



YAMHILL CARLTON SCHOOL DISTRICT

120 N. Larch Place - Yamhill, OR 97148 | PH: 503-852-6980 - FX: 503-662-4931 | www.ycsd.k12.or.us

BOARD OF DIRECTORS

REGULAR SESSION AGENDA

LOCATION: YCSD BOARDROOM: 120 N. LARCH PL. YAMHILL OR 97148

Or VIA ZOOM <https://us06web.zoom.us/j/91341315065>

Password: sW66uH

Tuesday, September 29, 2026

Work Session: 6:00pm

Board Members Present: Susan FitzGerald, JaJetta Dumdi, Erin Galyean, Buzz Ready

District Office and Administrators Present: Clint Raever, Melanie Neece, Mary Brown, Chad Tollefson

Via Zoom: David Williams

MINUTES

Meeting Recording

I. Call to Order Work Session

S.FitzGerald called the meeting to order at 6:00pm.

II. Flag Salute

III. PERS Bond Presentation

David Williams of Piper Sandler presented information regarding the district's 2003 Pension Obligation Bond and PERS side account (see attached document). He explained that the district borrowed just under \$10 million in 2003 and has realized approximately \$6.1 million in savings from the bond.

Due to lower-than-anticipated payroll growth, the district's PERS side account has been drawn down more slowly than originally projected. The account, which was previously expected to be exhausted in December 2027, is now projected to last until approximately June 2029. D.Williams explained that the actual date could change depending on future payroll growth.

He explained that the district is currently receiving essentially a 100% PERS rate credit from the side account.

D.Williams reviewed options for the district when the current side account is exhausted, including establishing a new side account. He noted that current interest rates make issuing another pension obligation bond less attractive at this time and recommended continuing to monitor the market and the district's financial position.

The Board discussed the eventual increase in the district's PERS obligation when the side account is exhausted, the potential use of funds the district has set aside for that future obligation, and the possibility of using some funds for capital improvements and deferred maintenance.

The Board asked about costs associated with PERS side accounts and pension obligation bonds.

D.Williams explained that there are various costs associated with issuing bonds, including underwriting, bond counsel, rating, required assessments, and actuarial services. PERS charges an initial \$2,500 administrative fee to establish a side account, followed by annual administrative fees.

The Board discussed what would happen if the district did not establish another side account when the current account is exhausted. D.Williams explained that the district would then be responsible for the applicable PERS employer contribution, which he estimated at approximately 30% of payroll at the current rate.

The Board discussed the financial implications of the eventual increase in the district's PERS obligation. M.Neece noted that the district has previously budgeted with the expectation that the side account would end sooner and has set aside funds in anticipation of the increased PERS obligation. The district will need to address how available funds are used during the development of the 2027-28 budget.

C.Raever emphasized that the additional funds should not be viewed as a windfall because the district will continue to have a significant PERS obligation in the future.

IV. STAR Presentation

C.Tollefson provided the Board with an overview of the district's Renaissance assessment and instructional support tools. He explained that Renaissance includes several programs, including STAR, Nearpod, Freckle, and Lalilo.

The STAR assessment system provides reading and mathematics assessments and includes computer-adaptive assessments designed to identify the instructional level of individual students. The district can use STAR data to estimate the percentage of students who are on track to pass the state assessment.

The Board was shown examples of district-level and teacher-level reports. C.Tollefson demonstrated how teachers can identify specific standards and skills in which students need additional support and use the system to develop lessons and instructional activities.

Regular classroom instruction will continue to provide whole-group instruction for new concepts, while the intervention period will be used for targeted instruction, prerequisite skills, practice, and enrichment.

Teachers can use the system to identify students with similar instructional needs, provide small-group instruction, assign targeted practice, and monitor student progress. The intent is to reduce the amount of time teachers spend manually reviewing assessment information and creating instructional groups.

STAR assessments will generally be administered monthly, while curriculum-based measures (CBMs) may be administered more frequently, depending on intervention cycles. CBMs may be administered individually on a computer or using printed materials.

The Board discussed the use of computer-based assessments and instructional activities, particularly for younger students and students who may learn better through hands-on activities.

C.Tollefson explained that accommodations can be provided and that some assessments can be printed. He also explained that STAR includes alternative assessment options, including curriculum-based measures, for students who may not be ready for the standard computer-adaptive assessment.

The district plans to use intervention cycles and progress-monitoring data to determine whether students need continued support or can move to different instructional groups. The current plan is to use approximately five-week intervention cycles, with flexibility based on student progress.

The Board asked about the additional workload for teachers. C.Tollefson acknowledged that there is an implementation and learning curve but stated that the system is intended to reduce some of the manual work involved in analyzing assessment results, identifying groups, and finding appropriate instructional materials.

The Board discussed professional development and staff implementation. C.Tollefson explained that Renaissance is providing professional development and that teachers also have access to an online resource library. Additional training is planned, including an October in-service. Teachers have generally been enthusiastic about the new tools while acknowledging that the system contains a significant amount of information and will require time to learn.

The Board discussed the type of information it would receive regarding STAR results. C.Tollefson indicated that Board-level reporting could include overall performance levels and growth over time, including the percentage of students predicted to meet state assessment benchmarks. More detailed skill-level information would primarily be used by teachers for instructional purposes.

