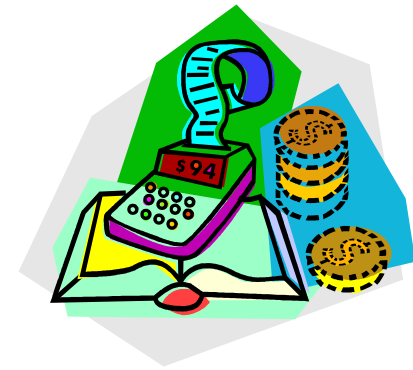


Mother Lode Union School District

Measure C 2016 Bond Sale Results



Presented by Lori Raineri
November 9, 2016

Agenda

- ◆ Bond Sale Process and Results
- ◆ Review of District's Use of GFOA Best Practices
- ◆ G.O. Bond Portfolio
- ◆ Example of Initial Trading: 2027 Bonds
- ◆ Conclusion
- ◆ For Reference
 - ▶ August 10, 2016 Presentation

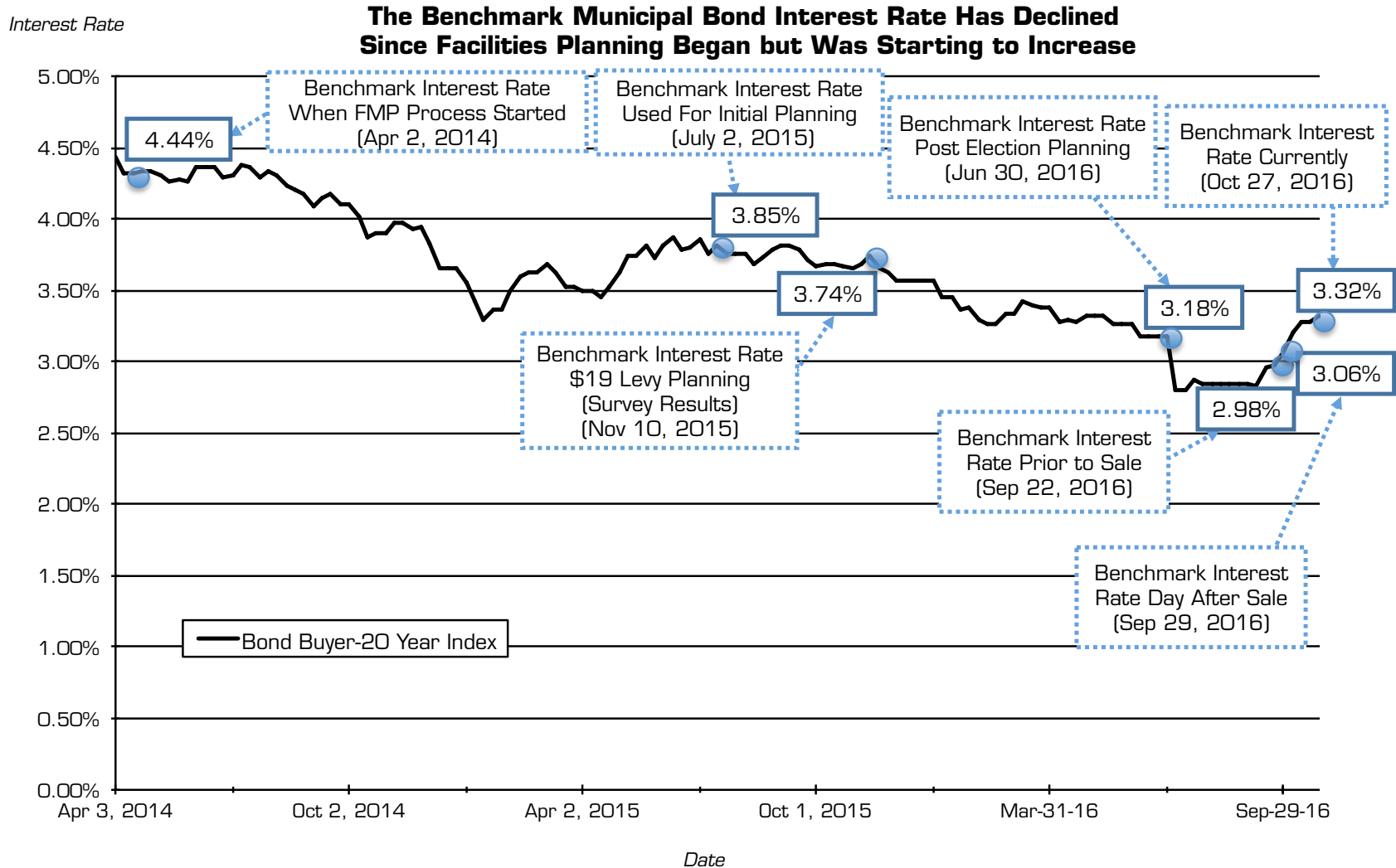


Bond Sale



- ◆ Competitive bids accepted until Wednesday, September 28 at 9:05 am
- ◆ i-Deal bidding platform
 - ▶ Used on the day of sale to accept bids but also provides advance notification to potential bidders
 - Underwriters notified are those who subscribe to i-Deal and those whom we have identified.
 - Notification provides access to the Preliminary Official Statement, bid specifications, purchase contract and a fax bid form
 - Posting in *The Bond Buyer* newspaper's competitive sale calendar
 - ▶ Flexible Bidding Parameters
- ✓ *More competition → better results for the District*
- ✓ *Thanks to staff for participating!*

Market is Volatile



Notes: The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years and is compiled every Thursday. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Rating Service AA.

