

Woodside School District Bond Update

March 2021



EASTSHORE CONSULTING

FINANCIAL ADVISORY & FACILITIES PLANNING • FISCAL CONSULTING • ELECTION STRATEGIES & PUBLIC RELATIONS

WOODSIDE SCHOOL DISTRICT SUMMARY OF LONG-TERM BONDED DEBT

ELECTION OF 1999 - MEASURE "A"						
BOND SERIES	ISSUANCE DATE	ORIGINAL PRINCIPAL AMOUNT	ORIGINAL REPAYMENT REQUIREMENT	ORIGINAL REPAYMENT RATIO	ORIGINAL PRINCIPAL OUTSTANDING	PURPOSE
Election of 1999, Series 1999	10/21/1999	\$ 5,200,000	\$ 9,898,600	1.9 to 1	\$ -	Provided \$5.2 million for Measure "A" projects
2005 GO Refunding Bonds	4/14/2005	5,415,000	7,969,704	1.47 to 1	-	Refinanced the Election of 1999, Series 1999 GO Bonds
2017 GO Refunding Bonds - Measure "A" Portion	7/18/2017	1,982,083	2,337,969	1.18 to 1	1,018,853	Refinanced the 2005 GO Refunding Bonds
		<u>\$ 5,200,000</u>			<u>\$ 1,018,853</u>	
ELECTION OF 2005 - MEASURE "K"						
BOND SERIES	ISSUANCE DATE	ORIGINAL PRINCIPAL AMOUNT	ORIGINAL REPAYMENT REQUIREMENT	ORIGINAL REPAYMENT RATIO	ORIGINAL PRINCIPAL OUTSTANDING	PURPOSE
Election of 2005, Series 2006	4/13/2006	\$ 9,499,999	\$ 18,588,698	1.96 to 1	\$ -	Provided \$9.5 million for Measure "K" projects
Election of 2005, Series 2007	2/15/2007	2,499,999	9,640,000	3.86 to 1	217,948	Provided \$2.5 million for Measure "K" projects
2007 GO Refunding Bonds	2/15/2007	9,516,693	17,774,149	1.87 to 1	-	Refinanced a portion of Election of 2005, Series 2006
2017 GO Refunding Bonds - Measure "K" Portion	7/18/2017	12,337,917	18,550,170	1.5 to 1	11,271,147	Refinanced a portion of the Election of 2005, Series 2007 and all of the 2007 GO Refunding Bonds
		<u>\$ 11,999,998</u>			<u>\$ 11,489,095</u>	
ELECTION OF 2014 - MEASURE "D"						
BOND SERIES	ISSUANCE DATE	ORIGINAL PRINCIPAL AMOUNT	ORIGINAL REPAYMENT REQUIREMENT	ORIGINAL REPAYMENT RATIO	ORIGINAL PRINCIPAL OUTSTANDING	PURPOSE
Election of 2014, Series 2014	11/13/2014	\$ 13,500,000	\$ 19,368,172	1.43 to 1	\$ 11,165,000	Provided \$13.35 million for Measure "D" projects
		<u>\$ 13,500,000</u>			<u>\$ 11,165,000</u>	
SCHOOL FACILITIES FINANCING AUTHORITY (SFFA) - MARKS ROOS REVENUE BONDS						
BOND SERIES	ISSUANCE DATE	ORIGINAL PRINCIPAL AMOUNT	ORIGINAL REPAYMENT REQUIREMENT	ORIGINAL REPAYMENT RATIO	ORIGINAL PRINCIPAL OUTSTANDING	PURPOSE
Revenue Bonds, Series 2007*	2/15/2007	10,195,000.00	17,742,987.60	1.74 to 1	-	Purchased 2007 GO Refunding Bonds - Marks Roos
		<u>10,195,000.00</u>			<u>-</u>	
* SFFA Revenue Bonds, Series 2007 were fully repaid when 2017 GO Refunding Bonds refinanced the 2007 GO Refunding Bonds.						

