

Debt Administration

Certified Government Finance Officer Review Session October 2017

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Exam Topics

- Policies and Regulations – 20%
- Players and Roles – 10%
- Debt Structuring – 20%
- Rating Process – 10%
- Issuance/Refunding – 35%
- Derivate Related – 5%

Agenda

1. Policies and Regulations
2. Derivatives
3. Debt or No Debt
4. Securitizing the Debt
5. Structuring the Debt
6. Ratings Process
7. Selling the Debt
8. Documents
9. After the Sale
10. Bond Covenants
11. Regulating Agencies
12. Odds and Ends

Policies and Regulations

Policies and Regulations

➤ Municipal debt

❖ Municipal bonds

✓ Tax-exempt

✓ Taxable

❖ Bank notes

❖ Commercial paper

❖ Leases

❖ State Revolving Loan Fund (SRF) program

➤ 1986 Tax Reform Act

Policies and Regulations

- Municipal bonds – debt securities issued by states, cities, counties, and other governmental entities to finance primarily capital projects such as buildings, highways, or sewer systems
- **Bank notes**
 - ❖ Direct loan by a banking institution
 - ❖ **May be considered as a private placement bond**
 - ❖ Easier to issue

Policies and Regulations

- Commercial paper
 - ❖ Unsecured short-term loan
 - ❖ Essentially a promissory note secured by the borrower's financial health
 - ❖ Interest rates are usually variable
 - ❖ Florida League of Cities, Florida League of Counties
- Leases
- State Revolving Loan Fund Program (SRF)

Policies and Regulations

- Certificates of Participation (COP)
 - ❖ Allows an investor to buy a share of the improvements or infrastructure the government intends to fund
 - ❖ Lease payments are made to relieve the debt
 - ❖ Does not require a vote of citizens

Policies and Regulations

Tax-exempt bonds

- Exempt from Federal taxes
- Can also be exempt from state income tax through reciprocal immunity (McCulloch v Maryland, 1819)
- Restricts purpose of debt primarily to public purpose (private activity test)
- Allows for one advanced refunding per issue
- Fully registered (if maturity is over 1 year)

Policies and Regulations

Taxable bonds

- Not exempt from Federal taxes
- Higher yields (interest rates)
- Examples of taxable bonds
 - Build America Bonds (ARRA)
 - Pension bonds/workers compensation bonds

Policies and Regulations

Private activity test

- **Financed asset available for general public use**
- **Source of debt service payments**
 - ❖ **Governmental revenues**
 - ❖ Private lease payments (e.g., rent)
- **Private activity test standards**
 - ❖ Private purpose use of the asset must be less than 10% of the asset
 - ❖ **Payment of principal or interest from a private source must be less than 10%**

Policies and Regulations

Private Activity Test – Must pass the private activity bond test only on the date of the original issuance of the bonds, unless the issuer takes a ‘deliberate action’ subsequent to the original issue date that causes the issue to exceed the private activity test limits

Policies and Regulations

Private activity test

➤ Examples

- ❖ Parking garages
- ❖ Convention centers
- ❖ Marinas

➤ If in doubt, ask bond counsel and/or financial advisor

➤ Failing the private activity test could result in tax-exempt bonds becoming taxable

Policies and Regulations

Arbitrage

- Prior to the 1986 Tax Reform Act, local governments could issue tax-exempt, low-interest bonds and then invest the bond proceeds at a higher interest rate
- After 1986, local governments must
 - ❖ Restrict interest earnings
 - ❖ Must meet bond proceeds spend down requirements

Policies and Regulations

Arbitrage (continued)

- Small governments that issue less than \$5.0 million in debt during a calendar year are exempt from arbitrage
- Records
 - ❖ Maintain records for 3 years after the last bond maturity
 - ❖ Refunded bond records do not have to be maintained past the call date

Policies and Regulations

Arbitrage (continued)

- Overpayment of arbitrage – file refund request
- Inadequate documentation (e.g., issuer cannot prove compliance to the IRS)
 - ❖ IRS can declare the issue taxable
 - ❖ IRS can impose penalties on the issuer

Policies and Regulations

GFOA recommends that state and local governments adopt comprehensive written debt management policies

- Debt limits ⁽¹⁾
- Debt issuance practices
- Use of derivatives
- Debt structuring practices
- Debt management practices

1. Florida law does not impose a debt limit. Instead, it is left up to local governments to determine and include in their debt management policy.

