



## Bond, Demographic and Enrollment Analysis Update

**Presented by:**  
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**March 30, 2017**



- INTRODUCTIONS
- REVIEW OF FIRST MEETING



# SCHOOL IMPROVEMENT BOND UPDATE

- Update of events since our last meeting:
  - In early March, the district took part in the due diligence conference call with Fitch Ratings with determines the Issuers Default Rating and School Improvement Bond Rating.
    - This provides information for the investors with regards to the sound operating performance of the district.
- PESD received a rating of AA-
  - This rating is supported by the district's expenditure flexibility and existing financial budget.
  - The rating also reflects the district's low long term liability burden and revenue growth history.



## SCHOOL IMPROVEMENT BOND UPDATE

- Last week, the pre-pricing call was conducted with the underwriter and the Bonds were priced on March 22<sup>nd</sup>.
- The Final Official Statement will be issued the end of this week.
- Bond Closing with funding will occur on April 6<sup>th</sup>.
- Proceeds = \$14,248,528.50

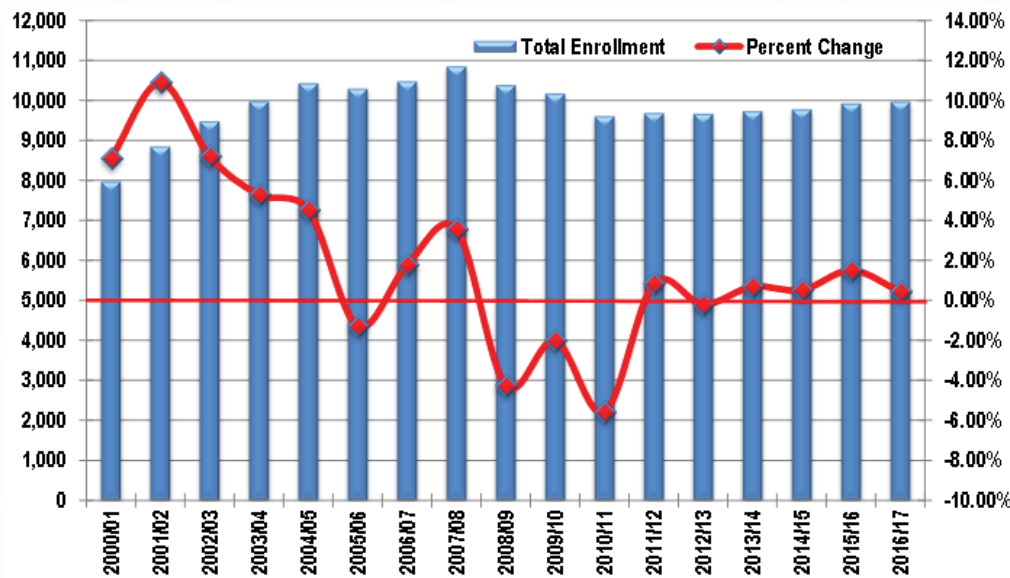


# DEMOGRAPHERS REPORT

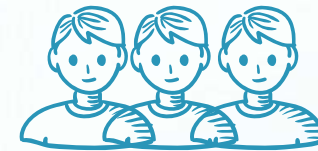
- PROVIDE THE DISTRICT WITH AN UP TO DATE INFORMATION REGARDING REAL ESTATE DEVELOPMENTS IN THE AREA.
- PROVIDE ENROLLMENT PROJECTIONS DATA.
- IDENTIFY POPULATION GROWTH AREAS.
- ASSIST IN THE DECISION MAKING ON HOW BOND MONIES ARE DISTRIBUTED.



# ENROLLMENT TRENDS



Source: State of Arizona, Department of Education; Pendergast Elementary School District.

