



Kelling, Northcross & Nobriga
Financial Advisors to Public Agencies

MEMORANDUM

TO: Leon Glaster, Assistant Superintendent, San Leandro Unified School District
FROM: Ruth Alahydoian
DATE: July 26, 2006
RE: Tax Rate and Bond Authorization Amount

Congratulations on having come this far in the process of developing a bond measure for San Leandro Unified School District. I was especially impressed that the Board was able to decide on projects on a consensus basis. They have put forward a unified and committed front to the community based on substantial study, analysis and review.

Based on the feed-back from the July 18, 2006, Board meeting, I have gone back over every assumption in my tax model to find an optimum authorization amount. The following assumptions are my recommendation to the Board:

- Authorization Amount: **\$109 million**
- Tax Rate: **\$39** per \$100,000
- AV Growth: 5% 2007-2020
4% thereafter
- Interest Rates: 5.25% First Series issued in 2007
5.50% Second Series, issued in 2009
5.75% Third Series, issued in 2011
6.00% Fourth Series, issued in 2013

Issuance Schedule:

Series	Amount	Issue Date	Repayment Term
Series A	\$27,000,000	3/1/2007	25 year
Series B	\$25,000,000	8/1/2009	25 year
Series C	\$25,000,000	8/1/2011	25 year
Series D	\$32,000,000	8/1/2013	30 year

As you can see, by assuming a 30 year repayment term for the last series, the total authorization amount increases by \$5.5 million. This will allow the Board to include the full amount needed to paint walls (\$.9 million) and to modernize the industrial arts building (\$2.1 million), leaving a \$2.5 million cushion for cost escalation.

Attached is a draft "Tax Rate Statement" stating the \$39 tax rate estimate. It should be included in the Board package, as a "form of" for their review. It will need to be signed by the Superintendent and submitted with the Resolution to the County.

See you on Tuesday night.