
Bonds 101: Presentation to North Santiam School District No. 29J

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What is a General Obligation Bond?

- **“Bonds” are loans that are broken into pieces and sold to investors.**
- **“General Obligation Bonds” are secured by property taxes and District’s “full faith and credit”.**
- **Debt service is repaid by property tax levy on all properties within District.**
- **GO Bonds are considered to be the highest quality credit a school district can offer to market.**
- **Interest on GO bonds is generally exempt from both federal and state income taxes, so rate is lower.**

GO Bonds in Oregon

- Tax levy is not limited by Measure 5 or Measure 50.
- 4 election dates: March, May, September, November. November and May are not subject to double majority.
- Districts may have no more than 7.95% of RMV outstanding. **For North Santiam SD, that's \$180 million!**
- Ballot title needs “not-to-exceed” amount, permitted use of proceeds and maximum years to maturity.

Use of Proceeds

Proceeds may be used for “capital construction and improvements” with a useful life of 1 year or more.

Land and other assets	Acquisition	Construction	Improvements
Remodeling	Furnishing & Equipping	Maintenance or Repair	

- “Weighted average life” of bonds may not exceed “weighted average life” of projects.
- “Routine” maintenance and supplies are not eligible.
- Any interest earnings on proceeds must be used in accordance with ballot title.

Calculating the Bond Levy Rate

- Debt service is payable from a dedicated property tax levy in addition to operating levy.
- Levy rate is calculated annually by the County Assessor:

$$\frac{\$950,000 + 50,000}{(\$500 \text{ million}/1,000)} = \$2.00$$

- Districts CANNOT guarantee a rate; actual rate paid will depend on AV in future.

Election Schedule

Election Date	County Filing Date (SEL Form 805) ⁽¹⁾	County Filing/ Voters' Pamphlet Deadline (SEL Form 803) ⁽¹⁾	Ballots Mailed	First FY Taxes Levied
November 5, 2019	August 17	September 5	Oct. 18-22	FY 2020-21
March 10, 2020 ⁽²⁾	December 21	January 9	Feb. 21-25	
May 19, 2020	February 29	March 19	May 1-5	
September 15, 2020 ⁽²⁾	June 27	July 16	Aug. 28 - Sept.1	FY 2021-22
November 3, 2020	August 15	September 3	Oct. 16-20	
March 9, 2021 ⁽²⁾	December 19	January 7	Feb. 19-23	
May 18, 2021	February 27	March 18	April 30-May 4	FY 2022-23
September 21, 2021 ⁽²⁾	July 3	July 22	Sept.3-7	
November 2, 2021	August 14	September 2	Oct. 15-19	
March 8, 2022 ⁽²⁾	December 18	January 6	Feb. 18-22	
May 17, 2022	February 26	March 17	April 29-May 3	

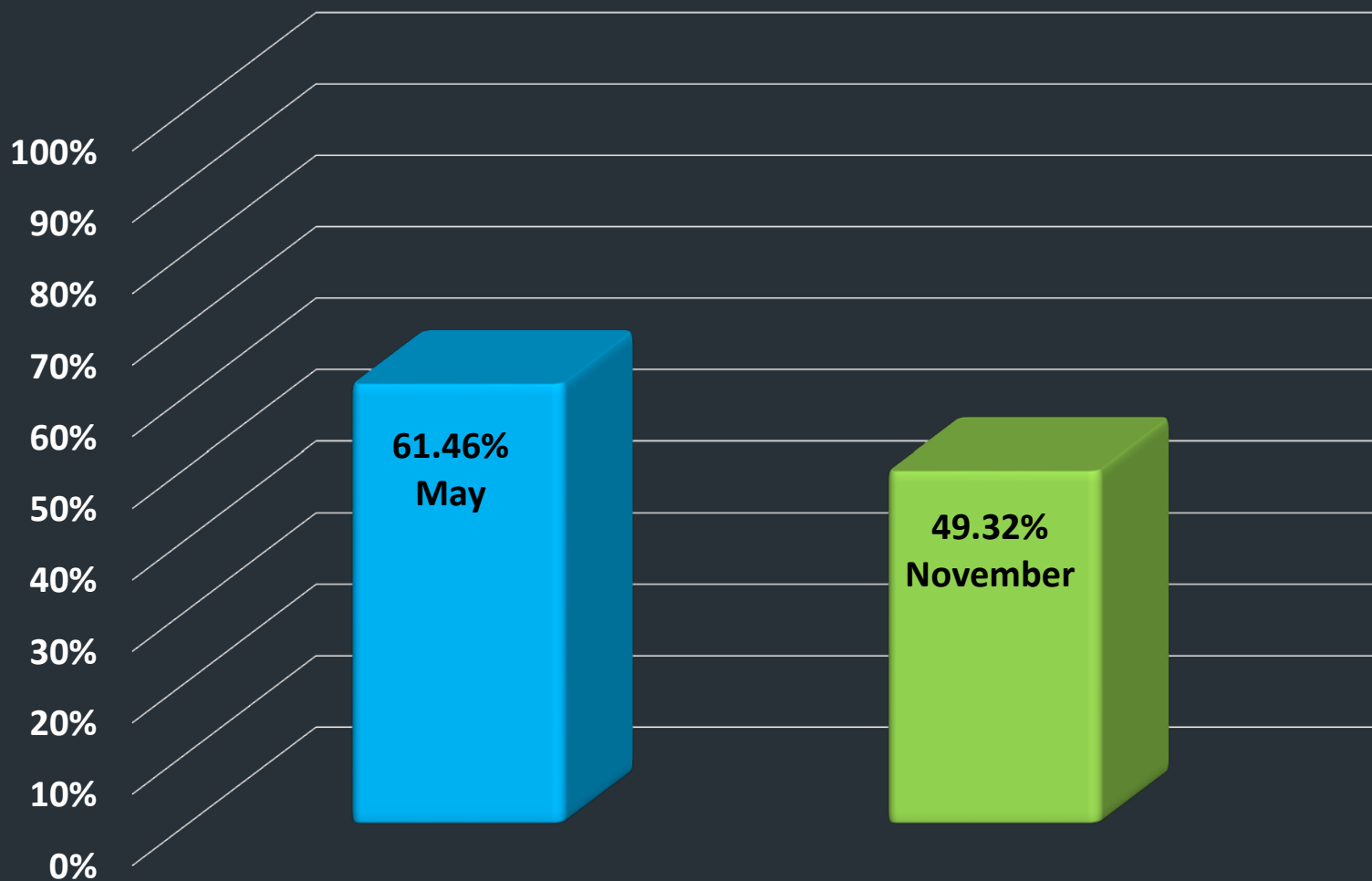
Note: Dates associated with future elections are preliminary, subject to change.