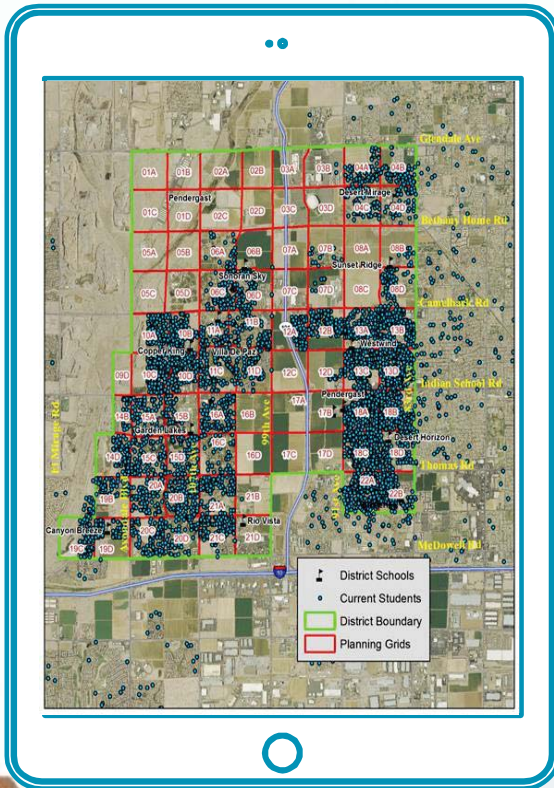


ENROLLMENT GREW BY ABOUT 33% BETWEEN 2000 AND 2008 AND THEN FELL BY 1,243 STUDENTS (11%) THROUGH 2010/11 AS A RESULT OF THE RECESSION.

SINCE 2010, DISTRICT ENROLLMENT HAS GROWN BY 366 STUDENTS (3.3%) LEAVING ENROLLMENT WITH ABOUT 880 FEWER STUDENTS THAN AT THE PEAK OF 2007/08



# STUDENT DISTRIBUTION



**GREATEST CONCENTRATION SOUTH OF  
CAMELBACK ROAD.**

**SIGNIFICANT NUMBER OF STUDENTS COMING IN  
FROM THE AREA OF EAST  
OF THE DISTRICT**





	2000	2010	2016	Annual Change*	
				2000-10	2010-16
<b>Population</b>	49,031	66,972	70,752	3.2%	0.9%
Under 5	10.0%	8.5%	7.4%	1.5%	-1.4%
5 to 13	17.7%	16.4%	15.2%	2.4%	-0.3%
14 to 17	6.9%	7.6%	7.6%	4.1%	1.1%
18 to 24	9.5%	11.4%	12.2%	5.1%	2.1%
25 to 44	34.9%	30.2%	29.2%	1.7%	0.4%
45 to 64	17.6%	20.8%	22.3%	4.9%	2.1%
65 and up	3.5%	5.1%	6.1%	7.2%	3.7%
<b>Housing Units</b>	15,274	23,112	23,404	4.2%	0.2%
Occupied	96.9%	87.9%	91.8%	3.2%	0.9%
Vacant	3.1%	12.1%	8.2%	19.6%	-6.0%
<b>Households</b>	14,806	20,317	21,478	3.2%	0.9%
Under 25	5.0%	6.5%	7.0%	5.9%	2.2%
25 to 34	26.1%	21.6%	20.6%	1.3%	0.1%
35 to 44	30.2%	24.9%	24.2%	1.3%	0.4%
45 to 54	22.3%	22.9%	22.2%	3.5%	0.4%
55 to 64	10.3%	15.1%	15.3%	7.3%	1.1%
65 and up	6.1%	8.9%	10.7%	7.2%	4.1%
Population Per	3.31	3.30	3.29	-0.05%	-0.01%

Sources: U.S. Bureau of the Census, 2000 and 2010.

American Community Survey, 2016; Applied Economics, 2017.

\* Compound annual rate of change.

