

Debt service of new money issuances to new money principal: 2.12 : 1

Total debt service after refinancings to new money principal: 2.05 : 1

- ¹ Series A, Measure G net debt service reflects application of \$25,019 deposited to Debt Service Fund;
- ² Series B, Measure G net debt service reflects application of \$791 deposited to Debt Service Fund;
- ³ Series A, Measure G CIBs maturing from 2014 - 2026 refinanced by 2013 Refunding Bonds, saving taxpayers \$1,141,973;
- ⁴ Series B, Measure G CIBs maturing from 2016 - 2025 refinanced by 2014 Refunding Bonds, saving taxpayers \$157,134;
- ⁵ 2013 Rfg, Measure G bonds, refinanced by 2022 Refunding Bonds, saving taxpayers \$137,258.

- ✓ *Series A (2003), Series B (2005), and 2022 Refunding Bonds not callable.*
- ✓ *2014 Refunding Bonds mature July 1, 2025; amount of callable principal (\$200,000) insufficient to make refinancing practical.*

Bond Issuance History - Measures I and R

General Obligation Bonds, June 2014 Election, Measure I, \$39,000,000

Series	Year of Sale	Bond Type	Issuance - New Money	Issuance - Refinancing	Total Issuance	Net Debt Service at Issuance	Ratio of Debt Service to Principal for Orig Issuance	Principal Paid & to be Repaid as of Oct 1, 2024	Debt Service Paid & to be Repaid as of Oct 1, 2024	Outstanding Principal as of Oct 1, 2024	Final Maturity Year	Able to Call?	Next Call Date	Callable Principal	Weighted Average Callable Coupon	Next Call Premium
2014	2014	CIBs	\$39,000,000	\$0	\$39,000,000	\$65,642,969	1.68 : 1	\$4,735,000	\$16,872,007	\$0	2024	n/a	n/a	\$0	n/a	n/a
2024 Rfg	2024	CIBs	\$0	\$31,185,000	\$31,185,000	\$44,720,759	1.43 : 1	\$31,185,000	\$44,720,759	\$31,185,000	2039	Yes	Aug 1, 2033	\$18,650,000	4.00%	0%
			<u>\$39,000,000</u>	<u>\$31,185,000</u>	<u>\$70,185,000</u>	<u>\$110,363,728</u>		<u>\$35,920,000</u>	<u>\$61,592,766</u>	<u>\$31,185,000</u>				<u>\$18,650,000</u>		

Debt Service to Principal Ratios

Debt service of new money issuances to new money principal: 1.68 : 1
 Total debt service after refinancings to new money principal: 1.58 : 1

General Obligation Bonds, November 2020 Election, Measure R, \$88,000,000

Series	Year of Sale	Bond Type	Issuance - New Money	Issuance - Refinancing	Total Issuance	Net Debt Service at Issuance	Ratio of Debt Service to Principal for Orig Issuance	Principal Paid & to be Repaid as of Oct 1, 2024	Debt Service Paid & to be Repaid as of Oct 1, 2024	Outstanding Principal as of Oct 1, 2024	Final Maturity Year	Able to Call?	Next Call Date	Callable Principal	Average Callable Coupon	Next Call Premium
2021	2021	CIBs	\$15,000,000	\$0	\$15,000,000	\$21,602,253	1.44 : 1	\$15,000,000	\$21,602,253	\$11,350,000	2050	Yes	Aug 1, 2030	\$11,350,000	2.35%	0%
2022	2022	CIBs	\$38,680,000	\$0	\$38,680,000	\$81,400,238	2.10 : 1	\$38,680,000	\$81,400,238	\$37,630,000	2052	Yes	Aug 1, 2030	\$37,630,000	4.34%	0%
2024	2024	CIBs	\$29,320,000	\$0	\$29,320,000	\$50,333,583	1.72 : 1	\$29,320,000	\$50,333,583	\$29,320,000	2049	Yes	Aug 1, 2033	\$28,370,000	4.29%	0%
			<u>\$83,000,000</u>	<u>\$0</u>	<u>\$83,000,000</u>	<u>\$153,336,074</u>		<u>\$83,000,000</u>	<u>\$153,336,074</u>	<u>\$78,300,000</u>				<u>\$77,350,000</u>		

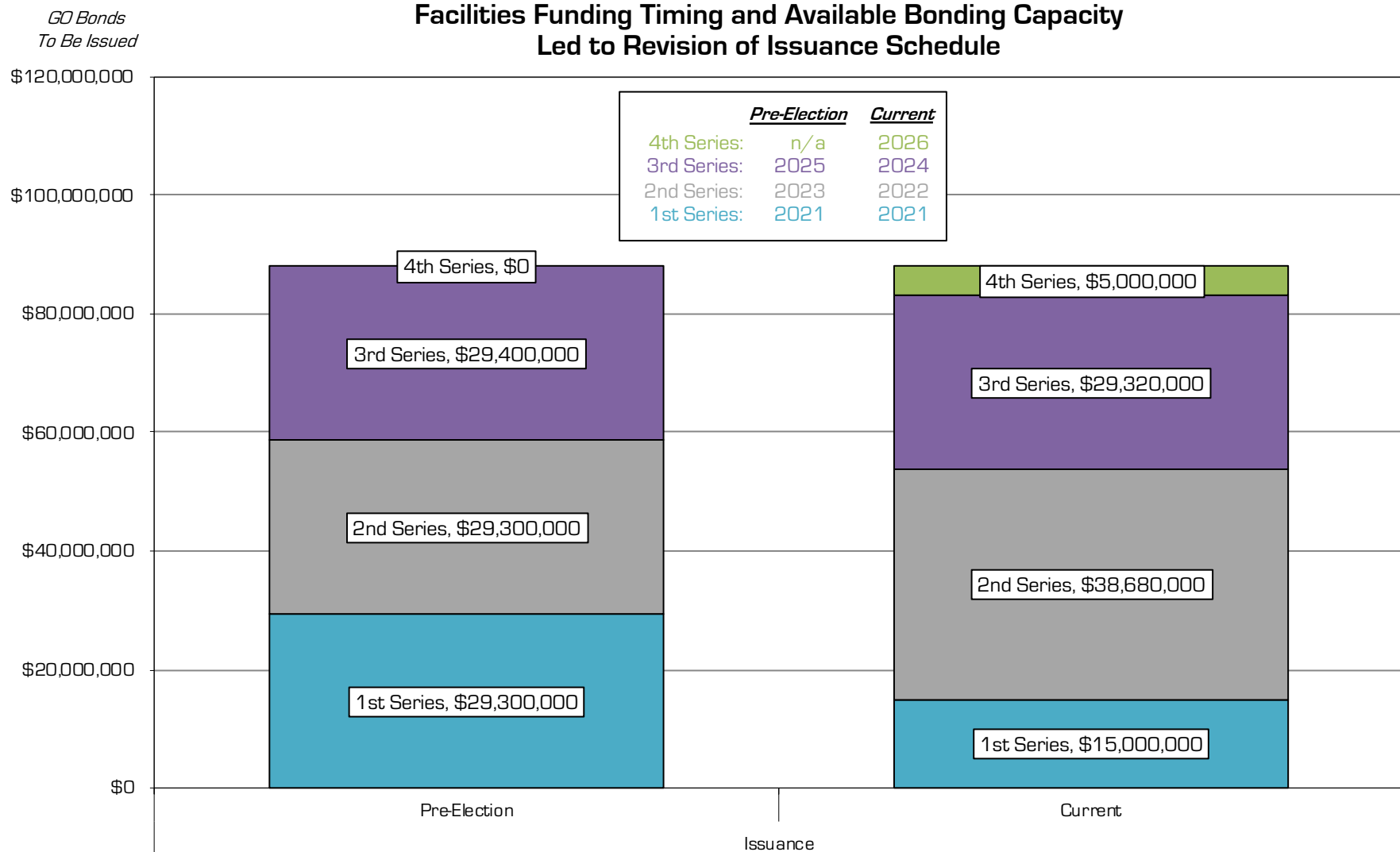
Debt Service to Principal Ratios

Debt service of new money issuances to new money principal: 1.85 : 1

¹ Series 2014, Measure I net debt service reflects application of \$2,214,127 deposited to Debt Service Fund;
² Series 2021, Measure R net debt service reflects application of \$5,709 deposited to Debt Service Fund;
³ Series 2022, Measure R net debt service reflects application of \$1,616,786 deposited to Debt Service Fund;
⁴ Series 2014, Measure I bonds, refinanced by 2024 Refunding Bonds, saving taxpayers \$4,050,203;
⁵ Series 2024, Measure R net debt service reflects application of \$1,898,045 deposited to Debt Service Fund.

Measure R

Actual and Projected Issuances



Pre-election information from pre-election bond plan. For current scenario, Series 2021, 2022, & 2024 issuance information is actual, while 2026 is projected. 3rd Series was sized based on available bonding capacity and District needs. Values rounded.

Cambrian School District

Implementing Measure R: Issuance of Series 2024 Bonds



Cambrian School
District

Exploring Infinite Possibilities for Learning



**Government
Financial Services**

Joint Powers Authority

August 1, 2024
Presented Rich Malone

Agenda

- ◆ Bond Election History
- ◆ Bond Issuance Financial Plan
- ◆ Bond Issuance Process
- ◆ For Reference



Bond Election History

General Obligation Bond Elections

<i>Date</i>	<i>Measure</i>	<i>Amount</i>	<i>Required</i>	<i>Received</i>	<i>Bonds Issued</i>	<i>Remaining Authorization</i>
Nov 5, 2002	G	\$20,975,000	55.0%	73.8%	\$20,974,944	\$56
Jun 3, 2014	I	\$39,000,000	55.0%	72.5%	\$39,000,000	\$0
Nov 3, 2020	R	\$88,000,000	55.0%	61.2%	\$53,680,000	\$34,320,000

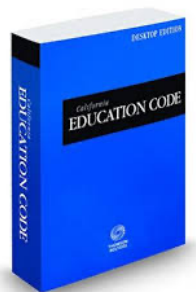
✓ *\$34.32 million of remaining Measure R authorization*



Series 2024 Bonds - Key Legal Constraints

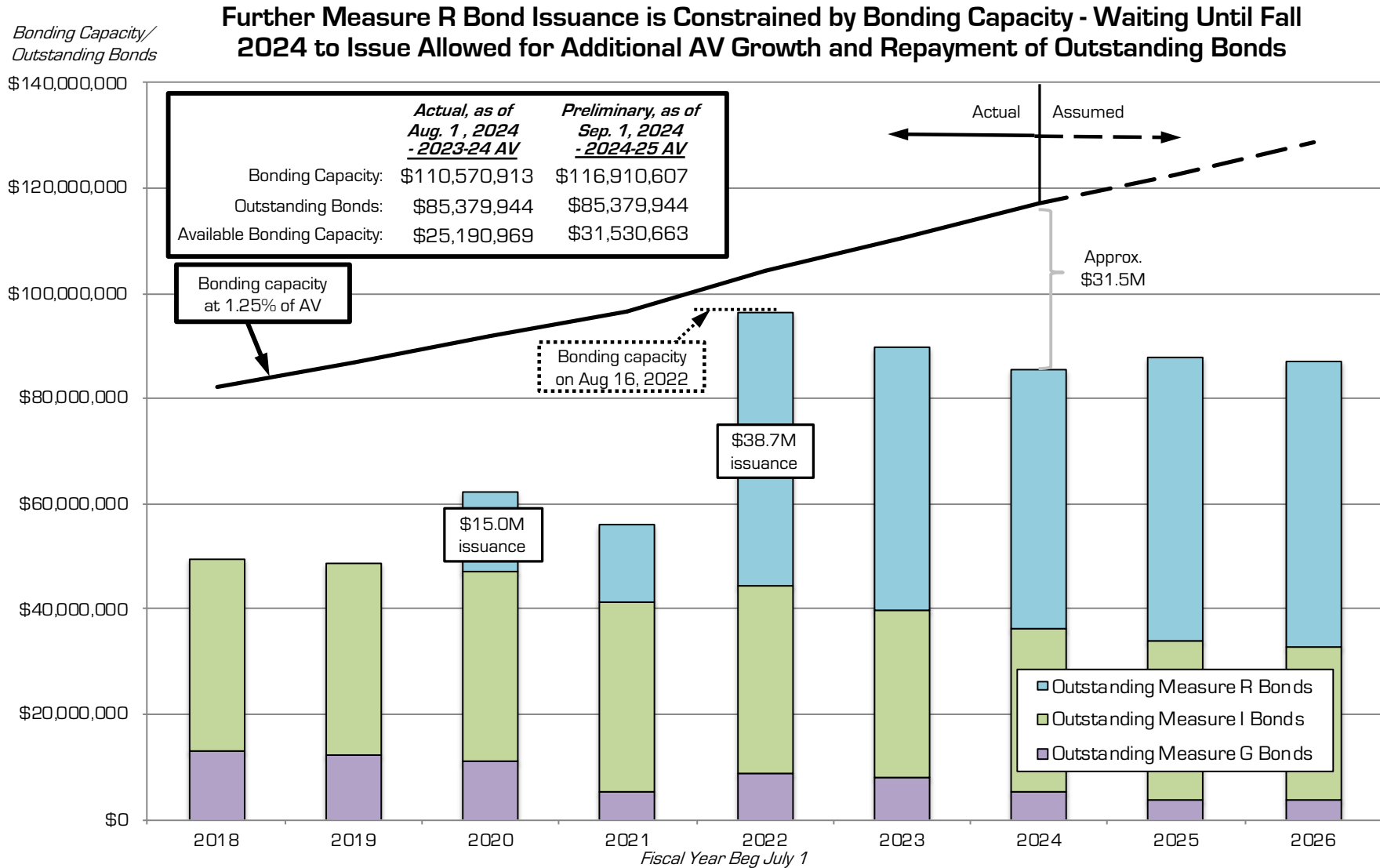
- ◆ Taxing Capacity: limit on maximum projected tax levies (this is for 55% voter approval bond measures only)
 - ▶ \$30 per \$100,000 of assessed value for union districts
 - Education Code 15268 ✓
 - ▶ \$60 per \$100,000 of assessed value for unified districts
 - Education Code 15270(a)

- ◆ Bonding Capacity: limit on amount of outstanding bonds (this is for all bond measures combined)
 - ▶ 1.25% of total assessed value for union districts
 - Education Code 15268 ✓
 - ▶ 2.50% of total assessed value for unified districts
 - Education Code 15270(a)



