



# 2013 Refunding Lease Revenue Bonds

**San Leandro Successor Agency Oversight Board**

November 28, 2012

## **Previous Council and Finance Committee Actions**

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- **Council Goal – Place the City on a firm foundation for long-term fiscal sustainability**
- **May Finance Committee approved staff’s proposal to seek an economic refunding of 2003 COPs**
- **September Finance Committee approved adding the 2001 COPs and issue RFP for underwriters... 10 proposals were received**
- **November 19 City Council, acting as the City’s Public Financing Authority, approved issuing the 2013 Refunding Bonds**

# Outstanding 2001 and 2003 Certificates of Participation



## City of San Leandro

as of: November 1, 2012

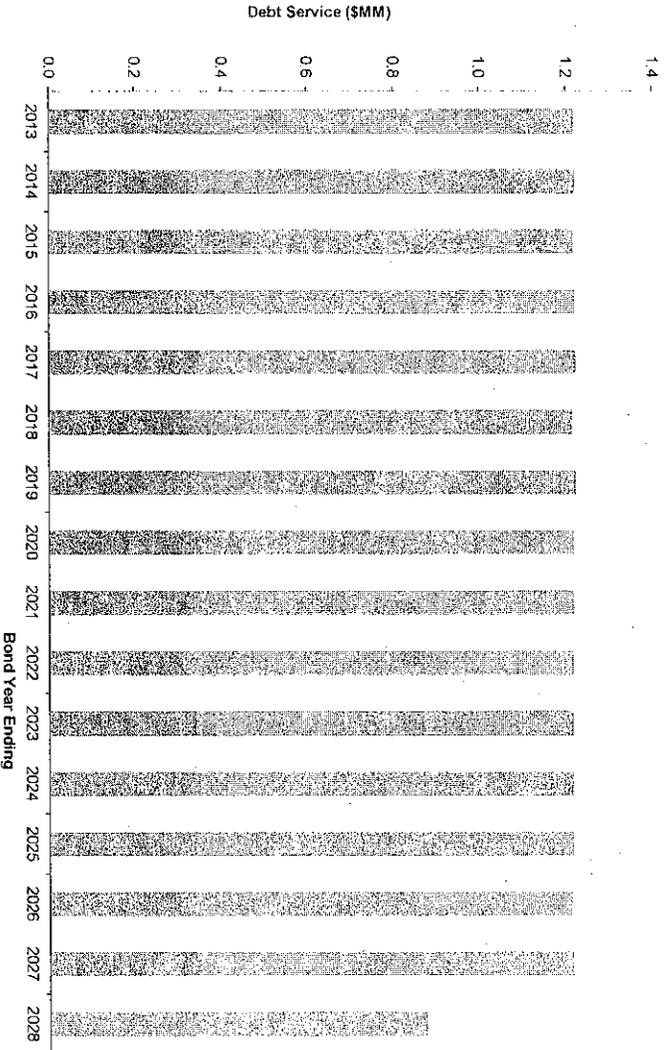
Series Name	Issue Size	Delivery Date	Final Maturity	Outstanding Par	Next Call Date
2001 COPs	5,020,000	12/13/01	12/1/26	3,610,000	Currently Callable
2003 COPs	12,550,000	5/21/03	6/1/28	9,490,000	6/1/2013

Outstanding currently callable Series 2001 COPs  
(callable anytime at 100%)

- \$170,000 serial bond matures December 1, 2012
- Serial bonds due December 1, 2013-2017  
4.35%-5.10% coupons; \$975,000 callable
- Term bond due December 1, 2026  
5.10% coupon; \$2,465,000 callable

Outstanding Series 2003 COPs  
(first call date on 6/1/13 @ 101%)

- \$400,000 June 1, 2013 serial bond is non-callable and will be escrowed to maturity
- Serial bonds due June 1, 2014-2020  
5.00% coupon; \$3,430,000 callable
- Term bond due June 1, 2024  
5.00% coupon; \$2,555,000 callable
- Term bond due June 1, 2028  
5.00% coupon; \$3,105,000 callable



■ 2001 COPs ■ 2003 COPs



# 2013 Aggregate Refunding Debt Service Savings Analysis

- Full refunding of the 2001 and 2003 Certificates of Participation ("COPs") sized for level annual savings
- Generates \$2.363 million in present value savings (Based upon market conditions, which are subject to change)

## Issuance Assumptions

Delivery Date	3/4/2013
Final Maturity	6/1/2028
Series 2013 Refunding Par	\$ 11,280,000
Series 2001 Par Refunded	\$ 3,440,000
Series 2003 Par Refunded	\$ 9,490,000

## Estimated Sources and Uses

<b>Sources:</b>	
Par Amount	\$ 11,280,000
Premium	\$ 1,108,053
2001 DSRF Release	\$ 350,853
2003 DSRF Release	\$ 878,250
<b>Total Sources:</b>	<b>\$ 13,617,155</b>

<b>Uses:</b>	
Escrow Deposit	\$ 13,300,851
Costs of Issuance	\$ 154,980
Underwriter's Discount	\$ 48,525
City Capital Fee	\$ 112,800
<b>Total Sources:</b>	<b>\$ 13,617,155</b>

