



Oregon School Boards Association Sustainable Schools Conference

Understanding and Communicating on G.O. Bonds

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D.A. Davidson & Co.

member SIPC

FIXED INCOME CAPITAL MARKETS

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Can you guarantee the tax rate will
be the same for the life of the
bonds?

Can you promise a tax rate
during the campaign?

Will the tax rate change over time?

Projecting G.O. Bond Rates

Operating (Permanent) Rate: The operating (permanent) rate is **MULTIPLIED** by the taxable assessed value within each district's boundaries, **resulting in a dollar amount** levied for operations. Limited by Measure 5.

G.O. Bond Rate: School districts have authority to levy a dollar amount necessary to pay debt service on G.O. Bonds the following fiscal year. Such amount is **DIVIDED** by the taxable assessed value within each district's boundaries, **resulting in a tax rate** levied for general obligation bonds. This rate is calculated outside of Measure 5 limitations.

Can you promise a tax rate during
the campaign?

No.

- 1) Debt service is estimated sometimes up to 24 months before the bond issuance date. Final debt service payments will be determined after the election once the bonds are issued.
- 2) Even if you already have the final debt service payments, future property tax rates on G.O. Bonds will depend on the future taxable assessed value of the District and property tax collections.



Can you guarantee the tax rate will be the same for the life of the bonds?

No.

Even if you already have the final debt service payments, future property tax rates on G.O. Bonds will depend on the future taxable assessed value of the District and property tax collections.



Will the tax rate change over time?

Most Likely.

Either by design or by external factors, the tax rate will likely change over time.

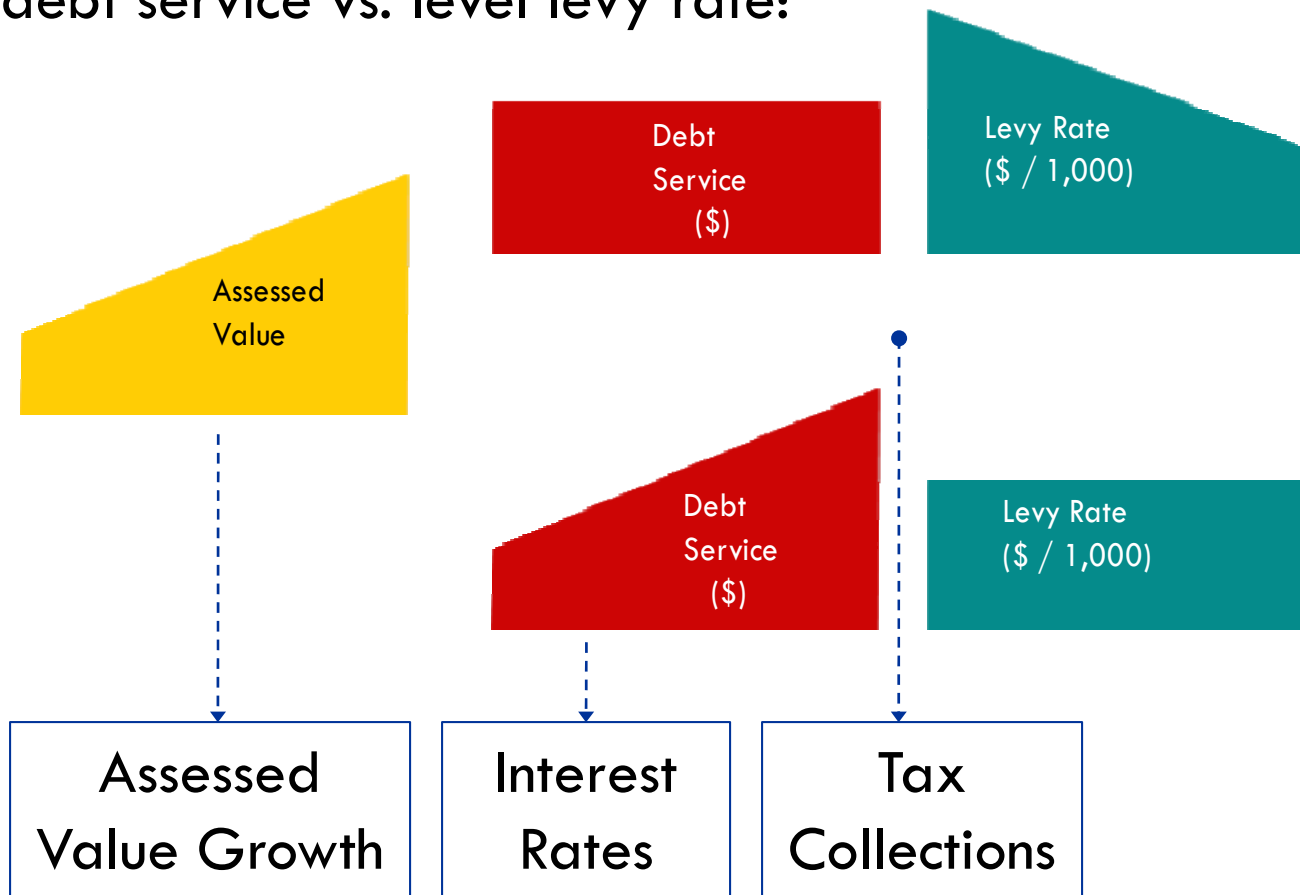
- 1) By design: Debt service may be structured to result in a tax rate pattern that will change over time.
- 2) External factors: Actual tax collections and assessed value growth will likely result in modest changes to the projected tax rates.