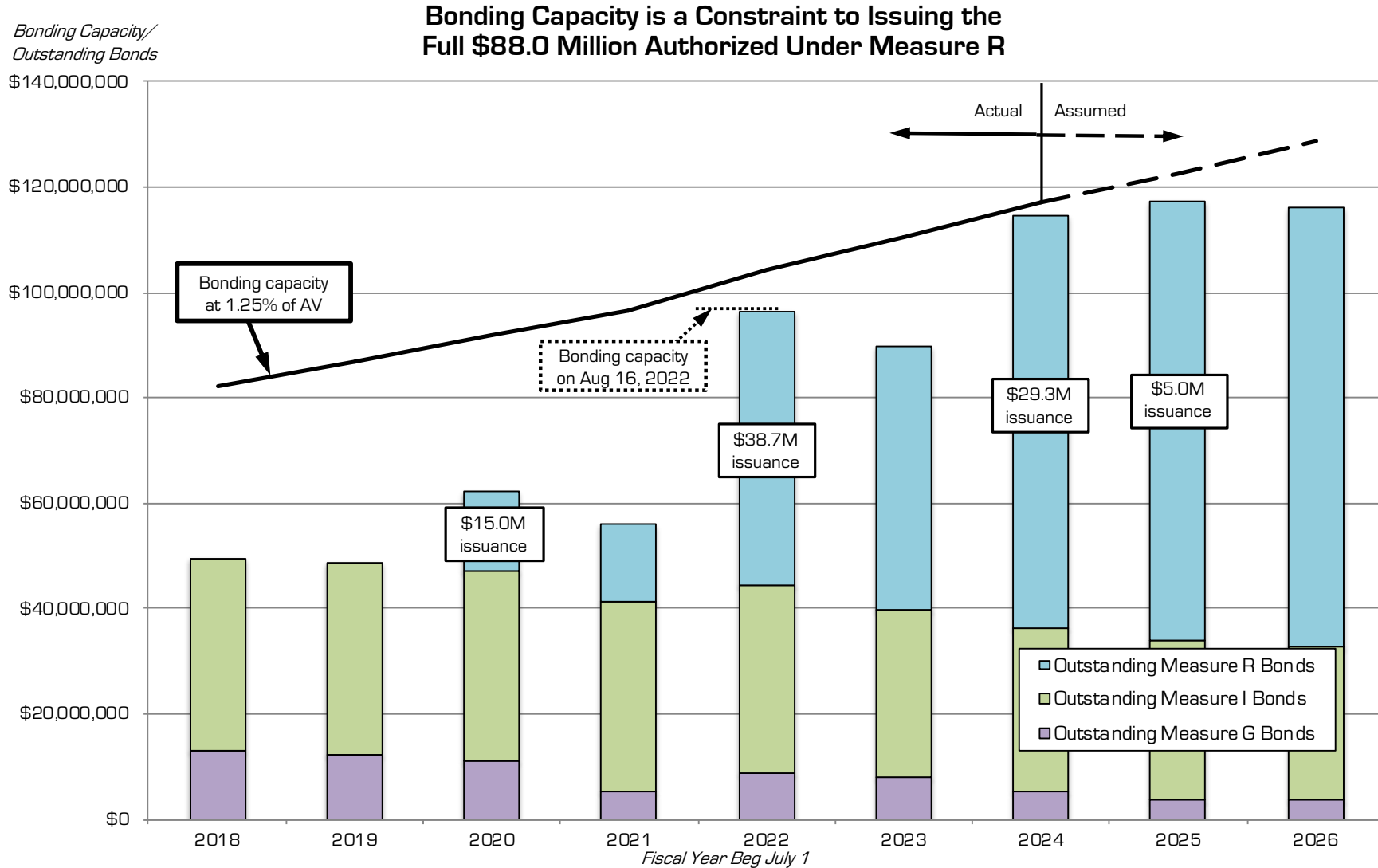
Bonding Capacity Constrains New Issuances

(Based on Preliminary Fiscal Year 2024-25 Assessed Values)



Bonding capacity is 1.25% of union districts total AV. AV is assumed to increase 5% annually for net local secured, while all other AV types are assumed to remain unchanged. Bonding capacity is as of August 20 when the AV becomes "equalized." 2024-25 AV is preliminary.

\$29.32 Million Issuance Planned

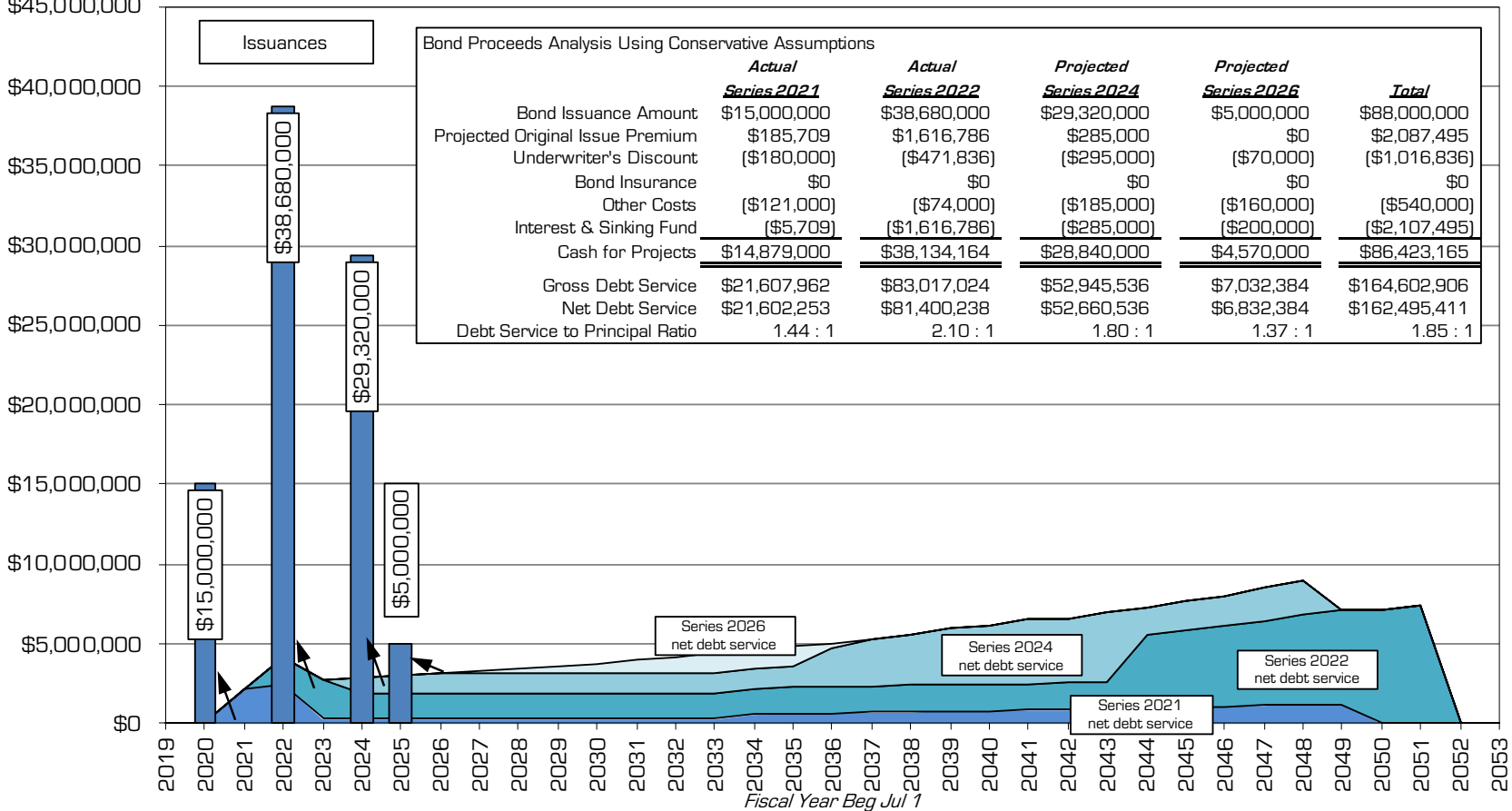


Bonding capacity is 1.25% of union districts total AV. AV is assumed to increase 5% annually for net local secured, while all other AV types are assumed to remain unchanged. Bonding capacity is as of August 20 when the AV becomes "equalized." 2024-25 AV is preliminary.

Estimated \$28.56 Million For Facilities

Issuance/
Debt Service
\$45,000,000

The District was Able to Modify the Issuance Schedule Based on Project Timing



Analysis based on preliminary 2024-25 AV from Santa Clara Co Auditor-Controllers department and assumed 5% annual growth in net local secured, while all others AV types are assumed to remain unchanged. Series 2021 and Series 2022 results are actual, and includes amounts deposited to Debt Service Fund. Series 2024 and Series 2026 results are projected, based on MMD "AAA" rates as of July 8, 2024 plus 50bp for assumed "AA-" rating. Series 2024 has a +40bp timing adjustment for potential rate increases prior to issuance; Series 2026 has a +110bp adjustment as well as +90bp for potential CABs, which is currently projected to be no more than 2% of the total Measure E issuance. County's collection methodology consists of current Fiscal Year debt service plus a reserve equal to the payment due during the first half of the following Fiscal Year, less previously collected reserve. Values rounded.

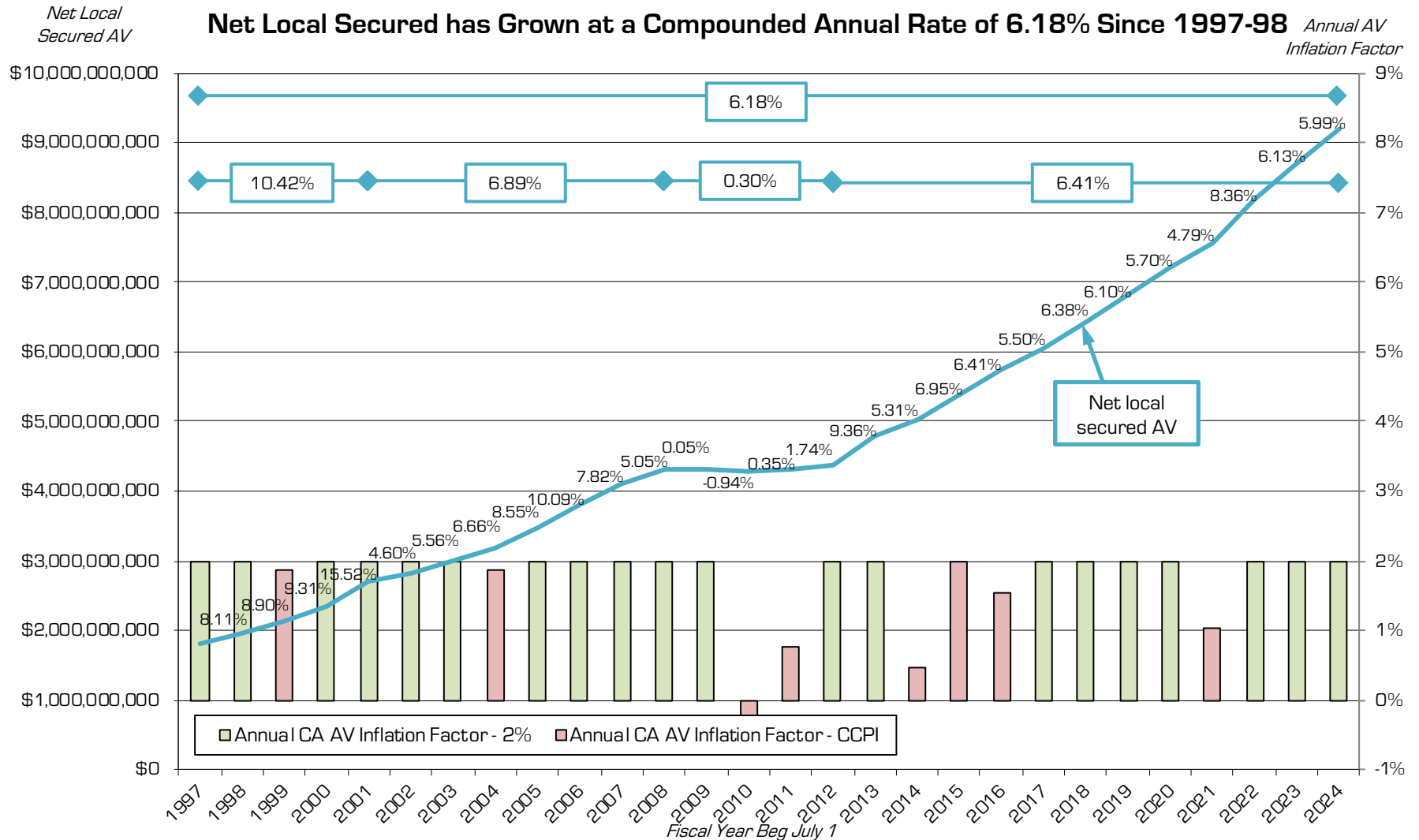
✓ Subject to change based on Fiscal Year 2024-25 assessed values.

Bond Tax Levies

- ◆ Bond tax rate \approx debt service \div assessed value
- ◆ Each property pays its share of the debt service for the bonds issued based on its individual assessed value (not market value)



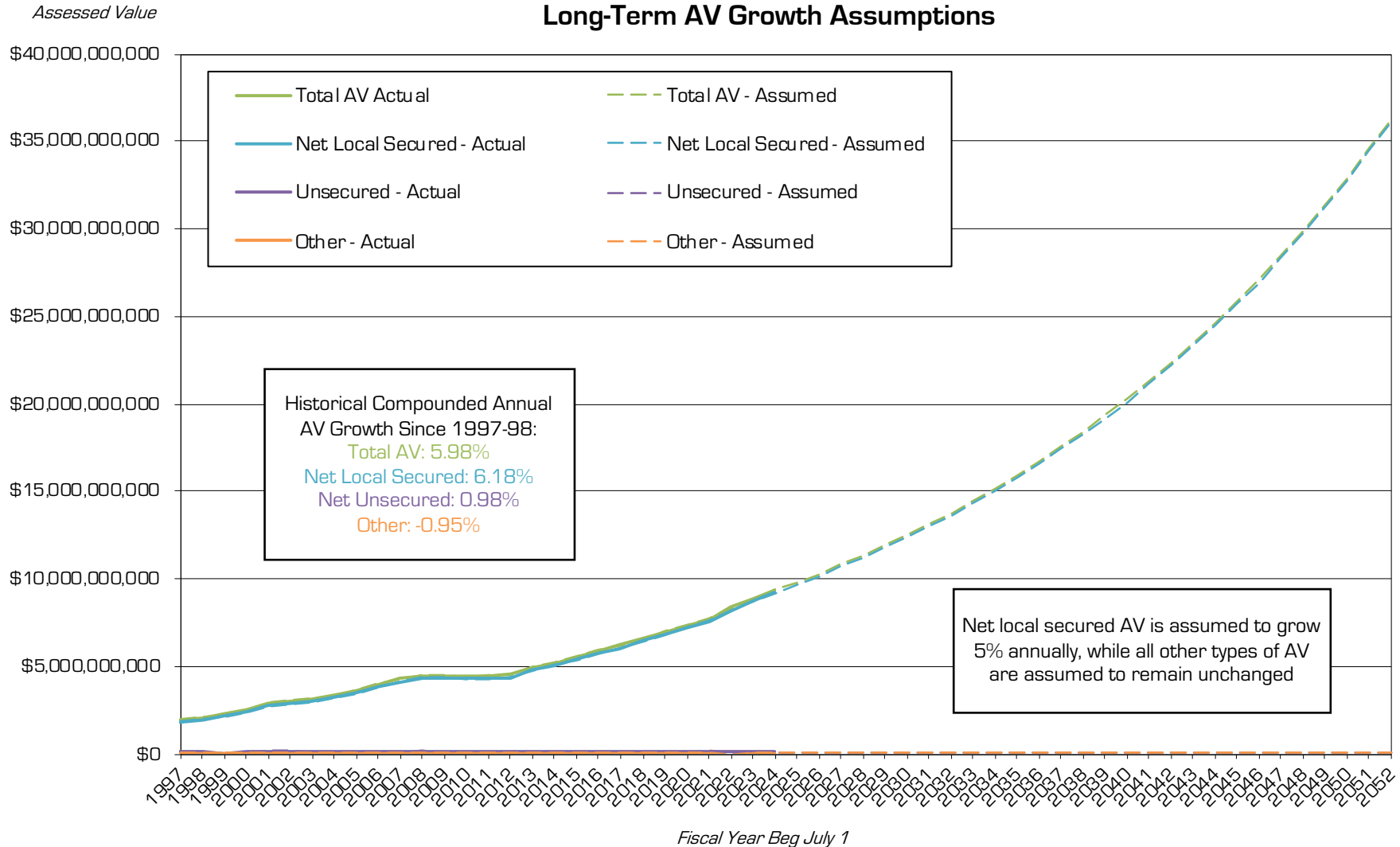
Historical Assessed Value



Historical assessed value (AV) provided by the Santa Clara County Auditor-Controller's Office, except 1997-98, 1999-00, 2002-03, & 2003-04, which were taken from the District's Series B Official Statement (2005) citing California Municipal Statistics, Inc.; net local secured is estimated for those years as HOX is not listed. The District's total AV is comprised of net local secured, utility, homeowners exemption, and unsecured values. Net local secured has comprised between 94 - 98% of the District's total AV. Changes shown are annual changes, while ranges are compounded annual rates. Annual California AV inflation factor provided by California State Board of Equalization, and is the lesser of the annual change in the CA CPI or 2%. 2024-25 AV is preliminary.

