



# SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

## *2018 General Obligation Refunding Bonds, Series A (Crossover)* & *2018 General Obligation Refunding Bonds, Series B*

***Adam Bauer***

*Chief Executive Officer/ President*

*Fieldman, Rolapp & Associates, Inc.*

*Tel: 949.660.7303      Cell: 949.295.5735*

*abauer@fieldman.com*

***Ivory Li***

*Managing Director*

*Piper Jaffray & Co.*

*Tel: 415.616.1614*

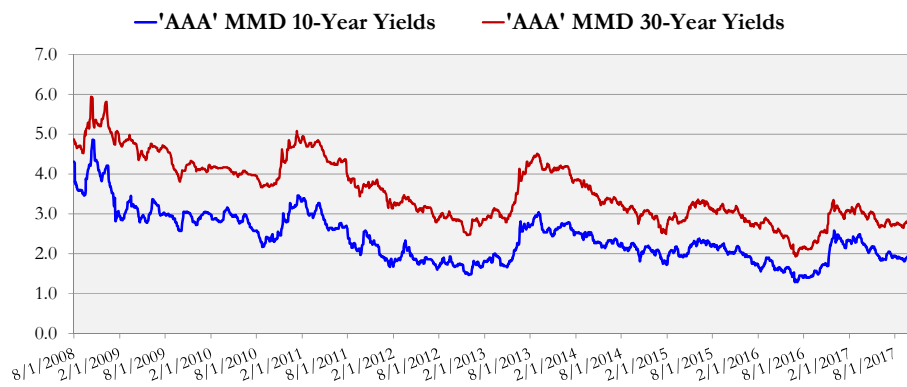
*ivory.r.li@pjc.com*

November 3, 2017

# Summary of Market Conditions

## Change in 'AAA' MMD Yields

(August 1, 2008 through October 25, 2017)



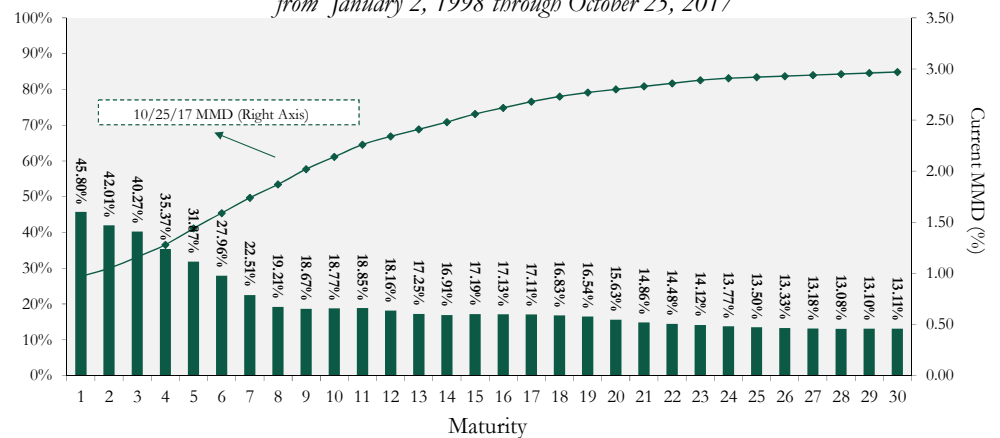
Tax-exempt rates increased after the November 2016 presidential election but have since trended downward toward the historically low levels before the election



Tax-exempt rates have only been lower 20.35% of the time along the entire yield curve

