



Meridian School District - Facilities Task Force

Bond and Levy Update

Cory Plager
Managing Director
cplager@dadco.com

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DAVIDSON
D.A. Davidson & Co. member SIPC

Levy and Bond Overview

Education Programs & Operations Levies

- Revenue from local taxpayers to supplement basic education, athletics, and other programs
- Subject to levy lid laws: \$2,500 per pupil (increases by inflation)
- Up to 4 years collection
- Simple Majority 50% +1

Capital Projects Levies

- Common uses: Technology, Safety, Security, Athletic Fields, Repair Roofs, HVAC, Parking, etc.
- Up to 6 years collection
- Simple Majority 50% +1

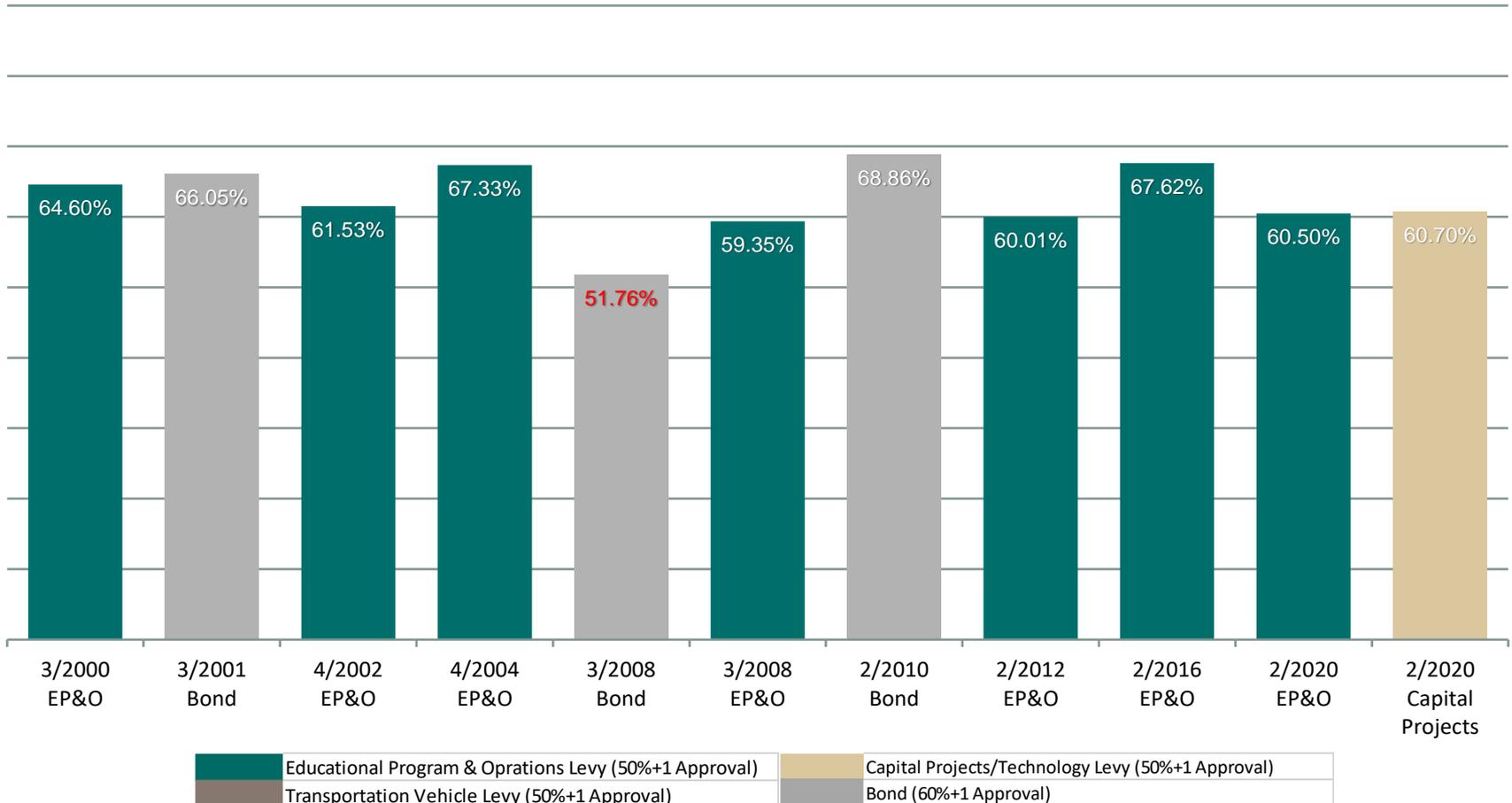
School Bonds

- Tax-exempt, receive proceeds up-front
- 20-year term most common
- Super Majority 60%

