

The top section of the slide features a background image of classical stone columns. A white outline of the state of Ohio is superimposed on the right side. The text "OHIO AUDITOR OF STATE KEITH FABER" is written in a large, white, serif font across the top.

OHIO AUDITOR OF STATE KEITH FABER

2026 Local Government Officials Conference

March 19, 2026

Strategic Debt Management: Insights from the Financing Team

Allison Binkley, Squire Patton Boggs

Andrew Laskey, Piper Sandler

Heather Meyer Arling, Bradley Payne Advisors

A decorative footer image showing a close-up of classical stone columns, similar to the top image, with a blue diagonal overlay.

Piper Sandler Disclosures

Piper Sandler is providing the information contained herein for discussion purposes only in anticipation of being engaged to serve as underwriter or placement agent on a future transaction and not as a financial advisor or municipal advisor. In providing the information contained herein, Piper Sandler is not recommending an action to you and the information provided herein is not intended to be and should not be construed as a “recommendation” or “advice” within the meaning of Section 15B of the Securities Exchange Act of 1934. Piper Sandler is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act or under any state law to you with respect to the information and material contained in this communication. As an underwriter or placement agent, Piper Sandler’s primary role is to purchase or arrange for the placement of securities with a view to distribution in an arm’s-length commercial transaction, is acting for its own interests and has financial and other interests that differ from your interests. You should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

Piper Sandler Companies (NYSE: PIPR) is a leading investment bank driven to help clients Realize the Power of Partnership®. Securities brokerage and investment banking services are offered in the U.S. through Piper Sandler & Co., member SIPC and NYSE; in the U.K. through Piper Sandler Ltd., authorized and regulated by the U.K. Financial Conduct Authority; in the EU through Aviditi Capital Advisors Europe GmbH, a tied agent of AHP Capital Management GmbH, authorized and regulated by BaFin; and in Hong Kong through Piper Sandler Hong Kong Ltd., authorized and regulated by the Securities and Futures Commission. Alternative asset management and fixed income advisory services are offered through separately registered advisory affiliates.

© 2026 Piper Sandler Companies. 800 Nicollet Mall, Minneapolis, Minnesota 55402-7036

Presenter's Contact Info & Bios

Allison Binkley,
Partner
Squire Patton Boggs (US) LLP

allison.binkley@squirepb.com
(614) 365-2799



Allison Binkley focuses her practice on serving as bond counsel, underwriter's counsel and purchaser's counsel on general obligation financings, tax increment financings, utility revenue financings and special obligation financings.

Her client base includes the State of Ohio, counties, municipalities, townships, port authorities, school districts, trustees, letter of credit banks, investment banking firms and financial institutions. Allison has also served as bond counsel on 501(c)(3) and health care conduit financings.

Allison has been recognized as a 2026 *Best Lawyers* "Lawyer of the Year – Banking and Finance", 2025 *Best Lawyers in America* for Public Finance Law and an *Ohio Super Lawyer Rising Star* (2012-2017). Allison is a member of the Ohio Government Finance Officers Association, for which she served as a trustee for two terms and currently serves on the education committee. Allison also serves on the board of Women in Public Finance – Ohio Chapter. She is also a member of the National Association of Bond Lawyers. Allison also frequently presents at public finance conferences including the Ohio Government Finance Officers Association and the Ohio Treasurer of State's Center for Public Investment Management.

In her spare time, Allison serves as an adjunct professor at The Ohio State University Moritz College of Law.

Presenter's Contact Info & Bios

**Andrew Laskey,
Managing Director
Piper Sandler**

andrew.laskey@psc.com
513-325-7078



Mr. Laskey is a Managing Director in the Cincinnati, Ohio Public Finance office of Piper Sandler.

Mr. Laskey has worked in Public Finance since 2006, previously at RBC Capital Markets. Andrew has worked with hundreds of local governmental entities throughout Ohio on debt offerings including cities, counties, K-12 school districts, universities as well as the State of Ohio. Additionally, Andrew has presented at numerous conferences on a variety of topics related to municipal bond issues and the bond underwriting process.

Andrew currently serves as a member of finance committees for Clovernook Center for the Blind and the Cincinnati Center for Autism.

Mr. Laskey attended the University of Cincinnati and graduated Magna Cum Laude from the Honors-PLUS business program. Mr. Laskey is a Registered Securities Representative, registered with the NASD and SEC.

Presenter's Contact Info & Bios

**Heather Meyer Arling,
Director
Bradley Payne Advisors**

ha@bpayneadvisors.com
(513) 315-8388



Public finance leader with 20 years of experience empowering municipalities, schools, higher education, and non-profits to optimize debt strategies and achieve financial goals. As a Director at Bradley Payne Advisors, Ms. Meyer specializes in structuring municipal bond financings, credit analysis, and deal execution to drive sustainable savings and long-term success. Ms. Meyer managed hundreds of financings—from short-term debt solutions to large-scale bond offerings—working closely with clients to develop tailored debt profiles and identify refunding opportunities. Whether guiding issuers through complex bond pricings or advising on restructuring strategies, she brings a solutions-driven mindset and deep market expertise to every project. Prior to Bradley Payne, Ms. Meyer honed her skills at William Blair & Company and Fifth Third Securities, where she led the execution of diverse financings across the public sector. Her career has been built on a passion for helping communities thrive through innovative financial solutions and sound fiscal management.

Ms. Meyer is a Registered Municipal Advisor, registered with the Municipal Securities Rulemaking Board (MSRB) and the Securities Exchange Commission (SEC). She currently holds a Series 50 license. Ms. Meyer received a Bachelor of Science with a Major in Finance from Ohio State University, Columbus, Ohio.

Table of Contents

- 1) Capital Planning Process
- 2) Developing Borrowing Plans
- 3) Long Term Debt Management

Capital Planning Process

Capital Assets You Already Have

- Roofs, Doors, Windows, and Floors
- Equipment
- Vehicles
- Technology
- Textbooks and Classroom Tools

What capital assets do you want?

- Updated equipment and modern tools
- Expansions – Added Classrooms/Converted Classrooms
- New Programming and Strategic Initiatives

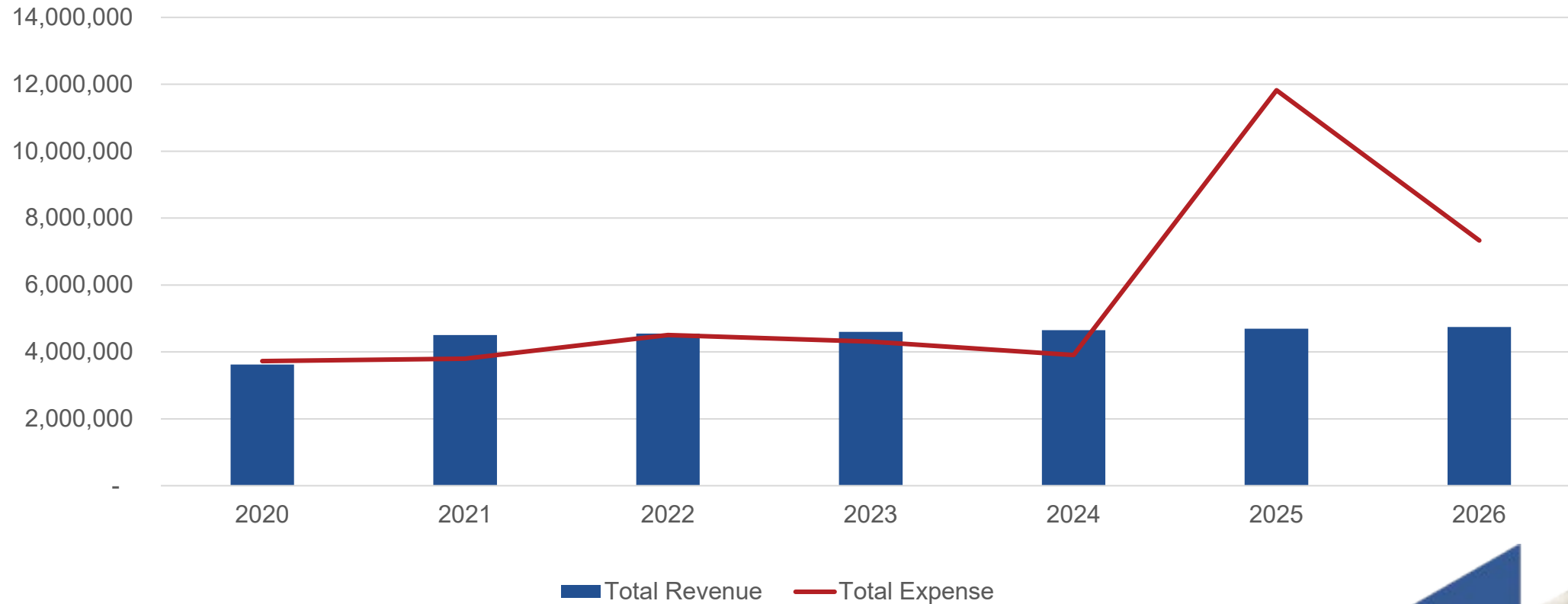
How do you handle paying for your capital assets?