V. Board Vacancy Interview Questions

The Board discussed the process for selecting and interviewing candidates for the current Board vacancy. M.Brown reviewed the options provided by OSBA for evaluating applications, including establishing selection criteria and interviewing the top candidates, ranking applications, or interviewing all applicants.

The Board reviewed the sample interview questions and discussed eliminating some questions, revising a few of them, and adding a couple of new ones.

M.Brown will revise the questions based on the Board's discussion and distribute the updated list to Board members.

VI. Adjournment

S.FitzGerald adjourned the meeting at 7:41pm.



PIPER | SANDLER

Pension Obligation Bonds: Presentation to Yamhill Carlton School District

September 29, 2026

POBs: How do they work?

- Concept is to borrow to reduce unfunded pension liabilities.
- Bond proceeds are deposited into Side Accounts (SAs) and invested with PERS fund; if returns exceed borrowing rate, jurisdictions generally save.
- POBs must be sold on taxable basis, so borrowing rates are higher than on capital borrowings.
- SAs are drawn down and provide 'rate credit' against overall PERS rates over ~20 years.
- From 1996-2022, over 150 Oregon jurisdictions issued POBs for over \$8 billion.
- Generally positive PERS returns since borrowings means most, but not all, have realized savings.

Existing Pension Bond and Side Account

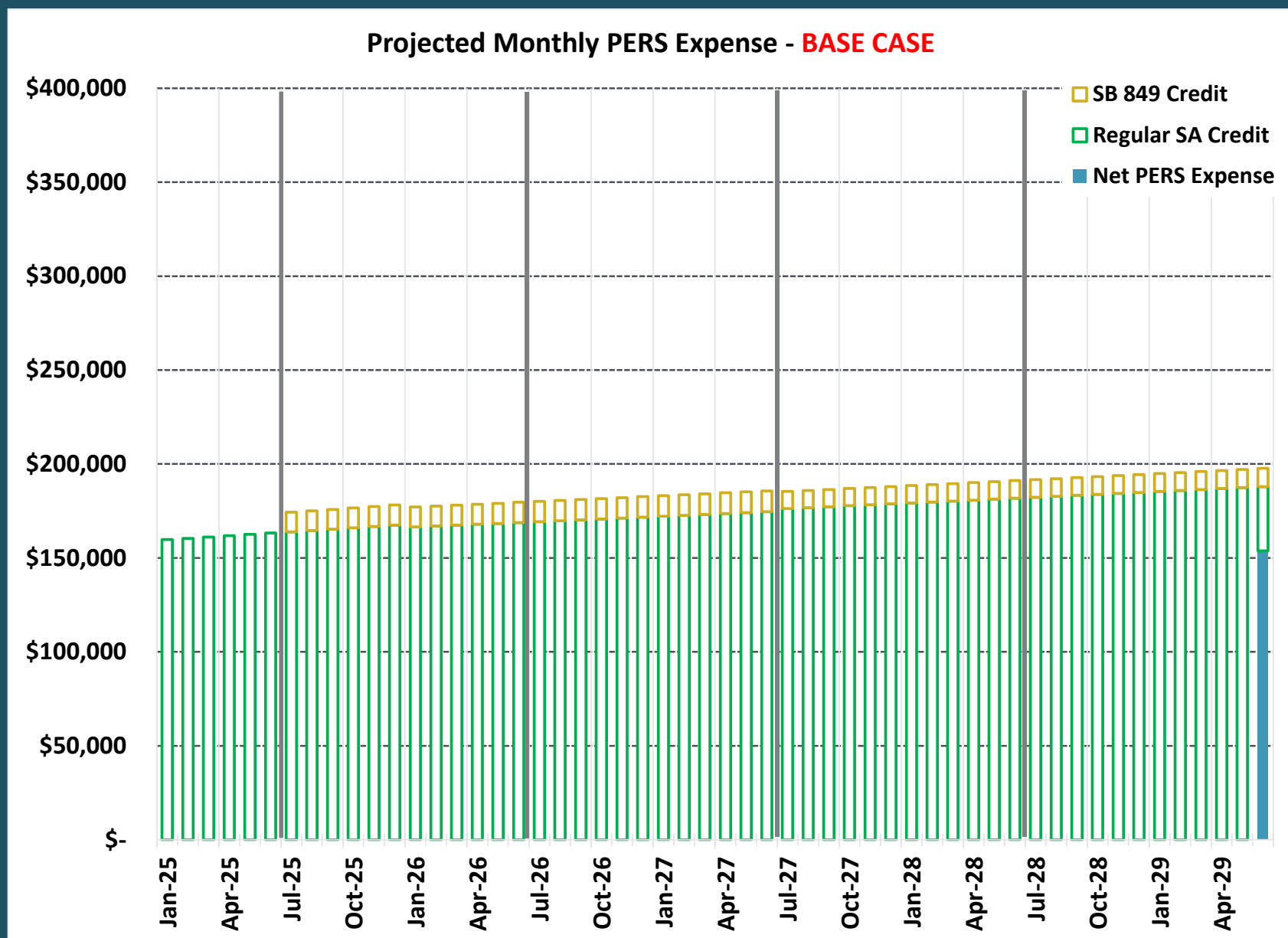
- Borrowed \$9.4 million in 2003.
- All in interest rate of 5.73%.
- Bonds mature June 2028.
- Slower than assumed payroll growth (2.48% annual growth from 2004) delayed SA drawdown.
- SA is projected to expire Summer 2029.
- District has saved \$6.1 million, net of debt service, through December 2024!

