
March 30, 2015

Mt. Diablo Unified School District

General Obligation Bond Overview

Prepared by:

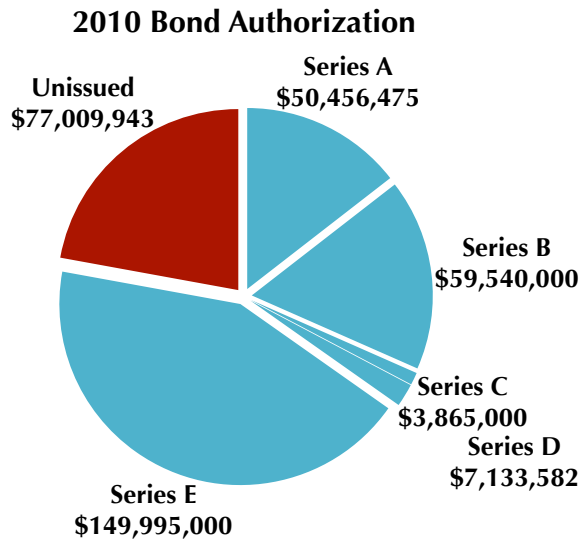


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Mt. Diablo USD: **GO Bond Background Analysis**

Mt. Diablo USD: 2010 Election

Measure C Yes Vote: 60.9%



Ballot Language

“To support quality education and safety for local students, and reduce impacts of State budget cuts by improving science, career and technical education facilities; upgrading classroom instructional technology; repairing leaky roofs; improving safety; maximizing energy efficiency including adding solar panels and modern air conditioning; and repairing, replacing, equipping or modernizing other school facilities; shall Mt. Diablo Unified School District issue \$348,000,000 of bonds at legal interest rates, with independent citizen oversight, audits, and no money for administrator salaries?”

Remaining Authorization

2010 Authorization =		\$348,000,000
Series	Issue Date	Amount
Series A	Sep 30, 2010	\$50,456,475
Series B (CREB)	Sep 30, 2010	\$59,540,000
Series C (QSCB)	Apr 12, 2011	\$3,865,000
Series D	Apr 12, 2011	\$7,133,582
Series E	Jun 20, 2012	\$149,995,000
Remaining		\$77,009,943

KEY POINTS:

- Approved as a “Proposition 39” GO bond
- Political tax rate of \$40.83 per \$100,000 of assessed valuation and combined tax rate not to exceed \$60
- Tax rate extension of \$60 per \$100,000 of assessed valuation

Mt. Diablo USD: **2010 Election Issuance History**

Measure C Was Presented as “No Tax Increase” Bond Measure

“The District estimates that the **combined tax rate** for these bonds and the District’s Measure C bond approved by voters at the March 5, 2002 election is expected to be **no higher than \$60.00 per \$100,000** of assessed valuation.”

*Impartial Analysis from the County Counsel
Sample Ballot to Voters*

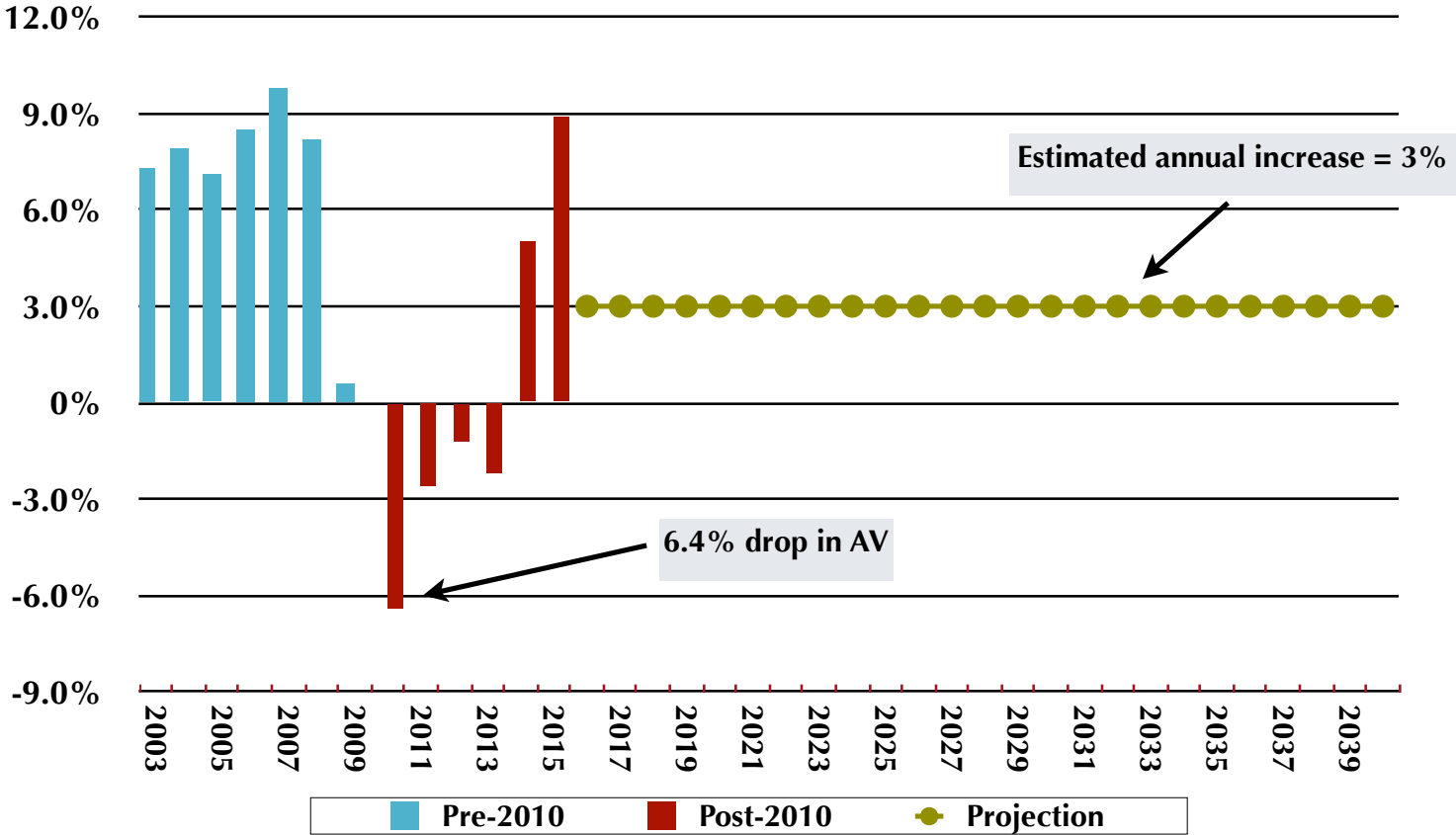
“The **combined annual tax rate** for these bonds and the District’s Measure C bond approved by voters on March 5, 2002, is expected to be **no higher than \$60.00 per \$100,000** of assessed valuation, the highest annual tax rate estimated for the Measure C bonds approved on March 2, 2002.”

