

# FACILITY UPDATES



**Culver City**

Unified School District

## Where are we with the summer projects?

- Site visits by the contractors to submit cost proposals ended on 07.05.24
- Compare the contractors' cost proposals, availability to select contractors for each summer project during the week of 07/12/24
- Depending on the costs, it may be an informal bidding or formal bidding, as a CUPCAA District

Total Estimated Cost	Process Type	Description
< \$200,000	Informal Bidding	At least 3 vendors are contacted for a quote and District chooses.
> \$200,000	Formal Bidding	Competitive bidding - advertisement/inviting sealed bids/panel review/award contract

# General Obligation Bond Issuance Process



**Culver City**

Unified School District

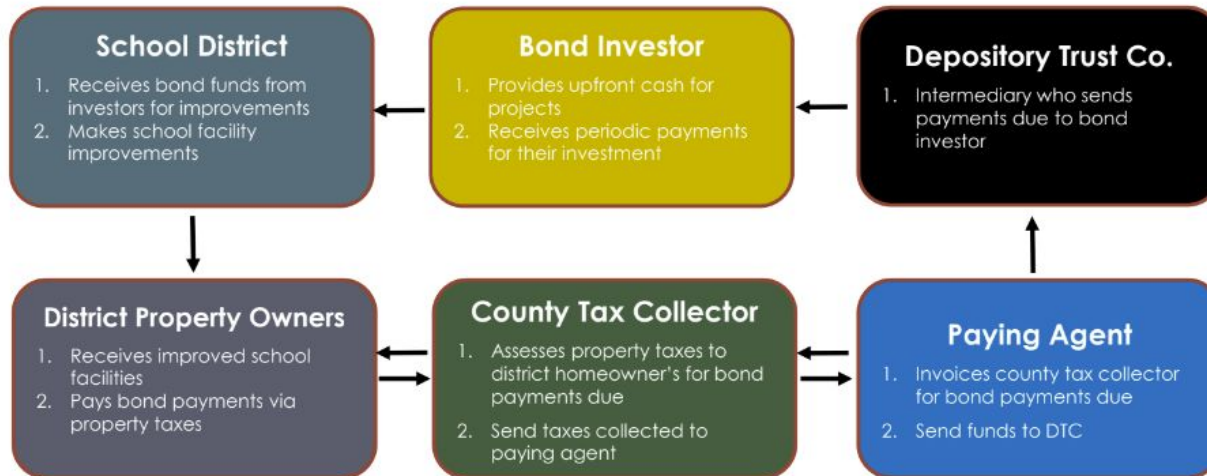
# How Do GO Bonds Work?



Flow chart

Culver City Unified School District

- ❖ After voters of a school district approve a general obligation bond ("GO bond") measure, a District sells bonds to investors, who then receive principal and interest payments over time



# Financing Kick-Off



## Interested Parties

Culver City Unified School District

School districts aren't in the business of issuing bonds, so their understanding of finance revolves around operations and budgets. Thus, third-party "consultants" are hired to help the districts through the bond issuance process.

### ❖ Finance Team

- **Municipal Advisor** – By law, "fiduciaries" to the District; helps District through every step of the bond issuance process.
- **Underwriter** – In negotiated sales, the middle-man between the District and investors; in competitive sales, the firm who has the lowest bid
- **Legal Counsel** – Drafts legal documents and provides legal guidance.
- **Paying/Fiscal Agent** – A bank that handles the transfer of funds upon paying debt service or costs related to the bond financing.

### ❖ Other Parties

- **Rating Agency** – Analyzes the District's credit worthiness.

## What is our credit rating?

- Major credit rating agencies are S&P and Moody's
- CCUSD credit rating is Aa2
- The higher the credit rating lower the interest rate

# Ratings and Insurance



Credit ratings and insurance determine costs of borrowing

Culver City Unified School District

- ❖ Nearly every bond that is sold carries a credit rating from one of the major credit rating agencies (Moody's, S&P, and Fitch); those that don't are known as "unrated bonds."
- ❖ **Culver City USD has a "Aa2" rating from Moody's and "AA" rating from S&P.**
- ❖ A District achieves its credit rating typically by meeting with or having a call with rating agencies to "make its case" and share information and data on the District's economy, management, finances, and bond structure.
- ❖ The higher the credit rating score, the lower the interest rates on the District's bonds.
- ❖ Investors will accept lower interest rates on their bond purchases if they feel the bonds are a safer investment; a credit rating helps investors to determine the "safety" of the investment.
- ❖ Municipal agencies can also purchase insurance, which helps to increase the credit rating of an issuer and, in turn, lower interest rates on their bonds.
  - ❖ With the District's high credit rating, municipal insurance is unnecessary.

## Credit Rating Categories

<u>S&amp;P</u>	<u>Moody's</u>
AAA	Aaa
AA+	Aa1
<b>AA</b>	<b>Aa2</b>
AA-	Aa3
A+	A1
A	A2
A-	A3
BBB	Baa1
BB	Baa2
B	Baa3
CCC	Ba1
CC	Ba2
C	Ba3
R	Caa1
	<b>Etc.</b>

# Legal Documents



Setting up terms of bond sale & providing disclosure

Culver City Unified School District

- ❖ **Resolution** - Authorizes the issuance of and describes the terms of the bonds, as well as appoints various parties to serve in specific capacities.
  
- ❖ **Preliminary Official Statement ("POS")** – Offering document describes the District, District's tax base and economy, as well as the terms and authority of the bond financing.
  - Distributed to investor community one week before bond sale
  - In a negotiated sale, a "Due Diligence" call will be conducted between the underwriter and District prior to its release to verify that the document is complete and accurate
  
- ❖ **Bond Purchase Agreement** – Signed by District and Underwriter; puts forth the terms and conditions of the bond sale and structure.
  