- Reactive - Wait and see. Break/Fix Plan
- Resource Driven - Funds before Plan
- Unfunded Strategy - Dream and Dive
- Integrated / Strategic Plan

All types depending on the asset?

Plan or “Plan to React”

Projected Capital Needs



“But we don’t have the money...”

Will you someday?

- Do you know the cost of waiting until you do?
- Cost of inflation
- Cost of “emergency” timing
- Timing with cash flows
- Understanding “opportunity cost”
- Peace of Mind

Plan or Plan to React

Planning reduces cost (time and money)

- How does your capital plan interact with your operating budget?
- Are major facility projects known well in advance with funding available when they come due?
- Are new projects identified far enough into the future to appropriately manage debt, levy schedules, and cash balances?
- Is your Board, Administrative Team, and Community engaged in the process and monitoring the plan or is it an all-encompassing surprise?

Planning identifies revenue opportunities



- Understand the *opportunities* coming in your levy schedules, debt payments, emerging grants, and partnerships.

Capital Planning as a Team

- CFO – Knows what money is needed when and is able to plan and prepare
- Budget Managers – Know how and when their projects are prioritized
- Administrator – Can guide and react to changes with a team that understands the whole

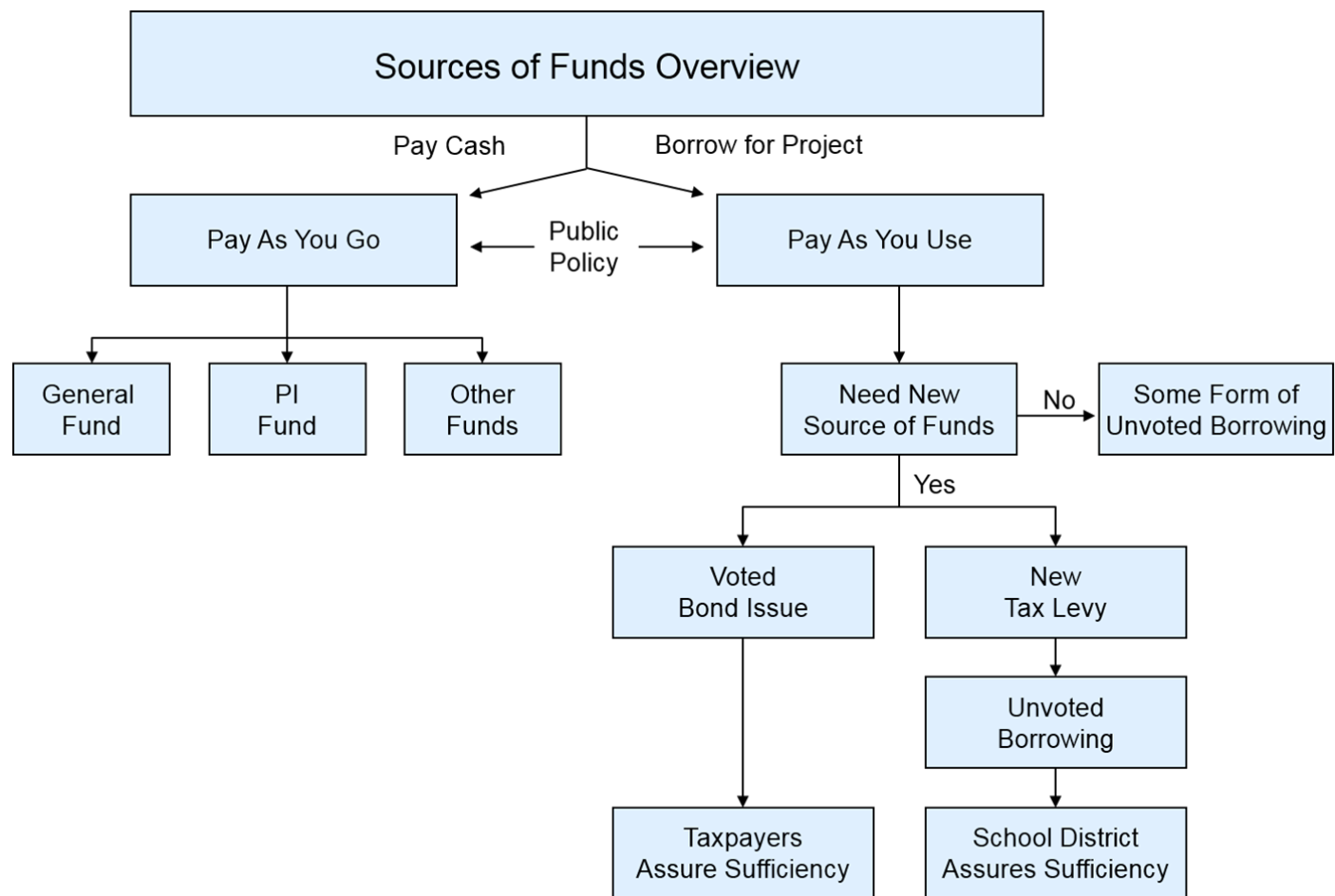
“Opportunity Cost” is understood and effectively managed

Summary

Building a plan that identifies what you have and what you need helps you plan and pay for both.

Developing Borrowing Plans

Paying for Capital Improvements



What is a Tax-Exempt Municipal Security?

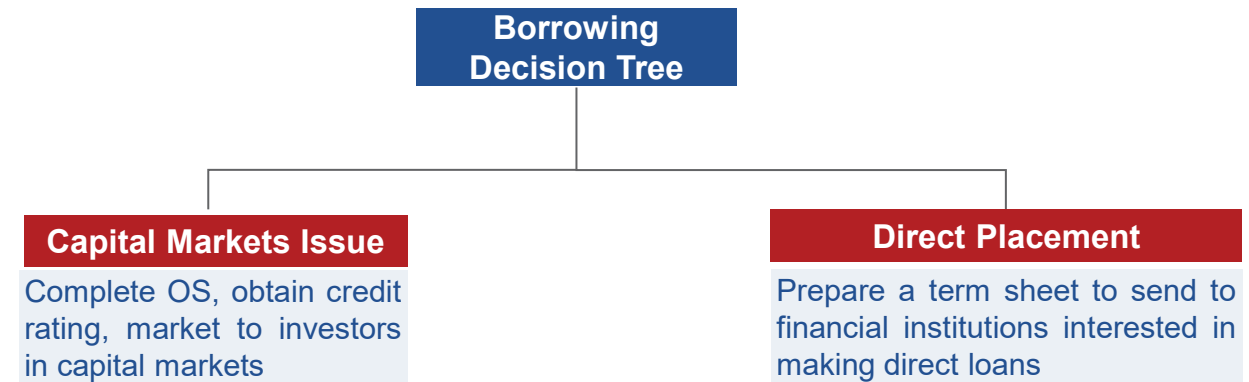
- Many, but not all, municipal bonds pay interest that is exempt from federal and/or state income taxes, providing a tax-advantaged investment for bondholders.
- These bonds are typically issued by state and local governments or other public entities to fund public projects or projects that align with their tax-exempt mission and meet public benefit requirements; bonds can also be issued by a governmental issuer for eligible 501(c)(3) organizations.
- The federal tax exemption incentivizes investors to finance public projects, helping local governments raise funds for essential services and community development.
- Tax exemption requires compliance with federal and state tax laws and require the opinion of a nationally recognized bond counsel that the interest on the proposed security is exempt from federal and/or state income taxes.