Source: EHJR 4204, RCW 84.52.053

School Election Voting History

Meridian School District Election Passage Rate History



Source: OSPI 1463-GF, 1463-BI

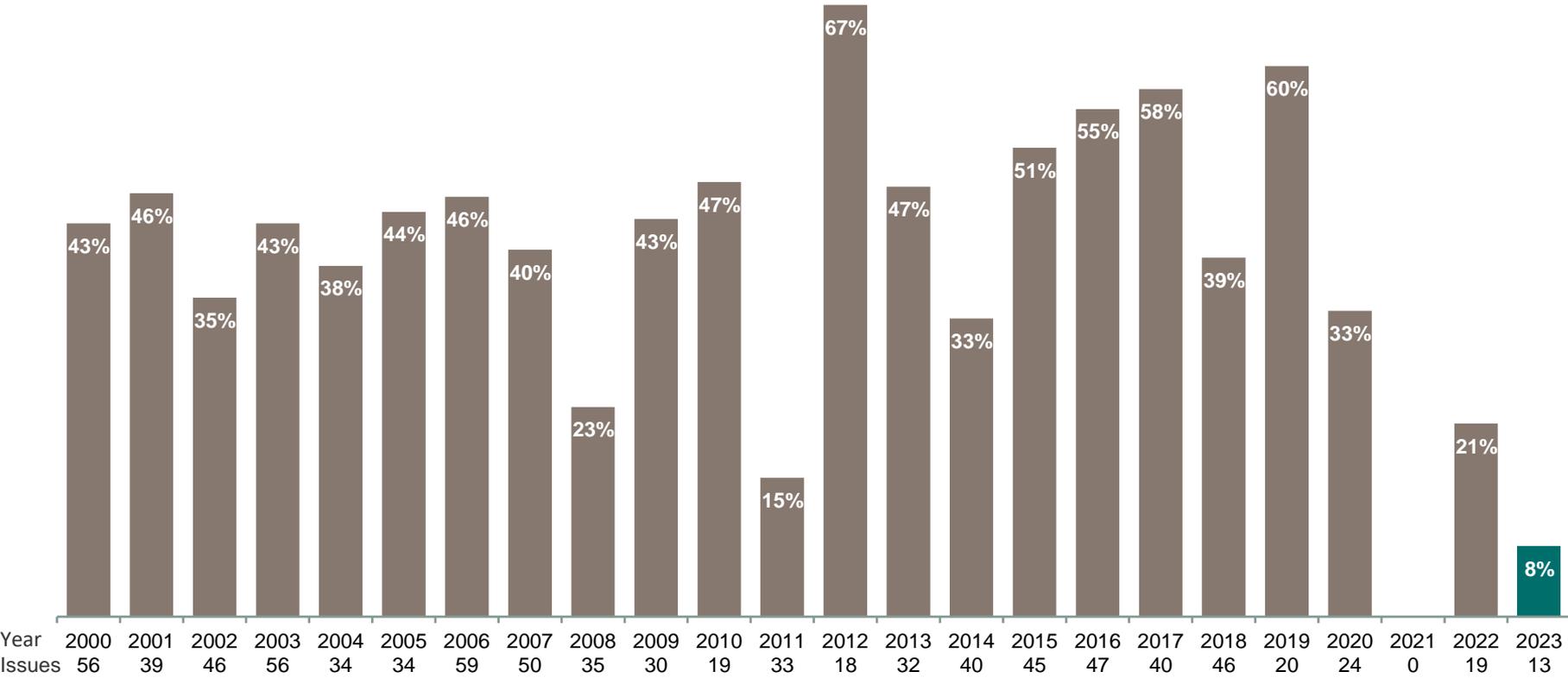
Introduction to Bonds

Unlimited Tax General Obligation Bonds – “UTGO”:

- Issued by local governments to finance capital projects
- 5% debt capacity (*2023 Debt Capacity: \$104,196,156*)
- Most bonds are tax-exempt
- Bond holders are repaid with property taxes
- Approved with a 60% yes vote
 - Results must be validated (40% of voters from previous General Election in November must vote)
- Each bond structure is customized to meet the unique needs of the school district
- Meridian SD has refunded over \$5 million in bonds in the last 10 years, saving taxpayers \$1.1 million in property taxes

