

CITIZENS ADVISORY TASK FORCE

Meeting #5
December 2, 2019

Outcomes for Tonight

- ▷ Recap our most recent presentation on facility condition
- ▷ Understand the financial capacity of the district and related tax implications
- ▷ Review category project breakdown with priority codes
- ▷ Examine next steps and what's ahead in meeting #6



Where are we now?

- ▷ Demographics and growth trends
- ▷ Vision for teaching, learning, and academic achievement in Bastrop ISD
- ▷ Educational adequacy
- ▷ Facility conditions
- ▷ Initial project categories for consideration

FINANCIAL CAPACITY & TAX IMPLICATIONS

Josh McLaughlin
BOK Financial





Bastrop

Independent School District

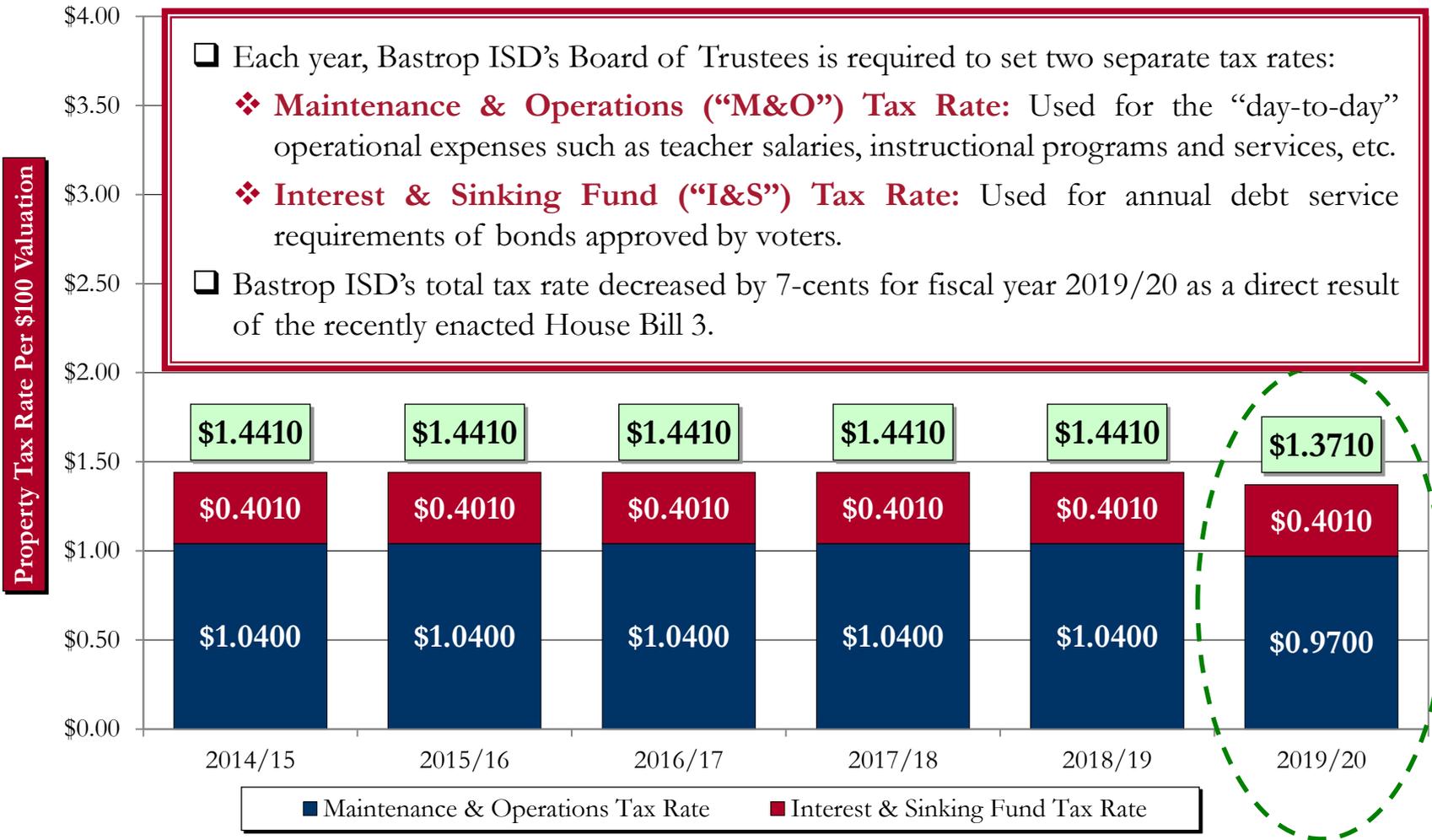
Review of Current Debt Position and Preliminary Bond Capacity Analysis

Monday, December 2, 2019

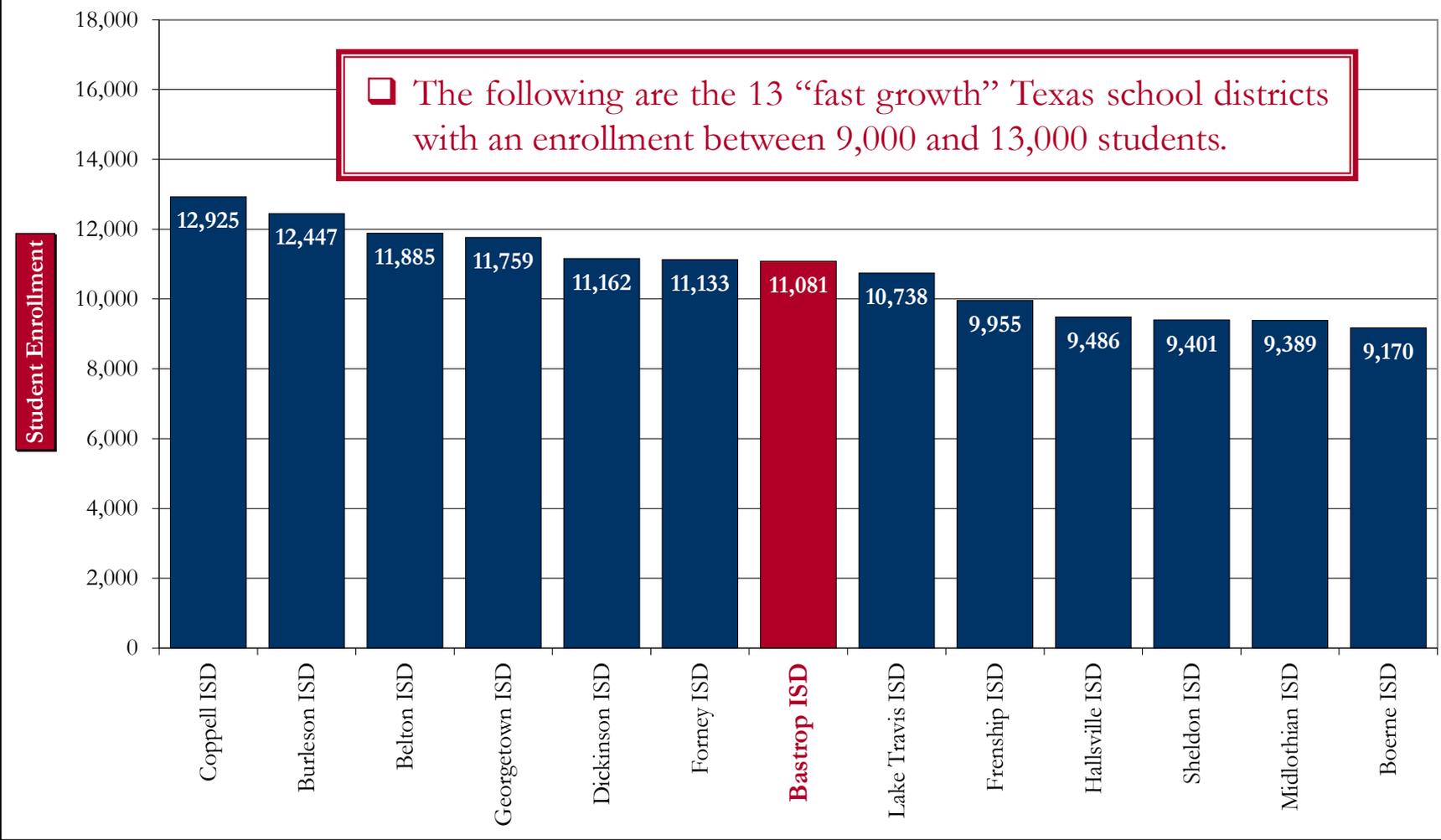
- Bastrop Independent School District (“BISD” or the “District”) has actively deployed various debt management practices to lower the borrowing costs of taxpayers. Such actions have provided the District’s taxpayers with approximately \$37.3 million of direct savings since year 2009.

Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds			
Issue / Description	Series Refunded / Redeemed	Par Amount Refunded / Redeemed	Total Savings
Unlimited Tax Refunding Bonds, Series 2011	2002, 2007	\$ 8,829,442	\$ 958,019
Unlimited Tax Refunding Bonds, Series 2012	2002, 2005-A	8,793,910	1,884,839
Unlimited Tax Refunding Bonds, Series 2013-A	2002, 2005-A	8,670,135	2,052,210
Unlimited Tax Refunding Bonds, Taxable Series 2013-B	2005, 2005-A, 2006-A	18,240,000	2,328,479
Unlimited Tax Refunding Bonds, Series 2014	2005-A, 2006-A	8,090,000	1,499,940
Unlimited Tax Refunding Bonds, Series 2015	2007	56,305,000	12,229,888
Unlimited Tax Refunding Bonds, Series 2015-A	1997, 2005-A, 2006	21,191,878	6,606,507
Unlimited Tax Refunding Bonds, Series 2016	2009	8,665,000	1,983,873
Unlimited Tax Refunding Bonds, Series 2017	2009	22,015,000	3,080,035
Total - Bond Refunding Programs at a Lower Interest Rate	---	\$ 160,800,365	\$ 32,623,790
Prepayment of Series 2003 Bonds - February 2009	2003	\$ 2,225,000	\$ 212,040
Prepayment of Series 2009 Bonds - February 2017	2009	1,045,000	1,201,750
Prepayment of Series 2011 Bonds - October 2018	2011	2,130,000	1,363,200
Prepayment of Series 2011 Bonds - December 2019	2011	3,300,000	1,927,400
Total - Prepayment of Bonds Prior to Scheduled Maturity	---	\$ 8,700,000	\$ 4,704,390
Totals	---	\$ 169,500,365	\$ 37,328,180