## POPULATION SHARE

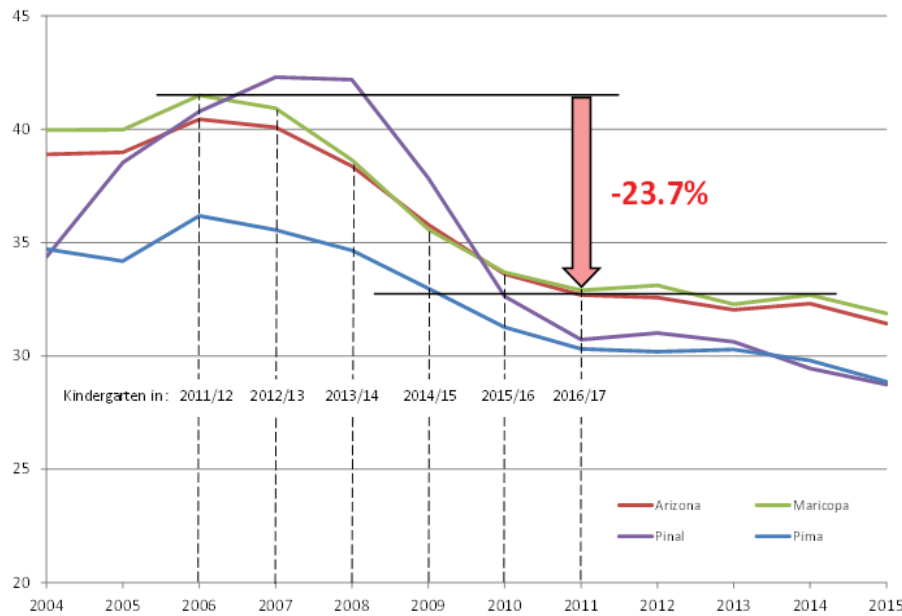
THE SHARE OF THE POPULATION UNDER 5 IS HIGH BUT FALLING.

AGE DISTRIBUTION OF HOUSEHOLDERS SHIFTING TOWARD THE OLDER COHORTS.





# BIRTH RATE TRENDS



Birth rates in Maricopa County plummeted during recession.

Since 2011 the rate has largely stabilize but shows no sign of increasing.



**Charter Schools**

School Name	Address	City	Zip	Grades	2016/17* Total K-8
ACCLAIM Academy	7624 W Indian School Rd	Phoenix	85033	KG-8th	396
Crown Charter School	12450 W Maryland Ave	Litchfield Park	85340	KG-6th	330
Camelback Academy	7634 W Camelback Rd	Glendale	85303	KG-8th	556
Heritage Elementary School	6805 N 125th Ave	Glendale	85307	KG-2nd	831
Imagine Avondale Elementary	950 N Eliso C Felix Jr Way	Avondale	85323	KG-5th	552
Imagine Avondale Middle	950 N Eliso C Felix Jr Way	Avondale	85323	6th-8th	217
Legacy Traditional School	406 N El Mirage Rd	Avondale	85323	KG-8th	1,290
Westland School Brighton Campus	8632 W Northern Ave	Glendale	85305	KG-12th	176

Area charter schools have added about 2000 students since 2008/09 while the district has lost 400 students

Sources: Arizona Department of Education; Applied Economics, 2017.

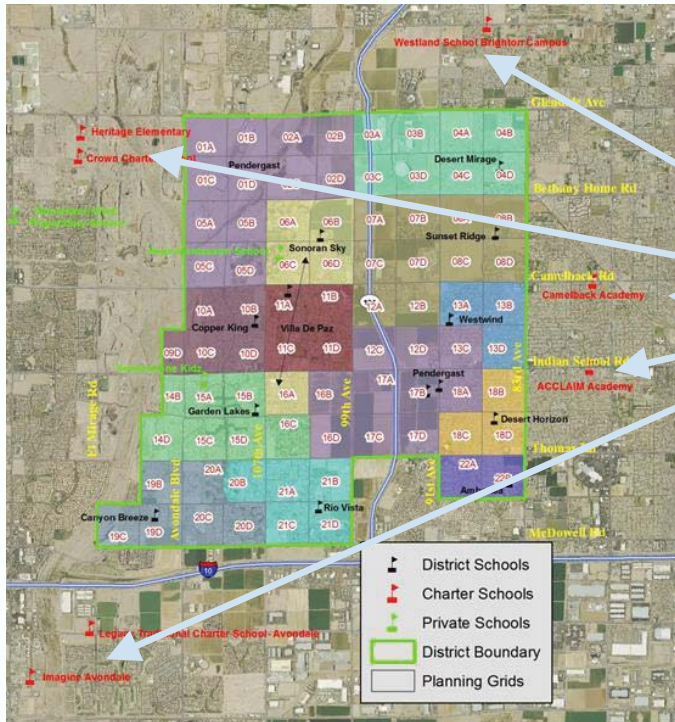
\* 2016/17 enrollment data calculated from 40th day ADM data

No charter schools are currently located in the district, although there are 8 schools nearby

