

Pocket Checklist for Issuing Bonds

1. Select and retain qualified, recognized Bond Counsel.
2. Select and retain a Municipal Advisor and/or Underwriter or other lender to assist with the planning and authorization of the bond sale.
 - a) A list of frequently used Oregon Bond Counsel, Municipal Advisors and Underwriters/Lenders can be obtained from the Debt Management Division. Related information is available in the Municipal Debt Advisory Commission [annual report](#).
3. Using the appropriate methodology (i.e., based on Unlimited Tax General Obligation levy rate or annual debt service payment), determine the estimated amount of funds needed and the corresponding size of the issue. Consider the following:
 - a) Capital costs, such as: land, building construction, permits, furnishings and equipment, architect and engineer fees, long range facility plans, communication/outreach plans, etc.
 - b) Bond issuance costs, such as and if applicable: Bond Counsel, Underwriter, Municipal Advisor, rating agency and Paying Agent fees, credit enhancement, bond reserve, and costs of posting an official statement and obtaining cusips, etc.
 - c) When estimating General Obligation Bond debt service and revenues, include estimates for uncollected taxes. Amounts to fund debt service for approximately one year may need to be included.
 - d) Allow for underwriting discount.
 - e) For tax-exempt borrowings, Issuers should obtain Bond Counsel advice pertaining to spending proceeds following the sale date of the bonds.
4. Select the appropriate method of sale (competitive, negotiated, bank loan/direct placement) based on the characteristics of the proposed bonds.
5. 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 vote or referable action?
6. Adopt authorizing actions which, depending on the borrowing, may be a resolution, ordinance, or authorization requiring an election and ballot title, if necessary.
 - a) Ensure Bond Counsel, the Municipal Advisor and/or Underwriter are involved in drafting documents.
7. If a negotiated sale is determined to be appropriate for the characteristics of the bonds, distribute Request for Proposals to select one or more Underwriters for the bonds.
8. Determine available cash flows and alternatives to pay debt service on the bonds.

9. Structure the bonds to match needs with cash flow and minimize costs and other considerations.

10. Budget for the bonds:
 - a) Use a Capital Improvement Fund, if applicable, 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.
 - c) Issuers are encouraged to structure tax-backed issues with December and June payments to match up with the property tax cycle and simplify budgeting.