

Glendale Community College District

Presentation on April 16, 2014



RBC Capital Markets®

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RBC Capital Markets Overview



RBC Capital Markets®

Wall Street Firms

Regional Underwriters

- Large national presence
- Underwriting capability in billions
- Well-known among broad investor base

National Platform:

- Capital in billions
- Highest rated municipal underwriter
- Access to broad and diverse investor base

Regional Focus:

- Commitment to California education
- Internal retail distribution network
- Utilize capital to ensure District's success on day of pricing

- Strong local presence
- Focus on California education
- Regionally based

The RBCCM Advantage allows our firm to use the resources gained as a large national firm to benefit our California community college district clients



Highly-Rated and Reputable Firm

- RBCCM started its regional municipal platform with a focus on California. Now, more than 100 years later, our firm still maintains:
 - A reputation clean of all legal issues regarding our sales of municipal bonds
 - Highest credit ratings as an underwriter in the California education space
 - Large capital reserves with underwriting capability in the billions of dollars
 - An extensive retail distribution network with 18 banking and wealth management offices located throughout California

Capital Positions – As of Most Recent Filing with SEC		
	Net Capital*	Excess Net Capital*
RBC Capital Markets®	\$1,352,799,306	\$1,234,677,508
RAYMOND JAMES INVESTMENT SERVICES	\$488,864,000	\$452,347,000
STIFEL NICOLAUS	\$368,200,000	\$355,700,000
GUIDES FOR THE JOURNEY PIPER JAFFRAY	\$165,600,000	\$164,600,000
gkb George K. Baum & Company INVESTMENT BANKERS SINCE 1923	\$15,588,939	\$15,338,939

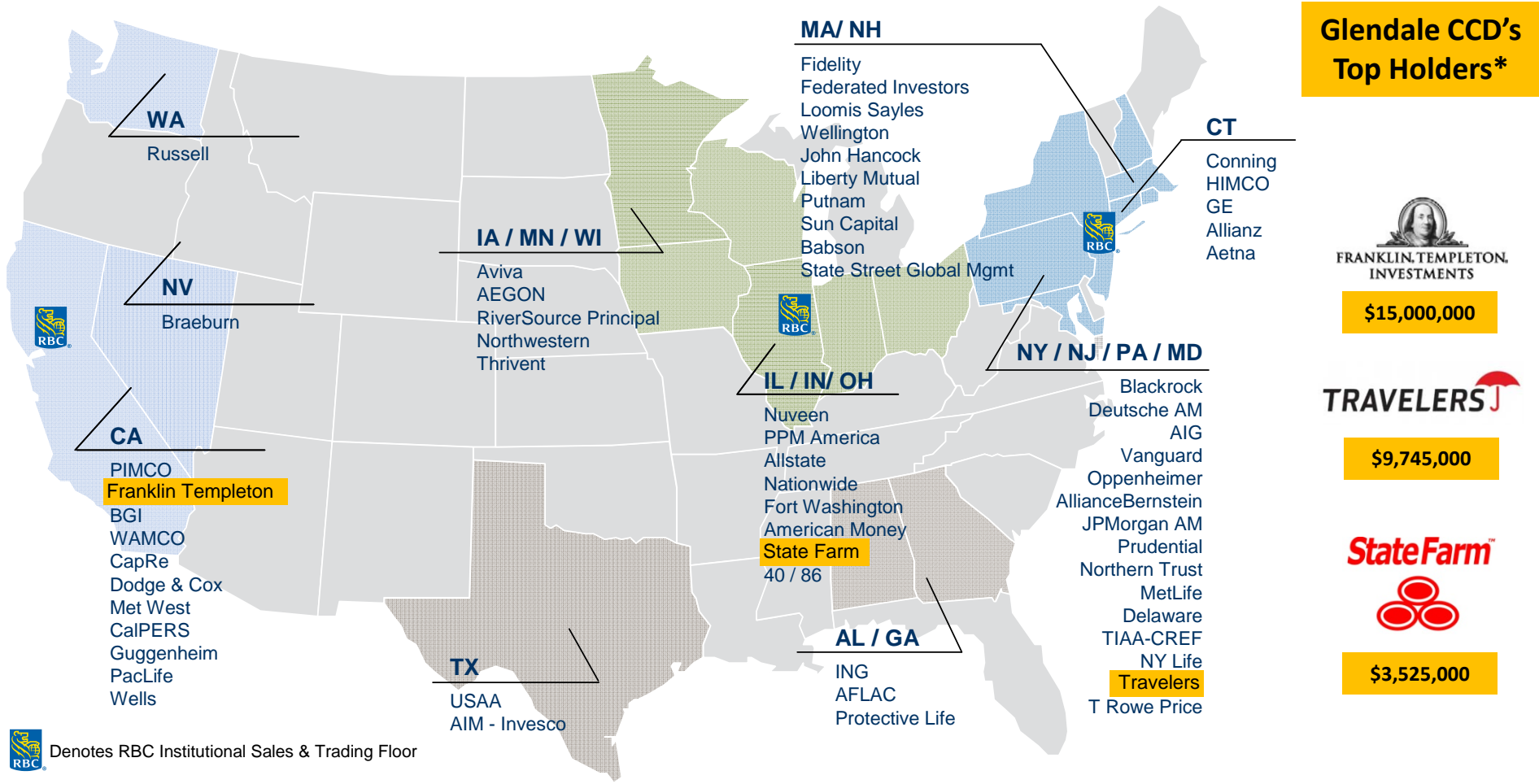
* Source: RBC Capital Markets FOCUS Report Ending 02/28/14
 Raymond James & Associates 10-Q Report Ending 12/31/13
 Stifel Nicolaus 10-K Report Ending 12/31/13
 Piper Jaffray 10-K Report Ending 12/31/13
 George K. Baum FOCUS Report Ending 10/31/13