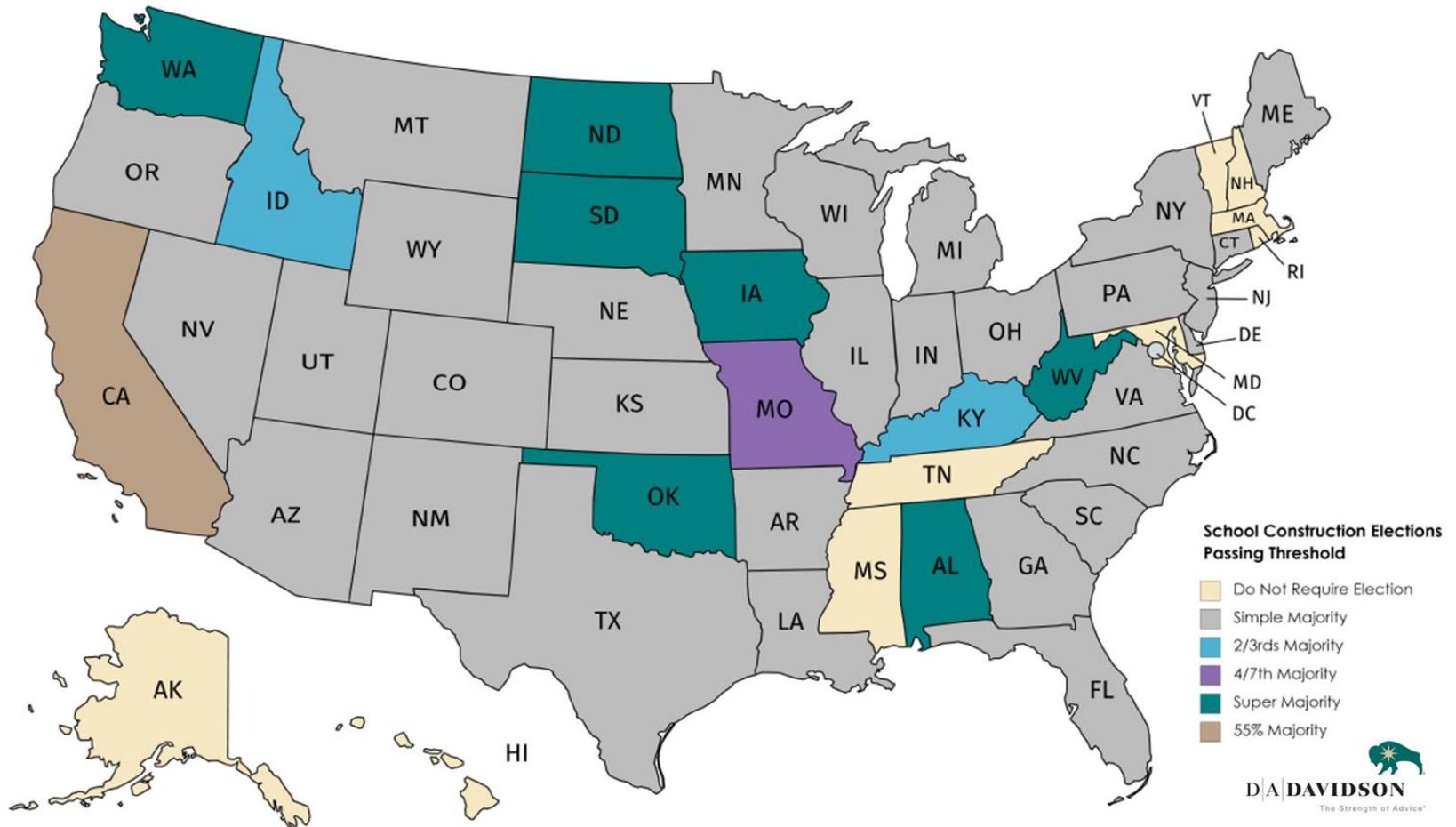
Introduction to Bonds

School Bond Success – Washington State



Introduction to Bonds

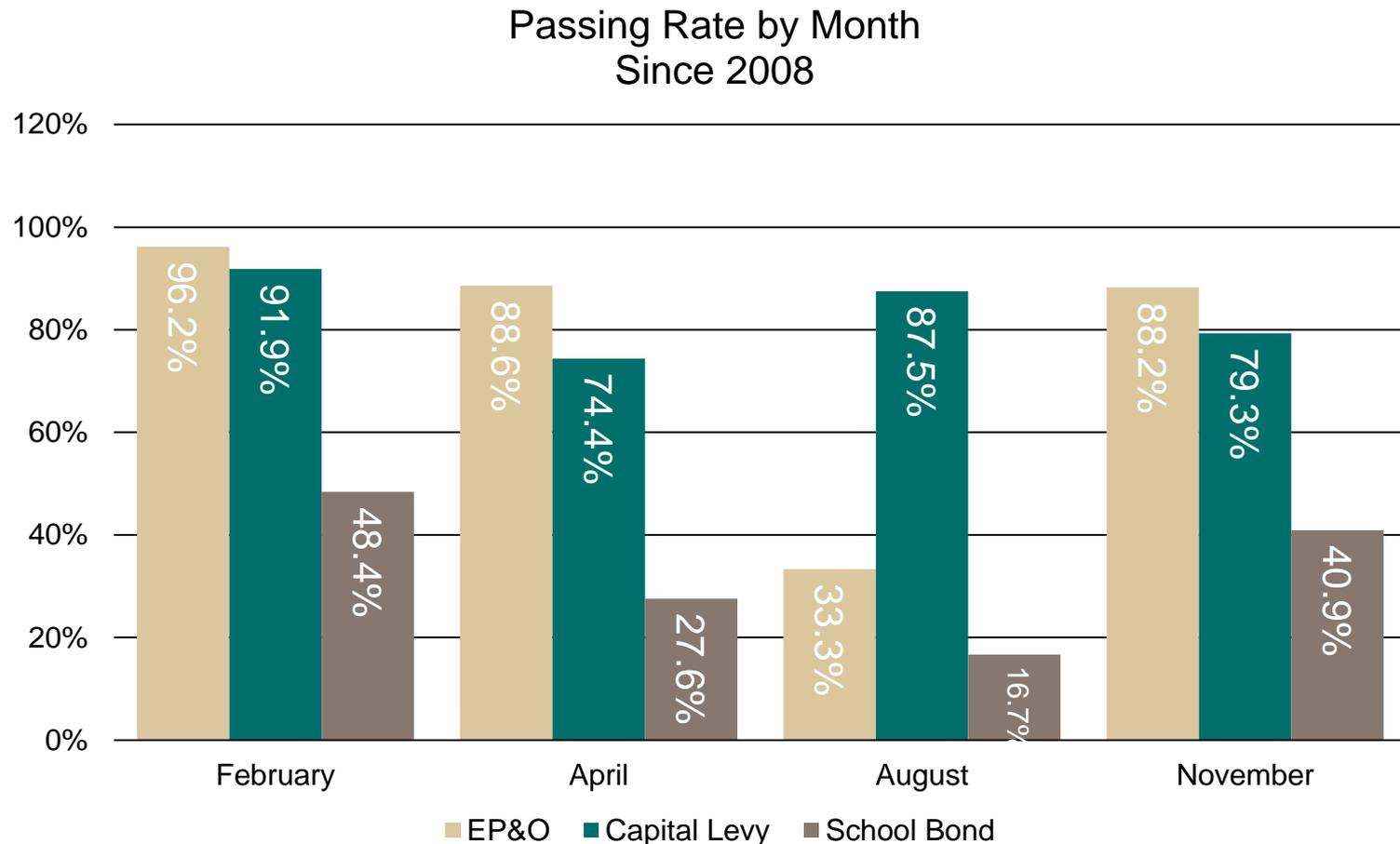
United States Approval Requirements



Source: [State by State School Bond Voter Accountability Measures, Ballotpedia.org](https://www.ballotpedia.org/state-by-state-school-bond-voter-accountability-measures)

