



Building the Debt Puzzle

CFGFOA

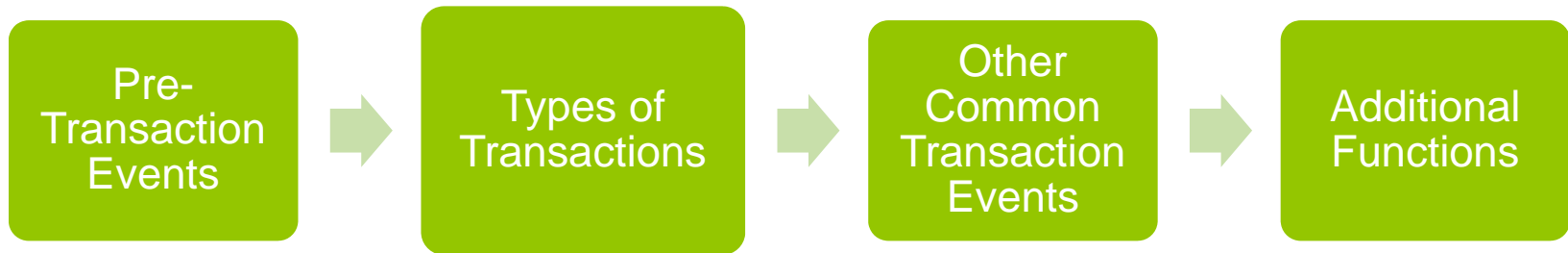
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All Parties Involved



