

GENERAL OBLIGATION BOND OVERVIEW: JOINT WORK SESSION OF MCMINNVILLE SCHOOL BOARD AND CITY COUNCIL

WHY ARE WE HERE?

- **City considering GO Bond measure**
 - No sooner than May 2025
 - For parks and library facilities
 - Culmination of two-year community advisory committee (MacPAC) process in 2020 and 2021 and park open space planning efforts wrapping up now
- **School District looking ahead at potential GO Bond measure**
 - Currently targeting Nov 2027 election
 - Projects to be determined
 - Will undertake Long-Range Facility Plan and Facilities Assessment pursuant to OSCIM requirements

BONDS GENERALLY

- **Statutory definition: “obligation to repay borrowed money”**
 - Just a loan
 - Can be broken into pieces and sold to multiple investors or sold directly to a bank
- **Municipalities issue bonds to finance major capital projects**
 - If cannot afford on a pay-as-you-go basis
 - Tax equity
- **Interest on municipal bonds is generally exempt from both federal and state income taxes**
 - Helps lower interest rate for the borrower
 - Strings attached

GENERAL OBLIGATION BONDS

- Only issued by municipalities
- Repayment is secured by property tax levied across the Issuer's boundaries and Issuer's "full faith and credit"
 - Tax levy not subject to compression
 - Levy rate can be set as high as necessary to generate enough revenue to pay debt service
 - Tax collections must be used for GO bond debt service
- Considered a very secure credit
- State law limits borrowing capacity:

	School District	City
Limit	7.95% of RMV	3.00% of RMV
Amount	\$691,427,278	\$202,534,676

- Must be approved by voters

ELECTION DATES

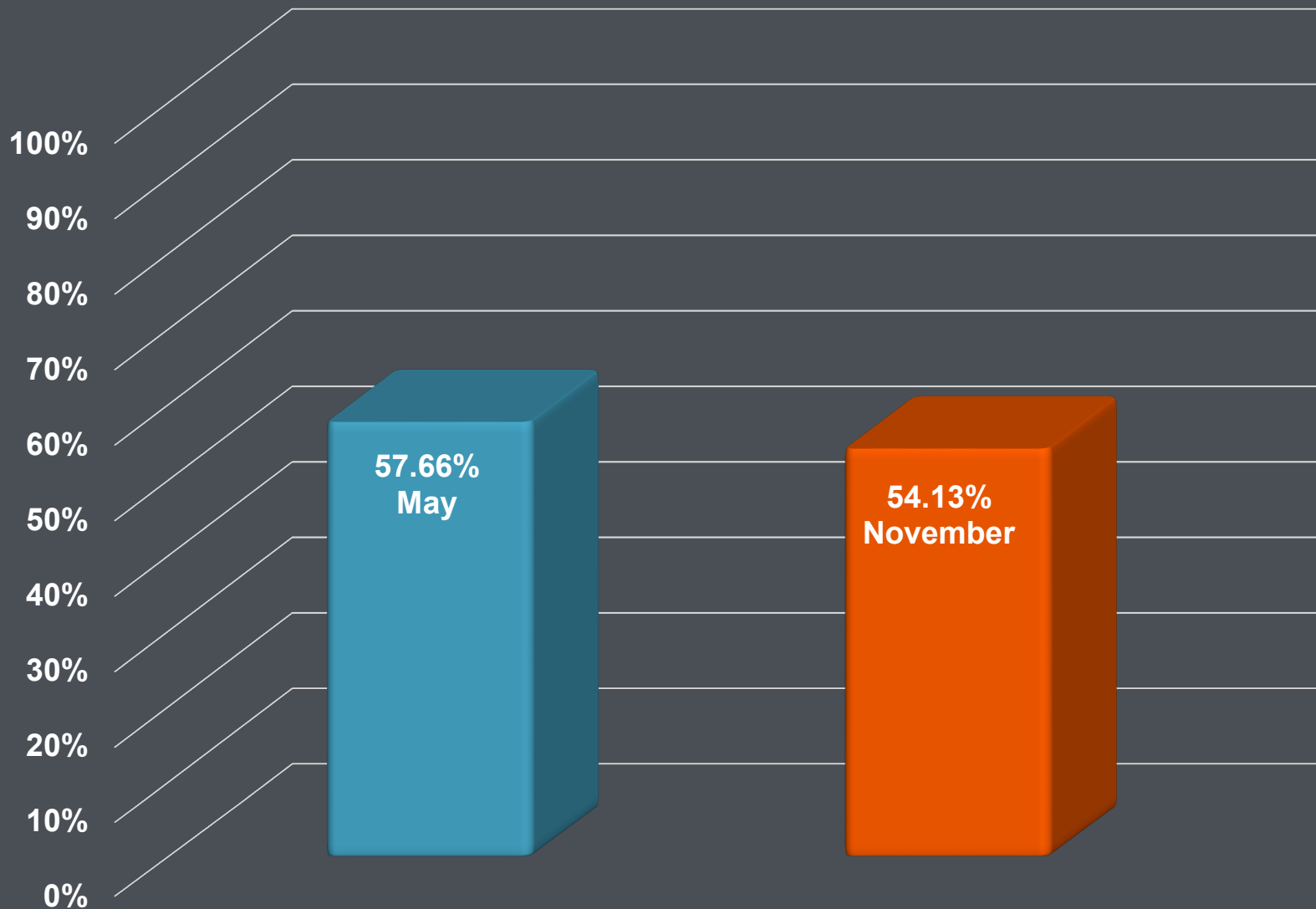
- Technically, there are 4 election dates each year:

January	February	March
April	May	June
July	August	September
October	November	December

- Only May and November are NOT subject to double majority
- For schools, OSCIM grant is only available for May and November elections

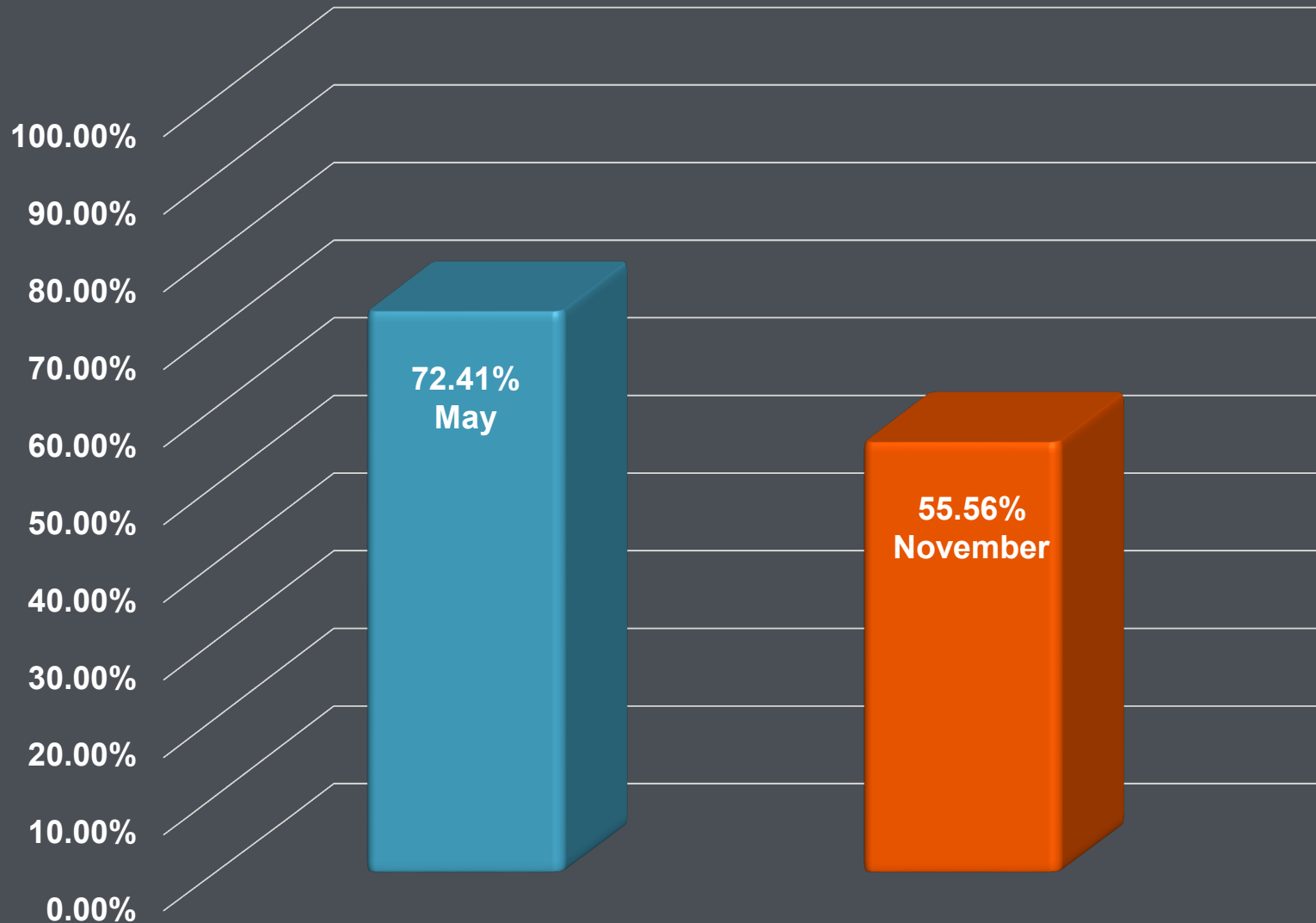
WHAT ARE YOUR ODDS?

