

July 8, 2021

# San Bernardino Community College District

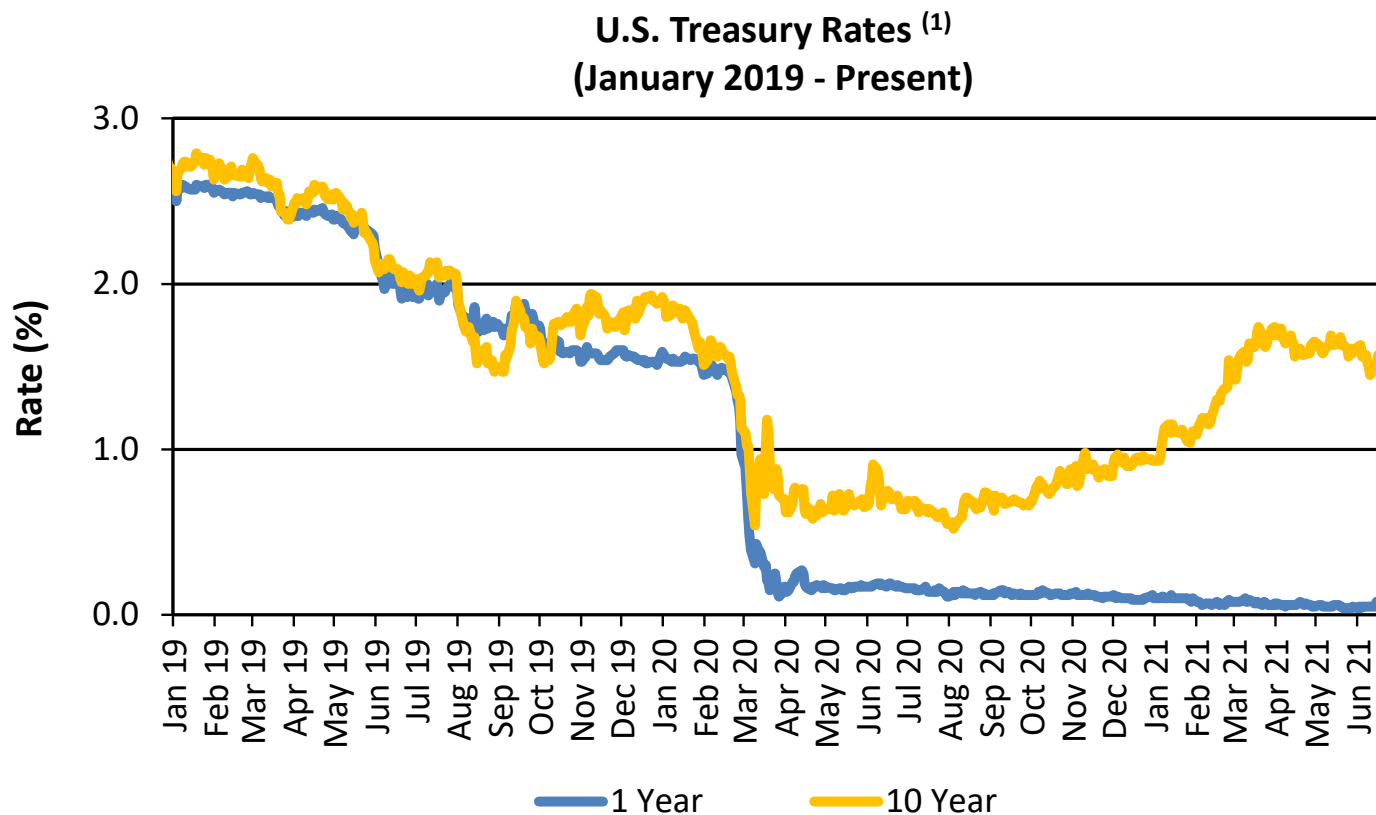
2021 General Obligation Refunding Bonds



# Interest Rates

The economic impact and central bank response to COVID-19 has resulted in historically low interest rates, however rates have risen in recent weeks due to:

- ◆ Positive sentiment surrounding vaccine distribution
- ◆ Potential inflation resulting from economic re-opening and most recent stimulus bill



(1) Source: U.S. Department of the Treasury.



# General Obligation Bond Refinancing Overview

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The District can refinance its Election of 2018 General Obligation Bonds, Series A (the “Prior Bonds”)

- ◆ Refinancing does NOT extend the original bond term
- ◆ In order to comply with IRS rules, the Refunding Bonds would be sold as taxable bonds
- ◆ All financing costs (except for credit ratings) are contingent upon the successful issuance of the Refunding Bonds and are paid only from bond proceeds, not the General Fund



# Financing Timeline

June 2021							July 2021							August 2021						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5					1	2	3	1	2	3	4	5	6	7
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28
27	28	29	30				25	26	27	28	29	30	31	29	30	31				

Date	Event
Completed	Adoption version of legal documents sent to District to be placed on Board Meeting agenda
TBD	Credit rating agency update call
July 8	District Board meeting to adopt issuance resolution and forms of preliminary official statement and other legal documents
July 9	Circulate preliminary official statement to prospective investors
July 13	Receive rating
July 14	Pre-pricing conference call to discuss market conditions, interest rate comparables and preliminary interest rates
July 15	Pricing – Interest rates locked in
July 22	Print and mail final official statement
August 5	Closing



# Legal Documentation

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Following is a summary of documents which are presented for approval

- ◆ **Authorizing resolution**

- Approves the issuance of Refunding Bonds and specifies the terms and parameters
- Authorizes District staff to take the necessary steps to issue the Refunding Bonds
- Approves the form of other legal documents
  - Preliminary official statement
    - Offering document circulated to prospective investors describing the District and the Refunding Bonds
  - Purchase contract
    - Agreement in which the underwriter agrees to purchase the District's Refunding Bonds under certain conditions and parameters
  - Continuing disclosure certificate
    - Agreement outlining the District's duties to provide ongoing information to the investing community on its finances, tax base information and listed events
  - Escrow agreement
    - Agreement outlining the escrow agent's duties related to proceeds deposited in the escrow fund and utilized to redeem the Prior Bonds

- ◆ **Tax levy resolution**

- Authorizes the County to set a 2021-22 fiscal year tax levy for the Refunding Bonds