- ✓ Check with your County elections office to verify filing deadlines.
- ✓ All elections are by mail.

- 1) SEL Form 805 includes ballot title, and may include explanatory statement. Must be filed 80 days prior to election to allow for challenge process. Final filing is 61 days prior to election (SEL Form 803).
- 2) Subject to double majority provisions.

What are your odds?

56.2% of Oregon school district GO bond issues from May 2010 to May 2019 have been approved.



OSCIM Program

- Program provides State matching funds for SD GO Bonds.
- Reauthorized for 2019-21 at \$125m, or \$31.25m per election.
- ODE requires facility assessment and plan to be submitted 2 weeks in advance of application due date.
- Minimum grant = lesser of \$4m or SD bond amount. Maximum grant = \$8m.
- Formula sets exact amount. Based on property value/ADMw and poverty statistics.
- 60% allocated in rank order based on property value and poverty. 40% allocated 'First in Time'.
- **North Santiam was awarded \$4 million grant should it proceed at May 2020 election.**

OSCIM Grant Program - May 2020 Awards

North Santiam SD qualified for a \$4m matching grant for May 2020 election.

OSCIM Program Priority List Recipients and Waiting List

*District ID numbers that follow a * and are highlighted will receive a commitment of OSCIM Program Priority List Funds.*

District ID	District Name	Local Bond Amount	Priority Rank	OSCIM Grant
*2185	Centennial SD 28J	\$7,494,690	31	\$7,494,690
*2014	Harney County SD 3 (Burns)	\$4,000,000	35	\$4,000,000
*1894	Baker SD 5J	\$4,000,000	45	\$4,000,000
*2202	Pilot Rock SD 2	\$4,000,000	52	\$3,255,310
2003	Sutherlin SD 130	\$4,000,000	60	\$4,000,000
2101	Lebanon Community SD 9	\$4,447,312	86	\$4,447,312
2192	Perrydale SD 21	\$4,000,000	94	\$3,049,636
1977	Redmond SD 2J	\$7,605,501	126	\$7,605,501
2254	Newberg SD 29J	\$5,026,044	150	\$5,026,044
1930	Estacada SD 108	\$4,000,000	157	\$4,000,000

OSCIM Program First in Time List Recipients and Waiting List

District ID numbers that follow a ^ and are highlighted will receive a commitment of OSCIM Program First in Time List Funds.

District ID	District Name	Local Bond Amount	Priority Rank	OSCIM Grant
^2143	North Santiam SD 29J	\$26,000,000	141	\$4,000,000
^1991	Douglas County SD 4 (Roseburg 4)	\$38,000,000	133	\$5,888,160
^2202	Pilot Rock SD 2	\$8,000,000	52	\$744,690
^1929	Canby SD 86	\$80,000,000	155	\$4,689,437
^2192	Perrydale SD 21	\$4,059,185	94	\$950,364
2192	Perrydale SD 21	\$4,059,185	94	\$3,049,636
2003	Sutherlin SD 130	\$30,000,000	60	\$4,000,000
1977	Redmond SD 2J	\$70,000,000	126	\$7,605,501
2101	Lebanon Community SD 9	\$9,700,000	86	\$4,447,312
1930	Estacada SD 108	\$20,000,000	157	\$4,000,000
2254	Newberg SD 29J	\$130,000,000	150	\$5,026,044

OSCIM Grant Program - Considerations

- If District does want to pursue Bond election in May 2020, must withdraw by Nov. 15 to be eligible for Nov. 2020 election.
- Include language about grant in ballot title:
 - “If bonds are approved, State will provide \$4m for Project. If not approved, these State funds will go to another district.”
- All projects, whether paid from bond proceeds or grant funds, must be included in ballot title.
- Bonds must be sold within 6 months of election.
- District must spend 100% of grant within 3 years.

OSCIM Program History

Election:	May 2016	Nov. 2016	May 2017	Nov. 2017	May 2018	Nov. 2018	May 2019
Applicants	29	29	24	6	10	9	10
Recipients	16	11	8	6	5	6	7
Amount Awarded	\$53 m	\$42 m	\$31 m	\$25 m	\$25 m	\$26.7 m	\$23m
% Approval*	50%	45%	75%	100%	60%	83%	100%