How much will the proposed G.O.
bond cost?



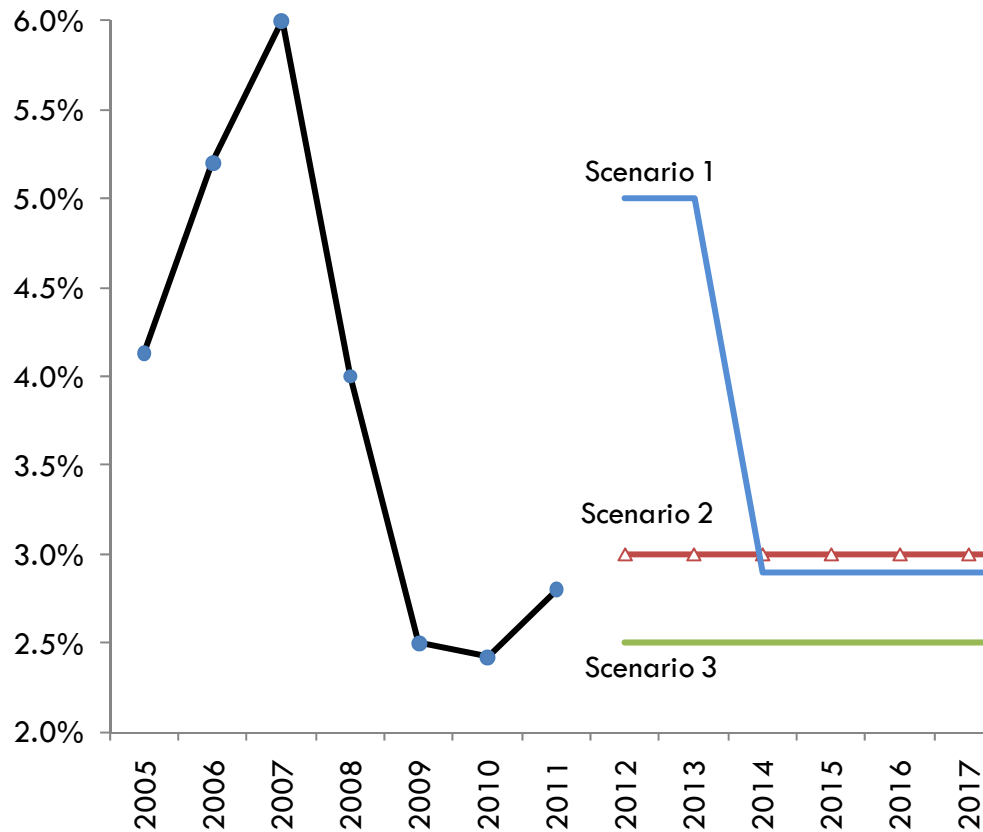
Projecting G.O. Bond Rates

Level debt service vs. level levy rate:



Projecting G.O. Bond Rates

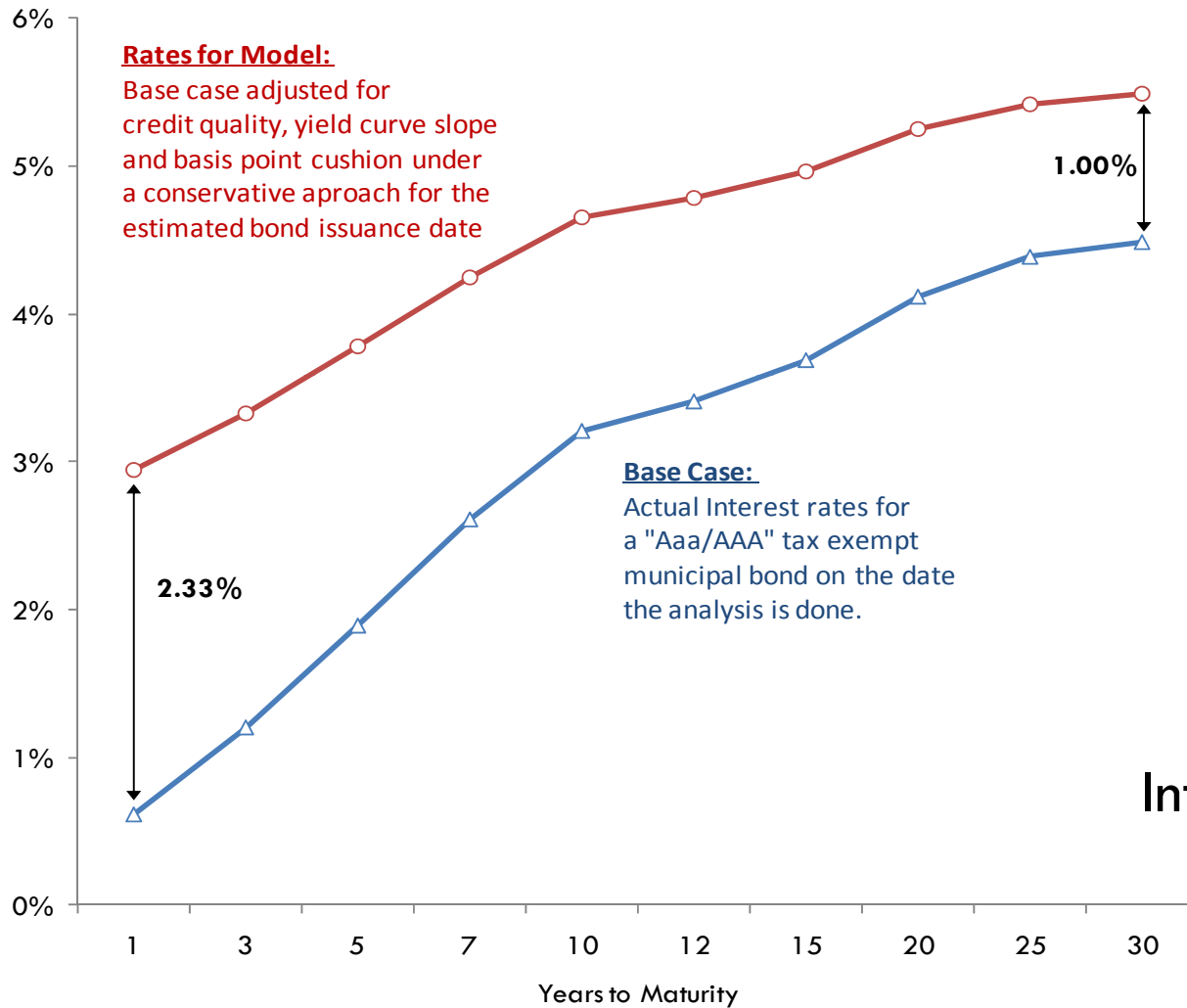
Assessed Value Growth Projections



Projected Tax Collection Rates

Fiscal Year	Annual	Cumulative as of 2010	
2007	96.0%	99.8%	Actual
2008	96.1%	99.3%	
2009	95.2%	98.5%	
2010	95.8%	95.8%	
Annual (incl. back tax collections)			
2012	93.0%		Projected
2013	95.0%		
2014	97.0%		
2015	99.0%		
2016	99.0%		