Existing Pension Bond and Side Account

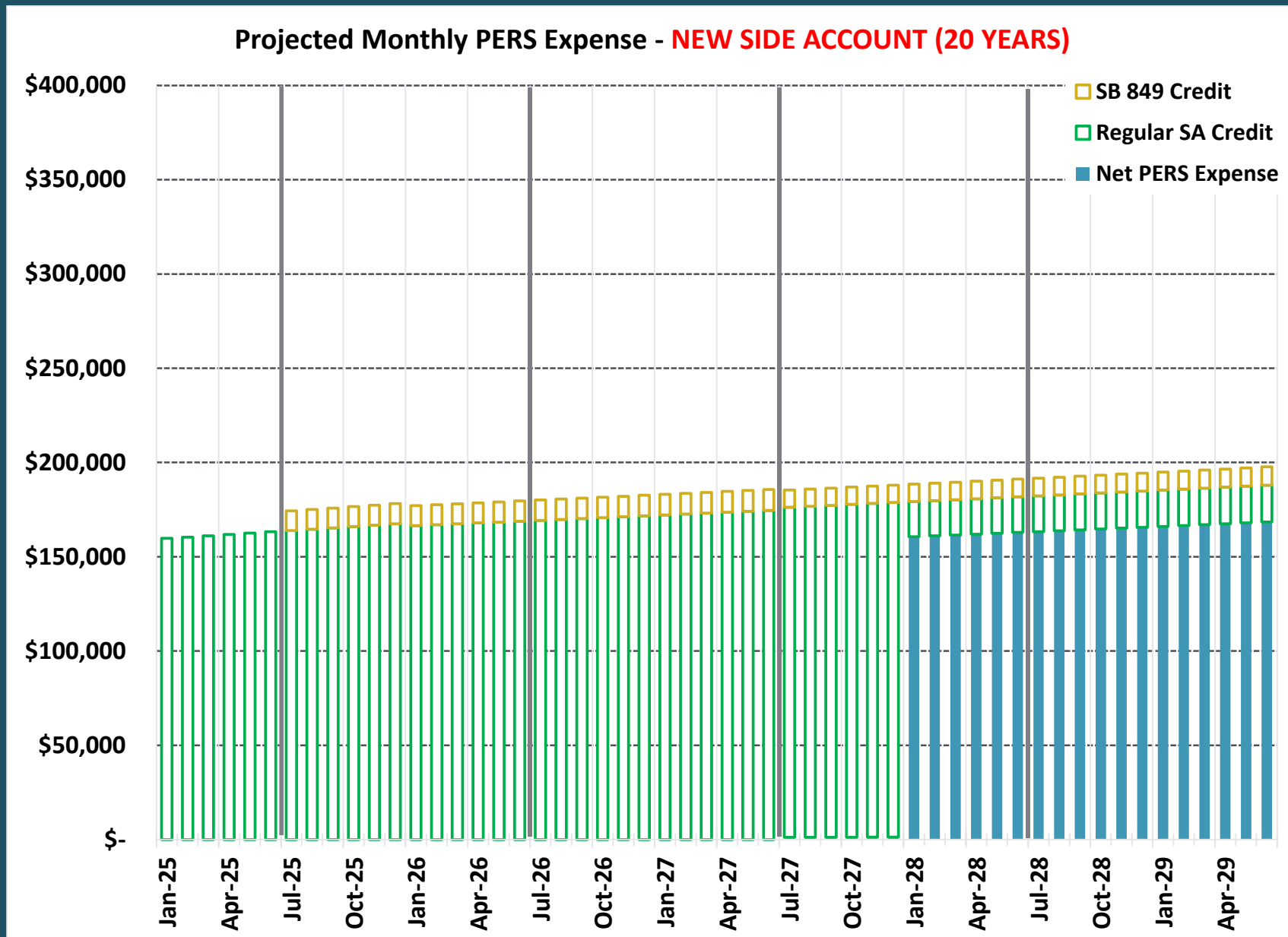
Pension Bonds Issued	Dated Date	Amount Issued	TIC
Series 2003	4/21/03	9,421,889	5.73%
Total Amount Issued		\$ 9,421,889	

