



Ocean View
School District

Ocean View School District of Orange County

Measure R Bond Presentation

October 15, 2019



Measure R Bond Presentation

Agenda

- *Series B Presentation*
- *Phase 2 Modernized Schools*



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*Measure R Updated Plan of Finance
Series B Presentation*

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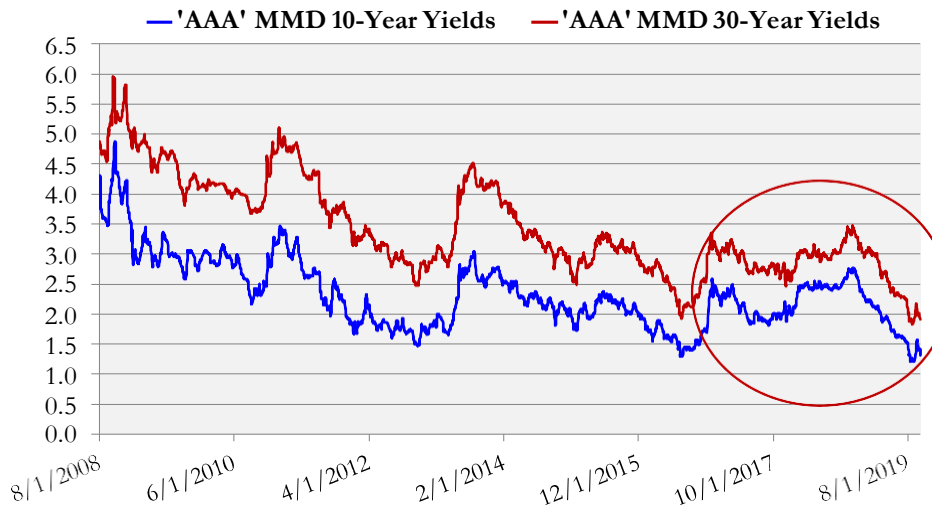
October 15, 2019



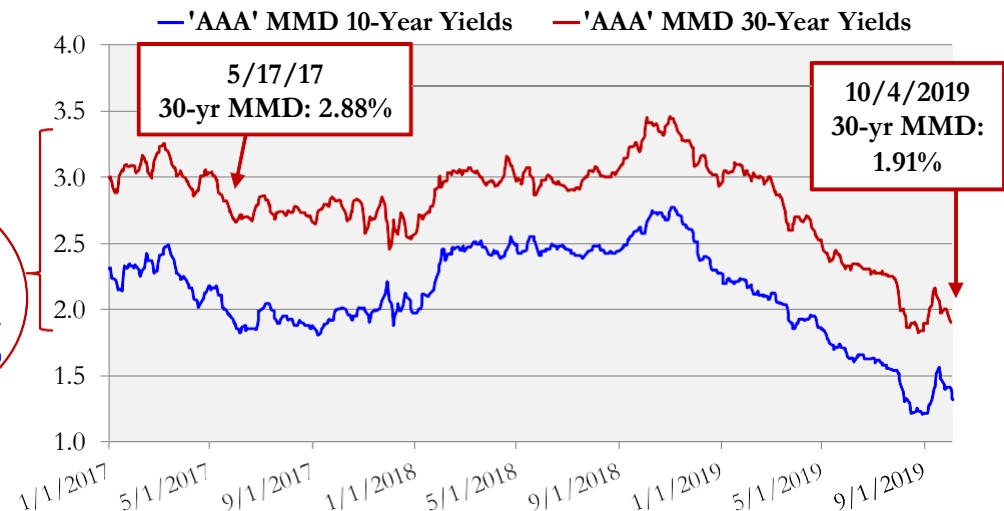
Summary of Market Conditions

- ❖ Interest rates began to fall in November 2018 and have continued to decline with uncertainty over trade policy and signs of weakening global growth
- ❖ Fed cut its short-term rates by 0.25% on September 18, and continued signs of weakness signaled the potential for an additional cut at the October 30th meeting

Historic Change in 'AAA' MMD Yields (August 1, 2008 through October 4, 2019)



Historic Change in 'AAA' MMD Yields (January 1, 2017 through October 4, 2019)