RBCCM California Retail Distribution



Tier I Institutional Investor Distribution

RBCCM Covers All of the Largest US Municipal and Fixed Income Investors




* Bondholders: EMAXX as of 04/15/14

RBCCM Employs: 21 Dedicated Municipal-Only Institutional Salespeople, 49 Municipal Traders and Underwriters and 7 Municipal Short-Term Sales and Trading Specialists

Los Angeles County Education Bond Experience



RBCCM is One of the Most Active and Knowledgeable Bond Underwriters in Los Angeles County




\$16,980,000

Pasadena ACCD

**2014 G.O.
Refunding Bonds**

Total Taxpayer Savings* **\$1,619,363**

Senior Manager
April 2, 2014




\$59,310,000

Antelope Vly CCD

**2014 G.O.
Refunding Bonds**

Total Taxpayer Savings* **\$3,156,935**

Senior Manager
March 27, 2014




\$17,010,000

Compton CCD

**2014 G.O.
Refunding Bonds**

Total Taxpayer Savings* **\$2,205,653**

Senior Manager
March 18, 2014




\$102,030,000

Pasadena USD

**2014 G.O.
Refunding Bonds**

Total Taxpayer Savings* **\$2,961,111**

Sole Manager
March 6, 2014




\$11,825,000

Long Beach CCD

**2014 G.O.
Refunding Bonds**

Total Taxpayer Savings* **\$780,508**

Senior Manager
February 25, 2014




\$131,855,000

Santa Monica CCD

**2013 G.O.
Refunding Bonds**

Total Taxpayer Savings* **\$12,265,342**

Senior Manager
June 5, 2013




\$13,130,000

Citrus CCD

**2013 G.O.
Refunding Bonds**

Total Taxpayer Savings* **\$1,804,515**

Sole Manager
April 24, 2013



\$41,755,000

El Camino CCD

**2012 G.O.
Refunding Bonds**

Total Taxpayer Savings* **\$2,169,011**

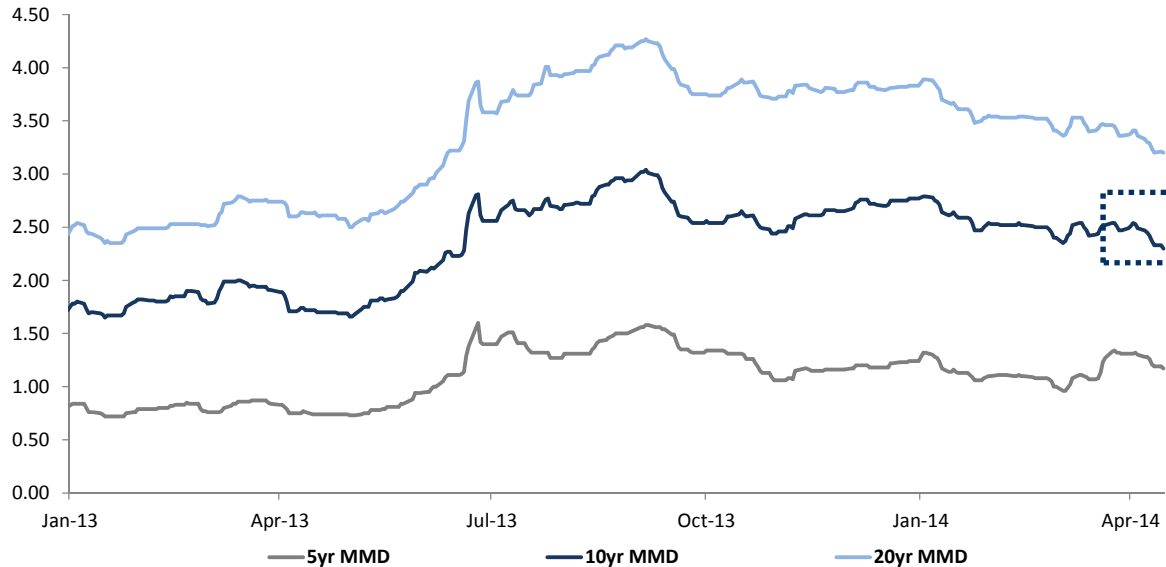
Senior Manager
August 23, 2012

* Net of all transaction costs

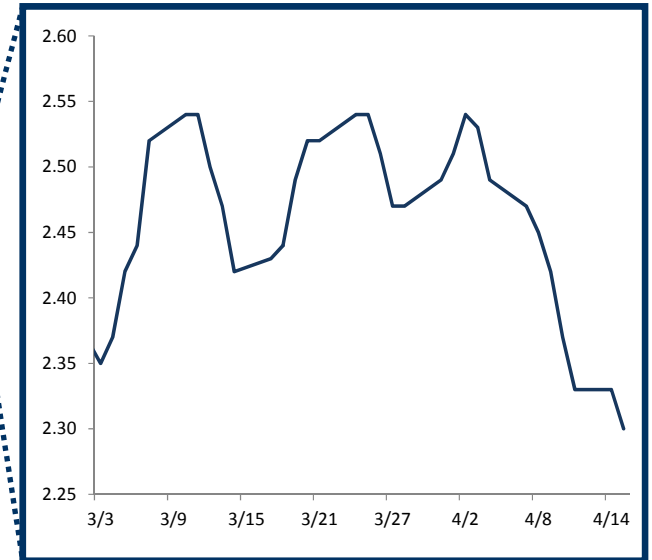
Current Market Conditions: “AAA” MMD

After closing at 2.45% last Tuesday, the 10-year “AAA” MMD decreased by 15 bps from April 8 – April 15 to a current rate of 2.30%

“AAA” MMD January 1, 2013 to Present



Shift in “AAA” MMD Since March 1, 2014



Recent Changes in Interest Rates					
	1/2/14	2/3/14	3/3/14	4/1/14	4/15/14
5-Year	1.32	1.11	0.96	1.31	1.17
10-Year	2.79	2.53	2.35	2.51	2.30
20-Year	3.89	3.54	3.36	3.38	3.20