CALENDAR Year End	PERS Covered Payroll	Balance on January 1	Admin. Expense	Reported Rate Credit	Pension Bond Deposits	Reported Investment Earnings (\$)	Reported Earnings Crediting (%)	Balance on December 31	Net Debt Service	Calculated Pension Bond Savings
Dec-2003	n.a.	\$ -	\$ (2,500)	\$ (329,359)	\$ 9,274,336	\$ 1,999,903	22.00%	\$ 10,942,380	\$ 194,616	\$ 134,743
Dec-2004	4,314,347	10,942,380	(1,000)	(490,766)	-	1,525,368	13.30%	11,975,982	316,372	174,394
Dec-2005	4,233,815	11,975,982	(1,000)	(590,907)	-	1,583,225	13.86%	12,967,300	381,372	209,535
Dec-2006	4,791,668	12,967,300	(1,000)	(833,068)	-	2,025,492	15.58%	14,158,724	486,372	346,696
Dec-2007	5,142,005	14,158,724	(1,000)	(909,719)	-	1,432,518	9.45%	14,680,523	516,372	393,347
Dec-2008	5,172,920	14,680,523	(1,000)	(923,451)	-	(3,785,751)	(27.32%)	9,970,321	541,372	382,079
Dec-2009	5,068,319	9,970,321	(1,000)	(731,690)	-	1,785,692	19.02%	11,023,323	571,372	160,318
Dec-2010	4,993,351	11,023,323	(1,000)	(853,792)	-	1,313,433	12.44%	11,481,964	601,372	252,420
Dec-2011	4,858,759	11,481,964	(1,000)	(703,552)	-	303,466	2.51%	11,080,878	636,372	67,180
Dec-2012	4,879,954	11,080,878	(1,000)	(954,667)	-	1,558,548	14.67%	11,683,759	671,372	283,295
Dec-2013	4,793,958	11,683,759	(1,000)	(859,613)	-	1,809,607	15.62%	12,632,753	701,372	158,241
Dec-2014	5,079,124	12,632,753	(1,000)	(852,959)	-	909,999	7.39%	12,688,793	741,372	111,587
Dec-2015	4,943,778	12,688,793	(1,000)	(904,328)	-	265,165	1.87%	12,048,630	776,372	127,956
Dec-2016	4,763,382	12,048,630	(1,000)	(939,921)	-	837,395	7.15%	11,945,104	816,372	123,549
Dec-2017	4,809,800	11,945,104	(500)	(977,667)	-	1,794,833	15.23%	12,761,770	856,372	121,295
Dec-2018	4,729,281	12,761,770	(500)	(1,154,843)	-	68,180	0.42%	11,674,607	901,372	253,471
Dec-2019	5,156,497	11,674,607	(500)	(1,256,967)	-	1,520,661	13.92%	11,937,801	946,372	310,595
Dec-2020	5,045,555	11,937,801	(500)	(1,411,371)	-	751,585	7.18%	11,277,515	991,372	419,999
Dec-2021	5,278,254	11,277,515	(500)	(1,553,963)	-	2,201,205	20.76%	11,924,257	1,041,372	512,591
Dec-2022	6,230,557	11,924,257	(500)	(1,424,681)	-	(202,795)	(1.81%)	10,296,281	1,091,372	333,309
Dec-2023	6,726,696	10,296,281	(500)	(1,696,138)	-	541,535	5.72%	9,141,178	1,146,372	549,766
Dec-2024	7,045,009	9,141,178	(500)	(1,811,505)	-	471,603	5.58%	7,800,776	1,175,564	635,941
Subtotal (Actual)									\$	6,062,307

Existing Side Account Final Amortization: Option 1



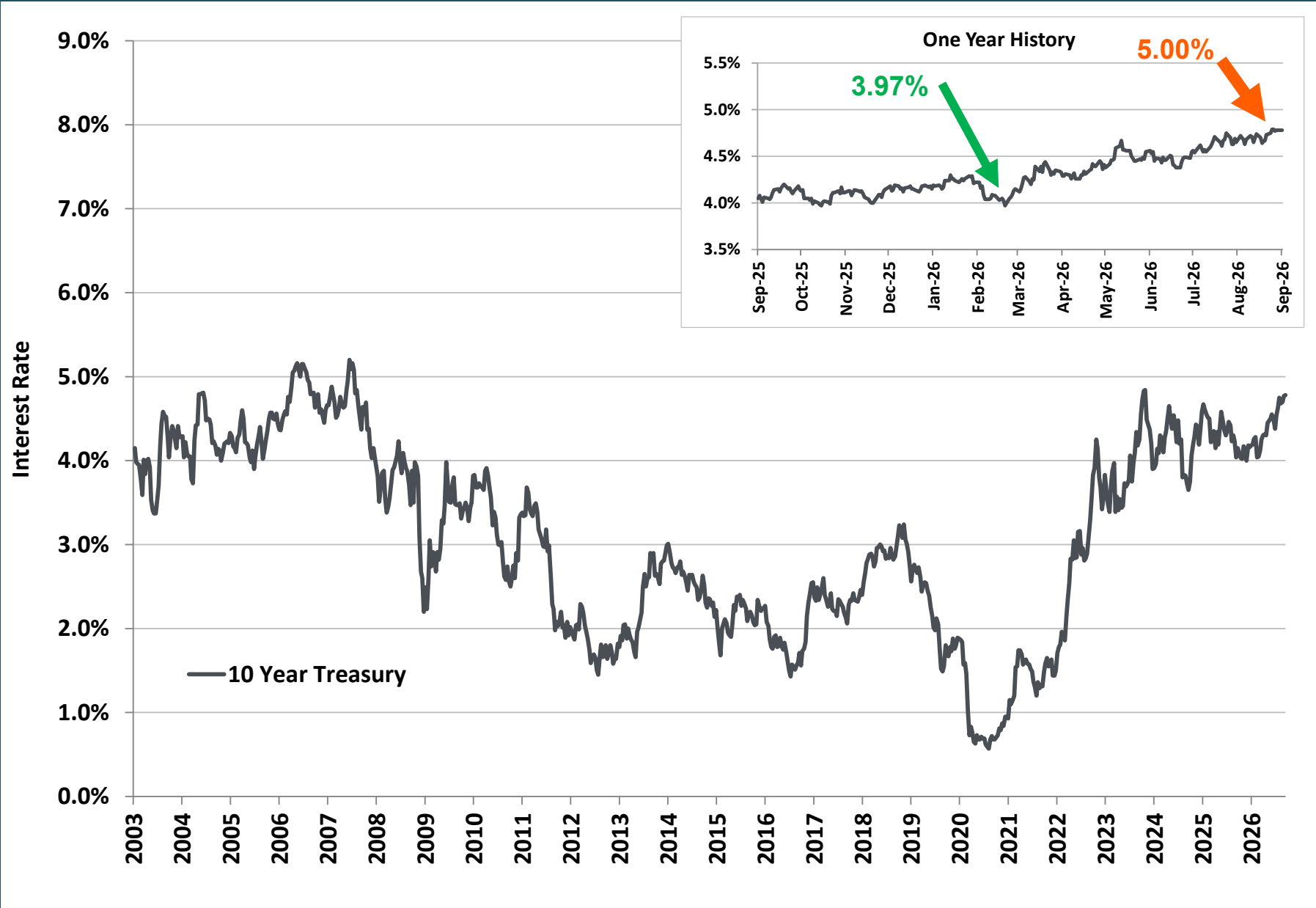
Existing Side Account Final Amortization: Option 2