- 56.1% of Oregon K-12 school district GO bond issues from May 2010 to November 2023 have been approved



WHAT ARE YOUR ODDS?

- 62.2% of Oregon city GO bond issues from May 2010 to November 2023 have been approved



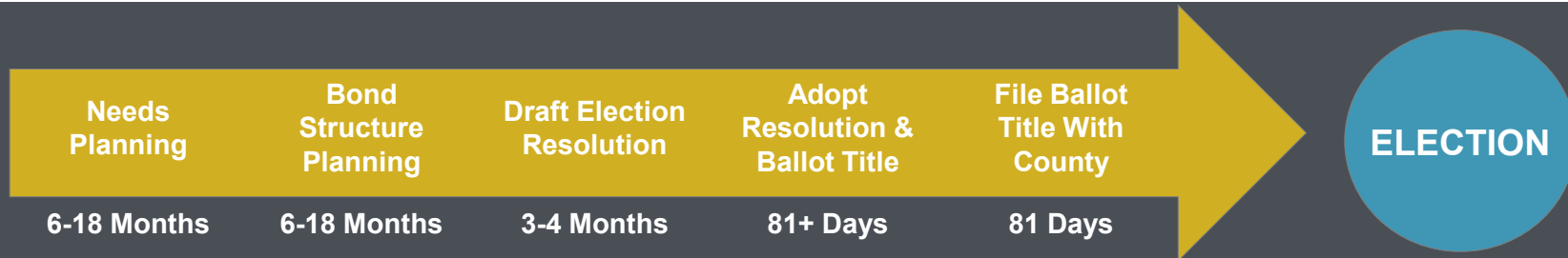
TIMELINE

Upcoming Election and Resolution Filing Dates

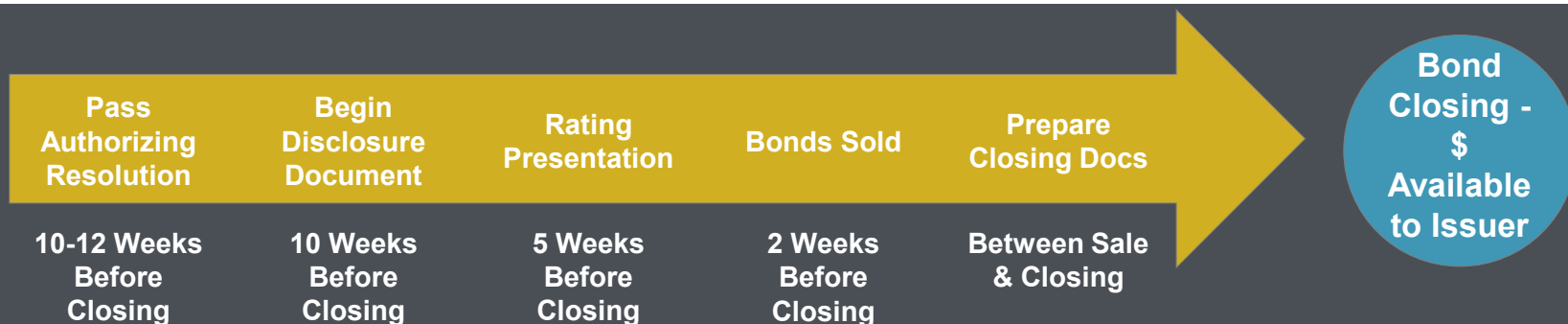
Election Date	County Filing/Voters' Pamphlet Deadline ⁽¹⁾	Ballots Mailed	First FY Taxes Levied
May 21, 2024	March 1	May 1-May 7	2024-25
November 5, 2024	August 16	Oct. 16-22	2025-26

(1) SEL Form 805 must be filed 81 days prior to election to allow for challenge process. Final filing is 61 days prior to election (SEL Form 803).

Suggested Time Frame for Major Decisions Prior to Election Date



After the Bond Election (2.5 – 3 Month Process Typically)