Using Reality Instead of Conjecture



Competitive Sale Benefited District

COMPETITIVE BIDDING RESULTS			Approximate Difference in Present Value From Winning Bid
Bid #	Name of Bidder	True Interest Cost (TIC%)	
Current Interest Bonds*			
1	Robert W. Baird & Co., Inc.	2.598540%	n/a
2	Fidelity Capital Markets	2.699415%	\$97,656
3	FTN Financial Capital Markets	2.758497%	\$157,954
4	Wells Fargo Bank, National Association	2.771488%	\$167,551
5	D.A. Davidson & Co.	2.918282%	\$319,726
6	Hutchinson, Shockey, Erley & Co.	3.022906%	\$414,058
7	SunTrust Robinson Humphrey	3.034860%	\$418,883

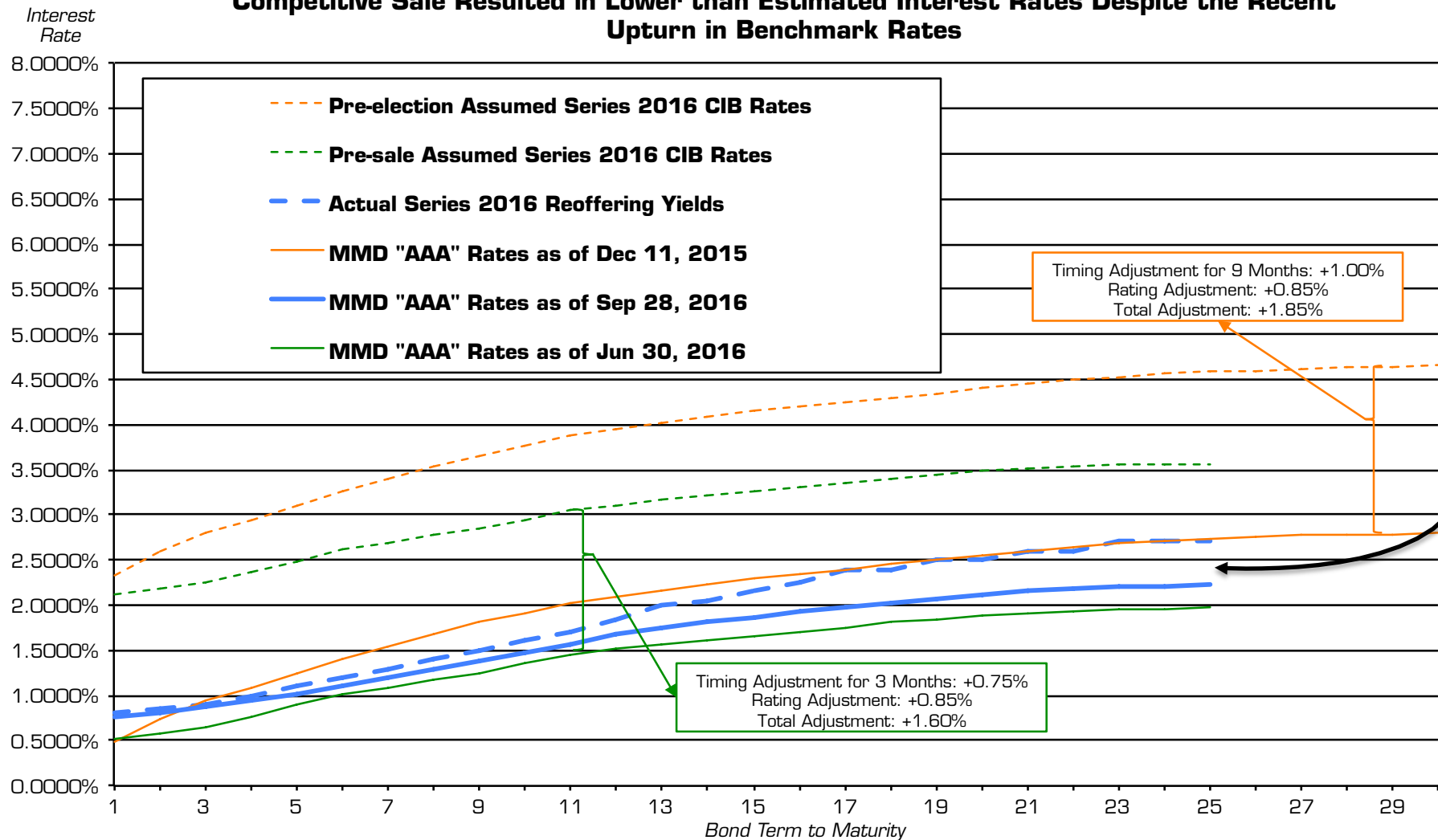
* Note: subsequent to the bidding, the winning bid was restructured, changing the TIC to 2.579766%.