Introduction to Bonds

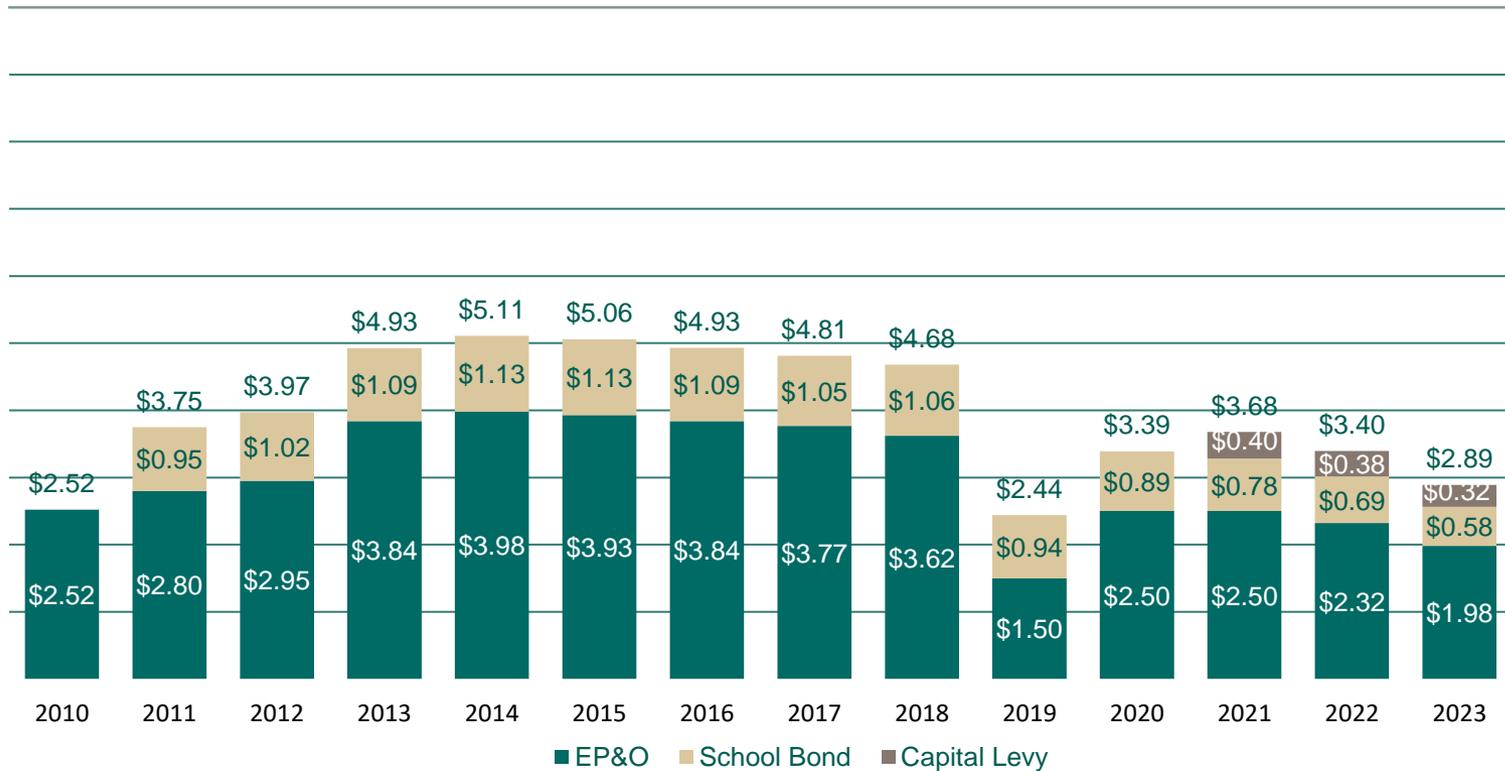
When is the best time to submit a proposition to the voters?



School Tax Rate History

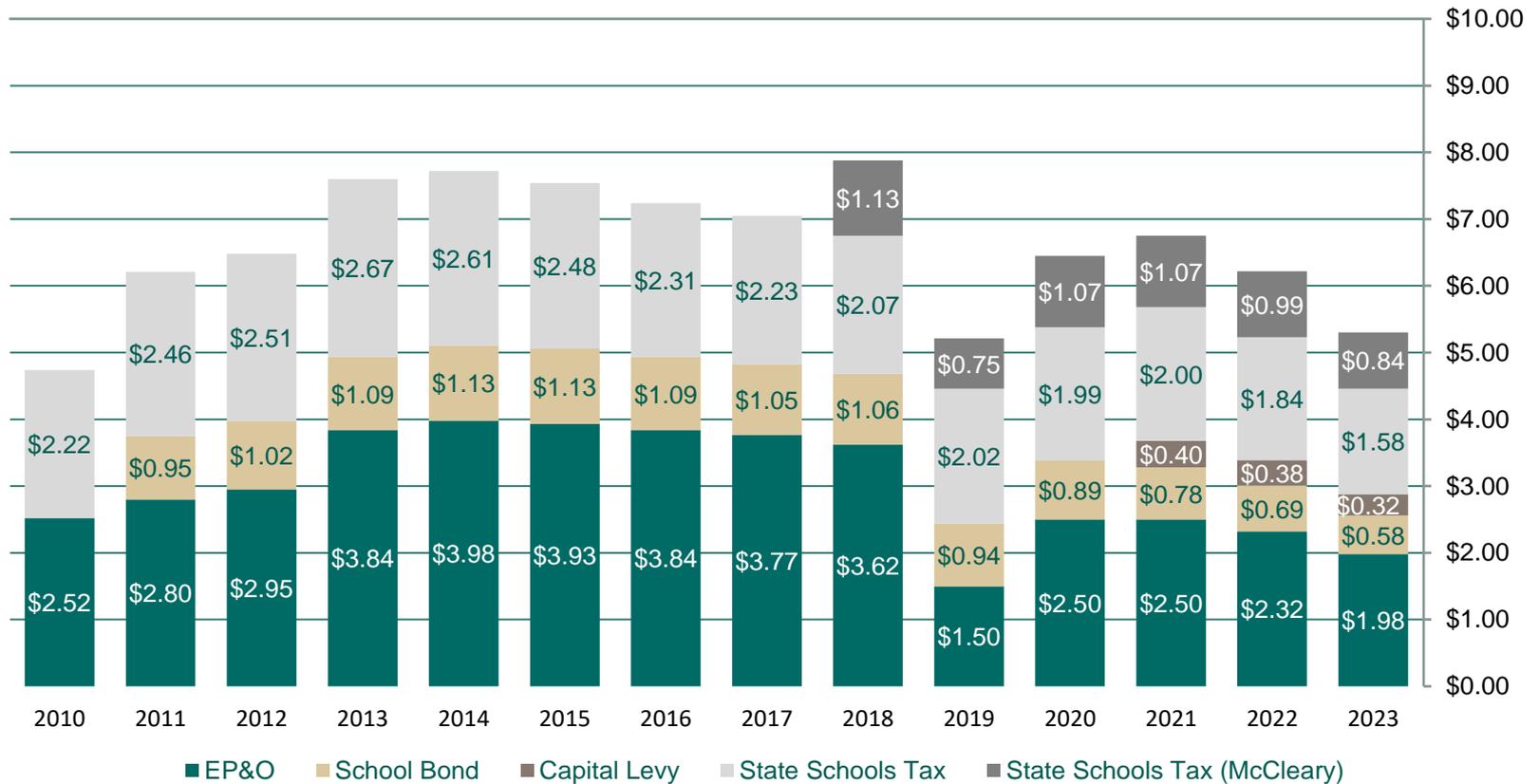
In 2020, voters approved a \$2.50 EP&O Levy and \$0.40 Capital Levy

