PUBLIC MEETING NOTICE AND AGENDA

MUNICIPAL DEBT ADVISORY COMMISSION MEETING

Monday, May 24, 2021
4:00 PM – 5:00 PM

Audio and video participation: [Join Microsoft Teams Meeting](https://www.oregon.gov/treasury/oregon-bonds/municipal-debt-advisory/pages/default.aspx)
Audio participation only: 971-279-6217 Conference ID: 535 107 743#

Meeting materials are accessible on the MDAC web page under “Meeting Dates, Agendas, and Minutes”

<table>
<thead>
<tr>
<th>AGENDA</th>
<th>BEGIN</th>
<th>END¹</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Call to order and roll call</td>
<td>4:00 PM</td>
<td>4:05 PM</td>
<td>Christine Reynolds</td>
</tr>
<tr>
<td>2. April 2021 Commission and sub-committee meeting recordings</td>
<td>4:05 PM</td>
<td>4:20 PM</td>
<td>Christine Reynolds</td>
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<tr>
<td>a. Sub-committee recommendation</td>
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<tr>
<td>i. OAR 170-061-0000 amendments complying with ORS 238.697</td>
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<td>ii. MDAC Form PB1</td>
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<td>iii. MDAC Form PB2</td>
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<td>3. MDAC OAR 170-061-0015(3) Amendment</td>
<td>4:20 PM</td>
<td>4:50 PM</td>
<td>Jacqueline Knights</td>
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<td>4. Other business</td>
<td>4:50 PM</td>
<td>5:00 PM</td>
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<td>5. Adjournment</td>
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</table>

¹ Approximate end time
TAB 3 –

MDAC OAR 170-061-0000 Amendment

MDAC Form PB1

MDAC Form PB2
Oregon State Treasury

Chapter 170

Division 61
ISSUANCE OF BONDS

170-061-0000
Notice and Reporting Requirements by Public Bodies When Issuing Bonds

(1) Terms used in OAR 170-061 shall have the meanings given in ORS Chapters 286A and 287A unless otherwise specifically defined herein.

(2) Definitions.
(a) "MDAC" means the Oregon Municipal Debt Advisory Commission, including OST when acting as staff for the MDAC pursuant to 287A.632(3).
(b) "OST" means the Office of the State Treasurer.
(c) "Bond marketing date" is the date the public body and underwriter or placement agent agree on the market terms of the bonds. For competitive bid bonds this is the date bids are opened and the bonds are awarded to public bidders pursuant to a published notice of bond sale. For negotiated sales or private placements this means the date the public body gives the verbal award to the underwriter or placement agent.
(d) "Called bonds" are bonds for which the public body has exercised the option or requirement to redeem before the stated maturity date. The call date is the date the bond may be redeemed.
(e) "Closing" means the date the bonds are delivered to the initial bond purchaser and the public body receives payment for the bonds.
(f) "Delivery date" means the date shown by the United States Postal Service or other delivery services' cancellation mark or, if provided electronically, the delivery date is the date shown as electronically received by the OST.
(g) "Governing body" means the person, board, commission, council, officer or other body authorized to direct the issuance of bonds.
(h) "Issuer" means a public body or the State Treasurer.
(i) "Official statement" means the document published by a state agency or public body that discloses material information on the issue of bonds including the purposes of the issue, repayment methods, and the financial, economic and social characteristics of the issuing government. A final official statement is printed after the final terms of the bonds are available.
(j) "Paying officer" means the public officer, other than a fiscal or paying agent, to who bonds may be presented for payment.
(k) "Public body" means those entities described in ORS 287A.001 and an intergovernmental entity formed pursuant to ORS 238.695.
(l) "State agency" means a related agency defined in ORS 286A.001(8).
(m) "True Interest Cost" (TIC) means the annual discount rate that, when used to discount all debt service payments on the issue to the date of initial delivery of the issue, using a compounding interval equal to the interest payment periods for the issue, results in the aggregate present value of such debt service payments being equal to the original purchase price (including accrued interest) of the issue.
(n) "Independent SEC-registered advisor" has the meaning given in Oregon Laws 2019, chapter 355, section 23(4)ORS 238.697(4).
(o) "Pension Obligation Bonds" means issuance of bonds authorized under ORS 238.694 revenue bonds authorized under ORS 238.694 and ORS chapter 287A for the purpose of obtaining funds to pay the pension liability of a public body.
(p) "Public Offering" means a sale for which an issuer publicizes the upcoming bond issue, provides the timeframe and platform for which bids will be accepted, and provides any additional guidelines or details
related to the bond issue and for which the winning bidder(s) generally is the bidder who has offered the lowest total interest costs, including all costs of issuance and underwriter fees.

