

West Contra Costa Unified School District

Bond Policies & Procedures

“Program Management Plan” Update

May 21, 2020

presented to Facilities Committee

<https://www.wccusd.net/Page/13520>

Background

- The Moss Adams Program Effectiveness Audit recommends that: “the District consolidate all policies, procedures, and resolutions into one document to ensure effective controls and communication of the policies and procedures.”
- On May 8th, 2019, the Board of Education approved a contract with Swinerton Management & Consulting (“SMC”) to assist the District to develop and publish a Bond Program Management Plan (“PMP”)
- The Program Management Plan is anticipated to be completed by June 2020
- Regular updates and draft sections are available at <https://www.wccusd.net/Page/13520>

Program Management Plan: Anticipated Schedule to Release Working Drafts

- ✓ **Program and Operations** – December 2019
- ✓ **Administrative** – January 2020
- **Project Management** – **March 2020**
- ✓ **Fiscal** – February 2020
- **Program Management Plan** – **April 2020**
- **Present to Board** – June 2020

After publishing each section, the District will open a 30-day public comment window for suggestions.

Written suggestions for improvement are encouraged and may be submitted online using a google form.

<https://www.wccusd.net/Page/13520>

Program Management Plan: Reviewing & Incorporating Public Comments

Section	Comment Count
1. Program & Operations	26
2. Administrative	45
3. Project Management	Pending issuance
4. Fiscal	24
Totals	95

- Comments include requested revisions, additions, and clarification.
- The vision for the PMP is that it will be a living document that will continually receive suggested revisions, additions, deletions and clarification to maintain the effectiveness of the Plan.
- Staff will provide a listing of all public comments with a written response indicating where the change occurred or provide an explanation or clarification regarding the comment.

Program Management Plan: Addition Fiscal Resource for Bond Financing & Strategy

“Bond Financing Procedures and Strategy”

- New item added to Fiscal Section
- Item includes reference to
 - ✓ Post-Financing Review
 - ✓ Refunding of Outstanding Bond
 - Reference to Board Policy 7214.3
 - ✓ Arbitrage and Investments
 - Reference to AR 7214

presented to Facilities Committee

Bond Financing Procedures and Strategy

For each bond financing transaction, the District shall work with its municipal advisor to identify applicable procedures and issuance strategy in advance of the financing process. Various factors may be considered including interest rate environment, debt structure, credit rating profile and market conditions at time of sale. Additionally, the following are applicable for each bond financing transaction:

I. ***Post-Financing Review:*** Upon successfully closing each transaction, District staff and/or municipal advisor will report financing results to the Board of Trustees. The results will summarize transaction highlights such as final debt service, maturity term, repayment ratio, true interest cost and cost of issuance. Other pertinent details may also include pricing results, credit rating outcome, tax rate projections, available bonding capacity and future bond issuance plans.

For negotiated sale transactions, a post-financing review may also report secondary trade activity following initial issuance. District staff will work closely with its municipal advisor to monitor secondary market trades, identifying any specific activity in which there are unusual or significant change to price and/or yield. Review of secondary trades will extend for approximately a 30-day period following the initial sale.

II. ***Refunding of Outstanding Bonds:*** On April 24, 2013, the District adopted its Refunding and Restructuring Policy (B.P. 7214.3). The policy was adopted to provide specific parameters and guidelines when considering the issuance of refunding bonds. The policy extends beyond statutory requirements and is intended to assist with the decision-making process and to provide a basis for determination on when to issue refunding bonds. Specific objectives are outlined within the policy including minimum present value savings, tax rate management objectives and/or debt service re-structuring. Policy guidelines require a minimum net present value savings of at least 4%, a minimum of \$1 million present value savings and/or annual savings in excess of \$100,000. Furthermore, the policy requires an annual report be presented to the Board of Trustees reviewing outstanding debt obligations and consideration of potential refunding candidates. Please refer to the Refunding and Restructuring Policy for further details.

III. ***Arbitrage and Investments:*** On November 12, 2014, the District adopted its General Obligation Bond/Post-Issuance Tax Compliance Procedures (AR 7214). The purpose of this Administrative Regulation is to establish specific procedures and assigned responsibilities which will assist the District in complying with its federal tax obligations for tax-exempt bonds. Please refer to the Post-Issuance Tax Compliance Procedures for further details.

- ***Investments:*** Proceeds generated from the issuance of bonds are required to be deposited within the County Pool and therefore the District has little discretion on how funds are invested. Bond proceeds are only made accessible to the District upon requisition for applicable capital facility expenditures.

Next Steps

- Release **Project Management** working draft online – **anticipated release by May 2020**
 - if you would like to be notified when the section becomes send an email to facilitiesplanning@wccusd.net.
- Continue to provide monthly updates to the Facilities Committee and Citizens' Bond Oversight Committee
 - Historical presentations are available online <https://www.wccusd.net/Page/13520>
- Publish the Program Management Plan in June 2020
 - Anticipated presentation of the full PMP at the June Facilities Board Workshop