*in (000s)*

Period Ending	Refunded Debt Service	2013 LRBs Debt Service	Gross Savings	Present Value Savings
6/30/2013	\$ 723	\$ -	\$ 723	\$ 717
6/30/2014	1,221	1,072	149	139
6/30/2015	1,217	1,070	147	132
6/30/2016	1,222	1,074	148	128
6/30/2017	1,224	1,069	155	131
6/30/2018	1,215	1,062	152	124
6/30/2019	1,223	1,070	153	121
6/30/2020	1,219	1,071	148	113
6/30/2021	1,219	1,072	147	109
6/30/2022	1,216	1,066	151	108
6/30/2023	1,217	1,065	152	105
6/30/2024	1,215	1,067	148	98
6/30/2025	1,216	1,063	153	99
6/30/2026	1,214	1,067	147	92
6/30/2027	1,215	1,063	152	92
6/30/2028	877	783	94	55
<b>Total</b>	<b>\$ 18,653</b>	<b>\$ 15,734</b>	<b>\$ 2,919</b>	<b>\$ 2,363</b>

# Proposed Structure



- By accelerating the savings on the 2003 COPs, the City can generate almost \$2 million in present value savings by the end of fiscal year 2016
- 2001 COP savings are based on a level annual savings scenario
- 2003 COPs generate \$1.656MM in present value savings by 2016, with debt service substantially unchanged thereafter

				<i>in (000s)</i>								<i>in (000s)</i>			
Period Ending	2001 COPs Refunded Debt Service	2013 LRBS Debt Service	Gross Savings	Present Value Savings	Period Ending	2003 COPs Refunded Debt Service	2013 LRBS Debt Service	Gross Savings	Present Value Savings	Period Ending	2003 COPs Refunded Debt Service	2013 LRBS Debt Service	Gross Savings	Present Value Savings	
6/30/2013	\$ 85	\$ -	\$ 85	\$ 85	6/30/2013	\$ 637	\$ -	\$ 637	\$ 632	6/30/2013	\$ 637	\$ -	\$ 637	\$ 632	
6/30/2014	347	289	58	56	6/30/2014	875	468	407	391	6/30/2014	875	468	407	391	
6/30/2015	344	290	54	51	6/30/2015	874	377	497	464	6/30/2015	874	377	497	464	
6/30/2016	345	289	56	51	6/30/2016	877	685	191	169	6/30/2016	877	685	191	169	
6/30/2017	346	287	59	52	6/30/2017	878	874	5	(3)	6/30/2017	878	874	5	(3)	
6/30/2018	341	285	56	48	6/30/2018	874	872	1	(6)	6/30/2018	874	872	1	(6)	
6/30/2019	345	287	58	48	6/30/2019	878	875	3	(5)	6/30/2019	878	875	3	(5)	
6/30/2020	343	289	54	44	6/30/2020	876	872	4	(4)	6/30/2020	876	872	4	(4)	
6/30/2021	341	286	55	43	6/30/2021	878	873	5	(4)	6/30/2021	878	873	5	(4)	
6/30/2022	343	287	56	43	6/30/2022	873	869	5	(4)	6/30/2022	873	869	5	(4)	
6/30/2023	340	282	57	42	6/30/2023	877	874	3	(6)	6/30/2023	877	874	3	(6)	
6/30/2024	340	286	55	39	6/30/2024	875	870	4	(5)	6/30/2024	875	870	4	(5)	
6/30/2025	341	283	57	40	6/30/2025	875	875	1	(7)	6/30/2025	875	875	1	(7)	
6/30/2026	340	285	54	37	6/30/2026	874	872	2	(7)	6/30/2026	874	872	2	(7)	
6/30/2027	338	282	57	37	6/30/2027	877	873	4	(6)	6/30/2027	877	873	4	(6)	
6/30/2028	-	-	-	-	6/30/2028	877	877	0	(4)	6/30/2028	877	877	0	(4)	
<b>Total</b>	<b>\$ 4,879</b>	<b>\$ 4,007</b>	<b>\$ 872</b>	<b>\$ 716</b>	<b>Total</b>	<b>\$ 13,774</b>	<b>\$ 12,006</b>	<b>\$ 1,768</b>	<b>\$ 1,597</b>	<b>Total</b>	<b>\$ 13,774</b>	<b>\$ 12,006</b>	<b>\$ 1,768</b>	<b>\$ 1,597</b>	

# Timeline



- Monday, Nov. 5
  - Presentation to City Council on COP Refunding
- Monday, Nov. 19
  - City Council meeting to approve Resolution authorizing 2013 Refunding Bonds and related bond documents
- Wednesday, Nov. 28
  - Oversight Committee Meeting and submit request to Department of Finance (DOF) for approval of 2001 COP financing
- Week of Dec. 10
  - Credit presentation to Standard & Poor's (S&P)
- Week of Dec. 17
  - Receive DOF approval of 2001 COP refunding (estimate)
- Friday, Dec. 21
  - Receive rating from S&P – Current Rating is A+
- Monday, Jan. 14
  - Latest date to receive DOF approval of 2001 COP refunding (45 days)
- Wednesday, Feb. 6
  - Price 2013 Refunding Bonds
- Monday, March 4
  - Close 2013 Refunding Bonds