Projected Assessed Value

Different AV Assumptions Based on the AV Types Lead to Moderate Long-Term AV Growth Assumptions



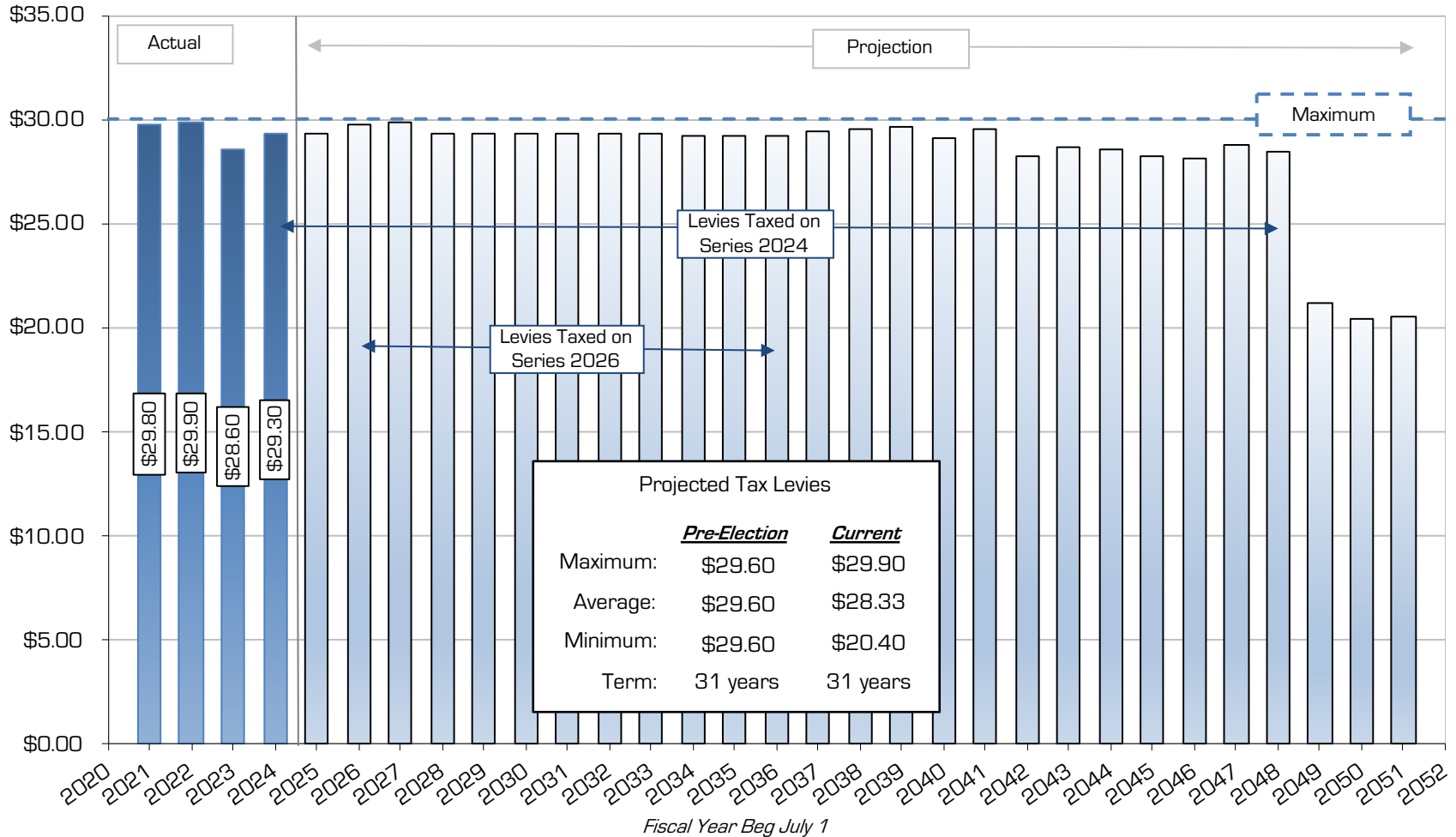
Historical assessed value [AV] provided by the Santa Clara County Auditor-Controller's Office. The District's total AV is comprised of net local secured, net unsecured, and other (utility & homeowners exemption). As homeowners exemption & unsecured components are relatively small and tend to be subject to less predictable volatility, the AV focuses on net local secured. 2024-25 AV is preliminary.

Measure R

Projected Levies < Pre-Election Estimates

Tax Levies per
\$100,000 of AV

Measure R Tax Levies are Projected to Remain within the
\$30 Maximum Allowable Projection



Notes: actual tax levies provided by Santa Clara County. Future tax levies are based on County's collection methodology which consists of current Fiscal Year debt service plus a reserve equal to the payment due during the first half of the following Fiscal Year, less previously collected reserve. Levies based on an assumed 5% annual increase in net local secured AV, while all other types of AV are assumed to remain unchanged. Future paying agent fees equal to 2024-25 fee (\$4,500). Tax levies are per \$100,000 of assessed value. Maximum pre-election projection per Tax Rate Statement.

Sale Methods

- ◆ Competitive Process - auction



- ◆ Negotiated Process - sale to pre-selected underwriter or lender/investor



- ✓ *The Government Finance Officers Association (GFOA) recommends that “issuers should sell their debt using a method of sale that is most likely to achieve the lowest cost of borrowing, while considering both short-range and long-range implications for taxpayers and ratepayers*



Recommended Bond Sale Process

- ◆ Recommendation: competitive bid process.
- ◆ Considering GFOA best practice *Selecting and Managing the Method of Sale of Bonds* (March 2021)
- ◆ Based on:
 - ▶ Rating of the bonds is expected to be in at least the single-A category (District's existing bonds are rated "AA-").
 - ▶ The bonds are general obligation bonds secured by the full faith and credit of the District's tax base.
 - ▶ The bonds do not include features requiring extensive explanation to the bond market.
 - ▶ The District is well known and frequently in the market.*



*We define "frequently" as meaning the proposed financing would be at least the third publicly offered issuance within the last five years.

Primary Legal Documents

- ◆ *Board Resolution*: authorizes bonds and signing of documents within parameters (bond amount, interest rate, etc.)
- ◆ *Form of Bond Purchase Agreement*: the underwriter purchases the bonds from the District and resells them to investors
- ◆ *Form of Preliminary Official Statement*: discloses important information about the District and financing to investors
- ◆ *Form of Paying Agent Agreement*: a bank is assigned responsibility for forwarding principal and interest payments to investors
- ◆ *Form of Continuing Disclosure Certificate*: District provides updates to the bond market annually and if any significant events occur

Preliminary Official Statement - Overview of Disclosure

◆ Honest and Fair Dealing

Disclose all “material” facts



Heightened Securities and Exchange
Commission scrutiny



◆ Marketing

Present and future



Tips for Reviewing the Disclosure

- ◆ In reviewing the Preliminary Official Statement:
 - ▶ Format is based on the industry standard, for the convenience of the primary audience -- investors. Standard information is provided in standard fashion, which is often not in the best writing style.
 - ▶ Providing too much information can obscure important points; however, omitting information which might be material to an investment decision would be disastrous.
 - ▶ It is better to bring something to our attention, so that it can be considered and discussed, rather than assume that we've already thought of it.

It is Important to Review the Disclosure

- ◆ Securities and Exchange Commission report (January 1996) on the disclosure of Orange County in connection with the sale of municipal securities prior to its bankruptcy:

“In authorizing the issuance of securities and related disclosure documents, a public official may not authorize disclosure that the official knows to be false; nor may a public official authorize disclosure while recklessly disregarding facts that indicate that there is a risk that the disclosure may be misleading.”



Next Steps

- ◆ Today's Board meeting
 - ▶ Information presentation
- ◆ August 15, 2024 Board meeting
 - ▶ Board considers adoption of resolution authorizing issuance of Series 2024 Bonds
- ◆ August 27, 2024
 - ▶ Sale of Series 2024 Bonds
- ◆ September 11, 2024
 - ▶ Closing: Proceeds deposited with County
- ◆ October 3, 2024 Board meeting
 - ▶ Presentation of results of sale of Series 2024 Bonds



Thank you, Any Questions?



For Reference

- ◆ Estimated Costs of Issuance Detail
- ◆ Good Faith Estimates
- ◆ Bond Portfolio - Dashboard Summary
- ◆ Measure R Actual and Projected Issuances
- ◆ Additional Information Regarding Assessed Valuation

Estimated Costs of Issuance Detail

Cambrian School District
 (Santa County, California)
 General Obligation Bonds, Election of 2020, Series 2024

Estimated Costs of Issuance

Description	Total
• Parker & Covert LLP, Bond Counsel	
Bond Counsel Services and Expenses:	\$17,400.00
Disclosure Counsel Services and Expenses:	\$19,800.00
• Government Financial Services Joint Powers Authority, Public Finance Consultant	
Professional Services and Expenses:	\$70,000.00
• S&P Global Ratings, Rating Agency	
Professional Services:	\$35,000.00
• Other Issuance Expenses (break out listed below)	
Zions Bancorporation, National Association, Paying Agent	
Acceptance Fees:	\$350.00
First Year's Paying Agent Annual Fee:	\$350.00
Good Faith Fund Administration Fee:	\$0.00
COI Fund Administration Fee:	\$250.00
AVIA Communications: POS/OS Printer	\$2,000.00
California Municipal Statistics: Data	\$1,200.00
AMTEC: Yield Verification Agent	\$350.00
• Contingency	\$38,300.00
TOTAL COSTS OF ISSUANCE	\$185,000.00

Good Faith Estimates

Good Faith Estimates

Per Government Code 5852.1

	<i>Estimates</i>
True Interest Cost ¹	4.28%
Finance Charge ²	\$480,000
Amount of Proceeds ³	\$28,840,000
Total Payment Amount ⁴	\$52,945,536

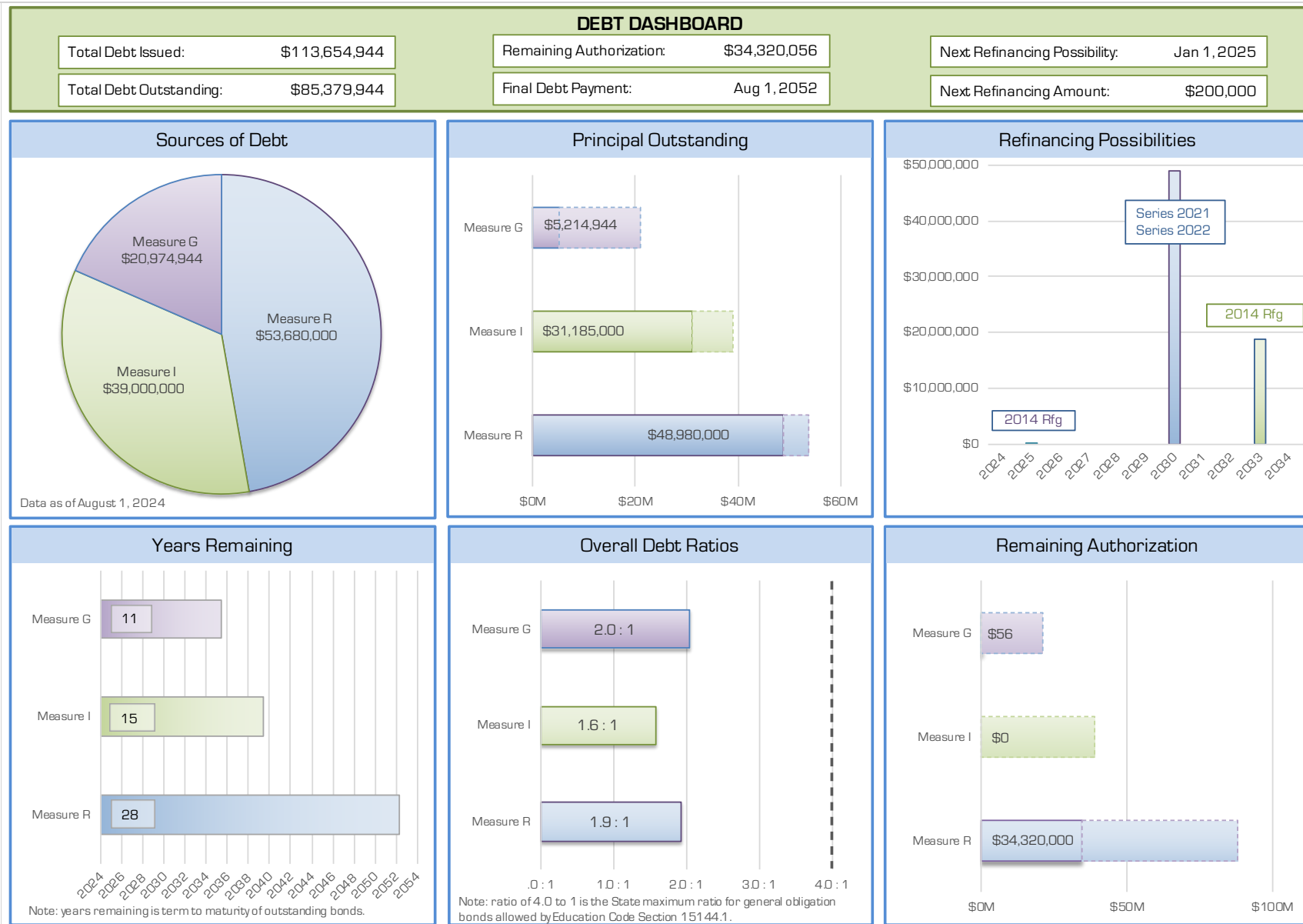
¹ True Interest cost includes a 0.40% adjustment for potential market volatility based on historical volatility in the Bond Buyer 20-Bond Index through July 5, 2024.

² Finance charge is the sum of all charges and fees paid to third-parties for upfront costs.

