SWEETWATER
UNION HIGH SCHOOL DISTRICT
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MEMORANDUM

DATE: February 2, 2017

TO: Karen Janney, Superintendent

FROM: Karen Michel, Chief Financial Officer K. Michel

RE: **SUPERINTENDENT'S UPDATE – Financing Team Roles & Responsibilities**

At the January 23, 2017, Board of Trustees Meeting a question was raised regarding the roles and responsibilities of the various players involved in the 2017 Certificates of Participation Refunding. The attached document provides an overview of consultants and their roles and responsibilities as they relate to a financing transaction where the district issues debt.

Please let me know if you have any questions.

KM:cz

Attachment

Attachment #4

The Primary Players: Roles & Responsibilities

Issuer – Sweetwater UHSD	The School District is the primary party and if the conditions are met it can issue tax exempt debt.
Financial Advisor – Fieldman, Rolapp & Associates	Consultants to the School District providing structuring and financial advice. Provides recommendation on interest rates and costs of the financing. Has a fiduciary duty to the School District.
Special Tax Consultant – SDFA	Prepares the revenue streams and develops tables for the Official Statement. Also provides review of trust agreements to ensure they comply with structure of the CFD and the timing of the collection of Special Taxes.
Underwriter – Mesirow Financial	Buys the issuer's bonds at a "wholesale" price to re-sell them at a "retail" price. Provides proceeds at closing and obtains the funds from investors.
Bond Counsel – Bowie, Arneson, Wiles & Giannone	Provides opinion that bonds are valid and binding, and that the interest is exempt from taxation. Confirms legal parameters and guidelines to District and team, prepares legal documents and affirms the issuer's authorization.
Disclosure Counsel – Orrick, Herrington & Sutcliffe LLP	Provides the issuer advice on required disclosures and prepares the "official statement." Also may advise the issuer on matters relating to securities law.
Trustee/Escrow Agent –	Trustee holds the funds and disburses principal and interest payments to bond owners. The Escrow Agent serves as custodian of the refunding bond proceeds and will pay the debt service of the refunded bonds.
Verification Agent – Causey Demgen & Moore, P.C.	Verifies cash flows are sufficient to refinance remaining debt service on the refunded bonds.
Appraiser (if needed) – Steve White	Independent valuation of the current market value of the property within the CFDs.
Bond Insurer (if needed) – TBD	Bond insurers make principal and interest payments if CFD special tax revenues are insufficient to meet debt obligations.
Rating Agency (if needed) – Standard & Poor's	Provides independent analysis and assesses the credit quality of the Bonds and assigns a bond rating. Most municipal bonds, if rated are "investment grade."