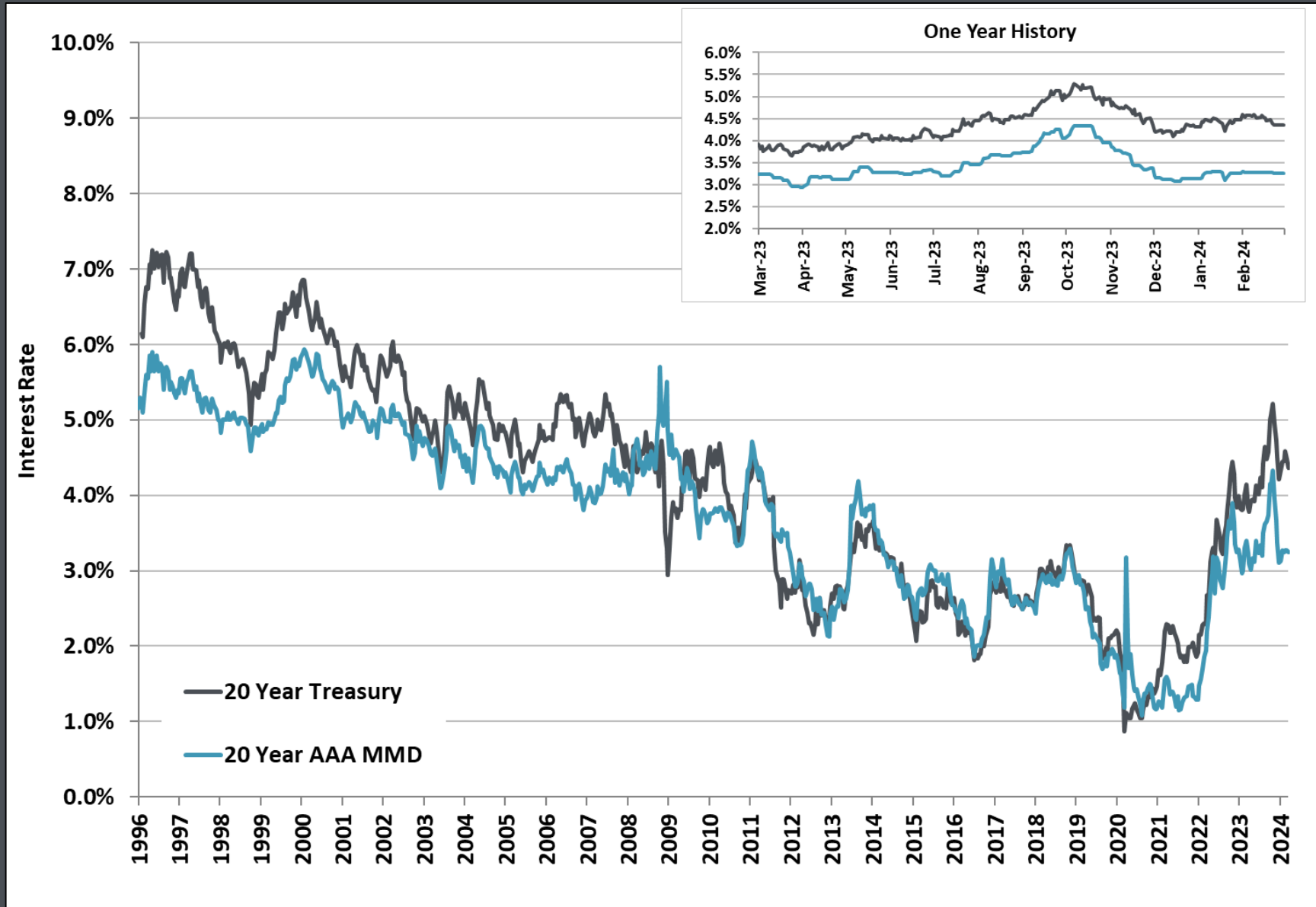
USE OF PROCEEDS

- Proceeds may be used for capital costs with a useful life of 1 year or more
- “Weighted average life” of bonds may not exceed “weighted average life” of projects
 - Can’t borrow 30 years and only finance computers
- “Routine” maintenance and supplies are not eligible
- Any interest earnings on proceeds and premium must be used in accordance with ballot title
- Certain limitations on ‘partnerships,’ with, for example, non-profits



What goes in to a levy rate projection?

HISTORICAL INTEREST RATES



HISTORICAL PROPERTY VALUES

- AV growth for existing properties limited to 3%
 - District values grow in excess of 3% due to new construction

McMinnville School District No. 40

Fiscal Year	M5 Real Market Value	% RMV Growth	Total Assessed Value	% Total AV Growth
2024	\$ 8,697,198,471	7.59%	\$ 4,426,366,389	5.04%
