

## Pocket Checklist for Issuing Bonds

1. Select and retain recognized bond counsel.
2. Select and retain a financial advisor and/or an investment banker to assist with the planning and authorization of the bond sale.
  - a) A list of Oregon Bond Counsel, Financial Advisors and Underwriters can be obtained from the Debt Management Division of the Oregon State Treasurer's Office. A sample request for proposal to assist in the selection process of bond finance professionals is on the "Samples" section of the web site.
3. Determine the amount of funds needed and the corresponding size of the issue. Include, as a minimum, the following:
  - a) Capital costs such as: land, building construction, permits, furnishings and equipment, architect and engineer fees, etc.
  - b) Bond issuance costs such as: bond counsel and attorney fees, underwriter and financial advisor fees, registration costs, principal and interest paying costs, bond insurance (if applicable), printing, advertising, etc.
  - c) When estimating debt service and revenues, include an estimate for uncollected taxes and revenues. For revenue bonds, the bond proceeds should be enough to fund a reserve account which is adequate to cover debt service in the next fiscal year.
  - d) Allow for underwriting discount, if applicable.
4. Determine available cash flows and alternatives to pay debt service on the bonds.
5. Structure the bonds to match needs with cash flow and minimize costs and other considerations.
6. Determine the role the public will play in the issuance.
  - a) Will a citizen advisory committee be formed?
  - b) Will or could property taxes or public user fees be affected?
  - c) Will the issue require a public vote?
7. Adopt resolutions authorizing the sale of the bonds or, if necessary, an election and ballot title:
  - a) Ensure bond counsel and the financial advisor review the resolution and ballot title before adoption.
8. Budget for the bonds:
  - a) Use a Capital Improvement Fund to expend the bond proceeds on the projects and to collect the earnings on the investment of proceeds.
  - b) Use a Debt Service Fund to pay the principal and interest. Ensure there is a carry-over for the next fiscal year's first payment, since it may occur prior to the collection of taxes.