



ONEIDA SCHOOL DISTRICT No. 351

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ZIONS PUBLIC FINANCE INC.

January 30, 2018

- Municipal Advisor
 - Fiduciary duty
- Continuing Disclosure
- Rating Optimization
- Municipal Consulting
 - Feasibility studies
 - Impact studies
- Direct Purchase¹
- Underwriting¹

¹ Zions Public Finance, Inc. is a subsidiary of ZB, N.A.
Underwriting and direct purchase services offered through ZB, N.A.

ROLE OF A MUNICIPAL ADVISOR

- Assist through election process, working with bond counsel to ensure legal compliance, presenting financing to stakeholders, and providing all financial data
- Advise on the structure, timing, and terms of bond issues
- Assist in selection of other finance team members (e.g. bond counsel, underwriter, trustees, paying agents, rating agencies, etc.)
- “Quarterback” bond financing process with all participants
- Advise on most advantageous method of sale
- Assist district in applying for Idaho guaranty programs
- Assist in preparing financing documents, including official statement
- Market district’s bonds for sale
- Coordinate sale of district’s bonds through chosen method of sale
- Coordinate closing of bond issue, including transfer of funds and the delivery of securities to the underwriter
- Assist with post-issuance compliance issues

LEVY TYPE	Supplemental	Plant	Bond
MAXIMUM TERM	2 years	10 years	30 years
VOTER THRESHOLD	50% + 1 vote	55%, 60%, or 2/3	2/3 supermajority
PURPOSE	Any; typically General Fund	Capital projects	Capital projects per ballot
TAX RECEIPTS	Fixed annual amount	Fixed annual amount or rate	Amount sufficient to repay bonds
DEBT?	No	Yes / No	Yes
EQUALIZATION SUBSIDIES	No	No	Yes (if qualified)
STATE ENHANCEMENT	No	No	Yes

IDAHO SCHOOL BOND GUARANTY PROGRAM –

- State of Idaho pledges sales tax revenues to repayment of school district bonds
- Qualifies for “Aa1” Moody’s rating

EFIB CREDIT ENHANCEMENT PROGRAM –

- Endowment Fund Investment Board pledges portion of fund to support the School Bond Guaranty Program
- Qualifies for “Aaa” Moody’s rating when paired with Guaranty Program
- Cap of \$40 million per district which can be outstanding at one time

BOND LEVY EQUALIZATION PROGRAM –

- State of Idaho pays subsidies directly to school districts to mitigate bond cost to taxpayers
- Based on annually-adjusted index tied to various metrics –
 - Market value per support unit
 - Unemployment rate (county)
 - Per capita income (county)
- Oneida SD Subsidy Rate:
 - FY 2018 – 24.7% of principal and interest
 - 5YR Average – 8.3% of principal and interest

SECURITY – Unlimited taxing authority of the issuer; full faith and credit of the District

SOURCE OF REPAYMENT – Dedicated property tax levy

CREDIT – Least risky, lowest interest rates

AUTHORIZATION – Super majority (66.67%) vote

TYPICAL STRUCTURE –

- Semi-annual interest due each March and September
- Annual principal due each September

FINAL MATURITY – Up to 30 years

DEBT CAPACITY – \$20,248,054

- 5% of market value of \$404,961,084 (Idaho Code Section 33-1103)

LEVY AND MARKET VALUE HISTORY –

Fiscal Year	Supplemental	Bond	Plant	Tort	Total	Taxable Value
2017-18	0.98	0.00	0.34	0.00	\$1.32	\$331,331,640
2016-17	1.03	0.00	0.39	0.00	\$1.42	307,786,753
2015-16	1.13	0.57	0.40	0.00	\$2.10	300,829,804
2014-15	1.16	1.33	0.41	0.23	\$3.12	294,224,541
2013-14	1.18	1.32	0.40	0.03	\$2.93	297,042,682
2012-13	1.19	1.00	0.41	0.00	\$2.60	295,028,069

DESCRIPTION – \$12.5 or \$15.0 million; 20 years; estimated rate of 3.22%

MARCH 2019 ELECTION –

Project	Annual Payment	Subsidy*	Net Payment	Bond Levy Rate	Δ per \$100,000 Taxable	Estimated Total Levy
\$15,000,000	\$1,086,000	(247,431)	\$838,569	\$2.53	\$253.09	\$3.77
\$12,500,000	905,000	(206,256)	698,744	\$2.11	\$210.89	\$3.35

AUGUST 2018 ELECTION –

Project	Annual Payment	Subsidy*	Net Payment	Bond Levy Rate	Δ per \$100,000 Taxable	Estimated Total Levy
\$15,000,000	\$1,041,000	(237,844)	\$803,156	\$2.42	\$242.40	\$3.66
\$12,500,000	868,000	(198,265)	669,735	\$2.02	\$202.13	\$3.26

* Assumes 24% Bond Levy Equalization Program subsidy
 Estimated Total Levy based on bond plus \$290,000 supplemental levy and \$120,000 plant levy

CURRENT ONEIDA LEVY – \$1.32

PROPOSED LEVY RATES – \$3.26 TO \$3.77

District	Levy	Bond?	Taxable Value
Oneida 351	\$1.32	No	\$331,331,640
Bear Lake 33	\$1.43	No	861,467,243
Preston 201	\$1.76	No	531,424,203
Soda Springs 150	\$3.04	Yes	632,970,042
Pocatello 25	\$3.88	No	3,735,475,544
North Gem 149	\$4.49	No	111,471,280
American Falls 381	\$4.58	Yes	923,398,832
Grace 148	\$4.94	Yes	\$147,832,959

- Four election dates for school districts
 - **March**, May, **August**, and November
- District must adopt election resolution at least 50 days prior to election date (60 days if May or November of even year)
- Ballot language includes –
 - Description of project to be financed
 - Maximum bond amount
 - Maximum bond term
 - Estimated interest rate and interest expense

SAMPLE ISSUANCE TIMELINE

WEEK 1 –

- Distribute underwriter RFP (if applicable)
- Apply for guaranty programs
- Begin drafting Preliminary Official Statement

WEEK 4 –

- Receive guaranty certificates
- Call/meeting with rating agency (if applicable)
- Adopt bond resolution

WEEK 6 –

- Obtain rating
- Finalize and publish Preliminary Official Statement

WEEK 8 –

- Bond sale (interest rate locked)

WEEK 10 –

- Closing

MUNICIPAL BOND INTEREST RATES – BOND BUYER INDEX



Source: The Bond Buyer