Common Debt Terms

- **Bonds** – long-term obligations to repay money, usually over a period of 1-30 years
- **Bond Anticipation Notes** – notes issued prior to the issuance of bonds
- **General Obligation** – pledge for payment of bonds through all government revenues or through property taxing power
- **Limited tax (GO) bonds** – bonds that are supported by unvoted property taxes
- **Unlimited tax (GO) bonds** – bonds that are supported by voted property taxes
- **Special Obligations** – bonds that are supported by a specific tax, but no GO
- **Revenue Bonds** – bonds supported by a specific dedicated revenue stream

Example Borrowing Decision Tree

- Deciding between a capital markets issue and a direct placement can be complex and depends on the unique circumstances of a borrowing.
- Important factors include which option provides the lowest all-in borrowing cost (after fees are considered), time and district resources needed to complete financing, time necessary to lock interest rates and receive funds, and other factors.
- Many times the best approach is a “dual track” approach which involves the BOE authorizing the District to work with their financing professionals to determine the best option for the District.
- This provides the greatest degree of flexibility which can be helpful in obtaining the best outcome, especially in volatile market conditions.



Typical Participant Roles & Responsibilities

Issuer

- Approve Bond Legislation
- Assist with Financing Plan
- Assist With Preparation Of Disclosure Data
- Make Rating & Insurance Presentations (if applicable)
- Make Bond Payments
- Post Sale Responsibilities

Municipal Advisor

- Oversee Entire Financing Process
- Provide Financing Plan Assistance
- Develop Schedule
- Provide Rating Agency & Bond Insurer Preparation Assistance
- Provide Structuring Advice
- Provide Market Comps
- Provide Market Guidance
- Oversee Pricing Process

Underwriter

- Perform Due Diligence On Disclosure
- Assist With Financing Plan, Structuring and Credit Rating
- Provide Market Information and Comparables For Pricing
- Market and Sell The Bonds
- Utilize Balance Sheet to Support Financing

Bond Counsel

- Prepare Bond Proceedings
- Assist in Evaluating the Structure of the Bond Issue from Legal Standpoint
- Prepare Official Statement/Disclosure Preparation Assistance
- Prepare Various Deal Related Legal Documents
- Provide Legal Opinion to investors

Investors

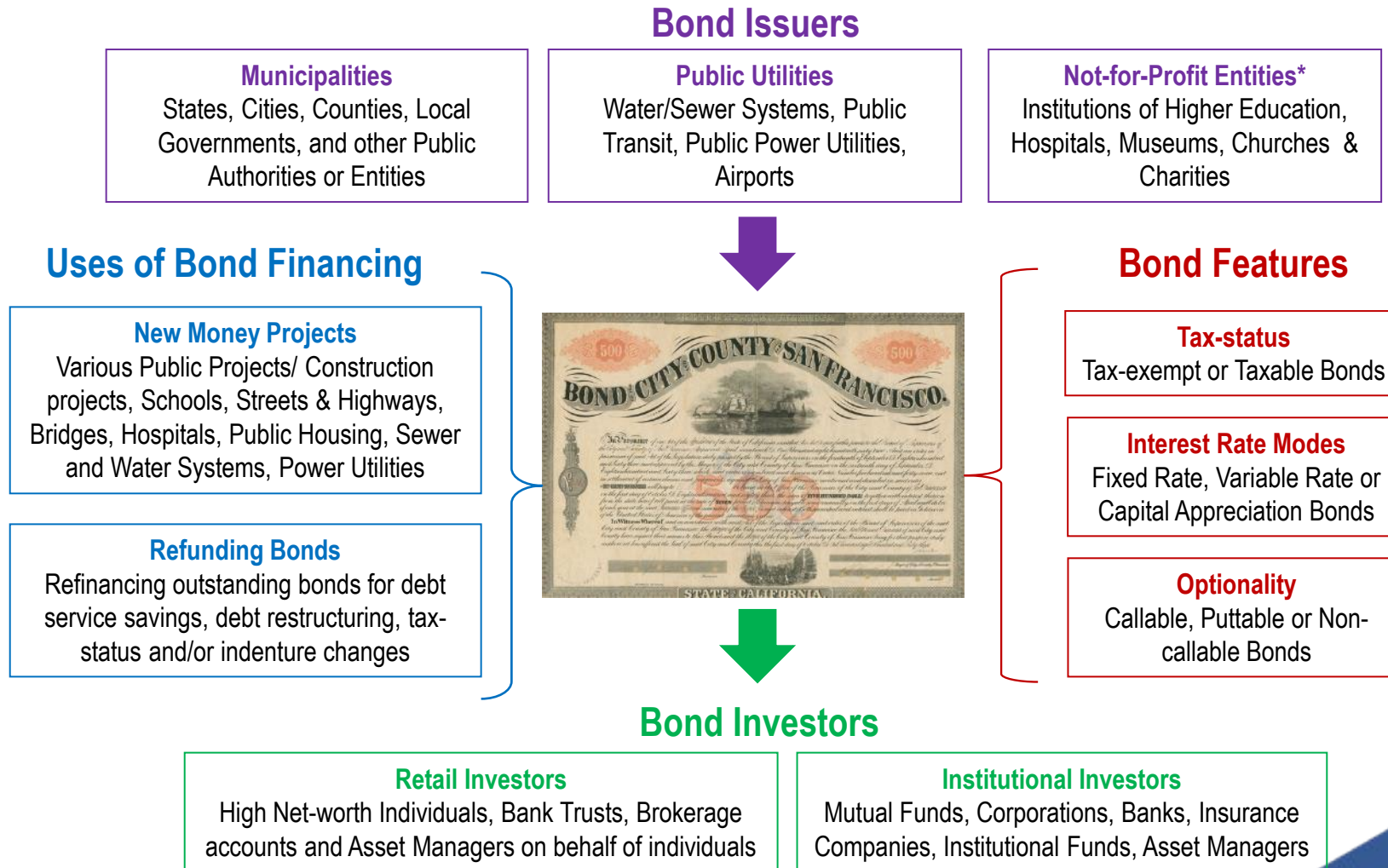
- Purchase Bonds
- Receive Interest and Principal Payments From Paying Agent
- Receive Ongoing Continuing Disclosure Requirements

Paying Agent/Registrar/Trustee

- Authenticate Bonds
- Receive Interest & Principal Payments From Issuer
- Make Interest and Principal Payments to Investors
- Trustee Oversees Trust Obligations of Issuer