= Outstanding as of March 2021

Overview

- Since 1999, Woodside School District has received approval from voters for three General Obligation (GO) Bond measures, providing just over \$30.5 million for facilities improvements
- In combination with generous community support and some State Aid facilities funding, Woodside has completed modernization of the entire school campus, providing state-of-the-art classrooms and facilities for students and the entire community
- Currently, all authorized bonds have been issued and, where viable, refinanced – thereby reducing total debt repayments and providing savings to taxpayers
- Most recently, the District completed the refunding of three prior bond series in July of 2017, providing for total taxpayer savings of \$3.395 million through 2037
- At this time, all potential current refinancings have been executed and, aside from annual repayment and compliance requirements, all bond obligations are “set” with the next opportunity to redeem District bonds occurring in 2024
- With respect to tax rates, the District is well below estimates provided to voters for each of its bond measures
- With respect to credit ratings, the District continues to maintain the highest possible rating, “AAA”



GENERAL OBLIGATION BOND AUTHORIZATION SUMMARY

<u>Bond Authorization</u>	<u>Total Authorization</u>	<u>Original Issuance Amounts</u>	<u>Final Maturity</u>	<u>Remaining Principal</u>	<u>Remaining Repayments</u>	<u>Remaining Repayment Ratio</u>
Election of 1999 - Measure "A"	\$ 5,200,000	\$ 5,200,000	10/1/2024	\$ 1,018,853	\$ 1,150,622	1.13 to 1
Election of 2005 - Measure "D"	12,000,000	11,999,998	10/1/2037	11,489,095	17,037,828	1.48 to 1
Election of 2014 - Measure "D"	13,500,000	13,500,000	8/1/2035	11,165,000	16,822,388	1.51 to 1
All General Obligation Bonds				<u>\$ 23,672,948</u>	<u>\$ 35,010,838</u>	1.48 to 1

COMBINED GENERAL OBLIGATION BOND DEBT SERVICE

<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2021	\$ 955,000.00	\$ 910,681.25	\$ 1,865,681.25
2022	1,090,000.00	866,831.25	1,956,831.25
2023	1,195,000.00	816,831.25	2,011,831.25
2024	1,325,000.00	761,831.25	2,086,831.25
2025	1,080,000.00	700,781.25	1,780,781.25
2026	1,175,000.00	670,931.25	1,845,931.25
2027	1,300,000.00	627,556.25	1,927,556.25
2028	1,455,000.00	562,556.25	2,017,556.25
2029	1,620,000.00	489,806.25	2,109,806.25
2030	1,062,948.00	1,354,595.75	2,417,543.75
2031	1,670,000.00	397,193.75	2,067,193.75
2032	1,785,000.00	331,693.75	2,116,693.75
2033	1,890,000.00	261,643.75	2,151,643.75
2034	2,000,000.00	186,362.50	2,186,362.50
2035	2,100,000.00	125,000.00	2,225,000.00
2036	965,000.00	59,100.00	1,024,100.00
2037	1,005,000.00	30,150.00	1,035,150.00
Total	<u>\$ 23,672,948.00</u>	<u>\$ 9,153,545.75</u>	<u>\$ 32,826,493.75</u>

*Election of 2014 bond
payments occur on
February 1 and August
1. Prior election bond
repayments occur on
April 1 and October 1.*

Existing GO Bond Programs

- Measure “A”, the District’s GO Bond authorization approved in 1999, has just under \$1.02 million in remaining principal, with final repayment occurring in 2024
- Measure “D”, the District’s GO Bond authorization approved in 2005, has approximately \$11.5 million in remaining principal, with final repayment expected in 2037
- The most recent authorization, also titled Measure “D”, was approved in 2014 and has just under \$11.2 million in remaining principal, with a final repayment in 2035
- In total, the District has \$23.67 million in outstanding GO Bonds for which total repayments are \$35 million, costing \$0.48 in interest expense for each dollar of principal