2023	8,083,513,973	22.52%	4,214,180,897	4.83%
2022	6,597,474,450	10.99%	4,019,973,801	5.04%
2021	5,943,974,097	8.32%	3,826,948,768	3.59%
2020	5,487,622,754	8.65%	3,694,499,464	5.22%
2019	5,050,884,274	4.61%	3,511,134,037	5.11%
2018	4,828,209,068	9.41%	3,340,402,939	3.94%
2017	4,413,034,916	9.60%	3,213,672,561	2.83%
2016	4,026,645,831	10.05%	3,125,215,903	7.06%
2015	3,658,832,392	3.99%	2,919,096,264	3.30%
2014	3,518,402,639	0.87%	2,825,967,489	2.44%
2013	3,488,131,424	-1.67%	2,758,766,493	2.67%
2012	3,547,429,517	-10.44%	2,686,997,617	2.01%
2011	3,961,011,054	-2.09%	2,634,146,320	3.71%
2010	4,045,707,073	-1.36%	2,539,911,427	4.68%
2009	4,101,380,879	5.78%	2,426,419,429	8.08%
2008	3,877,384,914	10.93%	2,244,937,543	7.20%
2007	3,495,395,473	27.86%	2,094,174,260	7.42%
2006	2,733,702,969	9.43%	1,949,517,187	6.18%
2005	2,498,145,756	14.54%	1,836,056,197	6.81%
2004	2,181,119,530	---	1,718,993,421	---