Existing Side Account Final Amortization

	Base Side Account Rollover Option	New Side Account Option (20 Years)	Difference
PERS Covered Payroll			
Calendar Year 2024, actual	\$ 7,045,009	\$ 7,045,009	\$ -
Calendar Year 2025, projected	7,425,439	7,425,439	-
Side Account Final Depletion, projected	June-29	December-45	16.5 Years
FY27 Side Account Credits, projected	2,063,479	2,063,479	-
FY28 Side Account Credits, projected	2,148,572	1,170,645	(977,928)
Implied FY28 Side Account Rate Credit	26.62%	14.50%	-12.11%
Pension Bond Statistics			
Historical savings, all POB side accounts	\$ 6,062,307	\$ 6,062,307	\$ -
Projected remaining savings, 2027 side accounts	4,776,990	7,146,491	2,369,501
Total projected savings	\$ 10,839,298	\$ 13,208,798	\$ 2,369,501

Historical Borrowing Rates



Interest rates are rising. Why are we talking about borrowing?

- Pension Bonds (POBs) are a tool that work best when interest rates are low and investment returns are high.
- Returns at PERS have been strong, but interest rates have been rising steadily for six months.
- Assessment results are promising - more so than in 2021. But interest rates are higher than levels assessed.
- Entering into a POB takes significant time.
- Adopting a resolution now allows flexibility should rates decline.

10-year Treasury Note - 2026



PERS Historic Investment Performance

OIC manages PERS' investments.

Average Rates of Return (1970-2024):

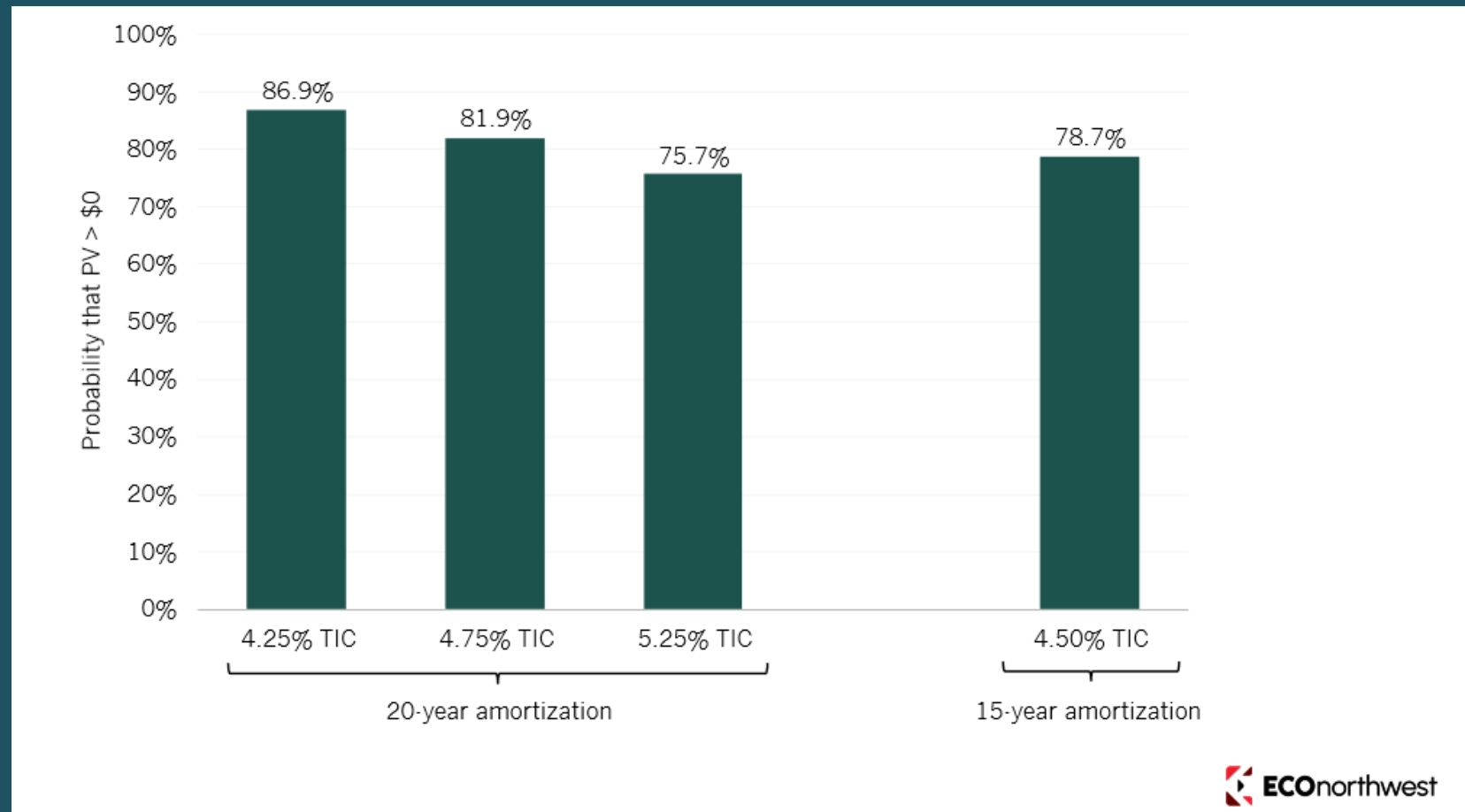
Regular account earnings:	9.93%
Tier One Crediting:	9.21%
Tier Two Crediting:	9.03%
Variable Crediting:	10.84%
Avg. SA return 2007-2024:	7.60%