Projecting G.O. Bond Rates



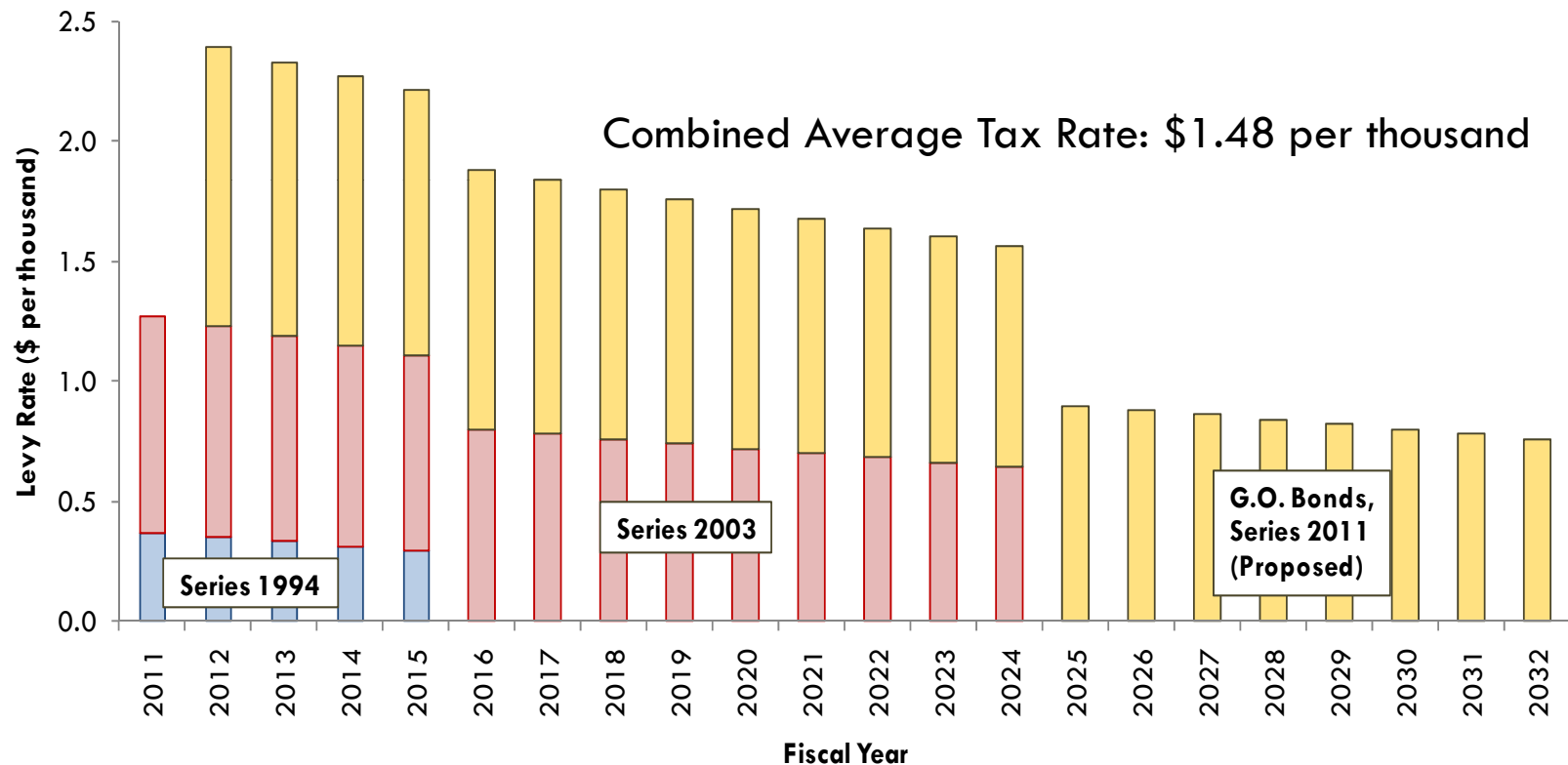
Interest Rate Projections



Projecting G.O. Bond Rates