(q) "Private Placement" means a sale in which funds are provided through direct negotiation with one or more private or governmental entities, effectively providing a loan that must be repaid over time. Private placements do not require many of the disclosure requirements found in public offerings and are not publicly issued or publicly traded.

(r) "Limited Offering" means a sale in which the bonds are offered and sold to a limited number of investors that meet certain established standards for qualifying as a purchaser of the bonds and the offering is exempt from the provisions of Securities and Exchange Commission Rule 15c2-12 because the bonds are sold in authorized denominations of $100,000 to no more than 35 persons each of whom the underwriter reasonably believes:

(A) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the investment; and

(B) is not purchasing for more than one account or with a view to distributing the securities.

(s) "Pension Bond Assessment" means the statistically based assessment from an independent economic or financial consulting firm required under ORS 238.697(1)(a).

(t) "MDAC Form 1" means the report of a public body filed as set forth in OAR 170-055-0001(4) providing notice of publicly offered and limited offering bond sales, which shall include the information set forth in section (3) of this rule.

(u) "MDAC Form 2" means the report of a public body filed as set forth in OAR 170-055-0001(4) providing notice of the results of the sale of publicly offered and limited offering bond sales, which shall include the information set forth in section (8) of this rule.

(v) "MDAC Form PB 1" means the report of a public body filed as set forth in OAR 170-055-0001(4), which shall include the information set forth in section (5) of this rule.

(w) "MDAC Form PB 2" means the annual report filed by a public body that has issued Pension Obligation Bonds as required by section (9)(a) of this rule.

(3) Notice of bond sales. Public bodies shall provide notice of publicly offered and limited offering bond sales to MDAC by submitting MDAC Form 1 as set forth in OAR 170-055-0001(4). Notice The MDAC Form 1 must include preliminary bond sale information such as: the issuing entity, type of bond, anticipated bond marketing date, bond par amount, project or purpose of the bond issue, source of revenues used to repay the bonds, anticipated closing date, bond counsel, financial advisor and other summary information identified on MDAC Form 1.

(4) MDAC Form 1 Timing. If a public body issues Pension Obligation Bonds, whether by public offering, limited offering or private placement, the public body shall provide the notice described in section 3 of this rule to the MDAC at least 30 days prior to bond marketing date; for all other bond sales the public body shall provide the required notice to the MDAC at least 10 days prior to the bond marketing date. The MDAC Form 1 must be filed:

(a) at least 30 days prior to the bond marketing date for any public body that is issuing Pension Obligation Bonds, whether by public offering, limited offering or private placement;

(b) at least 10 days prior to the bond marketing date for all other bond sales.

(5) Pension Bonds Assessment. In addition to the notice required under section 4 of this rule, a public body issuing Pension Obligation Bonds shall also submit to the State Treasurer, through the OST Debt Management Division, at least 30 days prior to the bond marketing the following items:

(a) A statistically based assessment from an independent economic or financial consulting firm regarding the likelihood that investment returns on the Pension Obligation Bond proceeds will exceed the interest cost of the bonds under various market conditions; and

(b) The name of the SEC-registered advisor, if any, that will assist the public body in issuing the Pension Obligation Bonds. MDAC Form PB 1. At least 30 days before issuing Pension Obligation Bonds, the public body issuing such bonds shall file the MDAC Form PB 1 as set forth in OAR 170-055-0001(4). The MDAC Form PB 1 shall include the following information:

(a) the Pension Bond Assessment that is required by ORS 238.697(2) to be transmitted to the State Treasurer; and

(b) confirmation of compliance with ORS 238.697(1)(b)(A) and (B).