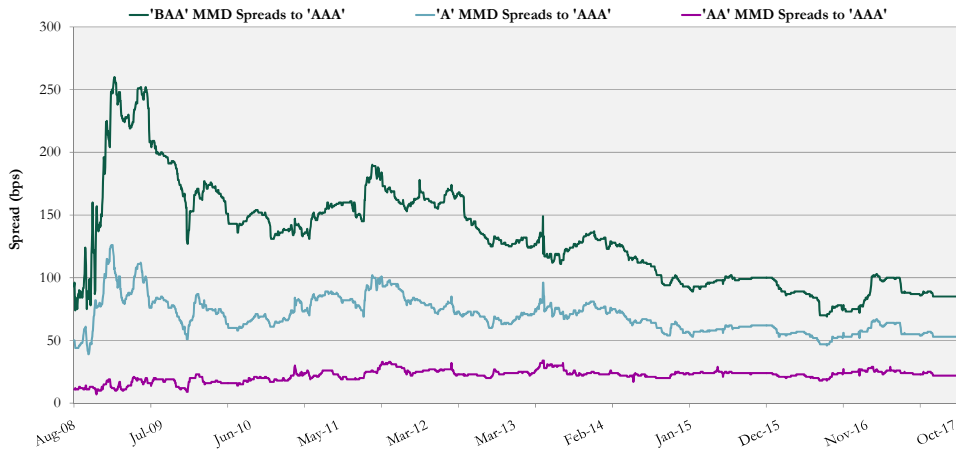
## Current "AAA" MMD and Percentage of Time Historical "AAA" MMD has been Lower than Current "AAA" MMD

from January 2, 1998 through October 25, 2017



# Summary of Market Conditions – cont'd

**30-Year MMD Credit Spreads**  
August 1, 2008 through October 25, 2017

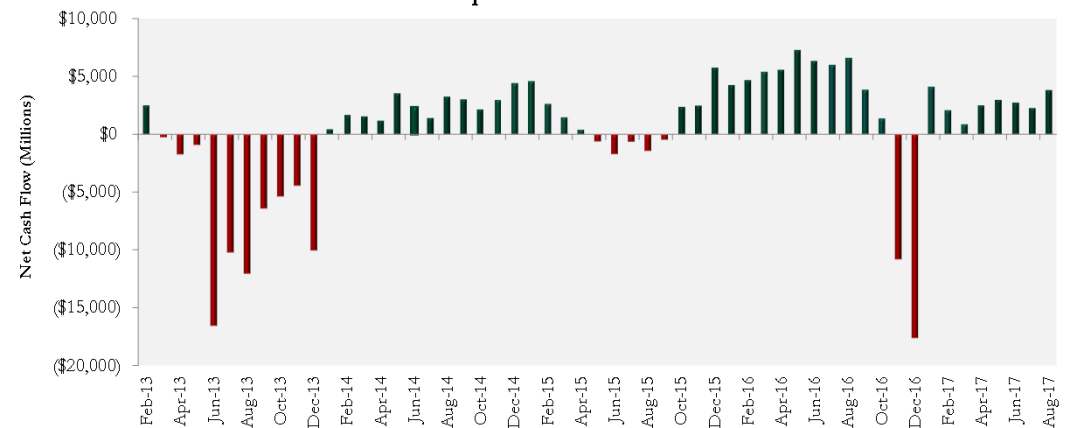


Credit spreads have continually tightened since 2009 and widened moderately beginning November 2016. However spreads tightened again in early 2017 and have remained stable since then



Muni bond funds saw outflows at the end of 2016 and have experienced inflows throughout 2017