1 Year earnings thru 7/31/2026: 8.74%

“Expected value of POB strategy is positive”

ECONW Assessment - June 2026

Probability that NPV is more than \$0



Current estimated borrowing rate: 5.50%-5.75%

Poor rate of return is not the only risk

- Timing of earnings matter; early negative returns are hard to overcome.
- Rate credits will not be consistent:
 - ✓ SAs cause 'doubling down' of investment performance.
 - ✓ Earnings variability causes volatility, even if overall earnings rate exceeds bond rate.
 - ✓ Payroll growth will be different from assumption, leading to rate credit variability.
 - ✓ Changes in OPERF assumed rate of return changes UALs and rate credits, at least temporarily.
- Debt service is fixed but rate credit is variable: some years may have savings, others may not.
- **Holding reserves is crucial!**

Investment Scenarios Considered

All cases: Bonds mature June 2045; SAs expire December 2045

- **Base Case:**
 - ✓ 18-year fixed rate at 4.75% TIC
 - ✓ 6.90% reinvestment rate
- **2002 Issuer:**
 - ✓ 18-year fixed rate at 4.75% TIC
 - ✓ Reinvestment returns experienced by 2002 borrowers
- **2007 Issuer:**
 - ✓ 18-year fixed rate at 4.75% TIC
 - ✓ Reinvestment returns experienced by 2007 borrowers
- **Modified 2007 Issuer:**
 - ✓ 18-year fixed rate at 5.25% TIC
 - ✓ Reinvestment returns experienced by 2007 borrowers except Year 1 loss set to achieve breakeven.

New Side Account Comparison

UAL projected to be \$6.1 million at payoff. Scenario 2 assumes 2003 SA expires June 2029.

	Scenario:	
	1	2
	6.90% earnings all years Base Case	6.90% earnings all years June 2029 Start
Projected Payoff 100% 3/1/2027 Net UAL	\$ 6,096,594	\$ 6,096,594
Investment Earnings Crediting, First Full Year	6.90%	6.90%
UAL Payoff Cash Flow Savings (in millions)	\$1.4	\$2.4
NPV Savings (in millions)	\$0.9	\$1.1
NPV Savings % of Projected Payoff	14.28%	17.35%

Assumes bonds sold at **TIC of 4.75%**.

New Side Account Comparison

Scenario:	Status Quo			Scenario 2 (June 2029 Start)		
	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	March 2027 - June 2027	Fiscal Year 2028	Fiscal Year 2029
2003 Side account rate relief	26.43%	26.62%	24.77%	26.43%	26.62%	24.77%
2027 Side account rate relief	0.00%	0.00%	0.00%	0.00%	0.00%	0.55%
Side Account Rate Credit	26.43%	26.62%	24.77%	26.43%	26.62%	25.32%
Employer Contribution Rate, Tier 1/Tier 2	1.59%	2.73%	4.57%	1.59%	2.73%	4.02%
Employer Contribution Rate, OPSRP	0.00%	0.01%	1.86%	0.00%	0.01%	1.31%
Existing Pension Bond Debt Service	17.51%	7.92%	0.00%	17.51%	7.92%	0.00%
New Pension Bond Debt Service	0.00%	0.00%	0.00%	4.82%	4.82%	4.82%
Pension Bond Debt Service	17.51%	7.92%	0.00%	22.34%	12.74%	4.82%
Net Employer Contribution Rate, Tier 1/Tier 2	19.10%	10.64%	4.57%	23.93%	15.47%	8.84%
Net Employer Contribution Rate, OPSRP	17.51%	7.93%	1.86%	22.34%	12.76%	6.13%

SA rate relief shown for 2003 SA is annualized calculation of projected remaining SA balance. Actual credit will option be applied as directed by the District during summer of 2027.

- 1) Base Case Scenario assumed borrowing rate of 4.75% for New Pension Bond Debt Service.
- 2) Assumes Employer payroll grows at 3.40% annually. To the extent higher or lower growth is experienced, results will differ.
- 3) Net Employer Contribution Rates are effective payroll rate after payment of debt.
- 4) Employer Contribution Rates are effective payroll rate after affect of Senate Bill 849.

