



MATURITY SCHEDULE, INTEREST RATES AND PRICES

\$8,020,000 Serial Bonds

<u>Date Due</u>	<u>Amount</u>	<u>Coupon</u>	<u>Date Due</u>	<u>Amount</u>	<u>Coupon</u>
1986	\$370,000	8.75%	1992	\$ 650,000	11.20%
1987	400,000	9.25	1993	725,000	11.40
1988	440,000	9.75	1994	810,000	11.60
1989	480,000	10.25	1995	900,000	11.75
1990	530,000	10.75	1996	1,005,000	11.90
1991	585,000	11.00	1997	1,125,000	12.00

\$48,980,000 12.50% Term Bonds due May 1, 2012

Price of all Bonds 100%

(Accrued interest to be added)

1982 in Review

A Report to the Legislature

**Jesse M. Unruh, Treasurer
Chairman**



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I. INTRODUCTION

The California Debt Advisory Commission (CDAC) was created by the California Legislature (Chapter 1088, Statutes of 1981) to assist State and local government agencies with the monitoring, issuance, and management of debt. The CDAC helps to protect and improve the credit standing of public agencies in the State and to ensure continued access to the public debt markets by collecting information on the issuance of debt, providing assistance to local governments upon request, and analyzing policy issues concerning public debt.

In subsequent legislation the California Legislature mandated (Chapter 1098, Statutes of 1981) that the CDAC comprehensively review bond financing of capital improvements by local agencies, analyze all general obligation and revenue bond financing laws, and report its findings and recommendations, if any, to the Legislature on or before January 1, 1983.

This report, prepared by the CDAC staff at the direction of the members of the Commission, is being submitted to the Legislature as partial fulfillment of the requirements of Section 8858 of the Government Code, as amended by Chapter 1098, Statutes of 1981.

The following sections of the report include a brief summary of the CDAC's activities during 1982, as well as a more detailed description of the Commission's research, data collection, and administrative undertakings. This discussion indicates which parts of the legislative mandate have been met, as well as which remain to be fulfilled. (A copy of the sections of Chapters 1088 and 1098, Statutes of 1981, which specify the CDAC's activities, is included in Attachment I.)

II. SUMMARY OF 1982 ACTIVITIES

During its first year of operation, the CDAC engaged in three principal activities – organization, data collection and analysis, and research.

A. ORGANIZATION/START-UP

The Commission, as any new governmental agency, spent a portion of its time during the first year hiring staff, locating space, and purchasing necessary equipment and furniture.

Larry Margolis served as Acting Executive Secretary throughout 1982 and on January 1, 1983 Melinda Carter Luedtke was appointed Executive Secretary.

The CDAC has moved into allocated space in the building which houses the State Treasurer's Office as well as many of the financing related Commissions under the purview of the Treasurer.

The first meeting of the Commission was held on February 18, 1982.

B. DATA COLLECTION AND ANALYSIS

1. *Reporting Procedures*

After consulting with cities, counties, special districts, school districts, State authorities, underwriters, and bond counsel, the CDAC developed a report form for use by issuers of public debt. (Section 8855(g) of the Government Code requires that "the issuer of any proposed new debt issue of State and local government shall, no later than 10 days prior to the sale of any debt issue at public or private sale, give written notice of the proposed sale to the Commission by mail, postage prepaid.")

Completion of this form by issuers and later verification of the submitted information by CDAC staff enables the Commission to collect information as required by California law.

The type of information collected includes that which is statutorily specified – the proposed sale date, the name of the issuers, the type of debt issue, and the estimated principal amount of the issue – as well as that which helps the CDAC fulfill its mandate as "a statistical center for all state and local debt issues" (Section 8855(e)(3) of the Government Code).

2. *Data Collection and Analysis*

The CDAC collects data on all tax-exempt debt issued since January 1, 1982. Initially, data on the total amount, types, and purposes of public debt were compiled manually.

The Commission is now computerizing its data base to speed up the process of collecting, maintaining, and providing information on State and local debt. This computerization will also make it possible to check, compare, and tabulate the data to produce more sophisticated analyses of trends in California public debt. Issues in public finance requiring research and policy analysis are identified through the collection of debt information.

3. *Newsletter*

The information collected by the CDAC – both for proposed and for sold issues – is published in its newsletter, *Debt Line*, to assist jurisdictions in marketing debt. (Publication of a monthly newsletter is also required of the CDAC by law.)

From April 1982 to January 1983, *Debt Line* was originally published as two separate newsletters sent bi-weekly – a calendar of proposed, sold, rescheduled, and cancelled debt issues, and a newsletter containing informational articles. To minimize mailing and printing costs, *Debt Line*, including both the calendar and the newsletter, is now published monthly. *Debt Line* is sent to approximately 2,200 subscribers throughout the United States and Canada.

C. RESEARCH STUDIES

The CDAC commissioned three research projects in 1982.

1. *Analysis of State and Local Debt and Policy Options for Lawmakers*

The objectives of this project were three-fold: 1) to develop a better understanding of public debt in California; 2) to identify resources available to the CDAC and others interested in public debt; and 3) to define debt related policy choices facing legislators.

The research team assigned to this project was headed by Dr. John Kirlin, an economist with the University of Southern California, Sacramento Public Affairs Center. Kirlin's team produced four reports:

- *Analysis of California Public Debt* – A baseline analysis of California's public debt compared to other states and the State's past; an application of the concept of "incidence" to public debt (i.e., "Who ultimately pays?"); and an exploration of the possible existence of "segmented markets" and their relevance to policy-makers (i.e., "Do the same investors who buy general obligation bonds also buy tax anticipation notes or revenue bonds and does one type of issue crowd out another?");
- *Policy Options Concerning California Public Debt* – A summary of research findings and analysis of proposed policy choices;
- *Resources for Policy-making on Public Debt* – A listing and description of financial and reporting systems, Federal policy-making and regulatory bodies; and other organizations concerned with public debt; and
- *Annotated Bibliography* – Annotations and citations of nearly 300 publications on all facets of public debt, indexed by year, by type of publication, and by subject matter.

The Kirlin reports examine bond financing by local governments and provide a perspective on indebtedness at both the State and local government levels.

All four reports are completed and will soon be published and distributed by the CDAC.

2. *Development of a Technical Assistance Program and Assessment of Local Government Financing Needs*

The second element in the CDAC's research effort is designed to identify local government financing needs and requirements for technical assistance. This element was assigned to Ralph Andersen and Associates, a consulting firm in Sacramento, in conjunction with the Municipal Finance Officers Association.

The research included in the Andersen project has three phases:

- **Technical Assistance Program** – An assessment of local governments' technical assistance needs, a review of other states' technical assistance programs, and a proposal of a suggested technical assistance program for the CDAC;
- **Local Government Financing Needs** – A survey of local governments' financing needs (i.e., "What will be financed by debt? What will it cost? Will the financing be long-term or short-term? What revenue sources are expected to be used for repayment?") and a comprehensive report based on the survey and field research; and
- **Technical Advisory Committee** – A proposal for a possible role for an advisory committee to the CDAC, comprised of members of government and the industry, an action plan for such a committee, and technical assistance in the establishment of such a committee.

Work on the Andersen project is continuing. The phase related to formation of the Technical Advisory Committee is essentially complete. The identification of local government financing needs and the development of a technical assistance program are approximately one-third completed.

Completion of the project by Andersen will contribute greatly to the fulfillment of the legislative mandate (Section 8858 of the Government Code).

3. *Catalog of Legal Authorization for the Issuance of Public Debt*

A catalog of legal authorizations for the issuance of public debt is the third element of the CDAC's research program. This project involved the identification of every section of California law which relates to public debt authorization, issuance, or management. The Legislative Counsel Bureau was assigned this project and has completed its report.

