

# WOODLAND PUBLIC SCHOOLS



## BOND SALE RESULTS

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- ❑ Bond Market Update
- ❑ Bidders
- ❑ Projected Tax Impact
- ❑ Review of Bond Sale Goals



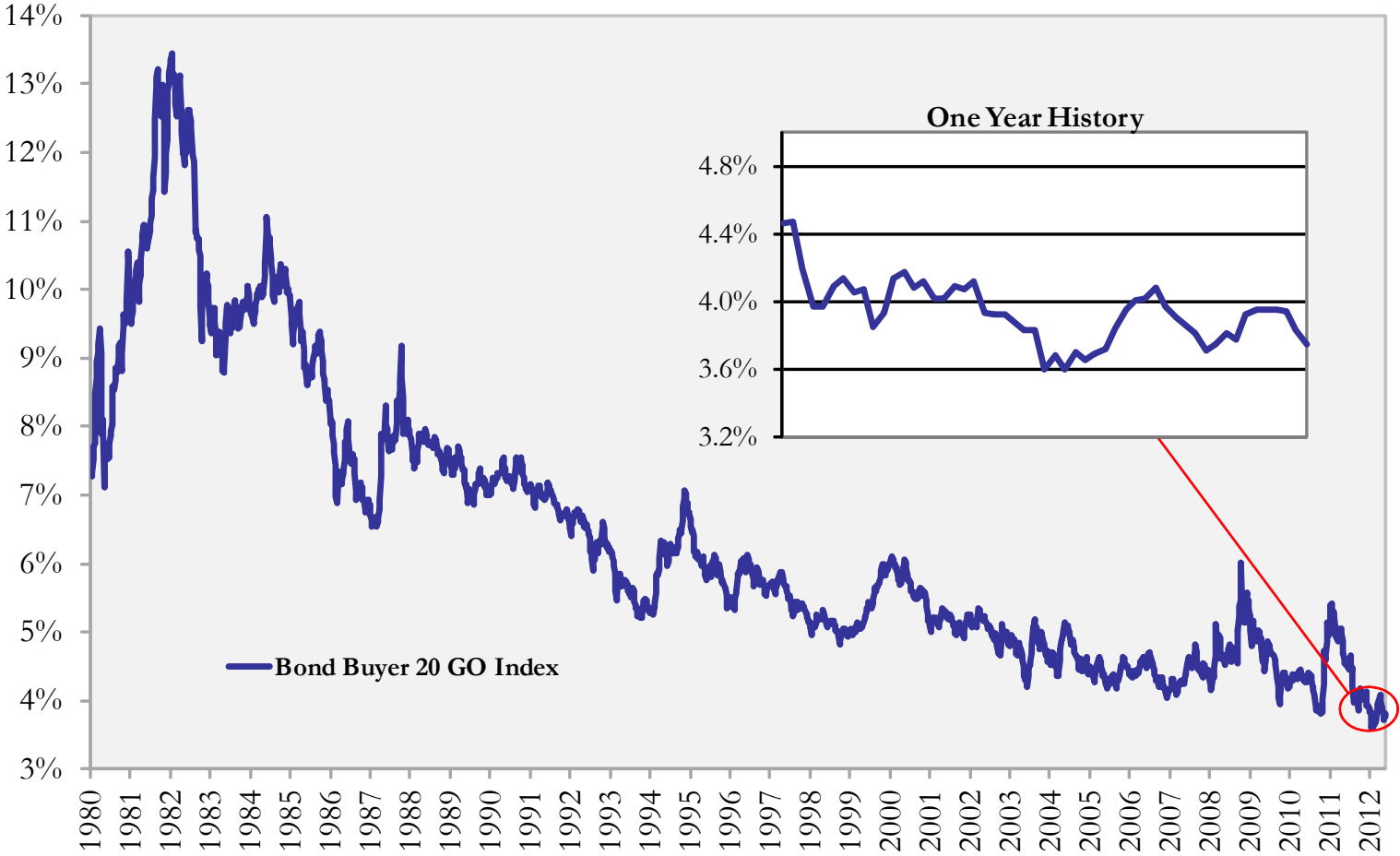
- Municipal bonds improved this morning as did Treasuries.
- Municipals opened firmer this morning and gains became more pronounced the further out the yield curve. A manageable calendar, ratios near the high-end of recent norms and still several large money management complexes needing to get invested are reoccurring themes in conversations late Friday and this morning. Trading activity was above average on Friday and this morning we continue to see a lot of activity for a Monday morning. Expectations are for the week's deals to do well, especially high-yield names that are in high demand lately in this low rate environmental and tomorrow's Pennsylvania loan should be well bid despite the recent downgrade by Moody's.
- High-grades improved 2- to 4-basis points this morning with the best gains 15-years and out, traders said.