✓ *The difference between the first and last place bids is almost \$420,000!*

Competition Narrows the Spread

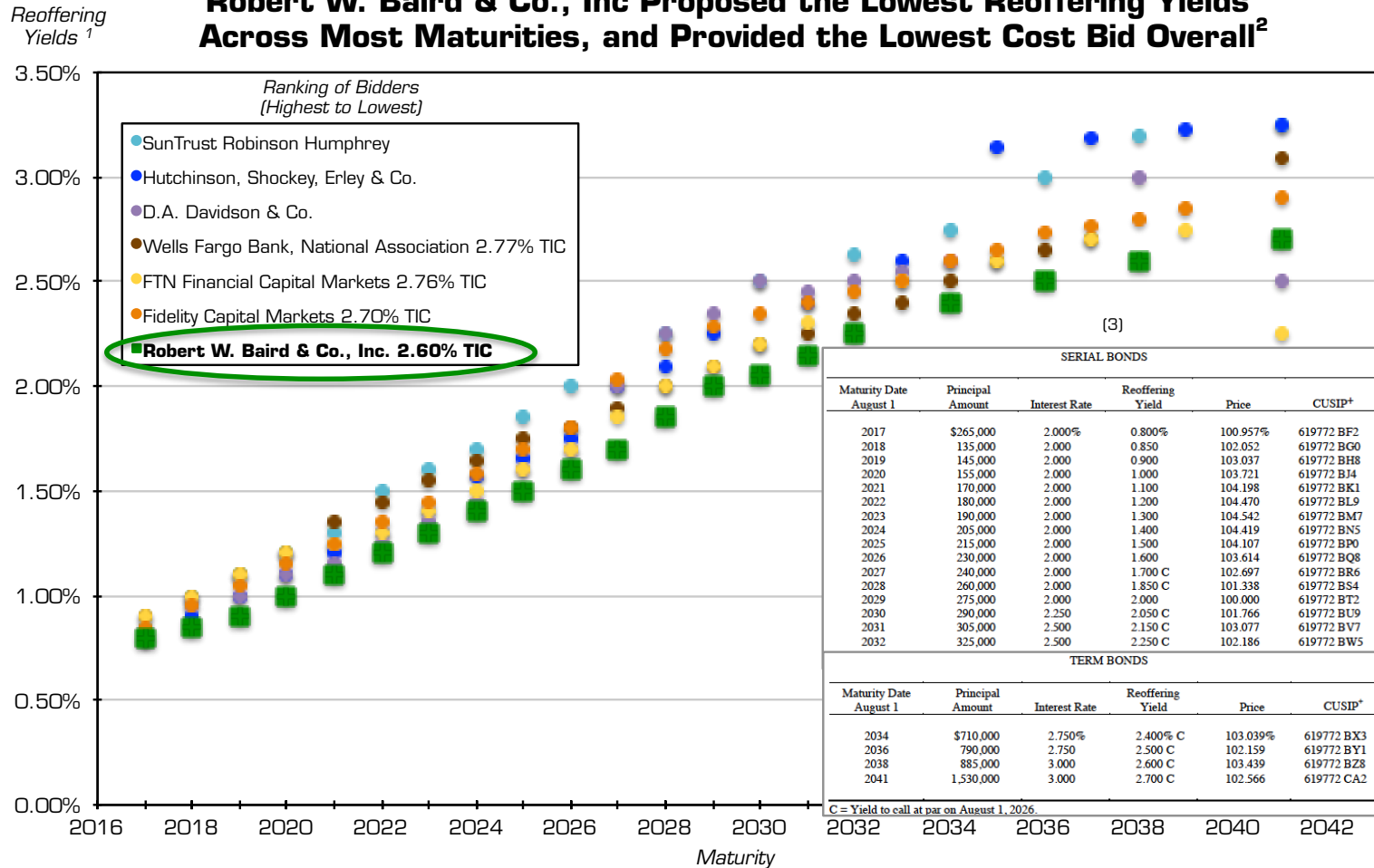
Competitive Sale Resulted in Lower than Estimated Interest Rates Despite the Recent Upturn in Benchmark Rates



Notes: market index for "AAA" credit based on the Municipal Market Data (MMD) scale as of Dec 11, 2015, Jun 30, 2016, and Sep 28, 2016. Assumed "A+" credit rating (based on current rating for a similar district in El Dorado County - Placerville Union School District). Credit adjustment based on review of GO bonds with same "A+" credit rating. Actual reoffering yields from sale results.

Reoffering Yields Tell a Story

Robert W. Baird & Co., Inc Proposed the Lowest Reoffering Yields¹ Across Most Maturities, and Provided the Lowest Cost Bid Overall²



Notes: 1) Reoffering yields account for both coupon rates plus any original issue premium/discount. Reoffering yields shown are "yield to worst" which reflect the worst yield from the investor's perspective (in other words, the lowest yield) between either the yield to the maturity date or the yield to the call date. 2) The lowest cost bid is calculated on the basis of true interest cost (TIC), which analyzes the full bid including coupon rates (the interest rate from the District's perspective), upfront premium/discount, and upfront underwriter's discount - all on a present value basis. TIC is used because it is a comprehensive measure of the value of the bid. 3) Table of maturities from the final Official Statement, page ii & iii.

