



MENDOCINO
COLLEGE

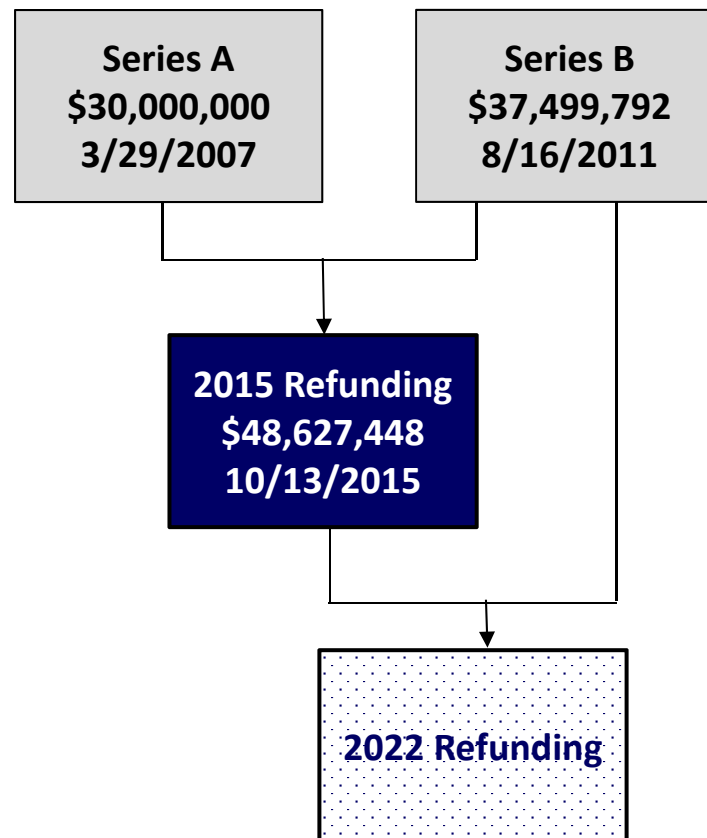
Measure W General Obligation Bond Refinancing Overview

February 9, 2022

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Overview of Measure W General Obligation Bond Program

- Approved by Voters on November 7, 2006
- Passage Rate: 63.1%
- Estimated Tax Rate: \$25.00 per \$100,000
- Bond Authorization: \$67,500,000



History of Measure W Tax Rates

FY Ending	Total Assessed Valuation	Annual Change in AV	Measure W Tax Rate (Per \$100K)
2008	\$8,867,062,855	8.58%	\$15.00
2009	\$9,321,796,793	5.13%	\$23.00
2010	\$9,595,611,599	2.94%	\$23.00
2011	\$9,519,592,320	-0.79%	\$23.00
2012	\$9,492,071,724	-0.29%	\$23.00
2013	\$9,438,747,100	-0.56%	\$23.00
2014	\$9,514,938,385	0.81%	\$24.00
2015	\$9,646,312,009	1.38%	\$23.00
2016	\$9,890,668,776	2.53%	\$24.00
2017	\$10,195,058,689	3.08%	\$22.00
2018	\$10,584,645,059	3.82%	\$21.00
2019	\$10,999,872,324	3.92%	\$21.00
2020	\$11,383,974,571	3.49%	\$22.00
2021	\$11,836,503,680	3.98%	\$23.00
2022	\$12,262,538,080	3.60%	\$21.00
		Average	\$22.07

