



Isom Advisors A Division of
URBAN FUTURES | Incorporated

Financial Advisory Services

by

Isom Advisors,
a Division of Urban Futures, Inc.



September 2020

Introduction



Meeting your financial challenges and saving you money

Marysville Unified School District

- ❖ Isom Advisors is a full-service planning, campaign, and financial advisory firm that serves California school districts.
- ❖ The leading financial advisor to school districts for since 2011 based on number of general obligation bond financings.
- ❖ We are independent with no conflicts of interest.
- ❖ Our staff has over 100 years of experience providing honest advice and the highest level of service.
- ❖ Strong references from our clients.
- ❖ Regional experience includes:
 - Biggs USD
 - Chico USD
 - Colfax ESD
 - Durham USD
 - Gridley USD
 - Hamilton USD
 - Kelseyville USD
 - Konocti USD
 - Lakeport USD
 - Lake Tahoe USD
 - Lassen HSD
 - Live Oak USD
 - Nevada Jt. UHSD
 - Oroville ESD
 - Paradise USD
 - Wheatland HSD
 - Williams USD
 - Winters USD



A Leader in the Industry



More K-12 bonds sold since 2011 than any FA firm

Marysville Unified School District

- ❖ Isom Advisors has been the leading financial advisor to California school districts since 2011.
- ❖ Isom Advisors is in the market managing bond sales more frequently than any other F.A. firm, giving unmatched expertise in structuring bonds and determining appropriate interest rates.

2020 Ranking of Top 7 K-12 CA Financial Advisors
of District Bond Sales (as of 6/30)

Financial Advisor	Districts
Isom Advisors, Urban Futures Inc.	63
Fieldman Rolapp	20
Keygent	16
Dale Scott & Co.	15
Caldwell Flores Winters	6
KNN Public Finance	6
Government Financial Strategies	5

2019 Ranking of Top 7 K-12 CA Financial
of District Bond Sales

Financial Advisor	Districts
Isom Advisors, Urban Futures Inc.	124
Dale Scott & Co.	36
Fieldman Rolapp	36
Piper Jaffray	24
Keygent	23
KNN Public Finance	22
Government Financial Strategies	14

2018 Ranking of Top 7 K-12 CA Financial Advisors
of District Bond Sales

Financial Advisor	Districts
Isom Advisors, Urban Futures Inc.	100
Fieldman Rolapp	20
Dale Scott & Co.	20
Piper Jaffray	18
KNN Public Finance	13
Caldwell Flores Winters	11
PFM	11

2017 Ranking of Top 7 K-12 CA Financial Advisors
of District Bond Sales

Financial Advisor	Districts
Isom Advisors, Urban Futures Inc.	128
Dale Scott & Co.	35
KNN Public Finance	28
Fieldman Rolapp	27
Keygent	22
Caldwell Flores Winters	22
Government Financial Strategies	19

2016 Ranking of Top 7 K-12 CA Financial Advisors
of District Bond Sales

Financial Advisor	Districts
Isom Advisors, Urban Futures Inc.	98
Keygent	42
Dale Scott & Co.	36
Fieldman Rolapp	33
KNN Public Finance	33
Government Financial Strategies	30
Caldwell Flores Winters	26

2015 Ranking of Top 7 K-12 CA Financial Advisors
of District Bond Sales

Financial Advisor	Districts
Isom Advisors, Urban Futures Inc.	93
Dale Scott & Co.	36
Keygent	32
KNN Public Finance	25
Caldwell Flores Winters	25
Government Financial Strategies	22
Fieldman Rolapp	21

Sources: California Debt and Investment Advisory Commission, Thompson Reuters, Isom Advisors