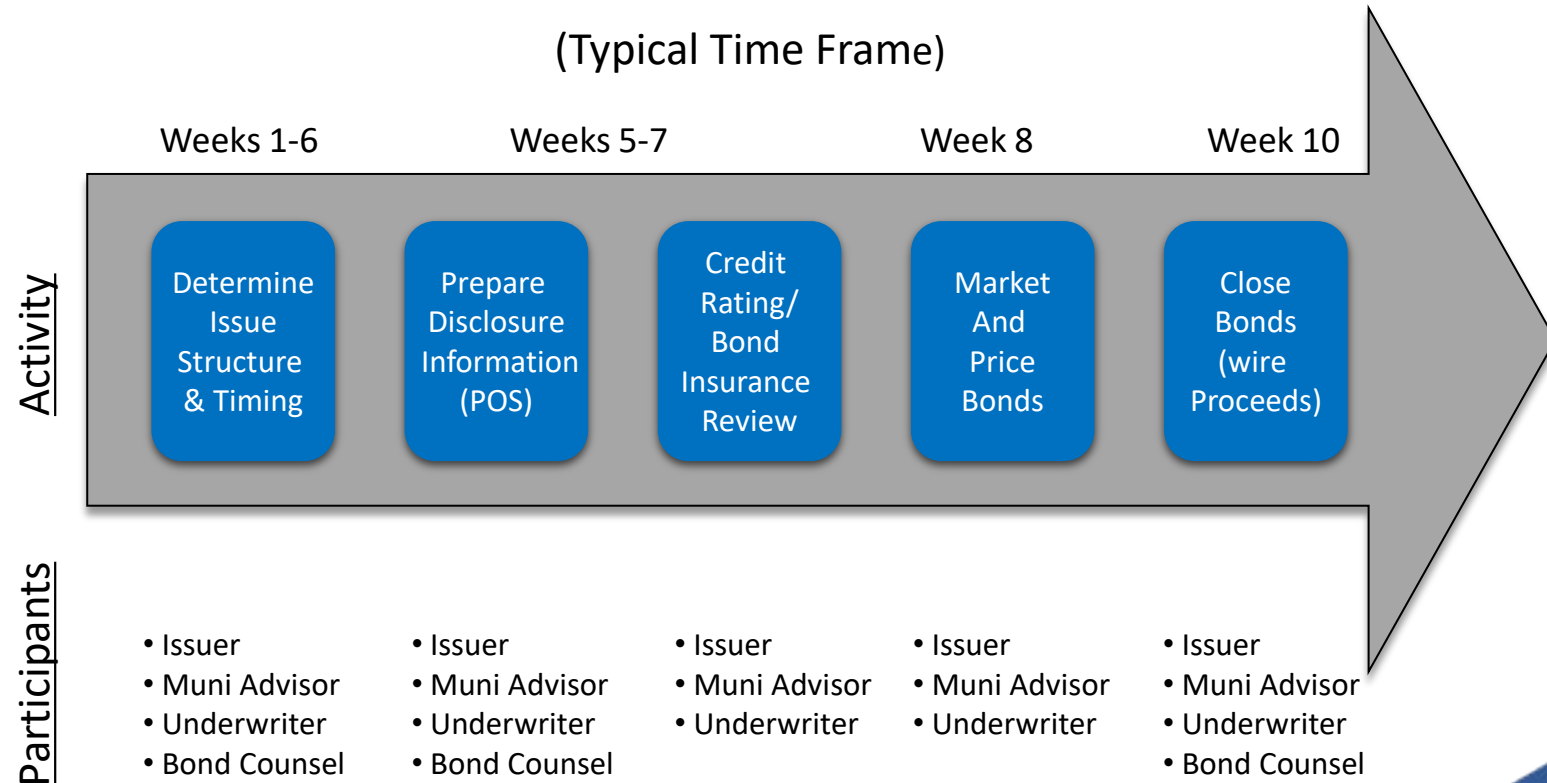
Rating Agencies/Bond Insurer

- Review Credit Worthiness of the Issuer
- Rating Agencies Issue Bond Rating
- Rating Agencies Periodically Review Appropriateness of Rating After Assignment
- Bond Insurer Wraps Credit (if economically beneficial)

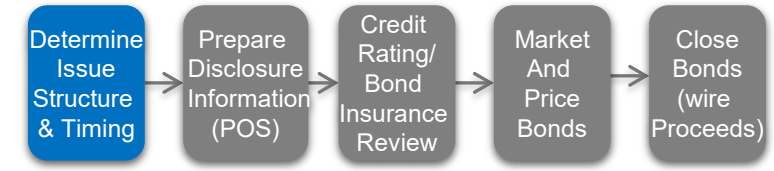


* If the bonds are to be tax-exempt, a governmental issuer must issue the bonds and then loan (or lease) the proceeds to the 501(c)(3)

Activities and Timing - Example



Determining the Optimal Structure



There are two components of structuring your bond issue:

Component

Objectives

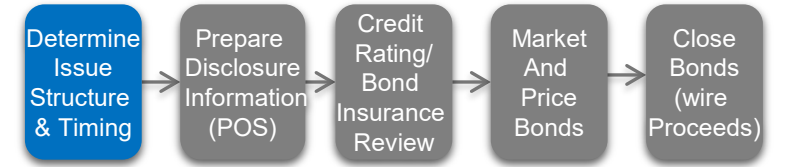
1. Plan of Issuance

- Ensure availability of funds when needed
- Maximize construction period investment earnings
- Minimize/avoid arbitrage rebate

2. Plan of Repayment

- Manage impact of tax increase
- Optimize benefits of structuring features (calls, discounts, premiums, etc.)
- Consider future capital plans

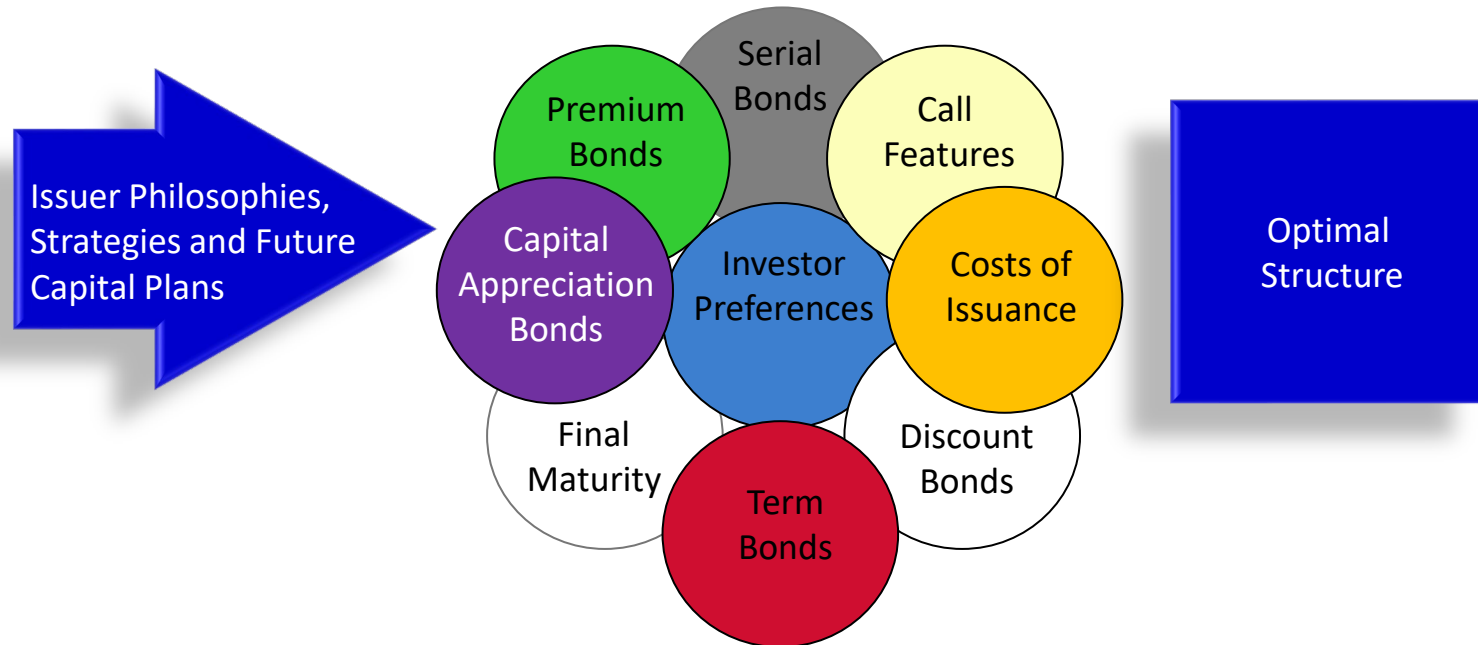
Determining the Optimal Structure



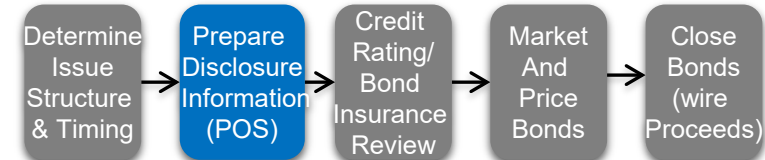
Inputs

Variables

Output



Prepare Disclosure Information - Example



- Issuer**
- Issuer overview
 - Projections
 - Facilities data
 - Financial outlook
 - Financial Statements

OFFERING CIRCULAR DATED MAY 2, 2023

New Issue – Book Entry Only Ratings: Moody's Investor Services, Inc., "Aa3" See "RATINGS" herein.