³ Amount of proceeds received is the bond amount less the finance charge and any reserves or capitalized interest funded.

⁴ Total payment amount is total debt service plus any finance charges not paid with proceeds.

Bond Portfolio - Dashboard Summary



Bond Issuance History - Measure G

General Obligation Bonds, November 2002 Election, Measure G, \$20,975,000

Series	Year of Sale	Bond Type	Issuance - New Money	Issuance - Refinancing	Total Issuance	Net Debt Service at Issuance	Ratio of Debt Service to Principal for Orig Issuance	Outstanding Principal as of Aug 1, 2024	Final Maturity Year	Able to Call?	Next Call Date	Callable Principal	Weighted Average Callable Coupon	Next Call Premium
A	2003	CIBs	\$15,105,000	\$0	\$15,105,000	\$25,224,698	1.73 : 1	\$0	2013	n/a	n/a	\$0	n/a	n/a
		CABs	\$419,912	\$0	\$419,912	\$1,570,000		\$419,912	2028	No	n/a	\$0	n/a	n/a
B	2005	CIBs	\$2,215,000	\$0	\$2,215,000	\$3,497,002	3.23 : 1	\$0	2015	n/a	n/a	\$0	n/a	n/a
		CABs	\$3,235,032	\$0	\$3,235,032	\$14,085,000		\$3,235,032	2035	No	n/a	\$0	n/a	n/a
2013 Rfg	2013	CIBs	\$0	\$11,510,000	\$11,510,000	\$15,065,829	1.31 : 1	\$0	2022	n/a	n/a	\$0	n/a	n/a
2014 Rfg	2014	CIBs	\$0	\$1,415,000	\$1,415,000	\$1,899,891	1.34 : 1	\$200,000	2025	Yes	Jan 1, 2025	\$200,000	5.00%	0%
2022 Rfg	2022	CIBs	\$0	\$4,620,000	\$4,620,000	\$5,098,392	1.10 : 1	\$1,360,000	2025	No	n/a	\$0	n/a	n/a
			<u>\$20,974,944</u>	<u>\$17,545,000</u>	<u>\$38,519,944</u>	<u>\$66,440,812</u>		<u>\$5,214,944</u>				<u>\$200,000</u>		

Debt Service to Principal Ratios

Debt service of new money issuances to new money principal: 2.12 : 1
 Total debt service after refinancings to new money principal: 2.05 : 1

¹ Series A, Measure G net debt service reflects application of \$25,019 deposited to Debt Service Fund;
² Series B, Measure G net debt service reflects application of \$791 deposited to Debt Service Fund;
³ Series A, Measure G CIBs maturing from 2014 - 2026 refinanced by 2013 Refunding Bonds, saving taxpayers \$1,141,973;
⁴ Series B, Measure G CIBs maturing from 2016 - 2025 refinanced by 2014 Refunding Bonds, saving taxpayers \$157,134;
⁵ 2013 Rfg, Measure G bonds, refinanced by 2022 Refunding Bonds, saving taxpayers \$137,258.

- ✓ *Series A (2003), Series B (2005), and 2022 Refunding Bonds not callable.*
- ✓ *2014 Refunding Bonds mature July 1, 2025; amount of callable principal (\$200,000) insufficient to make refinancing practical.*

Bond Issuance History - Measures I and R

General Obligation Bonds, June 2014 Election, Measure I, \$39,000,000

Series	Year of Sale	Bond Type	Issuance - New Money	Issuance - Refinancing	Total Issuance	Net Debt Service at Issuance	Ratio of Debt	Outstanding Principal as of Aug 1, 2024	Final Maturity Year	Able to Call?	Next Call Date	Callable Principal	Weighted Average		
							Service to Principal for Orig Issuance						Callable Coupon	Next Call Premium	
2014	2014	CIBs	\$39,000,000	\$0	\$39,000,000	\$65,642,969	1.68 : 1	\$0	2024	n/a	n/a	\$0	n/a	n/a	1.4
2024 Rfg	2024	CIBs	\$0	\$31,185,000	\$31,185,000	\$44,720,759	1.43 : 1	\$31,185,000	2039	Yes	Aug 1, 2033	\$18,650,000	4.00%	0%	4
			<u>\$39,000,000</u>	<u>\$31,185,000</u>	<u>\$70,185,000</u>	<u>\$110,363,728</u>		<u>\$31,185,000</u>				<u>\$18,650,000</u>			

Debt Service to Principal Ratios

Debt service of new money issuances to new money principal: 1.68 : 1

Total debt service after refinancings to new money principal: 1.58 : 1

General Obligation Bonds, November 2020 Election, Measure R, \$88,000,000

Series	Year of Sale	Bond Type	Issuance - New Money	Issuance - Refinancing	Total Issuance	Net Debt Service at Issuance	Service to	Outstanding Principal as of Aug 1, 2024	Final Maturity Year	Able to Call?	Next Call Date	Callable Principal	Average		
							Principal for Orig Issuance						Callable Coupon	Next Call Premium	
2021	2021	CIBs	\$15,000,000	\$0	\$15,000,000	\$21,602,253	1.44 : 1	\$11,350,000	2050	Yes	Aug 1, 2030	\$11,350,000	2.35%	0%	2
2022	2022	CIBs	\$38,680,000	\$0	\$38,680,000	\$81,400,238	2.10 : 1	\$37,630,000	2052	Yes	Aug 1, 2030	\$37,630,000	4.34%	0%	3
			<u>\$53,680,000</u>	<u>\$0</u>	<u>\$53,680,000</u>	<u>\$103,002,491</u>		<u>\$48,980,000</u>				<u>\$48,980,000</u>			

Debt Service to Principal Ratios

Debt service of new money issuances to new money principal: 1.92 : 1

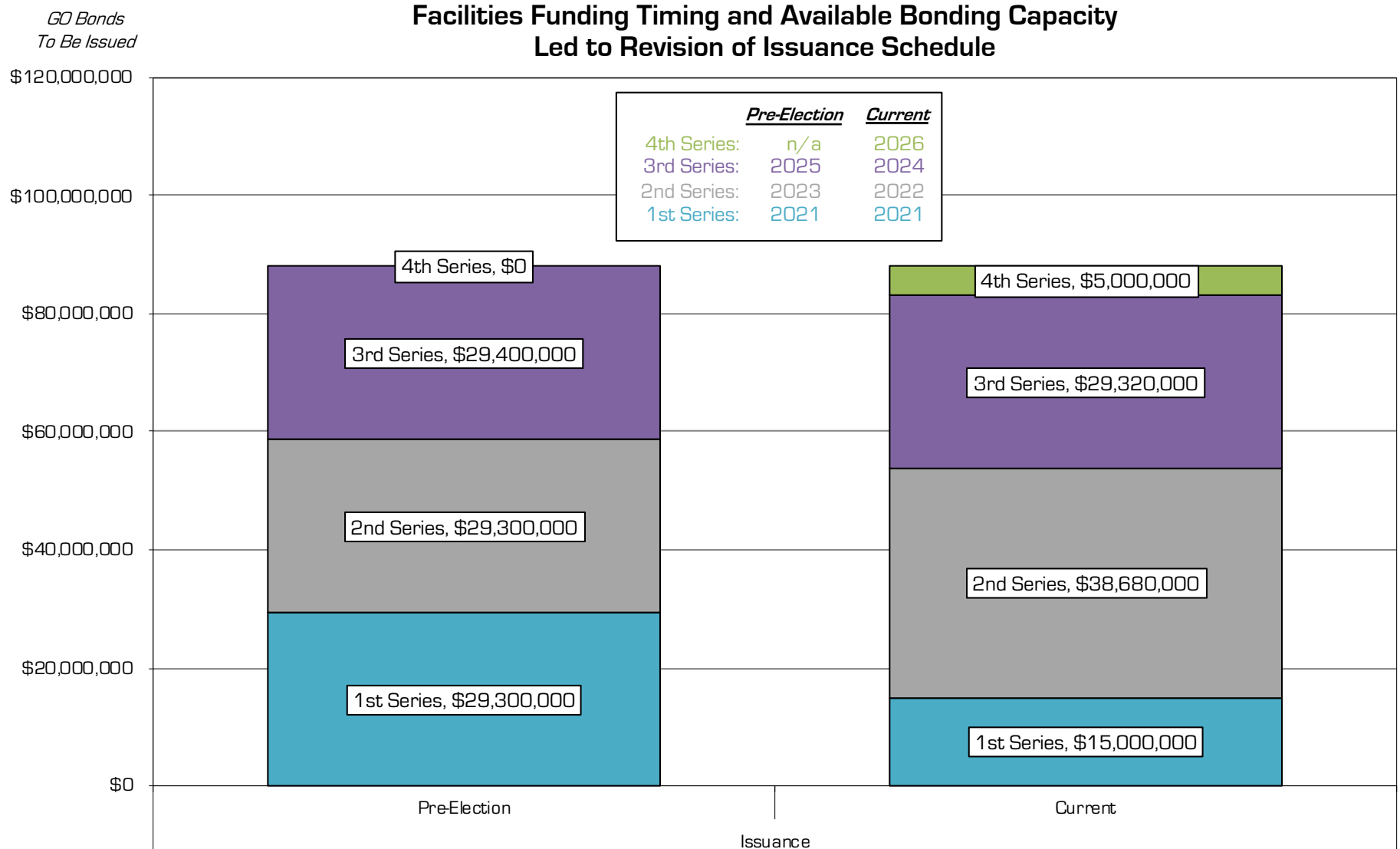
¹ Series 2014, Measure I net debt service reflects application of \$2,214,127 deposited to Debt Service Fund;

² Series 2021, Measure R net debt service reflects application of \$5,709 deposited to Debt Service Fund;

³ Series 2022, Measure R net debt service reflects application of \$1,616,786 deposited to Debt Service Fund;

Measure R

Actual and Projected Issuances

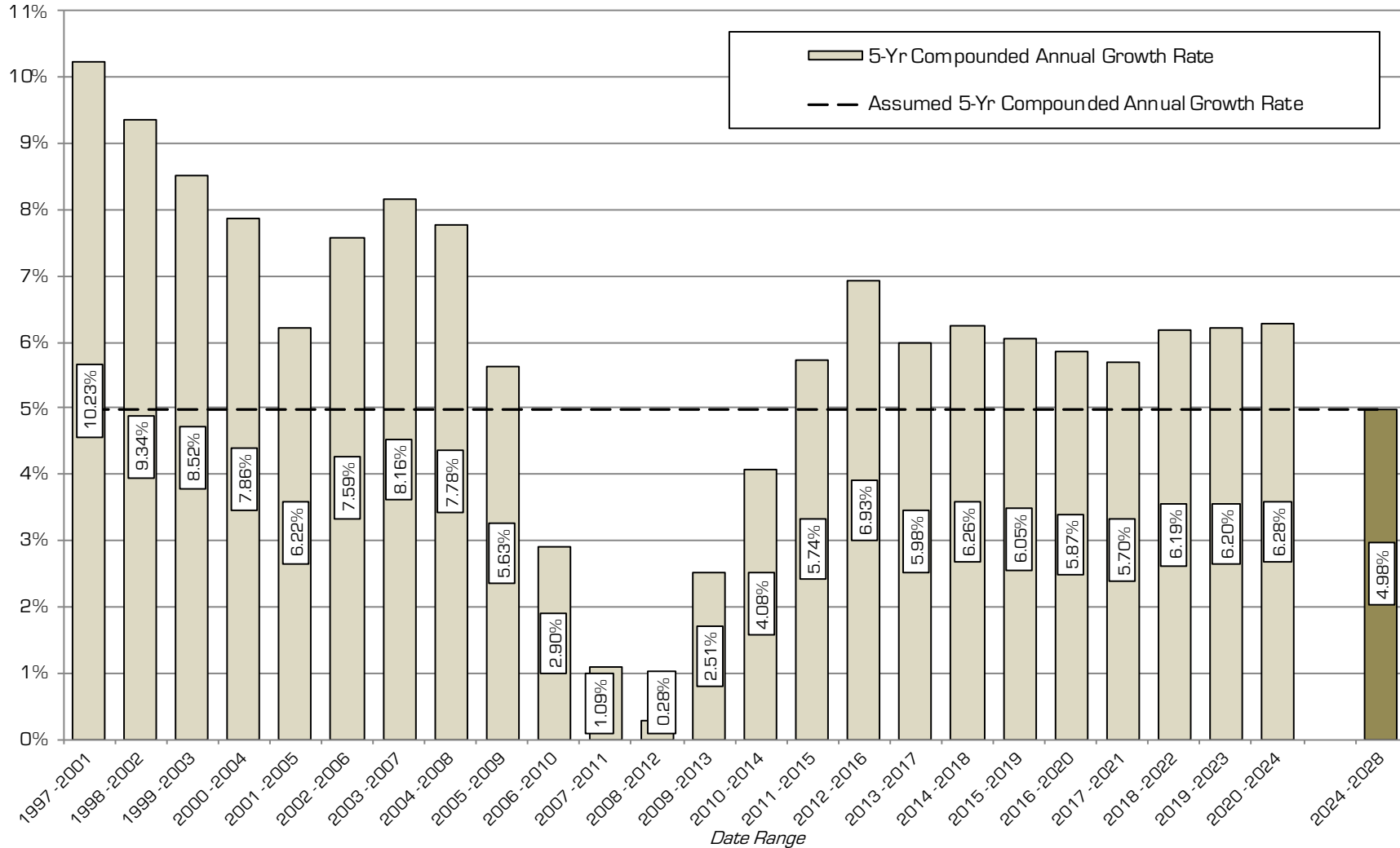


Pre-election information from pre-election bond plan. For current scenario, Series 2021 & 2022 information is actual, with 2024 and 2026 projected. 3rd Series sized based on available bonding capacity and District needs. Values rounded.