District's Historical Tax Rates

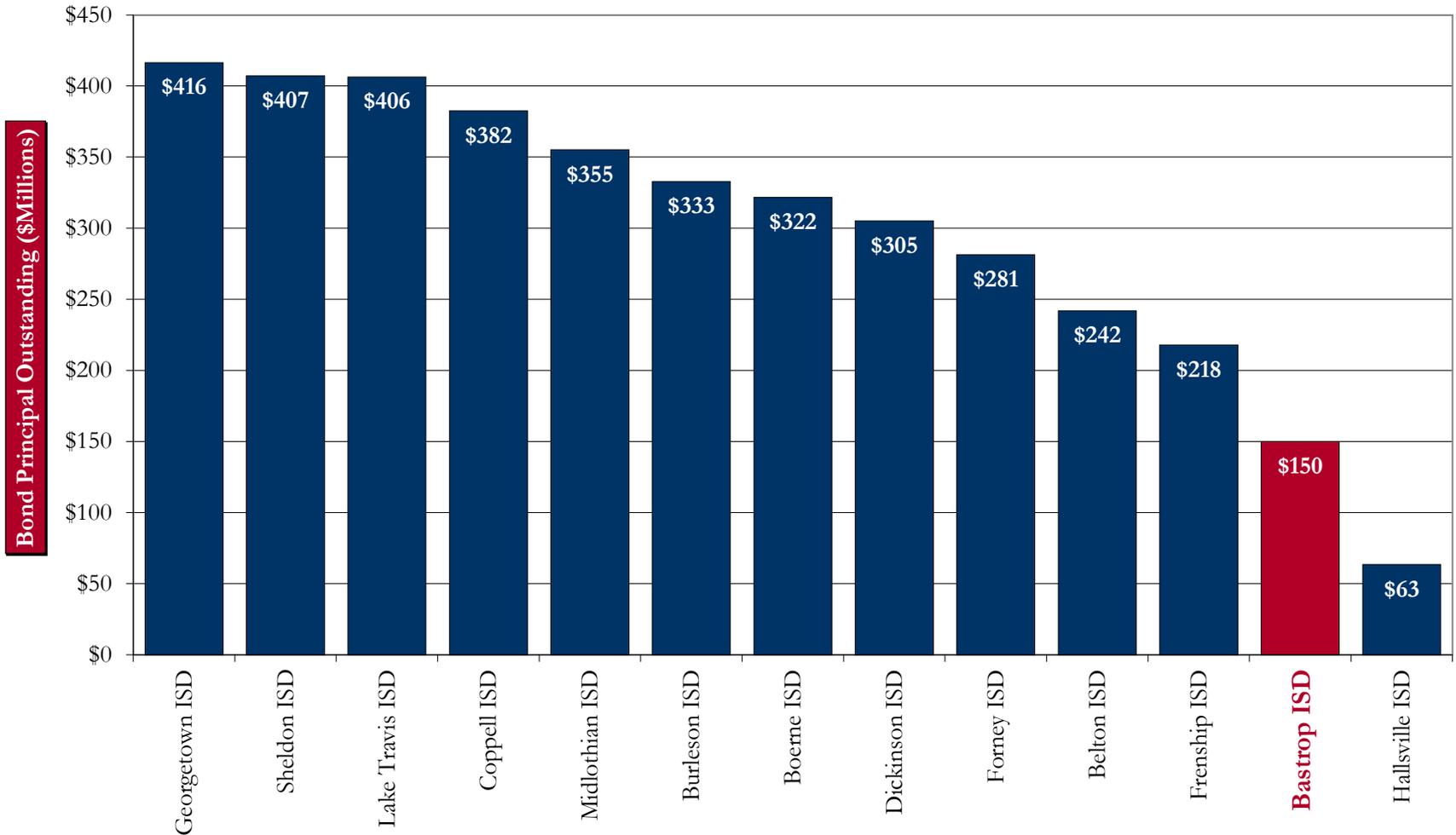


Ranked By 2018/19 Student Enrollment



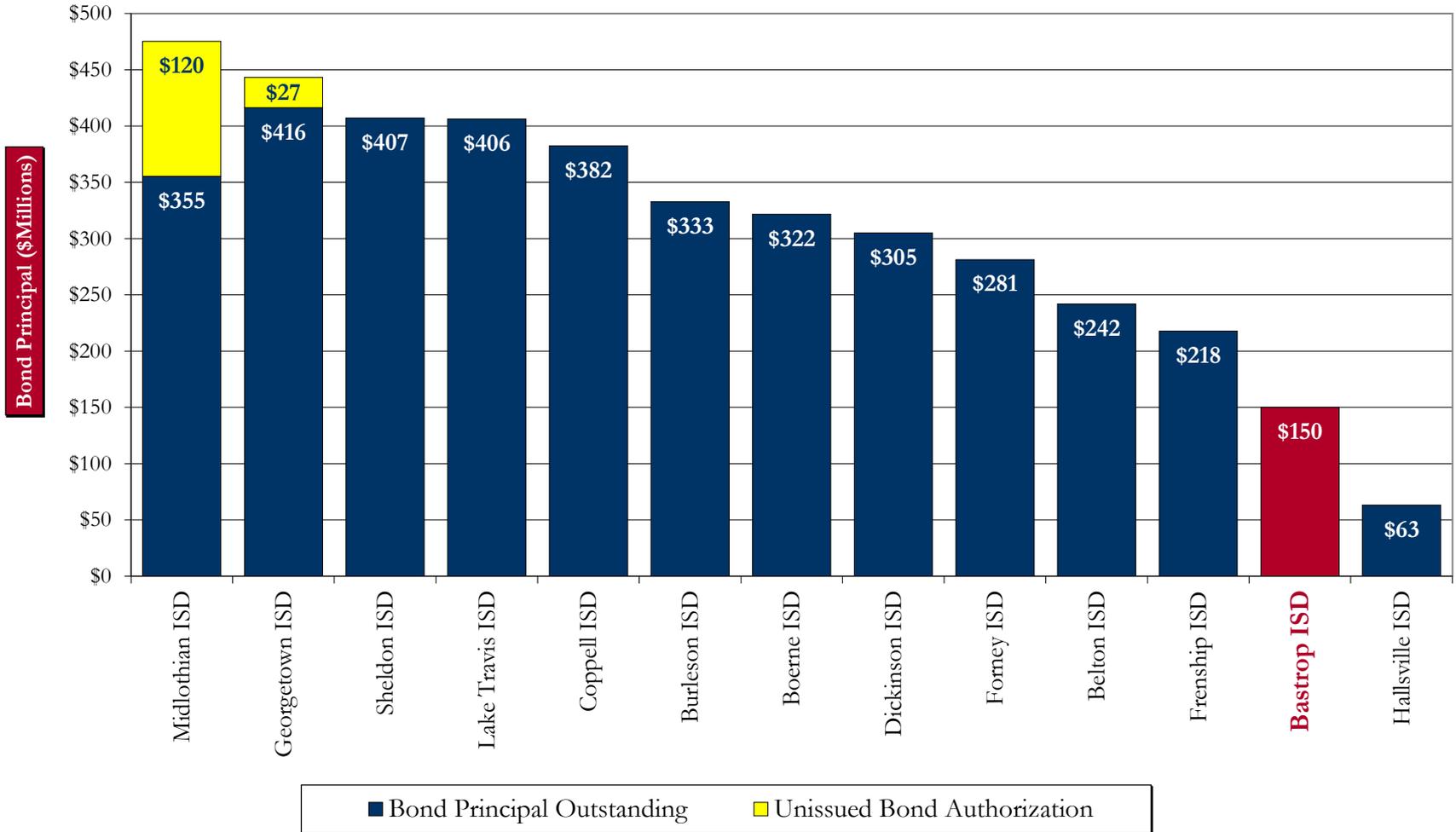
Comparison of “Fast Growth” Texas School Districts – Enrollment Between 9,000 and 13,000 Students

Ranked By Bond Principal Outstanding



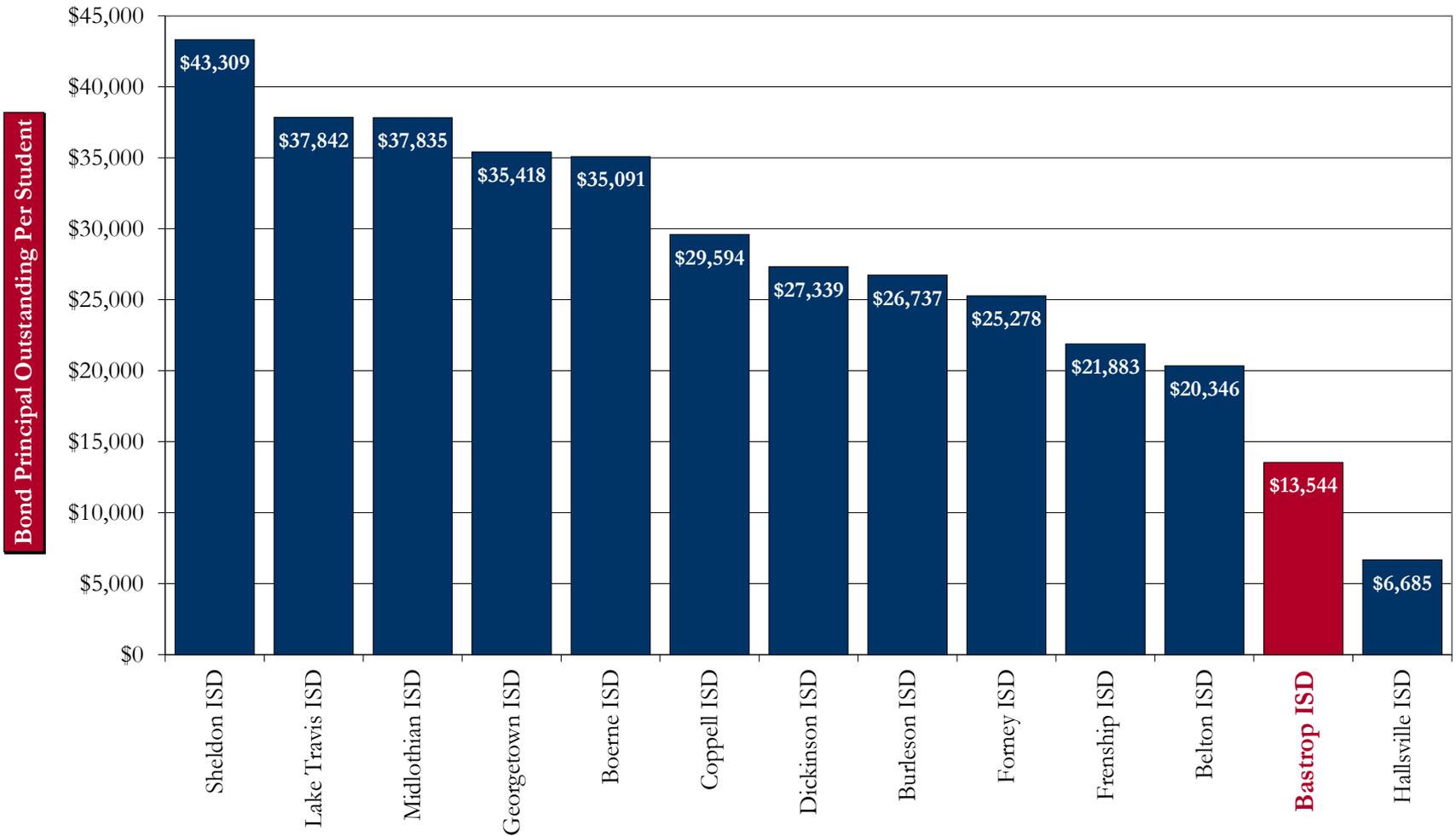
Comparison of “Fast Growth” Texas School Districts – Enrollment Between 9,000 and 13,000 Students