Existing Debt Service

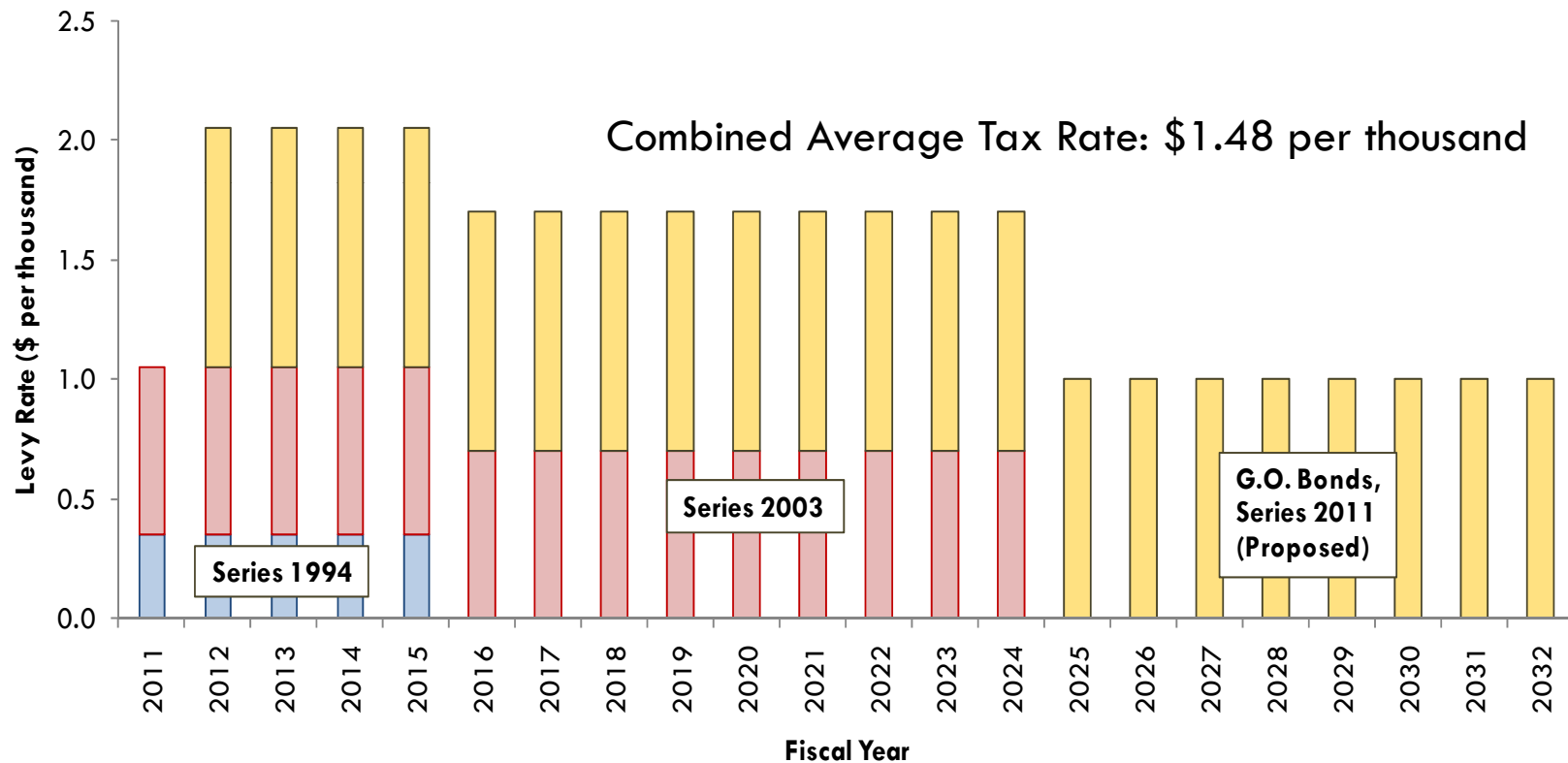
Level Debt Service: Individually by bond issue



