



# Marysville Joint Unified School District

## 2020 Refunding Certificates of Participation

### Sale Wrap-up

by

Isom Advisors,  
a Division of Urban Futures, Inc.



October 30, 2020

# Refunding Overview

## Summary

## Marysville Joint Unified School District



- ❖ In 2012, the District issued its \$18.4 million Certificates of Participation (the "2012 COPs") to finance new projects and refinance its 2006 Certificates of Participation.
- ❖ On September 22<sup>nd</sup>, the Board approved the sale of Refunding Certificates of Participation to take advantage of low interest rates and reduce annual debt service payments (principal and interest) on the 2012 COPs, directly benefiting the District's general fund.
- ❖ On October 28<sup>th</sup>, the District locked in rates to refinance the 2012 COPs.
  - The District will save its general fund more than \$11.68 million, or an average of \$553,000 annually beginning in 2023.
  - Savings are net of all expenses and do extend the term of the original 2012 COPs.

NEW ISSUE  
DTC BOOK-ENTRY ONLY

S&P Insured Rating: "AA-" (Stable Outlook)  
S&P Underlying Rating: "A-" (Stable Outlook)  
See "RATINGS" herein

*In the opinion of Kronick, Moskowitz, Tiedemann & Girard, a Professional Corporation, Special Counsel, based on an analysis of existing statutes, regulations, rulings, and court decisions and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, the portion of the rental payments designated as and constituting interest paid by the District under the Facilities Lease and received by the owners of the Certificates is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the further opinion of Special Counsel, such interest is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. Special Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest with respect to, the Certificates. See "LEGAL MATTERS—Tax Matters" herein.*



**\$18,376,098.50**  
**2012 CERTIFICATES OF PARTICIPATION**  
(Refunding and Capital Projects)  
Evidencing And Representing The Proportionate Interests Of The Owners Thereof In Rental Payments To Be Made By The  
**MARYSVILLE JOINT UNIFIED SCHOOL DISTRICT**  
(YUBA COUNTY, CALIFORNIA)  
As The Rental For Certain Property Pursuant To A Facilities Lease With The  
**MARYSVILLE JOINT UNIFIED SCHOOL DISTRICT FINANCING CORPORATION**

**DATED: Date of Delivery**

**DUE: June 1, as shown below**

*The 2012 Certificates of Participation (Refunding and Capital Projects) (the "Certificates") are being executed and delivered in the aggregate principal amount of \$18,376,098.50. The Certificates are being sold for the purpose of i) implementing the District's 2012 Capital Projects and ii) refunding the District's 2006 Certificates of Participation. See "2012 CAPITAL PROJECTS" and "PLAN OF REFUNDING" herein.*

*The Certificates evidence and represent the proportionate interests of the Owners thereof in Rental Payments to be made by the Marysville Joint Unified School District (the "District") pursuant to a facilities lease dated July 1, 2012 (the "Facilities Lease"), between the Marysville Joint Unified School District Financing Corporation, a California nonprofit public benefit corporation (the "Corporation") and the District. The Certificates are being delivered pursuant to a trust agreement dated July 1, 2012 (the "Trust Agreement") by and among The Bank of New York Trust Company, N.A. (the "Trustee"), the Corporation and the District. The Certificates will not pay current interest. The Certificates accrete interest, compounded semiannually on June 1 and December 1 of each year, commencing December 1, 2012. The Certificates are subject to redemption prior to their maturity. See "THE CERTIFICATES—Redemption Provisions" herein.*

*THE DISTRICT HAS COVENANTED IN THE FACILITIES LEASE TO TAKE SUCH ACTION AS MAY BE NECESSARY TO INCLUDE AND MAINTAIN ALL RENTAL PAYMENTS AS AND WHEN DUE FOR THE FACILITIES LEASE, SUBJECT TO ABATEMENT, AS FURTHER DESCRIBED HEREIN, IN ITS ANNUAL BUDGET AND TO MAKE THE NECESSARY ANNUAL APPROPRIATIONS FOR ALL SUCH RENTAL PAYMENTS. THE OBLIGATION OF THE DISTRICT TO MAKE RENTAL PAYMENTS IS A SPECIAL OBLIGATION OF THE DISTRICT AND DOES NOT CONSTITUTE A DEBT OF THE DISTRICT OR YUBA COUNTY OR THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE CORPORATION HAS NO OBLIGATION OR LIABILITY WHATSOEVER TO THE OWNERS OF THE CERTIFICATES.*



*The scheduled payment of principal of (or, in the case of Capital Appreciation Certificates, the accreted value) and interest on the Certificates when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Certificates by ASSURED GUARANTY MUNICIPAL CORP.*

*THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF ALL FACTORS RELEVANT TO AN INVESTMENT IN THE CERTIFICATES. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. CAPITALIZED TERMS USED ON THIS COVER PAGE NOT OTHERWISE DEFINED WILL HAVE THE MEANING SET FORTH HEREIN.*

### MATURITY SCHEDULE

(See Inside Cover)