Ranked By Bond Principal Plus Unissued Bond Authorization



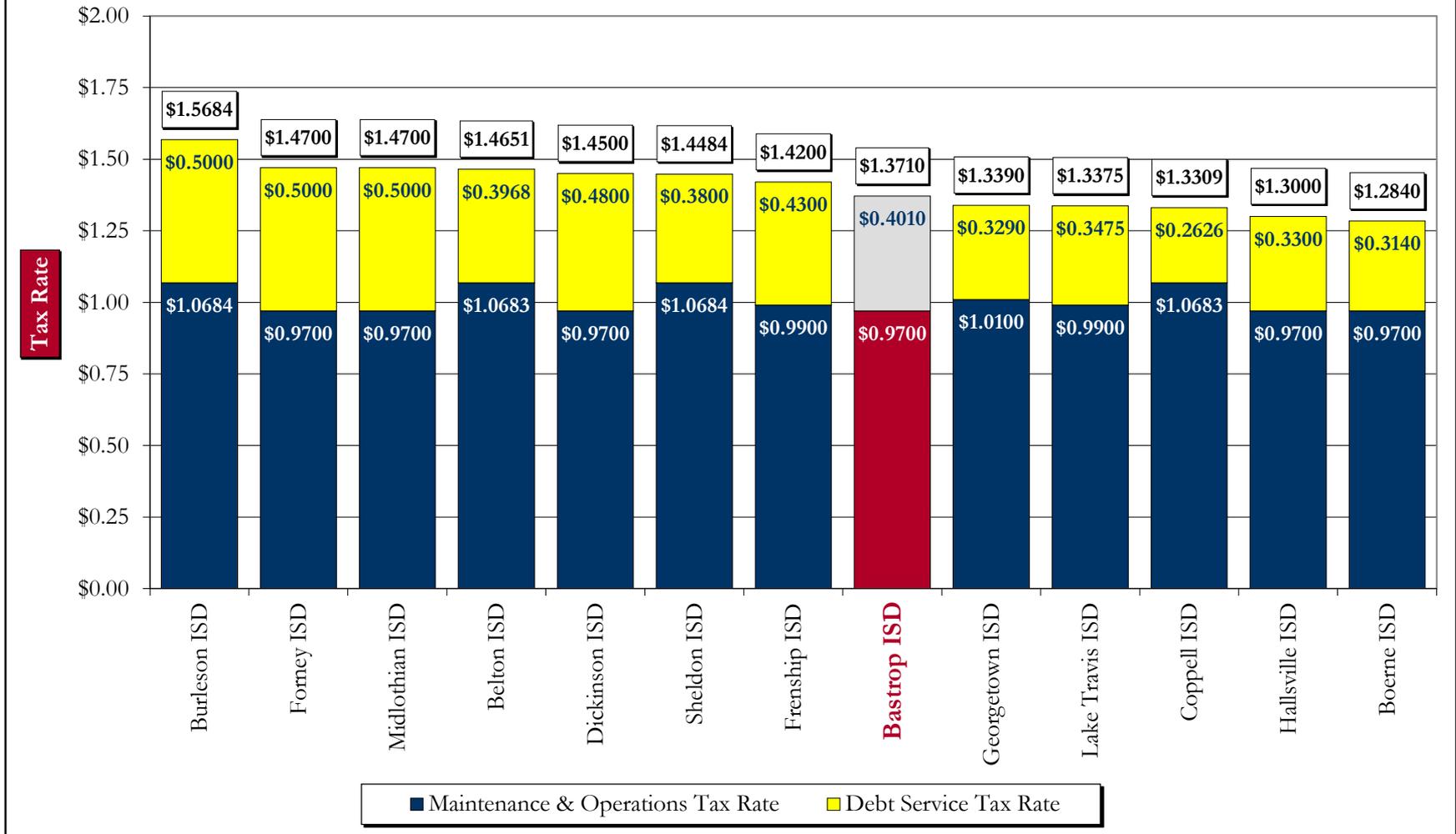
Comparison of “Fast Growth” Texas School Districts – Enrollment Between 9,000 and 13,000 Students