Projecting G.O. Bond Rates

Existing Debt Service

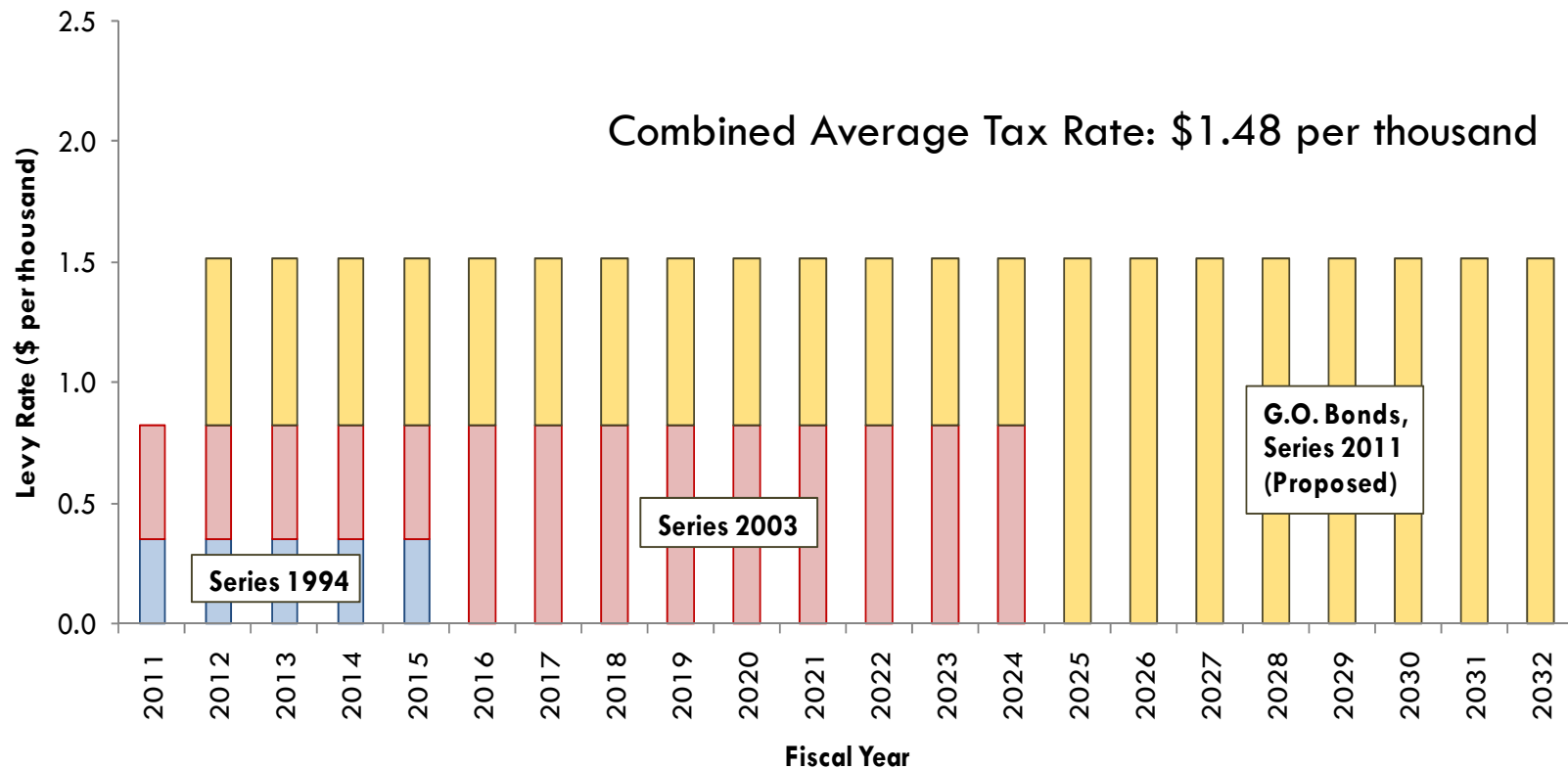
Level Levy Rate: Individually by bond issue