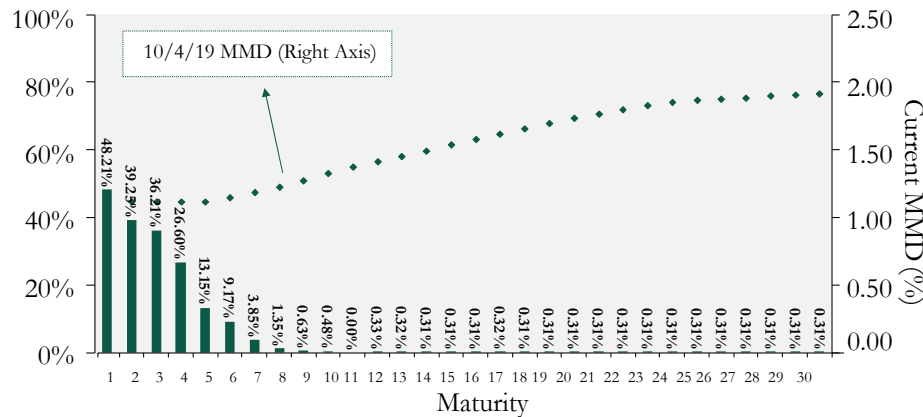




Summary of Market Conditions

❖ **Municipal Market Data (MMD):** ‘AAA’ rated yield curve index published daily by Thomson Reuters. All tax-exempt municipal bonds price based on a spread to MMD.

Current "AAA" MMD and Percentage of Time Historical "AAA" MMD has been Lower than Current "AAA" MMD from January 2, 1998 through October 4, 2019



□ Historical rates in the 30-year range have only been lower approximately 6% of the time since 1998

□ U.S. municipal bond funds reported \$884 billion of net inflows for the week ended October 4th