- ❖ **Official Statement** – Update to the POS, with final bond terms, interest rates, and payment schedule.
  
- ❖ **Continuing Disclosure Certificate** – Districts covenants to provide certain financial and operating data to bond holders on an annual basis.



# Financing Kick-Off

## Timeline and Term Sheet



## Culver City Unified School District

### CULVER CITY UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, ELECTION OF 2024, SERIES A

#### Financing Schedule

- ❖ A timeline is circulated to kick-off every financing and serves as a guide for the various parties involved.
  - A draft timeline is shown to the right.
  
- ❖ The term sheet describes key dates and amounts for the bonds and the bond authorization, primarily used by legal counsel to create legal and disclosure documents.

June 2024						
S	M	T	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						
July 2024						
S	M	T	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			
August 2024						
S	M	T	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
September 2024						
S	M	T	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Date	Action	Responsible Party
June 10	Distribute timeline, term sheet and distribution list	FA
June 20	Distribute draft of Bond Resolution and drafts of Preliminary Official Statement (POS) and supporting legal documents	BC
June 28	Comments due on draft documents	ALL
July 1	District Board agenda deadline	SD/BC
July 4	Independence Day Holiday	ALL
July 9	District Board of Trustees approves Resolution, POS, and legal documents	SD
August 5	Send credit package to rating agency	FA
Week of Aug. 5	Rating prep call	SD/FA/BC/UW
Week of Aug. 12	Conference call with rating agency(jst)	SD/FA/BC/UW
August 26	Receive rating	FA
August 28	County Board of Supervisors Agenda deadline to approve County Resolution for the Bonds (9 am)	LAC/BC
September 2	Labor Day Holiday	ALL
Week of Sept 9	Underwriter Due Diligence call	SD/FA/BC/UW
September 10	County Board of Supervisors approves County Resolution	LAC
September 11	Distribute POS	BC/UW/FA
September 18	Pre-Price Bonds	SD/UW/FA
September 19	Price Bonds; sign purchase contract	SD/UW/FA
September 26	Distribute Final OS	BC/UW/FA
October 2	Close 2024 Bonds financing	All

# Bond Sale Timeline



July 9

## Board Resolution

Passage of Board Resolution authorizes the process to begin for procuring the bond sale.



August  
2024

## Credit Rating Activities

Investors review bond information, District and State finances, and attend Credit Rating Call.



Sept  
2024

## Bond Competition & Underwriting & Sold

Finance Consultant and CCUSD conduct competitive bidding on the sale of our bonds.



Oct  
2024

## Funds Available to District

# Where is District's Facilities Master Plan?

Master Plan can be viewed @ <https://www.ccusdfutureready.org/>



The image shows a webpage header for Culver City USD. At the top, there is a navigation menu with the following items: Home (highlighted in yellow), Campus Guides, Ed Specs, Funding, FAQ, and Feedback. Below the menu is a large, colorful, abstract illustration featuring various figures and symbols, including a globe, a person in a blue uniform, and a large face. Overlaid on this illustration is the text "CULVER CITY USD" in large white letters, and "Future-Ready Facilities Plan 2023 Update" in yellow and white text. Below the illustration, there is a yellow box containing the text "Road map for the future" and a paragraph of text. To the right of the yellow box is a photograph of a group of students and staff standing in front of a blue building entrance with the number "4601".

Culver City  
Home Campus Guides Ed Specs Funding FAQ Feedback

## CULVER CITY USD

### Future-Ready Facilities Plan 2023 Update

#### Road map for the future

Culver City Unified School District's campuses were built over 50 years ago. We are embarking on district-wide campus master plans and educational specifications (design guidelines) to use as a strategic road map for the future. This is an exceptional opportunity to start the process to develop and renovate building spaces which nurture collaboration, innovation, and creativity for the next 100 years.

4601

# Where is District's Facilities Master Plan?

Master Plan can be viewed @ <https://www.ccusdfutureready.org/>

## CAMPUS GUIDES

We are making adjustments to the priorities in the Facilities Master Plan. The current priorities listed in the Narratives and Maps in the Master Plan are subject to change based on current input gathered this year.

Please note, the plan is dynamic and evolving to reflect the needs of our students and community. Our focus is to provide safe environments that engage the educational community to create meaningful connections and celebrate, understand, and respect the multi-dimensionality of each other.

At CCUSD we know our students. We meet their individualized needs and advocate on their behalf. CCUSD's District policies and instructional practices ensure that every student has access and opportunity to thrive within and beyond their school environment.

CCUSD's environments empower educators and learners to embrace the growth mindset by exposing them to differentiated learning in universal design environments. Through malleable spaces, our campuses will support educators in the endeavor of nurturing the whole child for academic, social, emotional, and behavioral success beyond school and throughout life.



The Office of Child Development

The Office of Child Development



日本語・ESPAÑOL

El Marino Elementary School



El Rincon Elementary School



Farragut Elementary School



La Ballona Elementary School



Linwood E. Howe Elementary School



Culver City Middle School



Culver City High School



Culver Park High School

## What are the next steps?

- Selecting Panel of Architects
- Identify competitive bidding for pool of eligible on-call professional service firms (e.g., Geotechnical Engineering, Project Inspectors, etc.)
- Re-Convening of Site Facility Needs Teams for input on the preliminary services



**Culver City**

Unified School District

**Thank you!**