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ABSTRACT

Public officials in smaller communities that participate less frequently in the bond market need information to assist them in answering questions concerning bond financing. This booklet, developed as a part of a Western Rural Development Center series, outlines seven steps in debt management, identifies types of professional services available, and provides some criteria for selecting consultants. General references and other sources of assistance in getting started and a glossary of specialized bond market terminology are included. (AH)

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MUNICIPAL BONDS \$ERIES\$

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Where to Find Help if Your City Is Issuing Bonds

Ronald C. Faas,
Philip Wandschneider, and
Douglas Young

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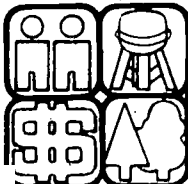
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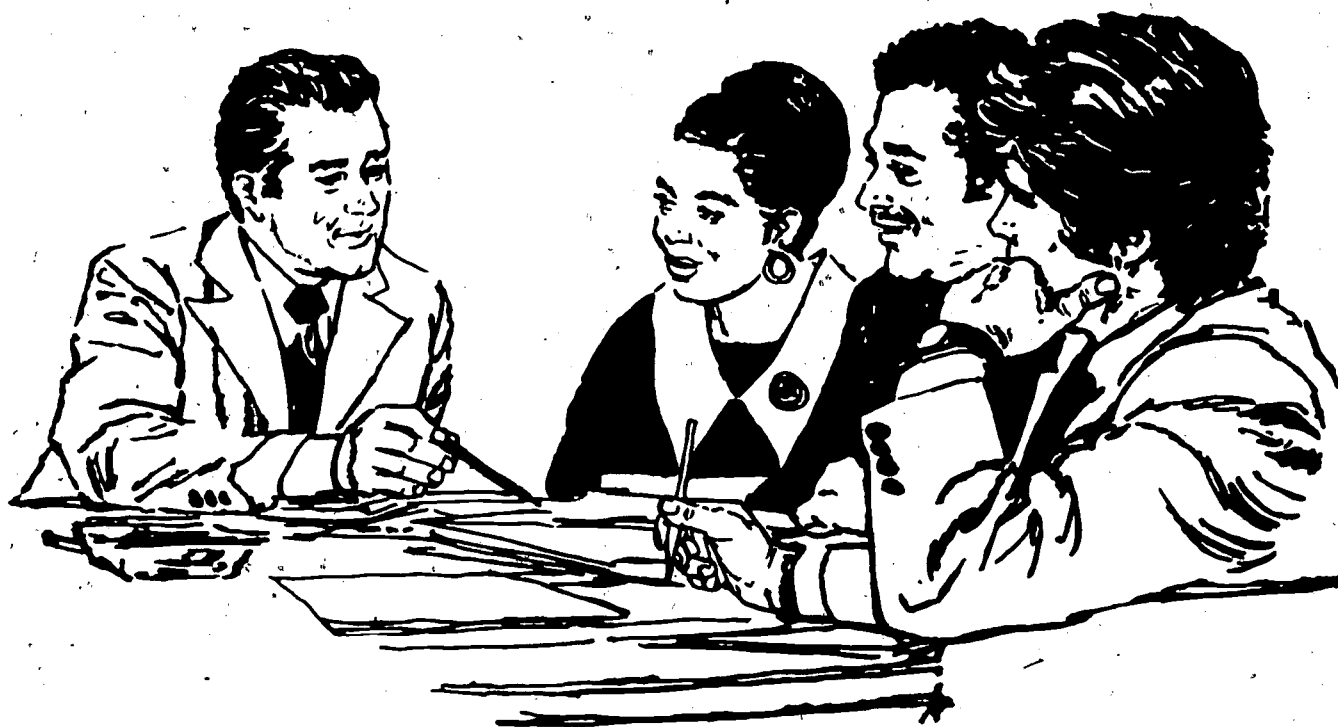


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Western Rural Development Center
Oregon State University
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Municipal officials and local citizens occasionally are called upon to make complicated decisions involving large sums of money to finance long-term capital facilities. When such financing is considered, both the officials and the general public must look closely at the consequences of their choices: What steps should be considered in managing municipal debt? How do you start if you are unfamiliar with the bond issuing process? What professional services are available? Does the need for such specialized assistance depend on issue size and complexity? What criteria might be considered in selecting consultants?