Ranked By Bond Principal Outstanding Per Student

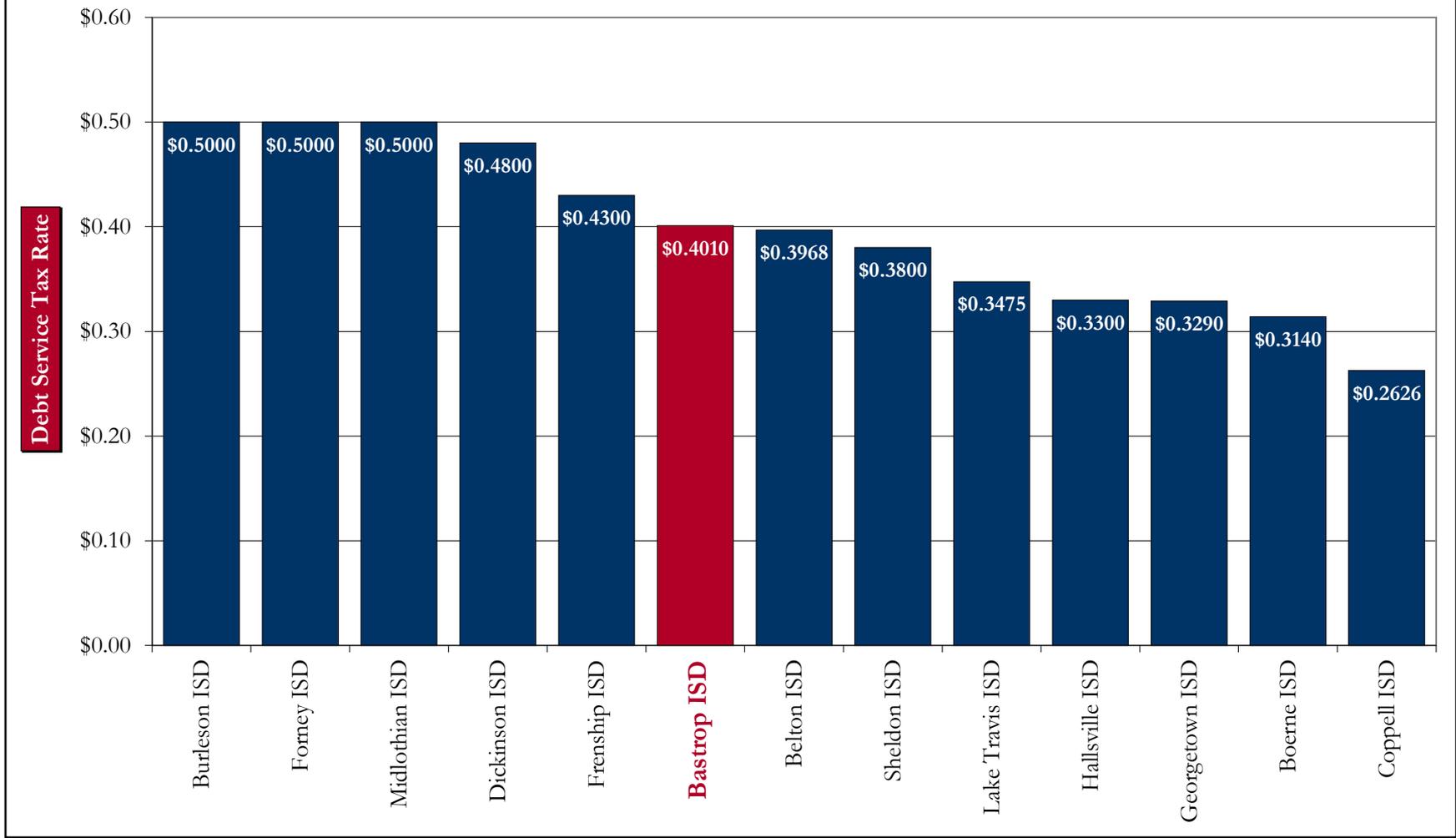


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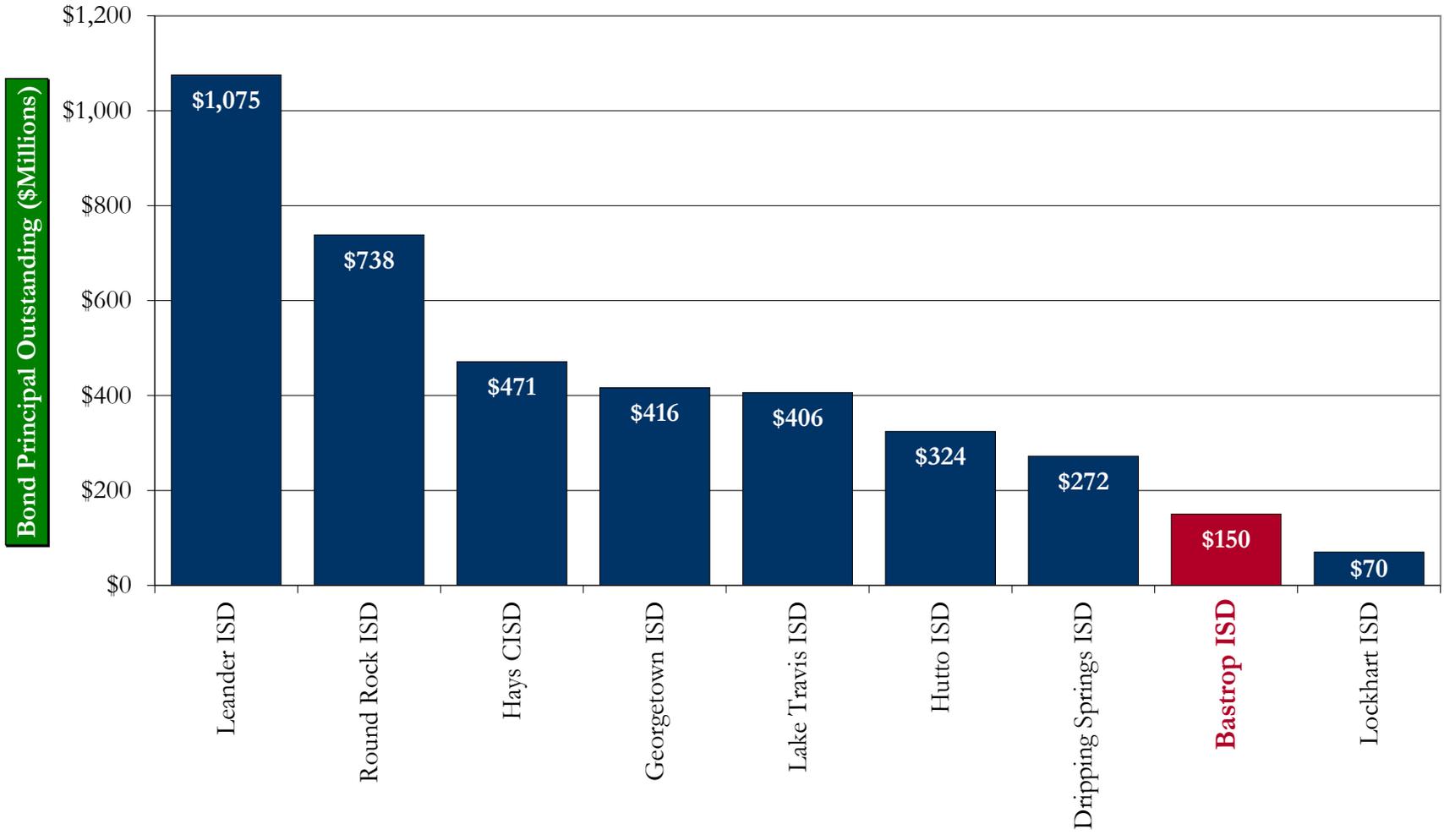
Ranked By Total Tax Rate – Year 2019/20



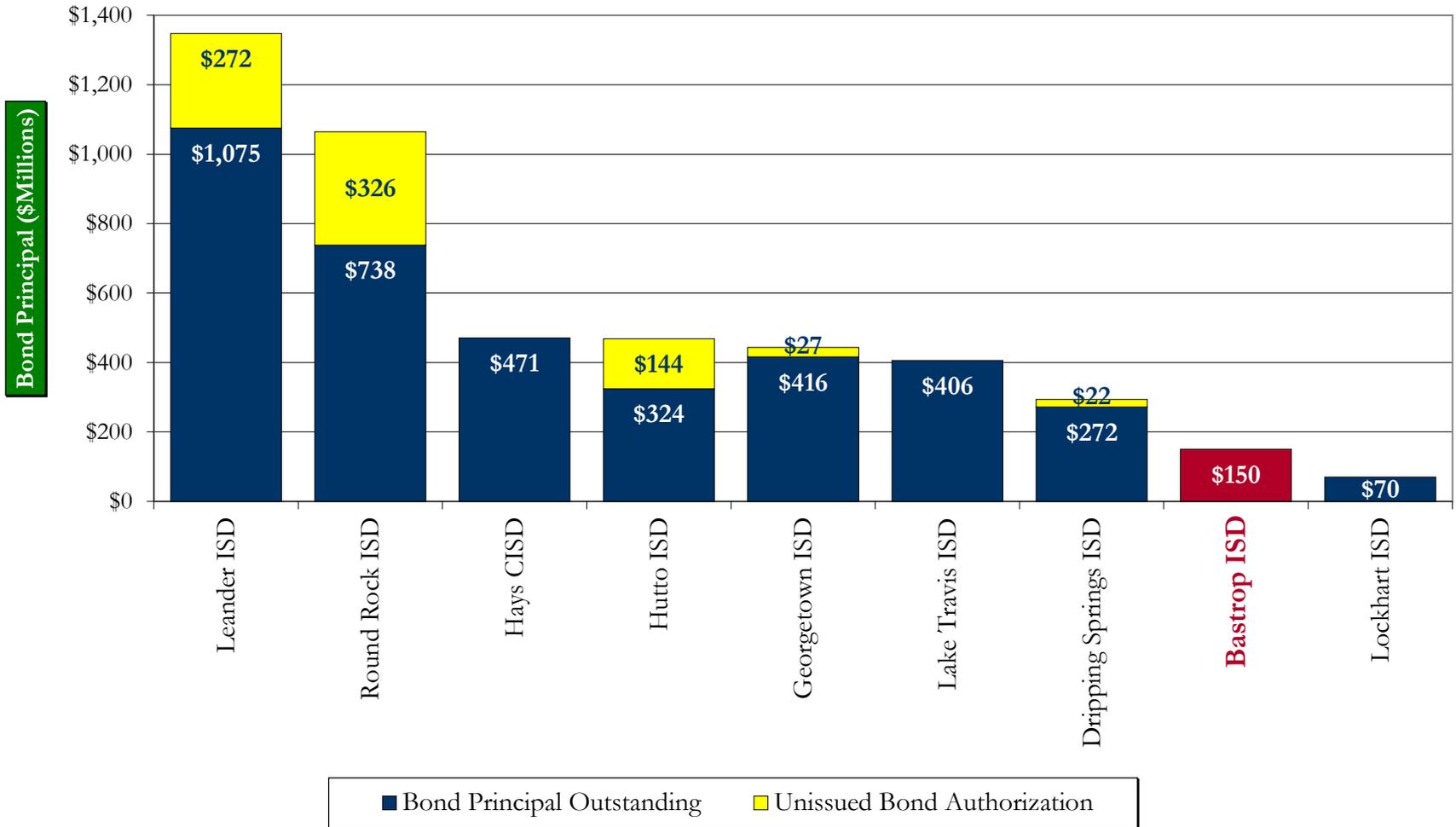
Ranked By Debt Service Tax Rate – Year 2019/20