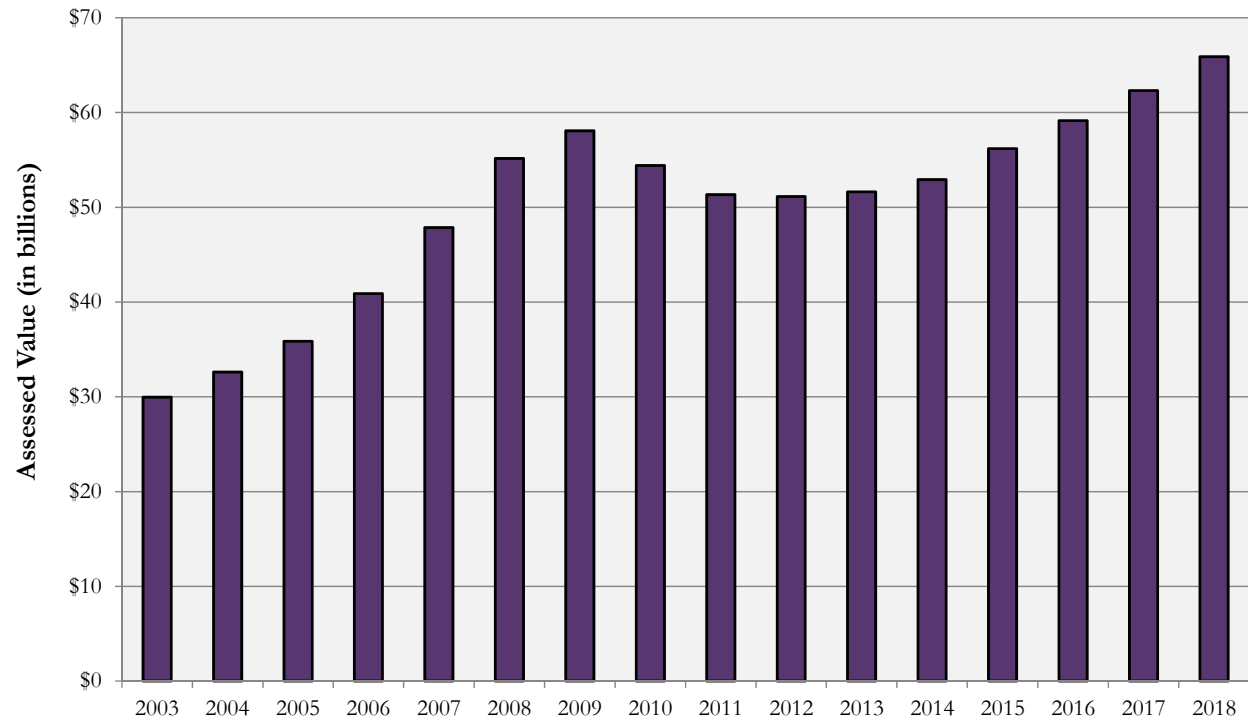
**Monthly Flow of Funds**  
Municipal Bond Mutual Funds



# Historical Assessed Valuation

Historical Assessed Value

FY	Assessed Valuation	% Change
2003	\$29,972,325,493	-
2004	32,608,728,658	8.80%
2005	35,856,470,642	9.96%
2006	40,905,198,748	14.08%
2007	47,873,839,484	17.04%
2008	55,146,318,135	15.19%
2009	58,074,704,204	5.31%
2010	54,415,455,052	-6.30%
2011	51,323,415,499	-5.68%
2012	51,148,493,296	-0.34%
2013	51,638,905,109	0.96%
2014	52,916,344,096	2.47%
2015	56,190,405,716	6.19%
2016	59,139,840,860	5.25%
2017	62,325,175,003	5.39%
2018	65,881,277,414	5.71%
<b>5-Year Average:</b>		<b>5.00%</b>
<b>15-Year Average:</b>		<b>5.60%</b>