New Side Account: Base Case

Yamhill-Carlton School District No. 1 - Projected Rate Credits and Pension Bond Savings

(New Payoff Date: 03/01/27, Payoff Amount: \$6,096,594)

Fiscal Year	PERS Covered Payroll	New Side Account							New Pension Bond			
		Balance July 1	Deposit 3/1/27	Rate Credit (%)	Rate Credit (\$)	Investment Earnings ⁽¹⁾	Rate of Return ⁽¹⁾	Balance June 30	Debt Service (\$) ⁽²⁾	Debt Cost (%)	Savings (\$)	Savings (%)
Jun-27	7,875,656	\$ -	\$ 6,096,594	5.49% ⁽³⁾	\$ 145,647	\$ 135,076	6.90%	\$ 6,086,022	\$ 129,240	4.87% ⁽³⁾	\$ 16,407	0.62% ⁽³⁾
Jun-28	8,143,428	6,086,022	-	5.49%	446,809	403,492	6.90%	6,042,705	404,738	4.97%	42,072	0.52%
Jun-29	8,420,305	6,042,705	-	5.49%	462,001	399,944	6.90%	5,980,648	414,513	4.92%	47,488	0.56%
Jun-30	8,706,595	5,980,648	-	5.49%	477,709	395,084	6.90%	5,898,023	428,575	4.92%	49,134	0.56%
Jun-31	9,002,619	5,898,023	-	5.49%	493,951	388,785	6.90%	5,792,856	446,688	4.96%	47,263	0.52%
Jun-32	9,308,708	5,792,856	-	5.49%	510,745	380,910	6.90%	5,663,021	458,613	4.93%	52,133	0.56%
Jun-33	9,625,204	5,663,021	-	5.49%	528,111	371,313	6.90%	5,506,223	474,588	4.93%	53,523	0.56%
Jun-34	9,952,461	5,506,223	-	5.49%	546,066	359,833	6.90%	5,319,990	489,375	4.92%	56,691	0.57%
Jun-35	10,290,845	5,319,990	-	5.49%	564,633	346,299	6.90%	5,101,656	507,975	4.94%	56,658	0.55%
Jun-36	10,640,734	5,101,656	-	5.49%	583,830	330,528	6.90%	4,848,354	525,150	4.94%	58,680	0.55%
Jun-37	11,002,519	4,848,354	-	5.49%	603,680	312,319	6.90%	4,556,993	545,900	4.96%	57,780	0.53%
Jun-38	11,376,604	4,556,993	-	5.49%	624,206	291,460	6.90%	4,224,247	559,988	4.92%	64,218	0.56%
Jun-39	11,763,409	4,224,247	-	5.49%	645,429	267,720	6.90%	3,846,538	582,650	4.95%	62,779	0.53%
Jun-40	12,163,365	3,846,538	-	5.49%	667,373	240,850	6.90%	3,420,015	598,413	4.92%	68,961	0.57%
Jun-41	12,576,919	3,420,015	-	5.49%	690,064	210,585	6.90%	2,940,537	622,513	4.95%	67,551	0.54%
Jun-42	13,004,534	2,940,537	-	5.49%	713,526	176,637	6.90%	2,403,648	644,475	4.96%	69,051	0.53%
Jun-43	13,446,688	2,403,648	-	5.49%	737,786	138,699	6.90%	1,804,561	664,300	4.94%	73,486	0.55%
Jun-44	13,903,876	1,804,561	-	5.49%	762,871	96,439	6.90%	1,138,130	686,988	4.94%	75,883	0.55%
Jun-45	14,376,608	1,138,130	-	5.49%	788,808	49,501	6.90%	398,822	712,300	4.95%	76,508	0.53%
Jun-46	14,865,412	398,822	-	2.72%	404,405	5,583	6.90%	-	-	-	404,405	2.72%
TOTAL		\$ 6,096,594		\$ 11,397,650		\$ 5,301,056		\$ 9,896,978		\$ 1,500,672		
PRESENT VALUE SAVINGS ⁽⁴⁾ :											\$ 870,420	14.28%

New Side Account: Base Case, June 2029 SA Start

Yamhill-Carlton School District No. 1 - Projected Rate Credits and Pension Bond Savings

(New Payoff Date: 03/01/27, Payoff Amount: \$6,096,594)

