

April 18, 2024

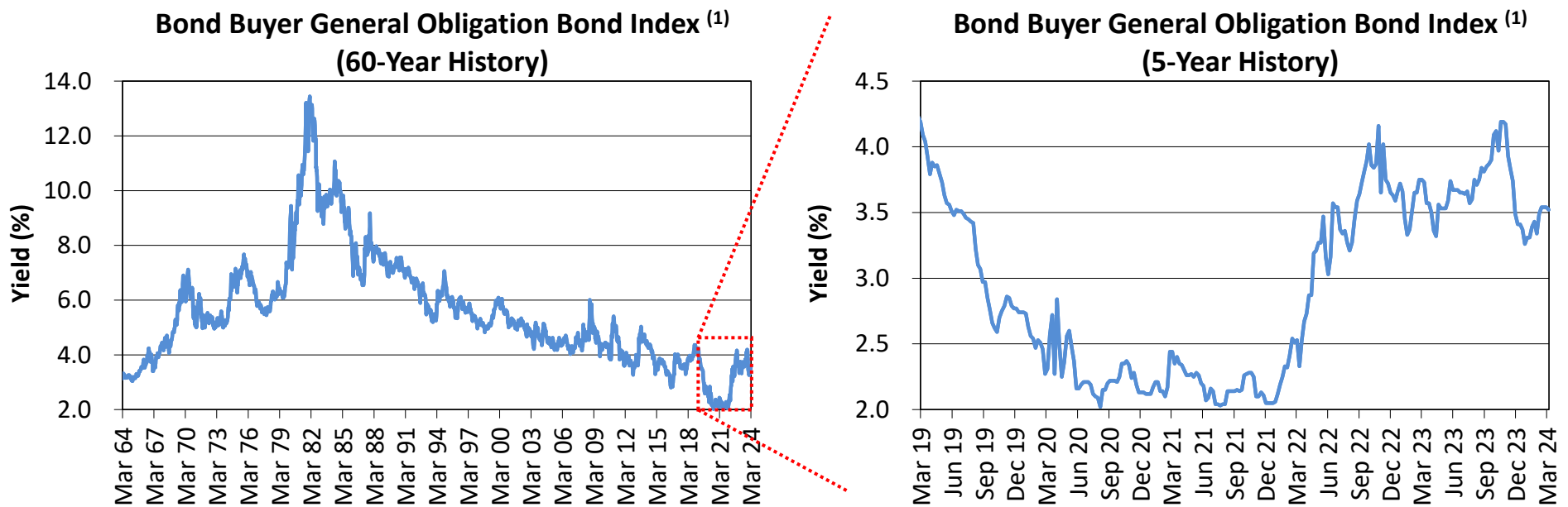
# Mountain View Whisman School District

Measure T, Series C Bonds



# Interest Rates

Interest rates increased in recent years as a result of Federal Reserve actions to combat inflation. The Federal Reserve has indicated it plans to cut interest rates in 2024 once inflation is under control



(1) Index reflects average yield to maturity of 20 general obligation bonds with 20-year maturities rated 'Aa2' by Moody's Investors Service and 'AA' by Standard and Poor's. Source: The Bond Buyer & Bloomberg.