*President, Mt Diablo USD Board of Education
Measure C Tax Rate Statement*

Mt. Diablo USD: Assessed Valuation

Assessed Valuation Projections

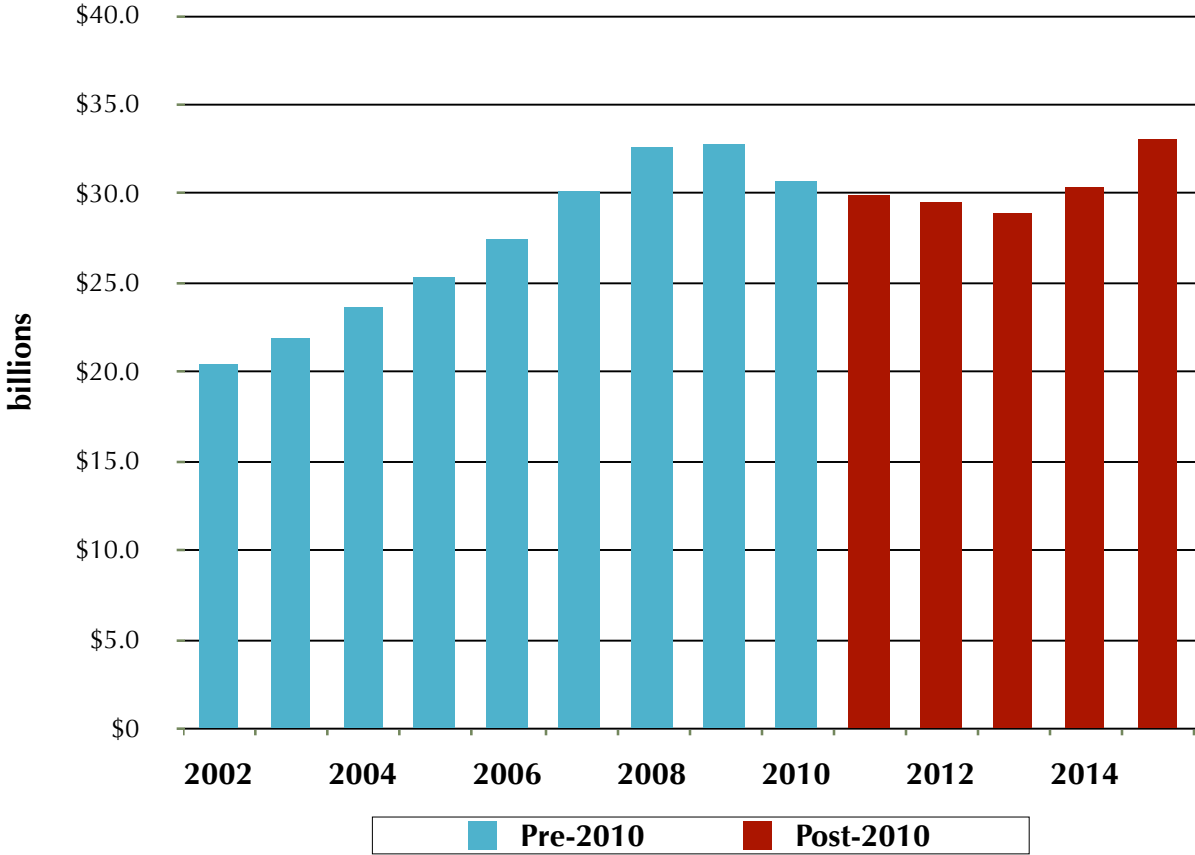
Mt. Diablo USD: AV Projections - % change



Mt. Diablo USD: **Assessed Valuation**

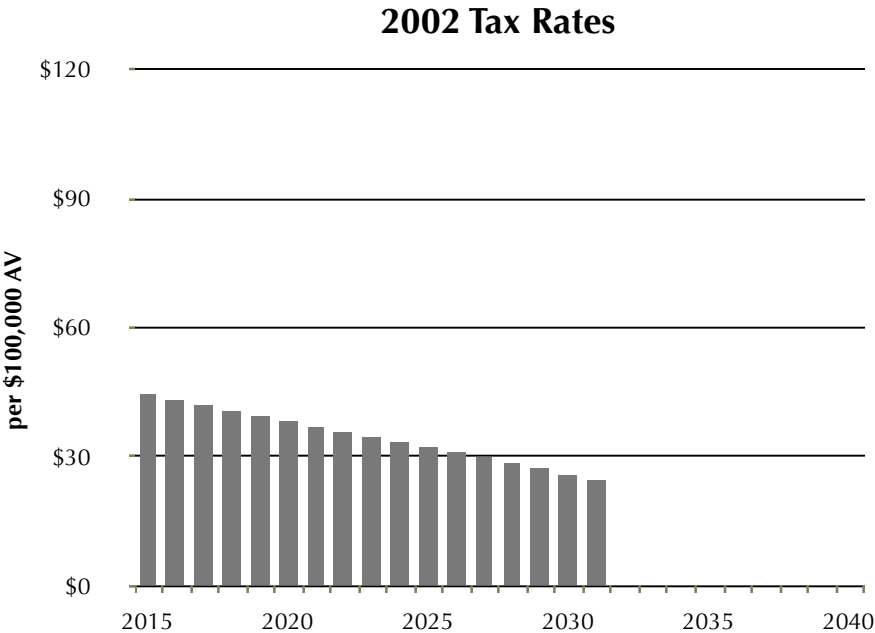
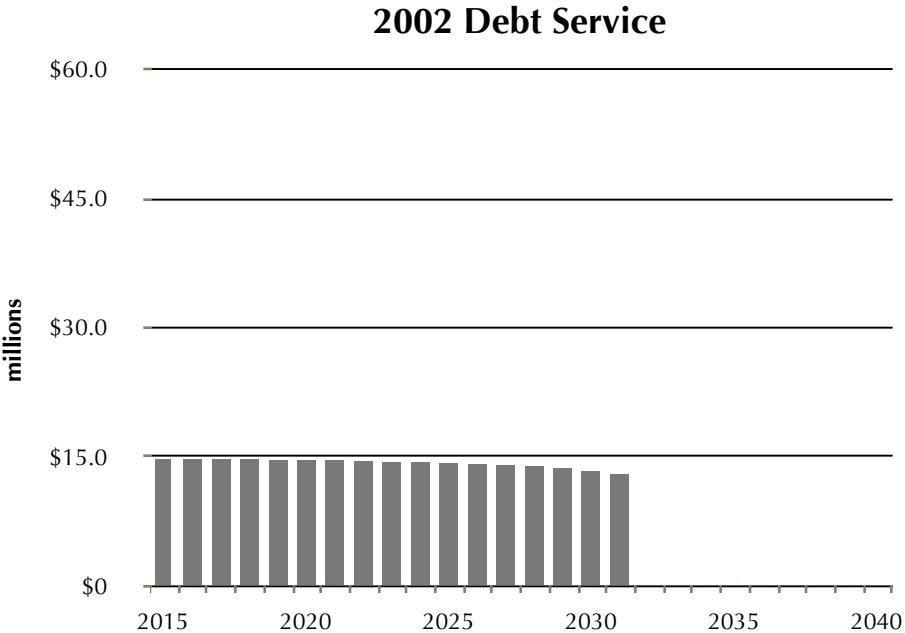
Current Assessed Valuation Equals \$33 Billion

Mt Diablo USD: Assessed Valuation (2002 to 2015)



