

# Capital Financing Update



## Manson School District January 31, 2021

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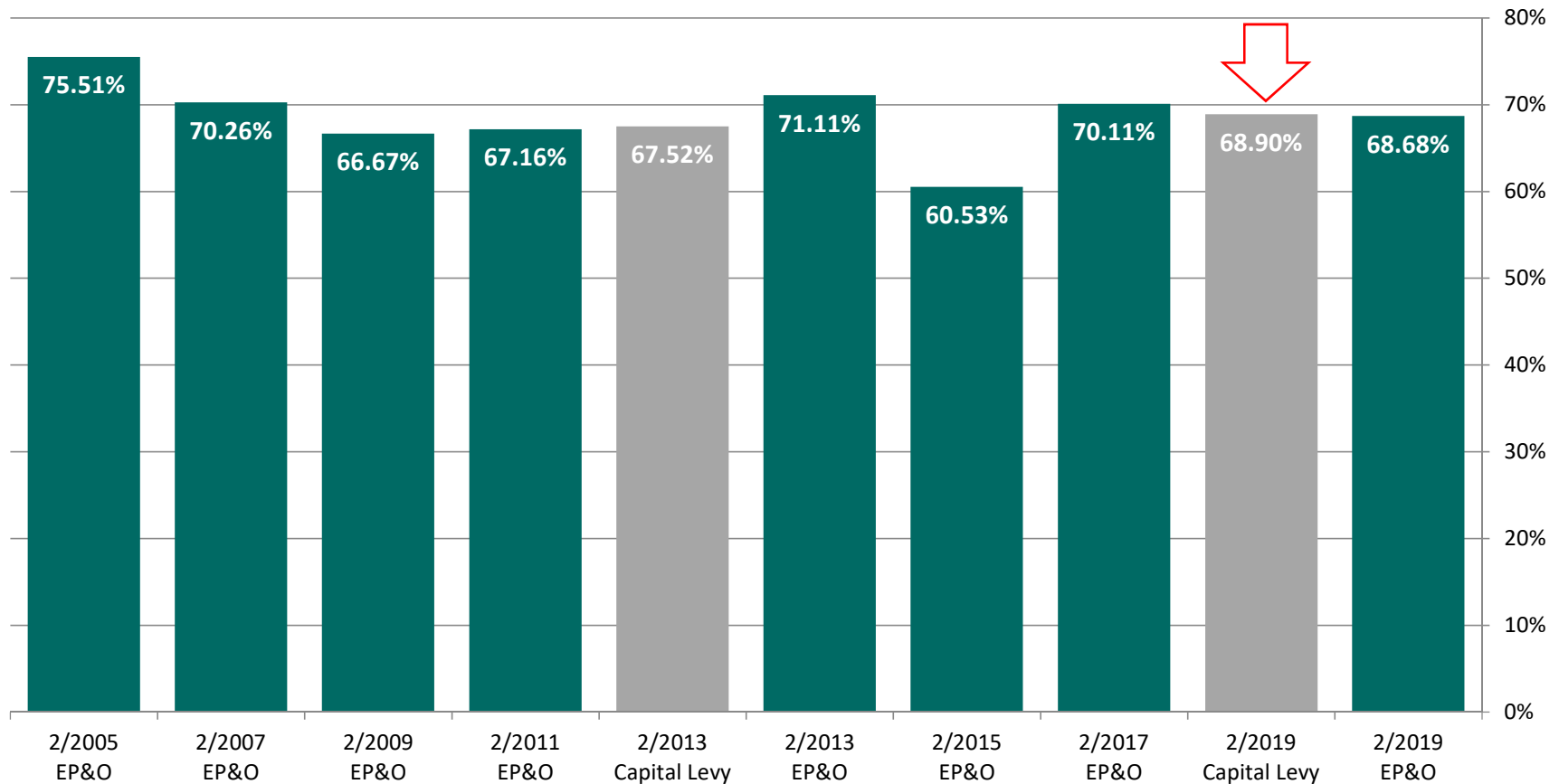
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# School Election Voting History

## Manson School District Election Passage Rate History



Source: OSPI 1463-GF, 1463-BI

# Capital Financing Options

## Capital Projects Levy:

- Voter approved, Simple Majority (50% +1)
- Two to six year term
- “Jump start” capital plan

## Bonds:

- Voted – Unlimited Tax General Obligation Bonds (UTGO)
- **Non-Voted – Limited General Obligation Bonds (LGO)**