Meridian School District
Tax Rates/\$1,000



School Tax Rate History

Meridian School District
Tax Rates/\$1,000 (w/ State Schools Tax)

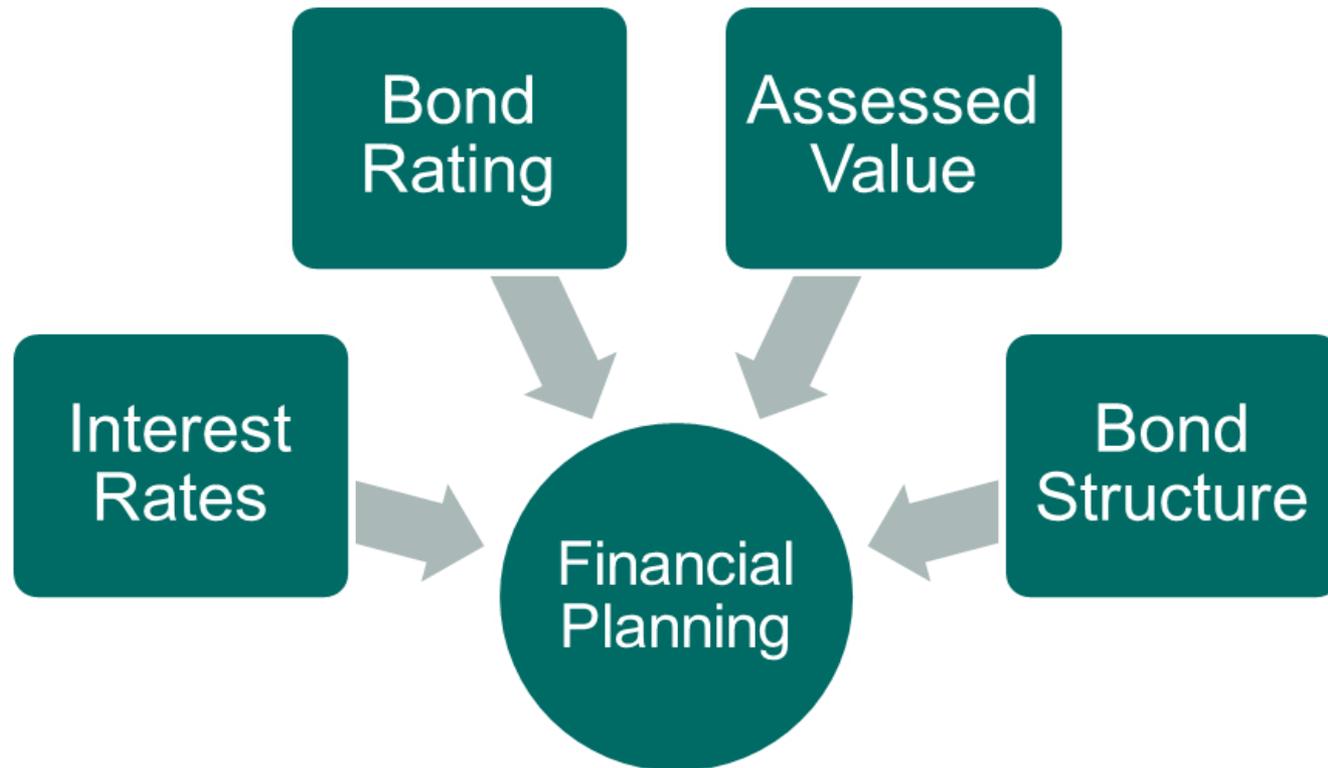


Planning a Bond Financing

Ideal Time Frame for Major Decisions

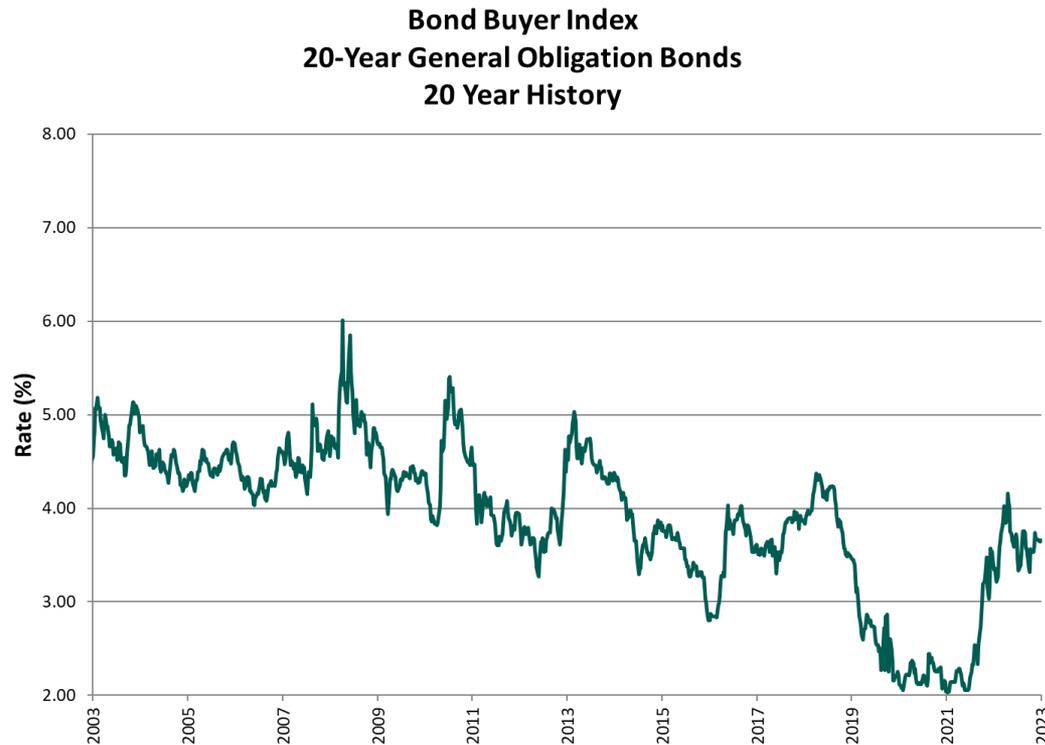


Planning a Bond Financing



Planning a Bond Financing - Interest Rates

- Lower interest rates result in lower tax rates for bonds.
- Interest rates are determined when bonds are actually sold.
- Customarily, projections assume an interest rate cushion (1.5%).