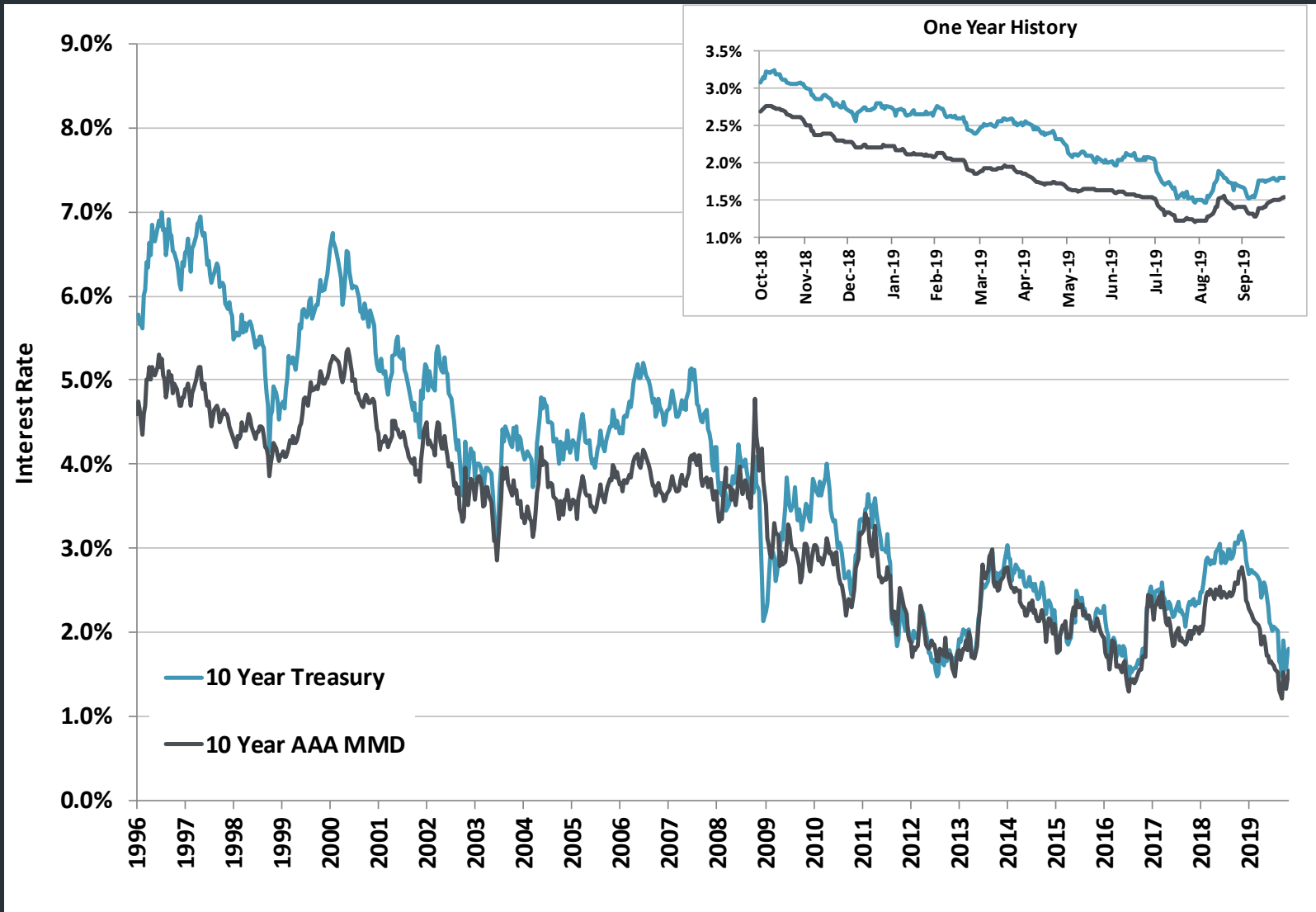
* Denotes approval rate for districts awarded grants prior to the election

Note: May 2019 ended up fully funded because 3 districts didn't move ahead after applying

Numerical Analysis

Historical Interest Rates

10 Year Tax-Exempt (AAA MMD) vs. 10 Year Treasury Rates



Historical Valuation Trends

North Santiam School District No. 29J

Fiscal Year	M5 Real Market Value	Total Assessed Value	% Total AV Growth
2020	\$ 2,264,261,269	\$ 1,499,817,367	5.33%
2019	2,060,088,978	1,423,969,038	4.88%
2018	2,212,205,387	1,357,750,111	3.41%
2017	1,704,606,434	1,313,034,941	3.23%
2016	1,585,028,223	1,271,962,333	3.38%
2015	1,498,460,328	1,230,322,972	3.32%
2014	1,444,731,774	1,190,755,349	3.45%
2013	1,405,000,989	1,151,026,178	1.31%
2012	1,531,458,522	1,136,188,657	2.83%
2011	1,564,981,397	1,104,937,828	1.36%
2010	1,621,345,955	1,090,141,429	2.77%
2009	1,663,842,101	1,060,751,384	5.73%
2008	1,590,795,406	1,003,310,491	5.70%
2007	1,366,112,708	949,228,767	6.62%
2006	1,201,799,981	890,254,781	4.53%
2005	1,122,575,901	851,686,940	5.49%
2004	1,053,555,278	807,393,472	2.86%
2003	1,008,904,029	784,938,814	4.88%
2002	949,895,624	748,390,456	5.16%
2001	909,700,694	711,683,362	---

Source: Marion and Linn Counties Department of Assessment and Taxation.

Outstanding Bond Issues

Purpose		Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding
General Obligation Bonds:					
Series 2008	Current refunding of 1998 GO Bonds	04/02/08	07/01/13	\$ 3,740,000	\$ -
Series 2013	Finance district-wide capital improvements	02/20/13	06/15/33	22,850,000	19,510,000
Total General Obligation Bonds					\$ 19,510,000