*The Certificates will be offered when, as and if executed and delivered and received by the Underwriter, subject to the approval as to their legality by Kronick, Moskowitz, Tiedemann & Girard, a Professional Corporation, Special Counsel. It is anticipated that the Certificates, in definitive form, will be available for delivery through the facilities of DTC in New York, New York on or about July 17, 2012.*

This Official Statement is dated June 26, 2012

# Interest Rate Environment



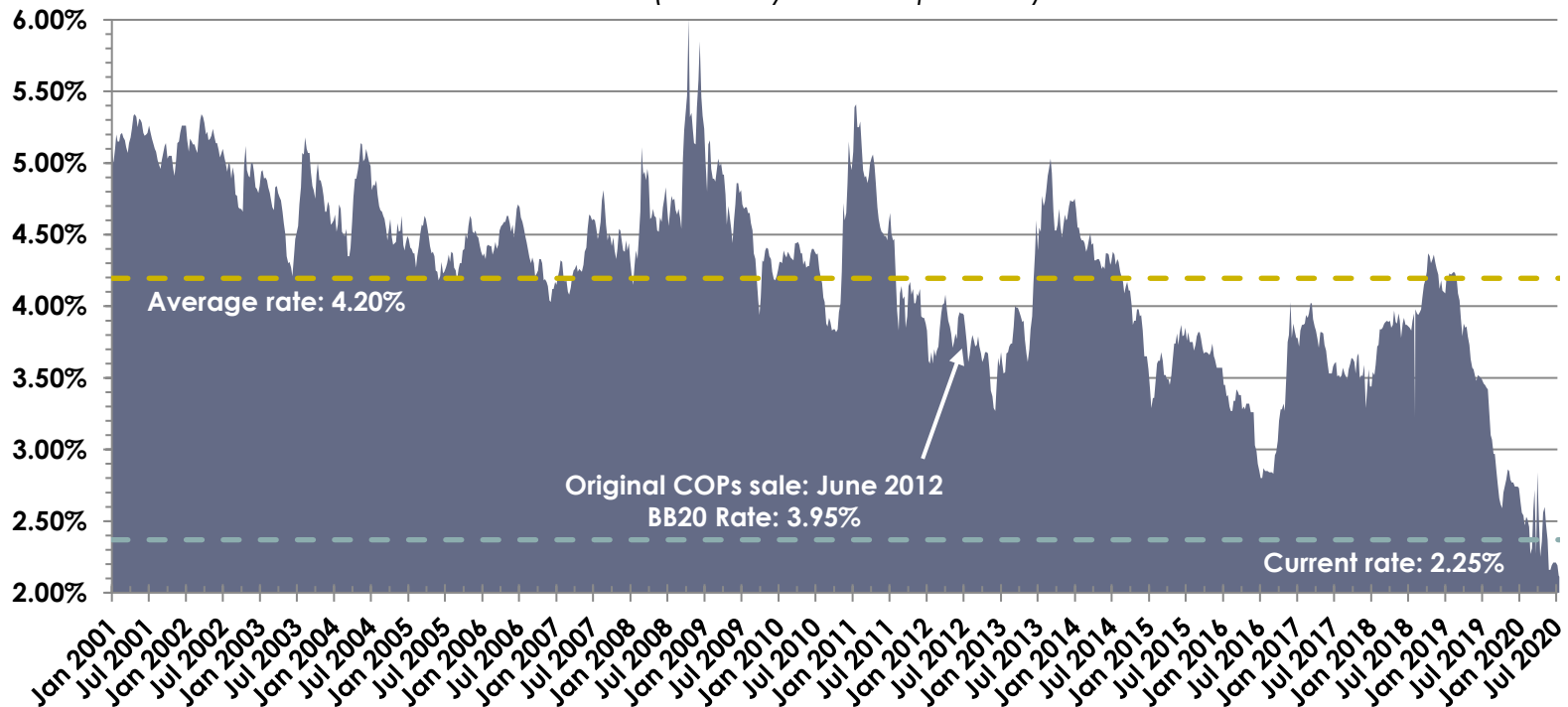
Low interest rate environment

Marysville Joint Unified School District

- ❖ The District refinanced in a very good interest rates environment; rates are near their all-time lows as evidenced by the Bond Buyer 20 GO bond index below.

## Bond Buyer 20 GO Bond Index

(January 2001 to present)



Source: The Bond Buyer.

# Bond Sale



## Bond Sale Highlights

Marysville Joint Unified School District

- ❖ The Bonds were sold through a two-day negotiated sale process (September 27/September 28):
  - Pre-pricing day: Structure and preliminary interest rate were established on the first day.
  - Pricing day: Final structure and interest rates were set on the second day in response to the market and investor feedback.
  