	Schools	KG	1st	2nd	3rd	4th	5th	6th	7th	8th	Total
2008/09	5	515	371	309	275	271	211	175	127	91	2,345
2009/10	5	598	433	349	319	307	261	209	120	119	2,715
2010/11	5	578	494	395	340	335	255	220	173	130	2,920
2011/12	6	557	497	452	407	336	315	237	214	155	3,170
2012/13	6	588	522	493	458	395	344	260	239	182	3,481
2013/14	7	524	500	482	436	420	369	327	292	257	3,607
2014/15	8	502	530	505	487	436	411	355	295	276	3,797
2015-16	8	585	532	521	496	501	459	414	321	291	4,120
2016-17	8	566	544	524	547	495	487	484	383	318	4,348

Sources: Arizona Department of Education; Applied Economics, 2017.

\* 2016/17 enrollment data calculated from 40th day ADM data



Charter schools are located on all sides of the district

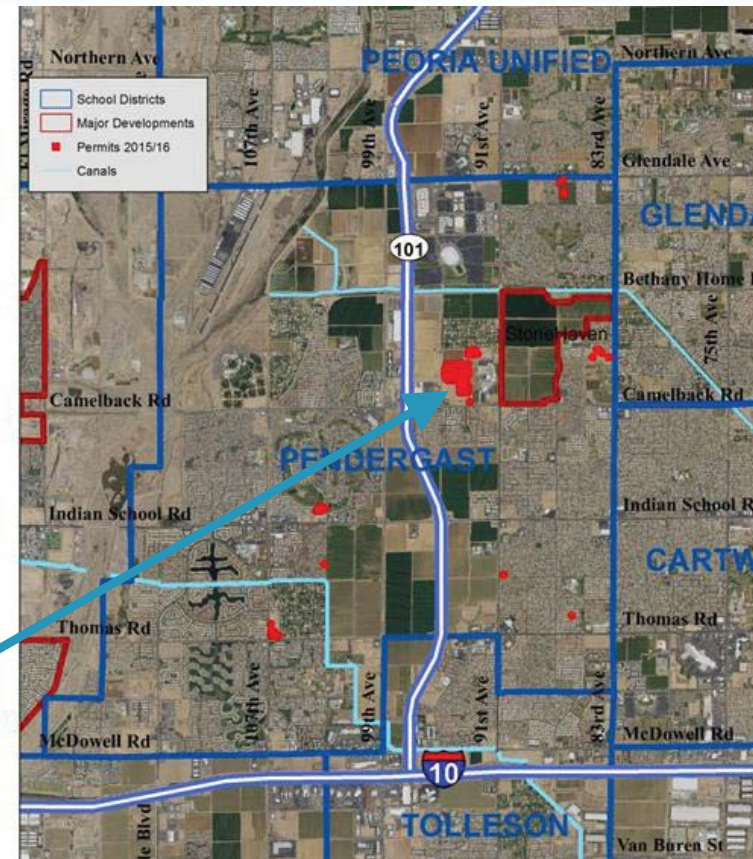


# RECENT BUILDING PERMITS

Over 1,700 housing units permitted in the last 10 years

Total permit activity in 2016/17 the highest since 2008/09

New construction taking place at several small subdivisions with the highest levels at Copper Cove.