Policies and Regulations

GFOA recommends that the debt policy also contain debt ratios and/or measurements

- Debt per resident
- Debt to personal income
- Debt to taxable property value
- Debt service payments as a percentage of general fund or expenditures

Policies and Regulations

Other debt policy considerations

- Internal standards and considerations
- Debt structuring (useful life of asset, debt service)
- Debt issuance (negotiated, competitive, credit ratings)
- Debt management (disclosure, investment of proceeds)
- Use of derivatives

Derivatives

Derivatives

- Financial instruments whose value is based upon (derived from) the value of another asset
- Interest rate swaps are common derivative procedures
- Derivative risks
 - Basis risk
 - Term mismatch risk
 - Rollover risk
 - Interest rate risk
 - Counterparty (credit) risk
 - Termination risk
 - Market-access risk

Derivatives

- Basis risk – risk that the value of future contract will not move (mismatched) in line with that of the underlying asset
- Term mismatch risk – inability to find a suitable counterparty for a swap transaction
- Rollover risk – the maturity of the derivative is shorter than the maturity of the hedgeable item

Derivatives

- Counterparty (Credit) risk – a risk to each party of a contract that the counterparty will not fulfill its contractual obligation (e.g., cannot make future payments or cannot make a termination payment)
- Termination risk – possibility that the derivative may end before maturity thus having to make a termination of the interest rate swap

Derivatives

- Interest rate risk – changes in the interest rate may reduce or increase the market value of the asset
- Market-access risk – the risk that the investor will be unable to enter credit markets or that credit will become more costly

Debt or No Debt?
That is the Question

Capital Improvement Program

- Financial planning, budgeting, and management tool
- Five-Year cash flow model
 - ❖ Projects expected revenues
 - ❖ Identifies estimated project costs by revenue stream
 - ❖ Includes projected debt service (level debt payments)
 - ❖ Includes all costs (cost allocation, etc.)
 - ❖ Each year must be balanced by source
- Debt service coverage calculation

Capital Improvement Program

- Balances project needs with current revenues, grants, and/or financing options
- Current Revenues – sufficient revenue stream (e.g., water rates) and/or fund balance to support operating expenses, capital projects, reserve requirements, and existing parity debt
 - ❖ Asset constructed has a short useful life
 - ❖ Project's budget is relatively small
 - ❖ Debt cannot be issued
 - ❖ Preserves debt capacity

Purpose of the Bonds

- New money is used to finance a project (e.g., build a road, install water lines, purchase and implement a new software program)
- Refunding existing bonds
 - ❖ Advanced or current refunding
 - ❖ Restructure existing debt
 - ✓ Lower interest rates
 - ✓ Term
 - ✓ Remove covenants

Debt Issuance Considerations

- Matching type of financing with revenue stream
- Matching term of financing with useful life of asset(s)
- Coordination of proposed financing with existing debt
- Overlapping debt
- Project schedule (e.g., design, land acquisition, and/or construction)

Refunding the Bonds

Reasons to refund or call the bonds

- Lower interest rates – realize savings at least 3-5%
- Restructure debt
- Extend the bonds' term
- Cash defeasance of the bonds
- Remove or revise restrictive covenants
- Avoid arbitrage rebates

Refunding the Bonds

Advanced refunding

- Calling the bonds more than 90 days prior to the call date (usually on the 10th anniversary of the sale date)
- Only allowed one advanced refunding per issue
- Bond proceeds are placed in irrevocable escrow account to pay the annual debt service until bonds are callable
- Once escrow has been funded, the refunded bonds are legally defeased