The catalog contains four types of information concerning public debt law – the code reference, the name of the authorizing agency, the type of authorization, and the purpose. Although this catalog is not a complete analysis of all general obligation and revenue bond financing laws (as required by Section 8858 of the Government Code), it should assist in identifying conflicts in laws and gaps in coverage. Moreover, the catalog could also provide a basis in law for any statutory revision which may be attempted in the future.

III. DATA COLLECTION AND ANALYSIS

A. REPORTING PROCEDURES

1. *The CDAC Report Form*

One of the CDAC's first priorities was the establishment of a reporting procedure to meet the statutory notice requirements. (Section 8855(g) of the Government Code requires that "the issuer of any proposed new debt issue of State and local government shall, no later than 10 days prior to the sale of any debt issue at public or private sale, give written notice of the proposed sale to the Commission by mail, postage prepaid.")

The reporting form was developed after consultation with public and private entities involved in tax-exempt debt financing. Its completion by issuers enables the CDAC to collect the following information:

- Name of issuing entity
- Form of debt (e.g., bond, note, lease, contract, commercial paper, etc.)
- Type of debt (e.g., general obligation, industrial development, charter city, etc.)
- Scheduled date of sale
- Type of sale (i.e., public or negotiated)
- Proposed amount of sale
- Purpose(s) to be financed
- Source(s) of repayment
- Name of financial advisor
- Name of underwriter
- Name of bond counsel

Those debt issuers required to give written notice of proposed sales include all agencies of State and local government, including joint power entities, non-profit corporations, and all special purpose districts. "Debt" includes all forms of borrowings or tax-exempt financing in any form — including short-term and long-term bonds, notes, loans, leases, and certificates of participation.

After the date of the proposed sale has passed, the CDAC staff verifies the information that had been provided by the issuer and collects information concerning the final sale — maturity dates, net interest rate, and amount sold.

2. *Compliance with the Law*

Compliance with the reporting requirements and the payment of fees (1/40th of one percent of the principal amount of the issue, not to exceed \$5,000 per issue) has improved significantly during the CDAC's first year of operation. Of the 609 issues that were sold in 1982, less than five percent (30 issues) were delinquent at the end of 1982. Although it is impossible to be certain about the total amount of tax-exempt debt being issued, the CDAC estimates that over 90 percent of the total is being reported to the CDAC as required by law. (The staff monitors *The Bond Buyer*, *The Wall Street Journal*, and the business sections of the principal California dailies to identify issuers that have not complied with the notification requirements. These issuers are then notified of the requirements of the law.)

B. DATA COLLECTION

Approximately \$9.8 billion in debt financing by State and local governmental agencies was reported to the CDAC for 1982.

Of this total, about 25 percent was for State issues, 75 percent for local issues. Long-term issues comprised 73 percent of the total, while short-term financing represented 27 percent. General obligation issues by both State and local government was nearly 29 percent of the total debt financed, with revenue issues making up the remainder. Tables I, II, and III on the following pages present this data.

At the State level, the two purposes for which the most debt was issued were Central Valley Power Water Development Project (\$400 million) and interim financing for tax anticipation warrants in November 1982 (\$400 million).

Similarly, the greatest number of issues at the local level was for interim financing — 106 issues

TABLE I
TOTAL STATE AND LOCAL TAX-EXEMPT DEBT FINANCING IN 1982

	Number of Issues*	Amount	Percent of Total
State Issues	69	\$2,410,346,867.34	24.6
Local Issues	<u>540</u>	<u>7,377,821,214.20</u>	<u>75.4</u>
Total	609	\$9,788,168,081.54	100.0

*Includes G.O. and revenue bond issues.

TABLE II
TOTAL SHORT-TERM AND LONG-TERM TAX-EXEMPT DEBT FINANCING IN 1982

	Number of Issues	Amount	Percent of Total
Short-term Issues*	107	\$2,611,726,127.89	26.7
Long-term Issues	<u>502</u>	<u>7,176,441,953.65</u>	<u>73.3</u>
Total	609	\$9,788,168,081.54	100.0

*Includes \$400,000,000.00 registered warrants issued by the State of California in November, 1982.

TABLE III
**TOTAL GENERAL OBLIGATION AND REVENUE BOND ISSUES
BY STATE AND LOCAL GOVERNMENTS IN 1982**

	Number of Issues	Amount	Percent of Total
GENERAL OBLIGATION*	103	\$2,803,973,377.89	28.7
<u>State</u>			
General Obligation Bonds	11	\$ 470,000,000.00	4.8
Registered Warrants	<u>1</u>	<u>400,000,000.00</u>	<u>4.1</u>
Total	12	\$ 870,000,000.00	8.9
<u>Local</u>			
Tax and Revenue Anticipation Notes	63	\$1,299,920,000.00	13.3
Commercial Paper	9	447,300,000.00	4.6
Tax Anticipation Notes	9	133,575,377.89	1.4
General Obligation Bonds	<u>10</u>	<u>53,178,000.00</u>	<u>0.5</u>
Total	91	\$1,933,973,377.89	19.8
REVENUE	506	\$6,984,194,703.65	71.3
State	57	1,540,346,867.35	15.7
Local	449	5,443,847,836.31	55.6
TOTAL	609	\$9,788,168,081.54	100.0

*General obligation, for purposes of this table, includes general obligation bonds, registered warrants, tax and revenue anticipation notes, tax anticipation notes, and commercial paper.

of 609 total and \$2.2 billion or 22.6 percent of the local total. Single-family housing represented the second largest portion (17.3 percent) of the total local debt.

(A complete listing of State and local public debt issued in 1982 by type and purpose is included in Attachment II. This attachment also contains a summary of housing and industrial development issues sold in 1982.)

As we mentioned earlier, the CDAC is in the process of computerizing its debt information collection functions. This change will allow the CDAC to access its data files more quickly and should assist in the identification of policy areas to be researched.

C. NEWSLETTER

Seventeen newsletter issues were published by the CDAC in 1982, with the first published in April. The bi-weekly newsletter, *Debt Line/Calendar*, provided a record of all proposed and sold issues reported to the CDAC as well as informational articles on topics relevant to tax-exempt debt financing.

The CDAC uses the newsletter to inform its readers of timely debt related developments, to profile the CDAC Commissioners, and to report on the CDAC's meetings and activities. Among the subjects highlighted in the 1982 newsletters are: trends in State and local bonding, off-budget financing, the CDAC's research program, housing bonds, industrial development bonds, and the financing of needed capital public improvements.

To minimize costs, *Debt Line* became a monthly publication beginning in 1983.

IV. ANALYSIS OF STATE AND LOCAL DEBT AND POLICY OPTIONS FOR LAWMAKERS

Four reports were produced by the team of researchers headed by Dr. John Kirlin. These four — *Analysis of California Public Debt*, *Policy Options Concerning California Public Debt*, *Resources for Policy Making on Public Debt*, and an *Annotated Bibliography* — were briefly described in Section II of this report.

A. KIRLIN'S FINDINGS

The principal findings of the Kirlin team are summarized below. (It is important to note that these findings have not been adopted formally by the CDAC or its staff.)

1. *California's current outstanding public debt is low in comparison to historical experience, underlying fiscal capacity or in comparison to other states. This is true overall and for the State and local governments separately.*
 - Total per capita debt outstanding, expressed in constant dollars, declined from \$919.75 in fiscal year 1969-70 to \$566.94 in fiscal year 1979-80, a decline of 38.4 percent.
 - Total outstanding debt per \$1,000 of total personal income declined from \$209.02 in fiscal year 1969-70 to \$108.34 in fiscal year 1979-80.
 - Total local agency debt outstanding expressed as a percentage of assessed valuation declined from 27.5 percent in fiscal year 1969-70 to 15.6 percent in fiscal year 1979-80.
 - While California had 10.4 percent of the nation's population in 1980, it was responsible for only 6 percent of all long-term debt issued in 1981.