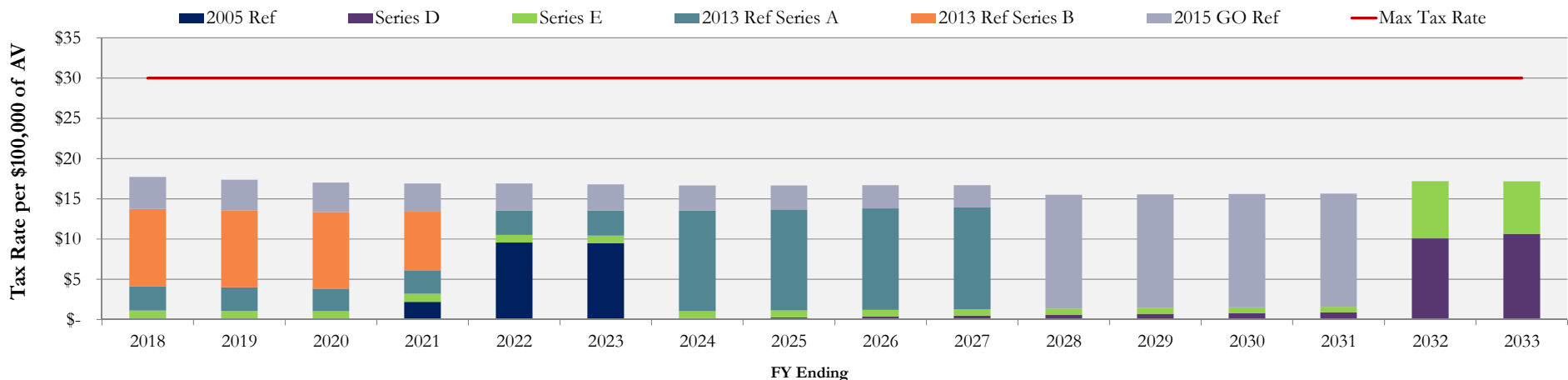


Fiscal Year	Assessed Value	Bonding Factor	Bonding Capacity	Outstanding GO Bond Principal	Net Bonding Capacity
2017-18	\$65,881,277,414	2.50%	\$1,647,031,935	\$440,458,530	\$1,206,573,405

# Election of 2002 General Obligation Bonds

- On November 2, 2002, 62.8% of the voters in the District approved Measure P, which authorized the issuance of \$190 million in general obligation bonds
- The District has issued 5 series of new money general obligation bonds under the 2002 Election and no unissued authorization remains
- 4 series of refunding bonds have been issued and 6 total series of bonds are currently outstanding
  - Final maturity in 2033
- **The Series E Build America Bonds can be advance refunded on a crossover basis to provide substantial taxpayer savings**

Projected Tax Rates Under Election of 2002<sup>(1)</sup>

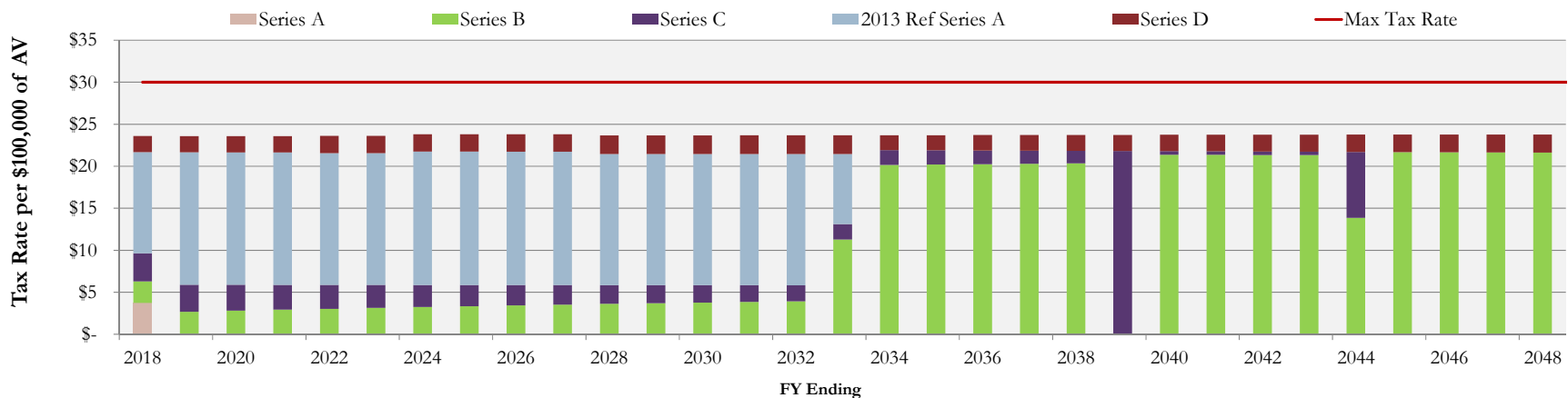


<sup>(1)</sup>Assumes 4.10% AV growth in 2018-19 and every year thereafter

# Election of 2008 General Obligation Bonds

- On February 5, 2008, 67.01% of the voters in the District approved Measure M, which authorized the issuance of \$500 million in general obligation bonds
- The District has issued 4 series of new money general obligation bonds under the 2008 Election and \$204,150,650 remains in unissued authorization
- One series of refunding bonds has been issued and all series of new money bonds are currently outstanding
  - Final maturity in 2048
- **The Convertible Capital Appreciation Term Bonds of Series B can also be advance refunded for very strong taxpayer savings**