Refunding the Bonds

Current refunding

- Occurs within 90 days or after of the bonds' call date
- Refunded bonds are defeased on the date the refunding occurs
- Normally exempt from arbitrage restrictions

Refunding the Bonds

Yield burning

- Illegal practice of marking up the prices on bonds for the purpose of reducing the yield on the bond after the bonds are placed in a refunding escrow
- State and Local Government Series (SLGS) are securities sold by the U.S. Treasury to comply with arbitrage restrictions

The Debt Team

The Debt Team

Issuer

- Chief Financial Officer
- Budget/Accounting
- Attorneys
- Clerk's Office
- Departments (water, wastewater, solid waste, stormwater)

The Debt Team

Financial advisor

- Usually hired first; works for the issuer
- Assists in developing financing requirements and methods
- Assists in selecting the rest of the financing team
- Represents the issuer in the sale of bonds
- Helps organize and coordinate all steps in the process
- Compensation (hourly, flat fee, or sliding scale)

The Debt Team

Bond counsel

- Certifies legal authority to issue the debt
- Provides an opinion that the debt is tax-exempt
- Interprets federal, state, and local laws, regulations, constitutions and statutes, charters, and ordinances
- May draft ordinance or trust indenture

The Debt Team

Bond counsel (continued)

- Basis of compensation (hourly with cap or flat fee)
- Select one with a strong reputation

The Debt Team

Disclosure counsel

- Retained by the issuer
- Provides advice on issuer disclosure obligation
- Prepares the official statement
- Prepares continuing disclosure agreement

The Debt Team

Underwriter

- Negotiated sale – participates in structuring the deal
- Competitive sale – submits a bid to acquire the securities
- Usually an investment or commercial bank
- Purchases and remarkets the securities

The Debt Team

Underwriter (continued)

- Should be competent, reasonably priced, and have no conflict of interests
- Gross Spread – the difference between the price paid by the underwriter to the issuer and the price at which the securities are initially offered to the investing public

The Debt Team

Underwriter (continued)

- Underwriters' spread (compensation)
 - ❖ Take-down – compensation for selling bonds; sales commission
 - ❖ Management fee – managing the activities of the bond preparation
 - ❖ Expenses – incurred in the sale process
 - ❖ Underwriter fee or “risk” – associated with buying and reselling the issue

The Debt Team

Underwriter's counsel

- Retained by the underwriter(s)
- Review issuer's bond resolution and documentation
- Review the accuracy and adequacy of disclosure in the official statement
- Prepares contracts

The Debt Team

Underwriter's counsel (continued)

- Assists the underwriter(s) with due diligence
- Selected based on past performance, ability to complete transaction, and absence of conflict of interests

The Debt Team

Other team members

- Paying agent/registrar
- Bond printer
- POS/OS printer
- Trustee – acts a fiduciary to protect interests on investors
- Escrow agent
- Rate consultants and/or consulting engineers

Securitizing the Debt

Securitizing the Debt

- General Obligation bonds
- Revenue bonds
- Covenant to budget and appropriate
- State shared revenues

Securitizing the Debt

- General Obligation (GO) bonds
 - ❖ Pledge full faith and general credit of issuer; most secure pledge
 - ❖ Voter approval is required for amount and anticipated use
 - ❖ Favorable interest rates
 - ❖ Debt millage limit is based on the local government policy
 - ❖ Rolled back rate does not apply to millage rates used to pay GO bonds

Securitizing the Debt

➤ Revenue bonds

- ❖ Specific revenue pledge to service debt (e.g., water, wastewater, local option taxes, etc.)
- ❖ Voter approval usually not required
- ❖ Coverage covenants usually included
- ❖ Higher interest rates than GO bonds

➤ Double-barreled bonds – blend of GO and revenue bonds that require separate bond resolutions

