



KernTax Bond Evaluation Process

Updated 180905

Timeline:

6 months before School District places bond measure on ballot

- Meet with district to review plan
- Identify total debt capacity
- Identify existing debt
- Identify available bonding capacity
- Identify Authorized but Unissuable Debt.
- Establish district needs and wants
- Review detailed, prioritized project list, including estimated costs
- Discuss funding options
 - General Obligation Bonds
 - State matching funds
 - District Resources
 - Certificates of Participation
 - Lease-Leaseback

Post-Meeting Due Diligence

- Review past 10 years of AV growth
- Estimate future AV growth for the life of issued bonds
- Analyze past bond measure performance, expenditures
- Estimate future payments on existing bonds (County Treasurer)
- Second Meeting with District, a month later to review findings with district and make recommendations

Grade the district's final proposal

- ✓ Past performance
 - Past promises to taxpayers
 - Authorized, but Unissuable Debt
 - Completion of Project List Financial results (Staying under legal tax rate cap)
 - Completion of Prop 39 requirements
 - Annual Reports
 - Performance & Financial audits
 - Prop 39 webpage
- ✓ Current Bond Proposal
 - Past performance of financial advisors
 - Detailed Project lists
 - Plans to reduce costs
 - Commitment to Competitive bond sales
 - No CABS or premium
- ✓ Prioritization of Needs and Wants
- ✓ Project List
- ✓ Openness, transparency and communication

Make recommendation to Kerntax Board

Decide appropriate action to take

- Support
- No Position
- Do Not Support
- Appropriate Action
- Ballot Arguments
- Rebuttal Augments
- Political Action: Independent Political Action Committee