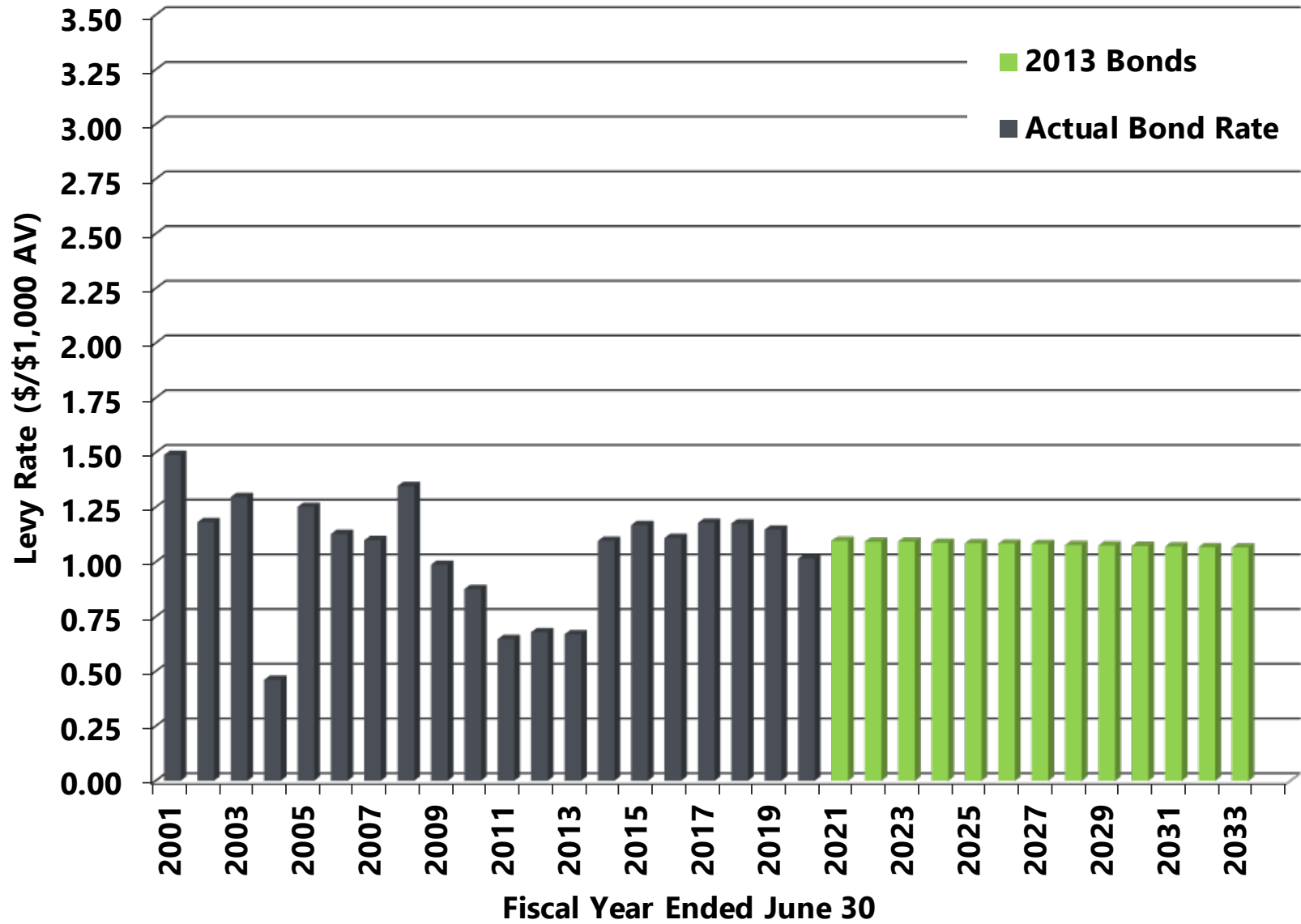
Detailed Levy Rate History

Fiscal Year ⁽¹⁾	Outstanding General Obligation Bonds					Total Assessed Value	% AV Growth	Actual Bond Rate	Taxes Collected ⁽²⁾	Projected Bond Rate
	Stayton Bonds	1998 Bonds	Debt Service							
			2008 Bonds	2013 Bonds	Total					
2001	\$ 633,505	\$ 305,470	\$ -	\$ -	\$ 938,975	\$ 711,683,362	--	\$ 1.4885		
2002	624,580	308,670	-	-	933,250	748,390,456	5.16%	1.1811		
2003	629,085	306,620	-	-	935,705	784,938,814	4.88%	1.2963		
2004	631,495	309,545	-	-	941,040	807,393,472	2.86%	0.4611		
2005	624,317	307,235	-	-	931,552	851,686,940	5.49%	1.2510		
2006	617,711	829,898	-	-	1,447,609	890,254,781	4.53%	1.1274		
2007	111,250	837,348	-	-	948,598	949,228,767	6.62%	1.0990		
2008	105,650	832,828	76,379	-	1,014,856	1,003,310,491	5.70%	1.3463		
2009	-	-	810,463	-	810,463	1,060,751,384	5.73%	0.9867		
2010	-	-	813,200	-	813,200	1,090,141,429	2.77%	0.8758		
2011	-	-	815,125	-	815,125	1,104,937,828	1.36%	0.6471		
2012	-	-	821,238	-	821,238	1,136,188,657	2.83%	0.6785		
2013	-	-	831,000	-	831,000	1,151,026,178	1.31%	0.6689		
2014	-	-	-	1,305,297	1,305,297	1,190,755,349	3.45%	1.0961		
2015	-	-	-	1,355,925	1,355,925	1,230,322,972	3.32%	1.1682		
2016	-	-	-	1,411,025	1,411,025	1,271,962,333	3.38%	1.1093		
2017	-	-	-	1,474,225	1,474,225	1,313,034,941	3.23%	1.1783		
2018	-	-	-	1,520,025	1,520,025	1,357,750,111	3.41%	1.1754		
2019	-	-	-	1,561,825	1,561,825	1,423,969,038	4.88%	1.1474		
Current 2020	-	-	-	1,597,138	2,237,759	1,499,817,367	5.33%	1.0149	97.0%	
2021	-	-	-	1,637,813	2,221,457	1,541,062,345	2.75%		97.0%	1.10
2022	-	-	-	1,676,788	2,262,078	1,583,441,559	2.75%		97.0%	1.09
2023	-	-	-	1,723,588	2,305,354	1,626,986,202	2.75%		97.0%	1.09
2024	-	-	-	1,761,988	3,465,213	1,671,728,322	2.75%		97.0%	1.09
2025	-	-	-	1,807,188	3,554,685	1,717,700,851	2.75%		97.0%	1.08
2026	-	-	-	1,853,788	3,648,091	1,764,937,625	2.75%		97.0%	1.08
2027	-	-	-	1,901,588	3,745,438	1,813,473,409	2.75%		97.0%	1.08
2028	-	-	-	1,945,388	3,831,144	1,863,343,928	2.75%		97.0%	1.08
2029	-	-	-	1,996,125	3,935,560	1,914,585,886	2.75%		97.0%	1.07
2030	-	-	-	2,046,525	4,035,908	1,967,236,998	2.75%		97.0%	1.07
2031	-	-	-	2,097,325	4,137,745	2,021,336,016	2.75%		97.0%	1.07
2032	-	-	-	2,148,875	4,241,115	2,076,922,756	2.75%		97.0%	1.07
2033	-	-	-	2,205,000	4,350,510	2,134,038,132	2.75%		97.0%	1.07
2034	-	-	-	-	-	2,192,724,180	2.75%		97.0%	-

(1) Fiscal years ended June 30.