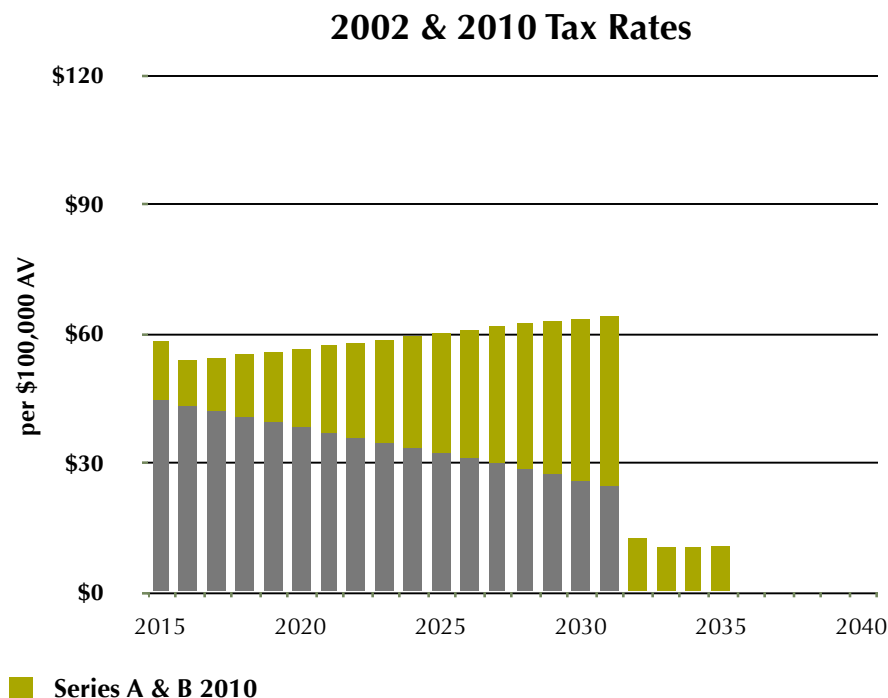
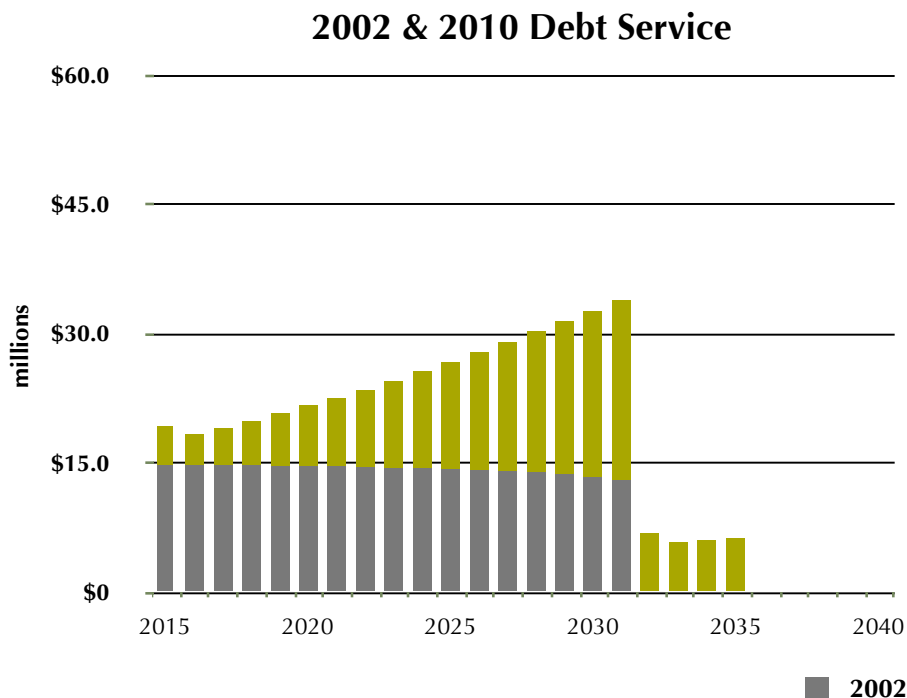
Assessed Valuation: 2002 to Date	
FY ending	(billions)
2002	\$20.416
2003	\$21.893
2004	\$23.632
2005	\$25.309
2006	\$27.450
2007	\$30.154
2008	\$32.619
2009	\$32.805
2010	\$30.694
2011	\$29.906
2012	\$29.551
2013	\$28.890
2014	\$30.337
2015	\$33.035

Mt. Diablo USD: GO Bond Review - Election of 2002



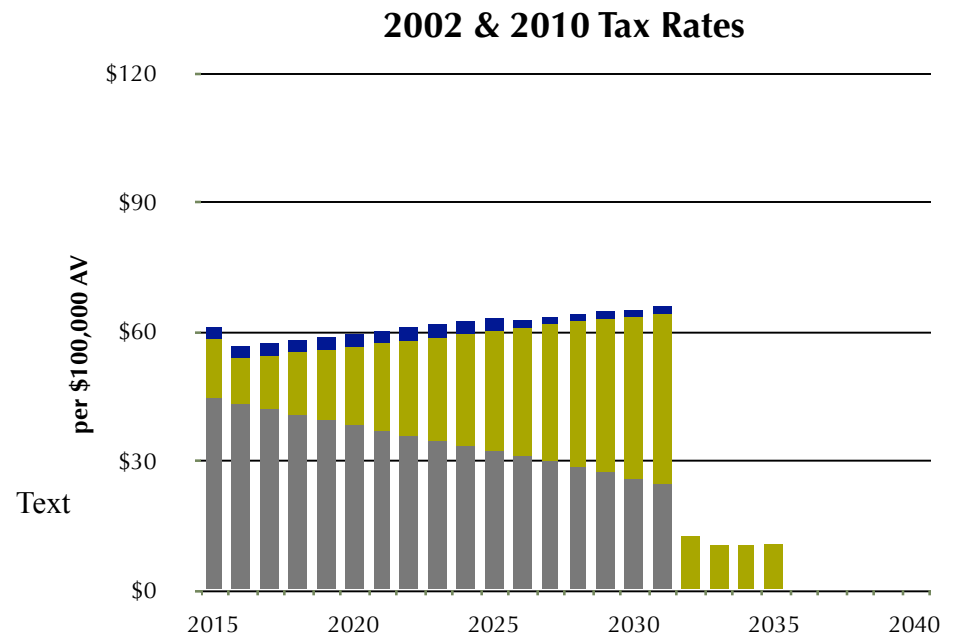
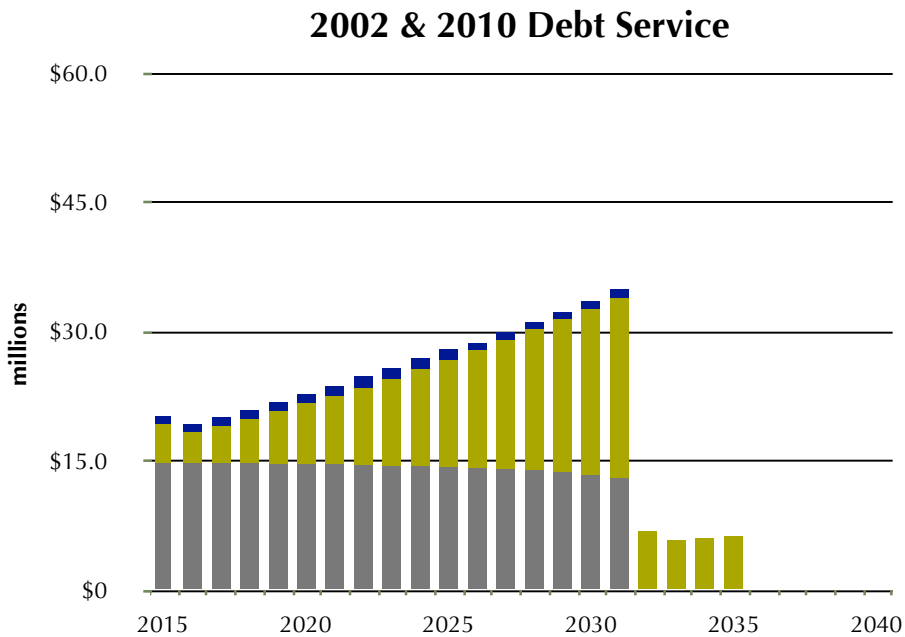
2002 Election (Remaining Debt Service)	
Bond Type	CIBs
Outstanding Principal	\$165,735,000
Interest	\$71,499,616
Total Payments	\$237,234,616

Mt. Diablo USD: GO Bond Review - Election of 2010



2010 Election: Series A & B				
	Series A		Series B	Total
Bond Type	CABs	Convertible CABs	CREBs	
Principal	\$2,997,216	\$47,459,259	\$59,540,000	\$109,996,475
Interest	\$6,712,784	\$86,476,179	\$33,768,854	\$126,957,817
Federal Interest Subsidy			-\$22,661,754	-\$22,661,754
Total Payments	\$9,710,000	\$133,935,438	\$70,647,100	\$214,292,538
Final Maturity	2022	2035	2027	
Callable	non-callable	Aug-25	non-callable	
Debt Ratio	3.24	2.82	1.19	1.95