Public officials in all towns and cities—especially those in smaller communities that participate less frequently in the bond market—need information to assist them in answering questions such as these

concerning bond financing. This publication outlines seven steps in debt management, identifies types of professional services available, and provides some criteria for selecting consultants. General references and other sources of assistance in getting started are included as well.

This publication is addressed to local municipal officials and to those who advise them on public finance issues. Major parts are extracted from *A Debt Management Handbook for Small Cities and Other Governmental Units*, prepared by the Municipal Finance Officers Association with the support of the National Science Foundation.

To aid the reader, a glossary of specialized bond market terminology is included at the end of this publication.

Seven Steps in Debt Management

When local government incurs long-term debt, it establishes a fixed obligation for many years. Accumulation of such fixed burdens can become so great that a local government finds it difficult to pay both operating expenses and debt obligations. Great care and planning must be taken, therefore, when incurring long-term debt to avoid placing a strain on future revenues.

This publication describes practices, procedures, and techniques that a municipality can use to plan for, issue, and administer debt.

Sound debt management encompasses seven broad steps. These steps are identified in Figure 1, and a brief discussion of each step is presented below. Further information can be obtained from the publications listed under "Recommended general references."

1. Decide whether to issue bonds

The decision to incur long-term debt commits the community to make payments to bondholders for many years. Therefore, a local government should undertake a thorough assessment of each proposed debt issue before actually selling bonds.

The preliminary assessment of whether or not to incur debt encompasses three broad considerations:

- Assess the purpose to which the bond or debt proceeds will be applied to be sure that the benefits are worth the cost (debt service payment in future years).
- Analyze all possible methods of paying for the items to be funded. Determine your community's debt capacity under state law, and arrive at the financing plan that is most desirable for the community.
- Determine if it will be more advantageous to the community to sell bonds publicly or to arrange a private sale (if a private sale is legally permissible).

After these preliminary analyses, the municipality should be prepared to lay definite plans for the bond issue.

2. Secure needed specialized services

After determining that a particular improvement or set of improvements is necessary for the community and that debt should be incurred, the next step is to engage the services of consulting specialists. These normally include a consulting engineer, fiscal advisor, and a bond counsel. Other services are provided by the local attorney, an independent outside auditor, and a paying agent.

The importance of securing the services of competent specialists cannot be overemphasized. Each performs an important role in the process of issuing and administering debt. Each can save the community money. The consulting engineer ensures quality construction at the lowest possible cost. The fiscal advisor and bond counsel help minimize the costs of issuing the bonds, particularly the amount of interest the community pays on the issue. Finally, the paying agent maintains records of the payments of maturing bonds and coupons.

These specialists should be considered a team. Each must work closely with the others during the different phases of debt issuance and administration.

The cost of specialized services varies significantly depending on such factors as the size of the issue and the amount of service needed. Another variable is a particular person's or firm's rate schedule. There is no master price list to compare prices; a town or city must know what it needs and then shop around.

A broader discussion of the role of these special bond consultants is presented under "Professional services available."

3. Obtain public support for general obligation issues

The next step—if general obligation bonds are to be sold—is to obtain public approval of the bond issue through the required affirming vote. Some communities use a fiscal advisor to assist in getting public support for the proposed financing. Bond elections frequently are held at the same time as primary or general elections to minimize the cost although, in some cases, special elections are held. There is some evidence that scheduling a special election may increase the probability of a favorable vote (Young et al., 1981).

Whatever the approach the community uses, it is necessary to inform voters and develop support for the bond issue. A campaign to develop voter support should focus on two general objectives:

- Gaining voter support for the projects and facilities that the bond issue will support (a capital improvement plan should help in this objective); and
- Improving voter understanding of the implications of the debt over its lifetime.

4. Design the bond issue's features

One of the most important services the fiscal advisor provides is to help design the features of the bond issue. The bond issue must be structured to meet the local government's fiscal requirements and, if a public sale is to be made, the issue should be as attractive and convenient as possible to the potential investor. A bond issue's marketability is greatly enhanced if it is designed to meet current preferences of investors. Consideration must be given to:

- Maturity schedule—the schedule on which the bonds will be repaid;
- Bond denominations—the face amount of the bond certificates;
- Coupon rates—the interest rates specified on the interest coupons;
- Call privilege—the right of the local government to redeem the bonds before maturity for the amount of principal, accrued interest payable, and, often, some premium charge; and
- Registration privilege—the right of investors to receive interest payments automatically.