- ❖ The District sold \$33.9 million of Refunding COPs:
  - The 2020 COPs were all sold as current interest COPs, replacing the 2012 capital appreciation COPs
  - The debt repayment ratio is 1.38:1 (for each \$1 in principal, it cost \$0.38 in interest)
  - True Interest Cost: 2.92% (this is the average borrowing cost of the refunding bonds)
  - Final Maturity: 6/1/2042 (same as original bonds)
  - Optional Redemption: 6/1/2028 @ par

# 2020 Refunding Savings



## Annual Savings

Marysville Joint Unified School District

- ❖ Savings to the District's general fund is over **\$11.06 million**, net of all estimated issuance expenses.
- ❖ The industry accepted threshold for present value savings is a minimum of 3.0%. Based on the final rates, the refunding generated present value savings of **26.64%**.

Date	Original COPs Payments	New COPs Payments	Savings
<b>2023</b>	\$2,820,000	\$2,265,943	\$554,057
<b>2024</b>	\$2,820,000	\$2,268,698	\$551,302
<b>2025</b>	\$2,820,000	\$2,268,594	\$551,406
<b>2026</b>	\$2,820,000	\$2,265,489	\$554,511
<b>2027</b>	\$2,815,000	\$2,262,658	\$552,342
<b>2028</b>	\$2,820,000	\$2,266,599	\$553,401
<b>2029</b>	\$2,820,000	\$2,265,176	\$554,824
<b>2030</b>	\$2,820,000	\$2,266,604	\$553,396
<b>2031</b>	\$2,820,000	\$2,265,706	\$554,294
<b>2032</b>	\$2,820,000	\$2,267,412	\$552,588
<b>2033</b>	\$2,815,000	\$2,261,527	\$553,473
<b>2034</b>	\$2,820,000	\$2,268,102	\$551,898
<b>2035</b>	\$2,820,000	\$2,266,658	\$553,342
<b>2036</b>	\$2,815,000	\$2,262,237	\$552,763
<b>2037</b>	\$2,820,000	\$2,263,849	\$556,151
<b>2038</b>	\$2,820,000	\$2,268,830	\$551,170
<b>2039</b>	\$2,820,000	\$2,267,724	\$552,276
<b>2040</b>	\$2,820,000	\$2,264,375	\$555,625
<b>2041</b>	\$2,820,000	\$2,268,781	\$551,219
<b>2042</b>	\$2,820,000	\$2,265,599	\$554,401
<b>TOTAL</b>	<b>\$56,385,000</b>	<b>\$45,320,561</b>	<b>\$11,064,439</b>

# Timeline



## Timeline Summary

## Marysville Joint Unified School District

- ❖ Only a few steps remain to close the 2020 COPs refunding.

### MARYSVILLE JOINT UNIFIED SCHOOL DISTRICT 2020 REFUNDING CERTIFICATES OF PARTICIPATION

#### Financing Schedule

September 2020						
S	M	T	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			
October 2020						
S	M	T	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
November 2020						
S	M	T	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Holidays highlighted in yellow; Fed dates highlighted in blue.

Date	Action
August 27✓	Kick-off financing
September 10✓	Distribute 1 <sup>st</sup> drafts of resolution and legal documents
September 14✓	Comments due on draft legal documents
	Submit credit package to rating agency and bond insurers
September 15✓	Agenda deadline for District board meeting
Wk. of Sept. 21✓	Rating conference call
September 22✓	Board approves resolution authorizing COPs sale and supporting documents
September 24✓	Due diligence conference call with underwriter
September 30✓	Receive rating
October 1✓	Receive insurance & surety bids
October 21✓	Distribute Preliminary OS
October 27✓	Pre-price COPs
October 28✓	Price COPs; sign purchase agreement
October 22 – November 10	Finalize closing and legal documents
November 4	Distribute Final OS
November 11	Pre-close COPs
November 12	Close COPs Issuance

# Regulatory Disclosure

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**Disclosure of Conflicts of Interest and Legal or Disciplinary Events.** Pursuant to Municipal Securities Rulemaking Board ("MSRB") Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients and potential clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of Isom Advisors, a Division of Urban Futures, Inc. ("Isom") and its associated persons.

**Conflicts of Interest.** Compensation. Isom represents that in connection with the issuance of municipal securities, Isom may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, Isom hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding Isom's ability to provide unbiased advice to enter into such transaction. This conflict of interest will not impair Isom's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

It should be noted that other forms of compensation (i.e. hourly or fixed fee based) may also present a potential conflict of interest regarding Isom's ability to provide advice regarding a municipal security transaction. These other potential conflicts of interest will not impair Isom's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

Other Municipal Advisor Relationships. Isom serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of another Isom client. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, Isom could potentially face a conflict of interest arising from these competing client interests. Isom fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with its clients.

If Isom becomes aware of any additional potential or actual conflict of interest after this disclosure, Isom will disclose the detailed information in writing to the issuer or obligated person in a timely manner.

**Legal or Disciplinary Events.** Isom does not have any legal events or disciplinary history on Isom's Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The Issuer may electronically access Isom's most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: [www.sec.gov/edgar/searchedgar/companysearch.html](http://www.sec.gov/edgar/searchedgar/companysearch.html).

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC. If any material legal or regulatory action is brought against Isom, Isom will provide complete disclosure to the Issuer in detail allowing the Issuer to evaluate Isom, its management and personnel.