In the opinion of Dimonore & Shohl LLP, Bond Counsel with respect to the Series 2023 Certificates (as defined below), based upon an analysis of existing laws, regulations, rulings and court decisions; assuming continuing compliance with certain covenants and the accuracy of certain representations, (i) interest on the Series 2023 Certificates paid from the interest portion of the Base Rent (as defined herein) will be excludable from gross income of the holders thereof for purposes of federal income taxation, (ii) interest on the Series 2023 Certificates paid from the interest portion of the Base Rent is not an item of tax preference for purposes of calculating the federal alternative minimum tax; however, interest on the Series 2023 Certificates paid from the interest portion of the Base Rent held by an "applicable corporation" is included in annual "adjusted financial statement income" for purposes of calculating the alternative minimum tax imposed on an applicable corporation for any year beginning after December 31, 2022, and (iii) interest on the Series 2023 Certificates paid from the interest portion of the Base Rent and any profit made on the sale, exchange, or other disposition of the Series 2023 Certificates are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax, all subject to the qualifications described herein under the heading "TAX EXEMPTION."

\$27,000,000
CERTIFICATES OF PARTICIPATION, SERIES 2023
(SCHOOL IMPROVEMENT PROJECT)
EVIDENCING PROPORTIONATE INTERESTS IN BASE RENT TO BE PAID BY THE
BOARD OF EDUCATION OF THE MILFORD EXEMPTED VILLAGE SCHOOL DISTRICT
(COUNTIES OF CLERMONT AND HAMILTON, OHIO)
(NON-BANK QUALIFIED)

Dated: Date of Issuance Due: June 1, as shown on inside cover.

The above-referenced certificates (the "Series 2023 Certificates") evidence proportionate interests in Base Rent to be paid by the Board of Education (the "Board of Education") of the Milford Exempted Village School District, Counties of Clermont and Hamilton, Ohio (inclusive of the Board of Education, the "District"), a school district and political subdivisions of the State of Ohio, to provide for the acquisition, construction, equipping, improving, installation and rehabilitation of the Project Facilities and Other Facilities (each as defined herein). The Project Facilities will be located on the Project Site (as defined herein, and together with the Project Facilities, the "Project") and the Project Site will be leased from the District, as lessor, to PS&W Holding Company, Inc. (the "Grantor"), as lessee, and the Grantor shall sublease the Project Site back to the District with the Project Facilities thereon, pursuant to the Lease Agreement, dated as of May 1, 2023 (the "Lease"), between the Grantor, as lessor, and the District, as lessee. The Grantor's rights (including rights to Base Rent under the Lease) and interests under the Lease will be assigned to U.S. Bank Trust Company, National Association, as trustee (the "Trustee") under the Trust Indenture, dated as of May 1, 2023, between the Grantor and the Trustee. The Series 2023 Certificates are payable primarily from the Base Rent to be paid by the District to the Trustee as such assignee of all rights of the Grantor. Neither the District nor the State of Ohio is a party to the Series 2023 Certificates.

The initial term of the Lease shall expire on June 30, 2023, and renewals are subject to appropriations by the Board of Education of the District. Upon the appropriation of sufficient funds to pay Base Rent during each renewal period and certification of sufficiency of those appropriations, the Lease shall be renewed by the District for successive renewal periods, each of one year or less, through June 1, 2052. The District is not legally or contractually bound to make appropriations in the future to renew the Lease. If the Lease is renewed through June 1, 2052, the aggregate of Base Rent under the Lease is designed to be sufficient in both time and amount to pay when due the principal of and interest on the corresponding Series 2023 Certificates payable from those sources.



The Series 2023 Certificates will be initially issued as fully registered certificates in book entry form, in the name of The Depository Trust Company or its nominee ("DTC"), without coupons, in denominations of \$5,000 and any integral multiple of \$5,000. There will be no distribution of the Series 2023 Certificates to owners of book entry interests. DTC will receive all payments with respect to the Series 2023 Certificates from the Trustee. DTC is required by its rules and procedures to remit such payments to participants in DTC for subsequent disbursement to the owners of book entry interests.

Interest on the Series 2023 Certificates is payable on June 1 and December 1 of each year, commencing December 1, 2023. The Series 2023 Certificates are subject to redemption at the times, at the prices, and in the manner described herein. See "THE SERIES 2023 CERTIFICATES – Redemption" herein.

RENEWALS OF THE LEASE AND THE OBLIGATION OF THE DISTRICT TO MAKE BASE RENT PAYMENTS AFTER JUNE 30, 2023 ARE SUBJECT TO AND DEPENDENT UPON LAWFUL APPROPRIATIONS BEING MADE FOR THAT PURPOSE AND CERTIFICATION OF THE AVAILABILITY OF FUNDS AND THE SUFFICIENCY OF THOSE APPROPRIATIONS. IN THE EVENT NO SUCH APPROPRIATION AND CERTIFICATION IS MADE, THE LEASE WILL TERMINATE AT THE END OF THE CURRENT LEASE TERM. THERE CAN BE NO ASSURANCE THAT THE PROJECT CAN BE RELET FOR THE REMAINDER OF THE GROUND LEASE TERM OR THAT PROCEEDS FROM ANY SUCH RELETTING OF THE PROJECT WILL BE SUFFICIENT TO PAY PRINCIPAL AND INTEREST WITH RESPECT TO THE OUTSTANDING CERTIFICATES. TITLE TO THE PROJECT AND THE RIGHT OF POSSESSION OF THE PROJECT WILL TRANSFER TO THE DISTRICT AT THE END OF THE GROUND LEASE. THE SERIES 2023 CERTIFICATES, THE LEASE AND THE OBLIGATION TO MAKE PAYMENTS OF BASE RENT UNDER THE LEASE DO NOT REPRESENT OR CONSTITUTE A DEBT OF OR A PLEDGE OF THE FAITH AND CREDIT OF THE DISTRICT. NEITHER THE GENERAL CREDIT NOR THE TAXING POWER OF THE DISTRICT IS PLEDGED TO PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2023 CERTIFICATES.

The District has not designated the Series 2023 Certificates as "qualified tax-exempt obligations" with respect to certain financial institutions under Section 265 of the Internal Revenue Code of 1986, as amended.

The Series 2023 Certificates are offered when, as and if executed and delivered by the Trustee and received by RBC Capital Markets, LLC, Cincinnati, Ohio (the "Underwriter"), subject to prior sale, and to the approval of legality by Dimonore & Shohl LLP, Cincinnati, Ohio, as Bond Counsel. Bradley Payne Advisors, LLC has acted as municipal advisor to the District in connection with the offering of the Series 2023 Certificates. It is expected that the Series 2023 Certificates in definitive form will be available for delivery to the Underwriter in Cincinnati, Ohio on or about May 17, 2023.

