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# Cotati-Rohnert Park USD

## Bond Basics

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# Cotati-Rohnert Park USD Outstanding Bonds

- In 1990, voters approved \$85 million for G.O. Bonds.
- The District has issued all \$85 million, and has refinanced several series over the years.

Series	Issue Date	Outstanding Amount	Final Maturity
<b>Series F</b>	<b>2/1/97</b>	<b>\$ 536,443</b>	<b>8/1/09</b>
<b>Series G</b>	<b>8/1/99</b>	<b>240,407</b>	<b>8/1/09</b>
<b>Series H</b>	<b>2/1/01</b>	<b>7,115,000</b>	<b>8/1/25</b>
<b>2001 G.O. Refunding Bonds, Series A</b>	<b>3/1/01</b>	<b>12,135,000</b>	<b>8/1/19</b>
<b>2001 G.O. Refunding Bonds, Series B</b>	<b>7/31/01</b>	<b>485,000</b>	<b>8/1/08</b>
<b>2003 G.O. Refunding Bonds</b>	<b>10/1/03</b>	<b>13,060,000</b>	<b>8/1/16</b>
<b>2005 G.O. Refunding Bonds, Series A</b>	<b>7/13/05</b>	<b>25,765,000</b>	<b>8/1/24</b>
<b>2005 G.O. Refunding Bonds, Series B</b>	<b>7/13/05</b>	<b>6,450,000</b>	<b>8/1/18</b>
<b>Series I</b>	<b>8/2/06</b>	<b>10,935,000</b>	<b>8/1/26</b>
		<b><u>\$ 76,721,850</u></b>	



# Ongoing Obligations

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- Bond repayment – through County tax collections.
- Continuing disclosure – KNN and District
  - Some bonds insured by “FGIC” have been downgraded to the District’s underlying rating. This is a disclosable event.
- Arbitrage calculations



# G.O. Bond Basics

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## Voter Approval Requirements:

- Total authorization amount
- List of projects



## Election / Prop 39 Requirements:

- Regularly scheduled election dates
- 55% voter approval
- Tax rate maximum of \$60 per \$100,000 AV



# Step 1: Determine Needs

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- Consider facilities needs for next 5 to 10 year horizon
- Develop Project List:
  - Project list should be comprehensive enough to include unforeseen projects
  - Project list should be specific enough to allow an oversight committee to monitor expenditures
- Determine Project Costs



## Step 2: Assess Voter Support

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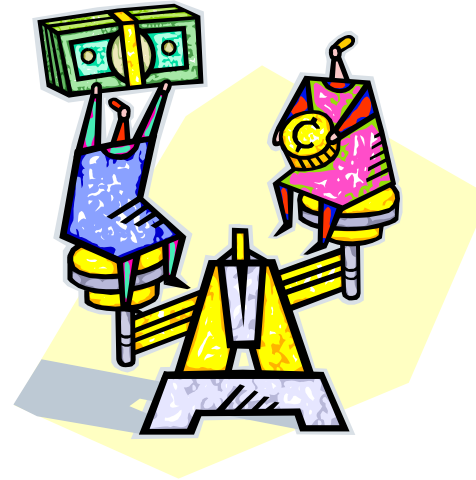
- Survey potential voters to determine:
  - Community perception of District
  - Understanding of and support for facilities needs
  - Tax tolerance



## Step 3: Determine Bond Amount

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- Based on District need
- But also takes into consideration:
  - Tax impact
  - Statutory limits
- This is where KNN comes in



## Step 4: Build Community Support

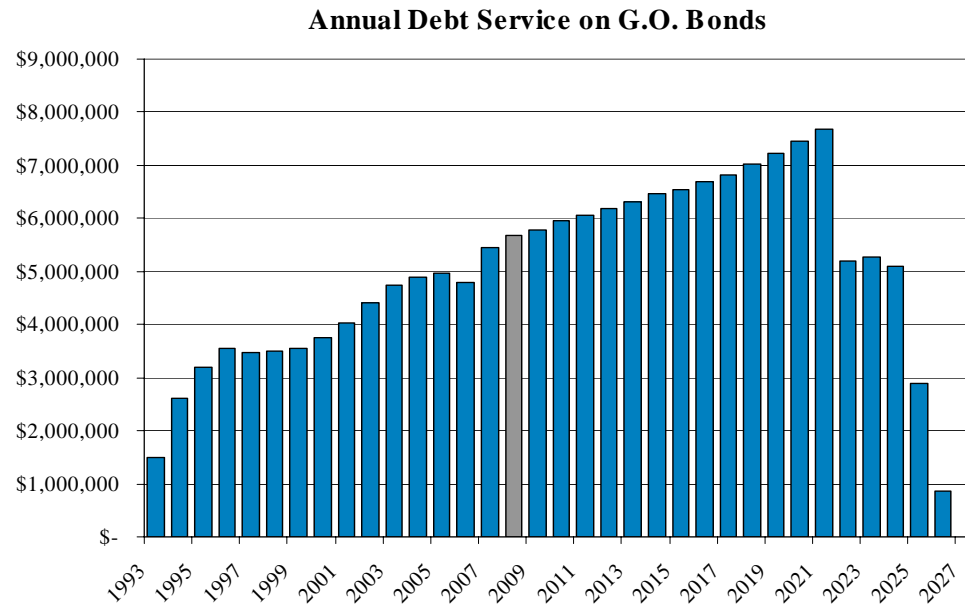
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- Staff discussions to determine need, develop support
- Community meetings to generate awareness, ideas
- Board workshops to garner attention, political will