Mt. Diablo USD: GO Bond Review - Election of 2010

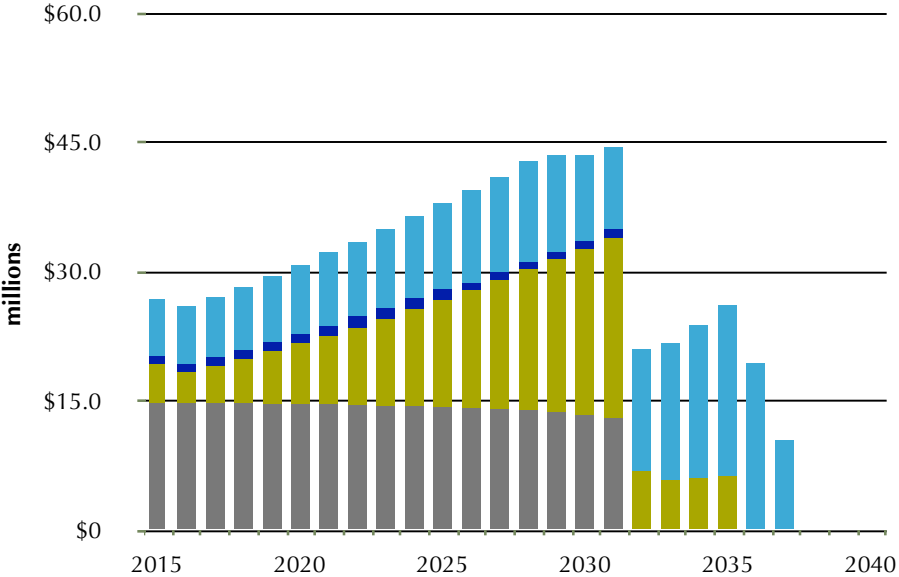


■ 2002 ■ Series A & B 2010 ■ Series C & D 2011

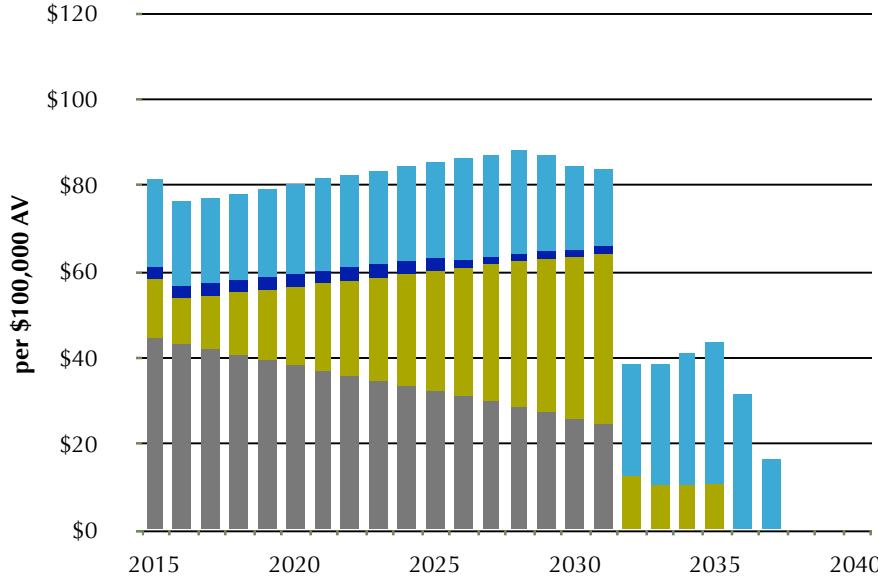
2010 Election: Series C & D				
	Series C	Series D		Total
Type	QSCBs	CIBs	CABs	
Principal	\$3,865,000	\$6,190,000	\$943,582	\$10,998,582
Interest	\$2,681,161	\$5,132,689	\$846,418	\$8,660,268
Federal Interest Subsidy	-\$2,681,161			-\$2,681,161
Total Payments	\$3,865,000	\$11,322,689	\$1,790,000	\$16,977,689
Final Maturity	2025	2031	2018	
Callable	non-callable	Aug-21	non-callable	
Debt Ratio	1.00	1.83	1.90	1.54

Mt. Diablo USD: GO Bond Review - Election of 2010

2002 & 2010 Debt Service



2002 & 2010 Tax Rates



■ 2002 ■ Series A & B 2010 ■ Series C & D 2010 ■ Series E 2012

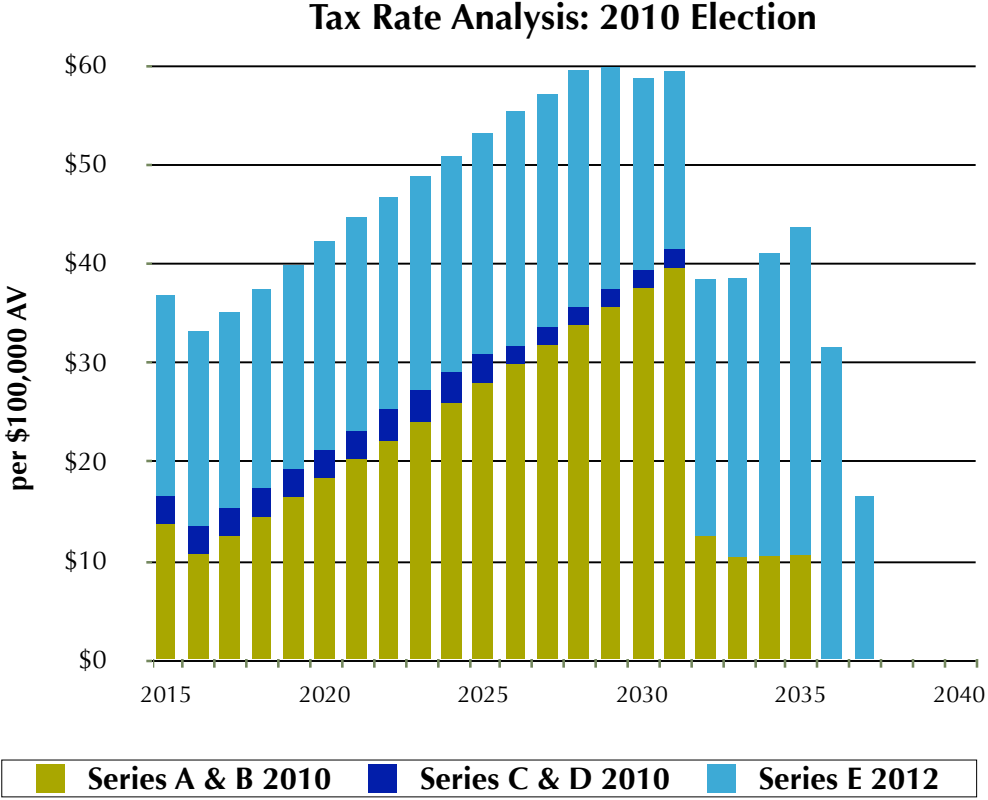
2010 Election: Series E	
Type	CIBs
Principal	\$149,995,000
Interest	\$127,247,084
Total	\$277,242,084
Final Repayment	2037
Callable	Aug-22
Debt Ratio	1.85

Mt. Diablo USD: **GO Bond Current Status**

Mt. Diablo USD: GO Bond Review - Election of 2010

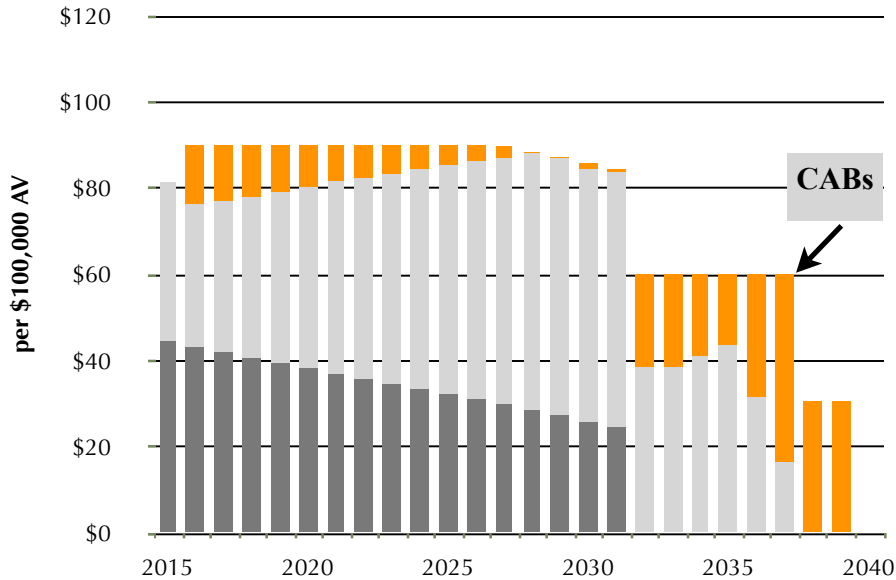
\$60 Tax Rate Limit *Per Election* Required to Make Next Decision

Estimated tax rate for **Election of 2010**
 bonds must not exceed \$60 per
 \$100,000 of assessed valuation.

