

Session
Best Practices in Selling Bonds

Speakers

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Overview of Bond Issuance

- I. Types of Issuers
- II. Types of Bonds
 - A. Revenue Bonds
 - B. General Obligation
 - C. Refunding Bonds
 - D. Build America Bonds and Direct Subsidy Bonds
- III. Professional Advisors
 - A. Financial Advisor
 - B. Investment Banker(s)
 - C. Counsel
 - D. Feasibility Consultant
 - E. Engineering Consultant
 - F. Verification Agent
- IV. Financial Advisors
 - A. Role
 - B. Pros and Cons
 - C. DeKalb County's Experience
 - D. Selected on Competitive RFP Basis
- V. Investment Bankers
 - A. Roles
 - B. Structure
 - C. Pros and Cons
- VI. Counsel
 - A. Roles
 - B. Types of Counsel
 - C. Pros and Cons
- VII. Other Outside Consultants
 - A. Feasibility Consultant

- B. Engineering Consultant
- C. Auditors
- D. Verification Agent

Overview of GFOA Best Practices and Debt Issuance

- I. Methods of Sale for Municipal Bonds
 - A. Competitive
 - B. Negotiated
 - C. Negotiated (private placements)

- II. Competitive Sale Considerations
 - A. Advantages
 - B. Disadvantages

- III. Negotiated Sale Considerations
 - A. Advantages
 - B. Disadvantages
 - C. Special considerations for private placement sales

- IV. Recent significant revisions to GFOA best practice statements relative to the debt sale process
 - A. Selecting and Managing the Method of Sale of State and Local Government Bonds
 - B. Selecting Financial Advisors
 - C. Selecting Bond Counsel
 - D. Selecting Underwriters for Negotiated Bond Sales
 - E. Pricing Bonds in a Negotiated Sale

- V. Other GFOA Best Practices and Advisories regarding debt issuance
 - A. Payment of Expense Component of Underwriter's Discount
 - B. Issuer's Role with Underwriter's Counsel
 - C. Underwriter Disclosures in Official Statements

Best Practices For Debt Management

- I. Best Practices and best practices
 - A. Can you make Best Practices into actual practices?
 - B. What is changing and do Best Practices provide guidance?
 - C. Improve your business relationships, contain cost, and improve sale outcomes.

- II. A Good Sale Process Starts with Debt Management
 - A. Debt Management Policy
 - B. Amount and type of debt issues
 - C. Improve decisions on debt issuance
 - D. Encourage review & longer range planning
 - E. Policies define financial discipline
 - F. What is your debt capacity?
 - G. Financial tools and your comfort level
 - a. Analyzing an Advance Refunding
 - b. Issuing Build America Bonds

- c. Using Variable Rate Instruments
- d. Use of Debt-Related Derivatives

III. The Issuance Process

- A. Key Questions:
 - a. What is the project?
 - b. What is the repayment source?
 - c. What is the statutory authority?
- B. Maintain control of the project and financing
 - a. Assemble your Initial Team
 - b. Define the issues and what you'll need
 - c. Define when/how additional team members will be selected
 - d. Understand the Roles
 - e. Underwriters and Financial Advisors

IV. Private Side View – how to hire

- A. Timing - Who Needs What?
- B. Process Timing Strategies
- C. The importance of good disclosure
 - a. Using a Website for Disclosure
 - b. Website Presentation of Official Financial Documents

V. Knowing the “Now” Market

- A. What is acceptable; what is not
- B. What tools are available
- C. Recession myths and mysteries
- D. The “Now” Market - Hot or Not?

VI. After the Dance

- A. Receipt of Proceeds
- B. Investment of Bond Proceeds
- C. Paying the debt back (remember, we started with debt management!)
- D. Post Issuance Compliance Checklist

VII. Continuing Challenges