Securitizing the Debt

- Special assessment bonds
 - ❖ Debt is securitized by limited group of property owners
 - ❖ Market concerns about defaults
 - ❖ Higher interest costs due to higher risk
 - ❖ Mitigate risks – Utilizes the Uniform Method of Collection on the annual property tax bills
 - ❖ More complex than GO bonds

Securitizing the Debt

- Covenant to budget and appropriate
 - ❖ Issuer agrees to annually appropriate legally available non-ad valorem revenues
 - ❖ Cannot use ad valorem taxes
 - ❖ Be careful which revenues are defined to be used
- State shared revenues – can only securitize the guaranteed entitlement portion

Structuring the Debt

Structuring the Debt

- Primarily the task of the issuer and the financial advisor
- Determine, define, and establish the number and amount of individual bonds in the issue
- Maturity schedule for individual bonds
- Timing – when to bring the bonds to the market

Structuring the Debt

What type of debt to issue

➤ Tax-exempt

- Restrictions on uses

- Lower interest costs

➤ Taxable debt

- ❖ Avoid arbitrage rebate issues

- ❖ Projects includes private activity

- ❖ Second advance refunding of debt

- ❖ Government would be over a debt limitation cap

- ❖ Higher interest costs

Structuring the Debt

- Term bonds – mature or come due on a single date
- Serial bonds – do not mature or come due on a single date; instead, have maturity dates which are staggered over several or many years

Structuring the Debt

Serial bonds

\$52,115,000
CITY OF TAMPA, FLORIDA
Sales Tax Refunding and Improvement Revenue Bonds,
Series 2016

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS,
PRICES AND INITIAL CUSIP NUMBERS

<u>Maturity</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Initial CUSIP</u> <u>Numbers*</u>
2017	\$4,140,000	5.00%	0.75%	104.261	875232CH1
2018	4,365,000	5.00	0.84	108.267	875232CJ7
2019	4,585,000	5.00	0.96	111.951	875232CK4
2020	4,820,000	5.00	1.08	115.336	875232CL2
2021	5,055,000	5.00	1.20	118.417	875232CM0
2022	5,305,000	5.00	1.37	120.868	875232CN8
2023	5,575,000	5.00	1.48	123.351	875232CP3
2024	5,850,000	4.00	1.61	117.889	875232CQ1
2025	6,090,000	4.00	1.71	119.043	875232CR9
2026	6,330,000	4.00	1.81	119.965	875232CS7

(1)

1. CUSIP – Committee on Uniform Securities Identification Procedure number

Structuring the Debt

➤ Principal amount

- ❖ Level

- ❖ Frontloading

- ❖ Backloading

➤ Price

- ❖ Par

- ❖ Premium

- ❖ Discount

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Structuring the Debt

➤ Interest rate

❖ Market-based

❖ Interest rate risk

❖ Credit risk

➤ Yield

➤ Price

➤ Interest rate

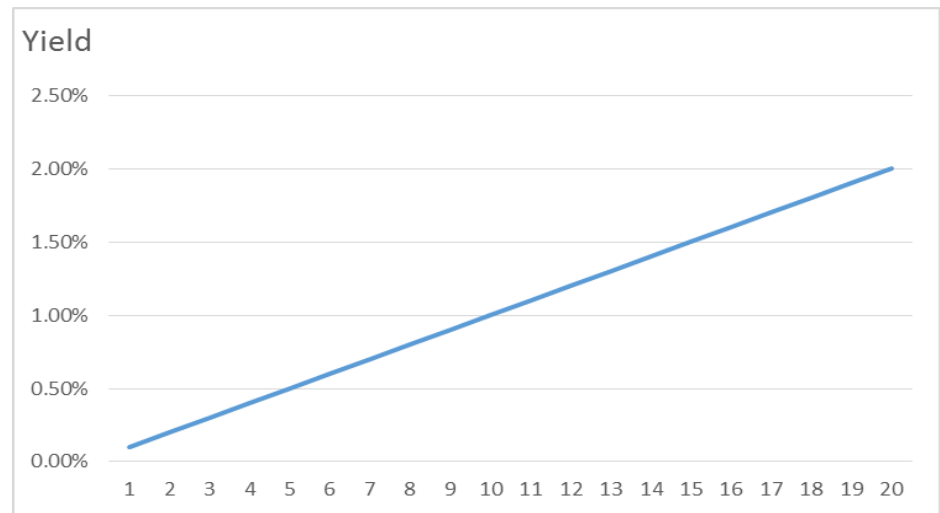
➤ Yield curve – graphic illustration showing the yields on bonds of varying maturities