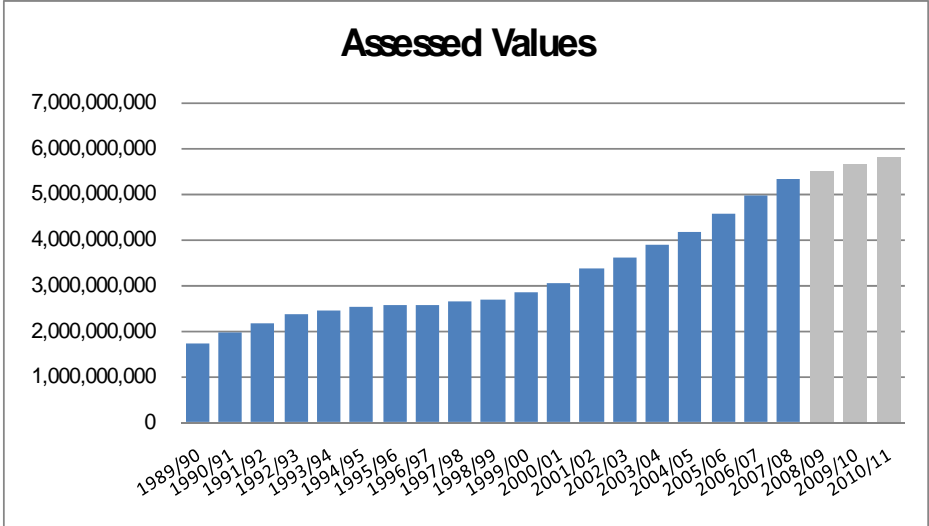
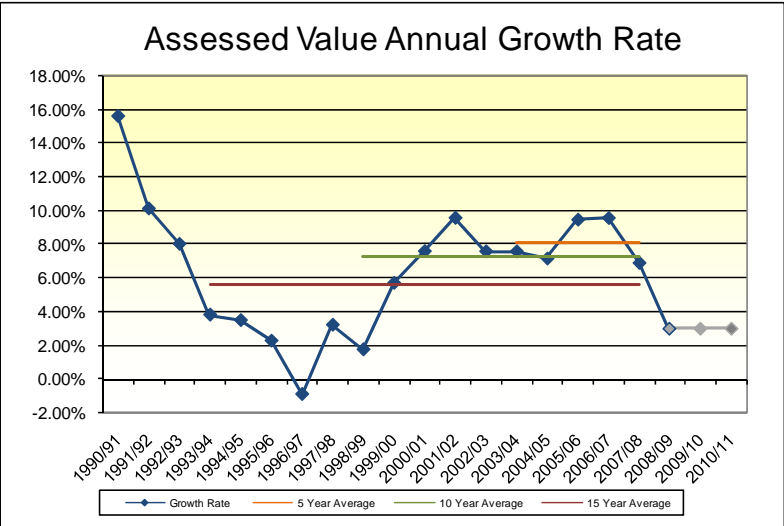
# Cotati-Rohnert Park USD Tax Rates

- Tax rate is based on G.O. bond debt service to be repaid and assessed values of property to be taxed.
- Debt service is fixed and increases about 3% a year through 2020, then decreases to final payment in 2026.