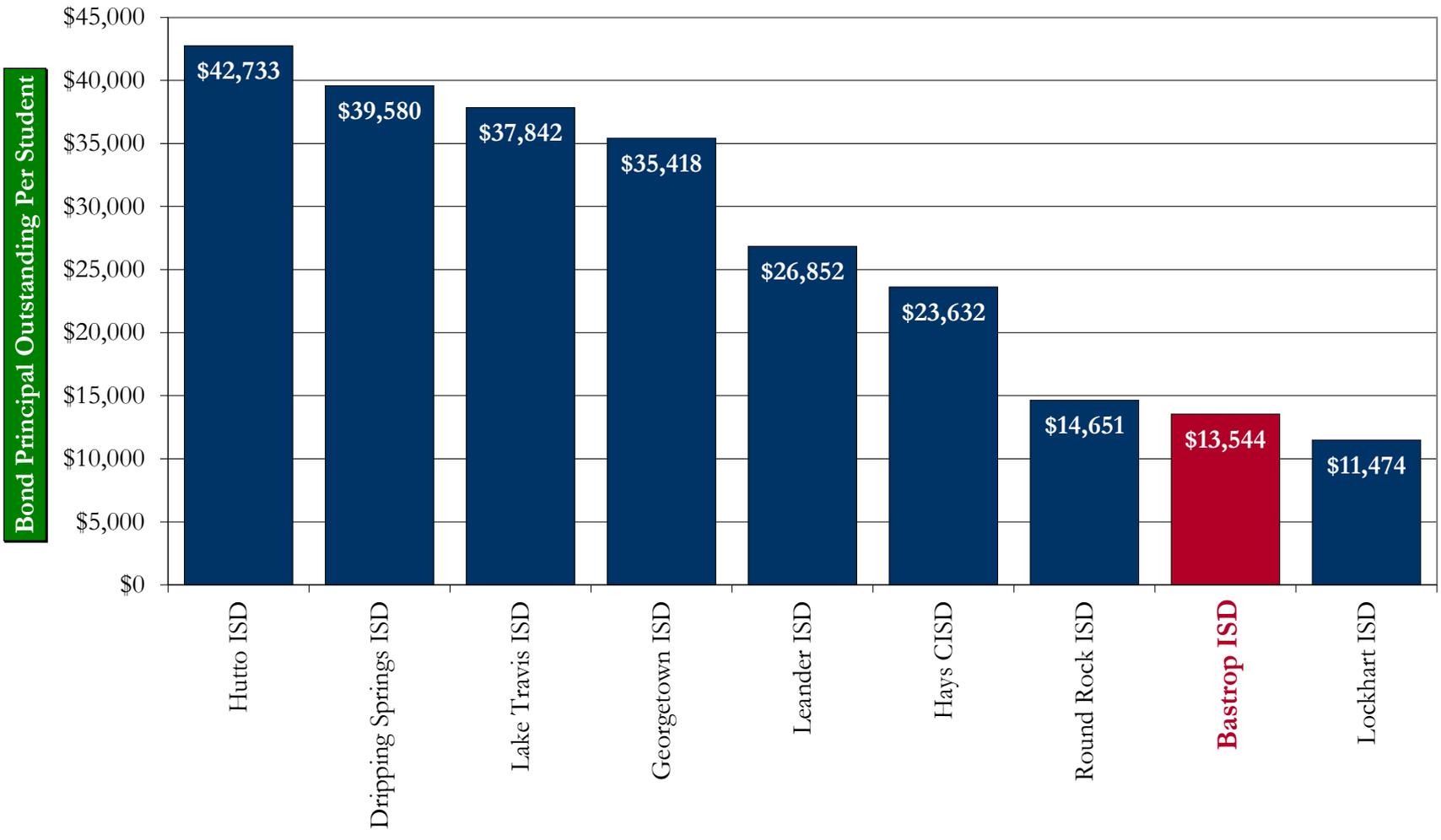
Ranked By Bond Principal Outstanding

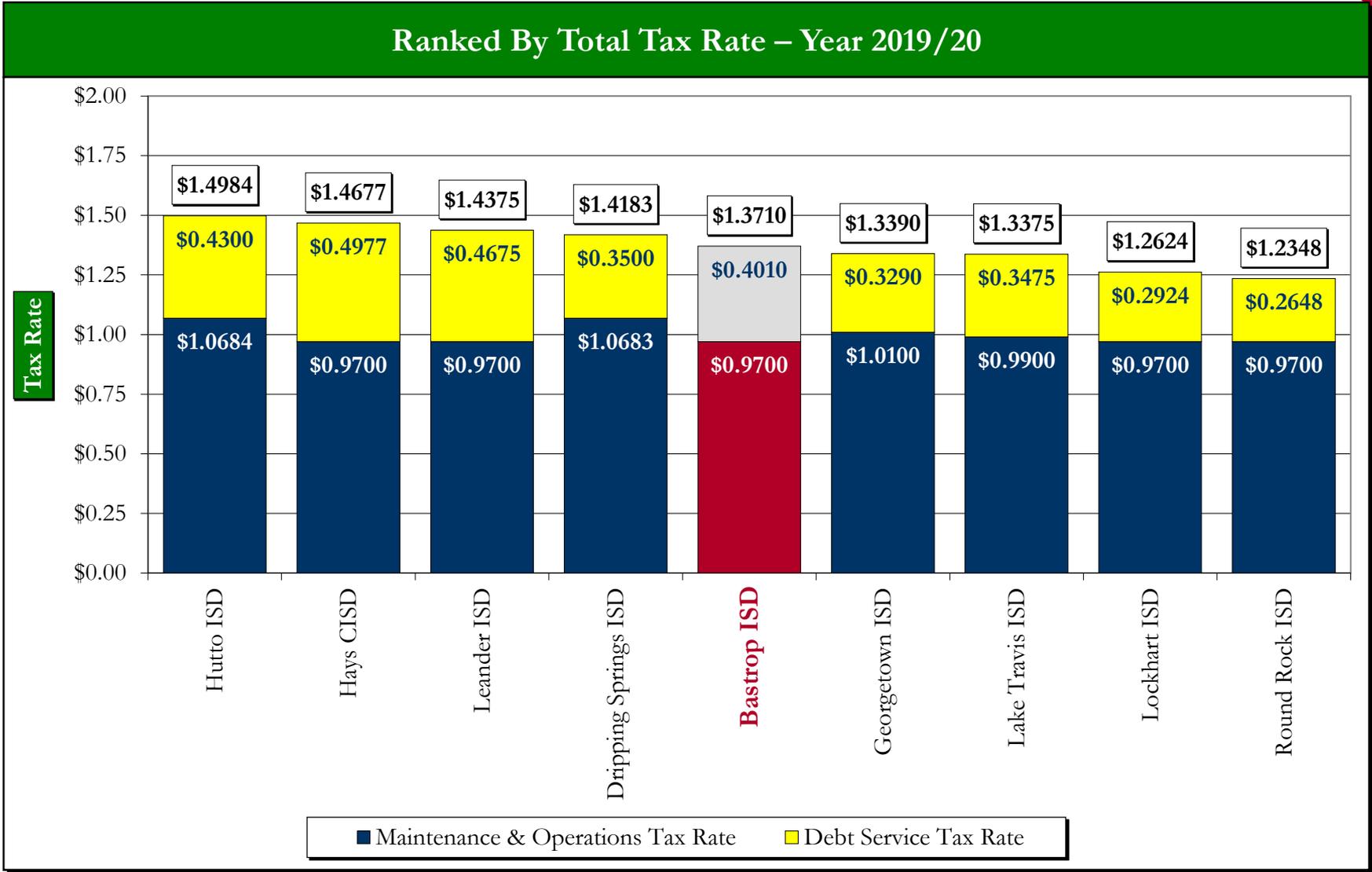


Ranked By Bond Principal Plus Unissued Bond Authorization

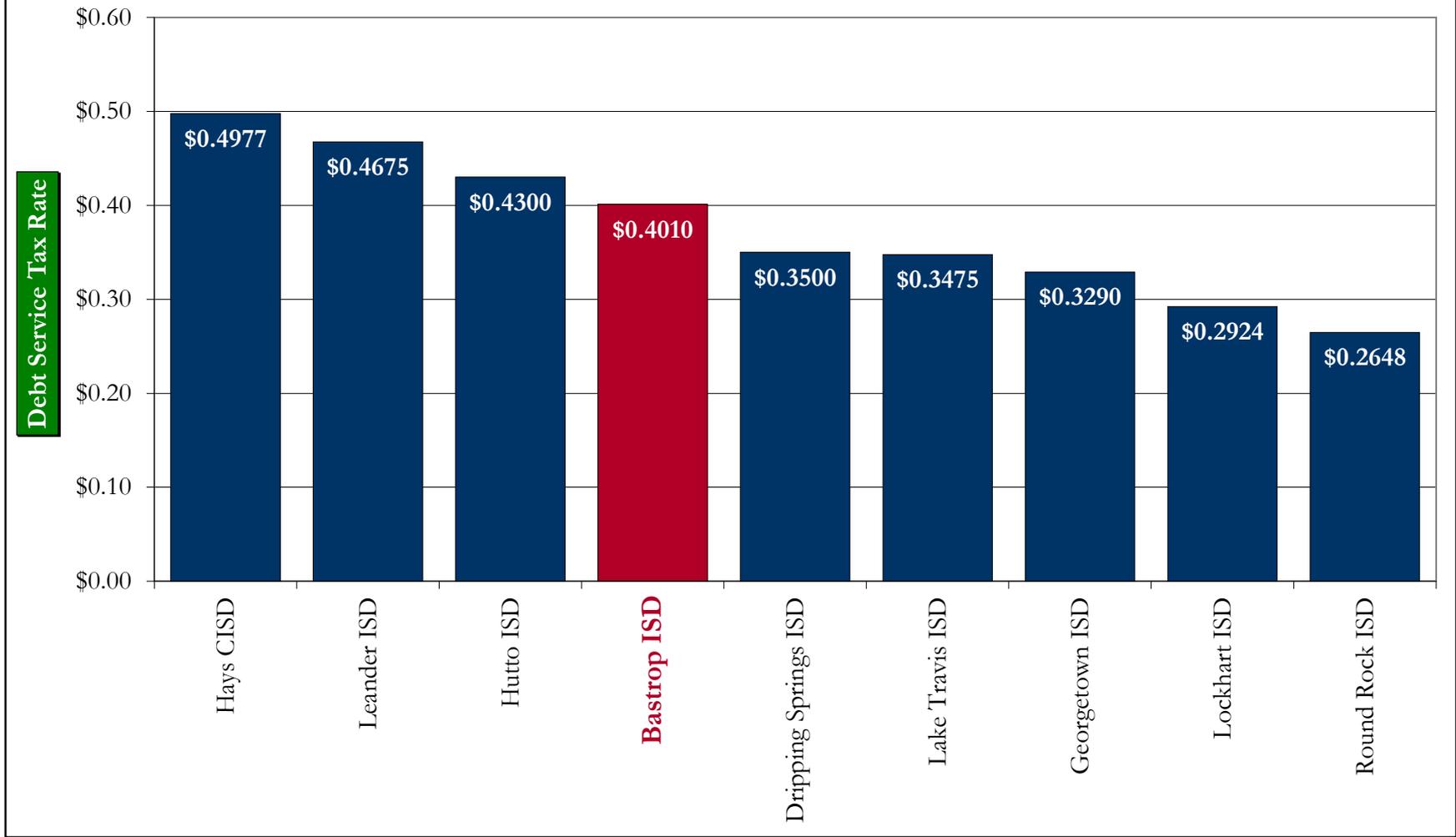


Ranked By Bond Principal Outstanding Per Student





Ranked By Debt Service Tax Rate – Year 2019/20



□ General Information

- Bastrop ISD's last bond election approved by voters was on May 12, 2007 in the amount of \$97,600,000.
 - ❖ At the time of the bond election, BISD's I&S tax rate was 25.2 cents and voters were informed the maximum I&S tax rate would be 48.7 cents or an increase of 23.5 cents.
 - ❖ The District's I&S tax rate reached a maximum of 46.1 cents in year 2007/08 and is currently 40.1 cents.