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Structuring the Debt

Normal yield curve

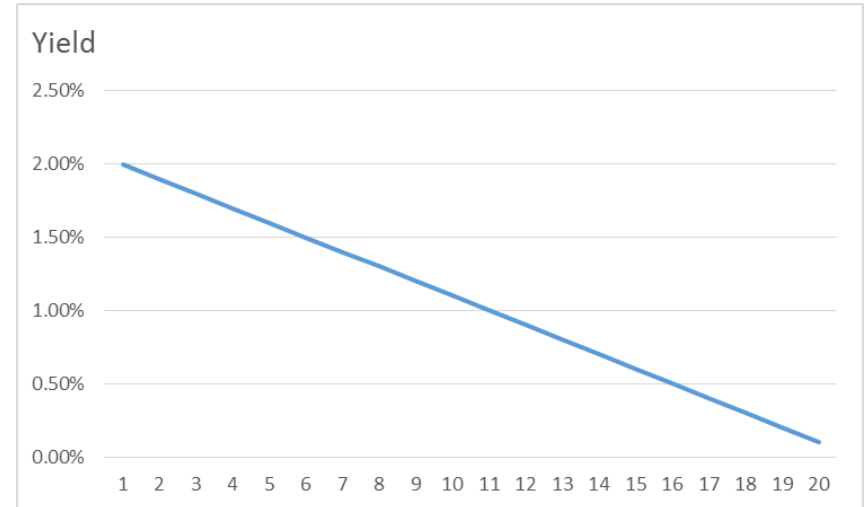
- Yields are low in the near-term and rise for the long-term
- Reflects a good economy; economic expansion



Structuring the Debt

Inverted yield curve

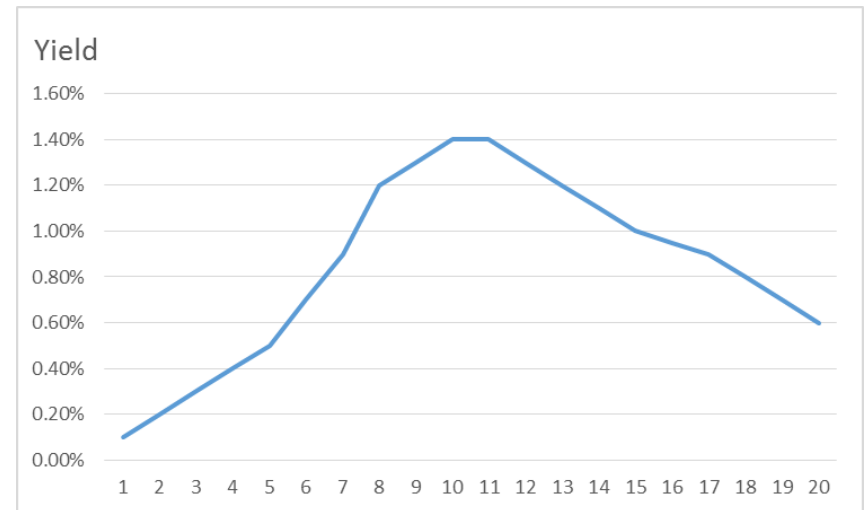
- Long-term yields are projected to fall
- Corresponds to period of economic recession



