



Los Altos School District

Presentation to the Board of Trustees

January 28, 2019

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2019 Bond Sale

- ◆ We continue to move forward with preparations for the 2019 financing.
 - Basic financing plan is in place.
 - ✦ Taxable bond anticipation notes to fund portion of purchase price expected to be recovered through future receipt of transferrable development rights or other sources.
 - ✦ Fixed rate general obligation bond to fund the redemption of Wells Fargo Bank BANs, the balance of the purchase price, and any additional project costs expected to be incurred in the next three years.
 - ✦ The combined amount of issuance for these two components cannot exceed \$150 million.
 - Authorizing resolutions have been approved by the Board.
 - Rating meetings have been held (though formal request for ratings is on hold).
 - Financing team conducts regular update calls to discuss developments in the negotiations.
 - To the extent any of these developments have significant impact on the financing plan, we will update the Board and seek necessary amendments to the authorizations.



Underwriter Selection

- ◆ Tonight we are recommending two underwriters to add to the financing team.
 - Bonds will sell by negotiated sale; timing flexibility, investor communication, potential solutions; goal is to lower overall costs.
 - Conducted a formal RFP process; eight proposals – all attractive.
 - Evaluation focused on four elements: firm capabilities and experience, ideas specific to our situation, demonstrated ability to achieve low interest rates, and upfront fees.
 - Openness to lead manager and co-manager structure; bifurcated offering, significant size, ability to do so without increasing costs.



Recommendation

- ◆ We are recommending the District retain Raymond James as lead underwriter and Barclays as co-manager.

Raymond James	Barclays
<ul style="list-style-type: none">◆ Among dominant firms in sector◆ Specific experience with highly-rated, local school districts◆ Compelling examples of pricing performance	<ul style="list-style-type: none">◆ Experience with sophisticated Bay Area issuers◆ Thoughtful and attractive proposal regarding underwriter outreach◆ Ability to offer direct lending support, if necessary

Thank you



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