□ The four-week moving average is \$1.2 billion of inflows

Monthly Flow of Funds Municipal Bond Mutual Funds



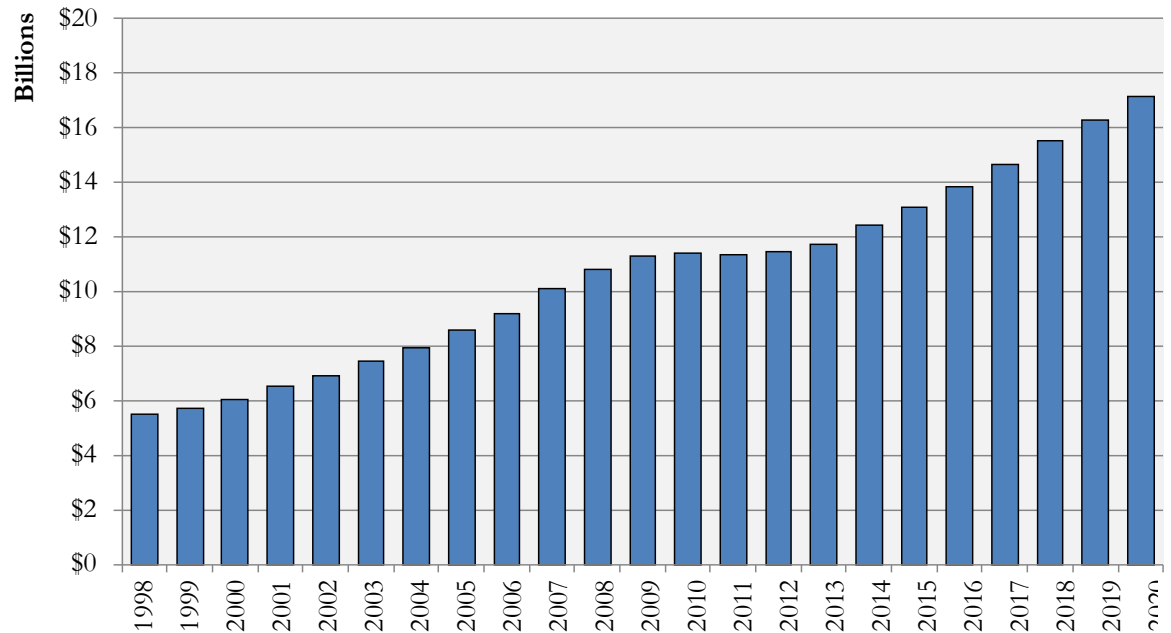
Source: Thomson Reuters



Historical Assessed Valuation

FY Ending	Assessed Valuation	% Change
1998	5,511,505,500	-
1999	5,716,645,379	3.72%
2000	6,079,185,639	6.34%
2001	\$6,525,774,999	7.35%
2002	6,930,575,630	6.20%
2003	7,440,403,862	7.36%
2004	7,952,791,943	6.89%
2005	8,581,834,869	7.91%
2006	9,208,317,934	7.30%
2007	10,093,871,944	9.62%
2008	10,798,095,319	6.98%
2009	11,318,112,438	4.82%
2010	11,404,832,316	0.77%
2011	11,355,397,743	-0.43%
2012	11,477,141,246	1.07%
2013	11,746,698,433	2.35%
2014	12,413,302,880	5.67%
2015	13,059,452,438	5.21%
2016	13,848,747,137	6.04%
2017	14,652,318,963	5.80%
2018	15,512,516,969	5.87%
2019	16,291,227,313	5.02%
2020	17,169,568,648	5.39%
5-yr Average		5.63%
10-yr Average		4.20%
15-yr Average		4.76%
20-yr Average		5.36%

Historical Change in Assessed Value



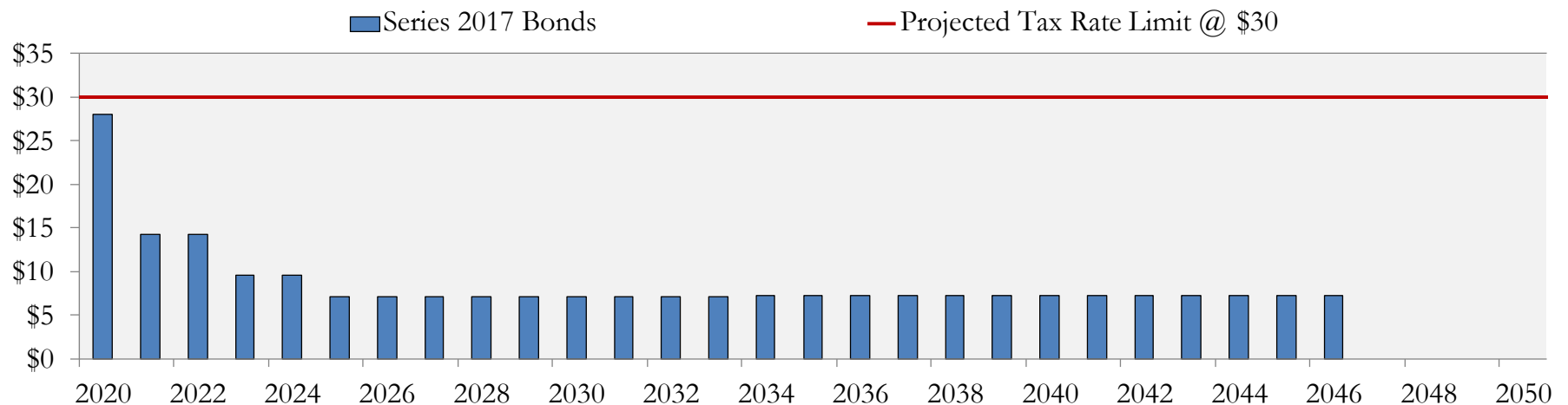
Fiscal Year	Assessed Value	Bonding Factor	Bonding Capacity	Outstanding GO Bond Principal	Net Bonding Capacity
2019-20	\$17,169,568,648	1.25%	\$214,619,608	\$38,855,000	\$175,764,608



Current 2016 Election Measure R

- ❖ Measure R was approved by 58.93% of voters at the November 8, 2016 election
- ❖ In June 2017 the District issued its first series of Measure R Bonds in the amount of \$45 million
- ❖ Currently, there remains \$124 million of authorized bonds