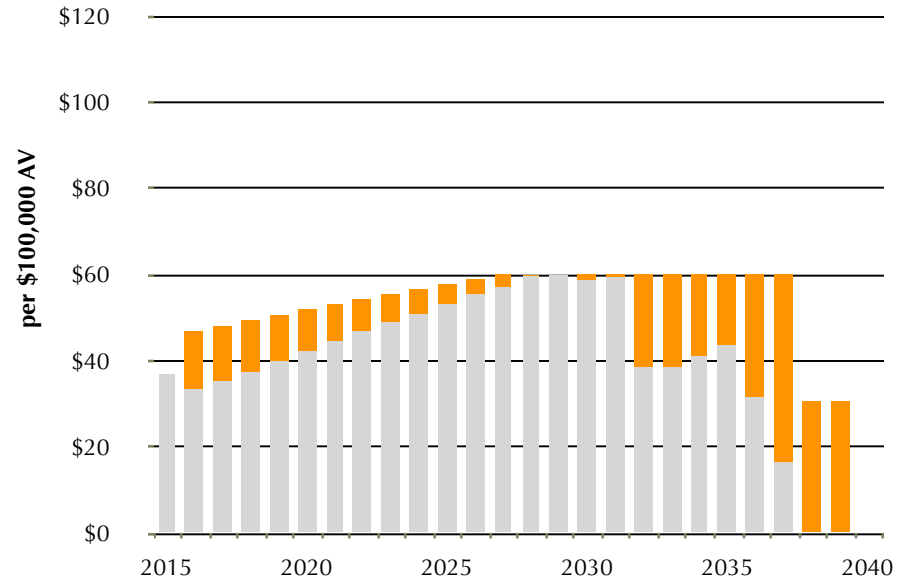


Mt. Diablo USD: **Alternative #1 (\$90 Tax Rate Through 2027)**

2002 & 2010 Tax Rates



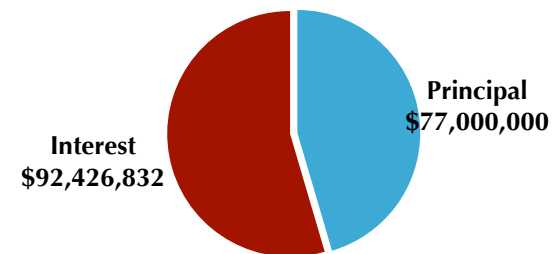
2010 Tax Rates



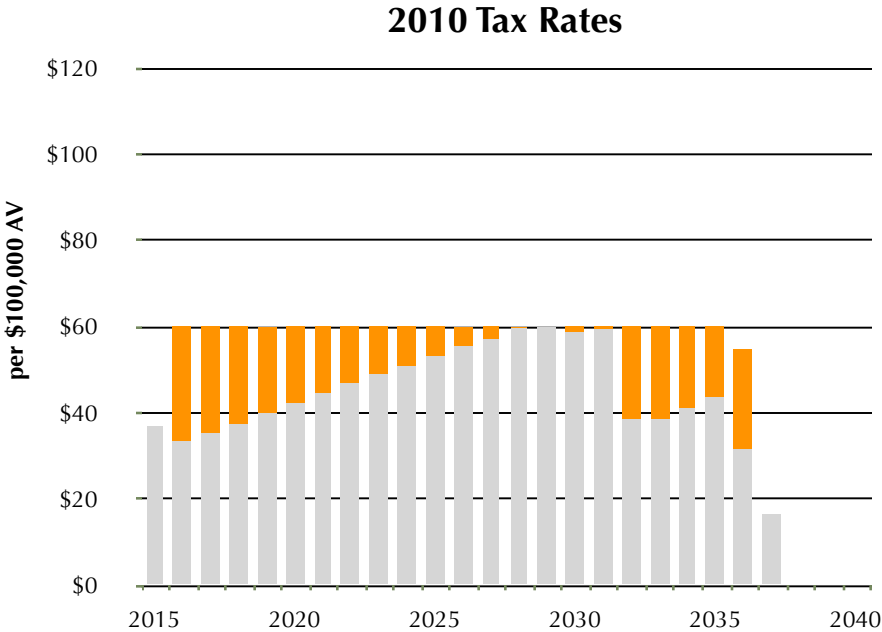
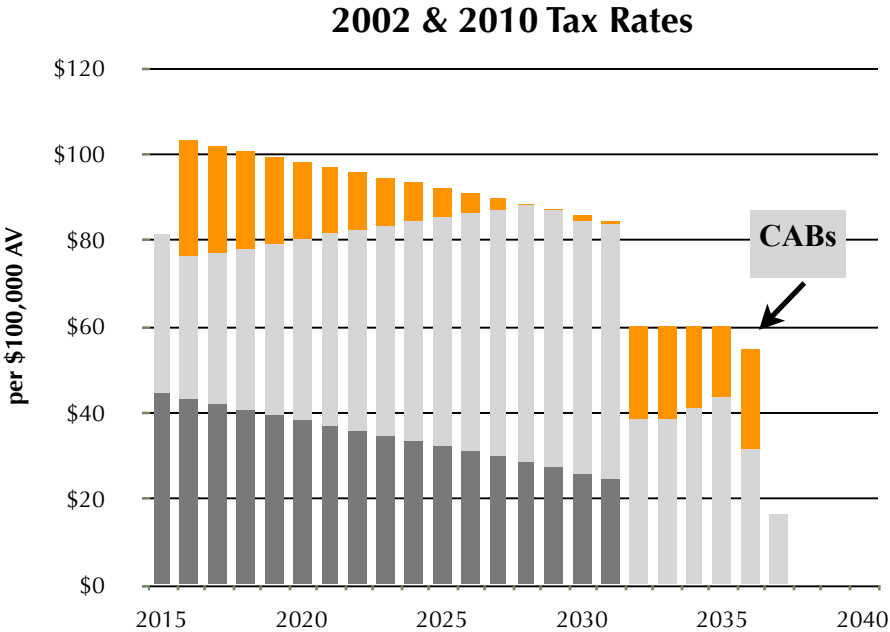
2002
 Series A & B 2010
 Series C & D 2010
 Series E 2012
 Series F 2015

2010 Election: Series F	
Type	CIBs/CABs
Principal	\$77,000,000
Interest (@5.0%)	\$92,426,832
Total	\$169,426,832
Final Repayment	2038
Debt Ratio	2.20

Election of 2010: Series F

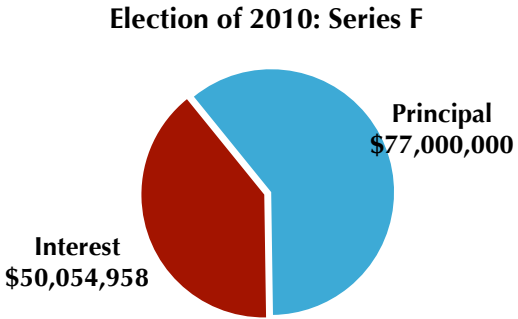


Mt. Diablo USD: **Alternative #2 (Maximum 2010 Tax Rate)**



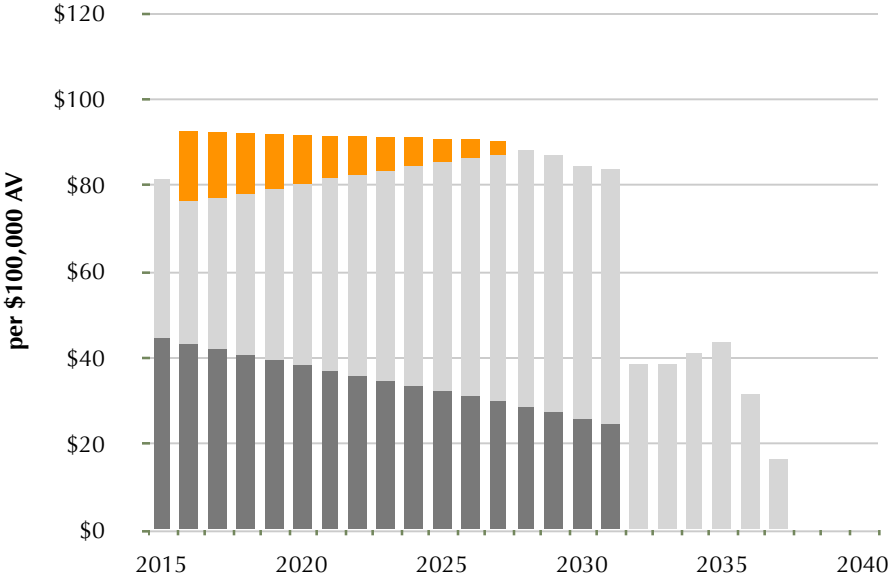
Legend: 2002 (Dark Gray), Series A & B 2010 (Light Gray), Series C & D 2010 (Medium Gray), Series E 2012 (Lightest Gray), Series F 2015 (Orange)