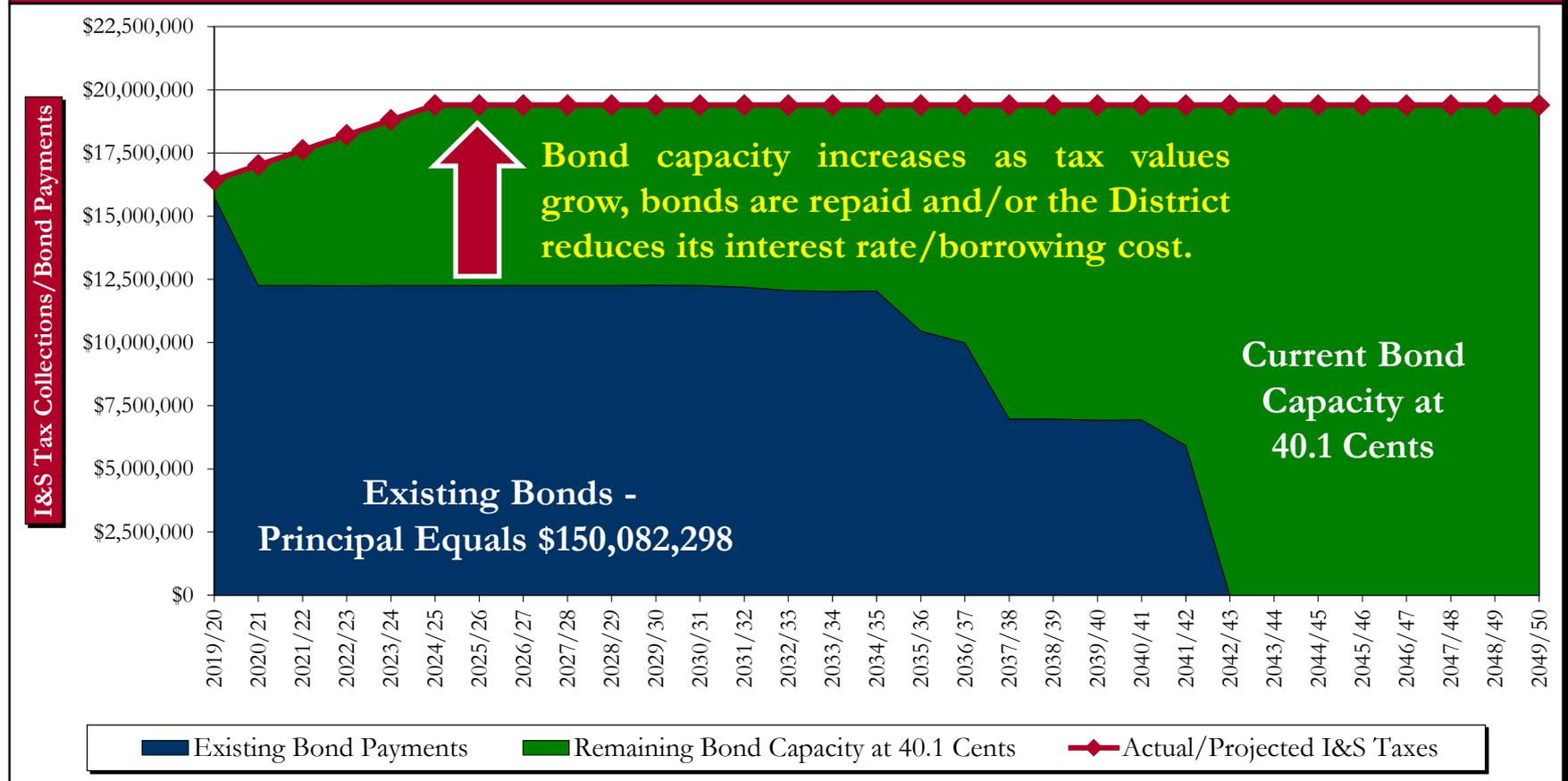
□ Bond Capacity Considerations

- Pursuant to State law, the District may only issue new bonds to the degree it can demonstrate its I&S tax rate will not exceed 50.0 cents (the so-called Stated mandated "50-Cent Debt Test").
- However, there is not a limit on the amount of bonds that may be authorized in a bond election.

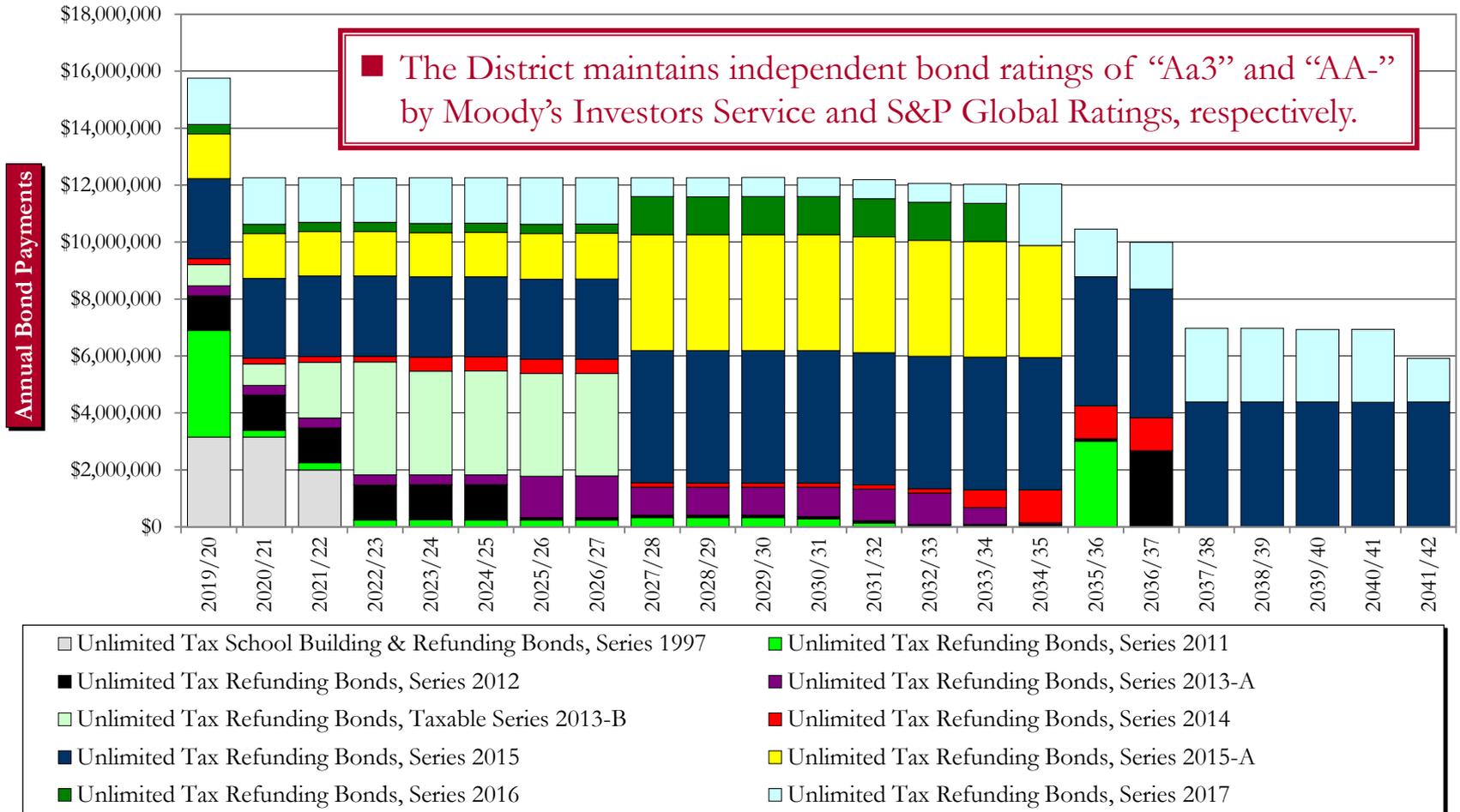
What is Bond Capacity?

- Bond capacity refers to Bastrop ISD’s capacity to issue new bonds in light of the limitations imposed by the State mandated “50-Cent Debt Test” and the District’s I&S tax rate.

Current Bond Capacity – 40.1 Cent I&S Tax Rate



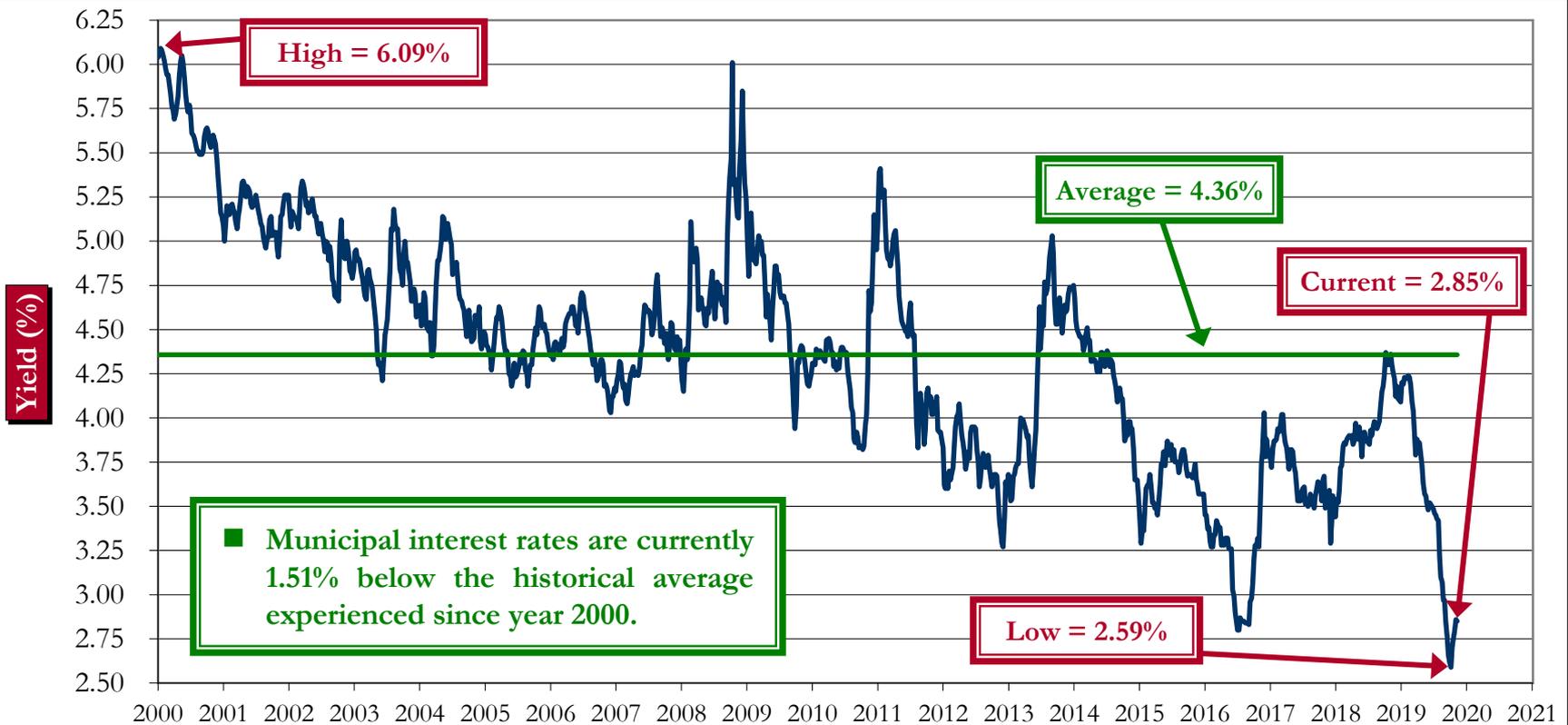
Bond Capacity Factors: Dollar Amount and Structure of District's Existing Bonds



Note: Debt service payments reflect payments from September 1 through August 31.

The District has a total principal amount of existing bonds equal to \$150,082,298.