Planning a Bond Financing - Rating

- A measure of the credit quality of the bond issuer
- Assists bond investors with assessing likelihood that they will be paid in full and on time
- A higher bond rating results in lower interest rates.
- Meridian SD is currently rated A1
- State Guarantee rated Aaa (Moody's)
- New rating methodology places higher weight on district fund balance

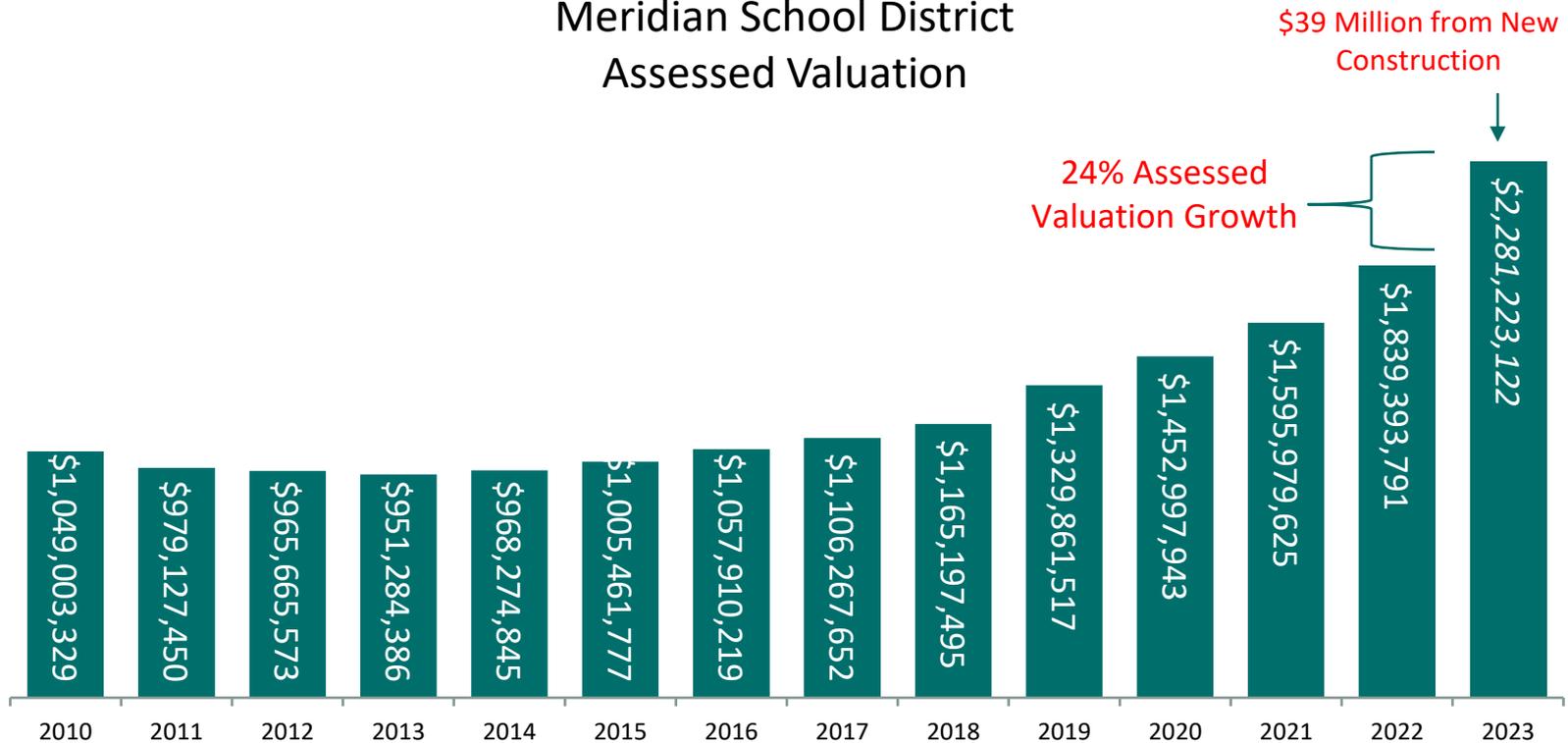


Moody's Rating	WA Districts	%	
Aaa	4	2.8%	Investment Grade Credit
Aa1	4	2.8%	
Aa2	18	12.8%	
Aa3	54	38.3%	
A1	34	24.1%	
A2	25	17.7%	
A3	2	1.4%	
Baa1	0	0%	
Baa2	0	0%	
Baa3	0	0%	