GO BOND TAX RATE HISTORY

<u>Fiscal Year</u>	<u>Combined GO Bond Tax Rate per \$100,000 of AV</u>
2008-09	\$39.10
2009-10	35.60
2010-11	37.70
2011-12	37.20
2012-13	36.30
2013-14	34.50
2014-15	55.50
2015-16	49.60
2016-17	47.00
2017-18	41.80
2018-19	41.80
2019-20	43.10
2020-21	41.60

NEIGHBORING GO BOND TAX RATES - (2020-21)

<u>Woodside Area School Districts</u>	<u>Combined GO Bond Tax Rate per \$100,000 of AV</u>
Woodside ESD	\$41.60
San Carlos ESD	\$55.90
Portola Valley ESD	\$48.90
San Mateo-Foster City ESD	\$46.20
Belmont-Redwood Shores ESD (SFID #1)	\$45.40
Belmont-Redwood Shores ESD (SFID #2)	\$43.90
Bayshore ESD	\$43.40
Menlo Park ESD	\$35.10
Las Lomitas ESD	\$34.70
Ravenswood City SD	\$34.10
Sequoia Union HSD	\$27.90

Woodside ESD residents also support the Sequoia Union HSD GO Bonds. As such, Woodside ESD residents pay a tax rate for Sequoia Union HSD GO Bonds in addition to Woodside ESD GO Bonds

GO BOND TAX RATE PROJECTIONS, ASSUMING 3.0% TAX BASE GROWTH

<u>Year</u>	<u>Secured AV</u>	<u>Unsecured AV</u>	<u>Total AV</u>	<u>Projected Growth Rate</u>	<u>Existing GO Bond Debt Service</u>	<u>Projected Tax Rate per \$100,000 of AV</u>	
2019-20	\$ 4,115,897,238	\$ 10,991,458	\$ 4,126,888,696	5.6%	\$ 1,806,581	\$43.10	*
2020-21	4,239,374,155	11,321,202	4,250,695,357	3.0%	1,865,681	\$41.60	*
2021-22	4,366,555,380	11,660,838	4,378,216,218	3.0%	1,956,831	\$44.70	
2022-23	4,497,552,041	12,010,663	4,509,562,704	3.0%	2,011,831	\$44.61	
2023-24	4,632,478,602	12,370,983	4,644,849,585	3.0%	2,086,831	\$44.93	
2024-25	4,771,452,960	12,742,112	4,784,195,073	3.0%	1,780,781	\$37.20	
2025-26	4,914,596,549	13,124,376	4,927,720,925	3.0%	1,845,931	\$37.46	

* Actual

GO Bond Tax Rates

- Due to robust tax base growth and the District's diligent management of refinancing opportunities, 2020-21 total tax rates for all GO Bonds was \$41.60 per \$100,000 of AV, well below the estimates provided to voters
- Assuming a conservative tax base growth rate of 3.0%, tax rates are projected to peak at \$44.93 and then gradually decline once Measure "A" expires in 2024
- Should tax base growth exceed 3.0% – which historically it has – tax rates would be expected to decline more rapidly
- Full repayment and termination of all exiting GO Bond taxes will occur in 2037

VOTER ESTIMATE VS. ACTUAL GO BOND TAX RATES

<u>G.O. Bond Measure</u>	<u>Voter Estimated Average Tax Rate</u>	<u>Actual FY 2020-21 Tax Levy</u>
Election of 1999 - Measure "A"	\$ 25.61	\$ 24.30
Election of 2005 - Measure "D"	22.25	
Election of 2014 - Measure "D"	24.05	17.30
Total Voter Estimated Tax Rate (Avg.)	\$ 71.91	\$ 41.60