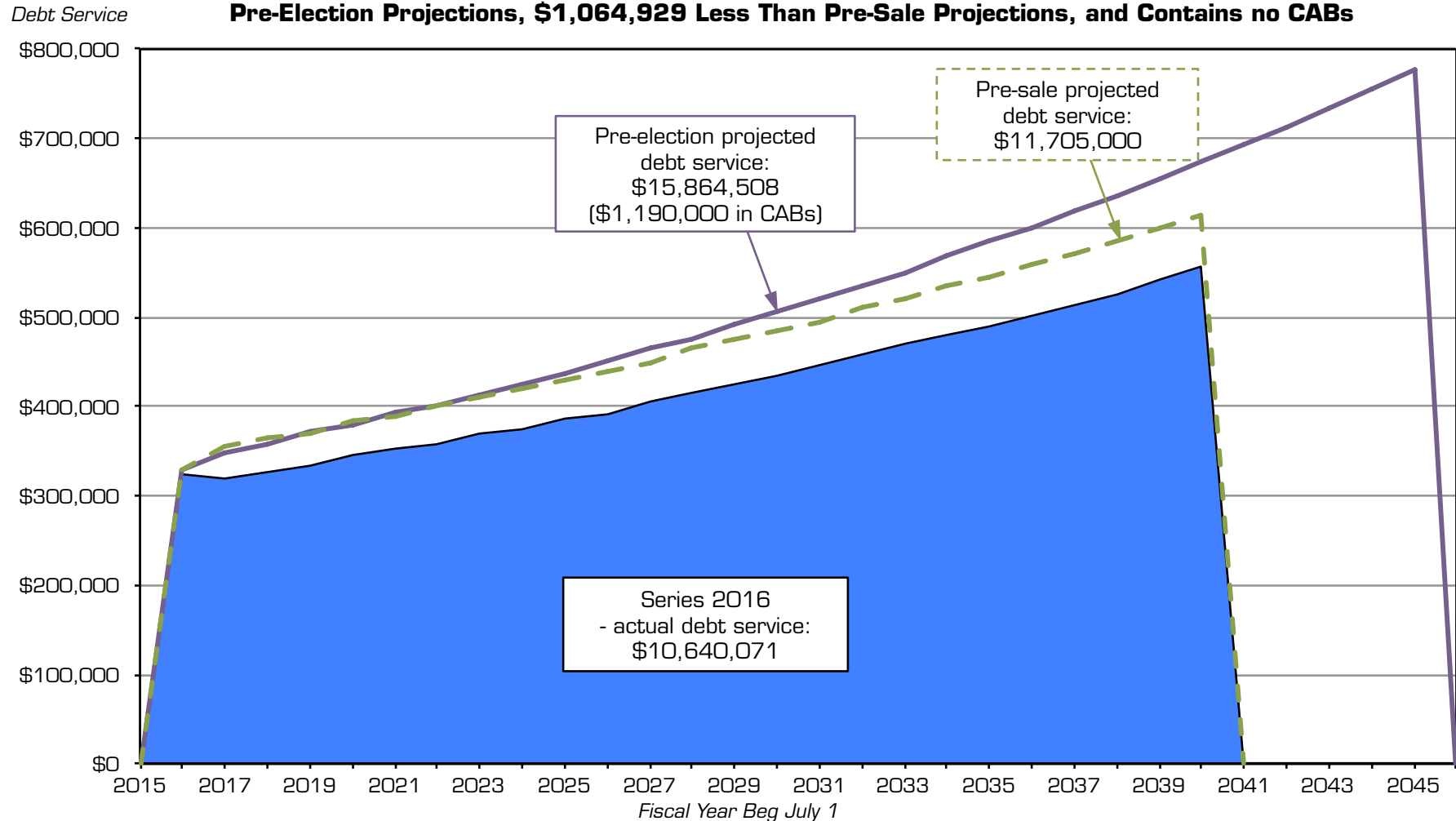
Actual Sources and Uses of Funds

Sources	<i>Pre-Election Estimate December 11, 2015</i>	<i>Pre-Sale Estimate June 30, 2016</i>	<i>Actual</i>	<i>Difference from Pre-Sale</i>
<u>Bond Proceeds</u>				
Par Amount:	7,320,000.00	7,500,000.00	7,500,000.00	-
Premium:	-	-	205,381.35	205,381.35
Total:	7,320,000.00	7,500,000.00	7,705,381.35	205,381.35
Total Sources	7,320,000.00	7,500,000.00	7,705,381.35	205,381.35
<u>Uses</u>				
<u>Project Fund Deposits</u>				
Building Fund:	6,960,000.00	7,175,000.00	7,400,000.00	225,000.00
<u>Delivery Date Expenses</u>				
Cost of Issuance:	125,000.00	125,000.00	100,000.00	(25,000.00)
Underwriter's Discount:	235,000.00	200,000.00	111,681.25	(88,318.75)
Total:	360,000.00	325,000.00	211,681.25	(113,318.75)
<u>Other Uses of Funds</u>				
Interest and Sinking Fund:	-	-	93,700.10	93,700.10
Total Uses	7,320,000.00	7,500,000.00	7,705,381.35	205,381.35

- ✓ Due to improvements in AV and interest rates, full \$7.5 million was able to be issued.
- ✓ Competitive sale led to use of premium and lower total costs of issuance which increased the amount for projects by \$225,000 since pre-sale estimates.

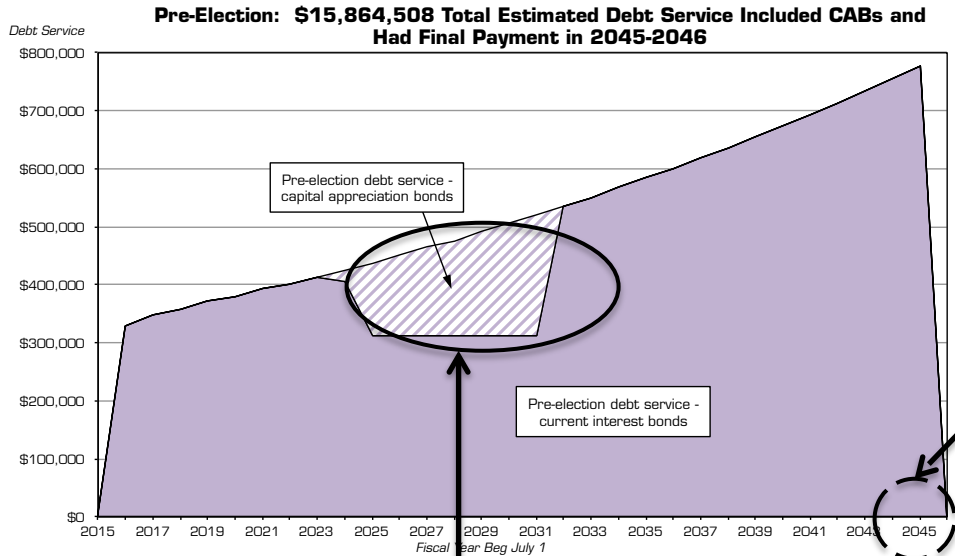
Lower Debt Service ↓, Shorter Term ←

Actual Debt Service is \$5,224,437 Less and is Repaid Five Years Earlier Than Pre-Election Projections, \$1,064,929 Less Than Pre-Sale Projections, and Contains no CABs