Table IV on the next page summarizes California public debt measured by four indices.

TABLE IV

COMPARISONS OF CALIFORNIA PUBLIC DEBT
(1969-70 to 1980-81 and 1977 to 1981)

PER CAPITA DEBT OUTSTANDING IN CONSTANT DOLLARS

	<u>1969-70</u>	<u>1980-81</u>	<u>% Change</u>
Cities	\$144.69	\$113.19	-21.8
Counties	15.36	21.60	40.6
Schools	236.09	63.63	-73.1
Special Districts	287.76	228.29*	-20.7
State	<u>235.89</u>	<u>144.47</u>	-38.8
Total	919.79	571.18*	-38.4

OUTSTANDING DEBT PER \$1,000 OF TOTAL PERSONAL INCOME

	<u>1969-70</u>	<u>1980-81</u>	<u>% Change</u>
Cities	\$ 32.87	\$ 23.29	-29.1
Counties	3.49	4.31	23.5
Schools	53.65	12.71	-76.3
Special Districts	65.40	43.62*	-33.3
State	<u>53.61</u>	<u>28.84</u>	-46.2
Total	209.02	112.77*	-48.2

TOTAL LOCAL AGENCY DEBT OUTSTANDING AS A PERCENTAGE OF ASSESSED VALUATION

<u>1969-70</u>	<u>1979-80</u>
27.4%	15.6%

CALIFORNIA LONG-TERM DEBT ISSUED AS A PERCENTAGE OF NATIONAL ISSUES

	<u>1977</u>	<u>1981</u>
State	6.7%	8.8%
Counties	- 0 -	1.8
Municipalities	2.0	5.1
School Districts	2.5	- 0 -
Special Districts	21.2	31.0
Statutory Authorities	45.0	20.3
Total	4.4	6.0

*1979-80

Source: Office of State Controller and Public Securities Association as reported in *Analyses of California Public Debt*, John J. Kirilin and Associates, December 1982.

2. *California now uses debt differently from the way it did in the recent past and differently from the way other states do.*
 - California governments have shifted to revenue-backed and short-term debt, as have other state and local governments in the nation.
 - California is now using debt less for traditional public works and facilities and more for policy goals such as housing production, pollution control or economic development, as are other states and localities, but more so than most.
3. *California's annual need for public investment capital and debt is likely to be greater over the balance of the century than they have been in the recent past.*

Among the claimants for capital will be:

 - New capital needs required for growth in the population and economy of the state;
 - Maintenance and replacement of existing public works and facilities;
 - Pursuit of "social" policies, such as provision of housing and pollution control;
 - Pursuit of economic development and revitalization;
 - "Off-loading" capital outlays from fiscally-stretched operating budgets to bond financing; and
 - Short-term uses, such as the use of tax-anticipation or construction notes.
4. *Significant barriers to the effective provision of public investment in California exist, but some often-mentioned barriers are not very important.*
 - Local governments are effectively blocked from the issuance of long-term general obligation debt because Proposition 13 so limits their capacity to increase taxes (especially on property) as to preclude the marketing of general obligation debt.
 - The inability of the State to bring its expenditures into line with revenues creates fiscal uncertainty for itself and for local governments, and has resulted in the lowering of its credit rating.
 - Despite the belief of some, the lack of "desirable" debt in California (usually defined as general obligation bonds used for capital needs) and high interest costs are not the result of the "crowding-out of such issues by "undesirable" debt (usually defined as industrial development and pollution control bonds or short-term notes).
5. *California currently has in place an extensive system for the oversight and regulation of debt.*
 - Some thirty-one entities exist at the state level which somehow oversee or regulate debt.
 - The Treasurer serves on twenty-four of these bodies.
6. *The capacity of California policymakers to achieve various policy objectives regarding debt varies widely.*
 - The purposes for which public debt is used can be controlled reasonably effectively.
 - The interest costs of issuing debt are much less controllable by State and local policymakers, but can be marginally affected through policy choices affecting issue size, credit ratings, volume, maturity structure, and placement.

Table V is a summary of all California public debt for fiscal years 1969-70 through 1980-81.

TABLE V

**SUMMARY OF ALL OUTSTANDING CALIFORNIA PUBLIC DEBT
(1969-70 through 1980-81)**

	Cities		Counties		Schools		Special Districts		State		Total	
	Debt (millions)	\$ Per Capita	Debt (millions)	\$ Per Capita	Debt (millions)	\$ Per Capita	Debt (millions)	\$ Per Capita	Debt (millions)	\$ Per Capita	Debt (millions)	\$ Per Capita
1969-70	2877.3	144.65	305.5	15.36	4696.3	236.09	5724.1	287.76	4692.4	235.89	18,295.6	919.75
1970-71	3183.4	157.65	313.9	15.54	4699.6	232.73	6245.1	309.27	5108.3	252.97	19,550.3	955.07
1971-72	3420.0	167.07	326.8	15.96	4687.6	229.00	5688.5	277.89	5487.1	268.06	19,610.0	957.99
1972-73	3783.5	182.45	316.7	15.27	4620.5	222.81	5891.8	284.12	5426.0	261.65	20,038.5	966.32
1973-74	3904.4	185.61	297.3	14.13	4595.4	218.45	6248.4	297.03	5470.7	260.06	20,516.2	975.29
1974-75	4306.3	201.47	282.5	13.22	4617.1	216.01	6933.3	324.38	5724.0	267.80	21,863.2	1022.89
1975-76	4334.1	199.20	264.2	12.14	4641.1	213.32	7393.9	339.84	5738.4	263.75	22,371.7	1028.25
1976-77	4476.1	201.95	248.3	11.20	4591.2	207.15	8364.8	377.40	6126.5	276.42	23,806.9	1074.12
1977-78	5373.5 ^a	237.65	213.3	9.43	4386.2	193.99	9591.7	424.20	6296.2	278.46	25,860.9	1143.73
1978-79	5526.0 ^a	239.50	205.0	8.88	2172.1 ^c	94.14	9347.3	405.12	6720.7	291.28	23,971.1	1038.92
1979-80	6055.0 ^a	257.29	180.8	7.68	1983.9 ^c	84.30	10626.9	451.56	7545.5 ^d	320.62	26,392.1	1121.45
1980-81	6424.2 ^a	259.20	1189.3 ^b	49.53	3503.7	145.91			7954.8	331.27		

^a/Lease/Purchase obligations reported

^b/Lease/Purchase first reported here

^c/Explanation needed for sudden decrease

^d/Revenue Bond Component of this amount is estimated

SOURCE: Office of the State Controller, Office of the State Treasurer as reported in *Analyses of California Public Debt*, John J. Kirlin and Associates, December 1982, page 83.

B. POLICY OPTIONS

Fifteen policy options concerning public debt were identified by the Kirlin research team. These policy choices fit into four categories – strategic choices, policy leadership, the improvement of debt issuance practices and State regulation or authorization, and monitoring and analysis.

A brief description of each of the policy options follows. (The CDAC has not formally adopted these options as recommendations.)

1. *Strategic Choices*

- Orient State policy making toward the provision of the public investment capital, including that provided through debt, needed for California's economic and population growth through the balance of this century.
- That the CDAC undertake an analysis of the needs for investment in both the public and private sectors through the balance of the century.
- Give highest policy priority to establishing an adequate underlying institutional base for California's public finances, including:
 - Development of a stable fiscal base and capacity to issue long-term general obligation debt for California local governments.
 - Bring expenditures of the State of California into balance with its revenues.

2. *Policy Leadership*

- Initiation of an "Annual Report and Policy Statement on California Public Investment and Debt" by the Treasurer's Office.
- That the CDAC undertake or stimulate special analyses relevant to policy choices on public investment and debt.