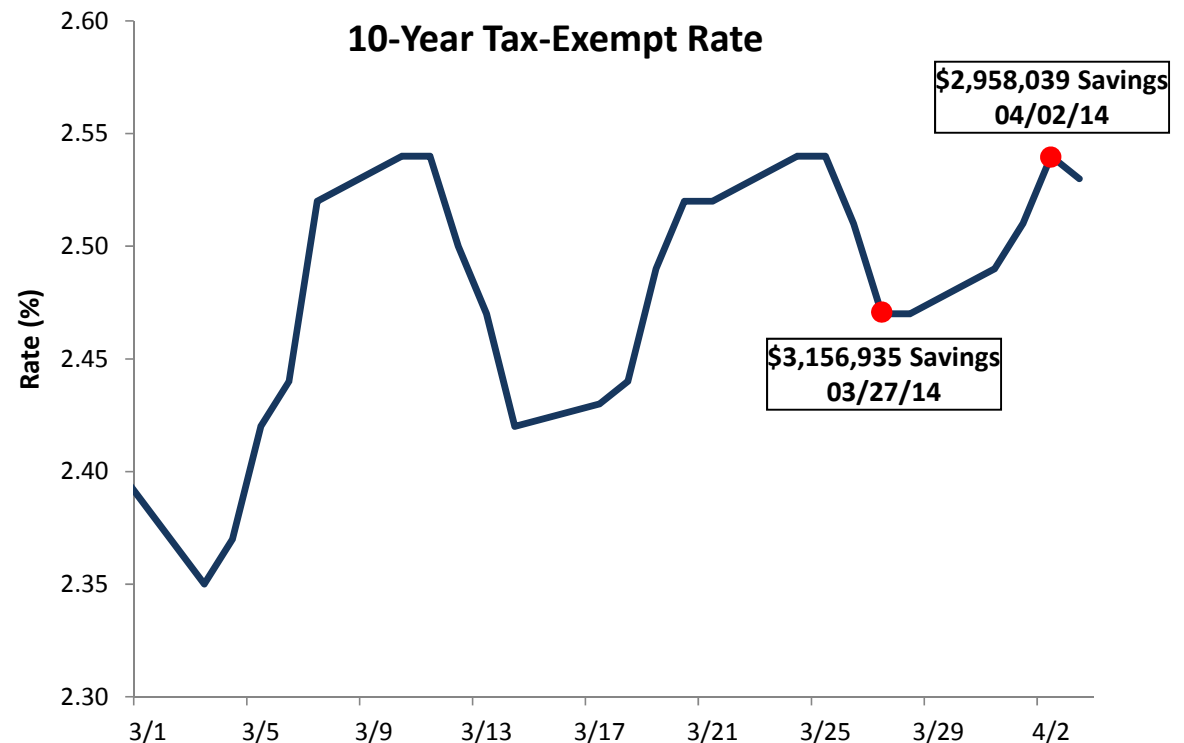
Source: TM3, Thomson Reuters
5, 10, and 20 year “AAA” MMD shown to represent different average lives of municipal transactions
Rates as of April 15, 2014

Case Study: Antelope Valley Community College



2014 G.O. Refunding Bonds	
	Final Results
Amount Refinanced:	\$56,754,315
Total Borrowing Rate*:	3.064%
Interest Rate on Prior Bonds:	5.057%
Total Taxpayer Savings (\$)* :	\$3,156,935
Present Value Savings (%)*:	4.23%

* Net of all transaction costs



- In this rising interest rate environment, RBC Capital Markets and the underwriting syndicate committed more than \$15 million of capital in order to preserve favorable pricing levels for the District
- If the District had waited to price its 2014 G.O. Refunding Bonds on the following week, total taxpayer savings would have decreased by roughly \$200,000

Measure “G” G.O. Bond Program Summary

- The \$98 Million Measure “G” G.O. Bond Program was passed by voters on March 5, 2002 with 58% support
- The table below includes a summary of the bond issuance schedule as well as a refunding analysis of the outstanding bonds

Election	Series	New Money Bonds	Refunding Bonds	Outstanding (as of 4/1/14)	Call Date	Total Refunding Savings*	Refunding % PV Savings*
2002	2002A	\$27,000,000	\$0	\$0	--	Refunded	Refunded
2002	2003B&C	17,499,930	--	8,927,285	Non-Call	--	--
	2005Ref.	--	16,951,097	4,716,097	Non-Call	--	--
2002	2006D	34,500,000	--	30,520,000	11/01/16	\$1,640,552	4.47%
2002	2011E.	5,001,453	--	4,594,623	08/01/21	Negative	Negative
2002	2013F	13,995,000	--	13,995,000	08/01/22	Negative	Negative
	Total:	\$97,996,383	\$16,951,097	\$62,753,005			

* Negative values represent no savings to District

- Under current market conditions, a refinancing of the District’s outstanding 2002 Election, Series 2006D G.O. Bonds can achieve more than **\$1.64 million in savings for taxpayers, or 4.47% in present value savings**. Please see additional details on the next page
- The other bonds are not refunding candidates under current market conditions due to the inefficiency of the escrow and length of time to the call date

Current Savings Analysis (as of April 15, 2014)