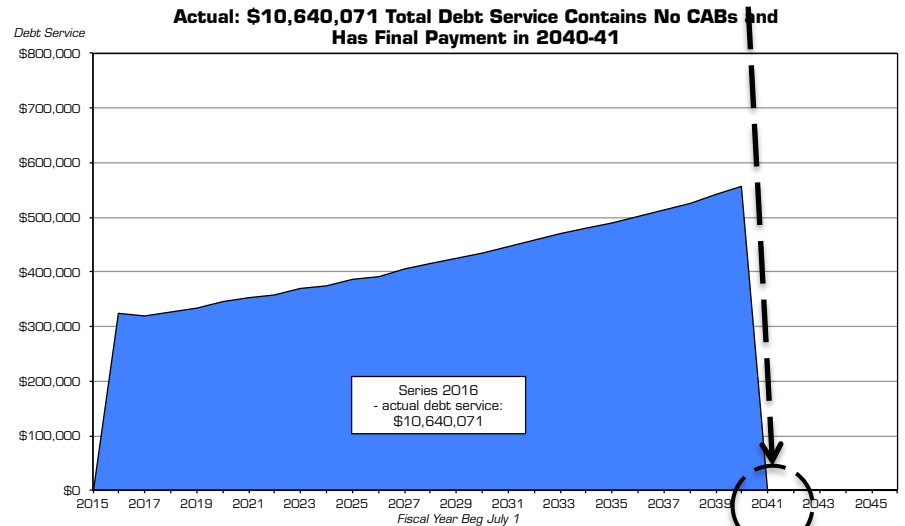
Pre-election estimated debt service from bond plan that supported election. Pre-sale estimated debt service as submitted to El Dorado County Auditor-Controller. Actual debt service from sale results.

Structure of Debt Service Was Improved



Pre-election debt service is assumed based on "AAA" MMD rates as of November 10, 2015, plus 85bp for assumed "A+" rating of bonds, plus an increase for potential rate increases before bond issuance of +125bp. Net local secured AV is assumed to increase 3% annually while all other AV types are assumed to remain unchanged.

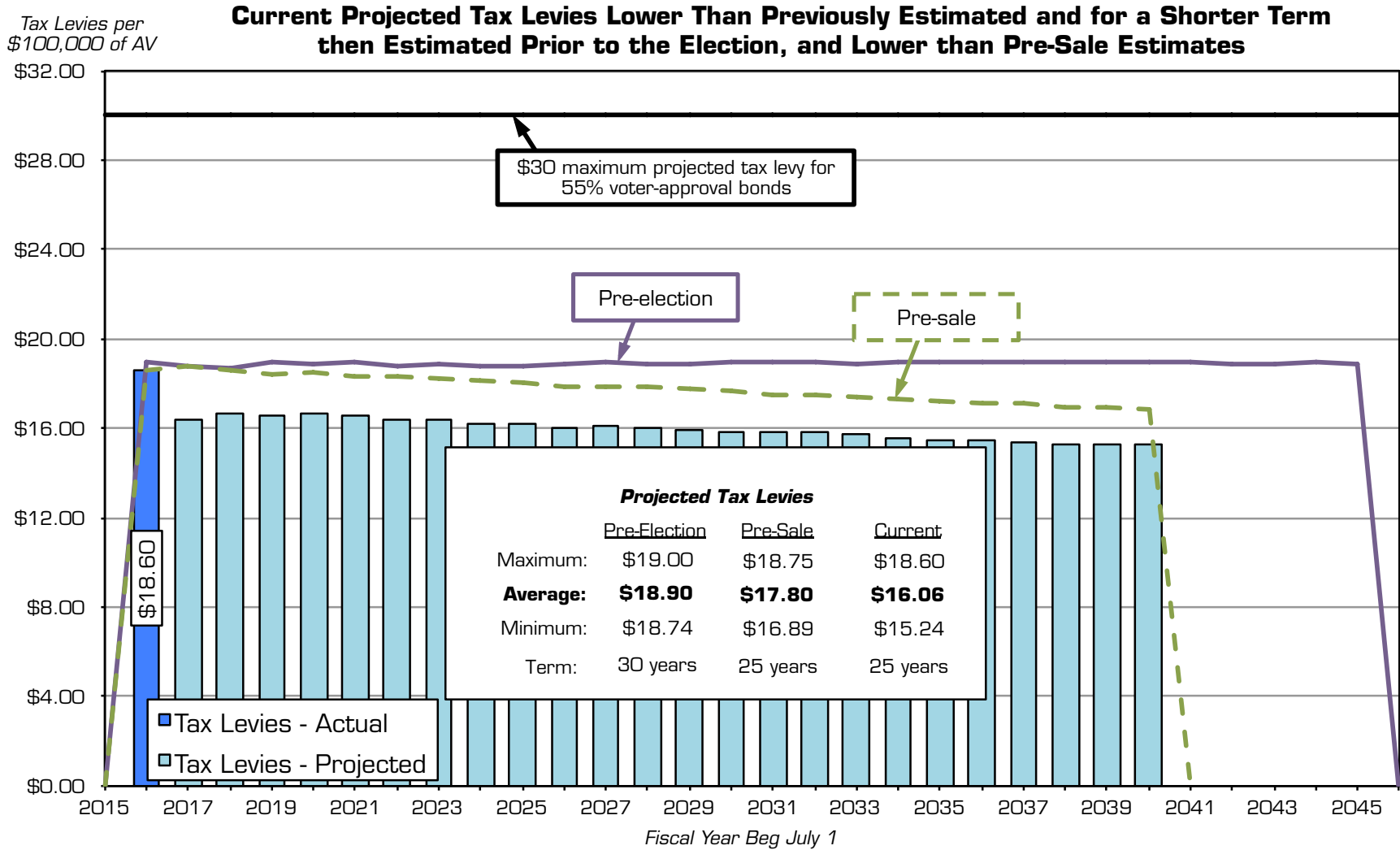
✓ Term of bond is 5 years less.