(2) Assumes collection year delinquencies will be offset by back tax collections.

Outstanding GO Bonds – Actual and Projected Levy Rates

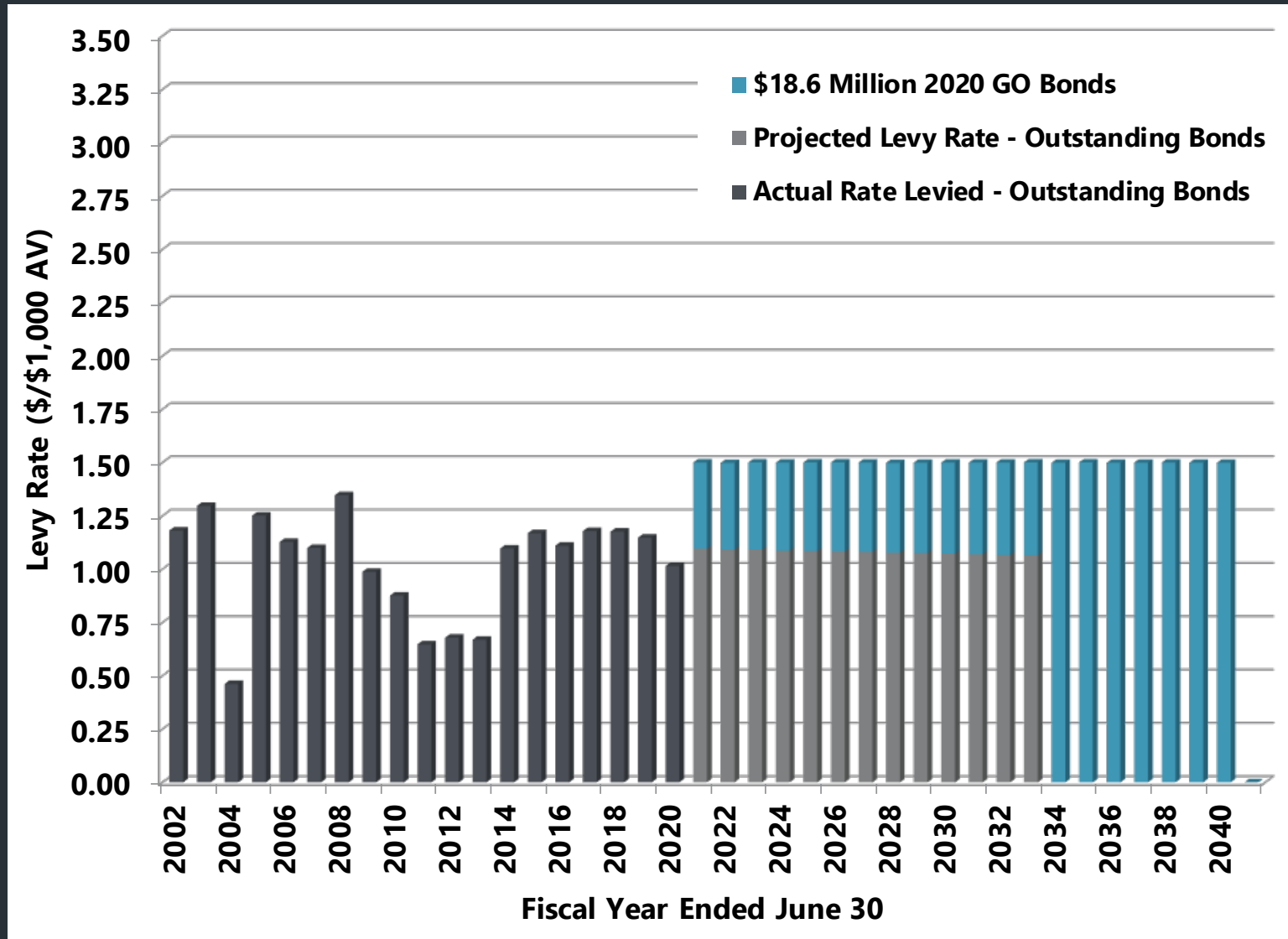


Summary of Scenarios

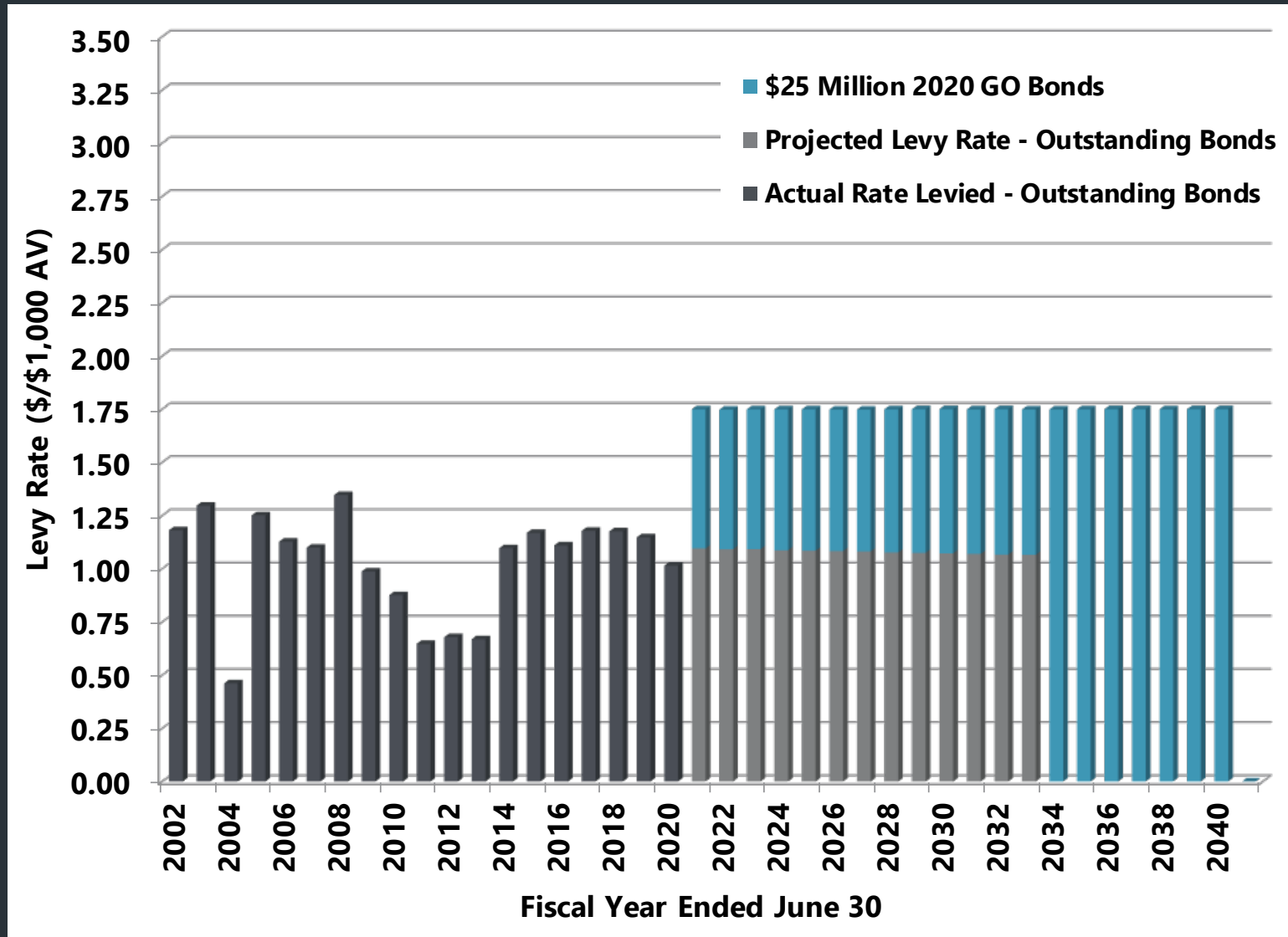
		20 Year Term - Assumes May 2020 Election							
Structure		Projected \$1.50 Combined Level Levy		Projected \$1.75 Combined Level Levy		Projected \$2.00 Combined Level Levy		Projected \$2.25 Combined Level Levy	
Par Amount									
Current Interest Bonds		\$ 14,540,000		\$ 23,145,000		\$ 29,485,000		\$ 35,615,000	
Deferred Interest Bonds		4,108,159		1,878,195		1,897,045		2,133,939	
Total Par Amount		\$ 18,648,159		\$ 25,023,195		\$ 31,382,045		\$ 37,748,939	
% Current Interest Bonds		78%		92%		94%		94%	
% Deferred Interest Bonds		22%		8%		6%		6%	
Dated Date		6/15/2020		6/15/2020		6/15/2020		6/15/2020	
Final Maturity		6/15/2040		6/15/2040		6/15/2040		6/15/2040	
Amortization Period		20 Years		20 Years		20 Years		20 Years	
Projected Average Levy Rates*									
	Prior Debt	New Bonds	Combined	New Bonds	Combined	New Bonds	Combined	New Bonds	Combined
2020.....	\$ 1.01	\$ -	\$ 1.01	\$ -	\$ 1.01	\$ -	\$ 1.01	\$ -	\$ 1.01
2021-2033.....	1.08	0.42	1.50	0.67	1.75	0.92	2.00	1.17	2.25
2034-2040.....	-	1.50	1.50	1.75	1.75	2.00	2.00	2.25	2.25
Interest Estimates									
Cushion over Current Interest Rates		+ 1.50%		+ 1.50%		+ 1.50%		+ 1.50%	
True Interest Cost (TIC)**		4.42%		4.36%		4.31%		4.28%	
Total Interest		\$15,246,761		\$18,663,140		\$22,084,030		\$25,506,764	
Total Interest as % of Par		82%		75%		70%		68%	

* Projected levy rates are based on assumptions regarding AV growth, tax collections & interest rates that may prove to be untrue. Deferred interest bonds are a tool used to manage the amount of annual debt service due and resulting levy rate. The bonds typically come at higher interest rates than current interest bonds.