3. *Improve Debt Issuance Practices and State Regulation/Authorization*

- Make debt issuance practices and costs visible.
- Further explore use of True Interest Cost (vs. Net Interest Cost) bidding.
- Explore the range of options available to facilitate access to debt markets, including insurance, letters of credit, bond-banking and scheduling.
- Evaluate the advantages and disadvantages of standardizing or otherwise simplifying the State's role in debt issuance.
- Consider revisions in the legal framework authorizing debt issuances in California.
- Consider abolishing State policies limiting coupon interest rates on tax-exempt debt.

4. *Monitoring and Analysis Activities*

- Monitor policy developments at the national level.
- Monitor the debt levels and debt service requirements of California governments.
- Monitor proposed State legislation affecting public investment and debt, providing comments as necessary.

- Monitor and further analyze government obligations which affect fiscal capacity, including:
 - accounts payable
 - interfund borrowing
 - unfunded pension liability
 - tort liability judgments
 - workers' compensation judgments

These policy options will be discussed further in *Policy Options Concerning Public Debt* to be published shortly by the CDAC.

C. RESOURCES/ANNOTATED BIBLIOGRAPHY

Two additional "reports" prepared by the Kirlin team will be made available by the CDAC.

The first, *Resources for Policy Making on Public Debt*, contains a description of eighteen entities which can be of assistance in policy deliberations concerning debt issuance and management. This catalog includes the name of the entity, its address and phone number, a brief description of the entity, and discussion of the entity's areas of interest, holdings, publications, and information services.

The second, *Annotated Bibliography of Publications Concerning Public Debt*, contains citations and annotations of nearly 300 publications for the years 1976 to 1982. Citations consist of the customary reference notation and the annotation itself. Each entry offers a brief description of the purpose, scope, organizational structure and, whenever possible, the major findings of the particular study or committee hearing. Three sources of information – periodicals and monographs, books, and Federal committee hearing proceedings and reports – are identified in the bibliography.

V. TECHNICAL ASSISTANCE PROGRAM AND LOCAL GOVERNMENT FINANCING NEEDS

The CDAC's second element in its research effort is designed to facilitate the implementation of a local government technical assistance program. The components of this study include a survey of local governments to assess their past and anticipated future financing needs; an analysis of the need and possible role of a technical advisory committee, and a recommendation for the establishment of a local government technical assistance program for the CDAC. This research project was assigned to Ralph Andersen and Associates, a Sacramento consulting firm, in conjunction with the Municipal Finance Officers Association.

A. SURVEY OF LOCAL GOVERNMENTS' FINANCING NEEDS

The design and implementation of the CDAC's local technical assistance program will be influenced by the survey component of the Ralph Andersen research.

As part of this component, Andersen and Associates sent an extensive questionnaire to all California cities and counties. This questionnaire focuses on four primary areas; 1) the type(s) and purpose(s) of debt financing conducted by local government over the past three years; 2) the type(s) and purpose(s) of debt financing to be conducted by local governments over the next five years; 3) the perceived obstacles to the most effective or least cost debt financing; and 4) the recommended types of assistance to be available to the local government from the CDAC.

Although this component of the Andersen research study is not yet complete, the consultants have indicated that a high percentage of those jurisdictions that were mailed questionnaires

have returned them (40 percent), that a reasonably representative sample of cities and counties (both large and small) has been received, and that a number of the respondents have indicated an interest in specific types of assistance to be offered by the CDAC. These services would be complementary to those available from private financial advisors, bond counsel, or underwriters.

It is anticipated that this portion of the Andersen study will be completed by mid-May. (A copy of the survey which was sent to local governments appears in Attachment III.)

B. SURVEY OF STATE ASSISTANCE

A survey of states which provide debt financing related assistance to local government was also conducted by the Andersen team. Seven states – Florida, Michigan, New Jersey, North Carolina, Oregon, Tennessee, and Virginia – were examined closely in the report, *Debt Management: State Technical Assistance to Local Governments*, which was prepared by the Government Finance Research Center of the Municipal Finance Officers Association.

Although the nature and extent of the technical assistance provided by each of the surveyed states varied greatly, each person interviewed by the researchers indicated “that their agency was not in business to compete with private providers of assistance, be they underwriters, bond counsel, financial advisors, accountants or others.” The Government Finance Research Center suggested that the CDAC consider providing seven specific types of assistance to local governments:

1. *Inquiry Services*

Local governments could call the CDAC on any topic, issue, or concern related to debt issuance and management. The CDAC would act as a resource – answering directly as many inquiries as possible, and providing referrals or “troubleshooting” services if appropriate.

2. *Data on the Debt of Overlapping Jurisdictions*

As the State agency required to collect information on debt issuance, the CDAC could assist local government in determining the debt of jurisdictions with overlapping boundaries. Although this information is often difficult to obtain or determine, it is required as part of official statements.

3. *Cooperation with Private Sector Providers of Financial Assistance*

Because many local governments do not maintain an ongoing relationship with bond counsel, financial advisors, and underwriters, the CDAC could work closely with these entities for the mutual benefit of tax-exempt debt financing issuers. In this regard, the consultants noted that those State agencies which provide information on the outstanding indebtedness of local governments to participants in the municipal bond market were performing a useful service. (It should be noted that the legislation that created the CDAC specifically mandates that the CDAC maintain this close cooperation.)

4. *Cooperation with Public Interest Groups*

As the CDAC becomes the focal point on the issue of tax-exempt debt financing, it could also become a lead player in policy discussions with other interest groups in the public sector – the Legislature, municipal financing associations, and national organizations concerned with debt financing.

5. *Training and On-Site Technical Assistance*

The CDAC could undertake the sponsorship of seminars on a variety of subjects related to local government finance and could be available to travel to a local jurisdiction, at its request, for meetings and consultation.

6. *Consultation on Official Statements*

The CDAC could begin to develop general in-house expertise to assist local jurisdictions with the preparation of official statements. However, this advice would not supplant that available from bond counsel, financial advisors or underwriters.

7. *State Credit Assistance*

Within this broad category, a number of initiatives could be considered by the CDAC to promote/expedite the financing of local capital projects and to lower the costs of borrowing. Three specific types of assistance are suggested — State guarantee of local debt obligations, municipal bond banks, and State subsidy of debt service.

C. TECHNICAL ADVISORY COMMITTEE

The third phase of the Andersen project was the examination of the potential role for a Technical Advisory Committee to the CDAC. The principal purpose of the Committee would be to supplement and enhance the CDAC's decision-making responsibility, not replace it.

Two primary roles for the Technical Advisory Committee were identified by the Andersen team:

- To assist the CDAC in its deliberations by providing a forum for initial discussion of issues, problems, and opportunities related to public agency debt and
- To help assure a proper technical review of subjects by initially exposing them to representatives on the Technical Advisory Committee who have expertise in both the public and private aspects of public agency debt.

The Technical Advisory Committee would include representatives of cities, counties, special districts, school districts, State government, bond counsel, financial consultants/underwriters, and financial institutions. The Committee would probably number between twenty and thirty members. The Andersen team suggested that the Committee meet at least quarterly.

VI. CATALOG OF CALIFORNIA STATUTES RELATING TO DEBT AUTHORIZATIONS

The third component of the CDAC's 1982 research program, a summary of California statutes relating to State and local debt authorizations, was conducted by the Legislative Counsel of California.

Approximately 1,500 statutes are referenced in the summary prepared by the Legislative Counsel. In addition to the code section, the catalog includes the name of the entity authorized to issue debt, the type of debt authorized, and the purpose(s) authorized.

Although the catalog is not the complete "analysis of all general obligation and revenue bond financing laws" (Section 8858 of the Government Code), it is probably the most thorough compilation of California law authorizing public debt issuance.

The CDAC is currently reviewing the Legislative Counsel's listing to identify additional analysis and/or cataloging that must be completed to satisfy fully the Legislative mandate.