Estimated debt service as submitted to El Dorado County Auditor-Controller. Debt service is assumed based on "AAA" MMD rates as of June 30, 2016, plus 85bp for assumed "A+" rating of bonds, plus an increase for potential rate increases before bond issuance of +75bp, and preliminary 2016-17 AV. Net local secured AV is assumed to increase 3% annually while all other AV types are assumed to remain unchanged.

✓ Capital Appreciation Bonds (CABs) have been eliminated.

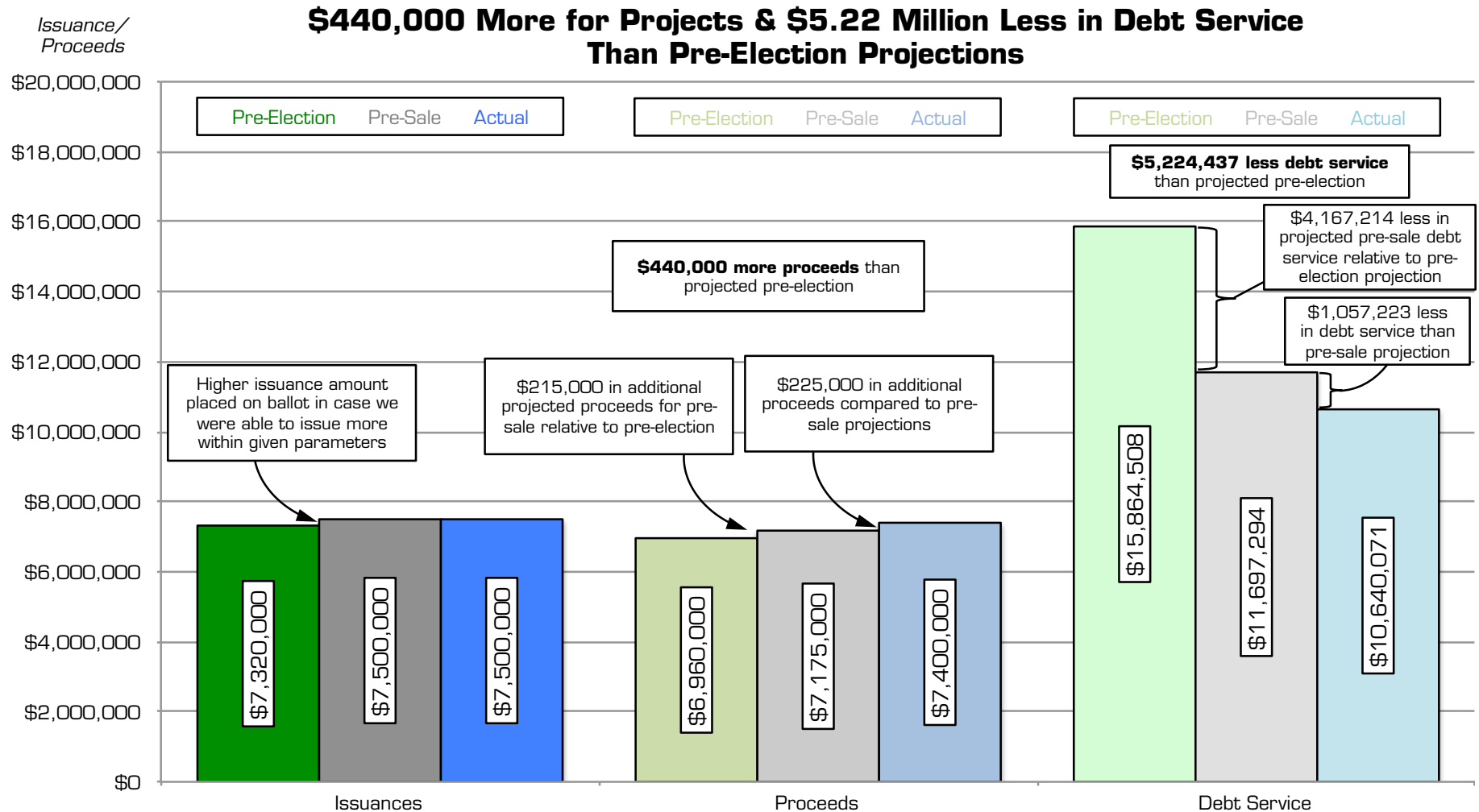
Projected Tax Levies ≤ \$19, & for Less Years



Net local secured AV is assumed to increase 3% annually while all other AV types are assumed to remain unchanged.