City of McMinnville

Fiscal Year	M5 Real Market Value	% RMV Growth	Total Assessed Value	% Total AV Growth
2024	\$ 6,751,155,853	9.67%	\$ 3,476,522,790	5.47%
2023	6,155,627,480	21.35%	3,296,308,953	4.83%
2022	5,072,516,303	9.86%	3,144,390,571	5.16%
2021	4,617,331,941	10.15%	2,989,998,148	3.72%
2020	4,191,800,158	6.66%	2,882,809,224	5.12%
2019	3,930,001,020	5.56%	2,742,457,844	5.15%
2018	3,722,887,719	8.89%	2,608,071,072	3.95%
2017	3,418,882,530	9.58%	2,509,071,282	2.40%
2016	3,119,905,725	9.02%	2,450,382,429	6.33%
2015	2,861,726,286	4.11%	2,304,513,830	3.19%
2014	2,748,715,501	-0.68%	2,233,167,037	1.55%
2013	2,767,634,640	-1.37%	2,199,145,088	2.75%
2012	2,806,089,205	-12.13%	2,140,278,448	1.59%
2011	3,193,379,293	-2.28%	2,106,858,078	3.55%
2010	3,267,741,423	-0.42%	2,034,615,980	4.95%
2009	3,281,459,385	5.25%	1,938,723,856	7.78%
2008	3,117,670,189	10.44%	1,798,840,920	7.34%
2007	2,822,850,527	27.41%	1,675,906,871	6.74%
2006	2,215,609,959	9.67%	1,570,074,021	6.57%
2005	2,020,287,465	14.74%	1,473,341,412	6.66%
2004	1,760,704,384	---	1,381,285,571	---

- Look to historical AV growth to inform future growth assumptions

OUTSTANDING GO BONDS

McMinnville School District No. 40

Purpose	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding
General Obligation Bonds:				
Series 2007* High school imp., new elementary school & facilities upgrades	06/26/07	06/15/17	\$62,000,000	\$ -
Series 2013* Advance refund 2007 GO Bonds	02/27/13	06/15/23	42,075,000	-
Series 2016 High school improvements, energy & safety/security upgrades	08/10/16	06/15/38	88,400,000	76,135,000
Series 2021A approved at May 2016 election	06/15/21	06/15/28	1,000,000	730,000
Series 2021B Advance refund 2013 GO Bonds	06/15/21	06/15/28	25,850,000	24,845,000
Total General Obligation Bonds				<u>\$101,710,000</u>