Projecting G.O. Bond Rates

Existing Debt Service

Combined Levy Rate: On ALL bond issues



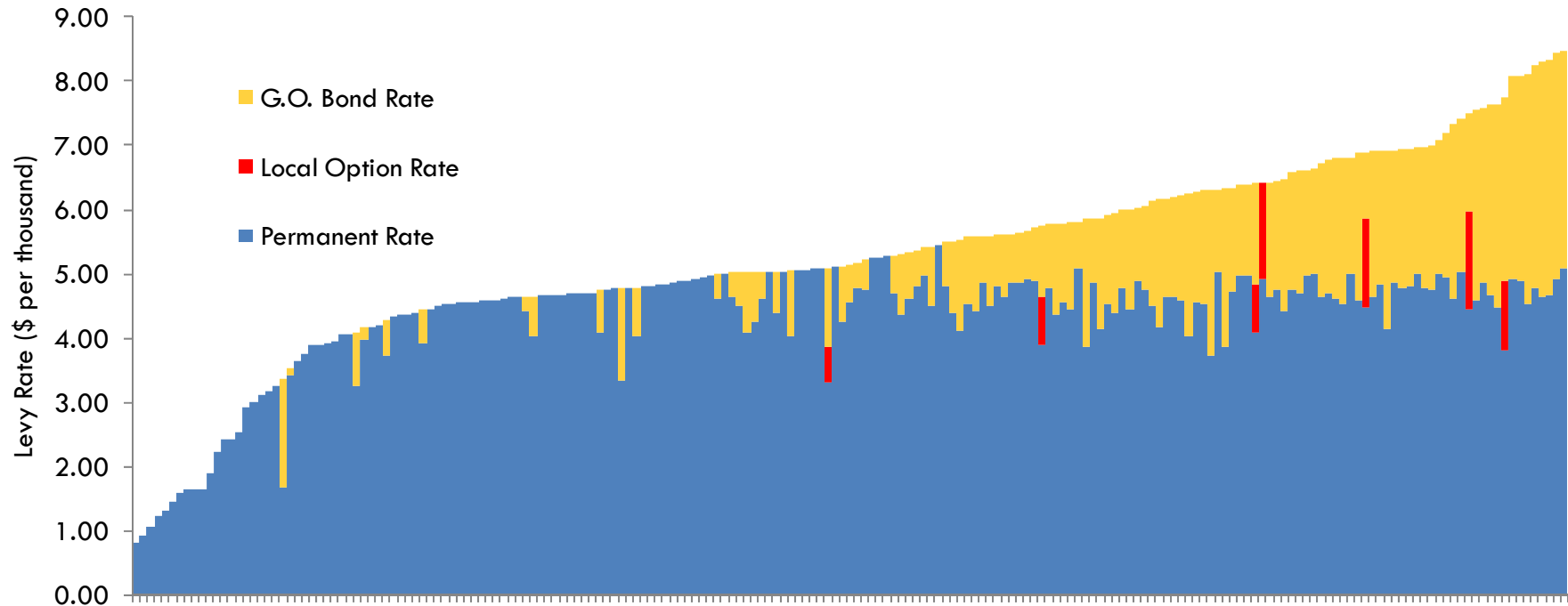
What are voters in our District
already paying?

What are voters in other Districts
paying?



Property Tax Rates: Education

	Permanent Rate			G.O. Bond Rate			Total		
	Rate	District Location	District's ADMw	Rate	District Location	District's ADMw	Rate	District Location	District's ADMw
Average:	4.29			1.56			5.25		
Median:	4.59			1.48			5.15		
Min:	0.82	Harney	2	0.11	Sherman	267	0.82	Harney	2
Max:	5.44	Columbia	1,133	3.67	Yamhill	4919	8.46	Yamhill	970
Observations:	197			114			197		



Property Tax Rates: Education

Education District	Operating Rate	Local Option Rate	G.O. Bond Rate	Total
Taj Mahal School District No. 1	4.3788	-	3.2651	7.6439
FlushwithDollars School District No. 7	4.5037	-	1.9856	6.4893
Whatrecession School District No. 15	4.2522	-	1.2654	5.5176
LoveBargainingUnits School District No. 33	4.1626	-	0.8440	5.0066
Showmee Da-money School District No. 45	4.7844	-	0.1546	4.9390
Pleaseroof Don't-Collapse School District No. 50	4.8367	-	-	4.8367
Four Leaf Clover ESD	0.7851	-	-	0.7851
Deep Pocket Community College	0.4615	-	0.2351	0.6966

