



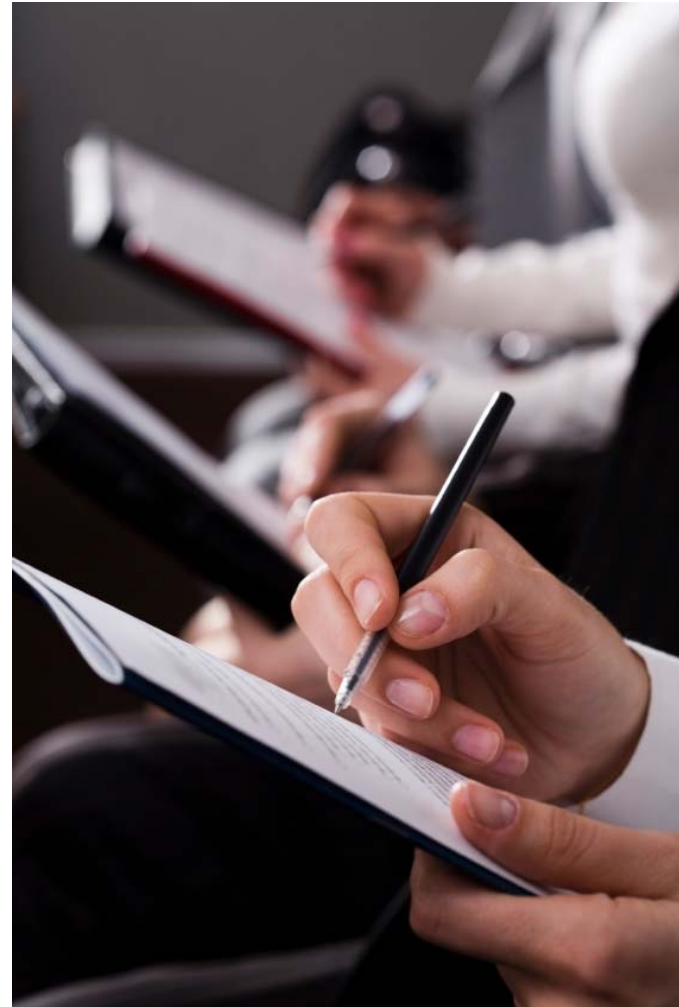
Buena Park School District



Measure B Program
Funding Scenario Update
September 12, 2016

Agenda

- Measure B Funding Scenario Overview
- Review of \$8M BAN Funding Scenario
- Cost Comparison – BAN vs. Escalation
- Summary



Measure B Funding Scenario Overview

- District Staff, TCM and the District's Financial Advisor have generated Bond Issuance and Cash Flow Scenarios to support Future Project planning as follows:
 - Baseline Scenario: 2017 Infrastructure Tech Bonds without a BAN
 - Scenario #1: 2017 Infrastructure and Tech Bonds with a 2018 BAN of \$5 Million
 - Scenario #2: 2017 Infrastructure Bond, No 2017 Tech Bond, 2018 BAN of \$5 Million
 - Scenario #3: 2017 Infrastructure Bond, No 2017 Tech Bond, 2018 BAN of \$8 Million
- Purpose of the Bond Issuance Scenarios is to explore viable options for accelerating the construction of the Beatty and Corey Modernization Projects.

Measure B Funding Scenario Overview

	Baseline	Scenario #1	Scenario #2	Scenario #3
<i>Funding Option</i>				
BAN?	N	Y (\$5million; 2018)	Y (\$5 million; 2018)	Y (\$8 million/2018)
Eliminate 2017 Tech Bond Issuance?	N	N	Y	Y
<i>Projects (Year in which project will be undertaken)</i>				
Gilbert Modernization	2017	2017	2017	2017
Gilbert Bungalow	2017	2017	2017	2017
Whitaker Modernization	2017	2017	2017	2017
Whitaker Bungalow	2017	2017	2017	2017
Beatty Modernization	2020	2018 or 2020*	2018 or 2020*	2018
Beatty Bell/Clock	2017	2018	2018	2018
Corey Modernization	2020	2018 or 2020*	2018 or 2020*	2018
Corey Bell/Clock	2017	2018	2018	2018
Expanded Re-roofing	Y (\$400K; 2018)	Y (\$400K; 2018,/9/)	Y (\$400K; 2018)	Y (\$400K; 2019)

* Project funding in this scenario can support either Beatty Modernization or Corey Modernization in 2018, but not both. One project would be deferred until 2020.