Planning a Bond Financing - Assessed Value

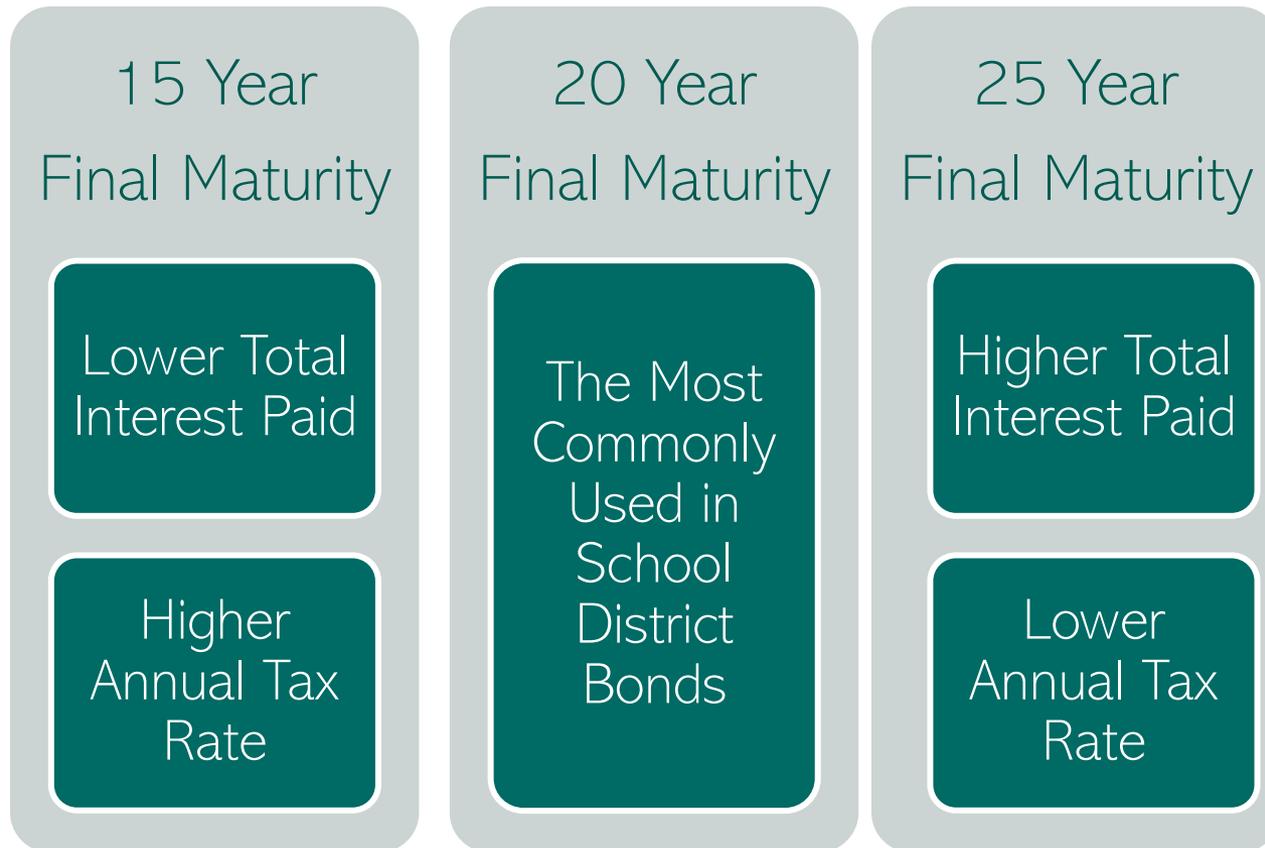
- Higher Assessed values will lower the District's bond tax rates (*but not the overall payment*).
- We typically use conservative growth factors during planning process.

Meridian School District
Assessed Valuation



Planning a Bond Financing - Structure

Each bond issue is custom to meet the needs of the District based on construction cash flow and tax rate goals.



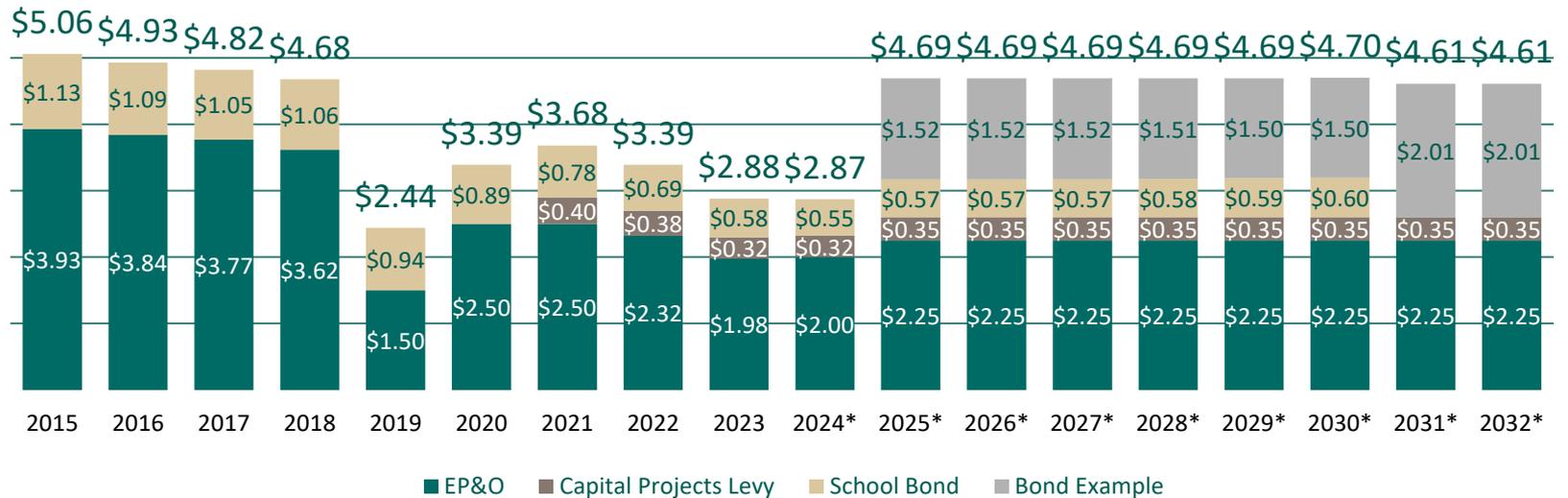
Planning a Bond Financing - Examples

- February 2024 Election
- Sale Date: Split - 6/1/2024 and 12/1/2025
- Term: 20 Years
- Current Assumptions:
 - Today's market rates plus 1.0%-1.5% interest rate cushion,
 - Conservative assessed valuation growth 5% in 2024, 4% in 2025, 3% in 2026 and followed by 2% thereafter

Bond Amount	Projected Tax Rate	Projected Total Tax Rate
\$70,000,000	\$1.52/\$1,000	\$4.69/\$1,000
\$80,000,000	\$1.73/\$1,000	\$4.90/\$1,000