VII. CONCLUSION

The California Debt Advisory Commission will continue to address its mission of providing assistance to the State and local agencies in the coming year. The focus of the Commission's work will be to:

- improve and refine the systems that are to be used to report, compile, publish and analyze debt information;
- implement an effective and responsive program of technical assistance in the areas of debt management and debt issuance; and
- present to the State and local agencies a broad range of information on policy options available to them on debt and debt management.

ATTACHMENT I

EXCERPTS FROM CHAPTERS 1088 and 1098 (Government Code)

CHAPTER 12. CALIFORNIA DEBT ADVISORY COMMISSION

8855. (a) There is created the California Debt Advisory Commission, consisting of nine members, selected as follows:

(1) The State Treasurer, or his or her designate.

(2) The Governor or the Director of Finance.

(3) The Controller, or his or her designate.

(4) Two local government finance officers, appointed by the State Treasurer one each from among persons employed by a county, and a city, or a city and county of this state, experienced in the issuance and sale of municipal bonds and nominated by associations affiliated with such agencies.

(5) Two Members of the Assembly appointed by the Speaker of the Assembly.

(6) Two Members of the Senate appointed by the Senate Rules Committee.

(b) The term of office of an appointed member is four years, but appointed members serve at the pleasure of the appointing power. In case of a vacancy for any cause, the appointing power shall make an appointment to become effective immediately for the unexpired term.

Any legislators appointed to the commission shall meet with and participate in the activities of the commission to the extent that the participation is not incompatible with their respective positions as Members of the Legislature. For the purposes of this chapter, the Members of the Legislature shall constitute a joint interim legislative committee on the subject of this chapter.

(c) The State Treasurer shall serve as chairperson of the commission and shall preside at meetings of the commission. The commission, on or after January 1, 1982, and annually thereafter, shall elect from its members a vice chairman and a secretary who shall hold office until the next ensuing December 31 and shall continue to serve until their respective successors are elected.

(d) Appointed members of the commission shall not receive a salary, but shall be entitled to a per diem allowance of fifty dollars (\$50) for each day's attendance at a meeting of the commission not to exceed three hundred dollars (\$300) in any month, and reimbursement for expenses incurred in the performance of their duties under this chapter, including travel and other necessary expenses.

(e) The advisory commission shall do all of the following:

(1) Assist the Housing Bond Credit Committee and all state financing authorities and commissions in carrying out their responsibilities as prescribed by law, including assistance with respect to federal legislation pending in Congress.

(2) Upon request of any state or local government units, to assist them in the planning, preparation, marketing, and sale of new debt issues to reduce cost and to assist in protecting the issuer's credit.

(3) Collect, maintain, and provide information on state and local debt authorization, sold and outstanding, and serve as a statistical center for all state and local debt issues.

(4) Maintain contact with state and municipal bond issuers, underwriters, credit rating agencies, investors, and others to improve the market for state and local government debt issues.

(5) Undertake or commission studies on methods to reduce the costs and improve credit ratings of state and local issues.

(6) Recommend changes in state laws and local practices to improve the sale and servicing of state and local debt.

(f) The commission may adopt bylaws for the regulation of its affairs and the conduct of its business.

(g) The issuer of any proposed new debt issue of state or local government shall, no later than 10 days prior to the sale of any debt issue at public or private sale, give written notice of the proposed sale to the commission, by mail, postage prepaid.

(h) The notice shall include the proposed sale date, the name of the issuer, the type of debt issue, and the estimated principal amount thereof. Failure to give this notice shall not affect the validity of the sale.

(i) The advisory commission shall publish a monthly newsletter describing and evaluating the operations of the commission during the preceding month.

(j) The advisory commission shall meet on the call of the chairperson, or at the request of a majority of the

members, or at the request of the Governor. A majority of all nonlegislative members of the advisory commission constitutes a quorum for the transaction of business.

(k) All administrative and clerical assistance required by the advisory commission shall be furnished by the Office of the State Treasurer.

8856. In providing services under paragraph (2) of subdivision (e) of Section 8855, the commission may charge fees in an amount not to exceed the fees established by the Department of General Services for the provision of contract services. In carrying out all the other purposes of this chapter, the commission may charge fees payable solely from the proceeds of sale of the debt issue in an amount equal to one-fortieth of 1 percent of the principal amount of the issue, but not to exceed five thousand dollars (\$5,000) for any one issue; provided, however, that no fees shall be charged to any water district which is subject to the jurisdiction of the Districts Securities Commission. Amounts received under this section shall be deposited in the California Debt Advisory Commission Fund, which is hereby created in the State Treasury. All money in the fund shall be available, when appropriated, for expenses of the commission and the State Treasurer.

Until such time as fees are received by the advisory commission and appropriated pursuant to this chapter for the expenses of the commission and the State Treasurer, the commission may borrow such moneys as may be required for the purpose of meeting necessary expenses of initial organization and operation of the commission.

8857. The chairman of the commission, on its behalf, may employ an executive secretary and other persons necessary to perform the duties imposed upon it by this chapter. The executive secretary shall serve at the pleasure of the commission and shall receive compensation as fixed by the commission.

8858. The commission shall comprehensively review the financing of capital improvements by all agencies of local government and study the comparative debt of local governmental agencies for capital improvements and the use of bond financing as a source of the indebtedness. The review shall include an analysis of all general obligation and revenue bond financing laws. On or before January 1, 1983, the commission shall submit to the Legislature a report of its findings and recommendations, if any, for revising the laws governing such financing devices.

ATTACHMENT II

TOTAL HOUSING ISSUES, 1982

	<u>No. of Issues</u>	<u>Amount</u>	<u>Percent of Total Bonds Issued</u>
State Issues	17	\$ 800,245,000	8.1
Local Issues	<u>123</u>	<u>2,138,311,700</u>	<u>21.9</u>
	140	\$2,938,556,700	30.0
 STATE ISSUES			
Single-Family	3	\$ 345,275,000	3.5
Multi-Family	7	276,535,000	2.8
Veterans	2	150,000,000	1.5
Colleges and Universities	<u>5</u>	<u>28,435,000</u>	<u>.3</u>
	17	\$ 800,245,000	8.1
 LOCAL ISSUES			
Single-Family	49	\$ 1,689,865,000	17.3
Multi-Family	<u>74</u>	<u>448,446,700</u>	<u>4.6</u>
	123	\$2,138,311,700	21.9

TOTAL INDUSTRIAL DEVELOPMENT ISSUES, 1982

	<u>No. of Issues</u>	<u>Amount</u>	<u>Percent of Total Bonds Issued</u>
State*	20	\$ 153,355,000	1.6
Local	<u>65</u>	<u>238,863,000</u>	<u>2.4</u>
	85	\$ 392,218,000	4.0

*Bonds issued by the California Alternative Energy Source Financing Authority and the California Pollution Control Financing Authority.