Past Bond Program Successes

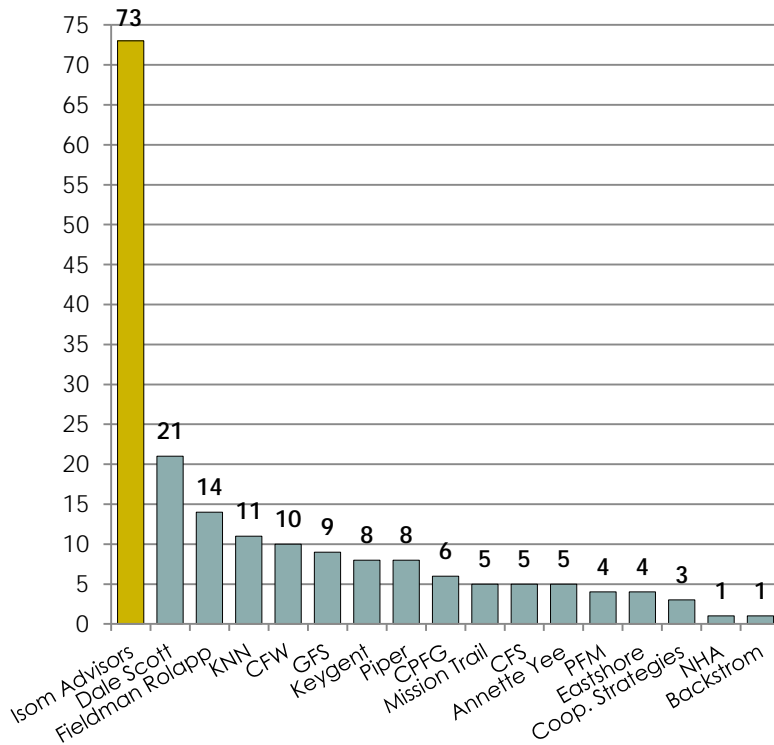


A leader in every election cycle

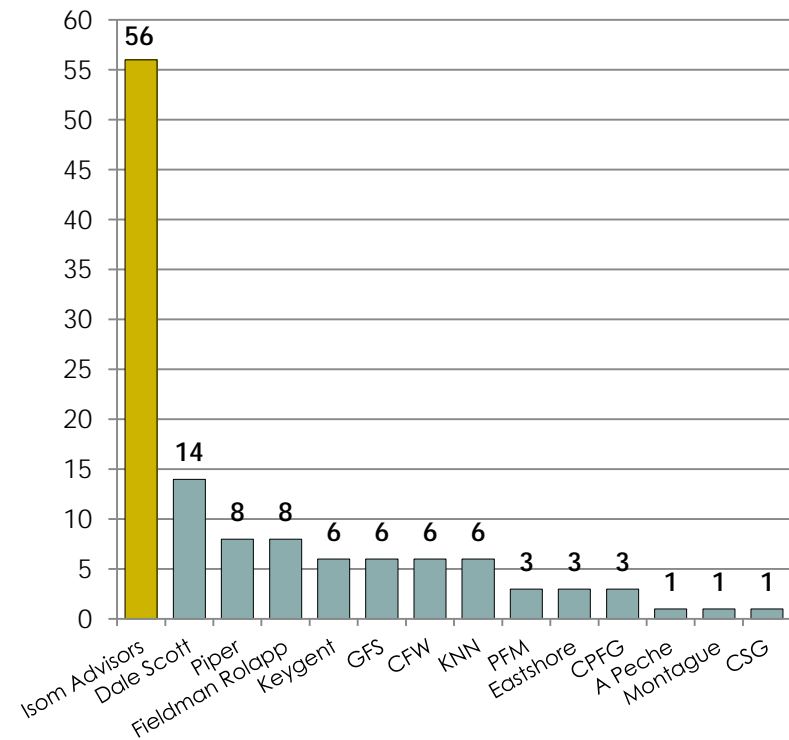
Marysville Unified School District

- ❖ We have more than triple the amount of experience in implementing new bond authorizations than our nearest financial advisor competitor.

