



Poway Unified School District Community Meeting

Presented by

Ron Bennett

Chief Executive Officer



Purpose of the Community Meeting

- The purpose of this meeting is to:
 - Provide information regarding options for refunding currently outstanding Capital Appreciation Bonds (CABS)
 - Provide information regarding the property tax consequences of each of the options
 - Provide a forum for public input to inform the Board decision
 - Request public input in the form of a preference ballot



Purpose of the Community Meeting

■ Protocols:

- This meeting is agendized as an open session meeting of the Board
- Board members who are present are not able to respond to comments at this session
- The public input received is to inform the Board, but does not constitute a formal ballot measure and is not binding in any way
- Please fill out a speaker card if you wish to speak



Opportunity to Refund CABs

- Dale Scott and Company has presented a proposal to the Board offering to refund a portion of the CABs currently outstanding
 - The current CAB issue has a high repayment ratio because the debt will be outstanding for up to 40 years
 - Up to 20% of the CABs could be acquired in the open market and refunded as Current Interest Bonds (CIBs)
 - CIBs are fully amortized over 20 years and require payments of principal and interest each year



Opportunity to Refund CABs

- Long-term taxpayer savings require short-term property tax increases
- All potential costs and savings accrue directly to taxpayers, not to the school district
- The Board will consider many financial factors beyond our focus tonight
 - Tonight we want to focus primarily on the opinions of taxpayers regarding property tax consequences



Property Tax Impacts

- When the district issues bonds, including the CABs, it estimates the annual tax rate based upon many factors including growth in assessed valuation
- Over time, overall property tax rates fluctuate because of changes in assessed valuation and the 2% annual increase allowed by Proposition 13
 - This will occur whether the CABs are refunded or not



Property Tax Impacts

- If the CABs are refunded current property taxes will increase over and above the fluctuations listed above
 - If, for example, 10% of the CAB issue was acquired and refunded, current annual property tax rates would go up approximately \$7 per \$100,000 of assessed valuation
 - A 20% refunding would increase taxes by approximately \$14 per \$100,000 of assessed valuation
- The Board is only permitted to approve the refunding if there is an overall savings to taxpayers



Potential Savings to Taxpayers

- A refunding of 10% of the CAB issue results in a net savings to taxpayers of approximately \$46.5 million
- A refunding of 20% of the CAB issue results in a net savings to taxpayers of approximately \$93 million
- The savings is computed by adding all of the debt service required by the CABs and subtracting the debt service required over the life of the CIBs (plus issuance costs)
- CABs shift the repayment burden to taxpayers in the 20 to 40 year window
- CIBs shift the repayment burden to today's taxpayers



Sample SFID Homeowner Tax Bill



Dan McAllister
SAN DIEGO COUNTY
TREASURER-TAX COLLECTOR

[FAQs](#) [Español](#)

¹ PAY ONLINE WWW.SDTREASTAX.COM

² PAY BY PHONE (855) 829-3773

³ QUESTIONS (877) 829-4732

⁴ TAX BILL YEAR

2014-2015

FOR FISCAL YEAR BEGINNING JULY 1, 2014 AND ENDING JUNE 30, 2015

⁵ PROPERTY ADDRESS - DESCRIPTION - SUBDIVISION

PROPERTY ADDRESS CANNOT BE SHOWN IN COMPLIANCE TO GOVERNMENT
CODE SECTION 6254.21.

CURRENT
OWNER

SPECIAL
MESSAGES

OWNER
MESSAGES

⁶ MAP NO.

⁸ DOCUMENT NO.

⁹ DOCUMENT DATE

12/3/2012

⁷ DESCRIPTIONS

VALUES & EXEMPTIONS

LAND	\$98,393
IMPROVEMENTS	\$244,006
TOTAL L&I	\$342,399
PERSONAL PROPERTY	\$0
EXEMPTIONS	
HOMEOWNERS	-\$7,000
OTHER	\$0
NET TAXABLE VALUE	\$335,399

**Current
market
value =
approx.
\$800,000**

¹⁰
OWNER OF
RECORD ON
JANUARY 1, 2014





Dan McAllister
SAN DIEGO COUNTY
TREASURER-TAX COLLECTOR



¹¹ PARCEL/BILL NO.	¹² TAX RATE AREA	¹³ CORTAC NO.	¹⁴ 1ST INSTALLMENT		¹⁵ 2ND INSTALLMENT	¹⁶ TOTAL DUE
[REDACTED]	[REDACTED]		\$1,870.67	+	\$1,870.67	= \$3,741.34