Overview of Refinancing Opportunity

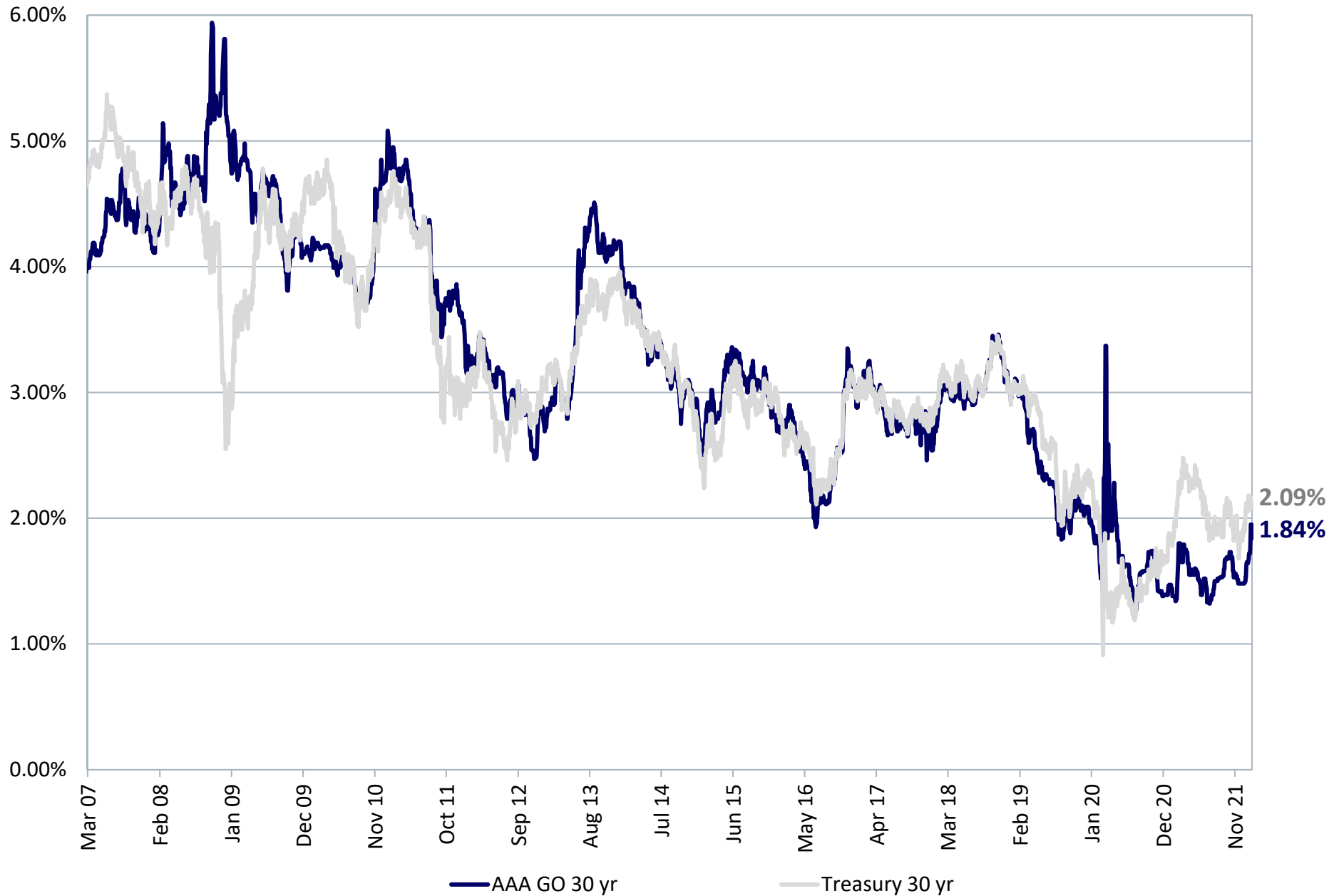
The District has two series of general obligation bonds that may be candidates for a refinancing (“Prior Bonds”):

- Election of 2006 General Obligation Bonds, Series B
- 2015 General Obligation Refunding Bonds

Depending on market conditions, the District may realize savings for its taxpayers by refinancing portions of the Prior Bonds

- Similar to refinancing a home mortgage, savings would be generated for the District’s taxpayers by replacing the higher interest rate Prior Bonds with lower interest rate refunding bonds (“Refunding Bonds”)
- Refinancing does NOT extend the original bond term
- Savings are subject to fluctuations in interest rates until the Refunding Bonds are sold (current estimate of total taxpayer savings: \$10-\$12 million)
- In order to comply with IRS rules, a portion of the Refunding Bonds would be sold as taxable bonds
- All financing costs (except for credit rating fee) are contingent upon the successful issuance of the Refunding Bonds and are paid only from bond proceeds, not the General Fund

Historical Interest Rates Since Issuance of Series A Bonds



Credit Rating

Moody's upgraded the District from "A1" to "Aa3"

- Following is an overview of the credit rating factors and weighting:
 - Local economy/tax base (30%)
 - District finances (30%)
 - District management (20%)
 - District debt/pension (20%)

- Moody's cited the following reasons for rating upgrade:
 - Continued solid growth in District tax base
 - Steadily improving and strong reserves
 - Prudent fiscal management
 - Moderate liquidity accessible outside of general fund

	Moody's	S&P	Rating Description
Investment Grade	Aaa	AAA	Prime
	Aa1	AA+	High grade
	Aa2	AA	
	Aa3	AA-	
	A1	A+	Upper medium grade
	A2	A	
	A3	A-	
	Baa1	BBB+	Lower medium grade
	Baa2	BBB	
	Baa3	BBB-	
Non-Investment Grade	Ba1	BB+	Speculative
	Ba2	BB	
	Ba3	BB-	
	B1	B+	Highly speculative
	B2	B	
	B3	B-	
	Caa1 & below	CCC+ & below	Extremely speculative/ Default

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