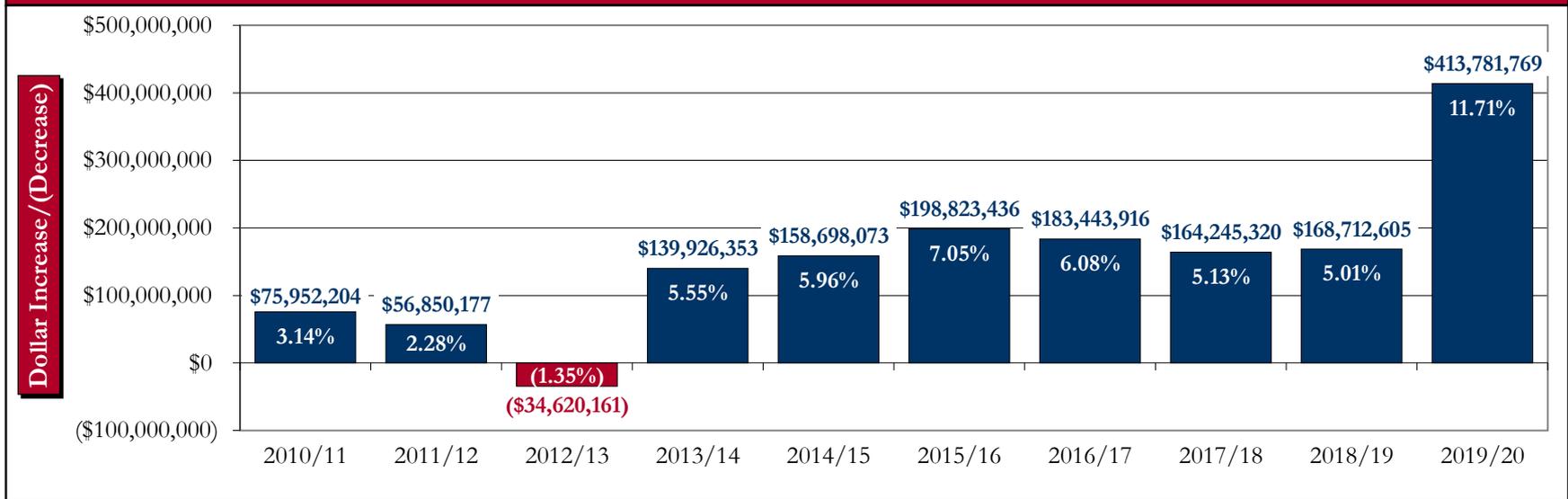
The Bond Buyer 20-Bond Index – A Tax-Exempt General Obligation Bond Yield Index January 1, 2000 To The Present



Economic uncertainty, including the ongoing U.S.-China trade war and U.S. recession fears, coupled with low municipal bond market supply has caused a sharp decline in interest rates over the past several months.

- ❑ The value of the District's tax base is the primary factor impacting the District's bond capacity, as this determines the annual revenues generated from the District's I&S tax rate.
- ❑ The District's taxable assessed valuation (net of frozen values) is \$3,948,248,423 for fiscal year 2019/20.
- ❑ The following summarizes certain taxable value growth statistics over the last decade:
 - Maximum tax base increase occurred in Year 2019/20: \$413,781,769 or 11.71%;
 - Average tax base increase last 5 years: \$225,801,409 or 6.97%; and
 - Average tax base increase last 10 years: \$152,581,369 or 5.01%.

Historical Dollar Increases/(Decreases) in Taxable Valuations – Years 2010/11 – 2019/20



The Preliminary Bond Capacity Analysis is based upon the assumptions summarized herein. To the extent the District's actual results differ from the assumptions herein, the financial impact to the District will correspondingly change.

□ Scenarios Presented

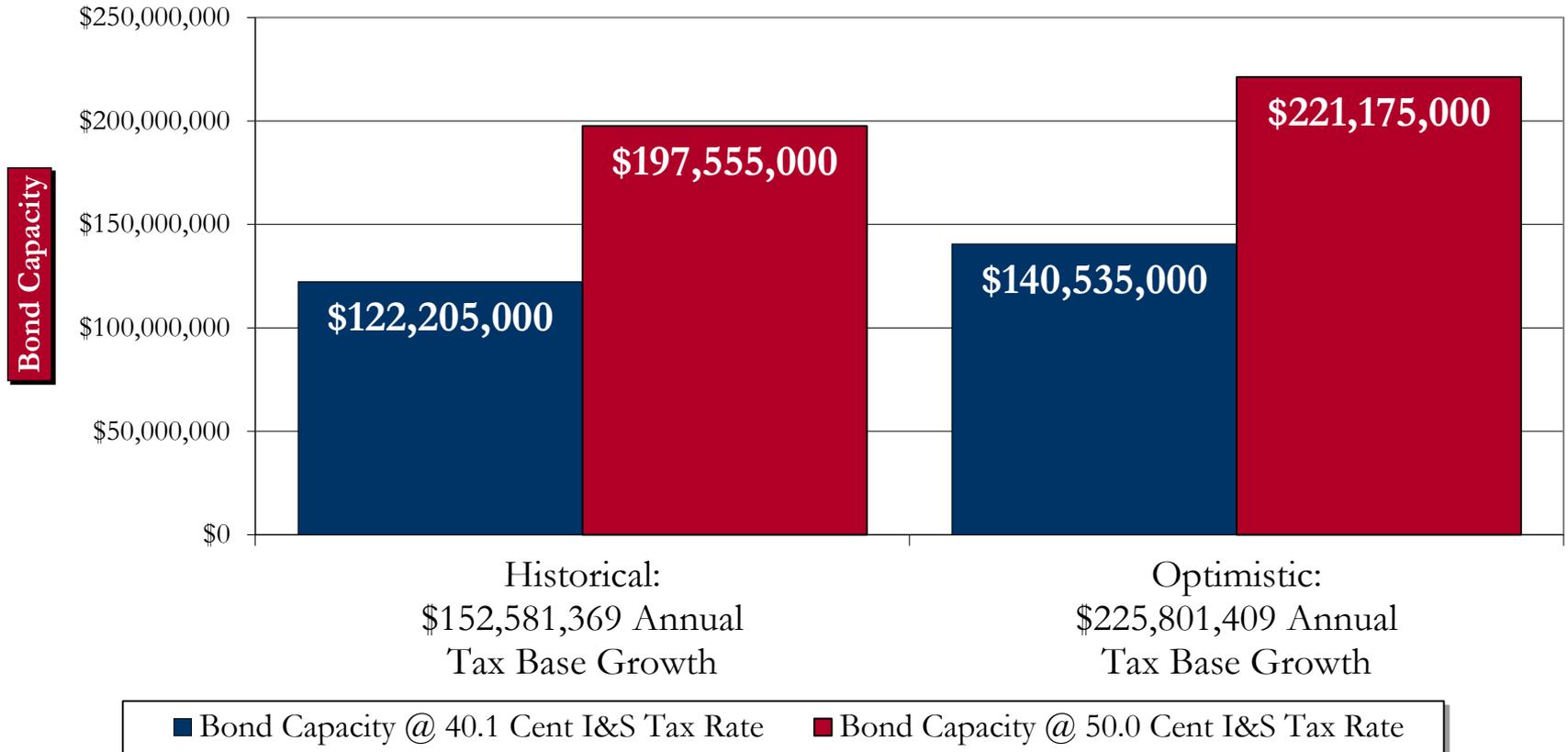
- Determine Bastrop ISD's current bond capacity at an I&S tax rate of **40.1 cents** and **50.0 cents** assuming:
 - ❖ **Historical TAV Growth:** Taxable values increase by \$152,581,369 (i.e. average annual increase last 10 years) in each of the next 5 years (i.e. years 2020/21 – 2024/25) and remain constant thereafter.
 - ❖ **Optimistic TAV Growth:** Taxable values increase by \$225,801,409 (i.e. average annual increase last 5 years) in each of the next 5 years and remain constant thereafter.
- Note: While the District's taxable values may increase in future years, the projected current bond capacity only utilizes 5 years of growth to permit "future growth to fund future bond sales for capital improvements."

□ Assumptions

- The new bond program is sold in August 2020 at an interest rate of 4.25% (current market rates of interest are approximately 3.25%).
- The bonds will be repaid over 30 years to maximize the District's bond capacity. However, the District will have the flexibility to prepay the bonds prior to scheduled maturity, without penalty.
- The District will not receive any State assistance for the repayment of bonds.
- Tax collection rate of 97.0%.

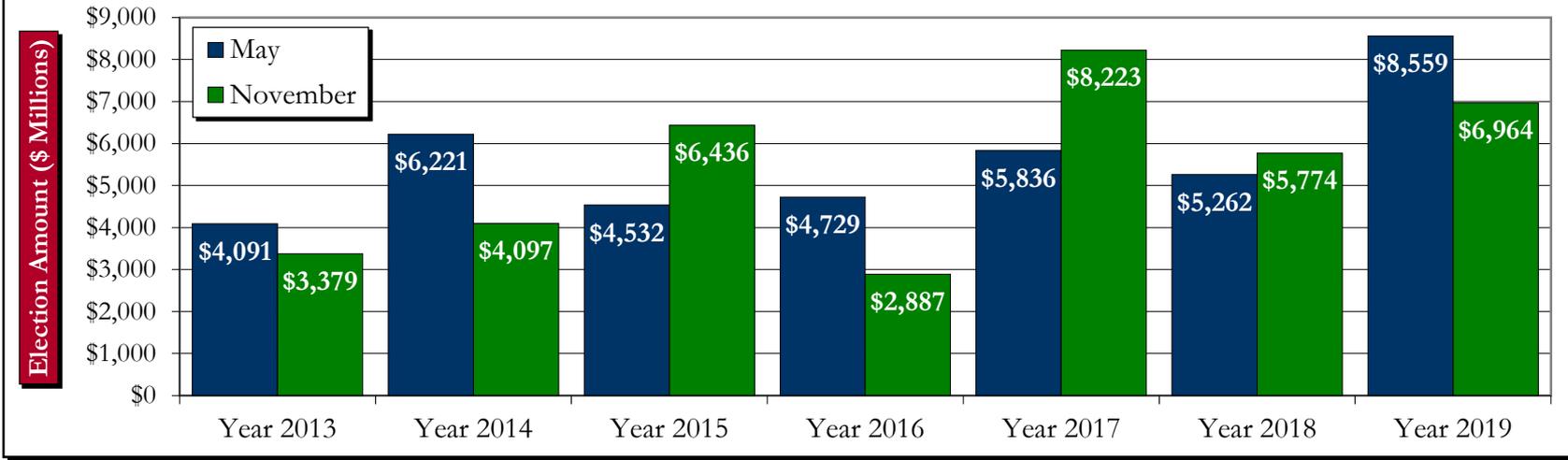
- The following demonstrates the District’s estimated bond capacity based upon the Historical and Optimistic tax base growth assumptions.

Estimated Bond Capacity – May 2020 Bond Election



Historical Texas School District Bond Elections

Historical Texas School District Bond Election Volume – Since Year 2013



Historical Texas School District Bond Election Results

Year	No. Of Elections	Dollar Amount Of Elections	No. Of Propositions	Dollar Amount Approved		Propositions Approved	
				Dollar Amount	Percentage	Number	Percentage
2013	146	\$ 7,470,170,049	171	\$ 5,510,117,049	73.8%	122	71.3%
2014	127	10,318,550,976	138	9,412,896,675	91.2%	110	79.7%
2015	126	10,968,064,264	139	9,644,168,689	87.9%	114	82.0%
2016	109	7,616,504,038	126	6,984,324,038	91.7%	95	75.4%
2017	128	14,058,707,791	145	11,803,977,500	84.0%	99	68.3%
2018	105	11,036,331,959	122	9,988,977,659	90.5%	90	73.8%
2019	125	15,523,104,220	129	11,744,920,085	75.7%	97	75.2%
Totals	866	\$ 76,991,426,498	970	\$ 65,089,374,896	84.5%	727	74.9%

Texas School Districts Within ESC Region 13 – Successful Bond Elections of \$50 Million+ Since Year 2009

- Over the last 10 years, Texas school districts within ESC Region 13 have held 34 successful bond elections of \$50 million or more, totaling \$6,827,267,500.