Funds for Projects > Pre-Election Estimate

(Estimated funds for projects increased by \$440,000 from \$6,960,000 to \$7,400,000; \$225,000 more than pre-sale estimates)



Pre-election data from bond plans that supported election. Pre-sale data from bond plan that supported estimated debt service schedule submitted to El Dorado County. Series 2016 is actual.

GFOA Best Practices Utilized



◆ Selecting and Managing Municipal Advisors



◆ Selecting Bond Counsel



◆ Selecting and Managing the Method of Sale of Municipal Bonds



◆ Using Credit Rating Agencies



◆ Debt Issuance Transaction Costs



◆ Understanding Your Continuing Disclosure Responsibilities



G.O. Bond Portfolio

General Obligation Bonds - Election of 2016, Measure C - \$7,500,000

Series	Date of Issue	Type	Issuance - New Money	Total Issuance	Net Debt Service	Debt Service to Principal at Issuance	Principal Paid & to be Paid as of Oct 1, 2016	Debt Service Paid & to be Paid as of Oct 1, 2016	Outstanding Principal as of Oct 1, 2016	Final Maturity	Able to Call?	Next Call Date	Callable Principal	Weighted Average Callable Coupon	Next Call Premium
2016	Oct 2016	CIBs	\$7,500,000	\$7,500,000	\$10,546,371	1.41 : 1	\$7,500,000	\$10,546,371	\$7,500,000	Aug 1, 2041	Yes	Aug 1, 2026	\$5,610,000	2.77%	0.00%
			<u>\$7,500,000</u>				<u>\$7,500,000</u>	<u>\$10,546,371</u>	<u>\$7,500,000</u>						

Debt Service to Principal Ratios

Debt service of new money issuances to new money principal: 1.41 : 1

(1) Series 2016 net debt service reflects applicaiton of \$93,700 deposited to Interest & Sinking Fund to make debt service payments.

✓ *Portfolio will be monitored for stewardship and compliance*

Example of Initial Trading: 2027 Bonds



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Issue Details

NEW ISSUE
 MOTHER LODE UNION SCHOOL DISTRICT, EL DORADO COUNTY, CALIFORNIA) GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2016 (CA)
MOTHER LODE CALIF UN SCH DIST (CA)*
Dated Date: 10/12/2016
Underwriting Spread Amount: Not Disclosed - Competitive Sale
Closing Date: 10/12/2016
Time of First Execution: 09/29/2016 01:00 PM

Maturities and issue-related documents
 View all maturities of an issue and download the official statement and other documents available from EMMA for this issue. Click on a CUSIP number for security-specific data, including trade price data.

*View issuer homepage [MOTHER LODE CALIF UN SCH DIST](#) | See other issues by this issuer

Securities | Official Statements | Continuing Disclosure | Trade Activity

Trade date range may not exceed 31 days.

Trade Date: 09/28/2016 to 10/28/2016

Display 100 results | Filter results: | First Previous 1 2 Next Last

Trade Date/Time	Security Description	Maturity Date	Interest Rate (%)	Price (%)	Yield (%)	Calculation Date & Price (%)	Trade Amount (\$)	Trade Type	Special Condition
09/29/2016 01:00 PM	MOTHER LODE UNION SCHOOL DISTRICT, EL DORADO COUNTY, CALIFORNIA / GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2016	08/01/2036	2.75	101.159	2.615	08/01/2036 @ 100	790,000	Inter-dealer trade	L W
09/29/2016 01:00 PM	MOTHER LODE UNION SCHOOL DISTRICT, EL DORADO COUNTY, CALIFORNIA / GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2016	08/01/2038	3	102.189	2.743	08/01/2036 @ 100	885,000	Inter-dealer trade	L W
09/29/2016 01:00 PM	MOTHER LODE UNION SCHOOL DISTRICT, EL DORADO COUNTY, CALIFORNIA / GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2016	08/01/2041	3	101.066	2.874	08/01/2036 @ 100	750,000	Inter-dealer trade	L W
09/29/2016 01:00 PM	MOTHER LODE UNION SCHOOL DISTRICT, EL DORADO COUNTY, CALIFORNIA / GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2016	08/01/2026	2	103.114	1.654	08/01/2036 @ 100	230,000	Inter-dealer trade	L W
09/29/2016 01:00 PM	MOTHER LODE UNION SCHOOL DISTRICT, EL DORADO COUNTY, CALIFORNIA / GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2016	08/01/2027	2	101.947	1.782	08/01/2026 @ 100	240,000	Inter-dealer trade	L W
09/29/2016 01:00 PM	MOTHER LODE UNION SCHOOL DISTRICT, EL DORADO COUNTY, CALIFORNIA / GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2016	08/01/2023	2	104.167	1.356	08/01/2023 @ 100	190,000	Inter-dealer trade	L W
09/29/2016 01:00 PM	MOTHER LODE UNION SCHOOL DISTRICT, EL DORADO COUNTY, CALIFORNIA / GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2016	08/01/2024	2	103.919	1.466	08/01/2024 @ 100	205,000	Inter-dealer trade	L W
09/29/2016 01:00 PM	MOTHER LODE UNION SCHOOL DISTRICT, EL DORADO COUNTY, CALIFORNIA / GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2016	08/01/2025	2	103.607	1.559	08/01/2025 @ 100	215,000	Inter-dealer trade	L W
09/29/2016 01:00 PM	MOTHER LODE UNION SCHOOL DISTRICT, EL DORADO COUNTY, CALIFORNIA / GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2016	08/01/2021	2	103.948	1.152	08/01/2021 @ 100	170,000	Inter-dealer trade	L W
09/29/2016 01:00 PM	MOTHER LODE UNION SCHOOL DISTRICT, EL DORADO COUNTY, CALIFORNIA / GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2016	08/01/2022	2	104.22	1.243	08/01/2022 @ 100	180,000	Inter-dealer trade	L W
09/29/2016 01:00 PM	MOTHER LODE UNION SCHOOL DISTRICT, EL DORADO COUNTY, CALIFORNIA / GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2016	08/01/2019	2	102.787	0.989	08/01/2019 @ 100	120,000	Inter-dealer trade	L W
09/29/2016 01:00 PM	MOTHER LODE UNION SCHOOL DISTRICT, EL DORADO COUNTY, CALIFORNIA / GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2016	08/01/2020	2	103.471	1.066	08/01/2020 @ 100	155,000	Inter-dealer trade	L W
09/29/2016 01:00 PM	MOTHER LODE UNION SCHOOL DISTRICT, EL DORADO COUNTY, CALIFORNIA / GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2016	08/01/2017	2	100.832	-	-	265,000	Inter-dealer trade	L W
09/29/2016 01:00 PM	MOTHER LODE UNION SCHOOL DISTRICT, EL DORADO COUNTY, CALIFORNIA / GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2016	08/01/2018	2	101.802	0.988	08/01/2018 @ 100	135,000	Inter-dealer trade	L W
09/29/2016 01:00 PM	MOTHER LODE UNION SCHOOL DISTRICT, EL DORADO COUNTY, CALIFORNIA / GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2016	08/01/2017	2	100.957	-	-	265,000	Customer bought	W
09/29/2016 01:00 PM	MOTHER LODE UNION SCHOOL DISTRICT, EL DORADO COUNTY, CALIFORNIA / GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2016	08/01/2041	3	102.566	2.7	08/01/2026 @ 100	750,000	Customer bought	L W
09/29/2016 01:06 PM	MOTHER LODE UNION SCHOOL DISTRICT, EL DORADO COUNTY, CALIFORNIA / GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2016	08/01/2019	2	103.037	0.9	08/01/2019 @ 100	25,000	Inter-dealer trade	W