Fiscal Year	PERS Covered Payroll	New Side Account							New Pension Bond			
		Balance July 1	Deposit 3/1/27	Rate Credit (%)	Rate Credit (\$)	Investment Earnings ⁽¹⁾	Rate of Return ⁽¹⁾	Balance June 30	Debt Service (\$) ⁽²⁾	Debt Cost (%)	Savings (\$) ⁽³⁾	Savings (%) ⁽³⁾
Jun-27	7,875,656	\$ -	\$ 6,096,594	⁽³⁾	\$ -	\$ 137,115	6.90%	\$ 6,233,708	\$ 129,240	4.87% ⁽³⁾	\$ (129,240)	(4.87%) ⁽³⁾
Jun-28	8,143,428	6,233,708	-		-	430,126	6.90%	6,663,834	404,738	4.97%	(404,738)	(4.97%)
Jun-29	8,420,305	6,663,834	-	0.55%	46,260	459,547	6.90%	7,077,121	414,513	4.92%	(368,253)	(4.37%)
Jun-30	8,706,595	7,077,121	-	6.49%	565,291	467,517	6.90%	6,979,348	428,575	4.92%	136,716	1.57%
Jun-31	9,002,619	6,979,348	-	6.49%	584,510	460,063	6.90%	6,854,901	446,688	4.96%	137,823	1.53%
Jun-32	9,308,708	6,854,901	-	6.49%	604,384	450,745	6.90%	6,701,262	458,613	4.93%	145,771	1.57%
Jun-33	9,625,204	6,701,262	-	6.49%	624,933	439,388	6.90%	6,515,717	474,588	4.93%	150,345	1.56%
Jun-34	9,952,461	6,515,717	-	6.49%	646,181	425,803	6.90%	6,295,340	489,375	4.92%	156,806	1.58%
Jun-35	10,290,845	6,295,340	-	6.49%	668,151	409,789	6.90%	6,036,978	507,975	4.94%	160,176	1.56%
Jun-36	10,640,734	6,036,978	-	6.49%	690,868	391,126	6.90%	5,737,236	525,150	4.94%	165,718	1.56%
Jun-37	11,002,519	5,737,236	-	6.49%	714,357	369,579	6.90%	5,392,458	545,900	4.96%	168,457	1.53%
Jun-38	11,376,604	5,392,458	-	6.49%	738,645	344,896	6.90%	4,998,708	559,988	4.92%	178,658	1.57%
Jun-39	11,763,409	4,998,708	-	6.49%	763,759	316,802	6.90%	4,551,751	582,650	4.95%	181,109	1.54%
Jun-40	12,163,365	4,551,751	-	6.49%	789,727	285,007	6.90%	4,047,030	598,413	4.92%	191,315	1.57%
Jun-41	12,576,919	4,047,030	-	6.49%	816,578	249,193	6.90%	3,479,645	622,513	4.95%	194,065	1.54%
Jun-42	13,004,534	3,479,645	-	6.49%	844,342	209,022	6.90%	2,844,325	644,475	4.96%	199,867	1.54%
Jun-43	13,446,688	2,844,325	-	6.49%	873,049	164,128	6.90%	2,135,404	664,300	4.94%	208,749	1.55%
Jun-44	13,903,876	2,135,404	-	6.49%	902,733	114,120	6.90%	1,346,791	686,988	4.94%	215,745	1.55%
Jun-45	14,376,608	1,346,791	-	6.49%	933,426	58,576	6.90%	471,941	712,300	4.95%	221,126	1.54%
Jun-46	14,865,412	471,941	-	6.49%	478,547	6,606	6.90%	-	-		478,547	6.49%
TOTAL		\$ 6,096,594		\$ 12,285,741		\$ 6,189,147			\$ 9,896,978		\$ 2,388,763	
PRESENT VALUE SAVINGS ⁽⁴⁾ :											\$ 1,057,847	17.35%

POBs take a while to complete...

Many additional steps to issue POBs vs. Capital Bonds:

- Extra education of all stakeholders to discuss risks. **IN PROCESS**
- ✓ Statistical assessment required. **DONE**
- Legal documentation, including:
 - Borrowing Resolutions.
 - Intercept and Trust Agreements for pools.
 - Disclosure document.
- Request to Milliman to calculate payoff amounts. Base cost is \$1,000, plus \$250 for each payoff date selected.
- Bond Rating.
- If market cooperates, sale and closing.
- Send funds to PERS. Payroll rates generally reduced immediately.



Can take 9-12 months from start to finish.

Current Borrowing Rates



What about fees?

- Most fees do not take effect until and unless bonds are sold.
- Fees that could be incurred regardless include:
 - ✓ ECONorthwest Assessment Fee (~\$2,500) **DONE**
 - Milliman calculation fee (~\$2,500)
 - Rating fee. Fee is incurred once rating is assigned, but there is grace period. Amount TBD based on bond size (and number of participants in a pool).
- Overall fees vary by amount of issue, number of participants, general market conditions. We are estimating ~1.50% for underwriting, legal, trustee, rating and miscellaneous fees.

Potential Timeline – SD and CC Bond Pools

September

- ✓ By September 14: Districts notify Piper/Hawkins if want resolution, max TIC. **NEXT STEP**
- **September 23: Zoom meeting to review next steps**
- By September 30: Hawkins provides resolutions.

October

- 2025 Valuation released

November

- By November 13: Districts adopt resolutions, publish assessment.
- **November 16: Market Update Zoom - proceed or pause decision**
- After November 16: If conditions are favorable, Districts send payoff requests to Milliman.

Potential Timeline – SD and CC Bond Pools

December 2026

- Finalize documentation: disclosure, trust, intercept agreements.
- Rating and due diligence process.

January 2027

- Receive payoff letters from Milliman
- Final Opt-in forms to Piper
- **Week of January 18 - Bond sale for CCs**
- **Week of January 25 - Bond sale for SDs**

February 2027

- Week of Feb 8th - Bond closing for CCs
- Week of Feb 15th – Bond closing for SDs
- Funds sent to PERS no later than Feb 25
- **March 1, 2027 – Payroll rates reduced**

Concluding Thoughts

- **SAs and POBs introduce more volatility for borrowers.**
- **Volatility can cause cash flow issues, even when savings are positive.**
- **Assessment results suggest achieving success with POB is potentially within reach.**
- **Current interest rates are higher than assessed levels, but may decline should national and international events stabilize.**
- **Given long lead time on a POB issue, it may make sense to get ready and wait for market conditions to improve.**

Questions



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