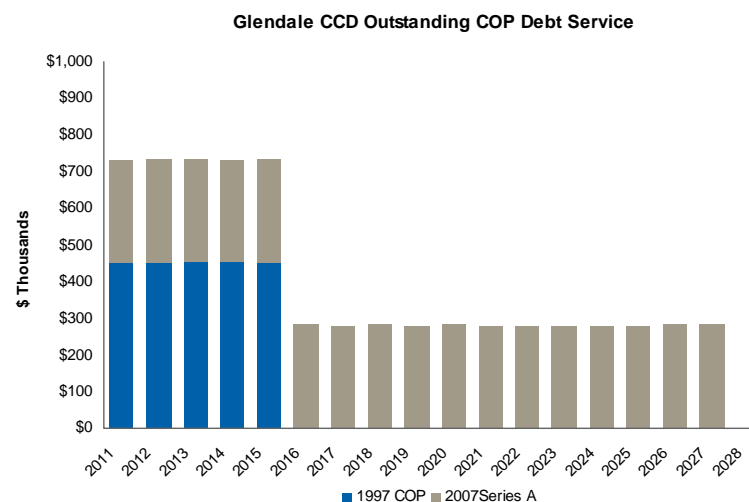
- Under current market conditions, a refinancing of the District's outstanding 2002 Election, Series 2006D G.O. Bonds can achieve more than **\$1.64 million in savings for taxpayers, or 4.47% in present value savings.**
- The estimated savings are **net** of all transaction costs, including an underwriting fee of 0.50%.

Glendale CCD 2014 G.O. Refinancing				Debt Service Comparison at Current Rates			
	Current Rates less 20 bps	Current Rates	Current Rates plus 20 bps	Year	Prior Net Cash Flow	Proposed Debt Service	Gross Savings
Bonds Refunded:	\$27,800,000	\$27,800,000	\$27,800,000	2014	\$685,094	\$684,267	\$827
Interest Rate of Prior Bonds:	4.926%	4.926%	4.926%	2015	\$1,370,188	\$1,317,800	\$52,388
All-In True Interest Cost*:	3.164%	3.367%	3.569%	2016	\$1,370,188	\$1,317,400	\$52,788
Total Taxpayer Savings (\$)* :	\$1,842,465.92	\$1,640,552.08	\$899,335.42	2017	\$2,505,188	\$2,407,000	\$98,188
Present Value Savings (%)*:	6.63%	4.47%	2.37%	2018	\$2,523,438	\$2,426,500	\$96,938
				2019	\$2,552,938	\$2,457,250	\$95,688
				2020	\$2,582,938	\$2,486,750	\$96,188
				2021	\$2,608,188	\$2,510,250	\$97,938
				2022	\$2,633,688	\$2,534,250	\$99,438
				2023	\$2,659,188	\$2,558,500	\$100,688
				2024	\$2,684,438	\$2,582,750	\$101,688
				2025	\$2,713,700	\$2,611,750	\$101,950
				2026	\$2,742,500	\$2,640,000	\$102,500
				2027	\$2,765,600	\$2,662,250	\$103,350
				2028	\$2,798,000	\$2,688,500	\$109,500
				2029	\$2,823,250	\$2,713,250	\$110,000
				2030	\$2,851,500	\$2,741,250	\$110,250
				2031	\$2,882,250	\$2,772,000	\$110,250
					\$43,752,269	\$42,111,717	\$1,640,552

* Net of all transaction costs

District Outstanding Certificates of Participation

- The District currently has two outstanding certificates of participation (“COP”)
 - The graph to the right shows the outstanding debt service due on the COPs
 - The table below includes a refunding analysis of the outstanding COPs



Series	Issue Amount	Outstanding (as of 4/1/14)	Range of Interest Rates	Call Date	Total Refunding Savings*	Refunding % PV Savings*
1997	\$4,905,000	\$840,000	5.10% – 5.25%	01/01/09 @ 100	Negative	Negative
2007 A	3,730,000	2,895,000	3.80% - 4.375%	06/01/17 @ 100	Negative	Negative
Total:	\$97,996,383	\$62,753,005				

* Negative values represent no savings to District

- Due to the small size, inefficiency of the escrow and length of time to the call date, the District’s outstanding COPs are not refunding candidates
- RBC will continue to monitor market conditions to find refunding opportunities for the District’s debt