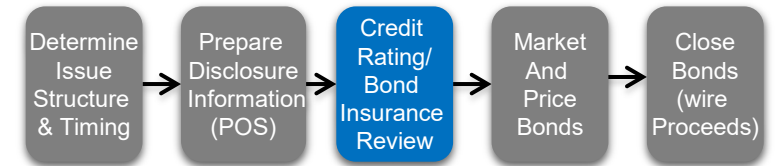
THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFERING CIRCULAR TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

- Municipal Advisor and/or Underwriter**
- Structuring information
 - Continuing disclosure agreement
 - Interface with County Auditor

- Bond Counsel**
- Demographic info from Census & other sources
 - Description of tax base and other sources of revenue
 - Debt limitation tables
 - Debt tables
 - Financial appendices
 - Bond counsel opinion
 - Interface with County Auditor
 - Actual production of document

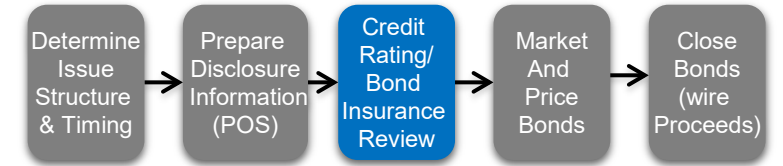
- County Auditor**
- Assessed Valuation data
 - Building Permits info
 - Tax tables
 - Largest taxpayer list

Borrowing Process - What is a Credit Rating?






- **Assessment of Creditworthiness:** A credit rating for a municipal security evaluates the financial health and ability of the issuing entity (such as a city, state, or local government) to meet its debt obligations, including timely payment of principal and interest.
- **Risk Indicator for Investors:** Credit ratings provide investors with a standardized measure of the risk associated with investing in a particular municipal bond, helping them gauge the likelihood of default or financial instability.
- **Impact on Borrowing Costs:** The credit rating directly influences the interest rate the municipality must offer to attract investors; higher credit ratings typically result in lower borrowing costs, while lower ratings lead to higher costs.
- **Influence on Market Perception:** A municipal security's credit rating affects how the market perceives the issuer's stability and reliability, potentially impacting demand for the bond and its market value.
- **Ongoing Monitoring and Updates:** Credit ratings are periodically reviewed and updated by rating agencies to reflect any changes in the obligated entity's financial condition, economic environment, or other relevant factors that may affect its ability to meet debt obligations.
- **Role in Regulatory Compliance:** Credit ratings are often used to ensure that municipal securities meet specific regulatory or investment-grade requirements for certain institutional investors, such as pension funds or insurance companies.
- **Comparison Tool Across Issuers:** Credit ratings allow investors to compare the credit quality of municipal securities issued by different municipalities, enabling more informed investment decisions based on relative risk.

Credit Rating Process

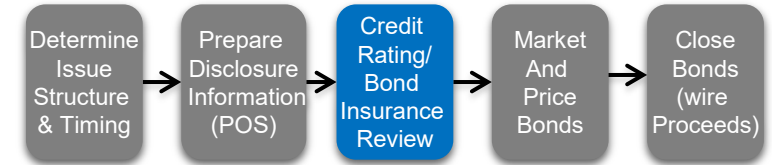


Bond Rating Services

	 Moody's Investors Service	 STANDARD & POOR'S	 Fitch Ratings
Best Quality	Aaa	AAA	AAA
	Aa1	AA+	AA+
	Aa2 Aa3	AA AA-	AA AA-
High Quality	A1	A+	A+
	A2	A	A
	A3	A-	A-
Upper Medium Grade	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-

↑
(Lower Interest Rates)

Typical Rating Factors

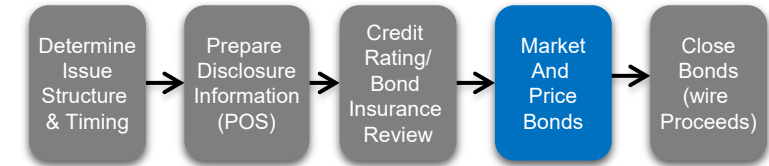


- Each rating agency has a slightly different methodology that weights different credit factors differently
- While there are differences in methodologies and weightings each agency looks at the following broad factors to help determine the credit profile:
 - Issuer's tax base and local economy
 - Financial metrics of the local government
 - Debt burden and long-term liabilities
 - Overall financial management and institutional framework
- The credit analyst will also review the debt issue offering document (POS), published audited financials as well as other public information
- Ongoing communications are important and there are typically period reviews scheduled that sometimes require information or a conversation with the analyst

Credit Enhancement

- An issuer's underlying credit rating may be enhanced through bond insurance or certain state supported credit enhancement programs
- An issuer should carefully consider the costs and benefits of bond insurance
 - There are two dominant bond insurers currently rated "AA" by S&P: Assured Guaranty (AGM) and Build America Mutual (BAM)
 - It may be prudent to request bids from both insurance providers if your underlying credit rating is lower than the bond insurer's rating
 - Once bids are received, the financing team can prepare a cost / benefit analysis to see if the benefit of lower interest rates exceeds the cost of the insurance premium
- The State of Ohio has a program to enhance Ohio school district bond issues called the Ohio State Credit Enhancement Program (OSCEP)
 - This program is currently rated Aa1/AA+ and is free of charge
 - State foundation payments are pledged to bondholders in the event of District default through a trustee agreement
 - The financing team may assist the District in analyzing the benefit as well as completing the application process
- The Ohio Treasurer's office administers the Ohio Market Access Program (OMAP), which currently provides an SP-1+ rating (the highest short-term credit rating) to participating notes issued by school districts and local governments

Typical Marketing and Pricing of the Bonds



Active Pre-marketing

- Investment Broker Prospecting
- Branch manager memorandum
- Sales force conference call

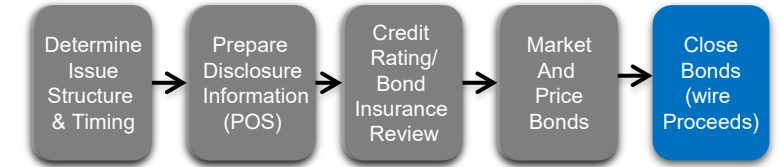


Wide Distribution

- Institutions
- Banks
- Individual Investors



Closing



Closing Activities

- Underwriter wires funds to issuer
- Issuer confirms to the underwriter that all wires are received
- Bond counsel confirms everything is in place for closing
- Underwriter and Paying Agent call DTC (Depository Trust Company) to release the bonds to investors

Long-Term Debt Management

Long-Term Debt Management

- Establish debt policies: set guidelines, ensure governance, review regularly
- Assess debt portfolio: inventory outstanding obligations, calculate metrics, stress test, maintain debt service schedules
- Monitor refinancing opportunities: analyze savings, timing, transaction costs, regulations
- Maintain credit ratings: communicate with agencies, address concerns proactively
- Ensure continuing disclosure: file timely annual reports, monitor material events, know filing requirements
- Tax covenant compliance: private use, sale of bond-financed assets, arbitrage/rebate
- Plan future issuance: align capital needs with debt capacity

Long-Term Debt Policy

Debt Limits

- Legal restrictions: state law, local charter, bond documents, voter referenda
- Public policy: permitted uses, debt types, capital plan integration
- Financial ratios: debt per capita, coverage ratios, service-to-revenue percentages
- Asset-specific limits: different criteria for GO, revenue, conduit debt

Debt Structuring Practices

- Maximum term based on asset useful life or absolute limits
- Repayment structure: equal debt service versus equal principal amortization
- Optional redemption features reflecting market conditions and government needs
- Credit enhancement considerations: reserves, insurance, pledges, alternative rate structures

Long-Term Debt Policy

Debt Issuance Practices

- Professional service provider selection: advisors, bond counsel, disclosure counsel
- Method of sale criteria: competitive, negotiated, private placement options
- Bond pricing benchmarks and comparative analysis for negotiated sales
- Credit rating policies: number of ratings, rating agency selection