Historical AV Analysis - 5 Year Periods

Compounded Annual
Growth Rate - Secured AV

AV Assumptions Used Result in 4.98% Annual Growth Rate over 5 Years

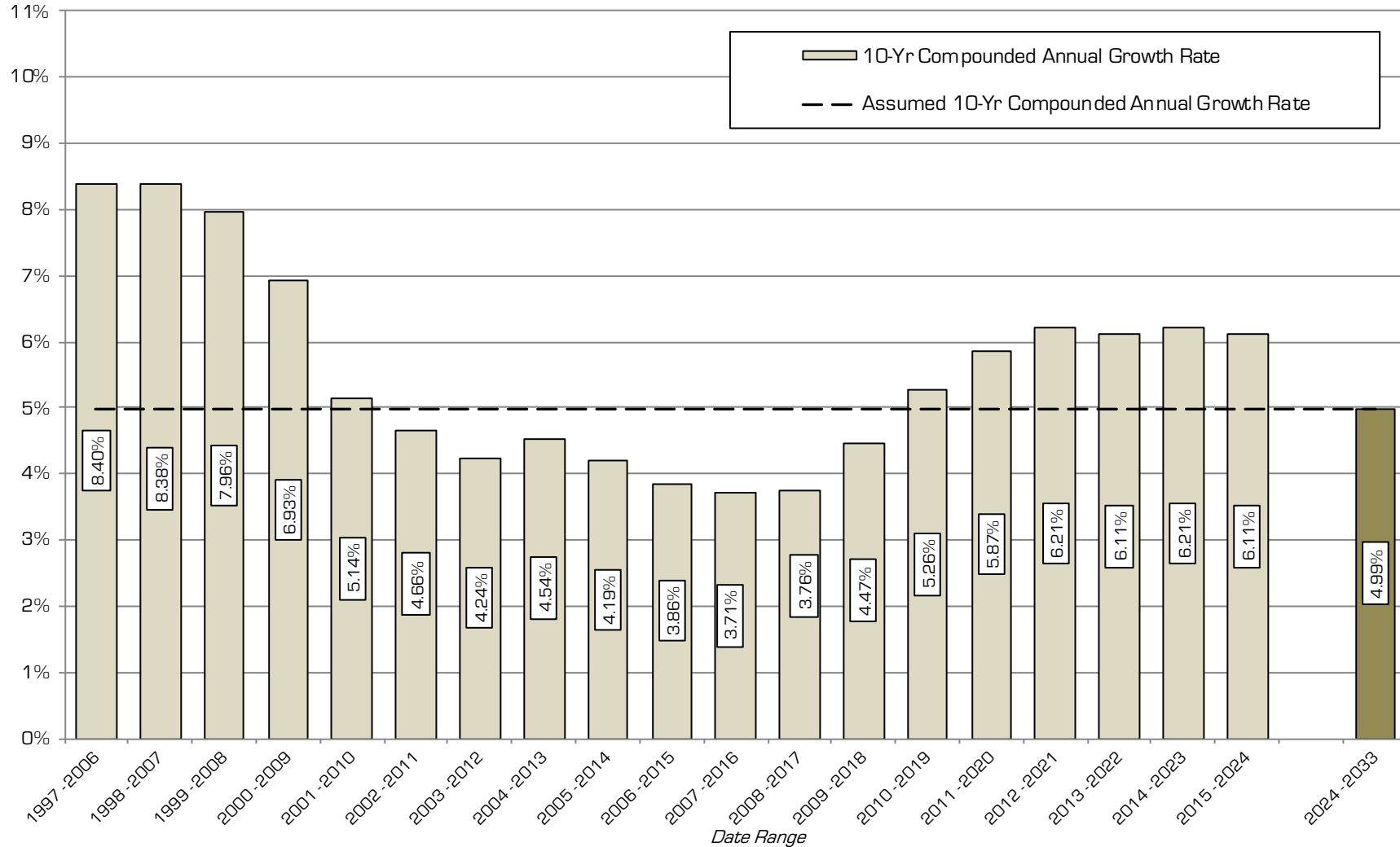


Historical data from Santa Clara County Auditor-Controller's office. Net local secured AV is assumed to increase 5% annually, while all other AV types are assumed to remain unchanged. 2024-25 AV is preliminary.

Historical AV Analysis - 10 Year Periods

Compounded Annual
Growth Rate - Secured AV

AV Assumptions Used Result in 4.99% Annual Growth Rate over 10 Years

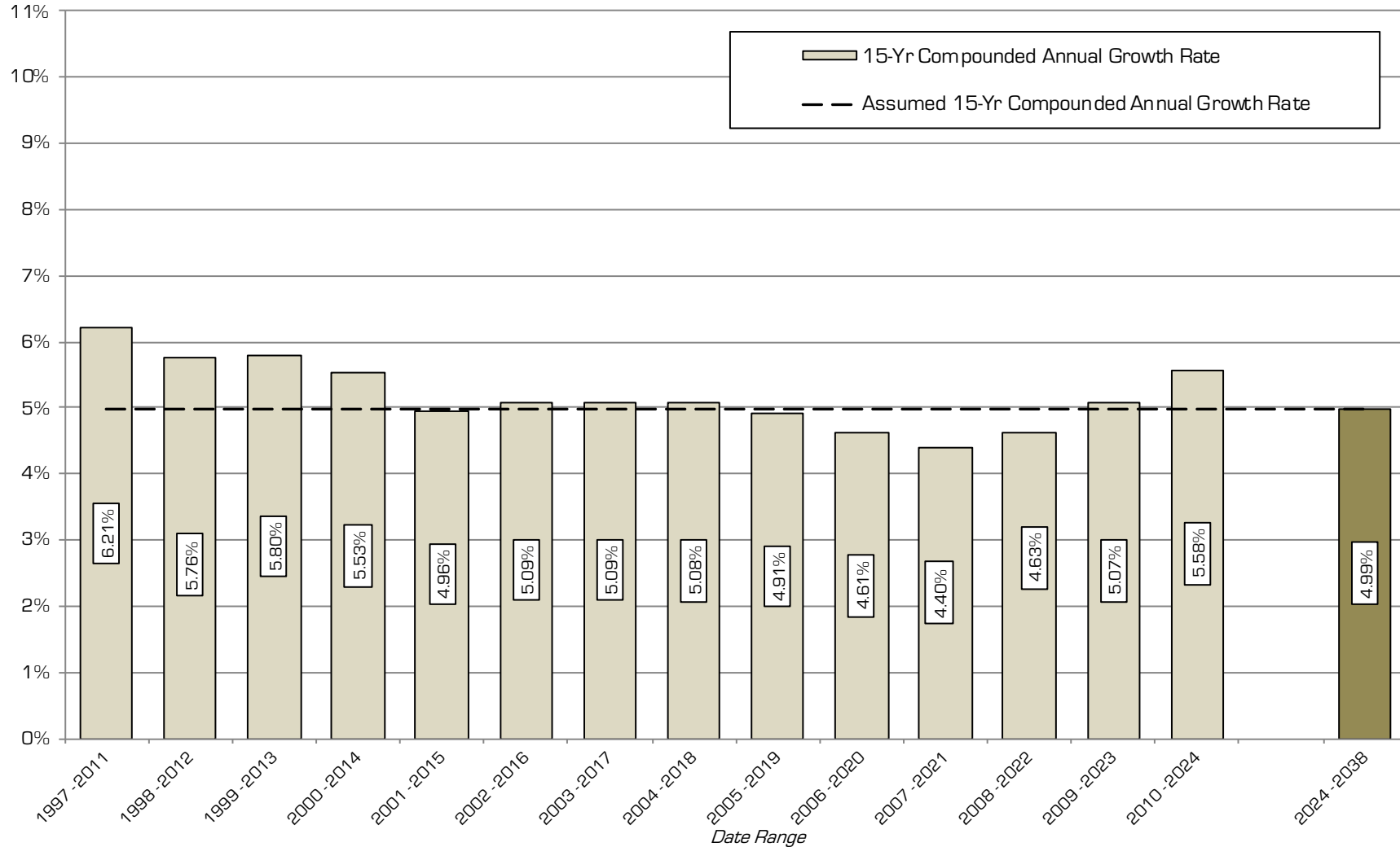


Historical data from Santa Clara County Auditor-Controller's office. Net local secured AV is assumed to increase 5% annually, while all other AV types are assumed to remain unchanged. 2024-25 AV is preliminary.

Historical AV Analysis - 15 Year Periods

Compounded Annual
Growth Rate - Secured AV

AV Assumptions Used Result in 4.99% Annual Growth Rate over 15 Years

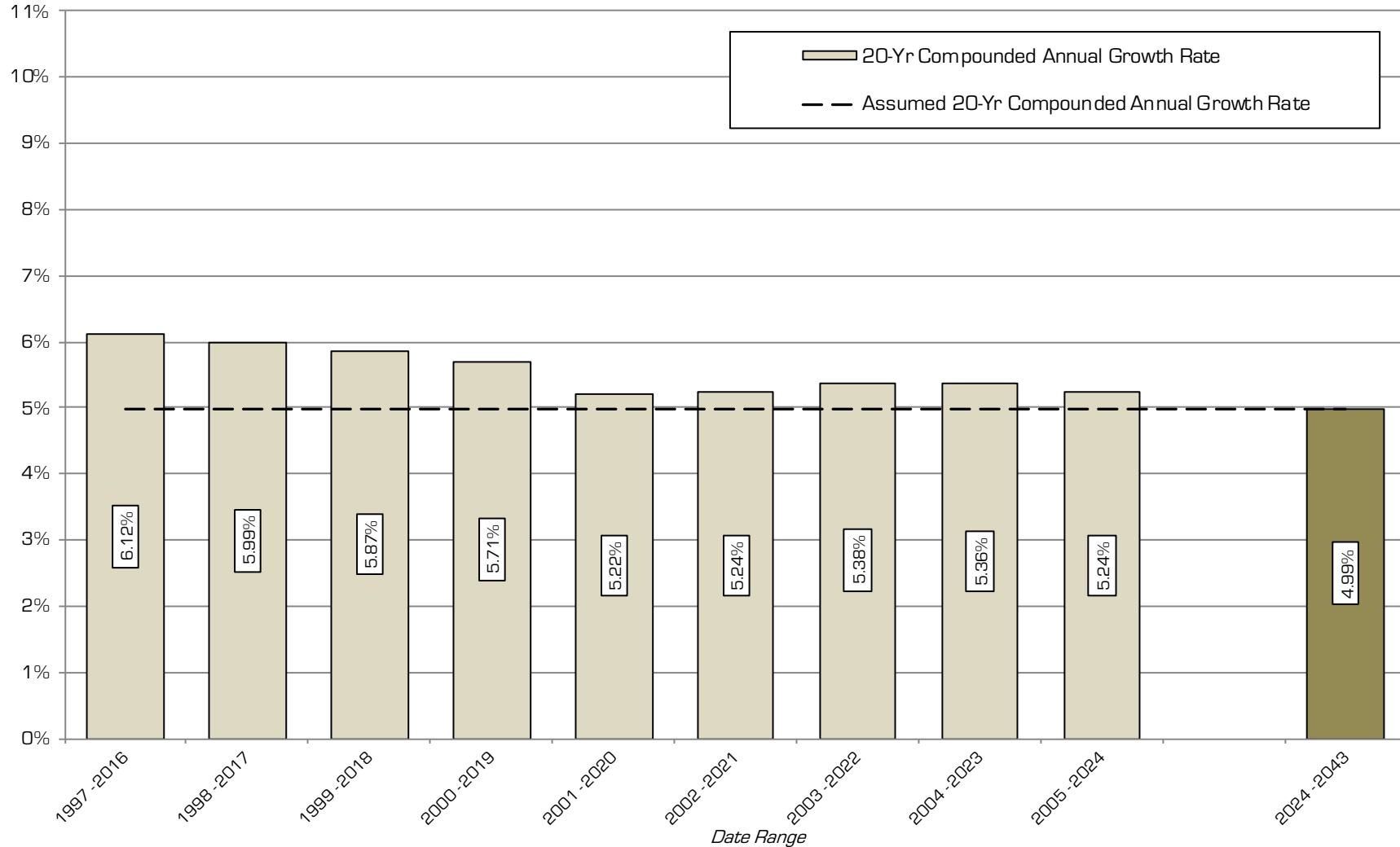


Historical data from Santa Clara County Auditor-Controller's office. Net local secured AV is assumed to increase 5% annually, while all other AV types are assumed to remain unchanged. 2024-25 AV is preliminary.

Historical AV Analysis - 20 Year Periods

Compounded Annual
Growth Rate - Secured AV

AV Assumptions Used Result in 4.99% Annual Growth Rate over 20 Years



Historical data from Santa Clara County Auditor-Controller's office. Net local secured AV is assumed to increase 5% annually, while all other AV types are assumed to remain unchanged. 2024-25 AV is preliminary.

Cambrian School District

Fiscal Stewardship: Implementing Measure R



Cambrian School
District

Exploring Infinite Possibilities for Learning



**Government
Financial Services**

Joint Powers Authority

March 21, 2024
Presented Rich Malone

Agenda

◆ Measure R, Series 2024 Bonds

◆ For Reference



Bond Election History

General Obligation Bond Elections

<i>Date</i>	<i>Measure</i>	<i>Amount</i>	<i>Required</i>	<i>Received</i>	<i>Bonds Issued</i>	<i>Remaining Authorization</i>
Nov 5, 2002	G	\$20,975,000	55.0%	73.8%	\$20,974,944	\$56
Jun 3, 2014	I	\$39,000,000	55.0%	72.5%	\$39,000,000	\$0
Nov 3, 2020	R	\$88,000,000	55.0%	61.2%	\$53,680,000	\$34,320,000

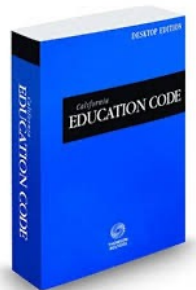
✓ *\$34.32 million of remaining Measure R authorization*



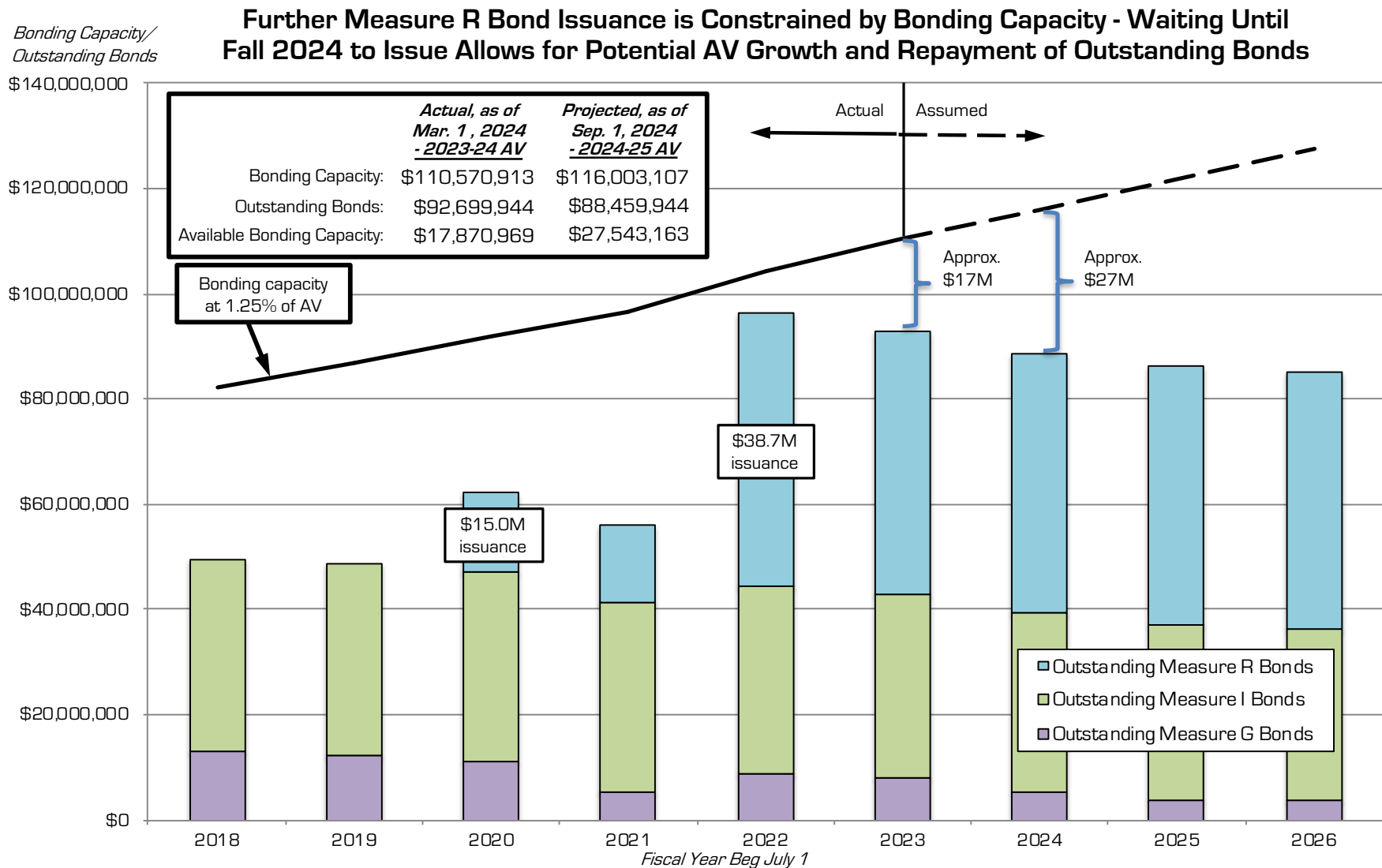
Third Series of Bonds for Measure R - Key Legal Constraints of General Obligation Bonds