Structuring the Debt

Humped yield curve

- Relatively rare
- Yields on medium-term investments are higher than both short and long-term investments
- Also known as a bell-shaped curve
- Seen as a predictor of economic transition



Structuring the Debt

➤ Fixed interest rates

- ❖ Interest rates are set at the time of sale/closing
- ❖ Reduces interest risk to both issuer and bond holder

➤ Variable interest rates

- ❖ Rates can fluctuate during the life of debt
- ❖ Variable-rate demand bonds have a floating rate and can be redeemed at any time by the bond holder
- ❖ Commercial paper
- ❖ Risks (interest rate, renewal, and rollover)

Structuring the Debt

Credit enhancements

➤ Bond Insurance

- ❖ Guarantees the repayment of the principal and all associated interest payments to bond holders in the event of default
- ❖ Issuers buy insurance to enhance the bond's credit rating to 'AAA' to reduce interest rates
- ❖ Calculate the net present value of the deal with and without bond insurance to determine cost benefit

Structuring the Debt

Credit enhancements (continued)

➤ Surety Bond

- ❖ Ensures contract completion in the event of default
- ❖ Can be used in lieu of a cash funded debt service reserves

➤ Letter of Credit

- ❖ Issued by a financial institution to serve as a guarantee to make annual debt service payments
- ❖ Issued for a short period of time

Structuring the Debt

Credit enhancements (continued)

➤ Cash funded debt service reserves

- ❖ Cash set aside by the issuer to ensure annual debt service payments are made
- ❖ Either from bond proceeds or issuer's cash reserves
- ❖ Reserves are based on the Maximum Annual Debt Service (MADS)

Structuring the Debt

- True Interest Cost (TIC) – rate necessary to **discount** the amounts payable on the respective principal and interest payment dates to purchase price received for new issue of bonds
- Net Interest Cost (NIC) – computes overall interest expense associated with bonds

$$\frac{\text{Total Interest Payments} + \text{Discount} - \text{Premium}}{\text{Bond Year Dollars}}$$

Structuring the Debt

➤ Bond year dollars

Years to Maturty	Par Amount	Interest	Bond Year Dollars
1	\$ 5,000,000	2.00%	\$ 5,000,000
2	\$ 7,000,000	2.25%	\$ 14,000,000
3	\$ 7,500,000	2.50%	\$ 22,500,000
4	\$ 7,500,000	2.75%	\$ 30,000,000
5	\$ 8,000,000	3.00%	\$ 40,000,000
15	\$ 35,000,000		\$ 111,500,000
Bond Year Dollars	\$ 111,500,000		

➤ Average maturity

Bond Year Dollars	\$ 111,500,000	=	3.19
Total Par Amount	\$ 35,000,000		

Ratings Process

Ratings Process

➤ Credit rating agencies

- ❖ Rating agencies assess the creditworthiness of both debt securities and their issuers
- ❖ Bonds ratings are important not only for their role in informing investors, but also because they affect the interest rate that issuers pay on their outstanding debt
- ❖ Three major credit rating agencies

Ratings Process

➤ Rating process

❖ Rating agencies evaluate

- ✓ Debt burden
- ✓ Management
- ✓ Financial performance

❖ Meetings

- ✓ Personal meeting is recommended if there have been significant changes since last meeting
- ✓ Telephonic meetings are the norm

Ratings Process

- Credit rating – determined by a rating committee
- Credit rating report
 - ❖ Public document published by each credit rating agency
 - ❖ Evaluates the creditworthiness of the issuer
 - ❖ Underlying rating
 - ✓ Rating without any credit enhancements
 - ✓ Published upon request

Ratings Process

- Rating agency surveillances
 - ❖ Periodic review by the credit rating agencies by credit
 - ❖ Can upgrade, affirm, or downgrade credit rating
 - ❖ Publish a credit report