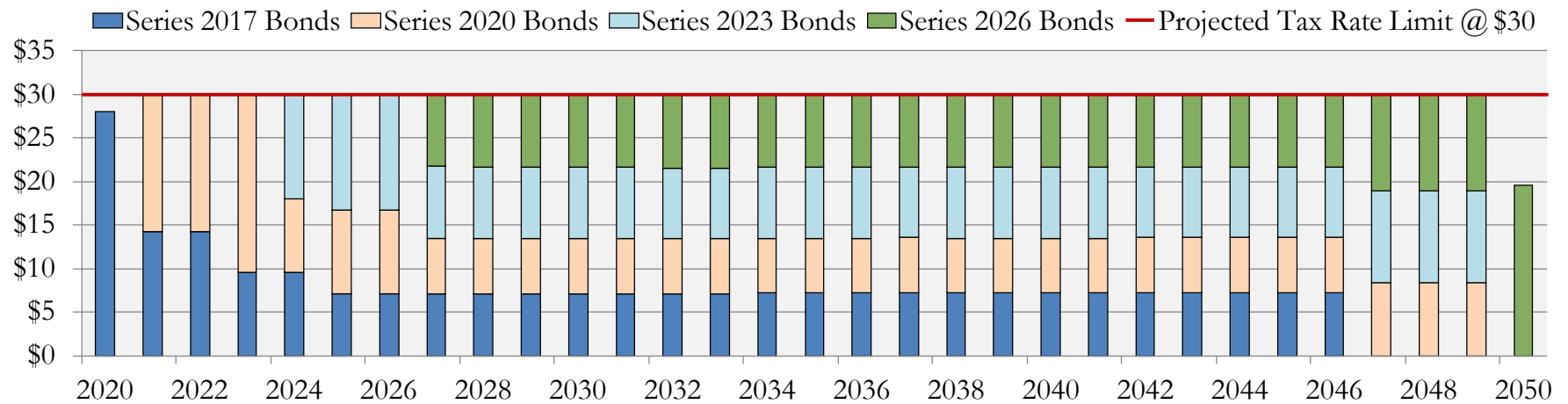
2016 Measure R Projected Tax Rates⁽¹⁾⁽²⁾



(1) Assumes 4.00% AV growth for FY 20-21 and every year thereafter.

Measure R Updated Finance Plan

2016 Measure R Updated Finance Plan⁽¹⁾⁽²⁾



	Series 2017	Series 2020	Series 2023	Series 2026	Total
Issue Date	6/1/2017	2/6/2020	8/1/2023	8/1/2026	-
Par Amount	\$45,000,000	\$42,000,000	\$41,000,000	\$41,000,000	\$169,000,000
Project Amount	44,780,000	41,780,000	40,780,000	40,780,000	\$168,120,000
Final Maturity Date	8/1/2046	8/1/2049	8/1/2049	8/1/2050	8/1/2050
Repayment Ratio	1.60	1.64	1.87	1.99	1.77
Percentage of CIBs	100%	100%	100%	100%	100%
Percentage of CABs	0%	0%	0%	0%	0%

(1) Assumes 4.00% AV growth for FY 20-21 and every year thereafter.
 (2) Series 2020 assumes current market conditions. Series 2023 assumes 15-year MMD 'A' average scale and 5.00% coupons and Series 2026 assumes an additional 50 basis points.



Preliminary Next Steps*

Date	Activity
10/15/2019	Board Finance Plan Introduction
12/17/2019	Ratings received
1/14/2020	School Board meeting to consider bond issuance
1/23/2020	Hold Competitive Pricing
2/6/2020	Closing

*Preliminary and subject to change.





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Phase 2 Modernized Schools

Michael Conroy, Ed.D.
Deputy Superintendent

October 15, 2019



Phase 2 Modernization Schools

Phase 1 (In progress)

<u>School</u>	<u>Year</u>
Westmont	2018-19
College View	2019-20
Marine	2020-21

Staff recommendation for Phase 2

<u>School</u>	<u>Year</u>
Vista View	2021-22
Star View	2022-23
Village View	2023-24



Phase 2 Modernization Schools



Questions?