- ◆ Taxing Capacity: limit on maximum projected tax levies (this is for 55% voter approval bond measures only)
 - ▶ \$30 per \$100,000 of assessed value for union districts
 - Education Code 15268 ✓
 - ▶ \$60 per \$100,000 of assessed value for unified districts
 - Education Code 15270(a)

- ◆ Bonding Capacity: limit on amount of outstanding bonds (this is for all bond measures combined)
 - ▶ 1.25% of total assessed value for union districts
 - Education Code 15268 ✓
 - ▶ 2.50% of total assessed value for unified districts
 - Education Code 15270(a)

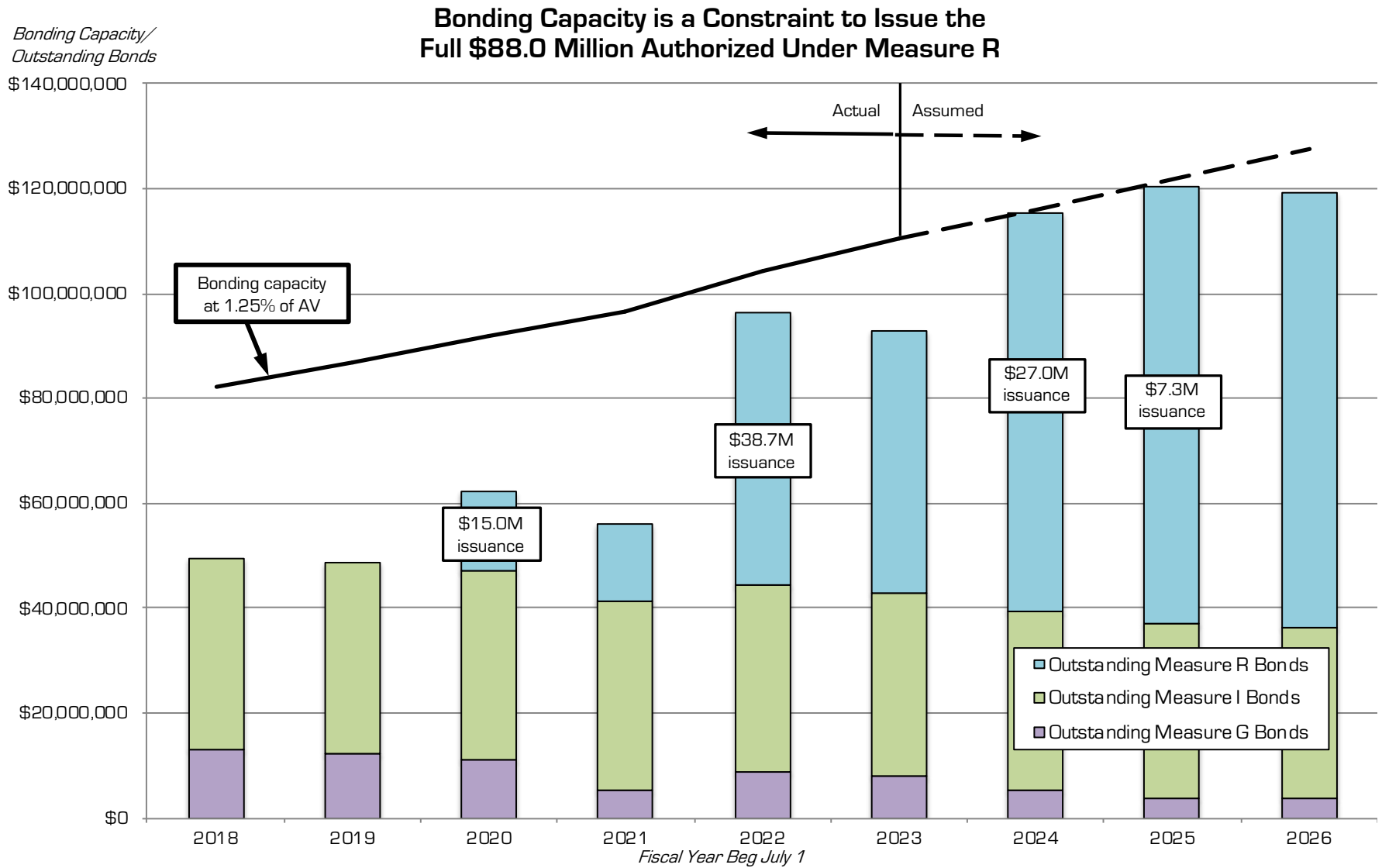


Bonding Capacity Constrains New Issuances



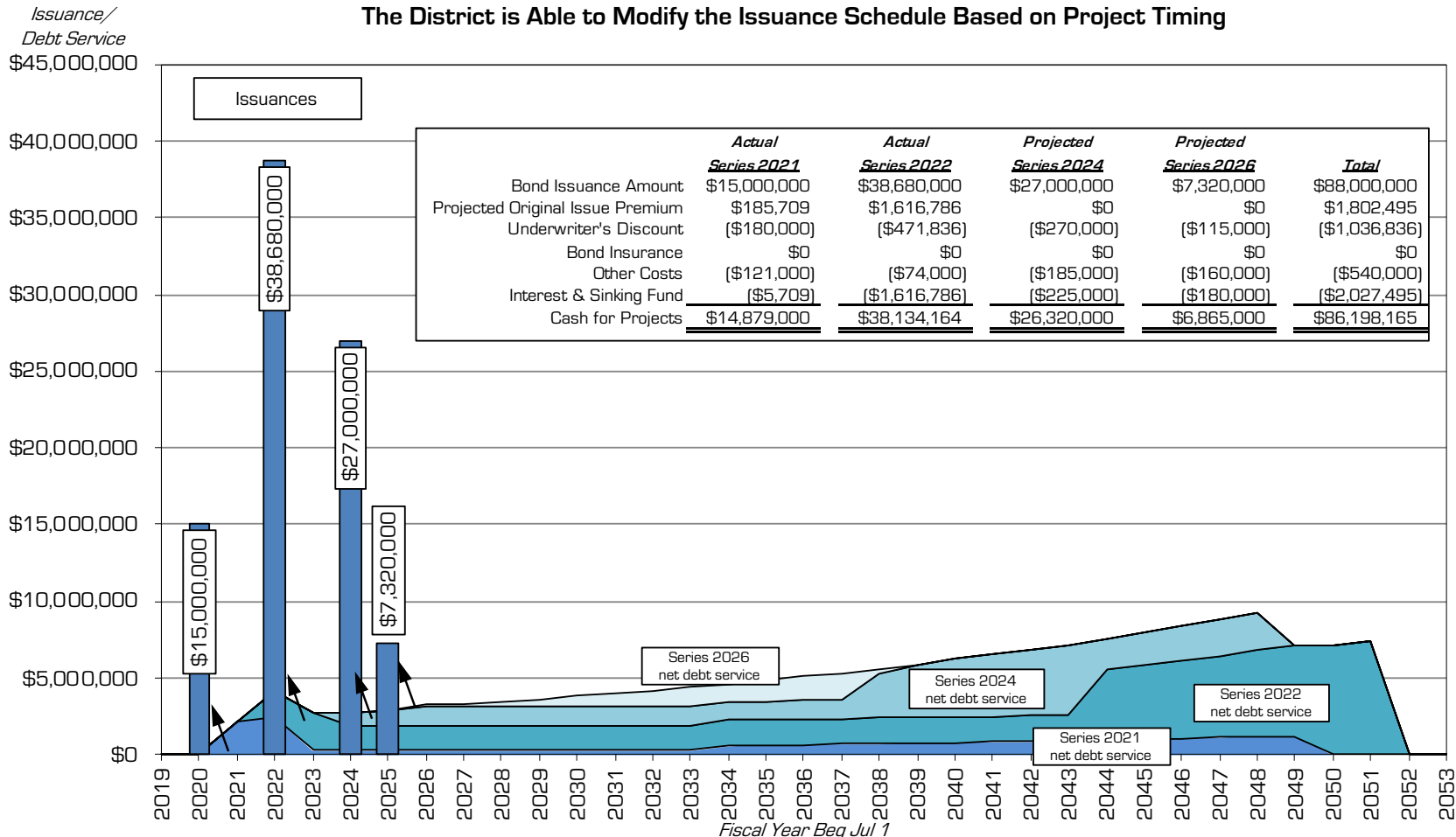
Bonding capacity is 1.25% of union districts total AV. AV is assumed to increase 5% annually for net local secured, while all other AV types are assumed to remain unchanged. Bonding capacity is as of August 20 when the AV becomes "equalized."

Potential for \$27 Million Issuance in Fall 2024



Bonding capacity is 1.25% of union districts total AV. AV is assumed to increase 5% annually for net local secured, while all other AV types are assumed to remain unchanged. Bonding capacity is as of August 20 when the AV becomes "equalized."

Estimated \$27 Million of Series 2024 Bonds Nets Approximately \$26.3 Million For Facilities



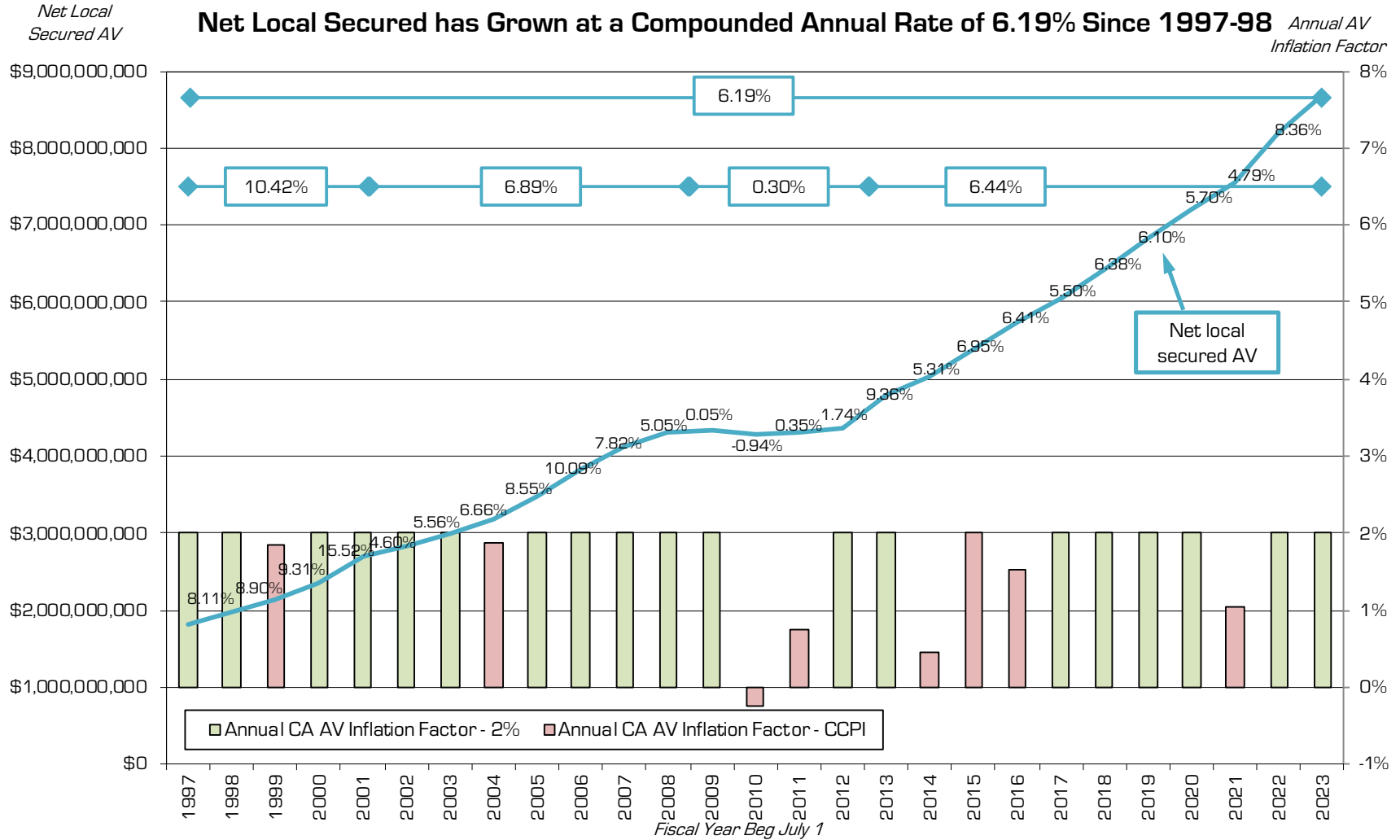
Analysis based on 2023-24 AV from Santa Clara Co Auditor-Controllers department and assumed 5% annual growth in net local secured, while all others AV types are assumed to remain unchanged. Series 2021 and Series 2022 results are actual, and includes amounts deposited to Debt Service Fund. Series 2024 and Series 2026 results are projected. Series 2024 projected sale based on MMD "AAA" rates as of Feb 9, 2024 plus 65bp timing adjustment for potential rate increases prior to issuance, +60bp adjustment for assumed "AA-" rating. Series 2026 projected sale based on MMD "AAA" rates as of Feb 9, 2024 plus 125bp timing adjustment for potential rate increases prior to issuance, +60bp adjustment for assumed "AA-" rating, and +90bp for callable CABs. County's collection methodology consists of current Fiscal Year debt service plus a reserve equal to the payment due during the first half of the following Fiscal Year, less previously collected reserve. Values rounded.