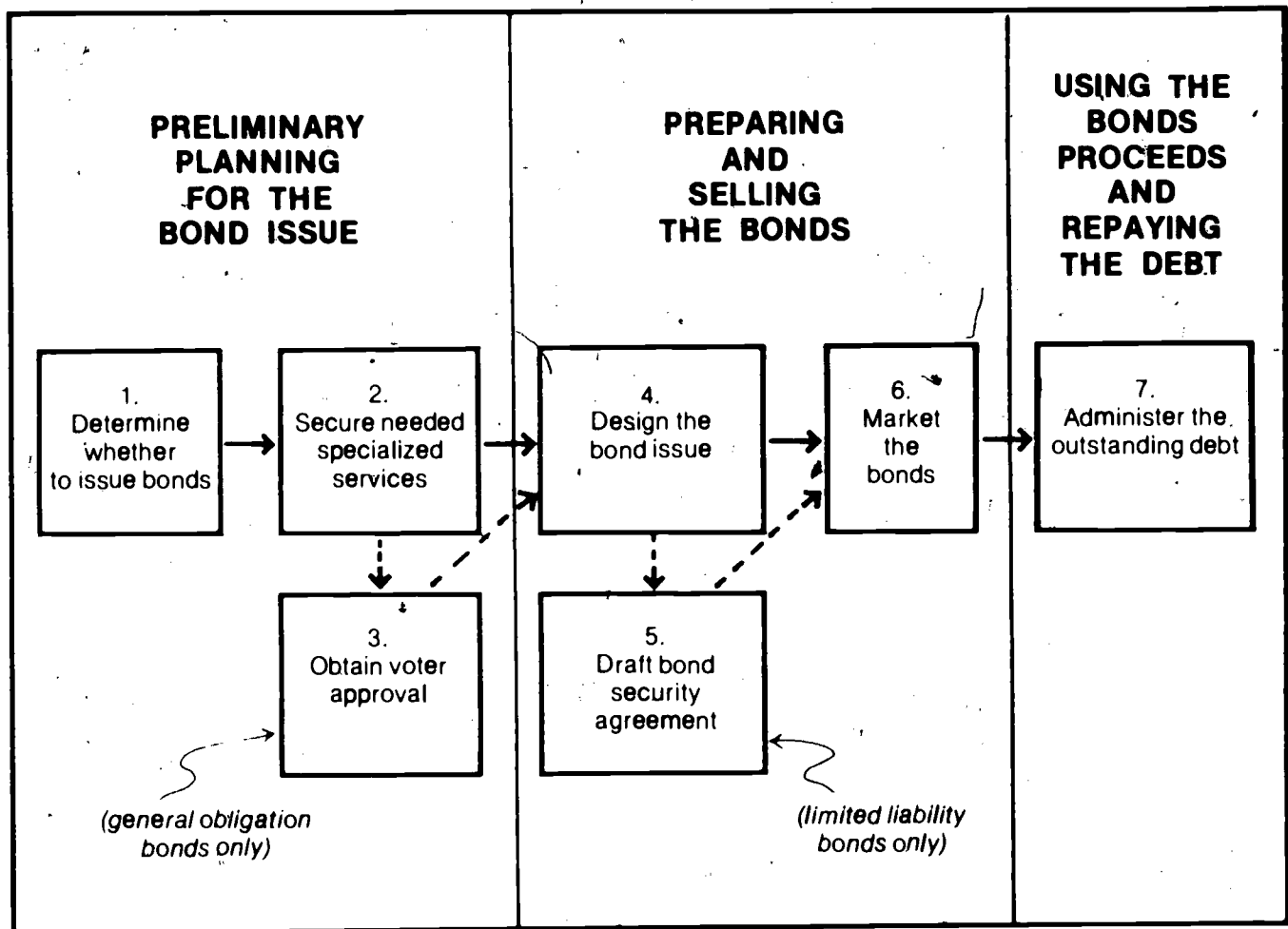


Figure 1. Seven steps in debt management.

