

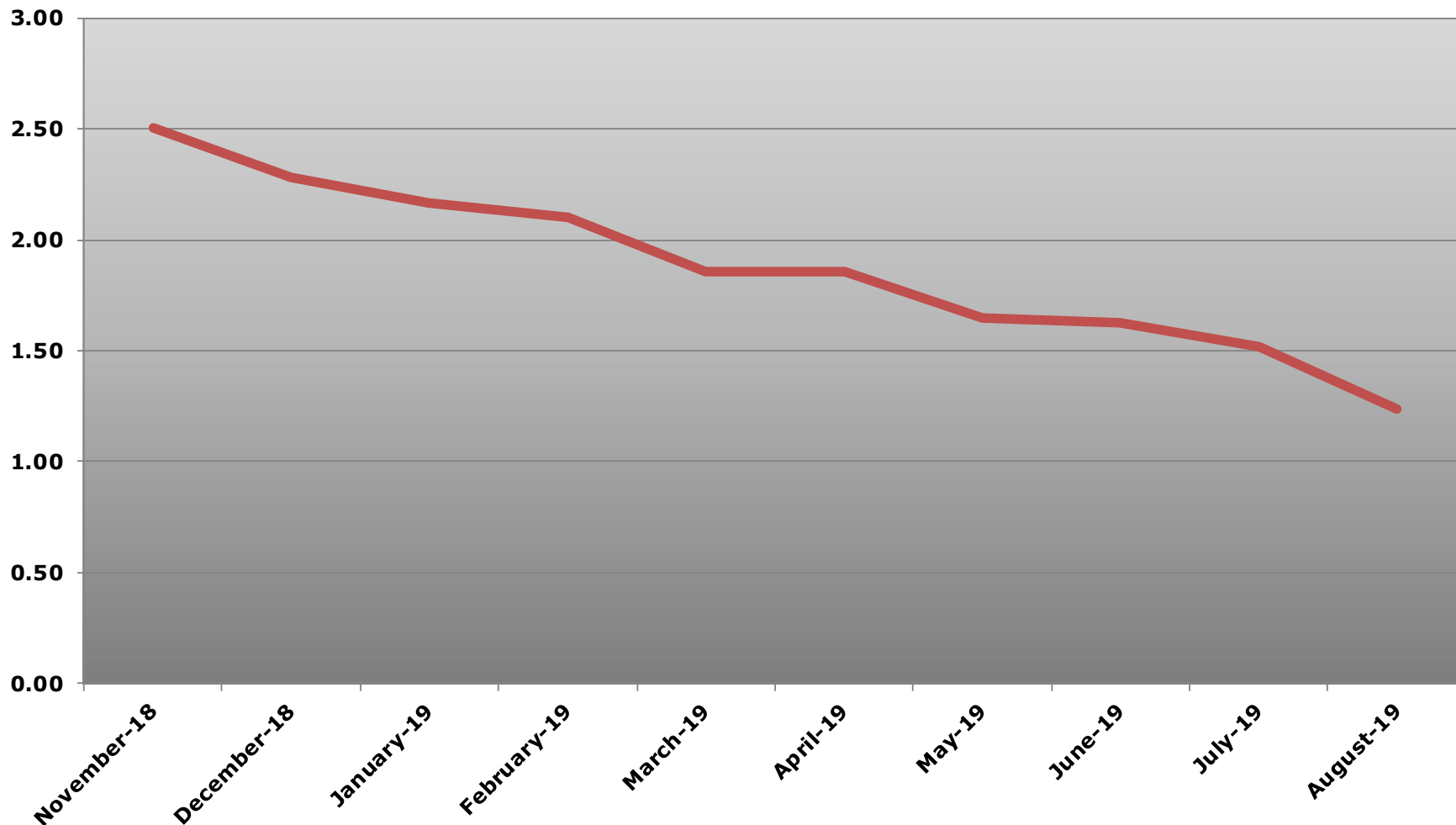


# Saving Taxpayer Dollars Through the Refinance of Outstanding GO Bonds

September 5, 2019  
Agenda Item No. 10.3

Presented by: Amari Watkins, Director of Accounting Services  
Jeff Small, Capitol Public Finance Group, LLC