Bond Tax Levies

- ◆ Bond tax rate \approx debt service \div assessed value
- ◆ Each property pays its share of the debt service for the bonds issued based on its individual assessed value (not market value)



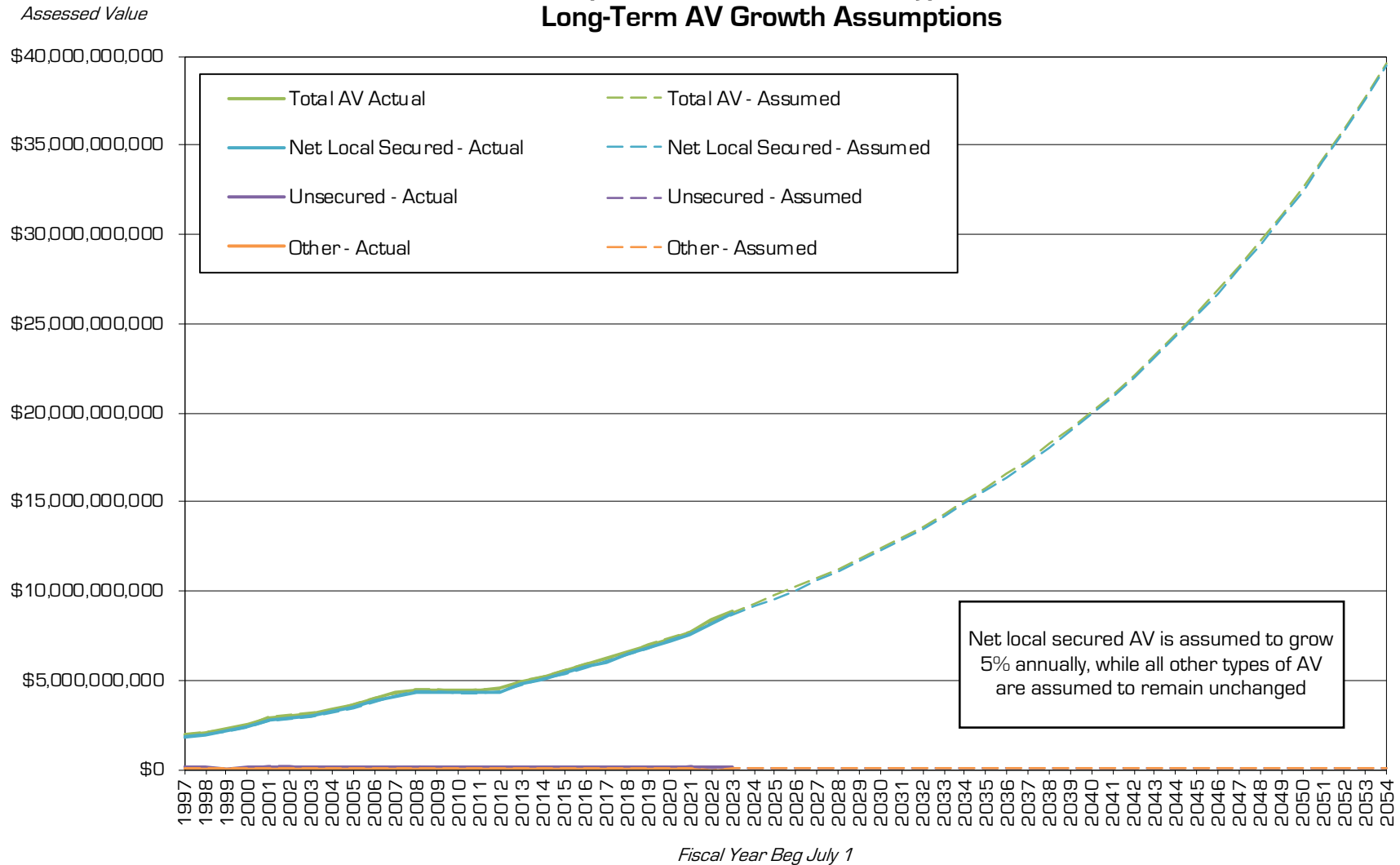
Historical Assessed Value



Historical assessed value (AV) provided by the Santa Clara County Auditor-Controller's Office, except 1997-98, 1999-00, 2002-03, & 2003-04, which were taken from the District's Series B Official Statement (2005) citing California Municipal Statistics, Inc.; net local secured is estimated for those years as HOX is not listed. The District's total AV is comprised of net local secured, utility, homeowners exemption, and unsecured values. Net local secured has comprised between 94 - 98% of the District's total AV. Changes shown are annual changes, while ranges are compounded annual rates. Annual California AV inflation factor provided by California State Board of Equalization, and is the lesser of the annual change in the CA CPI or 2%.

Projected Assessed Value

Different AV Assumptions Based on the AV Types Lead to Moderate Long-Term AV Growth Assumptions



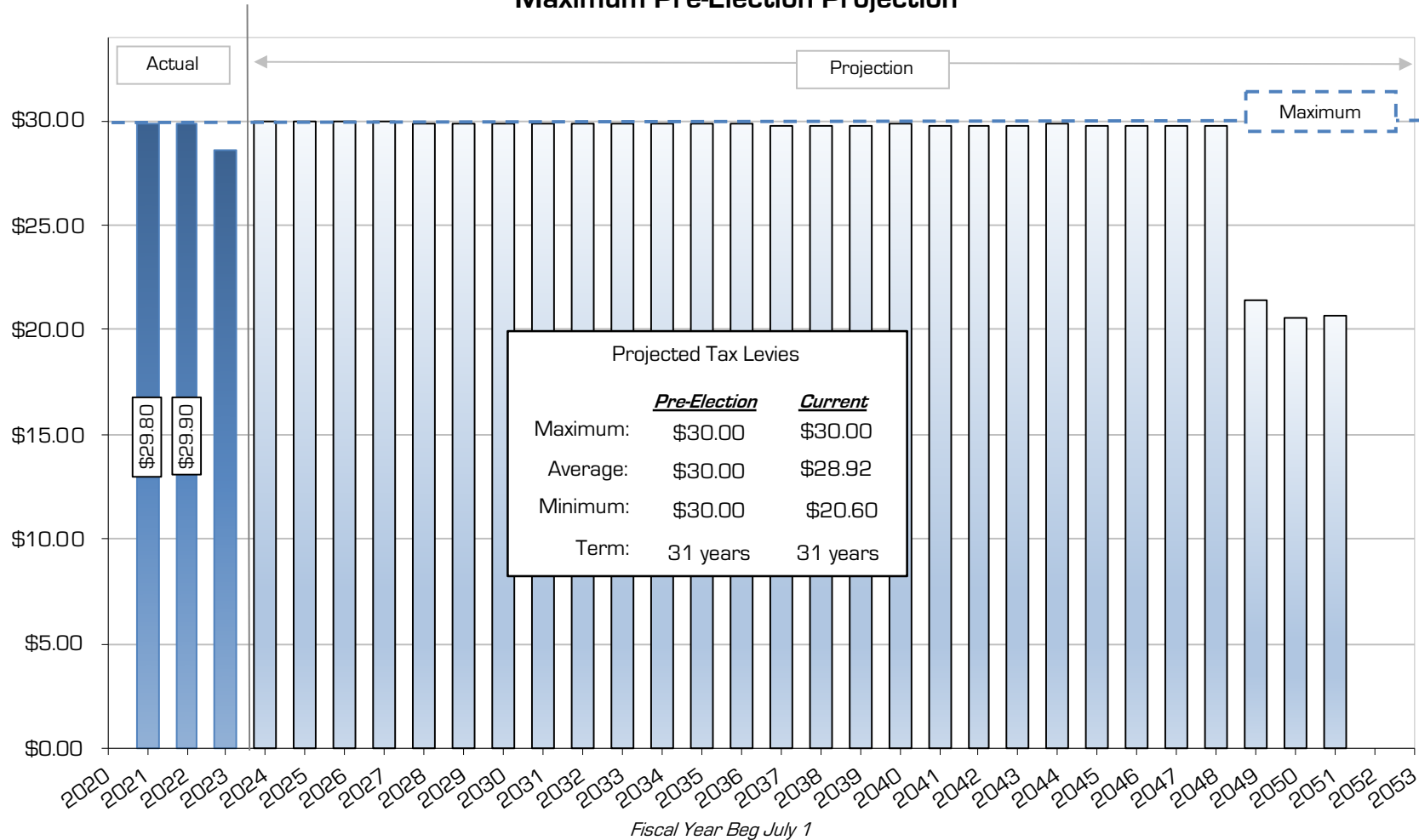
Historical assessed value (AV) provided by the Santa Clara County Auditor-Controller's Office. The District's total AV is comprised of net local secured, net unsecured, and other (utility & homeowners exemption). As homeowners exemption & unsecured components are relatively small and tend to be subject to less predictable volatility, the AV focuses on net local secured.

Measure R

Projected Levies < Pre-Election Estimates

Tax Levies per
\$100,000 of AV

Measure R Tax Levies are Projected to Remain Below the
Maximum Pre-Election Projection



Notes: actual tax levies provided by Santa Clara County. Future tax levies are based on County's collection methodology which consists of current Fiscal Year debt service plus a reserve equal to the payment due during the first half of the following Fiscal Year, less previously collected reserve. Levies based on an assumed 5% annual increase in net local secured AV, while all other types of AV are assumed to remain unchanged. Future paying agent fees equal to 2022-23 fee (\$3,000). Tax levies are per \$100,000 of assessed value. Tax levies are per \$100,000 of assessed value. Maximum pre-election projection per Tax Rate Statement.

Estimated Debt Service Schedule Needed

- ◆ The District is planning to issue the next series of Measure R bonds in Fall 2024, which is after Santa Clara County's mid-May 2024 deadline for the 2024-25 tax roll.
- ◆ To improve efficiency on the bonds and to ensure that the 2024-25 tax levies reflect the proposed bond issuance, an estimated debt service schedule can be filed with the County before the deadline.



Next Steps - Series 2024 Bonds (Measure R)

- ◆ Today's Board meeting
 - ▶ Information presentation
- ◆ May 2, 2024 Board meeting
 - ▶ Board considers adoption of resolution authorizing the County to levy 2024-25 property taxes based on an estimated debt service schedule
- ◆ August 1, 2024 Board meeting
 - ▶ Presentation regarding proposed sale of Series 2024 Bonds
- ◆ August 15, 2024 Board meeting
 - ▶ Board considers adoption of resolution authorizing issuance of Series 2024 Bonds
- ◆ September 11, 2024
 - ▶ Sale of Series 2024 Bonds
- ◆ September 26, 2024
 - ▶ Closing: Proceeds deposited with County
- ◆ October 3, 2024 Board meeting
 - ▶ Presentation of results of sale of Series 2024 Bonds



Agenda

◆ Measure R, Series 2024 Bonds

◆ For Reference



Thank you, Any Questions?

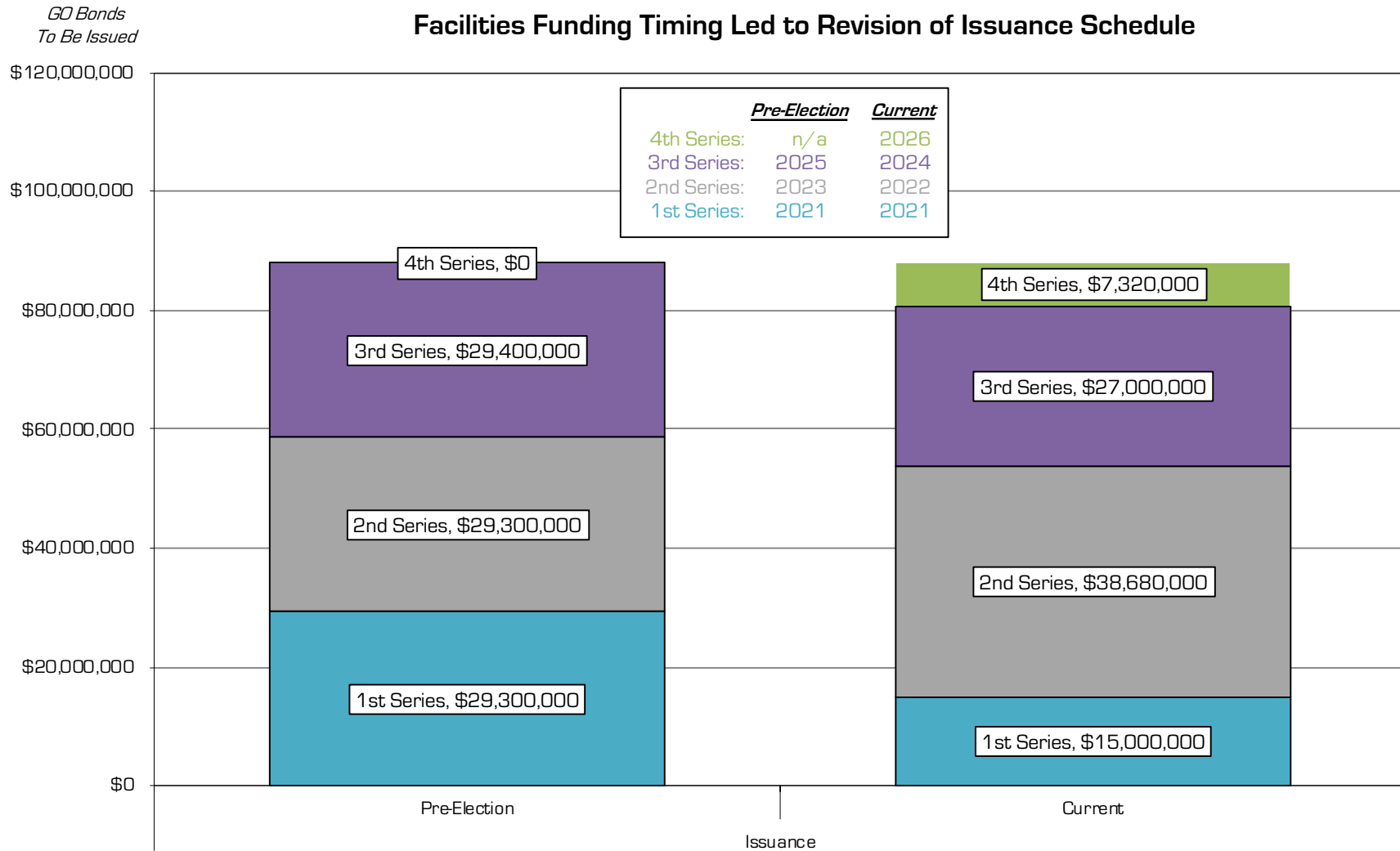


For Reference

- ◆ Measure R Actual and Projected Issuances
- ◆ Additional Information Regarding Assessed Valuation