Debt Management Practices

- Ongoing compliance: tax law, arbitrage rebate, continuing disclosure obligations
- Refunding monitoring: track opportunities, establish criteria for pursuing savings
- Investment of proceeds and timely debt service payment budgeting
- Investor relations and federal/state law compliance monitoring

Derivative Policy

- Clear statement on whether derivatives are permitted or prohibited

Federal Tax and Securities Law Considerations

Federal tax law compliance

- No private use or private payments
- Arbitrage/rebate calculations and payments due
- Sale or lease of bond-financed facilities – consult with your bond counsel

Federal securities law compliance: Rule 15c2-12 continuing disclosure

- Annual information filing
- Audited financial statements
- Event notices

Debt Dashboard – Summary and Inventory of Debt

Outstanding Indebtedness - General Obligation Bonds

Series	Dated Date	Par at Issuance	Par Outstanding	Callable Par	Call Date	Average Coupon	Final Maturity	Average Debt Service
2010A - School Facilities Construction and Improvement Bonds	04/06/2010	309,997	25,000	-	Non-Callable	4.375%	12/01/2030	5,656
2016 - School Facilities Construction and Improvement Bonds	06/23/2016	79,560,000	67,290,000	67,290,000	06/01/2026	4.124%	12/01/2051	4,279,475
2017 - Refunding Bonds	09/27/2017	4,525,000	4,100,000	4,000,000	12/01/2027	3.954%	12/01/2030	975,450
2018 - BAB Refunding	04/17/2018	17,370,000	17,370,000	17,370,000	12/01/2027	4.058%	12/01/2036	2,165,509
2018 - School Facilities Construction and Improvement Bonds	08/21/2018	9,500,000	7,035,000	6,195,000	12/01/2027	4.552%	12/01/2038	730,619
2020 - School Facilities Construction and Improvement Bonds	06/25/2020	42,000,000	35,920,000	31,910,000	06/01/2030	2.985%	12/01/2049	2,086,759
2020 - Refunding Bonds (Federally Taxable)	11/18/2020	30,866,282	27,093,982	17,745,000	12/01/2030	2.733%	12/01/2037	2,774,805
2021 - School Facilities Construction and Improvement Bonds	05/05/2021	66,800,000	55,935,000	47,680,000	06/01/2031	2.672%	12/01/2050	2,988,098
2021A - Refunding Bonds (Tax Exempt)	10/13/2021	41,755,000	32,595,000	-	Non-Callable	4.000%	12/01/2029	8,968,750
2021B - Refunding Bonds (Federally Taxable)	10/13/2021	33,900,000	15,505,000	-	Non-Callable	2.058%	12/01/2029	4,053,017
2022 - School Facilities Construction and Improvement Bonds	06/15/2022	27,000,000	15,415,000	11,000,000	06/01/2032	4.662%	12/01/2041	1,377,800
2025 - Refunding Bonds	03/04/2025	36,995,000	35,375,000	-	Non-Callable	5.000%	12/01/2036	4,305,955
2025B - Refunding Bonds	09/09/2025	16,430,000	16,430,000	-	Non-Callable	4.575%	12/01/2032	2,968,250
		\$ 407,011,279	\$ 330,088,982	\$ 203,190,000		3.675%	12/01/2051	\$ 17,301,846

Underlying Debt Mix

Mode	Par Amount	Percent
Fixed	\$330,088,982	100.0%
Variable	-	0.0%
Total	\$330,088,982	100.0%

Tax Status

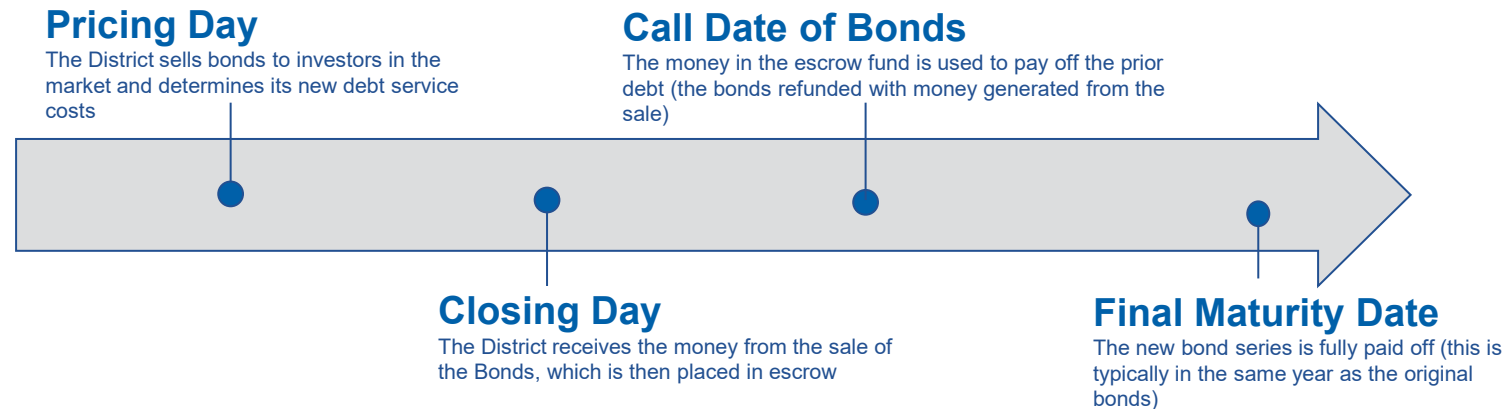
	Par Amount	Percent
Taxable	\$42,598,982	12.9%
Tax-Exempt	\$287,490,000	87.1%
Total	\$330,088,982	100.0%

Bond Portfolio by Call Date

Year	Par Amount	Percent
2026	\$67,290,000	20.4%
2027	\$27,565,000	8.4%
2030	\$49,655,000	15.0%
2031	\$47,680,000	14.4%
2032	\$11,000,000	3.3%
Non-Callable	\$126,898,982	38.4%
Total	\$330,088,982	100.0%

Mechanics of a Refunding

- New bonds are issued at today's current interest rates, typically for the length of the maturity of the bonds that are being refunded
- The proceeds of the new bond issue are used to retire the outstanding issue; or put in an escrow to retire bonds on their earliest call date



Reasons to Complete a Refunding

Save on Interest Costs

- By refinancing debt at a lower interest rate, issuers are able to reduce annual interest payments.

Extend (or Shorten) the Maturity of the Debt

- This is subject to the maximum maturity approved by voters and the useful life of the asset being funded by the bonds. Typically (but not always) school districts issue bonds over the term approved by voters. The maturity may be shortened if the district would like to pay off debt quicker. Sometimes this can be accomplished within the same millage.

Change the Structure of Debt Payments

- Objectives could be to make debt payments fit within a certain millage constraint or to build or accentuate a future decrease in debt service. This could potentially be used for a future “no increase in taxes bond issue”.