(6) Confirmation of notice. After receipt of the notice required under section 43 and 5 of this rule, the MDAC shall provide a confirmation letter verifying such. The letter that includes a statement that the
Postponement. For postponed or changed bond sales the public body complies with notice requirements when, on a best efforts basis, it submits an updated MDAC Form 1 or MDAC Form PB1, as applicable, to the MDAC as set forth in OAR 170-055-0000(4).

Reporting results. Any public body issuing bonds shall report bond sale results by submitting MDAC Form 2, and a public body preparing an official statement shall provide a final copy of such official statement, to the MDAC within seven business days after the bond marketing date. Sale results must include all of the information identified on MDAC Form 2. The public body and its bond counsel will receive written notice of non-compliance if sale results are not reported.

Annual Pension Obligation Bond Reporting.

(a)(i) To assist the State Treasurer in complying with its annual reporting obligation under ORS 238.697(3), the OST Debt Management Division will send a letter by October 1 of each year to any public body that has issued Pension Obligation Bonds on or after June 11, 2019, and which has bonds that remain outstanding, requesting that the public body file the MDAC Form PB2 as set forth in OAR 170-055-0000(4) by December 1 of each year.

(ii) The MDAC Form PB2 shall include the following information:

1. the actual interest rate owed over the term of the Pension Obligation Bonds;
2. the projected rate of return on the Pension Obligation Bond proceeds, as determined by the Pension Bond Assessment; and
3. the actual rate of return on Pension Obligation Bond proceeds in the previous fiscal year and the cumulative rate of return on the Pension Obligation Bond proceed.

(b) in satisfying the requirement to provide the information described under subsection (a)(ii)(3) of this rule, a public body that participates in the Public Employees Retirement System ("PERS") may request this information from PERS for submission to the State Treasurer on the MDAC Form PB2.

(c) in connection with providing the information described under section (a)(ii)(3) of this rule, a public body that does not participate in PERS may direct its independent investment manager, if any, to provide this information for submission to the State Treasurer of the MDAC Form PB2.

Exceptions. The MDAC, through a vote of the commissioners, may waive any or all provisions of this rule.

Statutory/Other Authority: ORS 287A.634 & 287A.640
Statutes/Other Implemented: ORS 287A.634 & ORS 287A.640
History:
OST 5-2019, amend filed 12/16/2019, effective 12/20/2019
OST 2-2019, temporary amend filed 07/24/2019, effective 08/01/2019 through 01/27/2020
OST 3-2010, f. & cert. ef. 2-2-10
OST 7-2008, f. & cert. ef. 12-29-08
TD 2-1995, f. & cert. ef. 12-26-95
TD 1-1995, f. 6-29-95, cert. ef. 7-3-95
TD 2-1994, f. & cert. ef. 9-9-94
TD 1-1985, f. & ef. 1-24-85
TD 4-1982, f. & ef. 7-7-82
TD 2-1982(Temp), f. & ef. 1-27-82
TD 1-1982(Temp), f. & ef. 1-11-82
TD 2-1981(Temp), f. & ef. 12-23-81
MUNICIPAL DEBT ADVISORY COMMISSION

FORM PB1 TO BE FILED 30 DAYS PRIOR TO BOND ISSUANCE DATE

References:  
ORS 238.697  
OAR 170-061-0000 Section (5)

Issuer: _____________________________________________________________________________  
Authorized Representative & Title: _____________________________________________________________________________

Email: ___________________________  Phone #: ___________________________  
Series: ___________________________  
Expected Bond Issuance Date: ___________________________

<table>
<thead>
<tr>
<th>Pension Bond Assessment required by ORS 238.697(2) (See Attached)</th>
</tr>
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<tbody>
<tr>
<td>Issuer confirmation of compliance with ORS 238.697(1)(b)(A) and (B).</td>
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</tbody>
</table>
MUNICIPAL DEBT ADVISORY COMMISSION

FORM PB2 TO BE FILED BY DECEMBER 1 OF EACH YEAR

References:  ORS 238.697(3)  
             OAR 170-061-0000 Section (9)

Date of Filing By Issuer: ________________

Issuer: ____________________________________________
Authorized Representative & Title: ____________________________
Email: ____________________________________________ Phone #: ____________________________

Based on information available to the Public Body as of the date filed:

<table>
<thead>
<tr>
<th>Pension Obligation Bond (“POB”) Series Name:</th>
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<tr>
<td>POB Issue Date:</td>
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<tr>
<td>Final Maturity Date:</td>
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<tr>
<td>Actual Interest Rate Owed Over Term of POB:</td>
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<tr>
<td>Projected Rate of Return on POB proceeds, as determined by Pension Bond Assessment required by ORS 238.697(2)</td>
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<tr>
<td>Actual Rate of Return on POB proceeds in previous fiscal year</td>
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<tr>
<td>Cumulative Rate of Return on POB proceeds</td>
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TAB 4 –

MDAC OAR 170-061-0015 Amendment
Fees Charged by the Debt Management Divisions

(1) State agencies. The following fees are charged by the Oregon State Treasury (OST) in connection with the services, duties and activities of the OST related to bonds issued for state agencies by the State Treasurer:

(a) Agency Bond Issues of $15 million or less. For a single series bond sale of $15 million or less, a state agency will be charged $18,000 per sale. For a bond sale of $15 million or less by a single state agency with multiple series, the state agency will be charged the greater of (i) $18,000 or (ii) $7,500 per series. For a bond sale of $15 million or less by two or more state agencies, each agency will be charged the greater of (i) $9,000 or (ii) $7,500 for each series sold for the agency. This subsection applies to initial offerings, refundings and restructurings. This subsection does not apply if the bond sale is a private placement conduit as described below in subsection (c).

(b) Agency Bond Issues of more than $15 million. For a single series bond sale of more than $15 million, a state agency will be charged $25,000. For a bond sale of more than $15 million by a single state agency with multiple series, the state agency will be charged the greater of (i) $25,000 or (ii) $8,500 per series. For a bond sale of more than $15 million by two or more state agencies, each agency will be charged the greater of (i) $12,500 or (ii) $8,500 for each series sold for the state agency. This subsection applies to initial offerings, refundings and restructurings. This subsection does not apply if the bond sale is a private placement conduit as described below in subsection (c).

(c) Privately Placed Conduit Bonds are bonds that are payable solely from moneys owed by a party other than the State of Oregon, with no recourse for payment to the State of Oregon, do not have a publicly disseminated official statement or other offering circular, and are sold only to one or more sophisticated investors, accredited investors or qualified institutional buyers. A state agency that privately places conduit bonds will be charged: (i) $6,000 for sales that in aggregate total $5 million or less, (ii) $12,000 for sales that in aggregate total more than $5 million but less than $10 million, or (iii) $18,000 for sales that in aggregate total $10 million or more. Should conduit bonds be sold publicly or use a publicly disseminated official statement then subsection (a) or subsection (b) above applies. This subsection applies to initial offerings, refundings and restructurings.

(d) Tax Anticipation Notes. A state agency will be charged $35,000 for each sale of tax anticipation notes.

(e) Interest Rate Exchange Agreements. In addition to any other fee, $25,000 will be charged for the review and approval of a state agency’s first executed interest rate exchange agreement for a specific bond program of the agency. After the first agreement, a fee of $12,000 will be charged for each executed interest rate exchange agreement subsequently entered into by the agency for the same bond program or indenture. These charges do not include costs such as interest rate exchange advisor fees, rating agency charges or printing costs which are payable by the agency or authority for whom the cost is incurred.
(f) Replacement of Liquidity Providers or SWAP Counter Party Providers. A state agency will be charged $12,000 for activities related to each replacement of a liquidity provider or SWAP counter party provider. These charges do not include costs such as rating agency charges or printing costs which are payable by the agency or authority for whom the cost is incurred.

(2) Public Bodies. The following fees are charged by OST in connection with the services, duties and activities of the OST related to bonds issued by public bodies in Oregon; expenses incurred in reviewing refunding and defeasance plans may be charged against the bond proceeds or may be paid by the public body from such other funds as may be available:

(a) Advance refunding plan application and review. The non-refundable administrative fee for submission of an advance refunding plan is $200.