## The Benchmark AAA General Obligation Bond Yields Have Moved Significantly Lower in Recent Months



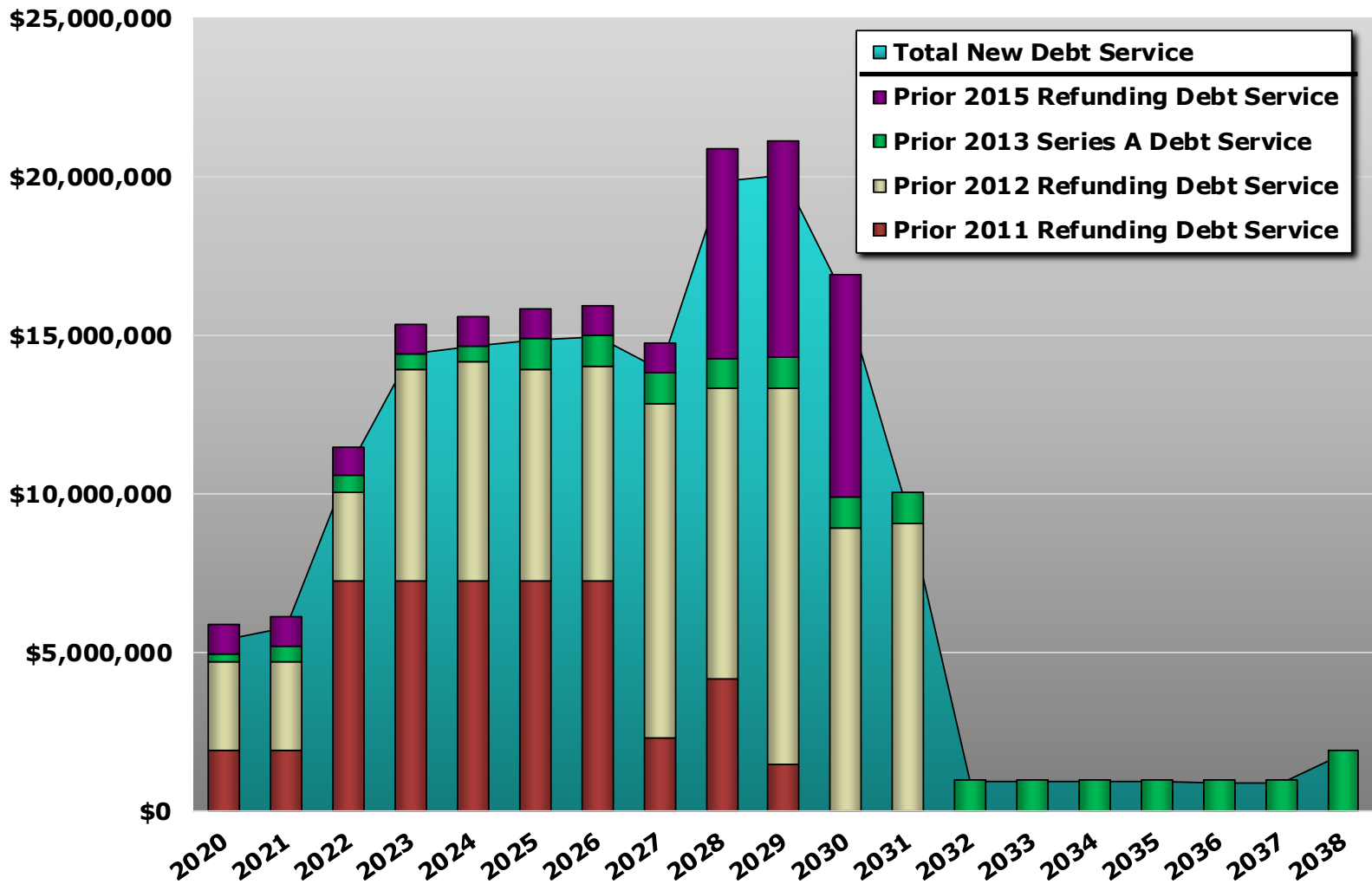
# Refinance Opportunity

The District has 4 series of outstanding bonds that are candidates for refinance

- 2011 Refunding Bonds
- 2012 Refunding Bonds
- 2013 Series A (Measures Q and R)
- 2015 Refunding Bonds

The District can combine a refinance with the issuance of the remaining Measure R authorization and achieve economies of scale

**Based on Current Market Interest Rates, the District Can Achieve  
Net Present Value Savings of Over \$8.5 Million, A Savings of  
Approx. 6.8% of the Bonds Refunded**