ASSESSED VALUE HISTORY

Year	Local Secured	Unsecured	Total	% Growth
2008-09	\$ 2,249,046,586	\$ 5,947,605	\$ 2,254,994,191	7.26%
2009-10	2,436,303,364	8,512,863	2,444,816,227	8.42%
2010-11	2,431,564,215	7,123,787	2,438,688,002	-0.25%
2011-12	2,508,143,419	6,822,558	2,514,965,977	3.13%
2012-13	2,617,280,386	7,321,519	2,624,601,905	4.36%
2013-14	2,854,867,345	6,373,575	2,861,240,920	9.02%
2014-15	2,979,170,572	6,641,896	2,985,812,468	4.35%
2015-16	3,205,449,389	10,932,611	3,216,382,000	7.72%
2016-17	3,462,337,049	8,428,603	3,470,765,652	7.91%
2017-18	3,722,581,344	8,321,002	3,730,902,346	7.50%
2018-19	3,898,466,970	10,676,150	3,909,143,120	4.78%
2019-20	4,115,897,238	10,991,458	4,126,888,696	5.57%
2020-21	4,294,695,511	11,137,873	4,305,833,384	4.34%

Refunding Opportunities

- Similar to what occurred in 2017, General Obligation Bonds typically allow for “redemption” or early repayment 8 to 10 years after issuance
- Typically, the greatest savings can be achieved by issuance of refunding bonds within three months of the redemption date
- On January 1, 2018, Federal Tax law changed rules specific to “advance” refunding bonds, requiring the use of taxable bonds if a refunding is conducted more than 3 months before the redemption date
- As taxable bonds tend to carry a higher interest rate than tax-exempt bonds, this rule change reduced options to advance refund prior debt issuance
- However, it should be noted that legislation in Washington D.C. which would again allow for advanced refundings utilizing more efficient tax-exempt bonds is under consideration
- In the event the proposed legislation is approved, it may present an opportunity to refund the Election of 2014 G.O. Bonds, which may generate meaningful savings as an advanced refunding
- The table on the following page provides an estimate of the potential savings if the tax-exempt advanced refunding option again becomes viable, as well as projections of refunding at later dates



ELECTION OF 2014, SERIES 2014 GO BONDS REFUNDING OPTIONS ANALYSIS

Year*	Rates**	Series 2014	
		Gross Savings	NPV Savings %
August - 2021 (Advanced)	0.00%	\$ 452,704	4.2%
	0.25%	270,217	2.5%
August - 2022 (Advanced)	0.00%	\$ 723,752	6.9%
	0.25%	564,514	5.3%
	0.50%	399,176	3.7%
	1.00%	62,951	0.6%
August - 2023 (Advanced)	0.00%	\$ 966,566	9.6%
	0.25%	818,466	8.1%
	0.50%	670,066	6.5%
	1.00%	361,616	3.6%
August - 2024 (Current)	0.00%	\$ 1,199,534	12.0%
	0.25%	1,067,684	10.6%
	0.50%	935,384	9.2%
	1.00%	658,934	6.5%

* Series 2014 allows for redemption on August 1, 2024. Under current Federal tax law, which is under consideration for changes, the District can only refund the Series 2014 prior to May 3, 2021 utilizing taxable bonds. Should Federal tax law rules change, the District could opt to utilize more efficient tax-exempt bonds for such an "advanced" refunding.

** Assumed increase above current interest rate estimates for A+ rated insured current interest GO Bonds.

Indicates NPV savings below GFAO recommended minimum levels.

What's Next?

- Annual tax computations for 2021-22 repayment of GO Bonds will be conducted by the County in July and will be provided annually to the District and Eastshore Consulting for review until final maturity of all bonds
- Annual compliance requirements, including State CDIAC reporting requirements and federal SEC Rule 15c2-12 requirements, will continue to be due seven (7) and nine (9) months after each fiscal year until final maturity of the bonds
- The District, in consultation with Eastshore Consulting, will continue to monitor outstanding bonds for opportunities to refinance and further reduce tax burdens
- Additionally, the District, in consultation with Eastshore Consulting, should reply to occasional rating agency reviews and maintain its responsible fiscal policies to ensure maintenance of the top level “AAA” rating
- Should the District ever find a need to seek another investment from the community, it can clearly demonstrate responsible stewardship of taxpayer investments



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Disclosure of Conflicts of Interest and Legal or Disciplinary Events

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- www.sec.gov/edgar/searchedgar/companysearch.html

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