2016 Successful K-12 School Bond Programs by Financial Advisors



2018 K-12 Successful School Bond Programs by Financial Advisors



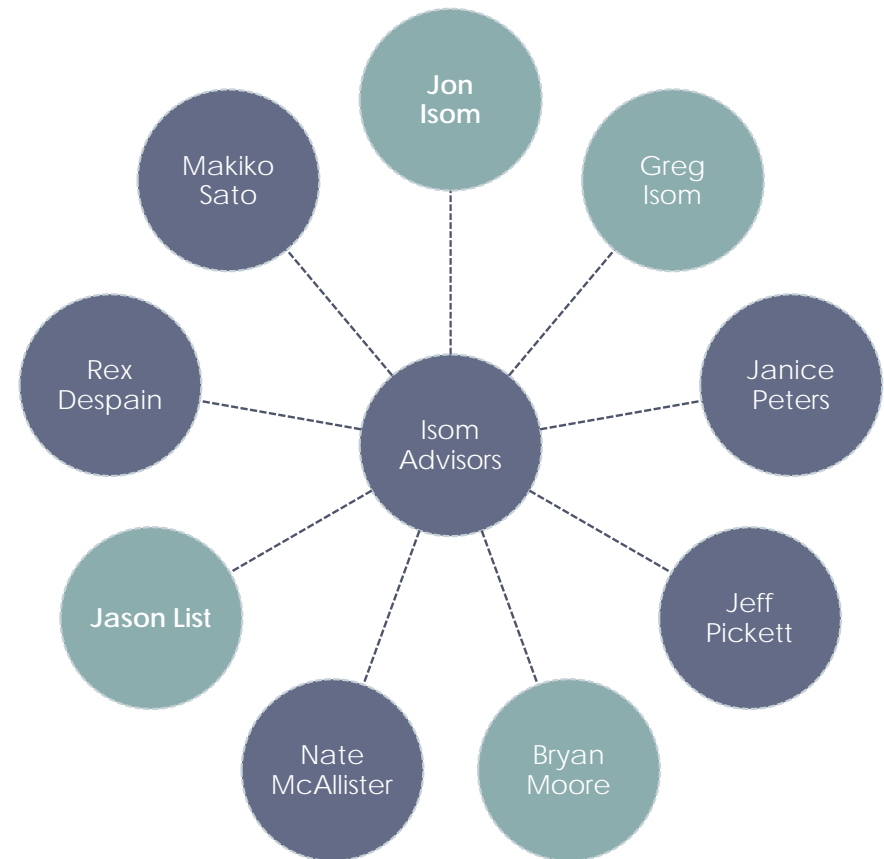
Isom Advisors Staff



Focus on serving our school district clients

Marysville Unified School District

- ❖ Delivering **high-quality** and **timely** work product to our California school district clients is a top priority for us.
- ❖ Our staff has **over 100 years of combined experience** providing honest advice and the highest level of service.
- ❖ We believe that our school district clients benefit from **senior level service** and we do not rely on junior analysts.
- ❖ As our client base has expanded over the last five years, we have correspondingly **increased our staff, while other firms are cutting**, to continue to deliver the type of service we believe our clients deserve.
- ❖ We have a **rating specialist** on staff with seven years of senior experience at S&P.
- ❖ Most of our staff is in our main office in Walnut Creek.



Refunding Overview



Summary

Marysville 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.
- ❖ There is an opportunity to refund the 2012 COPs to lower the debt service payments (principal and interest) and save the District money.
- ❖ Current savings are estimated to be more than \$11.4 million. The present value savings is 28.2% of the refunded amount, well above the Government Finance Officers Association recommended minimum of 3%.
 - Savings are net of all professional fees.
- ❖ Refunding the outstanding debt does not add additional years to existing term and could shorten the final payment, depending on structure.