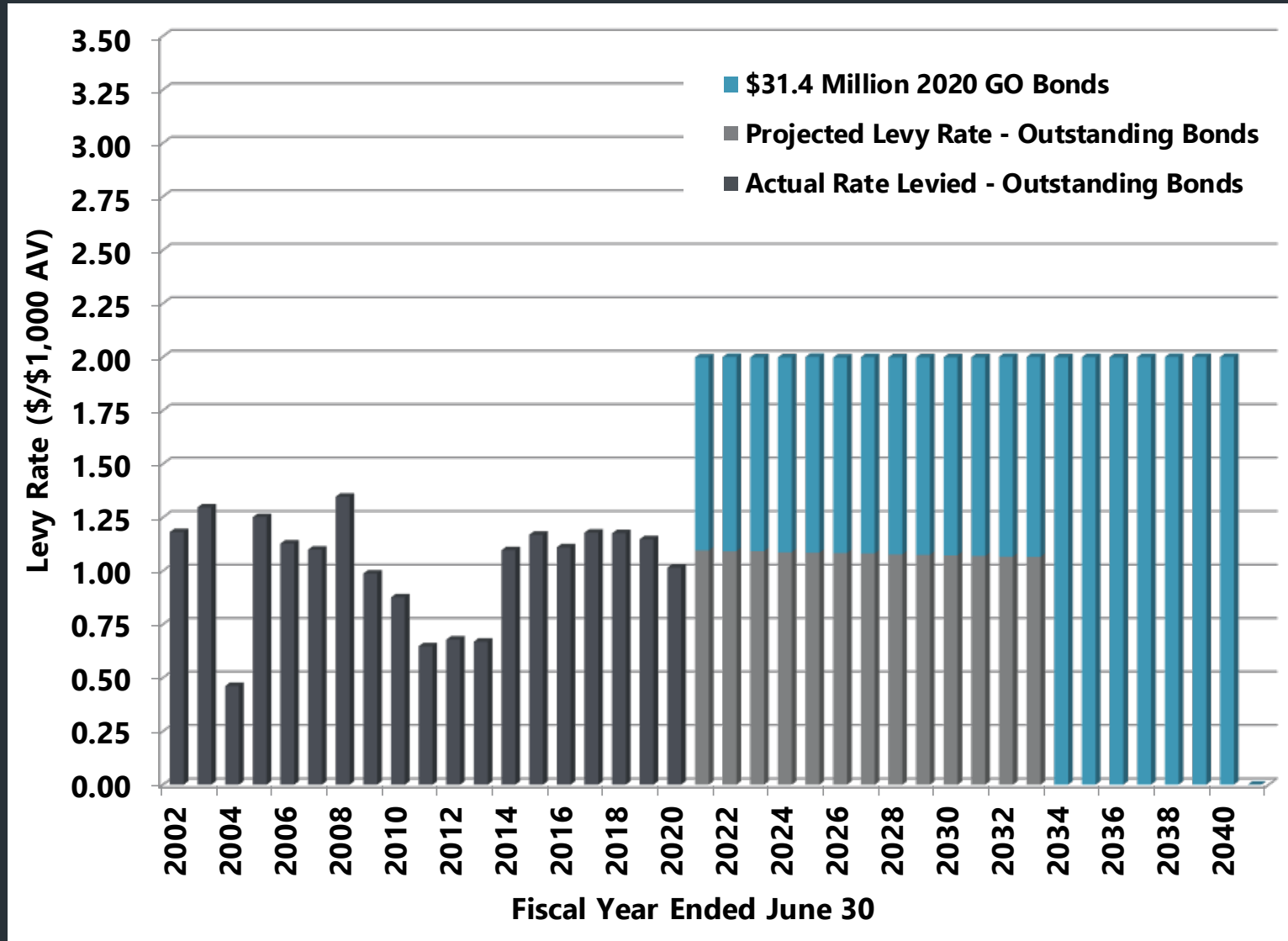
GO Bonds, Series 2020 - \$1.50 Combined Levy



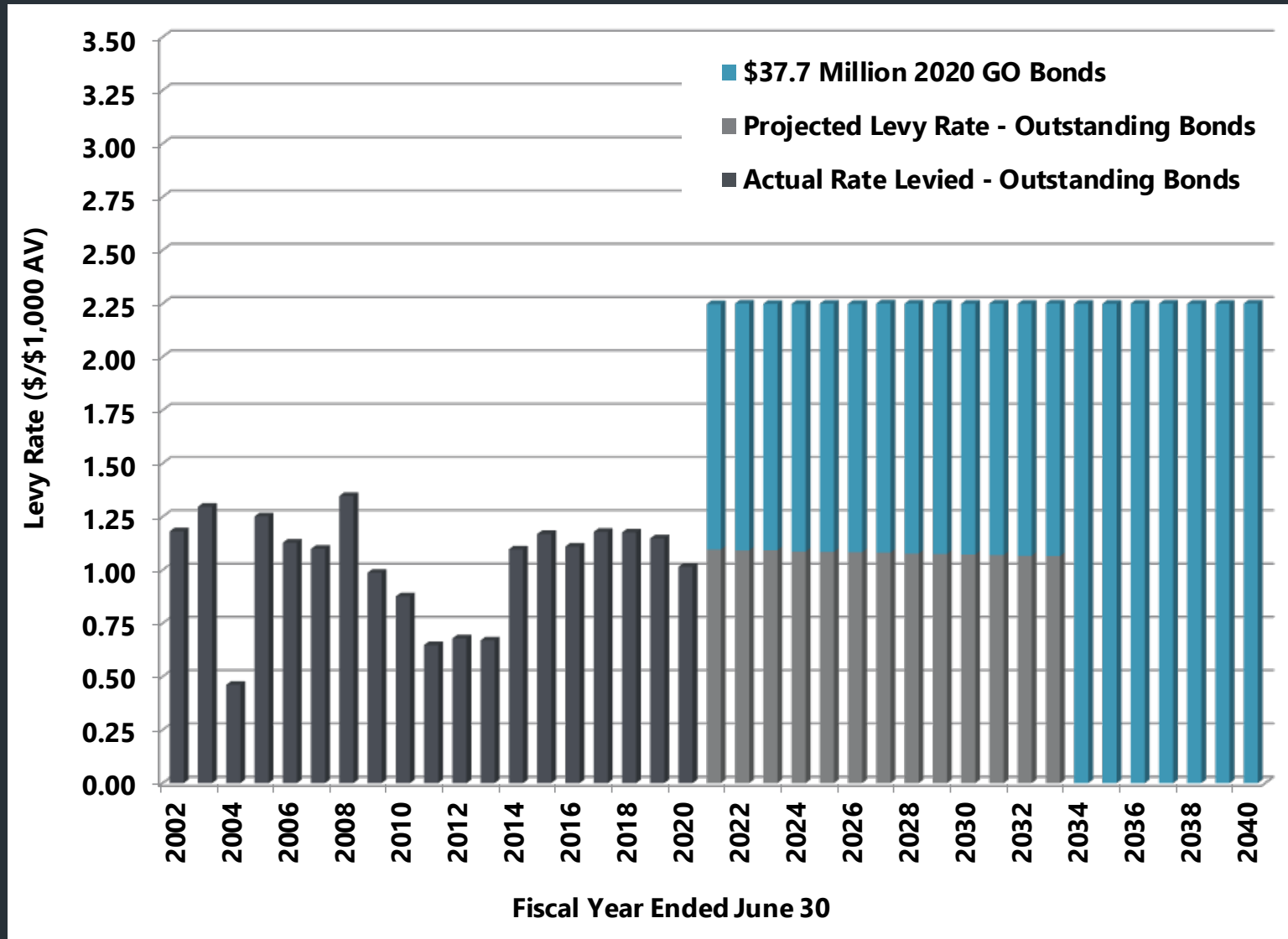
GO Bonds, Series 2020 - \$1.75 Combined Levy