<b>Tax-Exempt Yield Curves</b>			
<b>Term (years)</b>	<b>MMD Aaa GO</b>		
	<b>7/20/12</b>	<b>7/13/12</b>	<b>Δ (bp)</b>
1	0.20%	0.20%	0 bp's
2	0.31%	0.32%	(1) bp's
3	0.43%	0.44%	(1) bp's
4	0.53%	0.54%	(1) bp's
5	0.69%	0.72%	(3) bp's
7	1.17%	1.20%	(3) bp's
10	1.70%	1.74%	(4) bp's
15	2.18%	2.28%	(10) bp's
20	2.53%	2.63%	(10) bp's
25	2.81%	2.91%	(10) bp's
30	2.86%	2.96%	(10) bp's



- Light competitive sale calendar – Woodland is the only sale scheduled this week
- < \$300 million of negotiated sales; Issaquah SD \$95,950,000

### Historic Tax-Exempt Bond Rates



**Woodland SD #404**  
**\$26,000,000 Unlimited Tax General Obligation Bonds, 2012**  
**(Washington State SD Credit Enhancement Program)**

The following bids were submitted using *PARITY*<sup>®</sup> and displayed ranked by lowest TIC.  
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input checked="" type="checkbox"/>	<a href="#">Morgan Stanley &amp; Co, LLC</a>	3.353877
<input type="checkbox"/>	<a href="#">Robert W. Baird &amp; Co., Inc.</a>	3.398638
<input type="checkbox"/>	<a href="#">Hutchinson, Shockey, Erley &amp; Co.</a>	3.403913
<input type="checkbox"/>	<a href="#">Fidelity Capital Markets</a>	3.407508
<input type="checkbox"/>	<a href="#">Citigroup Global Markets Inc.</a>	3.830205

# Projected Tax Rate Impact

Tax Rates						
Calendar Year	Bond Tax Rates				Operating Levy	Total Tax Rate
	Existing Bonds	2012 Bonds	2014 Bonds	Total Bonds		
2007	\$ 1.07	\$ -	\$ -	\$ 1.07	\$ 1.91	\$ 2.98
2008	1.27	-	-	1.27	1.85	3.12
2009	1.18	-	-	1.18	1.84	3.02
2010	1.22	-	-	1.22	2.03	3.25
2011	1.25	-	-	1.25	2.21	3.46
2012	1.19	-	-	1.19	2.34	3.53
2013	0.67	1.48	-	2.15	2.45	4.60
2014	0.70	1.46	-	2.15	2.56	4.71
2015	0.71	0.60	0.84	2.15	2.56	4.71
2016	0.71	0.58	0.86	2.15	2.56	4.71
2017	0.23	0.57	1.36	2.15	2.56	4.71
2018	0.23	0.90	1.03	2.15	2.56	4.71
2019	0.23	0.86	1.06	2.15	2.56	4.71
2020	0.23	0.82	1.09	2.15	2.56	4.71
2021	0.24	0.79	1.13	2.15	2.56	4.71
2022	0.24	0.76	1.16	2.15	2.56	4.71
2023	0.24	0.73	1.19	2.15	2.56	4.71
2024	0.24	0.76	1.16	2.15	2.56	4.71
2025	-	1.00	1.15	2.15	2.56	4.71
2026	-	1.01	1.14	2.15	2.56	4.71
2027	-	1.02	1.14	2.15	2.56	4.71
2028	-	1.02	0.59	1.61	2.56	4.17
2029	-	1.02	0.59	1.61	2.56	4.17
2030	-	1.01	0.59	1.61	2.56	4.17
2031	-	1.06	0.55	1.61	2.56	4.17
2032	-	1.09	0.52	1.61	2.56	4.17
2033	-	1.07	0.53	1.61	2.56	4.17
2034	-	1.10	0.51	1.61	2.56	4.17
2035	-	1.11	0.49	1.61	2.56	4.17
2036	-	0.72	0.89	1.61	2.56	4.17
2037	-	-	1.61	1.61	2.56	4.17
2038	-	-	1.61	1.61	2.56	4.17
2039	-	-	1.61	1.61	2.56	4.17

Bond Sales	
Sale Date	Amount
8/15/2012	\$26,000,000
12/1/2014	26,835,000
<b>Total</b>	<b>\$52,835,000</b>

Tax Rate Change for Bonds	
<b>2012-2013</b>	<b>0.96</b>

Taxpayer Cost	
Home Value	<b>\$200,000</b>
<b>Cost per Year</b>	<b>\$192.00</b>
Cost per Month	\$16.00
<b>Net Monthly Cost</b>	<b>\$11.52</b>
(After Federal Tax Deduction) <sup>(1)</sup>	

Notes: Rates are in \$ per \$1,000 of assessed value of a property, as determined by the County Assessor's Office

(1) Net Monthly Cost is the cost of the tax rate increase after allowing for the Federal Income deduction for property taxes, using a tax rate of 28%.



- ✓ Provide funds to meet construction cash flow needs
  - ✓ Summer 2012 sale and deposit to Capital Projects Fund
  - ✓ August 15, 2012 closing
- ✓ Maintain property tax amount which meet taxpayer expectations
  - ✓ **\$16.00 per month for a \$200,000 home** (before Federal Tax deduction)
- ✓ Lock in current low interest rates
  - ✓ Split the authorization into multiple sales
  - ✓ True Interest Cost: 3.321%
  - ✓ \$26,000,000 in 2012, \$26,835,000 in 2013-2015
- ✓ Maximize funds available for projects
  - ✓ Use premium bonds to cover costs of issuance
- ✓ Maintain an appropriate balance in the Debt Service Fund
  - ✓ Debt Service Fund budget is sufficient to make all projected payments
- ✓ Obtain an initial bond rating from Moody's Investors Service
  - ✓ A1 rating received