Interest Rate Environment

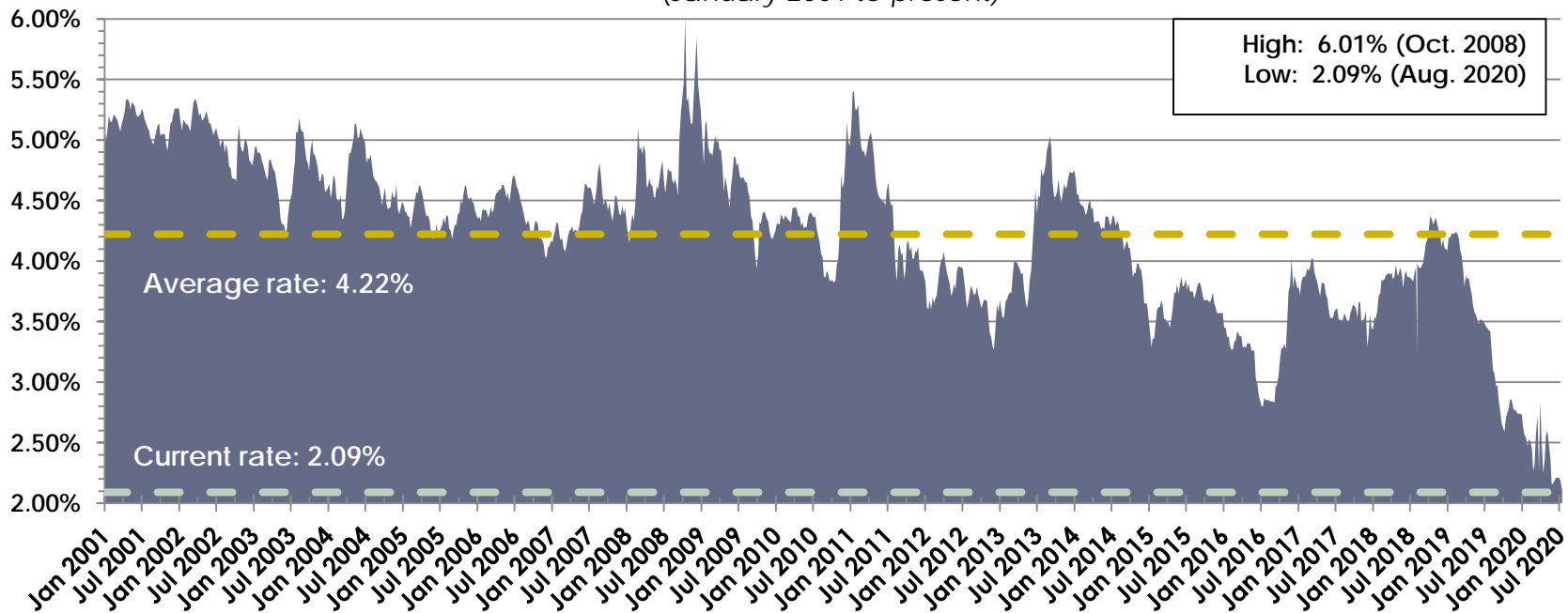


Low interest rate environment

Marysville Unified School District

- ❖ The Bond Buyer Index (BBI) is an average rate that gives an indication of the borrowing cost of GO bonds.
- ❖ The BBI recently reached its 20-year low.

Bond Buyer 20 GO Bond Index
(January 2001 to present)



Source: The Bond Buyer.

Interest Rate Comparison



Today's rates are lower than the 2012 COPs' rates

Marysville Unified School District

- ❖ Interest rates on the 2012 COPs are between 5.00% and 6.31%.
- ❖ Interest rates on the 2020 Refunding COPs are estimated to be between 1.1% and 3.1%.
- ❖ This difference in rates is what generates taxpayer savings.
- ❖ Based on current interest rates, the District could save \$11.4 million by refunding the 2012 COPs.
- ❖ Annual savings are currently estimated to be \$571,000, beginning in 2023 through 2042.
- ❖ Savings are net of all professional fees.

Date	Existing Debt Service	New Debt Service	Savings
2023	\$2,820,000	\$2,249,906	\$570,095
2024	\$2,820,000	\$2,249,561	\$570,440
2025	\$2,820,000	\$2,246,372	\$573,629
2026	\$2,820,000	\$2,245,852	\$574,149
2027	\$2,815,000	\$2,240,998	\$574,003
2028	\$2,820,000	\$2,248,602	\$571,398
2029	\$2,820,000	\$2,247,252	\$572,748
2030	\$2,820,000	\$2,248,745	\$571,255
2031	\$2,820,000	\$2,247,907	\$572,094
2032	\$2,820,000	\$2,249,667	\$570,334
2033	\$2,815,000	\$2,243,831	\$571,170
2034	\$2,820,000	\$2,250,448	\$569,552
2035	\$2,820,000	\$2,249,908	\$570,092
2036	\$2,815,000	\$2,242,295	\$572,705
2037	\$2,820,000	\$2,246,185	\$573,815
2038	\$2,820,000	\$2,248,215	\$571,785
2039	\$2,820,000	\$2,248,385	\$571,615
2040	\$2,820,000	\$2,246,695	\$573,305
2041	\$2,820,000	\$2,248,145	\$571,855
2042	\$2,820,000	\$2,247,580	\$572,420
TOTAL	\$56,385,000	\$44,946,545	\$11,438,455

Interest Rate Comparison



The District could shorten the final payment by several years

Marysville Unified School District

- ❖ The District could consider taking all of its savings at the end of the financing, shortening the final payment by five years.
- ❖ Total savings would increase to \$15.5 million, or a present value of 32.9% of the refunded par amount.

Date	Existing Debt Service	New Debt Service	Savings
2023	\$2,820,000	\$2,817,654	\$2,347
2024	\$2,820,000	\$2,819,939	\$62
2025	\$2,820,000	\$2,817,978	\$2,023
2026	\$2,820,000	\$2,817,522	\$2,479
2027	\$2,815,000	\$2,810,628	\$4,373
2028	\$2,820,000	\$2,819,955	\$45
2029	\$2,820,000	\$2,818,453	\$1,548
2030	\$2,820,000	\$2,818,740	\$1,261
2031	\$2,820,000	\$2,815,612	\$4,389
2032	\$2,820,000	\$2,818,969	\$1,032
2033	\$2,815,000	\$2,813,462	\$1,539
2034	\$2,820,000	\$2,819,100	\$900
2035	\$2,820,000	\$2,816,648	\$3,352
2036	\$2,815,000	\$2,811,170	\$3,830
2037	\$2,820,000	\$1,427,935	\$1,392,065
2038	\$2,820,000	\$0	\$2,820,000
2039	\$2,820,000	\$0	\$2,820,000
2040	\$2,820,000	\$0	\$2,820,000
2041	\$2,820,000	\$0	\$2,820,000
2042	\$2,820,000	\$0	\$2,820,000
TOTAL	\$56,385,000	\$40,863,760	\$15,521,240

Regulatory Disclosure

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.

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.