CALIFORNIA STATE AND LOCAL PUBLIC DEBT – BY PURPOSE – 1982

<u>STATE ISSUES</u>	<u>No. of Issues</u>	<u>Amount</u>	<u>% of Total</u>
Central Valley Power	2	\$ 400,000,000.00	4.1
Interim Financing	1	400,000,000.00	4.1
Housing, Single-Family	3	345,275,000.00	3.5
Housing, Multi-Family	7	276,535,000.00	2.8
Health Facilities	10	243,165,000.00	2.5
Housing, Veterans	2	150,000,000.00	1.5
Pollution Control	18	147,545,000.00	1.5
Water Programs	4	120,000,000.00	1.2
Parks and Recreational Facilities	4	100,000,000.00	1.0
State Prisons	1	100,000,000.00	1.0
Educational Facilities	7	62,200,000.00	.6
Housing, State College and Universities	5	28,425,000.00	.3
Transportation	1	25,000,000.00	.3
Equipment and Property Acquisition	2	6,391,867.34	.1
Alternative Energy	2	5,810,000.00	
Subtotal	69	\$2,410,346,867.34	24.6%
<u>LOCAL ISSUES</u>	<u>No. of Issues</u>	<u>Amount</u>	<u>% of Total</u>
Interim Financing	106	\$2,211,726,127.89	22.6
Housing, Single-Family	49	1,689,865,000.00	17.3
Power	18	1,085,802,825.00	11.1
Housing, Multi-Family	74	448,446,700.00	4.6
Redevelopment and Rehabilitation	68	356,135,000.00	3.6
Refunding and Refinancing	8	289,777,829.00	3.0
Industrial Development	65	238,863,000.00	2.4
Airport Facilities	3	187,130,000.00	1.9
Health Care and Hospital Facilities	18	176,045,000.00	1.8
Sewer Facilities	26	134,916,300.00	1.4
Municipal Capital Improvements	13	101,950,000.00	1.0
Parking Facilities	7	93,235,000.00	1.0
Water Facilities	22	76,038,761.89	.8
Assessment*	33	67,329,629.94	.7
Transportation Facilities	1	65,000,000.00	.7
Communication Facilities	6	44,407,186.23	.5
School and Educational Facilities	6	35,226,000.00	.4
Equipment and Property Acquisition	9	30,396,854.25	.3
Port and Marina Facilities	5	23,030,000.00	.2
Parks and Recreational Facilities	2	21,000,000.00	.2
Commercial Mortgages	1	1,500,000.00	—
Subtotal	540	\$7,377,821,214.20	75.4%
TOTAL STATE AND LOCAL ISSUES	609	\$9,788,168,081.54	100.0%

*This figure represents the 1911 and 1915 assessment bonds issued and reported to the Commission prior to adoption of the resolution exempting these bonds from reporting and fee requirements. We estimated that an additional \$26.3 million (not reflected in above totals) in 1911 and 1915 assessment bonds have been issued since the exemption in May. Our data source for assessment bonds issued since May is *The Daily Bond Buyer*, and therefore may not be complete.

NOTE: Figures may not add due to rounding. Figures are subject to revision.

CALIFORNIA STATE AND LOCAL PUBLIC DEBT – BY TYPE – 1982

<u>STATE ISSUES</u>	<u>No. of Issues</u>	<u>Amount</u>	<u>% of Total</u>
Revenue Bonds	45	\$1,365,255,000.00	13.9
General Obligation Bonds	11	470,000,000.00	4.8
Registered Warrants	1	400,000,000.00	4.1
Construction Loan Notes	2	69,000,000.00	.7
Bond Anticipation Notes	3	59,000,000.00	.6
Revenue Notes	3	24,700,000.00	.3
Demand Notes	2	16,000,000.00	.2
Certificates of Participation	2	6,391,867.34	-
Subtotal	69	\$2,410,346,867.34	24.6%
<u>LOCAL ISSUES</u>	<u>No. of Issues</u>	<u>Amount</u>	<u>% of Total</u>
Mortgage Revenue Bonds, Single-Family	49	\$1,688,415,000.00	17.2
Tax and Revenue Anticipation Notes	63	1,299,920,000.00	13.3
Limited Obligation Notes	4	576,270,000.00	5.9
Commercial Paper	9	447,300,000.00	4.6
Power Revenue Bonds	7	381,880,000.00	3.9
Tax Allocation Bonds	43	312,980,000.00	3.2
Certificates of Participation	33	294,875,000.00	3.0
Revenue Bonds	16	287,979,700.00	2.9
Housing Revenue Bonds, Multi-Family	39	279,378,300.00	2.9
Revenue Notes	13	258,049,954.00	2.6
Industrial Development Revenue Bonds	63	228,163,000.00	2.3
Construction Loan Notes	33	160,198,400.00	1.6
Revenue Anticipation Notes	12	148,300,000.00	1.5
Bond Anticipation Notes	2	135,000,000.00	1.4
Tax Anticipation Notes	9	133,575,377.89	1.4
Lease Revenue Bonds	10	127,097,700.00	1.3
Sewer Revenue Bonds	20	112,946,300.00	1.2
Health Facilities Revenue Bonds	6	84,570,000.00	.9
Assessment Bonds*	33	67,329,629.94	.7
Water Revenue Bonds	12	63,801,300.00	.7
Charter City Notes	7	63,740,000.00	.7
General Obligation Bonds	10	53,178,000.00	.5
Grant Anticipation Notes	11	51,420,750.00	.5
Leasehold Mortgage Revenue Bonds	5	28,460,000.00	.3
Municipal Improvement Revenue Bonds	1	22,240,000.00	.2
Lease	2	18,608,700.00	.2
Tax Allocation Notes	8	18,025,000.00	.2
Promissory Notes	6	14,075,000.00	.1
Contract Notes	1	6,000,000.00	
Commercial Mortgage Revenue Bonds	3	5,500,000.00	
Certificates of Deposit	1	3,000,000.00	
Equipment Trust Certificates	2	1,946,854.25	
Deposit with Lender Revenue Bonds	1	1,500,000.00	.2
Bank Line of Credit	1	800,000.00	
Lease Purchase Agreement	2	508,186.23	
Optional Advance Note	1	500,000.00	
Irrigation District Improvement Warrants	2	289,061.89	
Subtotal	540	\$7,377,821,214.20	75.4%
TOTAL STATE AND LOCAL ISSUES	609	\$9,788,168,081.54	100.0%

*This figure represents the 1911 and 1915 assessment bonds issued and reported to the Commission prior to adoption of the resolution exempting these bonds from reporting and fee requirements. We estimated that an additional \$26.3 million (not reflected in above totals) in 1911 and 1915 assessment bonds have been issued since the exemption in May. Our data source for assessment bonds issued since May is *The Daily Bond Buyer*, and therefore may not be complete.

NOTE: Figures may not add due to rounding. Figures are subject to revision.



RALPH ANDERSEN AND ASSOCIATES

PUBLIC DEBT FINANCING SURVEY

OF LOCAL NEEDS FOR:

- . Technical Assistance
- . Future Debt Financing

PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE BY FEBRUARY 11, 1983 TO:

Ralph Andersen & Associates
 1446 Ethan Way
 Suite 101
 Sacramento, California 95825

FOR INFORMATION CONTACT:

Jim Harrington
 Project Manager
 (916) 929-5575

THIS QUESTIONNAIRE WAS COMPLETED BY:

Individual's Name: _____

Title: _____

Phone: _____

City of: _____ Population: _____

County of: _____ Population: _____

PART I: TECHNICAL ASSISTANCE NEEDS

1. Who is typically responsible for the analysis, implementation, and administration of debt in your City/County:

a. Analysis of need for debt financing:

Name: _____

Title: _____

b. Implementation of debt financing (e.g., bond sale, negotiation, etc.):

Name: _____

Title: _____

c. Administration of debt financing:

Name: _____

Title: _____

2. a. Has your City/County incurred debt during the last three years?