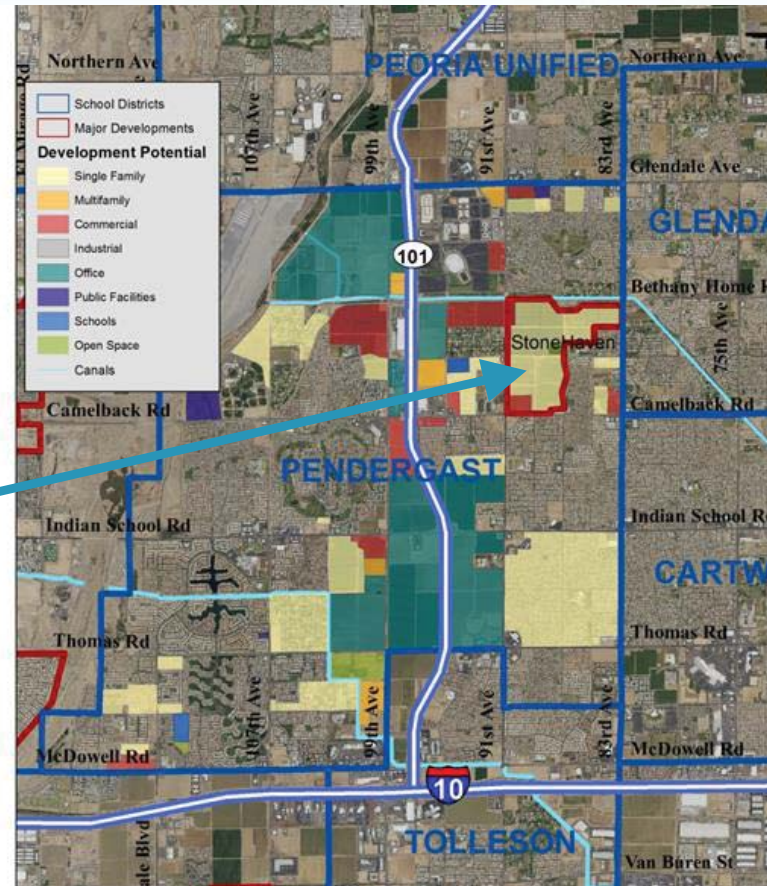


# DEVELOPMENT POTENTIAL

Over 60% of the remaining potential is single housing housing.

StoneHaven is a 400 acre master planned development with plans for 1400 single family lots in a range of densities.

The Loop 101 corridor has large tracts of land planned for employment uses.



## DEVELOPMENT TIMING

Current and upcoming development represents new builder interest in the area.

CalAtlantic is opening a 204-lot project (across from Westwind and within Sunset Ridge school boundaries) with the first families expected in the fall of 2017

StoneHaven is still in process but planned to open in late 2018, with families moving in early 2019.



# ENROLLMENT PROJECTIONS

The current net difference between the school-age population of the district and enrollment (800 students) includes the 1000+ students from outside the district. The school-age population of the district is expected to increase for about 10,800 people today, to 12,100 people by 2026 as the enrollment-population ratio declines slightly.

Year	Households	School-Age Population *		K-8 Enrollment		Net Difference	Enrollment - Population Ratio
		Total	Per Household	Total	Per Household		
2010/11	20,317	10,950	0.539	9,602	0.473	1,348	87.7%
2011/12	20,627	10,982	0.532	9,682	0.469	1,300	88.2%
2012/13	20,818	10,949	0.526	9,662	0.464	1,287	88.2%
2013/14	20,729	10,770	0.520	9,728	0.469	1,042	90.3%
2014/15	20,981	10,769	0.513	9,778	0.466	991	90.8%
2015/16	21,233	10,766	0.507	9,925	0.467	841	92.2%
2016/17	21,478	10,758	0.501	9,968	0.464	790	92.7%
2017/18	21,685	10,777	0.497	9,940	0.458	837	92.2%
2018/19	21,936	10,858	0.495	10,013	0.456	845	92.2%
2019/20	22,536	11,042	0.490	10,141	0.450	901	91.8%
2020/21	23,299	11,300	0.485	10,351	0.444	949	91.6%
2021/22	23,680	11,437	0.483	10,398	0.439	1,039	90.9%
2022/23	24,126	11,557	0.479	10,411	0.432	1,146	90.1%
2023/24	24,656	11,700	0.475	10,548	0.428	1,152	90.2%
2024/25	25,128	11,923	0.474	10,692	0.426	1,231	89.7%
2025/26	25,653	12,057	0.470	10,805	0.421	1,252	89.6%
2026/27	25,863	12,108	0.468	10,821	0.418	1,287	89.4%

Source: Applied Economics, 2017.

\* Population age 5 through 13, corresponds with Kindergarten through 8th grade.



# ENROLLMENT PROJECTIONS CONT...

Enrollment is likely to decline slightly next year before beginning to grow again fueled by new construction.

Potential to add about 850 students during the next 10 years.