5. Draft the bond security agreement

This step is necessary only for limited liability bonds. General obligation bonds are backed by the full faith and credit of the issuer and do not require a security agreement. In contrast, limited liability bonds are secured by the more restrictive pledge of rental revenues or user fees derived from specific facilities.

One of the most important responsibilities of the bond counsel is to draft a security agreement, often called a bond ordinance, bond resolution, or trust indenture.

The security agreement typically covers at least three areas:

- Disbursement of bond proceeds (typically providing for the segregation of bond proceeds in a special fund);
- Use of revenues from the facility; and
- Specification that sufficient rates will be charged to pay operating expenses and debt costs, known as a rate covenant.

6. Market the bonds

After the technical steps relating to the preparation of the bond issue have been completed, the next step is to actually sell the bonds. If bonds are to be sold

privately, the arrangements required for marketing bonds will be done by the underwriter.

Public marketing of bonds includes six major tasks:

- Prepare the documents needed to sell the bond issue.
- Obtain a bond rating, usually from Moody's or Standard and Poor's.
- Choose the date for selling the bonds.
- Advertise the bonds and accept bids.
- Award the bids, then print and deliver the bonds.
- Close the bonds, including final tabulation of bond figures and the issuance of debt records.

Each task requires assistance from the bond specialist team. Each is important and may greatly influence the total interest paid by the issuer.

7. Administer the outstanding debt

After the bonds have been sold, the next step will be to administer the outstanding debt. Administering the debt involves maintaining special detailed records on the debt, and maintaining general accounting records. As noted previously, the types of records to be maintained may depend upon certain features of the security agreement. A more detailed discussion of the general recordkeeping that is needed for Step 7 is presented in the MFOA's *Debt Management Handbook*.

Specialized Services

Recent research on bond flotation costs indicates that the kinds of specialized professional services utilized in planning, designing, and selling municipal bonds varied with the size of the bond issue. Ronald Sher (1979) surveyed the issuers of 21 of the 22 general obligation bonds issued by Washington towns and cities during 1977. Issue size ranged from \$30,000 to \$7.5 million, as shown in Table 1.

The services of a bond counsel were utilized for all of the issues, with the fee for this service roughly related to issue size. A financial consultant (fiscal advisor) was employed for only 3 of the 11 issues under \$350,000, and for all of the 10 bonds of \$350,000 or larger. Bond ratings were not obtained for the 13 smallest issues, but were for 7 of the 8 largest issues (\$550,000 or larger). Three of the 4 largest issues (\$2.5 million to \$7.5 million) were rated by both Moody's and Standard and Poor's.

These findings suggest that, in general, the larger and more complicated the bond issue, the more likely that additional professional help will be needed to plan, design, and sell it.

Due to inflation, the 1977 figures shown in Table 1 are no longer realistic as a current guide to compensa-

tion for specialized professional services. The *Debt Management Handbook* outlines a variety of ways that compensation is computed for such consulting services.

Professional services available

Types of services a community can obtain from specialized bond consultants are outlined in the *Debt Management Handbook*.

Consulting engineer

Towns and cities may use the services of a consulting engineer for the purposes listed below:

- Feasibility study—Preparation of a preliminary engineering report, which includes estimates of construction cost, site review, future operating costs and revenues, and project drawings. Local officials use this data to make a decision whether to undertake the project.
- Engineering design—Preparation of detailed design plans and construction specifications used to ensure safe and high quality construction.
- Construction coordination—assistance with contract preparation, evaluation of construction bids, general engineering supervision during construc-

Table 1 Flotation expenses by issue size, general obligation bonds, Washington State municipalities, 1977