Process Overview



Pre-Transaction Events

Municipality
Identifies
Needs

- GO
- New Money
- Refunding



RFP
Process

- Notice
- Response/Presentation
- Short list
- Recommendation
- Approval



Types of
RFPs

- Financial Advisor
- Bond/Disclosure Counsel
- Underwriter Counsel

Types of Transaction

GO

Fixed

Variable

New
Money

Fixed

Variable

Refunding

Fixed

Variable

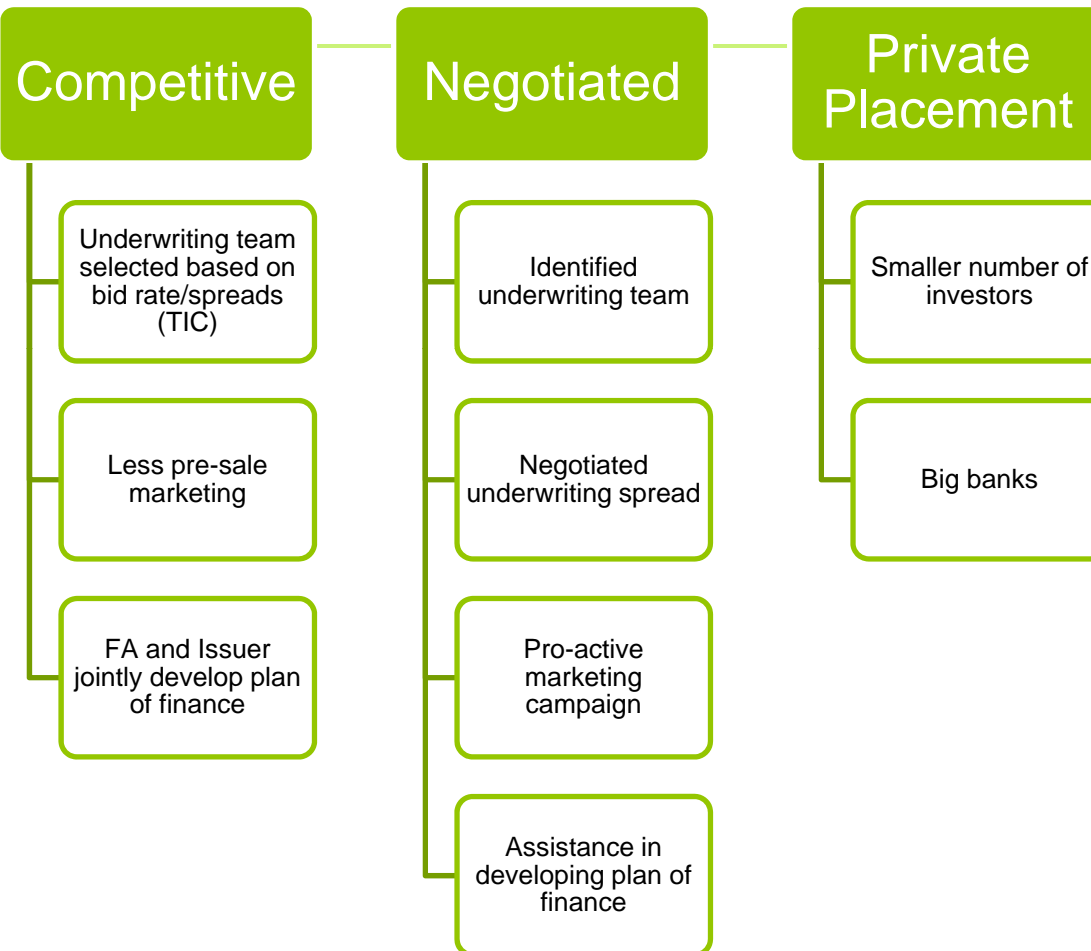
Evaluation of Options

	Fixed Rate Bonds	DMO	VRDOs	SIFMA Notes (FRNs)	Window VRDOs
Advantages	+ Removes all counterparty and rollover risk	+ Low cost alternative to fixed + Removes liquidity renewal & pricing risk	+ Low cost alternative to fixed + Re-establishes asset liability match	+ Low cost alternative to fixed + Re-establishes asset liability match + Removes liquidity risk	+ Low cost alternative to fixed + Re-establishes asset liability match + Removes liquidity risk
Disadvantages	- Highest cost - Forced to terminate swaps with negative MTM	- Rollover & pricing risk - Managing debt portfolio with several put dates	- Liquidity renewal & pricing risk - Liquidity counterparty risk	- Rollover & pricing risk - Managing debt portfolio with several put dates	- Market access risk - Put risk
Risk Profile					
Minimizes Financing Cost	✗	✓ (1)	✓ (1)	✓ (1)	✓ (1)
Manages MTM Exposure	✓	✗	✗	✗	✗
Eliminates / Reduces Liquidity Counterparty Exposure	✓	✓	✗	✓	✓
Removes Future Rollover Risk	✓	✗	✗	✗	✗
Helps to Re-establish Asset Liability Match	✗	✗	✓ (2)	✓ (2)	✓ (2)

(1) DMOs, VRDOs, SIFMA FRNs, and Windows VRDOs are all lower cost alternatives to traditional fixed-rate debt, however market conditions and ancillary costs, such as liquidity, will impact the financing cost differences between these alternatives.

(2) If Goldman Sachs does not exercise the termination option on 4/1/2011 for the 2008 Swap, OUC will remain synthetically fixed unless it terminates the swap; the Series 2011A continues to be synthetically fixed, unless OUC terminates the swap with Morgan Stanley.

Methods of Sale



Other Common Transaction Events

Other Working Group Member RFP Process

- Bond Counsel
- Disclosure Counsel
- Underwriter's Counsel

Kick-Off Meeting

- Set Conference Calls
- Set Agenda
- Develop Timeline
- Board Approval

Additional Responsibilities

- Quantitative Analysis
- Rating Agency Process
- Continuing Disclosure
- Investor Relations
- Pricing
- Closing

Additional Functions

Additional Functions

Quantitative Analysis

Rating Agency Process

Continuing
Disclosure

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Closing

Additional Functions - Timeline

Financing Team

- Kick-off call
- Responsibilities assigned

Senior Staff
(CFO/
Treasurer)

- Roadshows
- Investor meetings

Financing Team

- Financial analyses
- Document review

Board

- Approval of all documents



Discussion

What Does Your Final Puzzle Look Like?