Selling the Debt

Selling the Debt

Types of sales

- Negotiated sale
- Competitive sale
- Private placement

Selling the Debt

Negotiated sale

- Typically used for more complex issues and/or issuers unknown in the marketplace
- Issuer with advice of the financial advisor selects the underwriter team
- Underwriter assists in the structuring and origination services
- When prices and maturities agreed upon, the underwriter signs Bond Purchase Agreement (BPA)

Selling the Debt

Competitive sale

- Bidding open to underwriters, commercial and investment banks, corporations, and individuals
- GO Bonds (Rated AA or better)
- Revenue bonds
- Notice of Sale
- Electronic bidding

Selling the Debt

- Notice of sale
 - ❖ Date, time, and place of sale
 - ❖ Description of the bonds
 - ✓ Amount of offering
 - ✓ Security
 - ✓ Dated date (when securities begin to accrue interest)
 - ✓ Maturity date and schedule
 - ✓ Form and payment of the bonds
- Dated date – date interest begins to accrue

Selling the Debt

Private placement bonds

- Placed with banks, corporations, and/or investment firms
- Competitively bid
- No rating or official statement published
- Limited disclosure requirements
- Faster process

Documents

Documents

- Bond ordinance/resolution
 - ❖ Authorizes the debt
 - ❖ Establishes the framework to issue the debt
- Preliminary official statement
 - ❖ Contains information on the security pledged and the financial condition of the issuer
 - ❖ Description of the issuer
 - ❖ Engineer's report/study
 - ❖ Financial feasibility report
 - ❖ Total debt service of the credit (may or may not contain debt service of current offering)

Documents

- Official statement
 - ❖ Same as Preliminary Official Statement
 - ❖ Provides final debt service schedule
 - ❖ Identifies underwriters if bid competitively
- Bond Purchase Agreement
- Disclosure agreement

Documents

- Bond Purchase Agreement (BPA) – agreement between the seller and the underwriter establishing the terms of the sale
 - ❖ Sale price
 - ❖ Interest rates
 - ❖ Maturities
 - ❖ Redemption provisions

Documents

➤ Pre-closing

- ❖ Documents are signed and sealed
- ❖ Occurs prior to closing
- ❖ Chief executive officer, chief financial officer, clerk, attorney, bond counsel, financial advisor

➤ Closing

- ❖ Payment received for deliverance of bonds
- ❖ Usually handled telephonically

After the Sale

Debt Payments

- Please refer to the bond/loan documents
- Bonds
 - ❖ Annual interest payments
 - ❖ Semi-annual interest payments
 - ❖ Establishment of a sinking fund
 - ✓ Ensures funds are available to make debt payments
 - ✓ Monthly basis – $1/12^{\text{th}}$ of the annual principal debt service and $1/6^{\text{th}}$ of the semi-annual interest payment
- Other loans generally follow bond payment process; however, dates may vary

After the Sale

- Annual debt service payments
 - ❖ Capitalized interest – payment of interest from the bond proceeds
 - ❖ Level debt service – principal increases as interest decreases (e.g., mortgages, car payments)
 - ❖ Level principal payment – total debt service decreases as interest decreases
 - ❖ Interest only – payment of interest only for a portion of the term (wrapping new debt around existing debt)

After the Sale

Redemption provisions

- Mandatory – annual debt service through the use of a sinking fund
- Optional redemption (call provision)
 - ❖ Allows for the bonds to be called
 - ❖ Generally at the 10th year anniversary
 - ❖ Issuer will pay a premium
 - ❖ Issuer will also pay a higher interest rate to call the issue earlier

After the Sale

Continuing disclosure

- Electronic Municipal Market Access (EMMA) system operated by the Municipal Securities Rulemaking Board (MSRB)
- File material event notice with EMMA within 10 days after becoming aware of the event
- File continuing disclosure information through EMMA (SEC Rule 15c2-12)

Bond Covenants

Bond Covenants

- Enforceable promise to do or refrain from doing some defined act
- Debt service coverage requirements
 - ❖ Pledge to maintain certain percent of net revenues (gross revenues less operating costs) in excess of annual debt service
 - ❖ Coverage should be in excess of 1.0, (e.g., 1.25)
 - ✓ Gross revenues – operating costs = net revenues
 - ✓ Net revenues / annual debt service = debt service coverage