Measure R

Actual and Projected Issuances

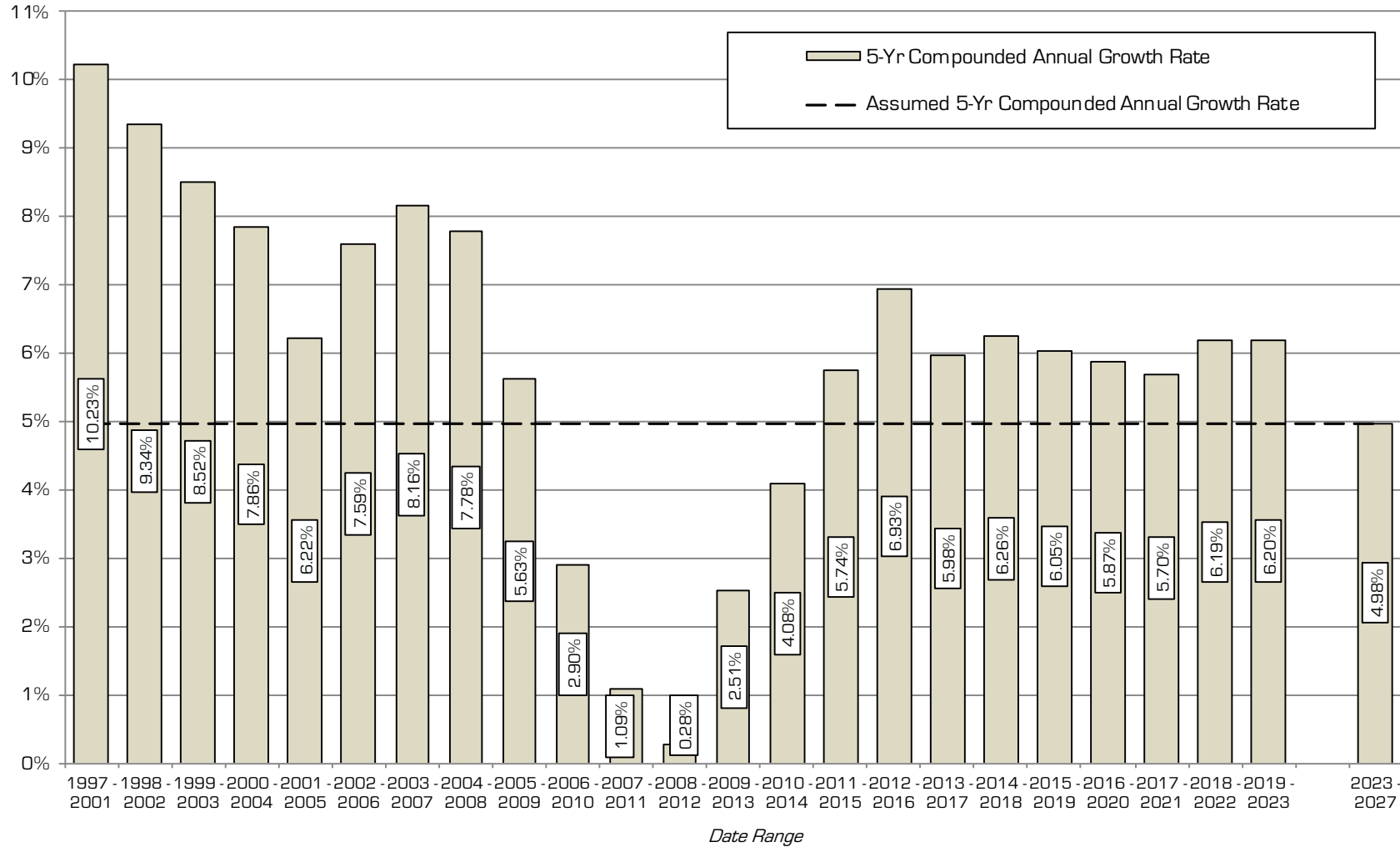


Pre-election information from pre-election bond plan. For current scenario, Series 2021 & 2022 information is actual, with 2024 and 2026 projected. We project a bonding capacity waiver of 1.33% would be required to issue the bonds as detailed. Values rounded.

Historical AV Analysis - 5 Year Periods

Compounded Annual
Growth Rate - Secured AV

AV Assumptions Used Result in 4.98% Annual Growth Rate over 5 Years

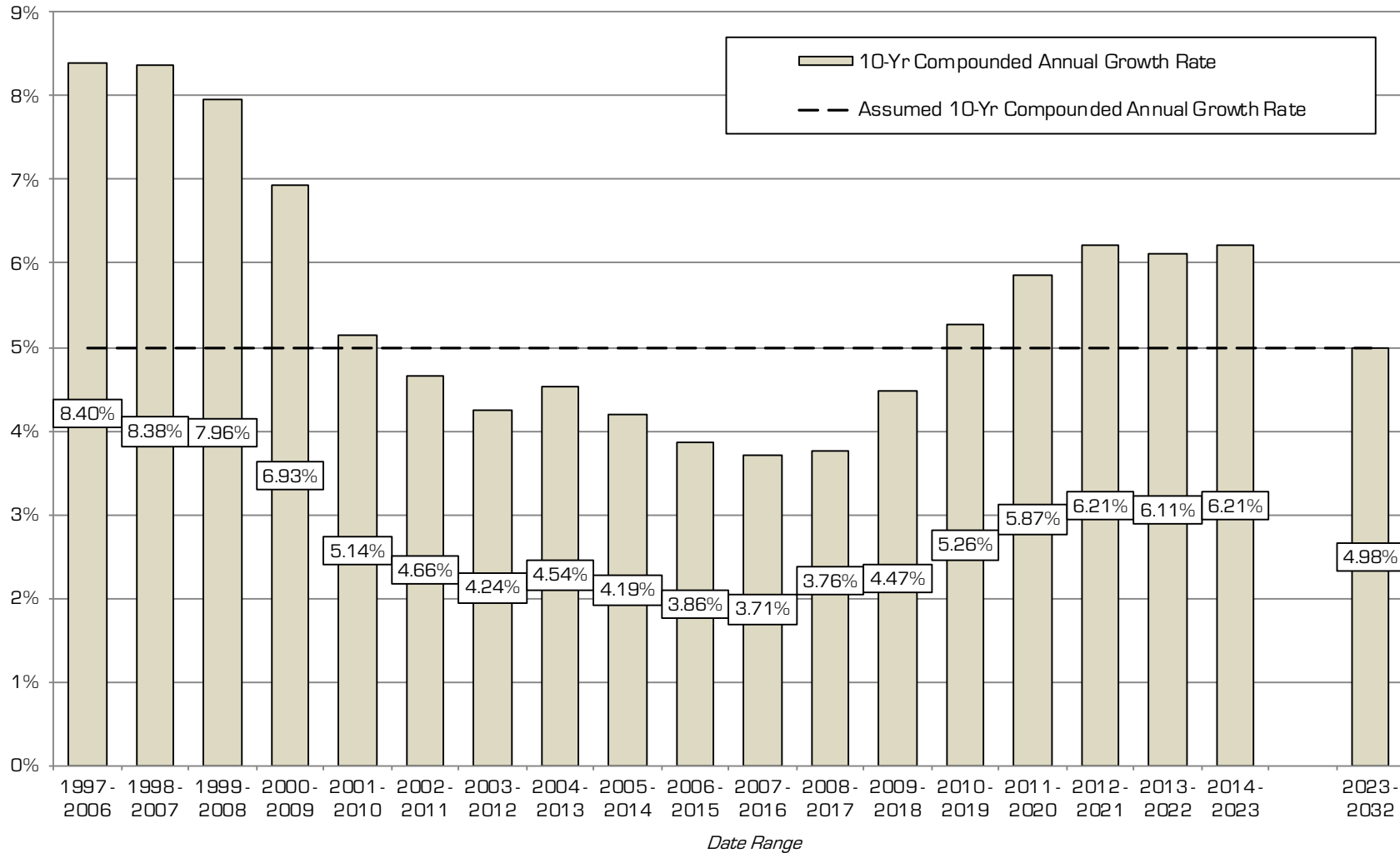


Historical data from Santa Clara County Auditor-Controller's office. Net local secured AV is assumed to increase 5% annually, while all other AV types are assumed to remain unchanged.

Historical AV Analysis - 10 Year Periods

Compounded Annual
Growth Rate - Secured AV

AV Assumptions Used Result in 4.98% Annual Growth Rate over 10 Years

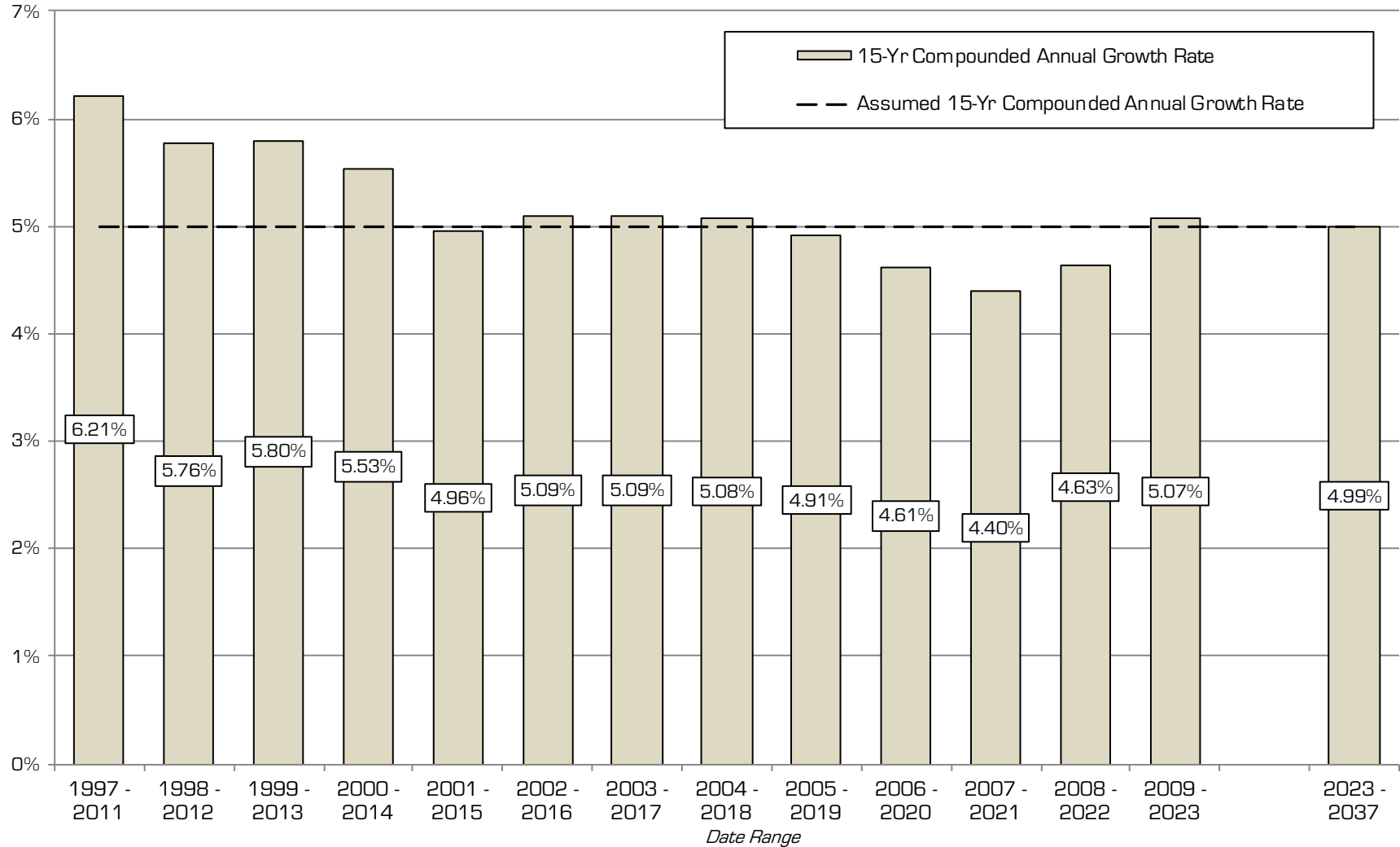


Historical data from Santa Clara County Auditor-Controller's office. Net local secured AV is assumed to increase 5% annually, while all other AV types are assumed to remain unchanged.

Historical AV Analysis - 15 Year Periods

Compounded Annual
Growth Rate - Secured AV

AV Assumptions Used Result in 4.99% Annual Growth Rate over 15 Years

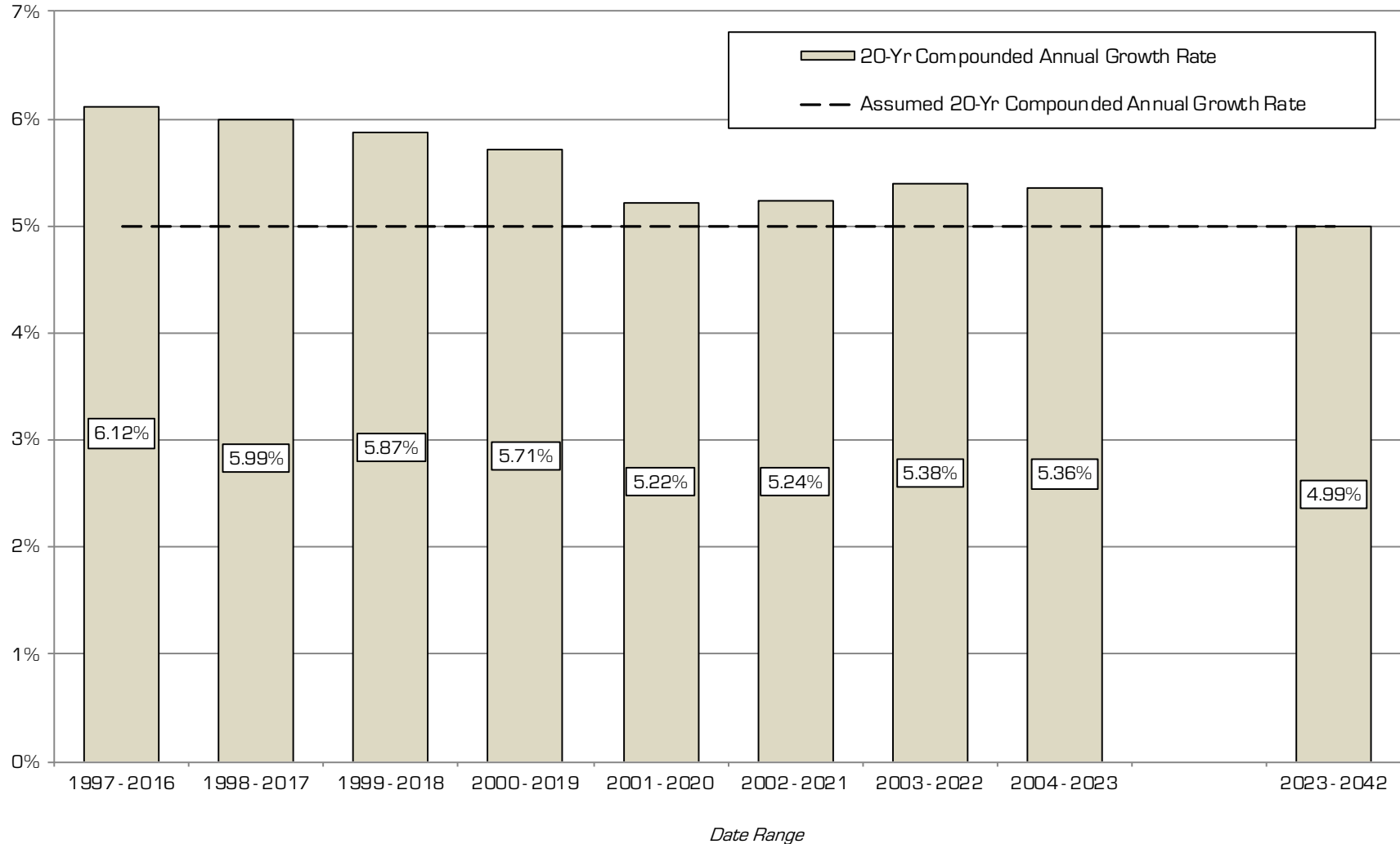


Historical data from Santa Clara County Auditor-Controller's office. Net local secured AV is assumed to increase 5% annually, while all other AV types are assumed to remain unchanged.

Historical AV Analysis - 20 Year Periods

Compounded Annual
Growth Rate - Secured AV

AV Assumptions Used Result in 4.99% Annual Growth Rate over 20 Years



Historical data from Santa Clara County Auditor-Controller's office. Net local secured AV is assumed to increase 5% annually, while all other AV types are assumed to remain unchanged.