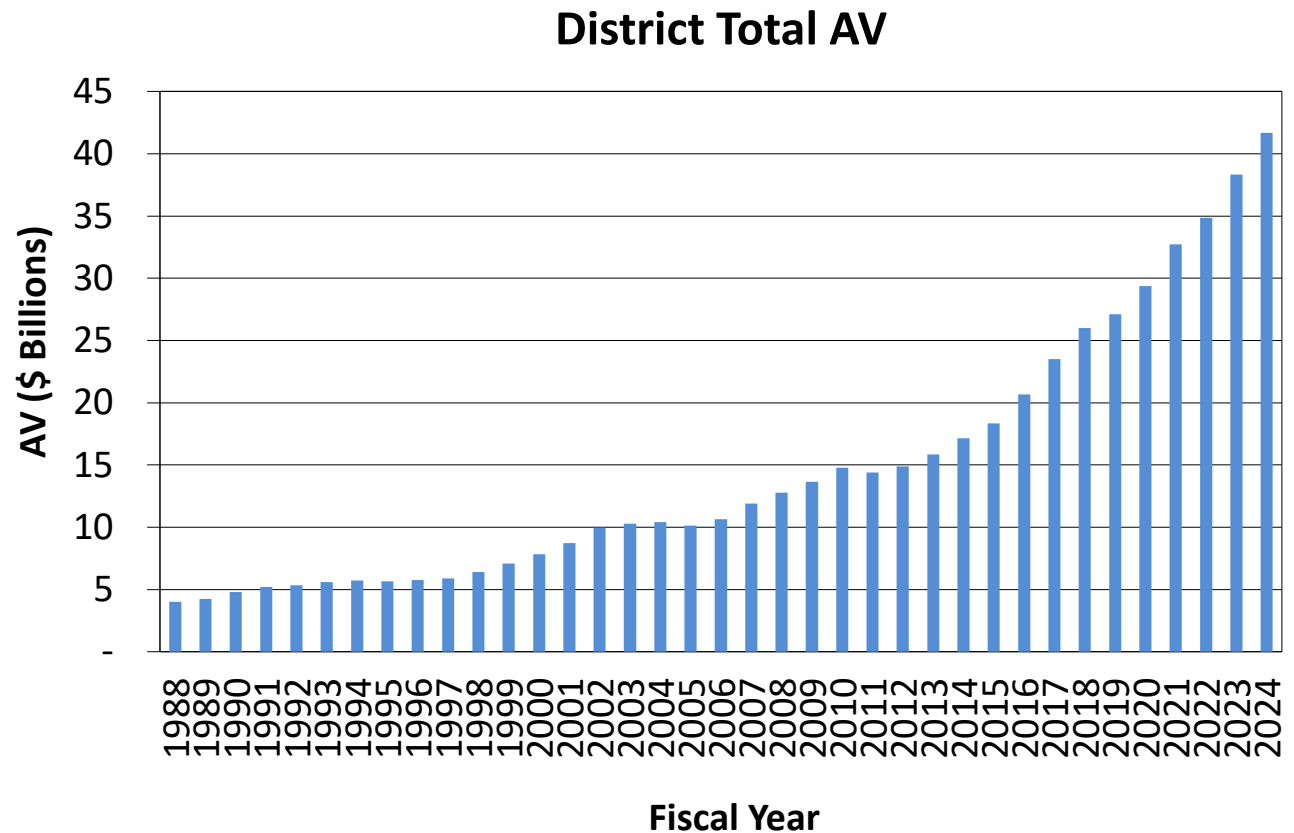


# Assessed Value (“AV”) History

The District’s AV grew 8.8% to ~\$41.7 billion in 2023-24

◆ Annualized growth rates:

- 1-year: 8.8%
- 5-year: 9.0%
- 10-year: 9.3%
- 15-year: 7.7%
- 20-year: 7.2%
- 25-year: 7.3%
- 35-year: 6.7%



(1) Source: California Municipal Statistics, Inc.



# Credit Ratings

The 3 major credit rating agencies are:

- ◆ Moody's
- ◆ Standard & Poor's ("S&P")
- ◆ Fitch

The credit rating factors are as follows:

- ◆ Local economy
- ◆ District finances
- ◆ District management
- ◆ District debt/pension

The District's current bond ratings are:

- ◆ Moody's: Aaa
- ◆ S&P: AAA
- ◆ Fitch: N/A

	Moody's	S&P	Fitch	Rating Description
Investment grade	Aaa	AAA	AAA	Prime
	Aa1	AA+	AA+	High grade
	Aa2	AA	AA	
	Aa3	AA-	AA-	
	A1	A+	A+	Upper medium grade
	A2	A	A	
	A3	A-	A-	
	Baa1	BBB+	BBB+	Lower medium grade
	Baa2	BBB	BBB	
Baa3	BBB-	BBB-		
Non-investment grade	Ba1	BB+	BB+	Speculative
	Ba2	BB	BB	
	Ba3	BB-	BB-	
	B1	B+	B+	Highly speculative
	B2	B	B	
	B3	B-	B-	
	Caa1 & below	CCC+ & below	CCC & below	Extremely speculative/ Default