2010 Election: Series F	
Type	CIBs/CABs
Principal	\$77,000,000
Interest (@5.0%)	\$50,054,958
Total	\$127,054,958
Final Repayment	2038
Debt Ratio	1.65

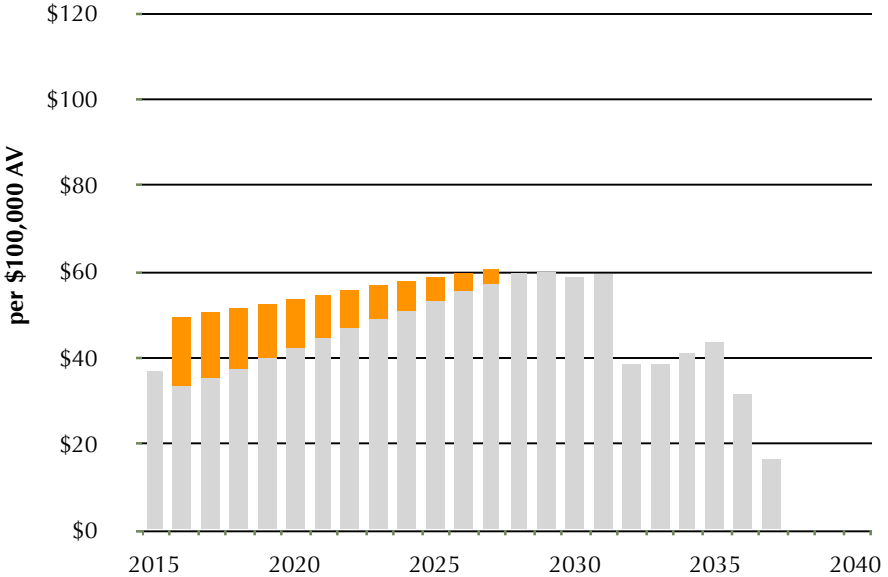


Mt. Diablo USD: **Alternative #3 (Reduced Borrowing)**

2002 & 2010 Tax Rates

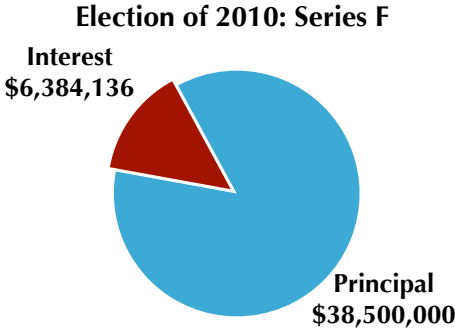


2010 Tax Rates



2002
 Series A & B 2010
 Series C & D 2010
 Series E 2012
 Series F 2015

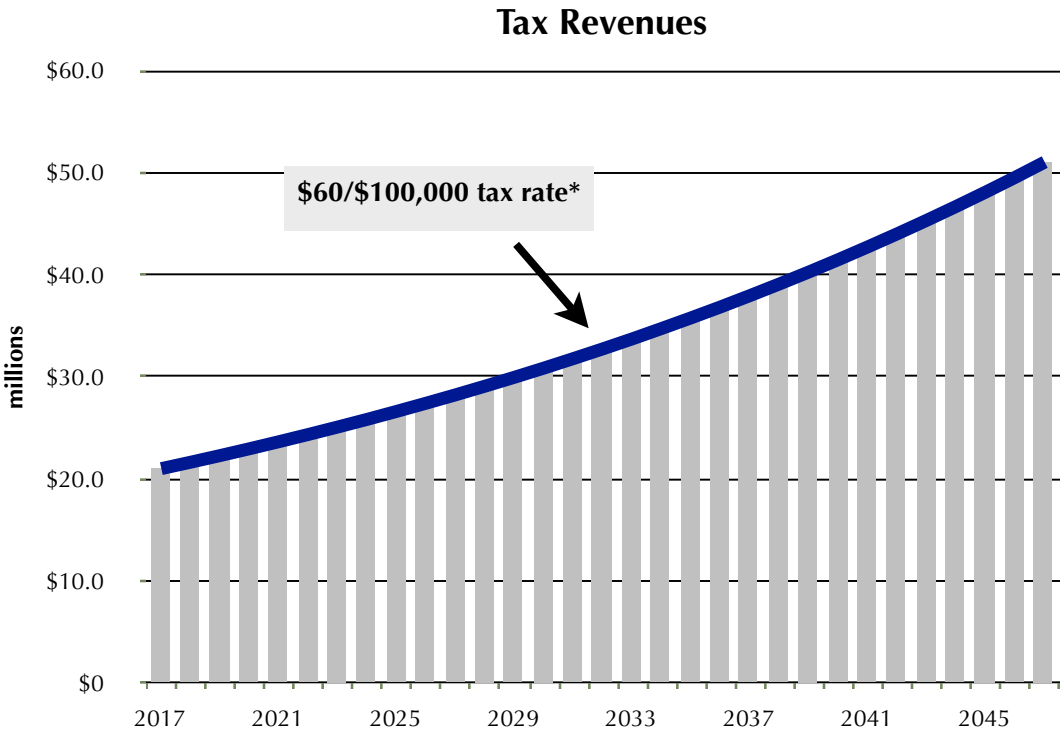
2010 Election: Series F	
Type	CIBs
Principal	\$38,500,000
Interest (@3.0%)	\$6,384,136
Total	\$44,884,136
Final Repayment	2038
Debt Ratio	1.17



Mt. Diablo USD: **Going Forward**

Mt. Diablo USD: GO Bond Review

New Election: Available Tax Revenues



Assumptions:

- Current AV = \$33 billion
- \$60/\$100,000 tax rate
- Term: 30 years
- AV growth: 3%/year

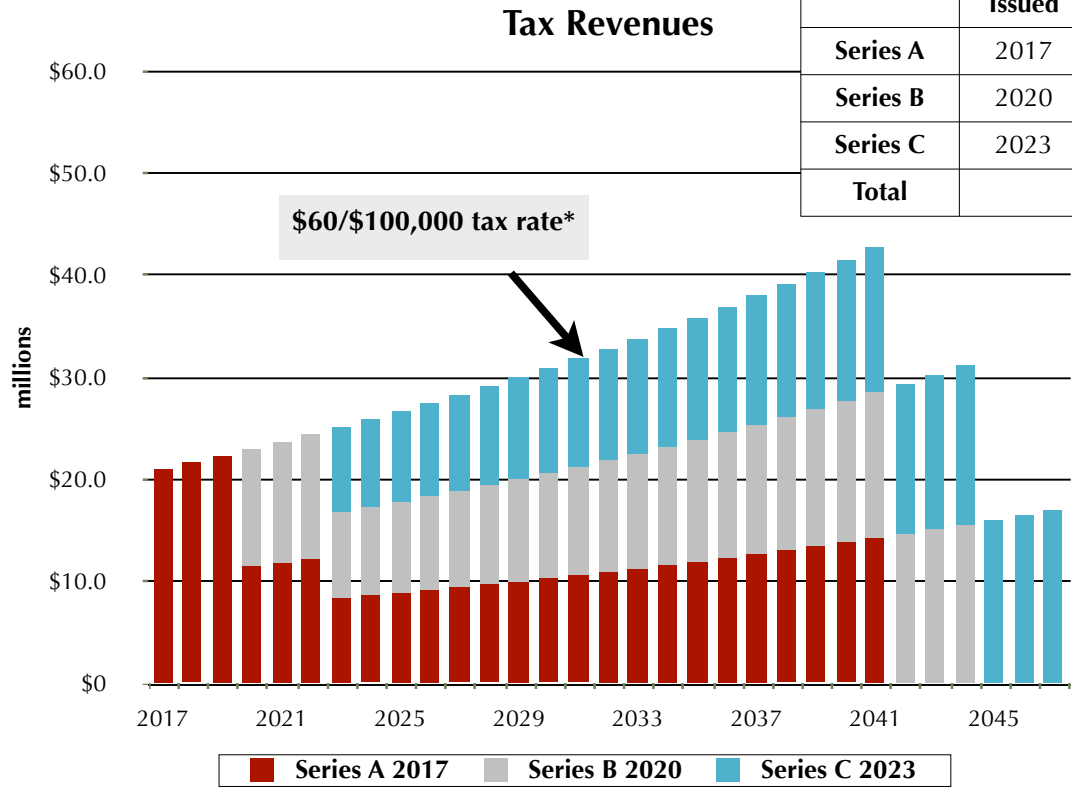
Total revenue available = \$1 billion

* Assumes annual AV growth of 3% per year

Mt. Diablo USD: GO Bond Review

Alternative A: Conventional Bonds (Prop 39)