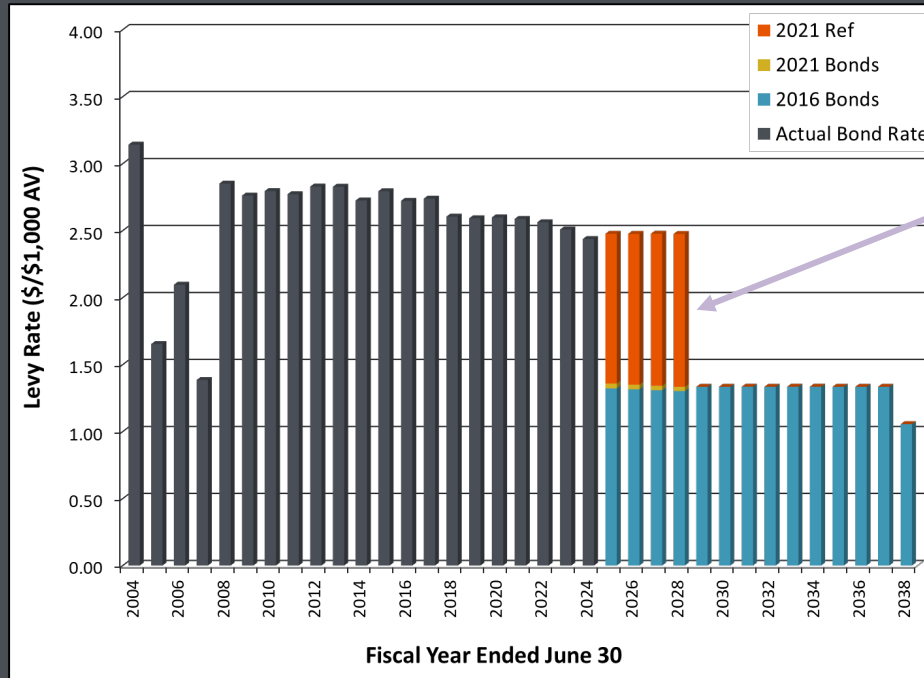
City of McMinnville

Purpose	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding
General Obligation Bonds:				
Series 2001* Park Bonds	08/08/01	10/07/11	\$ 9,500,000	\$ -
Series 2006* Public Safety/Civic Bonds	11/14/06	08/01/17	13,120,000	-
Series 2011 Refunding of the Series 2001 Bonds	10/06/11	06/15/21	5,590,000	-
Series 2015 Refunding of the Series 2006 Bonds & Transportation projects approved at Nov. 2014 election	04/16/15	06/15/30	23,320,000	11,825,000
Series 2018 Transportation projects approved at Nov. 2014 election	02/28/18	06/15/33	7,915,000	5,640,000
Total General Obligation Bonds				<u>\$ 17,465,000</u>

* Refunded.

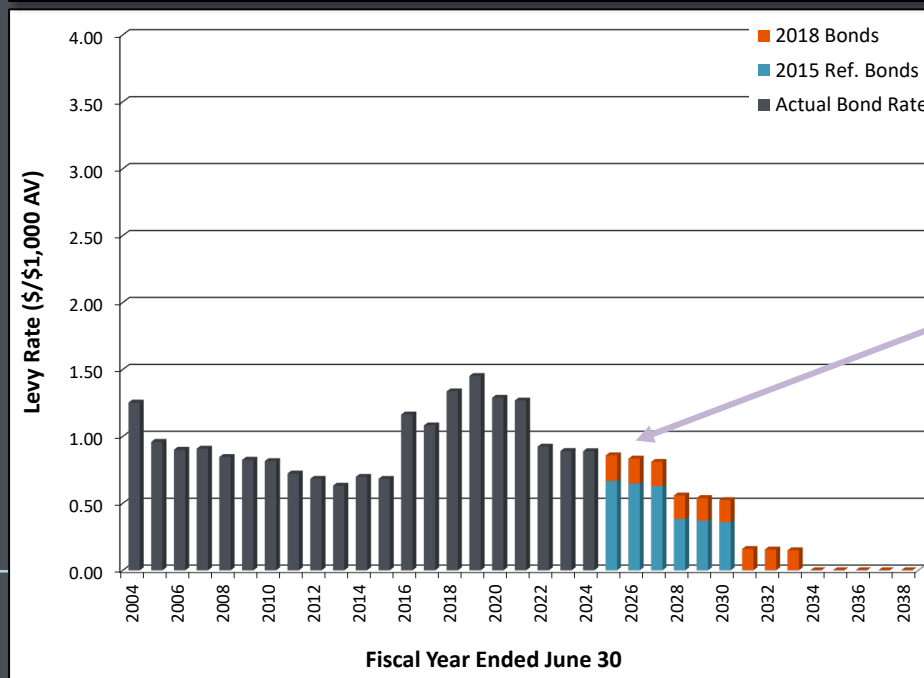
OUTSTANDING GO BONDS – LEVY RATE GRAPHS

McMinnville School District No. 40



Nov. 2027 or May 2028 Election to levy new bonds in FY 2029

City of McMinnville



May 2025 Election would levy new bonds in FY 2026

COLLABORATION OPPORTUNITIES?

- How can the City and School District complement each other's GO Bond efforts?



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