



CABRILLO UNIFIED SCHOOL DISTRICT

498 Kelly Avenue, Half Moon Bay, California 94019 • 650 712-7100 • Fax 650 726-0279 • www.cabrillo.k12.ca.us

SUPERINTENDENT
Sean McPhetridge, Ed.D.

GOVERNING BOARD
Mary Beth Alexander
Lizet Cortes
Kimberly Hines
Sophia Layne
Freya McCamant

MEMORANDUM

MEETING DATE: April 16, 2020
TO: Members of the Governing Board
FROM: J Jesús Contreras, Chief Business Officer
Crawford School Business Consulting
CATEGORY: Action
RECOMMENDATION: Approve Resolution No.10-20, Establishing Tax Rate and Resolution No. 11-20, Authorizing the Issuance and Sale of the Bonds

BACKGROUND INFORMATION

On June 5th, 2018, Cabrillo USD passed Measure M a \$99,000,000 bond authorization for the update of classrooms safety repairs fixing leaky roofs, equipping classrooms with technology and replacing heaters and plumbing. Then on October 10, 2018, the district sold its first series of bonds from the Measure M authorization for \$35,000,000.

As of today, most of that original bond sale of \$35 million has been used;

Current Fund Balance (Amount held at County Treasury)	\$16 million
Purchase Orders Outstanding (Amount Obligated)	\$10.8 million
Amount held for Energy Project	<u>\$2-4 million</u>
Funds Available for Use	<u>\$1.2 million</u>

FINANCIAL IMPACT

Working with the districts bond advisers, Isom Advisors, we have developed a \$40,000,000 bond sale for this for this June. Isom Advisors have developed a plan to level the spike in the cost to the taxpayers. In the 2018-19 school year the taxpayers paid \$71 per \$100,000 assessed value and in 2019-20 that rate jumped about 60% to \$115 per \$100,000.

With the new plan, the rate will jump-up to \$122 (6%) per \$100,000 next year, but then level out to about \$97 (-20%) per \$100,000 the years after.

<u>Bond Year</u>	<u>1996</u> <u>Bonds</u>	<u>2012</u> <u>Bonds</u>	<u>2018</u> <u>Bonds</u>	<u>Total</u>
2018-19	\$33.10	\$38.00	\$0.00	\$71.10
2019-20	\$31.30	\$34.50	\$49.30	\$115.10
2020-21	\$39.25	\$37.57	\$45.15	\$121.97
2021-22		\$44.95	\$50.20	\$95.15
2022-23		\$44.96	\$51.48	\$96.44
2023-24		\$45.00	\$51.51	\$96.51
2024-25		\$43.94	\$51.81	\$95.75

Tax rates per \$100,000 in assessed value (AV); Assumes 0% AV growth in 2021, '2% AV growth in 2022, and 3.5% thereafter.

¹ Figures for 2019 and 2020 are actuals; figures for 2021 to 2025 are projections.

² Bonds issued" column shows estimated tax rates for bonds already issued under each authorization.

³ Assumes issuance of Series B from Measure M bonds in 2020 and Series C from Measure M in 2023.

Assumes issuance of Series D from Measure S in 2021.

⁴ Tax rate target for the 2012 Bonds is \$45 per \$100,000 in AV. Tax rate target for the 2018 Bonds is \$52 per \$100,000 in AV.