Alternative A: 25-Year Bonds					
	Year Issued	Interest Rate	Principal	Interest	Total
Series A	2017	4.50%	\$190,910,000	\$119,810,817	\$310,720,817
Series B	2020	5.00%	\$156,910,000	\$134,176,743	\$291,086,743
Series C	2023	5.50%	\$150,965,000	\$154,180,665	\$305,145,665
Total			\$498,785,000	\$408,168,225	\$906,953,225



- Assumptions:**
- Current AV = \$33 billion
 - AV growth: 3%/year
 - Tax rate: \$60/\$100,000
 - Series of bonds: 3
 - Term of each bond series: 25 years
 - Average annual draw over nine years = \$55.4 million

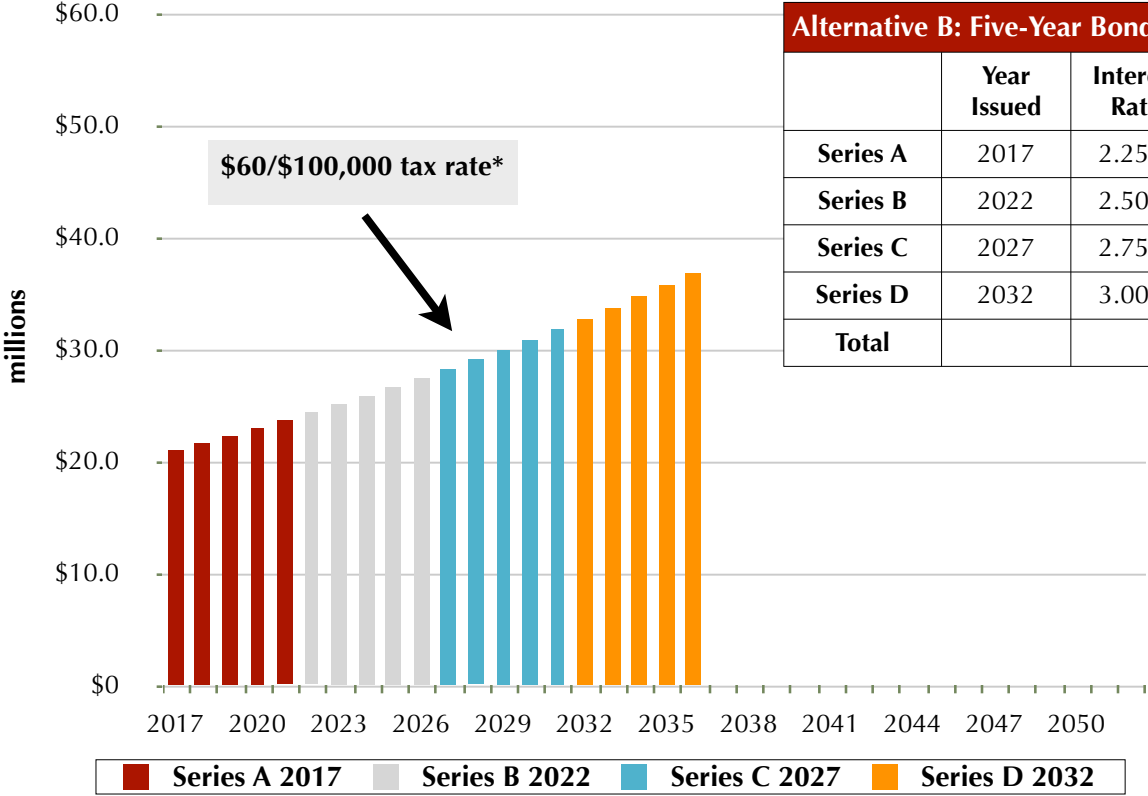
* Assumes annual AV growth of 3% per year

Mt. Diablo USD: GO Bond Review

Alternative B: Short-Term Bonds (Prop 39)

Debt Service Analysis

Alternative B: Five-Year Bonds					
	Year Issued	Interest Rate	Principal	Interest	Total
Series A	2017	2.25%	\$104,345,000	\$7,294,571	\$111,639,571
Series B	2022	2.50%	\$120,080,000	\$9,342,938	\$129,422,938
Series C	2027	2.75%	\$138,190,000	\$11,847,107	\$150,037,107
Series D	2032	3.00%	\$159,035,000	\$14,898,652	\$173,933,652
Total			\$521,650,000	\$43,383,268	\$565,033,268

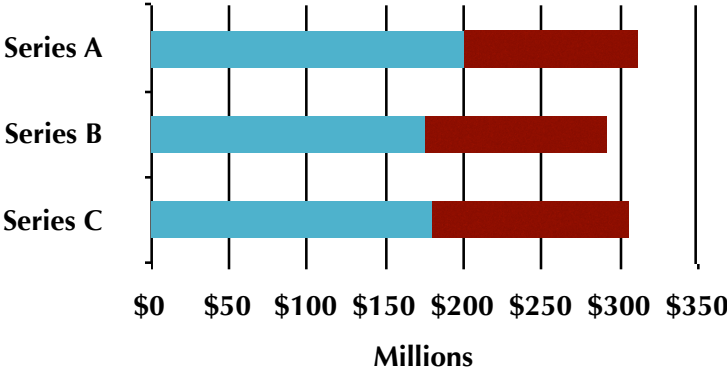


- Assumptions:**
- Current AV = \$33 billion
 - AV growth: 3%/year
 - Tax rate: \$60/\$100,000
 - Series of bonds: 4
 - Term of each bond series: 5 years
 - Average draw over 20 years: = \$26.1 million/ year

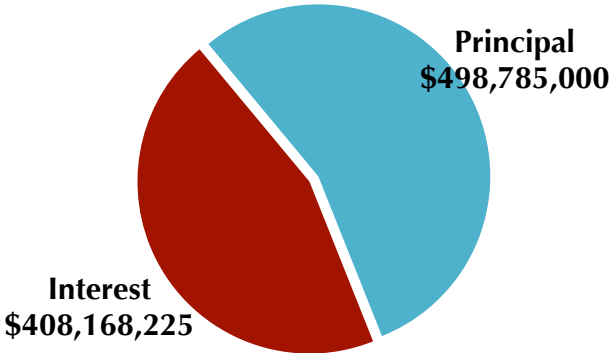
* Assumes annual AV growth of 3% per year