¹⁷ YOUR TAX DISTRIBUTION

Agency	Rate	Amount
1% TAX ON NET VALUE	1.00000	3353.98

VOTER APPROVED BONDS:

PALOMAR HEALTH 2005A – DEBT SERVICE	NET	0.02350	\$78.82
UNIF BOND POWAY-SFID 2007-1,PROP C 2/05/08, SER B	NET	0.00000	\$0.00
UNIF BOND POWAY-SFID 2002-1, PROP U 11/5/02, 2002B	NET	0.00751	\$25.19
UNIF BOND POWAY-SFID 2002-1, PROP U 11/5/02, 2002C	NET	0.00502	\$16.87
UNIF BOND-POWAY-SFID 2007-1, PROP C 2/05/08, SER A	NET	0.00000	\$0.00
UNIF BOND-POWAY-SFID 2002-1, PROP U, 11/5/02, 2011 REF	NET	0.01826	\$61.24
UNIF BOND-POWAY-SFID 2002-1, PROP U, 2014 REF	NET	0.02420	\$81.17

\$184.47



\$55 per \$100,000 on Assessed Valuation \$335,399 = \$184.47



Dan McAllister
SAN DIEGO COUNTY
TREASURER-TAX COLLECTOR

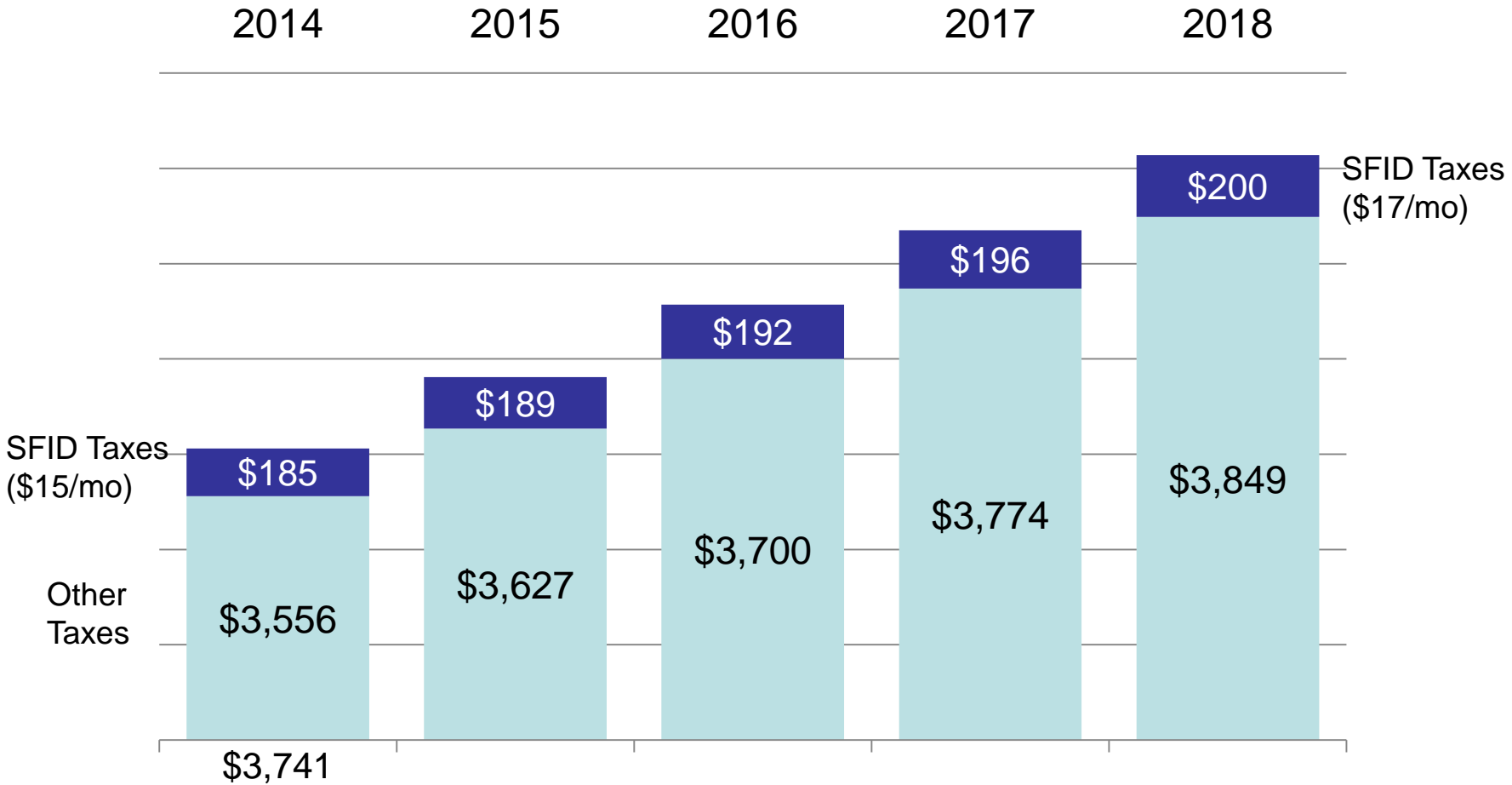


18 YOUR TAX DISTRIBUTION

AGENCY		RATE	AMOUNT
SAN DIEGO CITY ZOOLOGICAL EXHIBITS - MAINTENANCE	NET	0.00500	\$16.77
MWD D/S REMAINDER OF SDCWA 15019999	NET	0.00350	\$11.74
TOTAL ON NET VALUE		1.09988	\$3,688.98
FIXED CHARGED ASSMTS:	PHONE #		
RNCHO BERNARDO MAINT	619-685-1326		\$22.00
MWD WTR STANDBY CHRG	866-807-6864		\$11.50
MOSQUITO SURVEILLANC	800-273-5167		\$3.00
CWA WTR AVAILABILITY	858-522-6900		\$10.00
VECTOR DISEASE CTRL	800-273-5167		\$5.86
TOTAL AMOUNT			\$3,741.34