Issue Size (dollars)	Expense Categories							Rating
	Total Cost	Financial Consultant	Bond Attorney	Bond Printing	Prospectus	Advertising	Special Election	
30,000	843	0	425	418	0	0	0	0
45,000	1,482	0	400	648	0	434	0	0
72,000	1,809	0	600	600	0	609	0	0
98,000	857	0	0 ^a	541	38	278	0	0
100,000	4,496	1,750	592	1,020	864	270	0	0
105,000	2,863	1,250 ^a	675	470	0	22	446	0
150,325	3,498	0	1,800	966	0	276	456	0
240,000	2,960	500	838	1,170	0	90	362	0
250,000	1,758	0	813	555	0	216	174	0
300,000	1,166	0	654	394	0	118	0	0
300,000	1,796	0	696	1,021	38	43	0	0
350,000	3,680	1,750	1,054	860	16	0	0	0
450,000	3,637	2,000	818	783	0	36	0	0
550,000	6,419	2,800	1,311	769	0	637	0	900
750,000	4,783	1,250 ^b	1,685	935	0	22	891	0
1,600,000	4,866	0 ^c	2,875	703	0 ^c	438	0	850
2,000,000	13,798	4,830	3,410	1,097	1,140	419	2,252	650
2,500,000	20,682	2,500	3,241	1,145	1,732	395	8,519	3,150 ^d
2,750,000	9,909	2,850	4,127	753	0	1,079	0	1,100
4,600,000	14,974	2,500	6,554	1,820	0	225	1,200	2,675 ^d
7,500,000	23,360	6,250	10,250	1,576	1,254 ^c	435	0	3,600 ^d

^a By special agreement, no bond attorney's fee was charged.

^b A \$2,500 consultation fee was charged, which was allocated on the billing at \$1,250 for each issue.

^c No fee was charged in exchange for the right to refund a prior issue.

^d Rated by both Moody's and Standard and Poor's.

^e Reported as travel expense. Prospectus cost was included in with financial consultant, as should have been travel, however the listing as prospectus permitted footnoting.

SOURCE: Young, Jones, and Sher.

tion, supervision of final tests and inspection, and preparation of record drawings.

- **Special problems aid**—The consulting engineer advises on problems stemming from construction, supervises highly technical aspects of operations, and may work on utility rate studies or in other technical areas.

Fiscal advisor

An important participant in the debt administration process is the fiscal advisor, who provides a wide range of services. The fiscal advisor should have thorough knowledge of local government laws and practices, investor preferences and prejudices, methods to secure a good bond rating, and the complexities of the bond and money markets.

The services a fiscal advisor provides to a town or city will vary depending on factors such as the nature and size of the bond issue, the frequency with which a local government issues debt, and the in-house competence of the municipality's staff.

Some specific functions of the fiscal advisor include

- Helping to obtain public support for a proposed general obligation issue,
- Preparing an overall financing plan with the consulting engineer, which schedules cash requirements and the period over which debt is to be issued and repaid; and
- Designing the features and marketing of the bonds with particular emphasis on ensuring full disclosure to investors of relevant financial information related to the offeror.

Subject to the advice and recommendations of the bond counsel, a community may enter into four different arrangements with a fiscal advisor.

1. **Limited use**—Communities that frequently issue debt can do much of the preparation for the sale of bonds with their own in-house staff in such technical areas as timing the issuance of the bonds and constructing the maturity schedule.
2. **Full use and public sale of bonds**—Often communities use a fiscal advisor to perform, on a contractual basis, the full range of advisory services, but sell their bonds at a public sale to the lowest bidder.
3. **Full use and private sale to third party**—Local governments may use a fiscal advisor on a contractual basis, then sell their bonds to another party at a privately negotiated sale.
4. **Limited use and private sale to fiscal advisor**—Communities can retain a fiscal advisor who does not directly charge for services, but is given the exclusive right to an agreed-upon noncompetitive bid.

Bond counsel

Another key participant on the bond issuance team is the bond counsel. The bond counsel's principal responsibility is to act as the legal advisor to the ultimate investor in the securities by ensuring the legality of the issue.

The bond counsel determines whether the bonds were legally issued, a potentially involved process entailing such steps as:

- Determining whether there is legal authority to issue the bonds;
- Drafting a bond ordinance, resolution, or, in the case of revenue bonds, a trust indenture;
- Examining transcripts of proceedings to determine that bonds were legally advertised (if a public sale was made) and that they were legally sold;
- Determining that bonds were properly executed; and
- Answering questions about bonds by prospective purchasers in the secondary market or by public officials.

Other specialists

Other specialists usually involved to a lesser degree in debt administration include the local attorney, the community's outside auditor, and the paying agent.