Projected Tax Rates Under Election of 2008<sup>(1)</sup>



<sup>(1)</sup>Assumes 4.10% AV growth in 2018-19 and every year thereafter

# Overview of the 2018 Refunding Bonds\*

## Sources & Uses of Funds

SOURCES	2018 GO Refunding Bonds, Series A (Crossover)	2018 GO Refunding Bonds, Series B	Total
<b>Bond Proceeds</b>			
Par Amount	\$ 13,270,000.00	\$ 37,028,048.70	\$ 50,298,048.70
Premium	2,498,016.20	-	2,498,016.20
<b>Total Sources</b>	<b>\$ 15,768,016.20</b>	<b>\$ 37,028,048.70</b>	<b>\$ 52,796,064.90</b>
<b>USES</b>			
<b>Refunding Escrow Deposits</b>			
Cash Deposit	\$ 0.45	\$ 0.36	\$ 0.81
SLGS Purchases	15,634,235.00	36,654,806.00	52,289,041.00
	\$ 15,634,235.45	\$ 36,654,806.36	\$ 52,289,041.81
<b>Delivery Date Expenses</b>			
Cost of Issuance	\$ 65,956.83	\$ 184,043.17	\$ 250,000.00
Underwriter's Discount	66,350.00	185,140.24	251,490.24
	\$ 132,306.83	\$ 369,183.41	\$ 501,490.24
<b>Other Uses of Funds</b>			
Rounding Amount	\$ 1,473.92	\$ 4,058.93	\$ 5,532.85
<b>Total Uses</b>	<b>\$ 15,768,016.20</b>	<b>\$ 37,028,048.70</b>	<b>\$ 52,796,064.90</b>

## Savings Statistics

<b>Gross Savings</b>	\$10,001,304.26
<b>Avg. Annual Savings</b>	\$666,753.62
<b>Net Present Value Savings</b>	\$7,558,212.28
<b>Net Present Value Savings (%)</b>	17.28%

## Debt Service & Aggregate Savings

Date	Prior Debt Service	Refunding Debt Service	Refunding Receipts	Savings	NPV Savings
8/1/2018	-	\$309,633	\$309,633	-	-
8/1/2019	-	663,500	663,500	-	-
8/1/2020	\$2,781,638	2,219,583	-	\$562,055	\$529,786
8/1/2021	2,781,638	2,218,760	-	562,878	515,339
8/1/2022	2,781,638	2,217,353	-	564,285	501,802
8/1/2023	2,781,638	2,220,132	-	561,506	485,054
8/1/2024	2,781,638	2,221,944	-	559,694	469,660
8/1/2025	2,781,638	2,217,753	-	563,885	459,585
8/1/2026	2,781,638	2,217,633	-	564,005	446,526
8/1/2027	2,781,638	2,221,541	-	560,097	430,788
8/1/2028	2,781,638	2,219,465	-	562,173	420,000
8/1/2029	2,781,638	2,221,595	-	560,043	406,471
8/1/2030	2,781,638	2,217,825	-	563,813	397,478
8/1/2031	2,781,638	2,218,161	-	563,477	385,898
8/1/2032	10,281,638	8,877,753	-	1,403,885	925,999
8/1/2033	17,680,838	16,283,528	-	1,397,310	895,022
8/1/2034	25,258,744	24,806,542	-	452,202	283,271
<b>Total</b>	<b>\$86,600,869</b>	<b>\$77,572,698</b>	<b>\$973,133</b>	<b>\$10,001,304</b>	<b>\$7,552,679</b>

# Financing Schedule\*

Date	Description
Thursday, December 07, 2017	Credit Presentation
By Thursday, December 14, 2017	Rating Received
Thursday, December 14, 2017	<b>District Board Meeting</b> - Consider Adoption of Debt Policy - Consider Approval of Financing Documents
Wednesday, January 17, 2018	Pricing
Tuesday, February 13, 2018	Closing