http://emma.msrb.org/IssueDetails/Trades/ES365286


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SERIAL BONDS					
Maturity Date August 1	Principal Amount	Interest Rate	Reoffering Yield	Price	CUSIP ⁺
2017	\$265,000	2.000%	0.800%	100.957%	619772 BF2
2018	135,000	2.000	0.850	102.052	619772 BG0
2019	145,000	2.000	0.900	103.037	619772 BH8
2020	155,000	2.000	1.000	103.721	619772 BJ4
2021	170,000	2.000	1.100	104.198	619772 BK1
2022	180,000	2.000	1.200	104.470	619772 BL9
2023	190,000	2.000	1.300	104.542	619772 BM7
2024	205,000	2.000	1.400	104.419	619772 BN5
2025	215,000	2.000	1.500	104.107	619772 BP0
2026	230,000	2.000	1.600	103.614	619772 BQ8
2027	240,000	2.000	1.700 C	102.697	619772 BR6
2028	260,000	2.000	1.850 C	101.338	619772 BS4
2029	275,000	2.000	2.000	100.000	619772 BT2
2030	290,000	2.250	2.050 C	101.766	619772 BU9
2031	305,000	2.500	2.150 C	103.077	619772 BV7
2032	325,000	2.500	2.250 C	102.186	619772 BW5

TERM BONDS					
Maturity Date August 1	Principal Amount	Interest Rate	Reoffering Yield	Price	CUSIP ⁺
2034	\$710,000	2.750%	2.400% C	103.039%	619772 BX3
2036	790,000	2.750	2.500 C	102.159	619772 BY1
2038	885,000	3.000	2.600 C	103.439	619772 BZ8
2041	1,530,000	3.000	2.700 C	102.566	619772 CA2

C = Yield to call at par on August 1, 2026.

...and Subsequent Trading



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MOTHER LODE UNION SCHOOL DISTRICT, EL DORADO COUNTY, CALIFORNIA) GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2016 (CA)
MOTHER LODE CALIF UN SCH DIST (CA)*
CUSIP: 619772BR6*

Dated Date: 10/12/2016
Maturity Date: 08/01/2027
Interest Rate: 2.0 %
Principal Amount At Issuance: \$240,000
Initial Offering Price: 102.697
Initial Offering Yield: 1.7

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Trade Date	High/Low Price (%)	High/Low Yield (%)	Trade Count	Total Trade Amount (\$)
10/26/2016	100.885 / 100.331	1.962 / 1.9	2	480,000


Trade Date/Time	Settlement Date	Price (%)	Yield (%)	Calculation Date & Price (%)	Trade Amount (\$)	Trade Type	Special Condition
10/26/2016 04:32 PM	10/31/2016	100.885	1.9	08/01/2026 @ 100	240,000	Customer bought	
10/26/2016 03:09 PM	10/31/2016	100.331	1.962	08/01/2026 @ 100	240,000	Inter-dealer trade	

Trade Date/Time	Settlement Date	Price (%)	Yield (%)	Calculation Date & Price (%)	Trade Amount (\$)	Trade Type	Special Condition
09/29/2016	10/19/2016	101.947 / 101.947	1.782 / 1.782		1		240,000

Trade Date/Time	Settlement Date	Price (%)	Yield (%)	Calculation Date & Price (%)	Trade Amount (\$)	Trade Type	Special Condition
09/29/2016 01:00 PM	10/12/2016	101.947	1.782	08/01/2026 @ 100	240,000	Inter-dealer trade	L W

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Conclusion

✓ Lower debt service



✓ Less taxes



✓ More proceeds for projects



Thank You, Any Questions?