Local Attorney: In some cases, where a "nationally recognized" opinion is not necessary because the bond is going to be sold locally, or marketed privately, a town or city may use the services of their local counsel. Even when bond counsel is retained, the local attorney plays an important role. The local attorney should review all legal instruments prepared by special bond counsel to ensure that they are consistent with the wishes of the local government.

Independent Outside Auditor: The official statement presents the terms of offering the bonds. Among other information, it should contain the audited financial statements of the issuing agency. The outside auditor reviews the official statement to insure that the financial statements are correctly presented. Other information in the official statement also is reviewed by the auditor to ensure that it is consistent with the financial statements.

Paying Agent: Unless otherwise specified by state law, the paying agent selected is usually a bank or trust company located in a recognized financial center to facilitate transactions with investors. Many states designate how local governments should select a paying agent.

A jurisdiction's contract with the paying agent should specify such items as: time limits for sending funds from the issuer to the paying agent; how to handle funds not needed to pay debt service; the schedule of fees to be charged; and the specific services to be performed.

The services to be performed by the paying agent may include: paying interest on bonds and redeeming bonds at maturity; maintaining records of coupons and bonds that have been paid; cancelling paid bonds and coupons; safeguarding duplicate bonds; and replacing lost or destroyed original bonds.

Criteria for selecting consultants

The *Debt Management Handbook* outlines the following criteria for selecting consultants.

Consulting engineer

A consulting engineer should be selected on past performance and professional qualifications. The

engineering profession establishes standards of performance and an engineer is registered as a professional by the State. Ethics require a professional engineer to undertake only those tasks for which the engineer is qualified.

Despite these requirements, communities may hire a consulting engineer who lacks sufficient experience. The results can be disastrous.

Fiscal advisor

It is very important that a formal, written agreement be made with the fiscal advisor specifying the time period of the agreement; the services to be provided; the conditions, if any, under which the advisor can trade the securities being sold; and the amount of compensation and terms of payment.

Bond counsel

The bond counsel must be an individual of professionalism and integrity. In contrast to the consulting engineer, and similar to the fiscal advisor, bond counsels are not certified or licensed. Nevertheless, they must have the confidence of the investment community if bonds are to be marketed successfully. This confidence is earned by their knowledge of bond and income tax laws, and their experience and skill in drafting necessary legal instruments.

If bonds are to be marketed nationally, bond counsel should be "nationally recognized." The *Directory of Municipal Bond Dealers of the United States*, published

annually by the *Daily Bond Buyer*, lists firms that have performed bond attorney work in prior years. Several of these firms are considered "national" because their opinions are acceptable to the investing public in any geographic area. It is worthwhile to consider selecting a nationally recognized firm because its reputation often will affect the purchase price favorably. The *Directory* lists the number of attorneys performing bond counsel work within each firm as well as whether a sole legal opinion has been rendered by that firm in the two years preceding the last publication. While this publication offers some guidance, another important source is simply word-of-mouth. The community's local attorney should be consulted along with officials in other communities that frequently issue bonds.

Nontechnical factors in consultant selection

Beyond the technical factors emphasized above, there are also a number of nontechnical factors that should be considered. For example, is the consultant willing to explore a variety of possibilities, or does he insist upon one approach? Is the consultant's experience appropriate to the specific type of community and situation? Are similar communities that the consultant has worked for satisfied with the services they received?

The *Debt Management Handbook* discusses a variety of ways that compensation for those consulting services are computed.

Getting Started

Since every bond issue is unique in some ways, officials of towns and small cities probably will need some professional assistance in designing a proposed bond issue and in obtaining a legal opinion. While some kinds of professional services may be considered less affordable for small issues, the larger and more complicated the bond offering, the more professional help probably will be needed to design it (noted in Table 1 above). To use such assistance effectively, however, local officials need to first understand the bond process so they can make informed decisions and explain their community's special needs to professional advisors.

Recommended general references

Introductory guides are available for local government officials who are unfamiliar with the bond issuing process. Each of the three following references are designed to inform local officials of the basic steps involved in preparing a bond issue, and to acquaint them with sources of more technical assistance.

A Debt Management Handbook for Small Cities and Other Government Units, 65 pages. A loose-leaf notebook available from the Municipal Finance Officers Association, 180 N. Michigan Avenue, Suite 80, Chicago, IL 60601.