Texas School Districts Within Region 13 Education Service Center 34 Successful Bond Elections of \$50 Million or More Since Year 2009 Totaling \$6,827,267,500

No.	School District	Election Date	Bonds Approved	No.	School District	Election Date	Bonds Approved
1	Austin ISD	November 7, 2017	\$ 1,050,984,000	18	Dripping Springs ISD	May 5, 2018	\$ 132,000,000
2	Round Rock ISD	November 6, 2018	508,435,000	19	Manor ISD	May 10, 2014	124,900,000
3	Austin ISD	May 11, 2013	489,731,000	20	New Braunfels ISD	November 6, 2018	118,341,000
4	Leander ISD	November 7, 2017	454,405,000	21	San Marcos CISD	May 6, 2017	107,300,000
5	Pflugerville ISD	November 6, 2018	332,000,000	22	Liberty Hill ISD	November 6, 2018	98,600,000
6	Round Rock ISD	May 10, 2014	299,000,000	23	Dripping Springs ISD	May 10, 2014	92,410,000
7	Pflugerville ISD	May 10, 2014	287,000,000	24	Manor ISD	May 7, 2016	86,000,000
8	Del Valle ISD	November 5, 2019	284,000,000	25	Liberty Hill ISD	November 2, 2010	85,580,000
9	Manor ISD	November 5, 2019	280,000,000	26	Eanes ISD	May 4, 2019	80,000,000
10	Lake Travis ISD	November 7, 2017	253,000,000	27	San Marcos C ISD	May 11, 2013	76,980,000
11	Hays CISD	May 6, 2017	250,000,000	28	Lockhart ISD	May 10, 2014	63,915,000
12	Hutto ISD	May 4, 2019	194,400,000	29	New Braunfels ISD	November 3, 2015	62,800,000
13	Georgetown ISD	November 3, 2015	160,600,000	30	Hays CISD	May 10, 2014	59,091,500
14	Lake Travis ISD	November 8, 2011	158,455,000	31	Marble Falls ISD	November 6, 2018	55,000,000
15	Georgetown ISD	November 6, 2018	150,500,000	32	Eanes ISD	May 14, 2011	54,000,000
16	Georgetown ISD	November 2, 2010	137,300,000	33	Jarrell ISD	May 6, 2017	54,000,000
17	Del Valle ISD	November 4, 2014	134,040,000	34	Eanes ISD	May 9, 2015	52,500,000

Financing Team Members

BISD	---	Bastrop Independent School District – Issuer
BOKFS	---	BOK Financial Securities, Inc. – Financial Advisor
OHS	---	Orrick, Herrington & Sutcliffe L.L.P. – Bond Counsel

Preliminary Bond Election Timetable – May 2, 2020

Date	Action	Responsibility
On or Prior to February 14, 2020^(A)	Board Meeting – Board of Trustees Calls the Bond Election	BISD, BOKFS, OHS
April 2 – 22, 2020	Publish Notice of Election	BISD, OHS
Prior to April 13, 2020	Post Notice of Election	BISD, OHS
April 20 – 28, 2020	Early Voting Period	BISD
May 2, 2020	Bond Election	BISD, BOKFS
May 5 – 13, 2020	Board Meeting – Canvass Election Results	BISD, BOKFS
June 4 – 12, 2020	30-Day Contest Period Ends	N/A
July 2020 or Thereafter	Bond Sale	BISD, BOKFS, OHS
August 2020 or Thereafter	Bond Closing (District Receives Bond Proceeds)	BISD, BOKFS, OHS

^(A) For bond elections held on the May uniform election date, State law requires a bond election to be called by the Board of Trustees at least 78 days prior to the date of the election.



*Share your thoughts on what you just heard
about financial capacity.*



*What are the implications as you look to create a
bond proposal for your community?*

Enrollment Factoring in Portables (PK-5, 6-8, 9-12)

2022-23 is first year of new campus opening

CAMPUS ENROLLMENT AND CAPACITY WITH PORTABLES (PK-5, 6-8, 9-12)

Campus	Functional Capacity w/o Portables	Capacity w/ portables	Fall	ENROLLMENT PROJECTIONS									
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
ELEMENTARY SCHOOL TOTALS			4,372	4,424	4,562	5,542	5,751	5,918	6,023	6,162	6,231	6,310	6,406
Even Distribution with 6 schools	4583	5111	4,372	4,424	4,562	5,542	5,751	5,918	6,023	6,162	6,231	6,310	6,406
Average School Size with 6 schools			729	737	760	924	959	986	1,004	1,027	1,039	1,052	1,068
Even Distribution with 7 schools	5383	5911				5,542	5,751	5,918	6,023	6,162	6,231	6,310	6,406
Average School Size with 7 schools						792	822	845	860	880	890	901	915
Even Distribution with 8 school	6183	6711				5,542	5,751	5,918	6,023	6,162	6,231	6,310	6,406
Average School Size with 8 schools						693	719	740	753	770	779	789	801
MIDDLE SCHOOL TOTALS	0	0	3,573	3,619	3,591	2,846	2,766	2,746	2,820	2,948	3,086	3,130	3,238
Even Distribution with 4 school	3200	3550	1850	1864	1886	2846	2766	2746	2820	2948	3086	3130	3238
Average School Size with 4 schools						712	692	687	705	737	772	783	810
HIGH SCHOOL TOTALS	4,570	4,970	3,436	3,615	3,746	3,864	3,986	4,021	4,049	3,997	3,983	4,099	4,129
Bastrop High School	1,600	1,950	1,441	1,528	1,573	1,658	1,715	1,723	1,735	1,698	1,677	1,787	1,851
Cedar Creek High School	2,100	2,150	1,669	1,754	1,840	1,873	1,938	1,965	1,981	1,966	1,973	1,979	1,945
Gateway School (9th-12th)	120	120	0	0	0	0	0	0	0	0	0	0	0
Genesis High School	175	175	108	108	108	108	108	108	108	108	108	108	108
Colorado River Collegiate Acad	575	575	218	225	225	225	225	225	225	225	225	225	225

Note: Enrollment is evenly distributed at PK-5 and 6-8 for illustration purposes.

Enrollment Excluding Portables (PK-5, 6-8, 9-12)

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CATEGORY PRIORITY RANKINGS
Citizens Advisory Task Force
December 2, 2019



PROJECT CATEGORY	PRIORITY CODE	PROJECT COST
SAFETY AND SECURITY		
Reconfiguration, upgrades or expansion of school front entries (BHS/CRCA/Middle Schools/Intermediate Schools)	1	4,005,300
Reconfiguration, upgrades or expansion of school front entries (Elementary Schools)	1	4,839,836
Security curtains at glass (CCHS)	1	71,100
Secure courtyards (Middle Schools)	1	174,195
Addition of secure vestibule with office/clinic space (Gateway)	2	355,500
CAPACITY AND GROWTH		
Addition of permanent wing to replace classrooms currently in portables (BHS)	1	7,278,863
Addition of classrooms to address enrollment growth (CCHS)	1	5,830,200
Addition of classrooms and campus front entry (Mina)	1	9,243,000
Space to support special education (Middle Schools/Intermediate Schools)	2	3,329,850
Space to support special education (Elementary Schools)	2	3,474,716
Addition of technical theater classroom (Performing Arts Center)	2	622,125
FACILITY INFRASTRUCTURE AND SYSTEMS		
Improvements to building systems that need repair, replacement or expansion and other facility condition issues (i.e., doors, electrical equipment, floors, foundation, HVAC, communications, roof, fire systems, hardscape, walls, landscape, plumbing, sealants, windows)	1	23,487,486
Master plan (BHS)	1	125,000
Other improvements to building systems that need repair, replacement or expansion and other facility condition issues	2	690,320
Other improvements to building systems that need repair, replacement or expansion and other facility condition issues	3	29,620,611

BUILDING UPGRADES AND RENOVATIONS		
Facility upgrades to athletic buildings and Erhard Field to address equity (BHS)	1	5,539,875
Facility upgrades to fine arts (dance and choir) to address equity and safety (BHS)	1	1,919,700
Renovation and expansion of Career & Technical Education facilities to address equity (BHS)	1	7,261,088
Conversion of intermediate schools to middle schools to address enrollment growth	1	33,635,486
Weight room expansion (Middle Schools)	1	568,800
Facility upgrades and renovations to consolidate Mina Elementary to one side of Hill Street	1	1,428,162
Expansion and renovation of science labs (Middle Schools)	2	4,009,448
Addition of classroom space for science/maker (Elementary Schools)	2	2,375,925
Addition of dance studio, separate kiln room for art and expansion of art/choir (Middle Schools)	2	3,046,635
Addition of dance studio associated with conversion to middle schools (Intermediate Schools)	2	1,777,500
Renovation of restrooms in classrooms that do not meet ADA (CCE)	2	375,408
Renovation of portion of Mina ES on west side of Hill St (when vacated) to accommodate Special Programs staff (Service Center)	2	3,555,000
Addition of parking (Service Center/Mina)	2	355,500
Expansion of theater program scene shop (Performing Arts Center)	2	414,750
Relocation of nurse office; conversion of existing nurse to conference room (BHS)	3	189,600
Provide separation between cafeteria/teacher lounge/restrooms; expand cafeteria (Gateway)	3	592,500
Replace building furniture to be more modern, flexible and varied to meet instructional needs (Elementary Schools)	3	3,063,098
PARKING AND DRIVE IMPROVEMENTS		
Improve conditions at parent drop off and bus queuing lanes (Elementary Schools)	1	2,801,340
Extend/improve parent drive to accommodate stacked cars; add site signage (CRCA/Genesis)	2	331,800
NEW FACILITIES AND LAND		
New elementary school and acquisition of land	1	31,258,250

Discuss at your table the long-range plan, priority rankings and proposed enrollment scenarios.



Lingering Questions



Process Checks

Likes



Wishes



what's next?

- Meeting #6 is
December 16 at 5:30
- PAC Green Room
- Deliberations