Fall	Enrollment by Level			K-8 Total		
	K-2	3-5	6-8	Enrollment	Change	% Change
2010/11	2,882	3,235	3,485	9,602	-570	-5.6%
2011/12	2,916	3,286	3,480	9,682	80	0.8%
2012/13	2,838	3,256	3,568	9,662	-20	-0.2%
2013/14	2,972	3,280	3,476	9,728	66	0.7%
2014/15	2,954	3,300	3,545	9,799	71	0.7%
<b>2015/16</b>	<b>3,082</b>	<b>3,338</b>	<b>3,505</b>	<b>9,925</b>	<b>147</b>	<b>1.5%</b>
<b>2016/17</b>	<b>3,020</b>	<b>3,369</b>	<b>3,579</b>	<b>9,968</b>	<b>43</b>	<b>0.4%</b>
2017/18	3,065	3,324	3,551	9,940	-28	-0.3%
2018/19	3,132	3,339	3,542	10,013	73	0.7%
2019/20	3,211	3,368	3,562	10,141	128	1.3%
2020/21	3,301	3,475	3,575	10,351	210	2.1%
2021/22	3,332	3,512	3,554	10,398	47	0.5%
2022/23	3,377	3,525	3,509	10,411	13	0.1%
2023/24	3,432	3,560	3,556	10,548	137	1.3%
2024/25	3,485	3,603	3,604	10,692	144	1.4%
2025/26	3,533	3,653	3,619	10,805	113	1.1%
2026/27	3,545	3,667	3,609	10,821	16	0.1%

Source: Applied Economics, 2017.  
**Bolding indicates actuals.**



# CONCLUSIONS

Recent enrollment increases have been small but include nearly an equal number of students at all grade levels

Pending developments could add a significant number of housing units to the District during the projection period, but then little development potential will remain

Housing construction activity will accelerate over the next three to four years before peaking at about 500 new housing units per year

Total enrollment in the District is projected to increase by about 850 students over the next ten years but growth could be diverted if additional charter schools emerge

Sunset Ridge and Sonoran Sky should experience significant enrollment growth over the next 10 years while other parts of the District are likely to continue to decline

## How DOES THE PROCESS WORK?

Research and  
Prioritize Projects



Solicit  
proposals  
from at least 3  
vendors

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Timeline and  
initiate the  
projects



## LET'S TALK ABOUT SOME OF THE DISTRICT WIDE

### PRIORITIES

#### Roof Repairs

All of our schools require either roof replacement or roof general maintenance. One request was submitted to Scholl Facilities Board for funding.

#### Restroom Upgrades

Currently working with multiple architects and construction companies to evaluate our restroom and water fountain facilities.

#### Playground Equipment

Two different companies along with our insurance company are currently evaluating our playground areas at all of our sites

#### Lighting

Replacing exterior and interior light fixtures at multiple schools.



#### School flooring

Replacing existing carpet areas with high durability vinyl to minimize maintenance cost and enhance classroom design.

#### AC and Heating

Providing maintenance for the 900+ HVAC units and replacing the majority of them due to age and high maintenance costs.



## ..PRIORITIES CONTINUED

### Payment of existing energy performance loan

~2 Million dollars to pay off existing energy performance loan.

### School Security Upgrades

Upgrading district wide door access , security and surveillance cameras



### Technology

Laptops, Projectors, Interactive TV's, Interactive boards, server upgrades.

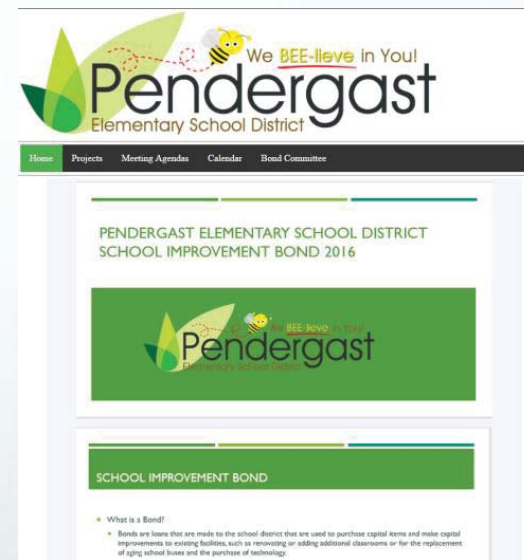
### Water Fountains

Water fountain water inspection, replacement and relocation.



# BOND COMMUNICATION RESOURCE

- Newly developed website for bond communication:
  - <http://www.pesdbond.org>
    - Will include:
      - Committee information
      - Meeting agendas and minutes
      - Meeting documents and presentations
      - List and information of all approved projects
      - Photos of before and after of every project



QUESTIONS?



We are Pendergast. The District that Bee-lieves in *You!*