Types of Refundings

- An **advance refunding** is completed more than 90 days before the call date of the bonds being refunded
 - Advance refunding bond issues must usually be **federally taxable**
- A **current refunding** is completed within 90 days of or after the call date
 - Current refunding bond issues may be federally tax exempt

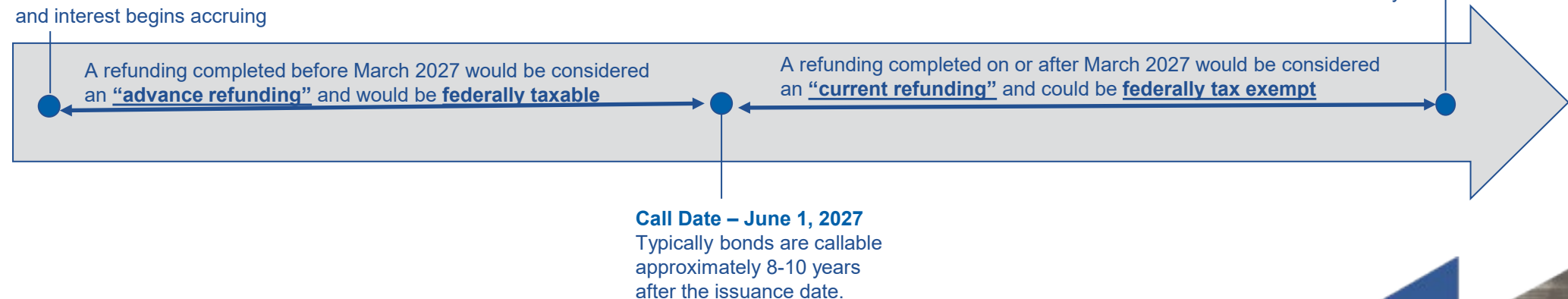
Hypothetical Bond Issue – Series 2017

Closing Date – June 1, 2017

Funds are delivered to District and interest begins accruing

Final Maturity Date – December 1, 2050

Final maturity of the bond issue



Refunding Timing Discussion

- When should an issuer consider the execution of an refunding?
 - One possible answer is provided by GFOA (1):
 - When the gross savings, net of all fees associated with an advance refunding, are discounted back to today's dollars it should produce savings of at least 3% to 5% of the refunded bond par amount
 - While this may be a good rule of thumb, it tells an incomplete story and does not address questions such as; even if savings are substantial today, do we expect them to be better at some point in the future?
 - For example a refunding of bonds that have reached their call date could be considered even if savings are not in the 3% to 5% range discussed above
 - Issuers may also use other refunding analytics to gain a greater understanding of not only the savings achieved today, but also what one might be giving up by proceeding now vs. some point in the future
- Initially, an issuer may begin by looking at a savings by maturity report for each refundable maturity in the issuer's debt portfolio
 - This will allow the issuer to see what savings are associated with each maturity
 - Maturities that produce negative net present value (NPV) savings (dissavings) may be excluded
 - Additional analysis will determine which bonds that produce positive NPV savings may be included in the proposed refunding

Refunding Tests & Advanced Analytics

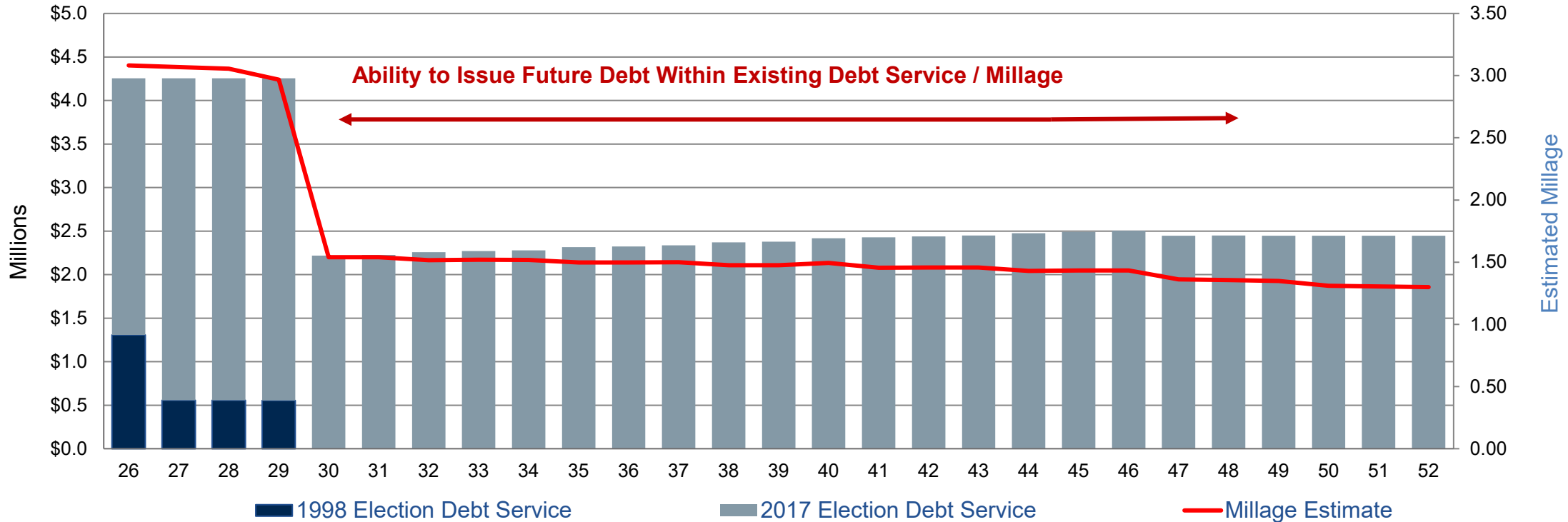
- NPV savings as a percentage of refunded par
- Negative Arbitrage as a percentage of savings achieved with a perfectly efficient escrow
- Opportunity Cost Index (how do the savings I could achieve today compare with what I might expect in the future?)
- Taxable vs. Tax Exempt Refunding Breakeven Analysis

Continuing Disclosure Obligations & Ongoing Compliance

SEC Rule 15c2-12 Municipalities Continuing Disclosure

- Since July 1, 2009 disclosure must be made electronically to Electronic Municipal Market Access (EMMA) part of the MSRB
- Underwriters required to ensure issuers comply otherwise they can't underwrite the debt.
- In Ohio, bond counsel generally assists issuers to ensure compliance.
- MSRB's EMMA system helps issuers file disclosure and determine whether they are up-to-date.
 - <http://www.msrb.org/EducationCenter/Issuers/Disclosing.aspx>

Plan future issuance: align capital needs with debt capacity



- The District has a significant drop in voted bond debt service and millage in 2030
- The Federal Tax Code and Ohio Revised Code allow the District to “capitalize interest”, or pay interest out of bond premium, for a period of up to 3 years
 - This can be helpful in paying for a portion of or all proposed bond interest in 2027 – 2029
 - New debt could be issued as early as late 2026 in this example with interest capitalized 27-29

Maintaining Credit Ratings

- A credit rating is obtained in conjunction with the issuance of debt but that credit rating is maintained for the life of a bond issue, 30 years or longer
- Rating agencies may annually provide “annual comments” that update certain factual information related to your public entity
- From time to time rating agency analysts may reach out to conduct “rating surveillance”
 - Contact your financing team if this occurs as this typically means the rating agency is formally looking at your credit rating and could result in a rating change
 - Your financing team can run certain analytics and determine if there is upward or downward pressure on your existing rating
 - Many times your financing team will recommend preparing a formal presentation, similar to when you issue new debt

Looking to GFOA's Best Practices

GFOA Debt Management Policy Best Practices <http://www.gfoa.org/debt-management-policy>

GFOA Debt Issuance Checklist: Considerations When Issuing Bonds

<http://www.gfoa.org/sites/default/files/u2/GFOADebtIssuanceChecklistConsiderationsWhenIssuingBonds.pdf>

GFOA Government Finance Review Articles:

- **Ensuring a Successful Bond Sale** http://www.gfoa.org/sites/default/files/GFR_FEB_10_16.pdf
- **Back to Basics: What Every Government Should Check Each Time It Issues Debt**
http://www.gfoa.org/sites/default/files/GFR_FEB_10_30.pdf
- **Best Practices Optimize Debt Management** http://www.gfoa.org/sites/default/files/GFR_FEB_13_8.pdf

National Bond Lawyers/GFOA Post Issuance Compliance Checklist

<http://www.gfoa.org/sites/default/files/u2/PostIssuanceCompliance.pdf>

Municipal Securities Rulemaking Board www.msrb.org

GFOA Debt Management Policy Best Practices <http://www.gfoa.org/debt-management-policy>

MSRB's Electronic Municipal Market Access system (EMMA) <http://emma.msrb.org>