_____ Yes _____ No

b. If yes, did you use any of the following for assistance? (Please check all that are applicable):

_____ Financial Advisor/Consultant

_____ Bond Counsel

_____ Underwriter

_____ Other public agency (if checked please name) _____

c. If yes, was the debt obtained/sold by (please check all applicable):

_____ Public/competitive sale, Estimated Volume: \$ _____

_____ Negotiated, Estimated Volume: \$ _____

_____ Private, Estimated Volume: \$ _____

_____ Other (Please describe) _____

Estimated Volume: \$ _____

3. A survey of other states has revealed that a number of states have agencies similar to the California Debt Advisory Commission which provide technical assistance to local government. Please rate the following potential areas of assistance, as to the degree of need for such assistance in your City/County:

	No Need	Some Need	Much Need	Specific Type of Service Needed
a. Training or seminars on debt financing	_____	_____	_____	_____
b. Information services	_____	_____	_____	_____
c. Reference services	_____	_____	_____	_____

	No Need	Some Need	Much Need	Specific Type of Service Needed
d. Coordination/Timing of debt issues	_____	_____	_____	_____
e. Preparation of official statements	_____	_____	_____	_____
f. Acquiring or improving credit ratings	_____	_____	_____	_____
g. Marketing issues	_____	_____	_____	_____
h. Insurance/guarantee programs	_____	_____	_____	_____
i. Integrating capital budgeting & financing	_____	_____	_____	_____
j. Identifying appropriate alternative financing methods	_____	_____	_____	_____
k. Debt administration	_____	_____	_____	_____
l. Cash management	_____	_____	_____	_____
m. Pension funding	_____	_____	_____	_____
n. Procedural information/manuals	_____	_____	_____	_____
o. Consultation/advisory services	_____	_____	_____	_____
p. Other (please describe):	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

4. The California Debt Advisory Commission currently publishes a monthly newsletter called Debt Line which includes a calendar of issues sold and proposed. With respect to this publication, please answer the following:

a. Do you currently receive the Debt Line/Calendar?

_____ Yes

_____ No (If you would like to receive the publication, call (916) 324-2585) or check here _____.

b. If yes, please indicate the following relative to the Debt Line/Calendar

	No Use	Some Use	Very Useful
(1) The newsletter portion of <u>Debt Line</u> is:	_____	_____	_____
(2) The Calendar of sold and proposed issues is:	_____	_____	_____
(3) More frequent publication (than monthly) would be:	_____	_____	_____
(4) Suggestions to improve content: _____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

PART II: NEEDS FOR DEBT FINANCING

1. Historically, (over the past three years) the financing in your City/County for the following purposes has been by (please estimate approximate \$ volume for each category):

<u>Capital Projects</u>	<u>Equipment</u>	<u>Operations Maintenance</u>	
_____	_____	_____	Cash or pay-as-you-go from annual revenues
_____	_____	_____	Grants
_____	_____	_____	Debt financing

2. When debt financing was used over the last three years, the most frequently used type of debt has been (please indicate type of financing and approximate amount for each of the following):

a. For short-term: _____ Approx. \$: _____
 (one year or less)

b. For long-term: _____ Approx. \$: _____
 (more than one year)

3. Over the last three fiscal years (1979-80 to 1981-82) our City/County has incurred debt financing for the following purposes (complete for all that are applicable):

<u>Purpose For Debt Financing-Past Three Years</u>	<u>Number of Debt Issues</u>	<u>Total Amount</u>
a. Short-term, Temporary Financing	_____	\$ _____
b. Education: Elementary & Secondary	_____	_____
c. Education: Colleges & University	_____	_____
d. Transportation: Roads & Bridges	_____	_____
e. Transportation: Ports	_____	_____
f. Transportation: Airports	_____	_____
g. Transportation: Other	_____	_____
h. Housing: Single Family	_____	_____
i. Housing: Multi-Family	_____	_____
j. Housing: Mixed (Single & Multi-Family)	_____	_____
k. Housing: Other	_____	_____
l. Redevelopment	_____	_____
m. Hospitals and Health Care	_____	_____
n. Recreation	_____	_____

<u>Purpose For Debt Financing-Past Three Years</u>	<u>Number of Debt Issues</u>	<u>Total Amount</u>
o. Pollution Control	_____	\$ _____
p. Water Facilities	_____	_____
q. Sewer-Sanitation Facilities	_____	_____
r. Electric and/or Gas	_____	_____
s. Flood Control & Drainage	_____	_____
t. Industrial Aid: Pollution Control	_____	_____
u. Industrial Aid: Other	_____	_____
v. Administrative/Office Buildings	_____	_____
w. Police, Correctional, or Jail Facilities	_____	_____
x. Fire Stations & Equipment	_____	_____
y. Other (describe) _____	_____	_____
TOTAL	=====	=====

4. The type of debt financing used during the last three years (1979-80 to 1981-82) included the following (please complete for all that are applicable).

<u>Type of Debt Financing-Past Three Years</u>	<u>Number of Debt Issues</u>	<u>Total Amount</u>
01 Bond Anticipation Notes (BAN's)	_____	\$ _____
02 Certificates of Participation (COP's)	_____	_____
03 Certificates of Participation - Private Entity	_____	_____
04 Certificates of Participation - Non-Profit Corporation	_____	_____
05 Certificates of Participation - Other Public Agencies	_____	_____
06 Charter City Commercial Paper	_____	_____
07 Charter City Note	_____	_____
08 Commercial Paper	_____	_____
09 Commercial Paper - Revolving Credit Agreement	_____	_____
10 Electric Revenue Bond	_____	_____
11 Equipment Trust Certificate	_____	_____
12 General Obligation Bond	_____	_____
13 General Obligation Note	_____	_____

<u>Type of Debt Financing-Past Three Years</u>	<u>Number of Debt Issues</u>	<u>Total Amount</u>
14 Grant Anticipation Note (GAN's)	_____	\$ _____
15 Hospital Revenue Bond	_____	_____
16 Industrial Development Revenue Bond	_____	_____
17 Installment Sale Agreement	_____	_____
18 Irrigation District Improvement Warrant	_____	_____
19 Lease Purchase Agreement	_____	_____
20 Lease Revenue Bond - Redevelopment	_____	_____
21 Lease Revenue Bond - Parking Authority	_____	_____
22 Lease Revenue Bond - Non-Profit Corporation	_____	_____
23 Lease Revenue Bond - Joint Powers Authorities	_____	_____
24 Lease purchase Agreement	_____	_____
25 Leveraged Lease	_____	_____
26 Mortgage Revenue Bond	_____	_____
27 Mortgage Revenue Bond-"SB99"-Residential Construction	_____	_____
28 Mortgage Revenue Bond-"AB 1355" - Low & Moderate Income Housing	_____	_____
29 Mortgage Revenue Bond - Marks-Foran Residential Rehabilitation Act of 1973	_____	_____
30 Mortgage Revenue Bond-"AB 665" - Multi-Family Rental Housing	_____	_____
31 Mortgage Revenue Bond - Marks Historical Rehabilitation Act of 1976	_____	_____
32 Mortgage Revenue Note	_____	_____
33 Non-Profit Corporation Revenue Bond	_____	_____
34 Optional Advance Note	_____	_____
35 Parking Revenue Bond	_____	_____
36 Promissory Note	_____	_____
37 Revenue Anticipation Note (RAN's)	_____	_____
38 Revenue Bond	_____	_____
39 Revenue Note	_____	_____
40 Revenue Demand Note	_____	_____

<u>Type of Debt Financing-Past Three Years</u>	<u>Number of Debt Issues</u>	<u>Total Amount</u>
41 Special Assessment Bond-Municipal Improvement Act of 1913		\$ _____
42 Special Assessment Bond - Improvement Act of 1911		_____
43 Special Assessment Bond - Improvement Act of 1915		_____
44 Sewer Revenue Bond		_____
45 Tax Allocation Bond (TAB)		_____
46 Tax Allocation Note (TAN)		_____
47 Tax Allocation Bond Anticipation Note		_____
48 Tax and Revenue Anticipation Note		_____
49 Tax Anticipation Note		_____
50 Tax Benefit Lease		_____
51 Tax Benefit Sale		_____
52 Tax Exempt Commercial Paper		_____
53 Tax Exempt Construction Loan Note		_____
54 Tax Exempt Leveraged Lease		_____
55 Water Revenue Bond		_____
56 Other (describe): _____		_____
TOTAL		_____

5. In the future, our City/County anticipates a need to use debt financing for the following purposes (please complete for all that are applicable):

