



Water Revenue Refunding Bonds, Series 2018 Wastewater Revenue Refunding Bonds, Series 2018

City of Santa Rosa

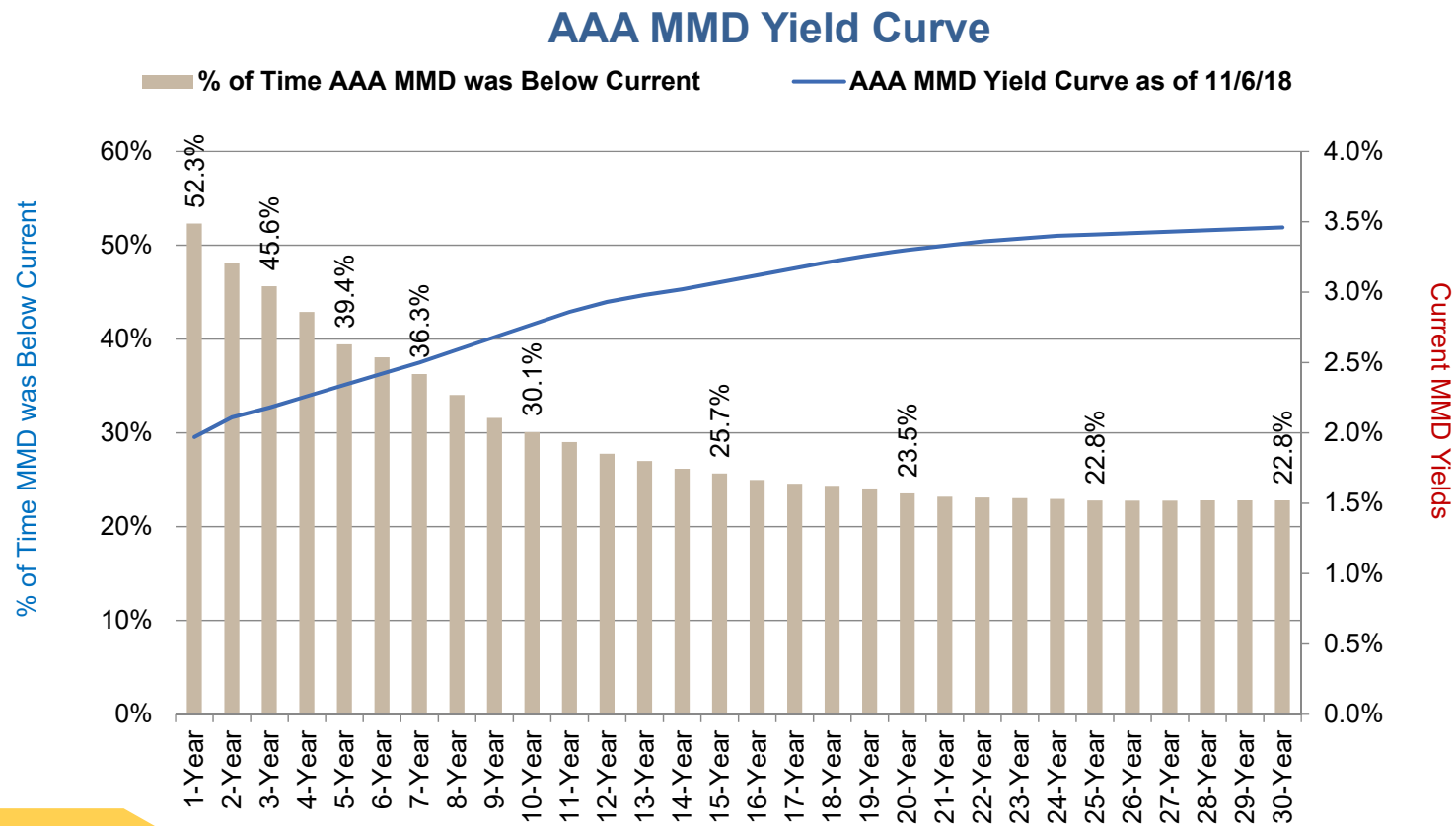
November 15, 2018

PFM Financial Advisors LLC
50 California Street
Suite 2300
San Francisco, CA 94111



Current Municipal Market Conditions

- Long-term tax-exempt rates have been lower than current levels less than 25% of the time since 1993
- Creates opportunity for refunding of existing debt for debt service savings





Proposed Refunding Transaction (Water)

- ◆ Refunding of \$11.035 million of outstanding Series 2008 water revenue bonds to achieve debt service savings
- ◆ The proposed refunding is expected to generate approximately \$1.2 million of Net Present Value savings
 - NPV savings takes into account all costs associated with the transaction
- ◆ Allows for a reserve fund release

Preliminary Numbers	
Principal:	\$9,360,000
True Interest Cost:	3.58%
Cash Flow Savings*:	\$2,780,303
NPV Savings:	\$1,233,334 (11.18%)

*Includes reserve fund release



Proposed Refunding Transaction (Wastewater)

- Refunding of \$17.685 million of outstanding Series 2007A wastewater revenue bonds to achieve debt service savings
- The proposed refunding is expected to generate approximately \$847 thousand of Net Present Savings
 - NPV savings takes into account all costs associated with the transaction

Preliminary Numbers	
Par:	\$18,425,000
True Interest Cost:	3.11%
Cash Flow Savings:	\$1,089,381
NPV Savings:	\$847,051 (4.79%)



Schedule and Finance Team

- ◆ The refunding bonds are expected to price in early December and close in mid-December or early January

Item	Date
Receive rating	Week of November 26
Pricing	Week of December 3
Closing / Redemption of 2008 Water Bonds	Week of January 7
Redemption of 2007A Wastewater Bonds	Week of February 4

- ◆ Finance team
 - Municipal Advisor: PFM Financial Advisors LLC
 - Bond and Disclosure Counsel: Jones Hall
 - Underwriter: Stifel



Actions of the City Council (Water)

- Resolutions of City Council authorize staff and third-party professionals to execute a transaction that meets the following parameters:
 - Maximum par amount: \$12,000,000
 - Aggregate net present value savings: 3.0% of refunded principal
 - Underwriter's discount: Not to exceed 0.5%
- The resolutions also approve the following documents in substantially final form:
 - Indenture
 - Continuing Disclosure Certificate
 - Preliminary Official Statement
 - Bond Purchase Agreement
 - Escrow Agreement



Actions of the City Council (Wastewater)

- Resolutions of City Council authorize staff and third-party professionals to execute a transaction that meets the following parameters:
 - Maximum par amount: \$20,000,000
 - Aggregate net present value savings: 3.0% of refunded principal
 - Underwriter's discount: Not to exceed 0.6%
- The resolutions also approve the following documents in substantially final form:
 - Indenture
 - Continuing Disclosure Certificate
 - Preliminary Official Statement
 - Bond Purchase Agreement
 - Escrow Agreement

Questions?



pfm