The *Handbook* describes practices and procedures for issuing and administering debt, and covers the topics introduced in this publication: Deciding to use

debt, the role of specialized bond consultants, securing voter approval, designing the bond issue, marketing the bonds, and administering the outstanding debt.

Issuing Municipal Bonds: A Primer for Local Officials, 20 pages. A pamphlet printed by the U.S. Department of Agriculture—Economics, Statistics, and Cooperative Service at the Department of Agricultural and Applied Economics, University of Minnesota, St. Paul, MN 55108.

An overview of how bonds of small local governments are issued, underwritten, marketed, and serviced, is presented. The manual distinguishes the different types of bonds, discusses the appropriateness of each type for different purposes, and illustrates the effect of different repayment structures on interest costs. The types of documents that a community must prepare in connection with a bond offering are also discussed.

Planning, Designing, and Selling General Obligation Bonds in Oregon: A Guide to Local Issuers, 31 pages. Available from the Center for Capital Market Research, University of Oregon, Eugene, OR 97403.

This guide has been prepared to assist local government officials in Oregon in the planning, design, and sale of general obligation bonds. It is especially designed for those officials who are issuing general obligation bonds for the first time and are unfamiliar with the process. The procedure used in the guide is to trace through the steps followed by a hypothetical Oregon

city in the planning, design, and sale of a general obligation bond. Although hypothetical, the example conforms to reality as much as possible. Actual Oregon statutes, laws, and procedures are used throughout the illustration.

Other sources of assistance.

Officials in municipalities with recent debt offerings are another good source of help. They can describe the technical assistance they obtained, and

their satisfaction with the services provided.

A list of recent debt offerings probably can be obtained from the State Association of Cities, or League of Municipalities, which also can provide other services such as model official documents. If the association or league cannot provide consultant and legal help, it will be able to suggest names of firms that have assisted other municipalities in preparing a bond offering.

The following is a partial list of associations and agencies in the western states that local municipalities might call upon.

ALASKA:

Alaska Municipal League
204 N. Franklin, Suite 1
Juneau, Alaska 99801
(907) 586-1325, 586-6526

ARIZONA:

League of Arizona Cities and Towns
1820 West Washington St.
Phoenix, Arizona 85007
(602) 258-5786

CALIFORNIA:

League of California Cities
1400 K Street, 4th Floor
Sacramento, California 95814
(916) 444-5790

COLORADO:

Colorado Municipal League
4800 Wadsworth Blvd. Suite 204
Wheat Ridge, Colorado 80033
(303) 421-8630

IDAHO:

Association of Idaho Cities
3314 Grace Street
Boise, Idaho 83703
(208) 344-8594

MONTANA:

Montana League of Cities and Towns
1728 Ninth Avenue
P.O. Box 1704
Helena, Montana 59601
(406) 442-8768

NEVADA:

Nevada League of Cities
212 N. Fall St.
P.O. Box 2307
Carson City, Nevada 89701
(702) 882-2121

NEW MEXICO:

New Mexico Municipal League
1229 Paseo de Peralta
P.O. Box 846
Sante Fe, New Mexico 87501
(505) 982-5573

OREGON:

League of Oregon Cities
1201 Court St., N.E.
P.O. Box 928
Salem, Oregon 97308
(503) 588-6466

Center for Capital Market Research
University of Oregon
Eugene, Oregon 97403
(503) 686-3382

UTAH:

Utah League of Cities and Towns
Ten Broadway Building
10 W. Broadway, Suite 305
Salt Lake City, Utah 84101
(801) 328-1601

WASHINGTON:

Association of Washington Cities
4719 Brooklyn Avenue N.E.
Seattle, Washington 98105
(206) 543-9050

Municipal Research and Services Center
of Washington in cooperation with
Association of Washington Cities
4719 Brooklyn Ave., NE
Box No. C-5373
Seattle, Washington 98105
(206) 543-9050

WYOMING:

Wyoming Association of Municipalities
200 E. 8th Avenue
P.O. Box 2595
Cheyenne, Wyoming 82001
(307) 632-1942

NATION WIDE:

Further information is also available from national organizations, including:

Municipal Finance Officers Association
180 N. Michigan Ave. Suite 800
Chicago, Illinois 60601
(312) 977-9700

Government Finance Research Center
Municipal Finance Officers Association
1750 K Street, NW, Suite 650
Washington, D.C. 20006
(202) 466-2494

National League of Cities
1301 Pennsylvania Avenue N.W.
Washington, D.C. 20006
(202) 626-3000

Glossary

Bond: A written promise to pay a specified sum of money (called the face value or principal amount) at a specific date or dates in the future (called the maturity date or dates), together with periodic interest at a specified rate. The difference between a note and a bond is that the latter runs for a longer time and requires greater legal formality.