Bond Covenants

- Additional bonds test
 - ❖ Agreement not to issue additional parity bonds until test is met
 - ❖ Test of pledged revenues against future combined debt service of parity debt
 - ❖ Rate consultant, bond counsel, financial advisor
- Debt service reserves
- Use bond proceeds as defined in the bond documents
- Continuing disclosure

Regulating Agencies

Regulating Agencies

- Internal Revenue Service (IRS) - All issuers with bonds greater than \$100,000 are required to file information returns at the time of issue
- Municipal Securities Rulemaking Board (MSRB)
 - ❖ Regulates municipal securities market
 - ❖ Manages EMMA

Regulating Agencies

- Securities and Exchange Commission (SEC)
 - ❖ Rule 15C2-12 requires municipal bond issuers to enter into an agreement with underwriters to provide certain information
 - ❖ Requires underwriters to
 - ✓ Perform due diligence review of the Preliminary and Official Statement
 - ✓ Distribute POS/OS upon request within one day to a potential investor
 - ✓ Timely receipt of the OS

Odds and Ends

Odds and Ends

- Put provision – allows bond holder to present the bond for payment of principal and accrued interest
- Basis point
 - ❖ One hundredth of one percent
 - ❖ Used chiefly to express difference of interest rates
 - ❖ 120 basis points is 1.20%
- Municipal Over Bonds (MOB) Spread – spread between municipal bonds index and U.S. Treasury index

Odds and Ends

➤ Municipal bond pools

- ❖ Bond offering in which a sponsor sells an issue of bonds with proceeds used by a number of governmental agencies – increases the size of the investor pool
- ❖ Pool permits small cities with low borrowing requirements to reduce the underwriting and interest costs associated with a small issue
- ❖ Because of the varying credit risks associated with cities in a single bond pool, nearly all bond pools are insured

Odds and Ends

- Overlapping debt
 - ❖ Financial obligations of one political jurisdiction that also falls partly on a nearby jurisdiction
 - ❖ Taxpayers are responsible for paying their share of the debt from each jurisdiction
 - ❖ Examples: School district constructs a new school and the county rebuilds and expands an existing road
- Pay to Play – paying politicians to be a member of the issuer's team

Odds and Ends

- Committee on Uniform Securities Identification Procedure (CUSIP) number – allows the market to identify series of bonds
- Bond register
 - ❖ Listing of names and addresses of current bond owners
 - ❖ Electronically maintained by Deposit Trust and Clearing Corporation (DTC)

Reference Materials

- Florida Statutes (www.leg.state.fl.us)
 - ❖ FS163.335 Findings and Declarations of Necessity
 - ❖ FS200.065 Method of Fixing Millage
 - ❖ FS218.25 Limitation of Shared Funds
- FAQ Regarding Record Retention Requirements, Government Entities – IRS
- IRS Publication 4079, Tax-Exempt Government Entities - IRS

Reference Materials

- Recommended Practice Statements, Debt Management – GFOA

www.gfoa.org/services/rp/debt.shtml

- GFOA

- ❖ Debt Issuance and Management: A Guide for Smaller Governments
- ❖ [Guide to Preparing a Debt Policy](#)
- ❖ An Elected Officials Guide to Rating Agency Presentations

Reference Materials

- GFOA (continued)
 - ❖ An Elected Official's Guide to Debt Issuance
 - ❖ Tax-exempt Financing : A Primer
 - ❖ Investing Public Funds
 - ❖ Public Policy Statements – Tax-exempt Financing and the Municipal Bond Market
 - ❖ Debt Issuance and Management: A Guide for Small Governments
- [MSRB Glossary](http://msrb.org/msrb1/glossary/default.asp)
(msrb.org/msrb1/glossary/default.asp)