Measure B Cash Flow - Scenario #3

2017 Infrastructure, No 2017 Tech, w/\$8M BAN

\$s in millions	Scenario #3 - No Tech Bond w/\$8M 2018 BAN				
	2016	2017	2018	2019	2020
Multi-Year Project Funding					
Current Estimated Funds Availability					
Remaining G.O. Bond Funds	2.68	0.67	1.08	0.22	0.47
Alternative Funding Sources:					
AB300 Reimbursement Funding			0.90		
Fund 40 Special Reserve Contribution	0.60	2.71	0.15	0.15	0.15
Fund 25 Developers' Fees	1.20	0.40	0.10	0.10	0.10
BAN	4.00				
2nd Issuance of Bond		7.93			
BAN			8.00		
3rd Issuance of Bond					4.10
State Matching Funds					
Total Estimated Available Funds	8.48	11.71	10.23	0.47	4.82
Proposed Projects to be Undertaken					
Beatty Seismic	1.90				
BPJH Modernization	5.01				
Phone System	0.23				
Whitaker Admin Bldg - Light Mod.	0.09				
Emery Portables 8 & 10 - Light Mod.	0.07				
Emery Cabinetry Re-paint	0.015				
Accelerating District Wide Roofing	0.50				
Bell/Clock System		0.25	0.25		
Whitaker Modernization		4.40			
Whitaker Bungalows		0.33			
Gilbert Modernization		5.20			
Gilbert Bungalows		0.11			
Beatty Modernization (Based on Macro)		0.18	5.72		
Corey Modernization (Based on Macro)		0.16	4.04		
Total Estimated Cost of Projects	7.82	10.63	10.01	0.00	0.00
Overage/(Shortfall)	0.67	1.08	0.22	0.47	4.82
Possible Additional Bond Projects					
Expanded District Wide Roofing		0.13	0.20	0.10	
Overage/(Shortfall) - Add'tnl Bond Projects	0.67	0.95	0.01	0.17	4.52

2016 BAN Uses

Note: Figures provided by Fieldman, Rolapp & Associates on September 2016.

	2016 BAN (\$4 Million)	2018 BAN (\$8 Million)
Cost of Issuance:		
Bond Counsel	\$70,000	\$70,000
Financial Advisor	\$40,970	\$40,970
Other *	\$29,040	\$39,030
Sub-total	\$140,010	\$150,000
Underwriter Costs	\$24,990	\$48,000
Interest Expense	\$163,129	\$573,650
Total	\$328,129	\$771,650

* Includes costs for: Rating Agency, Trustee, Continuing Disclosure, Data Service, Printing, etc.



Cost Comparison – 2018 BAN vs. Construction Escalation

- Costs for 2018 \$8 Million Dollar BAN - **\$771,650**
 - Cost of Issuance \$150,000
 - Underwriter \$48,000
 - Interest \$573,650
- Construction Escalation* (2020) -**\$964,991**
 - *Escalation = Hard Costs multiplied by 5.5% per Year*
 - Beatty Modernization Hard Costs: \$4,953,596
 - Escalation 2019 – \$272,447
 - Escalation 2020 – \$287,432
 - 2 Year Escalation - **\$559,880**
 - Corey Modernization Hard Costs: \$3,584,264
 - Escalation 2019 - \$197,134
 - Escalation 2020 - \$207,977
 - 2 Year Escalation Total - **\$405,111**

Cost Comparison – 2018 BAN vs. Construction Escalation

- Escalation rates carried by Leland Saylor for the 15/16 year were 5% annually, however the actual measured escalation is predicted to be much higher. 16/17 year escalation projections are predicted at 6%, but may range as high as 8%. Conservatively, a 5.5% escalation rate was carried for the 18/19 and 19/20 fiscal years.

Items for Consideration

- **Passage of Proposition 51 (State Bond)**
 - District is potentially eligible for \$9.1 Million Dollars in State Matching Funds
 - Beatty and Corey are Eligible in 2018 and in order to submit an application, DSA Approved Drawings are required.
 - Passage of Prop. 51 and Local Bond Measures in 2016 will more than likely increase current construction costs for future years potentially above the current 5.5% per year escalation.

- **Parity at All District Sites**
 - All sites would be modernized by Fall 2018 in lieu of 2020

- **Escalation (\$964,991) vs. BAN Repayment (\$771,650)**

Next Steps

- At the September 26th School Board meeting, District staff will seek direction to pursue a (not to exceed) \$8 Million dollar BAN to accelerate the modernization projects for Beatty & Corey Elementary Schools from 2020 to Summer 2018.

Questions/Discussion

THANK YOU