GO Bonds, Series 2020 - \$2.00 Combined Levy



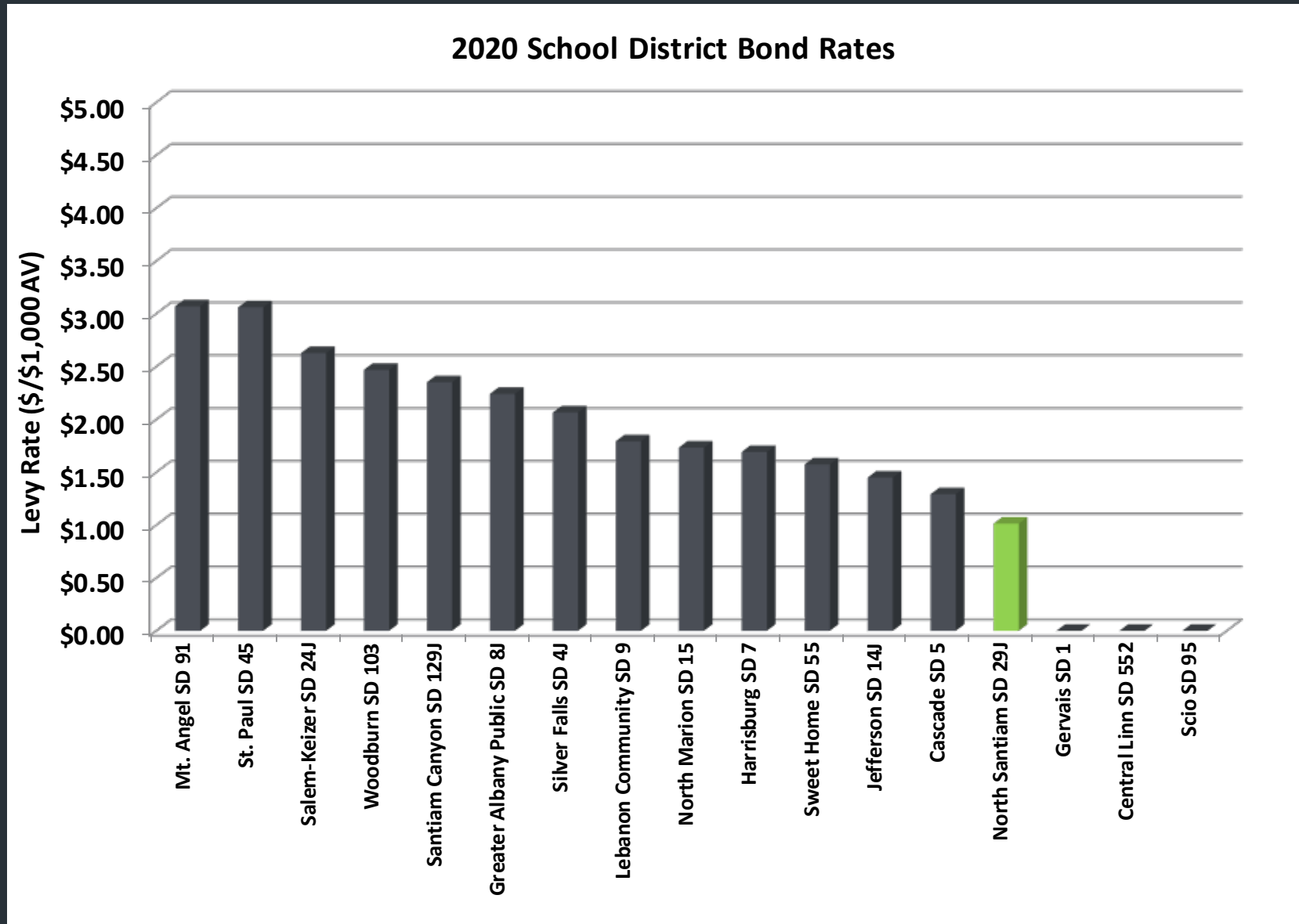
GO Bonds, Series 2020 - \$2.25 Combined Levy



School District Levy Rates in Neighboring Districts

District	Extended ADMw (6-26-19)	ADMW Rank	Assessed Value (Net of Urban Renewal)	2020 Levy Rates			Total District Rate
				Permanent Rate	Local Option Rate	Bond Rate	
St. Paul SD 45	393.92	152	179,259,260	4.7763	-	3.0614	7.8377
Mt. Angel SD 91	960.07	105	272,845,942	4.6268	-	3.0706	7.6974
Santiam Canyon SD 129J	5,265.36	35	416,028,797	4.8880	-	2.3526	7.2406
Salem-Keizer SD 24J	52,645.64	2	19,323,989,223	4.5210	-	2.6284	7.1494
Woodburn SD 103	7,488.90	23	1,921,181,191	4.5247	-	2.4696	6.9943
Sweet Home SD 55	2,737.52	62	1,031,743,243	5.0057	0.3000	1.5750	6.8807
Greater Albany Public SD 8J	11,096.78	15	5,879,936,329	4.5855	-	2.2425	6.8280
Lebanon Community SD 9	4,975.87	39	2,187,225,174	4.9925	-	1.7933	6.7858
Silver Falls SD 4J	4,589.74	42	1,879,446,453	4.5458	-	2.0667	6.6125
Harrisburg SD 7	1,025.67	101	435,704,959	4.6552	-	1.6923	6.3475
Jefferson SD 14J	1,109.44	96	502,011,491	4.8468	-	1.4506	6.2974
Cascade SD 5	2,769.28	61	1,260,118,890	4.6405	-	1.2931	5.9336
North Santiam SD 29J	2,665.02	64	1,499,817,367	4.3973	-	1.0149	5.4122
North Marion SD 15	2,334.87	67	1,128,262,657	3.3333	-	1.7338	5.0671
Gervais SD 1	1,776.30	76	596,328,094	4.6427	-	-	4.6427
Central Linn SD 552	854.75	111	757,108,984	4.6179	-	-	4.6179
Scio SD 95	1,220.64	90	333,257,853	4.5080	-	-	4.5080

Comparative School District Bond Rates



Contact Information

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