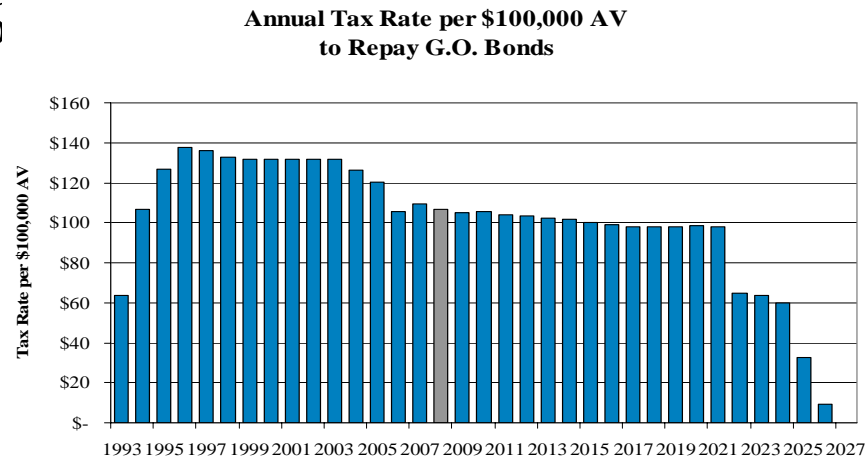
# Assessed Value Growth

- Assessed values increase by up to 2% a year by the assessor, and are assessed at the sale price when properties are sold. Last year's overall growth for the District was 6.90%
- When assessed values go up more quickly than the debt service requirement, the tax rate comes down.



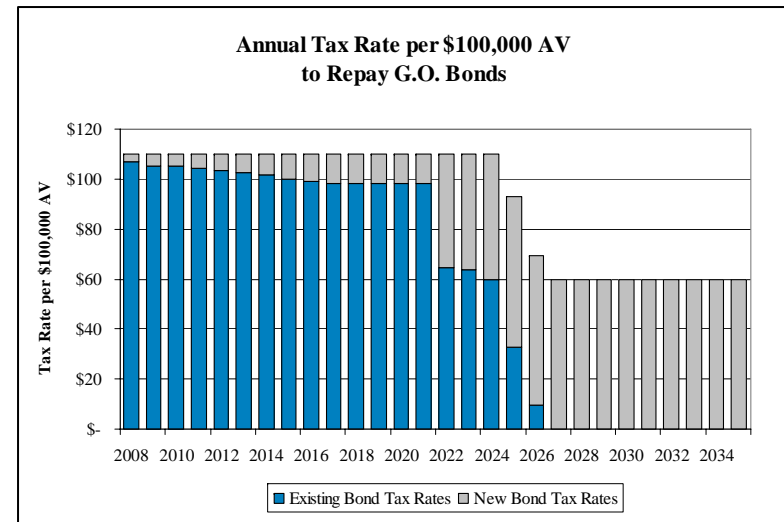
# Tax Rate Projections

- Original Commitment (in 1990):
  - Tax not to exceed: \$144 per \$100,000 of AV
  - Maximum to date: \$138 per \$100,000 AV in 1995/96
  - Current tax rate: \$105 per \$100,000 AV
- Assuming 3.00% average growth in A.V.s each year, the tax rate will stabilize at \$105 or less per \$100,000 until bonds are fully repaid in 2026



# New Bond Measure – No Tax Rate Increase

- The new bonds would layer onto the existing bonds, but would not exceed original tax commitment or current tax rate.
- A new bond would be limited to a tax rate of \$60 per \$100,000.



Max Combined Tax Rate	Assuming 2% Growth	Assuming 3% Growth	Assuming 4% Growth
\$105	\$20 million	\$31 million	\$42 million
\$144	\$45 million	\$54 million	\$67 million



## New Bond Measure – On Its Own

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- New bonds are considered stand-alone project and related tax is considered on its own.
- New bonds could not exceed \$60 per \$100,000

Tax Rate for New Bonds	Assuming 2% Growth	Assuming 3% Growth	Assuming 4% Growth
\$20	\$18 million	\$21 million	\$24 million
\$40	\$37 million	\$42 million	\$48 million
\$60	\$56 million	\$63 million	\$72 million



# November 2008 or 2009 Election Schedules

	November 4, 2008	November 3, 2009
<b>Identify needs/engage school sites in developing project list</b>	Winter/Spring 2008	Winter/Spring 2009
<b>Begin information campaign</b> about conditions of schools	Spring 2008	Spring 2009
<b>Form a committee</b> of community and school leaders to develop budget and direction for campaign	Spring 2008	Spring 2009
<b>Hire a campaign consultant, if desired</b>	Spring 2008	Spring 2009
<b>Solicit parent, teacher, administrator and public comments;</b> survey community	Spring 2008	Spring 2009
<b>Develop proposal for ballot measure</b> - pull together project list and authorization amount	June 2008	June 2009
<b>Draft ballot measure and resolution</b>	June - July 2008	June - July 2009
<b>Public discussion</b> of specific projects on project list	July 2008	July 2009
<b>District approves Resolution</b> - MUST be approved 88 days before election day	August 8, 2008	August 7, 2009
<b>Election campaign</b>	August - Nov 2008	August - Nov 2009
<b>ELECTION DAY</b>	November 4, 2008	November 3, 2009