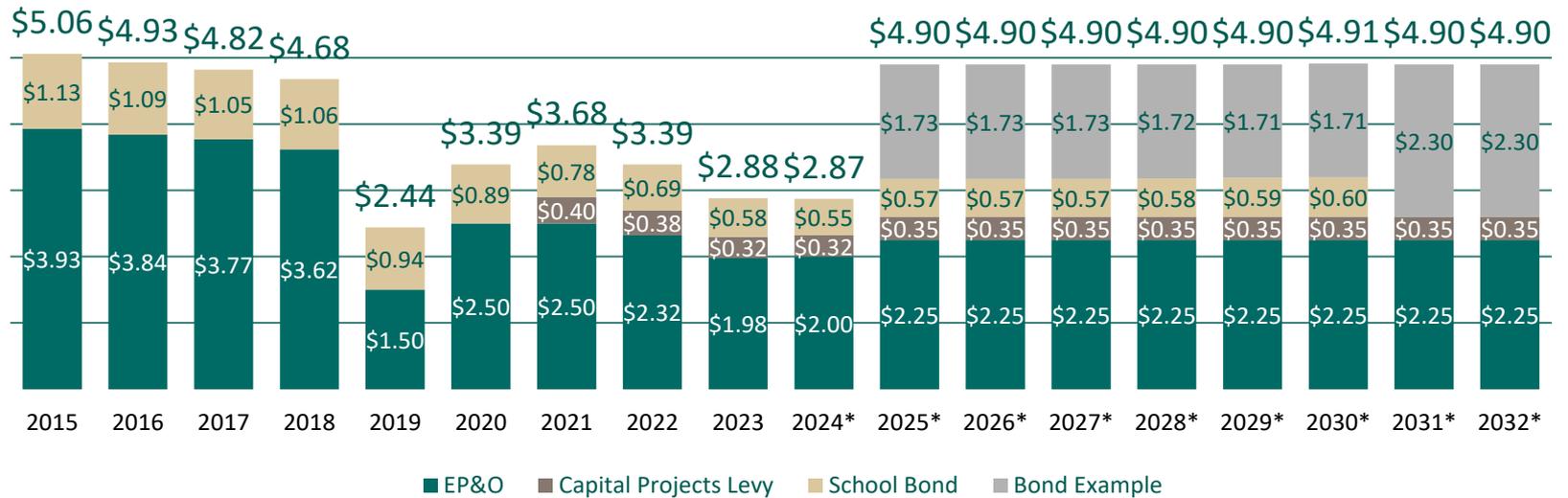
Planning a Bond Financing - Examples

Meridian School District \$70 Million, Bond Example - Tax Rates/\$1,000



Planning a Bond Financing - Examples

Meridian School District \$80 Million, Bond Example - Tax Rates/\$1,000



Planning a Bond Financing - Examples

Estimate - Taxpayer Impact

Bond Example	\$70 Million	\$80 Million
Projected Change in Total Tax Rate	\$1.52 per \$1,000	\$1.73 per \$1,000
Estimated Change in Tax Amount per \$500,000 Property Value	\$760.00 per year	\$865.00 per year
	\$63.33 per month	\$72.08 per month

**Some senior citizens and people with disabilities may be eligible for property tax exemptions, visit whatcomcounty.us for more details*

Whatcom County School District Tax Rates

Whatcom County School Districts 2023 Total Tax Rates ⁽¹⁾						
District	Assessed Value ⁽²⁾ (\$)	Bonds (\$)	EP&O (\$)	Capital (\$)	Total (\$)	
Bellingham School District No. 501	21,179,593,477	1.1760	1.4975	0.7793	3.4528	
Blaine School District No. 503	5,388,331,328	0.6958	1.1289	0.3751	2.1998	
Concrete School District No. 11	43,197,781	0.0000	1.5846	0.0000	1.5846	
Ferndale School District No. 502	6,518,187,979	1.1682	1.3221	0.0000	2.4903	
Lynden School District No. 504	3,647,255,984	0.8292	1.9741	0.2115	3.0148	
Meridian School District No. 505	1,839,493,982	0.6939	2.3208	0.3817	3.3965	
Mount Baker School District No. 507	2,580,801,752	0.0000	1.8984	0.6480	2.5464	
Nooksack Valley School District No. 506	1,473,095,716	2.3977	1.6213	0.0000	4.0191	
Sedro-Woolley School District No. 101	40,325,859	0.2815	2.5000	0.5429	3.3244	

(1) EP&O Assessed Value.

(2) Whatcom County values only.

2024 Special Election and Resolution Filing Dates

The 2024 special election dates and ballot resolution filing deadlines pursuant to the Revised Code of Washington (“RCW”) are listed below for your information.⁽¹⁾ These are the dates permitted under current law, which are subject to change by the Legislature.

ELECTION DATE	RESOLUTION FILING DEADLINE ⁽²⁾	APPROXIMATE DATE BALLOTS ARE MAILED ⁽³⁾	COUNTY CERTIFIES ELECTION RESULTS
February 13, 2024	December 15, 2023	January 26, 2024	February 23, 2024
April 23, 2024	February 23, 2024	April 5, 2024	May 3, 2024
August 6, 2024	May 10, 2024	July 19, 2024	August 20, 2024
November 5, 2024	August 6, 2024	October 18, 2024	November 26, 2024

(1) This data is for informational purposes only and does not take the place of local, state or federal laws. Specific RCW information can be found at: http://www.secstate.wa.gov/elections/election_laws.aspx.

(2) Some dates may have been adjusted to reflect the business day prior to actual resolution filing date, according to RCW 29A.04.330, if falling on a weekend.

(3) Applies to both mail and absentee ballots. Absentee ballots are required to be mailed no later than 18 days prior to the election date. RCW 29A.40.070.

(4) ESB 5273 subject to change.

Source: *Washington Secretary of State’s Office, Elections and Voting website.*



D | A | DAVIDSON

Cory Plager

Managing Director
(509) 570-4750
cplager@dadco.com

Maura Lentini

Senior Vice President
(206) 903-8687
mlentini@dadco.com

Crystal Vogl

Senior Vice President
(406) 791-7214
cvogl@dadco.com

Hannah Bulla

Associate
(509) 462-6354
hbulla@dadco.com

Dave Trageser

Managing Director
(206) 903-8699
dtrageser@dadco.com

Suzanne Eide

Senior Vice President
(206) 903-8690
seide@dadco.com

Mark Froio

Senior Vice President
(206) 903-8690
mfroio@dadco.com

- Bond and Levy Planning
- Attend and Present at Facility/Community Meetings
- Market and Sell Bonds
- Long Range Capital Financing
- 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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