<u>Purpose For Which Debt Financing Will Be Needed</u>	<u>Next Year (Fiscal 83-84)</u>		<u>Next Five Years (1983-84 to 1987-88)</u>	
	<u>Number Issues</u>	<u>Estimated Total Amount</u>	<u>Number Issues</u>	<u>Estimated Total Amount</u>
a. Short-term Temporary Financing		\$ _____		\$ _____
b. Education: Elementary & Secondary		_____		_____
c. Education: Colleges & University		_____		_____
d. Transportation: Roads & Bridges		_____		_____
e. Transportation: Ports		_____		_____
f. Transportation: Airports		_____		_____

Purpose For Which Debt Financing Will Be Needed	Next Year (Fiscal '83-84)		Next Five Years (1983-84 to 1987-88)	
	Number Issues	Estimated Total Amount	Number Issues	Estimated Total Amount
g. Transportation: Other	_____	\$ _____	_____	\$ _____
h. Housing: Single Family	_____	_____	_____	_____
i. Housing: Multi-Family	_____	_____	_____	_____
j. Housing: Mixed (Single & Multi-Family)	_____	_____	_____	_____
k. Housing: Other	_____	_____	_____	_____
l. Redevelopment	_____	_____	_____	_____
m. Hospitals and Health Care	_____	_____	_____	_____
n. Recreation	_____	_____	_____	_____
o. Pollution Control	_____	_____	_____	_____
p. Water Facilities	_____	_____	_____	_____
q. Sewer-Sanitation Facilities	_____	_____	_____	_____
r. Electric and/or Gas	_____	_____	_____	_____
s. Flood Control & Drainage	_____	_____	_____	_____
t. Industrial Aid: Pollution Control	_____	_____	_____	_____
u. Industrial Aid: Other	_____	_____	_____	_____
v. Administrative/Office Buildings	_____	_____	_____	_____
w. Police, Correctional, or Jail Facilities	_____	_____	_____	_____
x. Fire Stations & Equipment	_____	_____	_____	_____
y. Other (describe): _____	_____	_____	_____	_____
TOTAL	=====	=====	=====	=====

6. In the future, our City/County anticipates using the following types of debt financing (please complete for all that are applicable):

Type of Debt Financing	Next Year (Fiscal 83-84)		Next Five Years (1983-84 to 1987-88)	
	Number Issues	Estimated Total Amount	Number Issues	Estimated Total Amount
01 Bond Anticipation Notes (BAN's)	_____	\$ _____	_____	\$ _____
02 Certificates of Participation (COP's)	_____	_____	_____	_____
03 Certificates of Participation - Private Entity	_____	_____	_____	_____
04 Certificates of Participation - Non-Profit Corporation	_____	_____	_____	_____
05 Certificates of Participation - Other Public Agencies	_____	_____	_____	_____
06 Charter City Commercial Paper	_____	_____	_____	_____
07 Charter City Note	_____	_____	_____	_____
08 Commercial Paper	_____	_____	_____	_____
09 Commercial Paper - Revolving Credit Agreement	_____	_____	_____	_____
10 Electric Revenue Bond	_____	_____	_____	_____

<u>Type of Debt Financing</u>	<u>Next Year (Fiscal '83-84)</u>		<u>Next Five Years (1983-84 to 1987-88)</u>	
	<u>Number Issues</u>	<u>Estimated Total Amount</u>	<u>Number Issues</u>	<u>Estimated Total Amount</u>
11 Equipment Trust Certificate	_____	\$ _____	_____	\$ _____
12 General Obligation Bond	_____	_____	_____	_____
13 General Obligation Note	_____	_____	_____	_____
14 Grant Anticipation Note (GAN's)	_____	_____	_____	_____
15 Hospital Revenue Bond	_____	_____	_____	_____
16 Industrial Development Revenue Bond	_____	_____	_____	_____
17 Installment Sale Agreement	_____	_____	_____	_____
18 Irrigation District Improve- ment Warrant	_____	_____	_____	_____
19 Lease Purchase Agreement	_____	_____	_____	_____
20 Lease Revenue Bond - Redevel- opment	_____	_____	_____	_____
21 Lease Revenue Bond - Parking Authority	_____	_____	_____	_____
22 Lease Revenue Bond - Non- Profit Corporation	_____	_____	_____	_____
23 Lease Revenue Bond - Joint Powers Authorities	_____	_____	_____	_____
24 Lease purchase Agreement	_____	_____	_____	_____
25 Leveraged Lease	_____	_____	_____	_____
26 Mortgage Revenue Bond	_____	_____	_____	_____
27 Mortgage Revenue Note-"SB99"- Residential Construction	_____	_____	_____	_____
28 Mortgage Revenue Bond- "AB 1355" - Low & Moderate Income Housing	_____	_____	_____	_____
29 Mortgage Revenue Bond - Marks-Foran Residential Reha- bilitation Act of 1973	_____	_____	_____	_____
30 Mortgage Revenue Bond- "AB 665" - Multi-Family Rental Housing	_____	_____	_____	_____
31 Mortgage Revenue Bond - Marks Historical Rehabilitation Act of 1976	_____	_____	_____	_____
32 Mortgage Revenue Note	_____	_____	_____	_____
33 Non-Profit Corporation Revenue Bond	_____	_____	_____	_____
34 Optional Advance Note	_____	_____	_____	_____
35 Parking Revenue Bond	_____	_____	_____	_____
36 Promissory Note	_____	_____	_____	_____
37 Revenue Anticipation Note (RAN's)	_____	_____	_____	_____
38 Revenue Bond	_____	_____	_____	_____
39 Revenue Note	_____	_____	_____	_____
40 Revenue Demand Note	_____	_____	_____	_____
41 Special Assessment Bond- Municipal Improvement Act of 1913	_____	_____	_____	_____
42 Special Assessment Bond - Improvement Act of 1911	_____	_____	_____	_____

Type of Debt Financing	Next Year (Fiscal '83-84)		Next Five Years (1983-84 to 1987-88)	
	Number Issues	Estimated Total Amount	Number Issues	Estimated Total Amount
43 Special Assessment Bond - Improvement Act of 1915	_____	\$ _____	_____	\$ _____
44 Sewer Revenue Bond	_____	_____	_____	_____
45 Tax Allocation Bond (TAB)	_____	_____	_____	_____
46 Tax Allocation Note (TAN)	_____	_____	_____	_____
47 Tax Allocation Bond Antici- pation Note	_____	_____	_____	_____
48 Tax and Revenue Anticipation Note	_____	_____	_____	_____
49 Tax Anticipation Note	_____	_____	_____	_____
50 Tax Benefit Lease	_____	_____	_____	_____
51 Tax Benefit Sale	_____	_____	_____	_____
52 Tax Exempt Commercial Paper	_____	_____	_____	_____
53 Tax Exempt Construction Loan Note	_____	_____	_____	_____
54 Tax Exempt Leveraged Lease	_____	_____	_____	_____
55 Water Revenue Bond	_____	_____	_____	_____
56 Other (describe): _____	_____	_____	_____	_____
TOTAL	=====	=====	=====	=====

7. What major constraints or obstacles do you foresee which will prevent you from obtaining the most effective or least-cost debt financing? (indicate the degree for all using check mark or SR if a short-run problem/LR if a long-run problem).

	Problem			Remarks/ Concerns
	None	Some	Major	
a. Interest Cost (interest and/or discount)	_____	_____	_____	_____
b. Insufficient revenue for debt service	_____	_____	_____	_____
c. Requirement for voter approval	_____	_____	_____	_____
d. Length of time required for financing	_____	_____	_____	_____
e. Approvals required by other agencies	_____	_____	_____	_____
f. Timing relative to competing debt issues	_____	_____	_____	_____
g. Bond registration requirements (bonds issued after January 1, 1983)	_____	_____	_____	_____
h. Public sale requirements	_____	_____	_____	_____
i. Debt coverage requirements	_____	_____	_____	_____
j. Interest limit	_____	_____	_____	_____