(b) Oregon School Bond Guaranty Program. School districts that submit an application for participation in the Oregon School Bond Guaranty Program shall submit a non-refundable application fee of $200 to OST with their application. School districts whose bonds are guaranteed by the State shall submit to OST, within 10 business days of closing, a fee equal to .03% (.0003) of the total principal and interest due, assuming the bonds are paid on their regularly scheduled maturity or redemption dates. If bonds are issued as "Qualified Bonds" under OAR 170-063-000 that may be converted to an interest bearing format over and above interest payments that may be due and payable under the original terms of bonds, the fee for such Qualified Bonds will be equal to .045% (.00045) of the total principal and interest due, assuming the bonds are paid on their regularly scheduled maturity or redemption dates and that there is no conversion to a different interest bearing format than the original terms of the bonds.

(3) Municipal Debt Advisory Commission.

(a) Definitions.

(A) “Financial Obligation(s)” means borrowings maturing in 13 months or more including, but not limited to: public bonds, private placements, bank loans, financing agreements, lines of credit or any capital lease over $1 million.

(B) “Bond Professional(s)” means bond counsel, underwriters, municipal finance advisors and other professionals with bonding expertise who assist in the evaluation, structuring or sale of financial obligations.

(C) “Overlapping Debt Report(s)” means reports that include information concerning maturity dates, amounts, interest rates, and overlapping percentages as a proportion of Real Market Value (RMV) for all property tax-backed debt.

(D) “Pension Obligation Bonds” means revenue bonds authorized under ORS 238.694 and ORS chapter 287A for the purpose of obtaining funds to pay the pension liability of a public body.

(E) “Public body” has the same meaning as the definition of the term in ORS 287A.001 and an intergovernmental entity formed pursuant to ORS 283.695.

(b) The following fees are charged in connection with the services, duties and activities of the OST as staff to the Municipal Debt Advisory Commission, pursuant to ORS 287A.634(3).

(A) Administrative Tracking and Reporting fee for Financial Obligation other than Pension Obligation Bonds. Each Local government entity or public body shall submit, at the time of closing, a fee equal to:
(i) $500,000 for any financial obligation with a principal amount greater than or equal to $1 million, but less than $18 million and for which the local government or public body uses the assistance of bond professionals.

(ii) Greater of $1,000 or 0.015% (0.00015) of the principal amount for any financial obligation with a principal amount of $18 million or greater but less than $50 million and for which the local government or public body uses the assistance of bond professionals, or

(iii) $7,500,000 for any financial obligation with a principal amount of $50 million or greater and for which the local government or public body uses the assistance of bond professionals.

(iv) No fee is charged for any financial obligation with a principal amount of less than $1 million and for which the local government uses the assistance of bond professionals.

(v) If the local government or public body does not use any bond professionals for the issuance of the financial obligations, a fee will not be charged.

(B) Administrative Tracking and Reporting fee for Pension Obligation Bonds. Each local government entity or public body shall submit, at the time of closing of the issuance of a Pension Obligation Bond, a fee equal to:

(i) $1,000 for any Pension Obligation Bonds with a principal amount less than $1 million and for which the local government or public body uses the assistance of bond professionals.

(ii) Greater of $2,000 or 0.02% (0.0002) of the principal amount for any Pension Obligation Bonds with a principal amount of $1 million or greater but less than $50 million and for which the local government or public body uses the assistance of bond professionals, or

(iii) $10,000 for any Pension Obligation Bonds with a principal amount of $50 million or greater and for which the local government or public body uses the assistance of bond professionals.

(c) Overlapping Debt Report fee. Overlapping Debt Reports are provided free of charge.

(d) Other fees and charges. Fees for specialized reports and services will be determined by the number of hours spent by OST to produce such specialized report or service at the rate of $115 per hour.

(4) Private Activity Bonds.

(a) Current Year Allocation. State agencies or public bodies that submit an application for allocation of the state’s private activity bond volume limit (“CAP”) for the current year to the Private Activity Bond Committee under OAR 170-071-0005 shall submit a non-refundable application fee of $200 to OST when their application is submitted. State agencies or public bodies who receive CAP shall pay to OST:

(A) For a bond sale with a principal amount of $10 million or less, a fee equal to $3,000, payable within 10 business days of the closing date of the bond sale,

(B) For a bond sale with a principal amount of more than $10 million, a fee equal to $10,000 payable within 10 business days of the closing date of the bond sale, or
(C) For a mortgage credit certificate program, a fee equal to $2,000, payable within 10 business days of the date of the notice of allocation by OST.