Bond counsel: An attorney retained by the municipality who assures the purchaser that the bond was legally issued. The bond counsel's approving opinion is printed on each bond and states that in his opinion the municipality has complied with all legal requirements and that interest paid on the bonds is exempt from income tax. Without such an opinion the bonds are not marketable.

Debt limit: The maximum amount of debt that a governmental unit may incur under constitutional, statutory, or charter requirements. The limitation is usually some percentage of taxable valuation and may be fixed upon either gross or net debt. The legal provision in the latter case usually specifies what deductions from gross funded debt are allowed to calculate net debt.

Fiscal advisor or financial consultant: Person who offers a broad range of services to municipalities seeking debt financing, including preparation of capital improvement plan, official statement, and other documents; procurement of bond rating, and marketing evaluation.

Flotation or "front end" costs: Costs that must be paid at, or before, the time of offering rather than over the life of the bond. These costs include fees to bond attorneys and financial advisors, bond and prospectus printing, and the cost of having a bond rated.

Full faith and credit: A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

General obligation bond: A bond for which the full faith and credit of the issuer has been pledged for payment.

Limited general obligation bond: A general obligation bond that may be issued by an elected governing body without voter approval. It is sometimes referred to as a councilmatic bond because, in Washington State, limited general obligation bonds can be issued by a majority vote of the town council.

Limited liability bonds: Bonds that do not pledge the full faith and credit of the jurisdiction. Typically, pledges are made to dedicate one specific revenue source to repay these bonds, or some other special repayment arrangements are made.

Paying agent: A bank or other institution, usually in a financial center, that acts as the agent for the municipality in making bond interest and principal payments.

Rating: A formal judgment as to the creditworthiness of a debt instrument.

Revenue bonds: Bonds issued to provide the capital for financing revenue-producing assets or activities. Revenue bond interest and amortization normally is paid from the revenues generated by the enterprise. Debt service is not guaranteed by the full faith and credit of the municipality; therefore, if there is a default, the issuer is under no obligation to make payments from general revenues.

Special assessment bonds: Bonds payable from the proceeds of special assessments against benefited property (Lubov, p.20). These include *local improvement bonds*, which are bonds used to finance expenditures of a local improvement district whose boundaries are generally different from those of the municipality. These bonds constitute only a lien on the specific pieces of property and are not a general obligation of the entire taxing district.

Underwriter: The individual or institution that purchases the entire bond issue from the municipality and then sells it (reoffers it) to individual investors.

(Sources for the glossary are Lubov, *A Debt Management Handbook*; and Sher.)

References

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Sher, Ronald. "Costs of General Obligation Borrowing for Towns and Cities in Washington State." Ph.D. Dissertation, Washington State University, Pullman, 1979.

Young, Douglas, Cecil Jones and Ronald Sher. *Financing Municipal Capital Projects in Western States: Factors Influencing the Cost and Marketability of Bond Financing.* Staff Paper 81-4, Department of Agricultural Economics, Washington State University, Pullman, 1981.

Prepared by Ronald C. Faas, Extension economist, and Douglas Young and Phillip Wandschneider, Department of Agricultural Economics, all of Washington State University. This publication is part of the Municipal Bonds series produced by the Western Rural Development Center. Other titles in the series include:

- How Municipal Capital Projects Are Financed
- How a Community Decides to Issue Bonds
- What Determines Bond Costs

Copies may be obtained from the Extension Service at cooperating universities or from the Western Rural Development Center, Oregon State University, Corvallis, Oregon 97331. Two related series of WRDC publications might also be of interest: the *Coping with Growth* series and the *Small Town Strategy* series. Please write to WRDC for the complete list of available publications. WRDC programs are available equally to all people.

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