# Measure T Overview

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On March 3, 2020, District voters approved Measure T for \$259 million

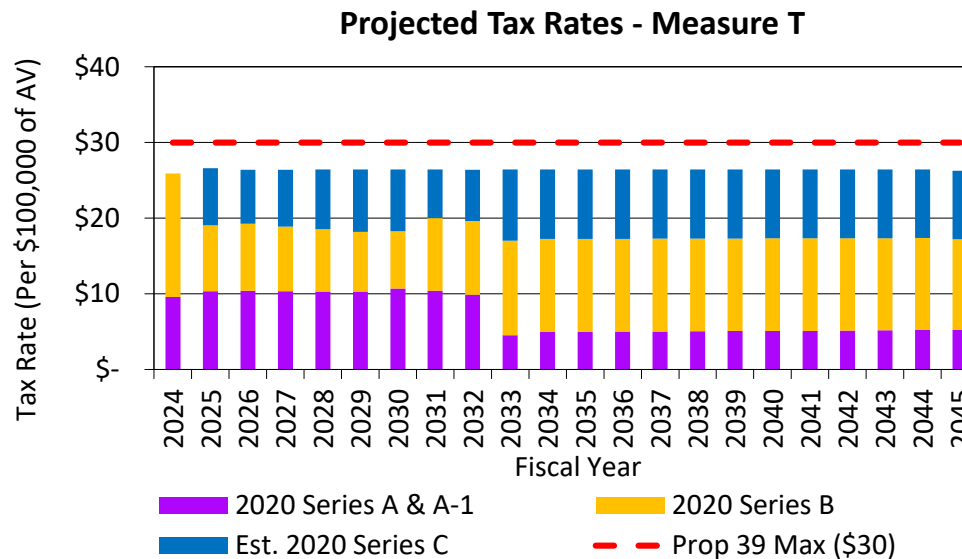
- ◆ Estimated tax rate of \$30 per \$100,000 of AV
- ◆ \$185 million has been accessed thus far
  - May 19, 2020: \$85 million Series A & A-1
    - All-inclusive interest rate: 2.7%
  - November 8, 2022: \$100 million Series B
    - All-inclusive interest rate: 4.2%
- ◆ \$74 million in remaining authorization



# Measure T, Series C

The District is now considering the issuance of the remaining \$74 million

- ◆ Potential Series C statistics <sup>(1)</sup>
  - Estimated all-inclusive cost of 4.0%
  - Estimated total debt service: \$120 million (1.62 to 1 repayment ratio)
- ◆ Estimated aggregate tax rate of \$26.60 per \$100,000 of AV



(1) Reflects Keygent’s opinion of current interest rates based on rates proposed for similarly rated California K-12 districts as of March 20, 2024. Subject to market fluctuations until bonds are sold. Includes all estimated costs. Assumes future annual AV growth of 4.0%.



# Legal Documents

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Following is a summary of legal documents for consideration:

- ◆ **Authorizing resolution**

- Approves the issuance of bonds
- Specifies the terms and parameters of the bonds
- Authorizes District staff to take the steps necessary to complete the financing

- ◆ **Approves the form of other legal documents**

- Preliminary official statement
  - Offering document circulated to prospective investors describing the bonds
- Bond purchase agreement
  - Agreement in which the underwriter agrees to purchase the District's bonds under certain conditions and parameters
- Continuing disclosure certificate
  - Agreement outlining the District's duties to provide ongoing information to the investing community on its finances, tax base information and listed events



# Next Steps

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- ◆ April 18: Board considers resolution and other legal documents to issue bonds
- ◆ June 4: County Board of Supervisors adopts resolution
- ◆ Mid-June: Rating update with rating agency
- ◆ June 28: Finalize offering document and circulate to investors
- ◆ July 9: Sell bonds to investors <sup>(1)</sup>
- ◆ July 30: Close financing; District receives proceeds

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(1) Bond sale timing dependent on market conditions.