(b) Carry Forward Allocation. State agencies or public bodies that submit an application for carry forward allocation under OAR 170-071-0005(10) shall submit a non-refundable application fee of $200 to OST when their application is submitted. State agencies or public bodies who receive carry forward allocation shall pay to OST:

(A) For a bond sale with a principal amount of $10 million or less, a fee equal to $3,000; of which the first $500 is payable within 10 days of the date of the notice of allocation by OST, with the balance payable within 30 days of the closing date of the first bond sale associated with the allocation,

(B) For a bond sale with a principal amount of more than $10 million, a fee equal to $10,000; of which the first $2,000 is payable within 10 days of the date of the notice of allocation by OST, with the balance payable within 30 days of the closing date of the first bond sale associated with the allocation,

(C) For a mortgage credit certificate program, a fee equal to $2,000, payable within 10 business days of the date of the notice of allocation by OST.

(D) For an agricultural bond issued through the Oregon Business Development Department’s Beginning and Expanding Farmer Loan Program and sold to a single insured institution under ORS 706.008, a fee equal to $200 is payable within 10 business days of the closing date of the bond sale. For agricultural bonds that will be sold to one or more accredited or sophisticated investors or institutional buyers, or more than one insured institution under ORS 706.008, OST may, at its discretion, charge up to a maximum of $2,000 depending on the complexity of the transaction.

(5) OST may, at its discretion, waive or reduce any fee outlined in sections (1) to (4) based on compelling financial reasons.

Statutory/Other Authority: ORS 286A.014, 287A.370 & 287A.634
Statutes/Other Implemented: ORS 287A & 286A
History:
OST 4-2018, amend filed 10/11/2018, effective 10/22/2018
OST 2-2018, temporary amend filed 08/27/2018, effective 08/27/2018 through 02/22/2019
OST 3-2015, f. & cert. ef. 7-10-15
OST 1-2015, f. & cert. ef. 1-22-15
OST 3-2014(Temp), f. 8-13-14, cert. ef. 8-15-14 thru 2-11-15
OST 2-2013, f. & cert. ef. 4-24-13
OST 3-2012(Temp), f. & cert. ef. 12-14-12 thru 5-29-13
Reverted to OST 1-2011, f. & cert. ef. 2-28-11
OST 1-2012(Temp), f. & cert. ef. 1-26-12 thru 7-1-12
OST 1-2011, f. & cert. ef. 2-28-11
Reverted to OST 1-2010, f. & cert. ef. 1-15-10
OST 4-2010(Temp), f. 6-3-10, cert. ef. 7-1-10 thru 12-27-10
OST 2-2010(Temp), f. & cert. ef 1-26-10 thru 7-24-10
OST 1-2010, f. & cert. ef. 1-15-10
OST 5-2009(Temp), f. & cert. ef. 10-30-09 thru 4-27-10
OST 3-2009, f. & cert. ef. 7-21-09
OST 2-2009, f. & cert. ef. 4-22-09
OST 7-2008, f. & cert. ef. 12-29-08
OST 5-2006, f. & cert. ef. 10-25-06
OST 1-2005, f. & cert. ef. 4-22-05
OST 1-1999, f. & cert. ef. 2-1-99
TD 2-1994, f. & cert. ef. 9-9-94
TD 3-1990, f. & cert. ef. 12-21-90
Municipal Debt Advisory Commission

Proposed Amendment to OAR 170-061-00015 Relating to MDAC Fees for Public Body

May 24 2021
Contents

- Review of Existing Fee Structure
- OST Services Provided to Local Governmental Issuers
- OST Components of Costs to Service Local Government Issuers
- Current MDAC Fee Structure: Historical Collection
- Pension Obligation Bond Reporting and Maintenance Requirements
- Ongoing Reporting Requirements for Public Bodies
- Proposed Fees
Current Fee Structure: Local Government

- Municipal Debt Advisory Commission fees for a Public Body (Local Government) are assessed pursuant to OAR 170-061-00015(3)(b)(A)
- OST’s current MDAC fee structure, summarized below, has been in effect since 2011