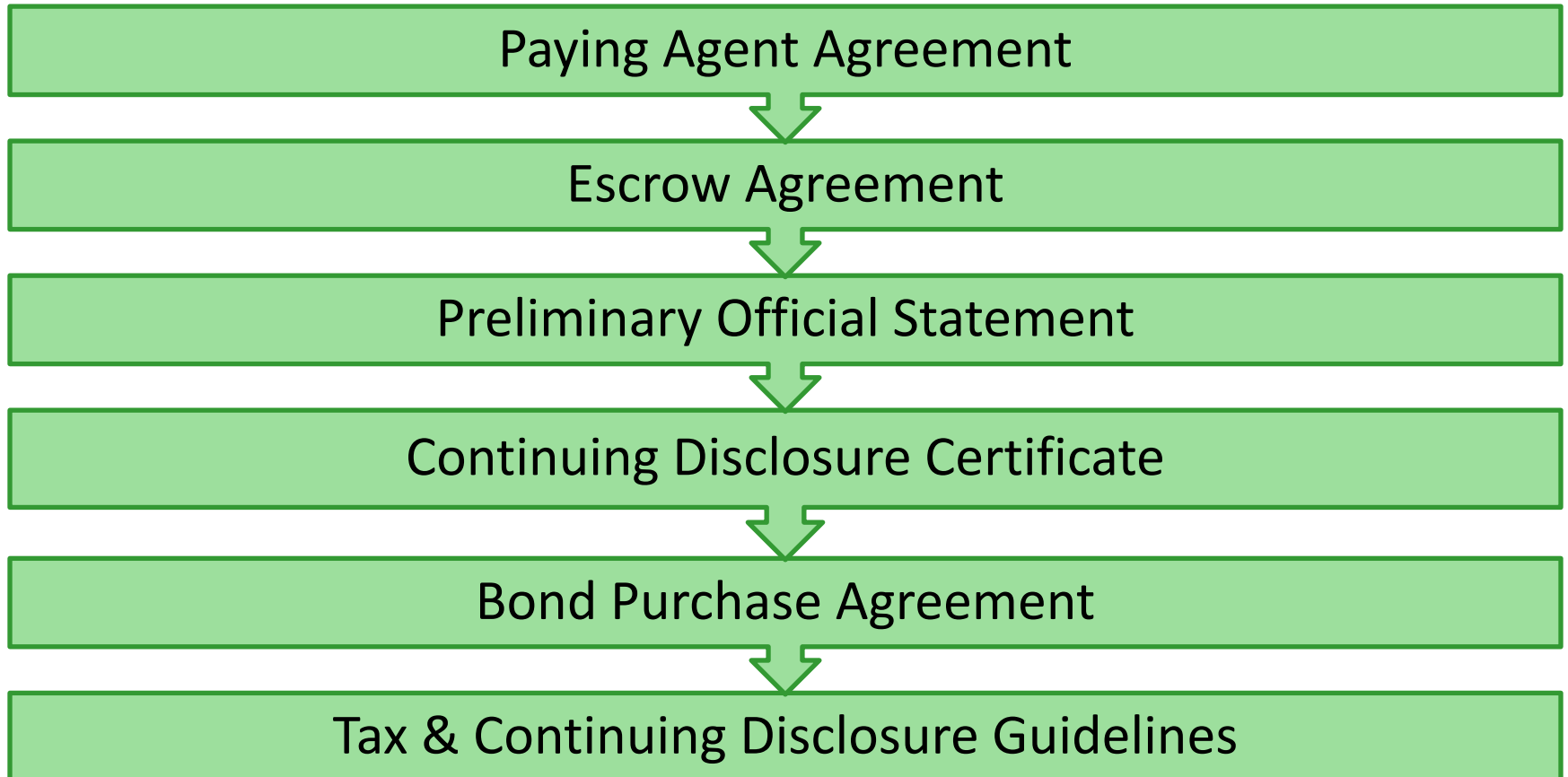
## Estimated Sizing for 2019 GO Bond Refinance

	Refunding of 2011 GO Refunding Bonds	Refunding of 2012 GO Refunding Bonds	Refunding of 2013 Series A Bonds	Refunding of 2015 GO Refunding Bonds	Total
Escrow Deposit	\$39,515,000	\$66,435,000	\$11,405,000	\$21,790,000	<b>\$139,145,000</b>
Cost of Issuance	\$57,000	\$95,000	\$16,000	\$31,000	<b>\$199,000</b>
Underwriter's Discount	\$200,000	\$335,000	\$58,000	\$110,000	<b>\$703,000</b>
Bond Insurance	\$143,000	\$240,000	\$41,000	\$79,000	<b>\$503,000</b>
<b>Par Amount of Bonds</b>	<b>\$39,915,000</b>	<b>\$67,105,000</b>	<b>\$11,520,000</b>	<b>\$22,010,000</b>	<b>\$140,550,000</b>

# Comments on Refinance

- Estimated All-In Combined TIC of 2.64%
  - Federally taxable interest rate
    - Tax Reform Act of 2017 eliminated tax-exempt advance refundings
- Estimated savings of 6.8% of the bonds refunded exceeds the recommended threshold of 5% per series to pursue a refinance

# Summary of Legal Documents to be Considered by Resolution



# Anticipated Schedule for Moving Forward – Combined with Measure R Issuance