Current Assumed Projections

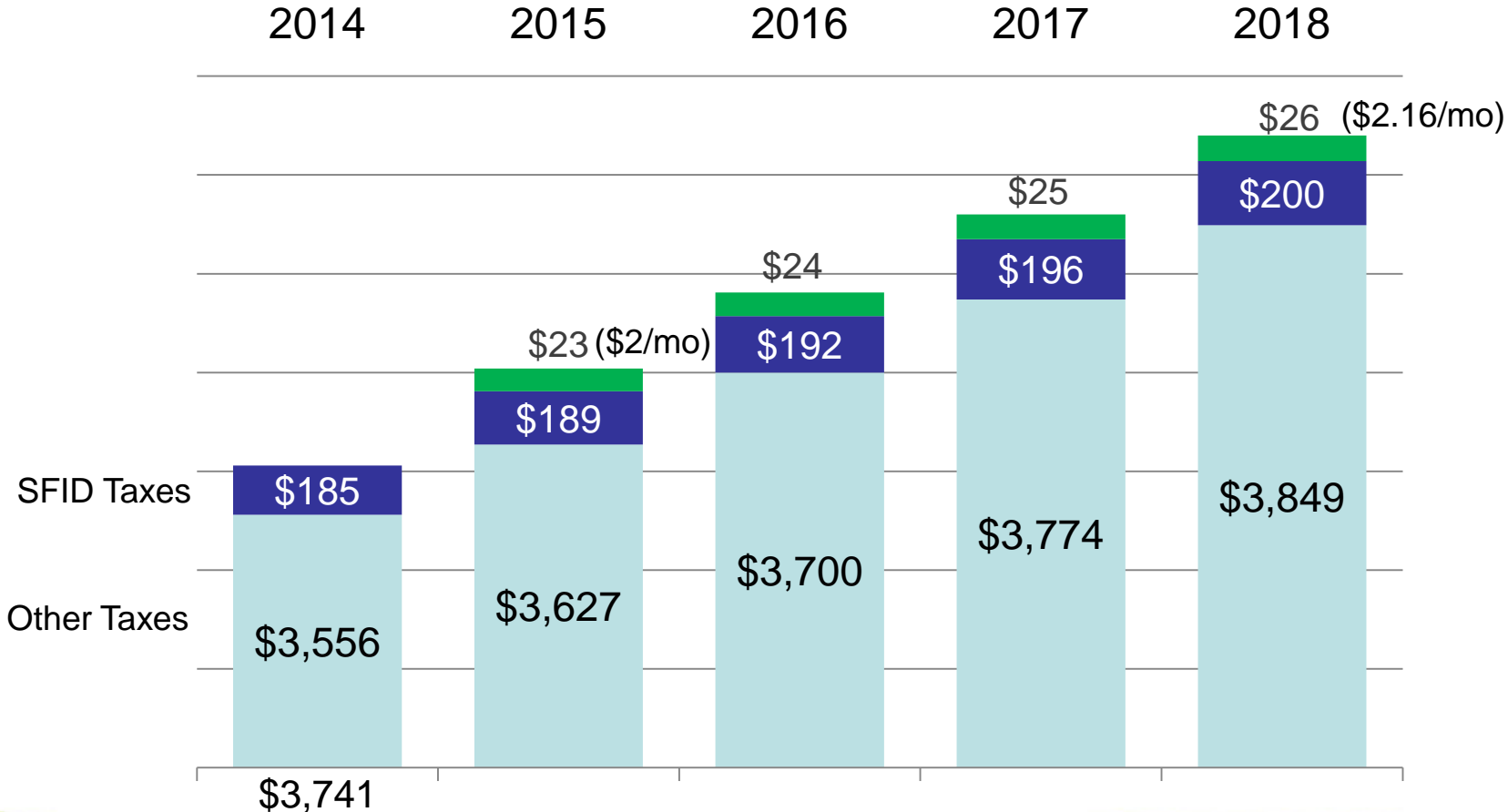


		+2%	+2%	+2%	+2%
AV	\$335,399	\$342,107	\$348,949	\$335,928	\$363,047



Very Rough Estimate

Assumptions - \$7.00 increase per \$100,000 AV

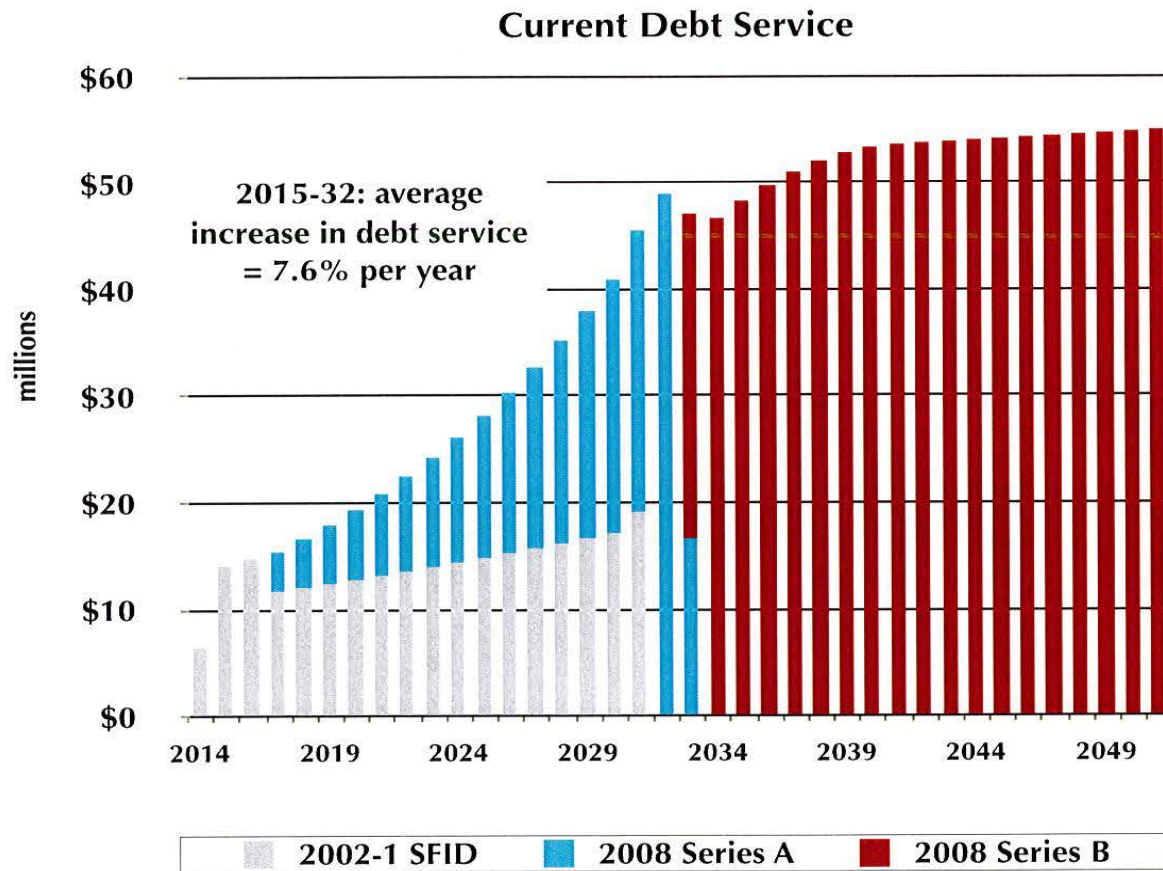


		+2%	+2%	+2%	+2%
AV	\$335,399	\$342,107	\$348,949	\$335,928	\$363,047



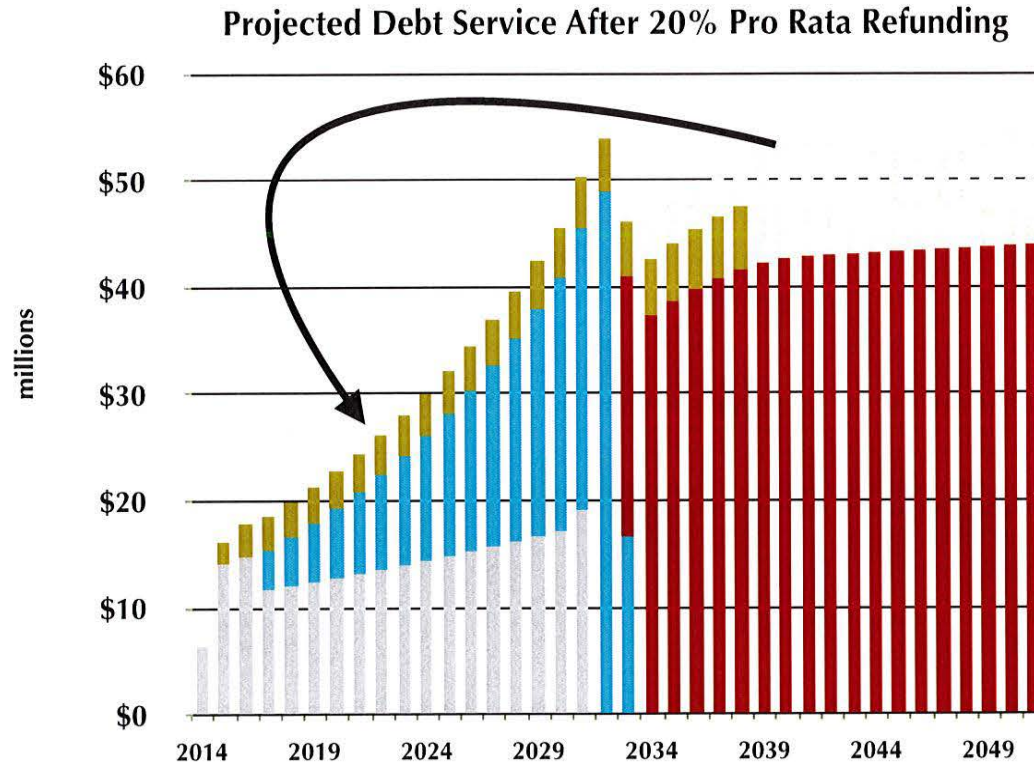
Poway USD: **Current Debt Service**

CABs Issued to Remain Below Projected Tax Rate Limit



Poway USD: CABs Refunding

Pro Rata CAB Refunding



Example: 20% Pro Rata Conversion*

CAB Cost Reduction	\$196,312,466
Less: CIB Payments	\$102,325,475
Net Taxpayer Savings	\$93,986,991

* Based on market rates as of 8/4/14

SFID 2002-1
 2008 Series A
 2008 Series B
 New Refunding Debt
 Refunded Series B



Expressing Your Preference

- Please express your preference using the ballots provided once you have formed an opinion

Would you as an SFID resident and tax payer prefer:	
<input type="radio"/>	I do not support refunding the CABs as this would result in an increase to my SFID tax rate above those prescribed by law.
<input type="radio"/>	Allow the public to vote their preferences at the next election in 2016; the district would be required to fund the election costs.
<input type="radio"/>	Move forward if we can refund 10% of the CABs, and my SFID tax rate does not increase by more than approximately \$7.00 per \$100,000 annually over and above the changes prescribed by law.
<input type="radio"/>	Move forward if we can refund 20% of the CABs, and my SFID tax rate does not increase by more than approximately \$14.00 per \$100,000 annually over and above the changes prescribed by law.



Expressing Your Preference (Continued...)

- Please express your preference using the ballots provided once you have formed an opinion

Other Thoughts or Ideas

Optional:
Your email address: _____@_____



Public Comment

- Please step to the podium and state your name and address
- Please limit comments to three minutes per speaker
- Please turn in ballots before you leave
- Thank you for your participation