Mt. Diablo USD: GO Bond Review - Election of 2016

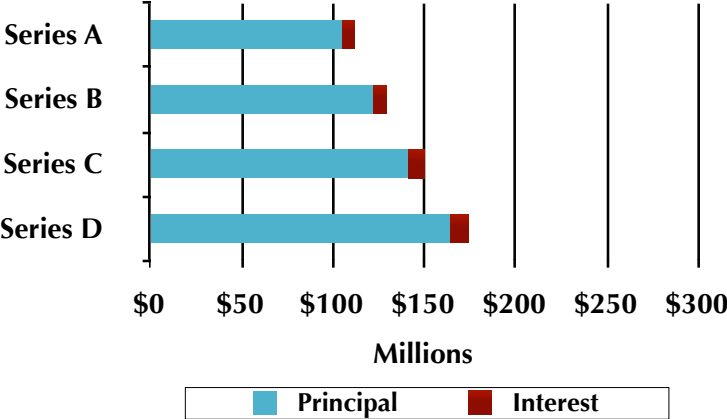
Conventional Bonds



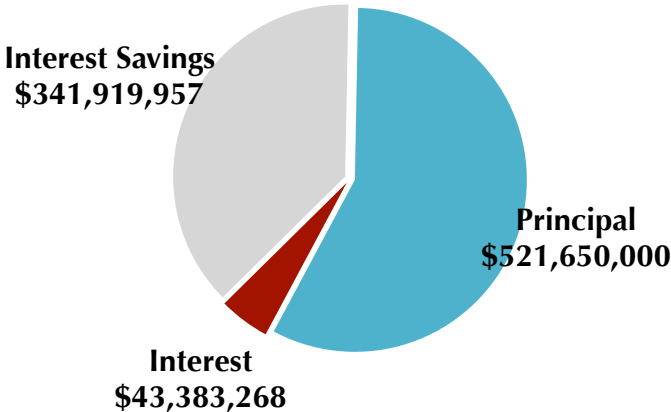
Election of 2016: Conventional



5 Year Bonds

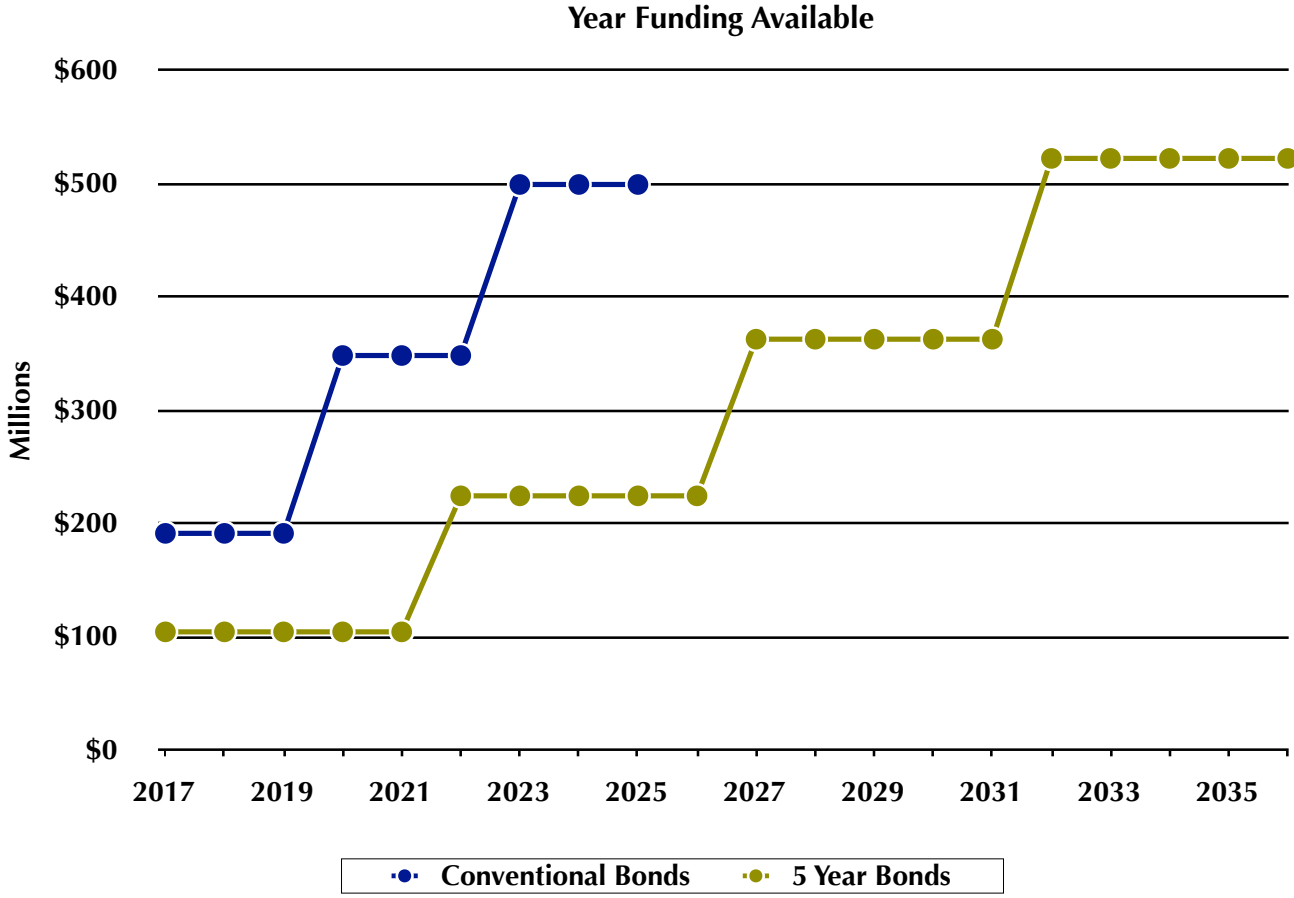


Election of 2016: 5 Year Bonds



Mt. Diablo USD: GO Bond Review - Election of 2016

Conventional Bonds Provide for Larger Amounts of Upfront Funding



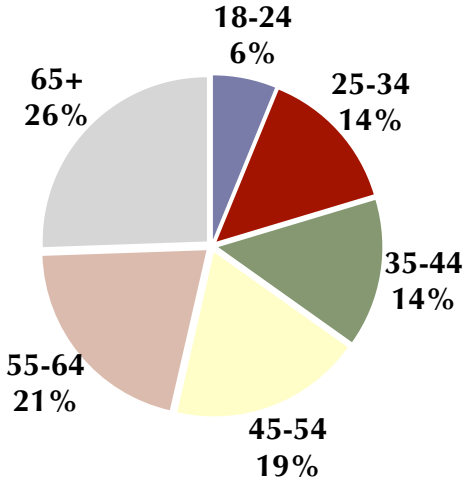
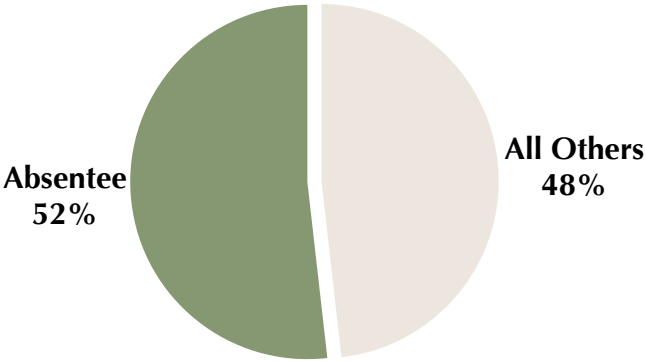
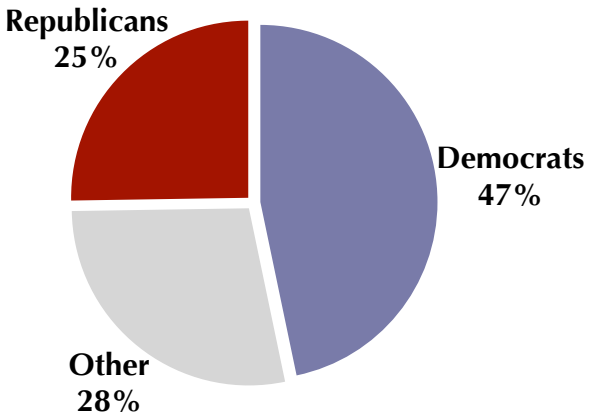
Mt. Diablo USD: **Voter Analysis**

127,391 Registered Voters in the District

Political Party:
High Democrat registration;
often supportive of GO bonds
and consistent voters

Absentee Voters:
Permanent absentee voters tend
to be older, more conservative,
and consistent voters

Age of Voters:
High “empty-nester” cohort
(21% ages 55-64 compared to
State average of 18%);



Mt. Diablo USD: **Voter Analysis**

Turnout in Mt. Diablo USD Points to Presidential Ballot