<table>
<thead>
<tr>
<th>Issuance Size</th>
<th>Current Fee¹</th>
</tr>
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<tbody>
<tr>
<td>Less than $1,000,000</td>
<td>No Charge</td>
</tr>
<tr>
<td>$1,000,000 and less than $8,000,000</td>
<td>$800</td>
</tr>
<tr>
<td>$8,000,000 and less than $50,000,000</td>
<td>.01% (.0001) * principal amount of Financial Obligation;</td>
</tr>
<tr>
<td>$50,000,000m or greater</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

¹ For which the local government uses a bond professional

- Fees include overlapping debt report at no additional cost
- Section OAR 170-061-00015(3)(d) provides for Other Fees and Charges for specialized reports and services determined by the number of hours spent by OST to produce such specialized report or service at the rate of $115 per hour.
OST Services Provided to Local Governments

- Overlapping Debt Report at least annually and periodically as needed for Annual Financial Reports
  - Annual Notification to Local Governments to indicate their desire for the report as data as assessed valuations are updated annually
- Data and/or reports for MSRB filings, Continuing Disclosure Agreement reporting and Secretary of State filings
- Local debt verification at least biennially
- Maintaining bond financing information including but not limited to the following:
  - Initial bond issuance data
  - Bond Redemptions
  - Debt service reports as needed
  - Report pooled financings at an aggregate and local government level
- Other State Services:
  - Pooled financing agreement – Facilitate debt service set aside to Trustee for issuers using State Aid Intercept
  - Ensure continuity of data integrity regardless of changes at the local government level or the size of local government
Current MDAC Fee Structure: Historical Collection

- OST tracks and maintains debt issuance data and provide post issuance reporting at least annually for 701 Local Government issuers with outstanding debt

- During the last four years, OST has collected an average of $237,038 in MDAC fees annually for an average of 115 transactions each year
  
  - This does not include 59 local government bond issues with par amount less than $1 million for which no fees are assessed
  
  - The median issue size of our MDAC transactions, for which fees are charged is $8.74 million, which results in a median charge of $874 per issue

- OST allocated costs for servicing local governments is approximately $259,018, factoring in direct personnel costs inclusive of allocated costs of Debt Tracking and Reporting, Continuing Disclosure and Policies and Procedures
OST Components of Costs in Servicing Local Governments

- **OST Allocated Personnel Cost**
  - Data gathering, input, due diligence, follow-up, mailing, updating system data (e.g. real market values)
  - OST allocated legal costs in connection with any amendments or updates to OARs affecting local entities

- **OST BondTracker and Technology Costs**
  - Updates to BondTracker System – Maintain a list of upgrades and required improvements
  - Modify or create reports to provide necessary reporting

- **Implementation of amendments to OAR 170-061-0000** to accommodate data entry related to Pension Obligation Bonds and additional annual reporting of financial return data on invested POB proceeds require
  - Technology changes budgeted at $30,000
  - Additional personnel resources to provide annual notification, data gathering, verification and reporting
Proposed Fee Structure: Public Body

- Treasury proposes to amend the MDAC Fees for a Public Body (Local Government) which are assessed in OAR 170-061-00015(3)(b)(A) to achieve the following:
  a) For Financial Obligations, assess fees to cover existing allocated OST expenses
  b) For Pension Obligation Bonds, assess fees to cover changes to the Bond Tracker System, Treasury cost to implement such changes and ongoing reporting requirements for POBs

<table>
<thead>
<tr>
<th>Issuance Size</th>
<th>Financial Obligation(^1)</th>
<th>Pension Obligation Bonds(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $1,000,000</td>
<td>$500</td>
<td>$1,000</td>
</tr>
<tr>
<td>&gt;= $1,000,000 and &lt; $10,000,000</td>
<td>$1,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>&gt;= $10,000,000 and &lt; $50,000,000</td>
<td>.015% (.00015) * Principal Amount</td>
<td>0.02% (.0002) * Principal Amount</td>
</tr>
<tr>
<td>&gt;= $50,000,000</td>
<td>$7,500</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

\(^1\)For which the local government uses a Bond Professional

- Treasury will continue to provide overlapping debt report at no additional cost
- Pension Obligation Bond fees include annual notification to Public Body of annual post issuance compliance requirements pursuant to the proposed amendments to OAR 170-061-0000
- Other provisions in OAR 170-061-00015(3)(b)(A) that are not specified here will remain in effect