



Calistoga Joint Unified School District

Measure "A" 2010 Election
Series 2011 General Obligation Bonds &
Series 2011 Federally Taxable/ Clean Renewable Energy Bonds
Summary of Sale

May 2011



- On November 2, 2010, approximately 65% of District voters approved Measure “A”, authorizing \$42 million in General Obligation (G.O.) bonds to finance various facility improvements
- Previously, the District also applied and received a Federal award to sell \$1,510,000 of its bonds as Clean Renewable Energy Bonds (CREB), allowing the District to take advantage of Federal interest rate subsidies to reduce the borrowing cost and tax rates required for bond repayment
- The sale of the first series of bonds was successfully undertaken on May 11, 2011 in the total amount of approximately \$8 million
- The bonds were sold in two series, Series 2011 and Series 2011 CREBs, in order to utilize the CREB and the Federal subsidies
- The bond issuance was structured to qualify for Federal Bank Qualified designation which allows for lower interest rates
- The District was able to secure low interest rates based on its strong credit quality
- The bonds financing successfully closed on May 25

Credit Rating & Bond Insurance

Credit Rating

- On April 15, District staff, CFW and the bond Underwriters met with Standard & Poor's (S&P) and Moody's rating agencies to present on various credit factors
- The rating assessment resulted in an affirmation of the District's strong rating from S&P ("AA") and new Moody's ("Aa1")
- The ratings reflect the District's strong credit quality:
 - Maintenance of strong financial position, with strong reserve levels
 - Good financial management practices
 - Strong wealth and income indicators
 - Low debt burden

Bond Insurance – Not Required

- Because of the strong District rating, the bonds were sold without Bond Insurance

Bond Sale Results

- On May 24th and 25th, District staff, CFW, Napa County representatives, and Stone & Youngberg conducted a series of conference calls to examine municipal bond market factors and effect the sale of the bonds
- The bonds were sold in two series, including the Series 2011 Tax-Exempt Bonds and the Series 2011 Federally Taxable/CREBs
- \$6,478,299.55 million in Series 2011 Tax-Exempt Bonds were sold with a standard repayment term of 30 years and an arbitrage yield (average interest cost) of 5.386%
- \$1,520,000 million in Series 2011 Federally Taxable/CREBs were sold with an arbitrage yield (average interest cost) of 1.317%
- The bonds were structured to take advantage of the Federal Bank Qualified designation which incentivizes small bank participation and increases demand for District bonds

- The bond financing successfully closed on May 25
- The finance team will continue to monitor the District's tax base and tax rates, and provide periodic updates to the District
- CFW will continue to work with District staff on maintenance of annual disclosure requirements and ongoing rating surveillance

**Measure "A"
Election of 2010
General Obligation Bond Program**

Total Authorized Bonds	\$	42,000,000.00
Series 2011 Tax-Exempt G.O. Bonds Sold	\$	6,478,299.55
Series 2011 Federally Taxable/CREBs Sold	\$	1,520,000.00
Remaining Authorization	\$	34,001,700.45
Est. Year of Next Bond Sale		2012