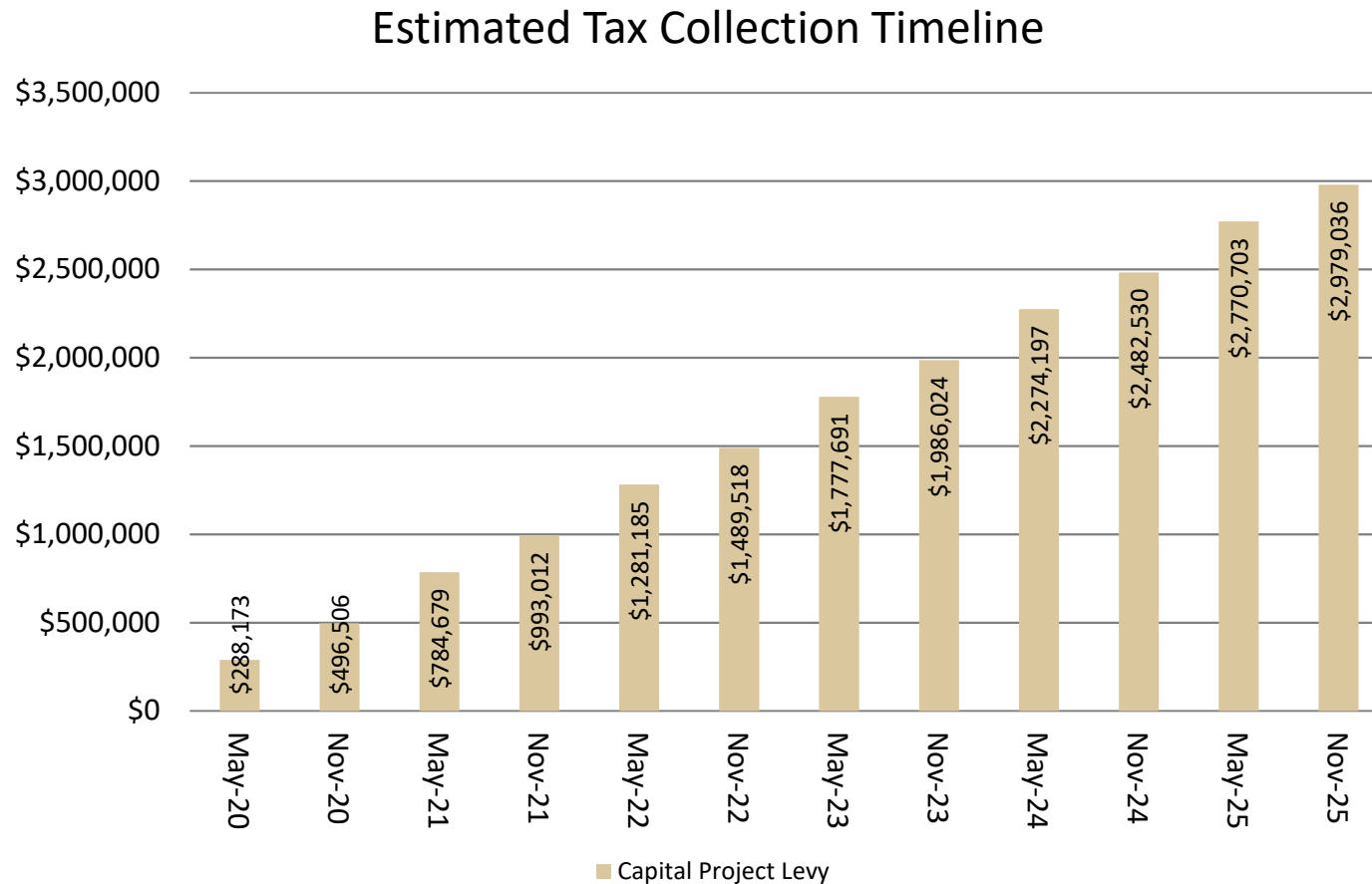
# Capital Financing Options

## Limited General Obligation (LGO) Bonds

- Repaid with existing revenue
- Can't be used for "new" construction
- Amounts in excess of \$250,000 require public hearing
- Debt capacity at 3/8ths of 1%:
- Interest paid from non tax resource (General Fund)

Manson SD	Non Voted Debt Capacity Calculation
Assessed Valuation (2021)	\$1,108,635,386
X 0.375 (3/8ths of 1%)	\$4,157,383
Less Outstanding Debt (8/31/2021)	\$500,731
LGO Debt Capacity	\$3,656,652

# Capital Financing Options



# Considerations and Next Steps

- Determine full project scope and total resources available before committing to Limited General Obligation Bond
- While principal can be paid by the Capital Projects Levy, interest must be paid for by unassigned resources (typically the General Fund)

# Next Steps

- Advertise in local newspaper the intent to issue LGO Bonds and host public hearing
- Notify Bond Counsel to begin preparing board resolutions
- Finalize Schedule of Events
- Submit Bid Opportunity to Local, Regional and National Banks
  - Interest rate determined through competitive process

Founded in the great Pacific Northwest and employee owned, DA Davidson supports school districts with:

- EP&O Levies and Capital Projects Levies
- School Bond Planning
- Attends and Presents at Facility/Community/School Board Meetings
- Markets and Sells Bonds
- Long Range Capital Financing
- Educational Partners such as WASA, WASBO, WSSDA to facilitate statewide collaboration and access to training
- Credit Evaluation and Ratings Presentations
- Continuing Disclosure Compliance
- Annual Debt Service Fund Cash Flows
- Tax Rate Projections
- Budget Support and Notes to the Financials
- Arbitrage Rebate Support
- Monitor Potential Refunding Savings



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