

# Recent Market Conditions

- Financial markets are volatile, and struggle with uncertainty
- Investors are purchasing US Treasuries (“flight to quality”) but little else
- This drives US Treasury yields down, but can increase rates on other debt
- Some new municipal bond issues are being sold, but if issuers can wait, they are
- Historically, even in 2008, unsettled markets have returned to orderly functioning in weeks to months
- High-quality credits, like the District, are often the first to have efficient market access
- **What Does this Mean for the District Near-Term?**
  - Responsive Plan of Finance adjustments
  - Flexible market access and liquidity preservation are high priority
  - ***Proceed with Plan of Finance to preserve liquidity and achieve savings, when available, but delay retirement of \$85 million of higher rate bonds until a later date***

# Proposed

## Timeline to Pursue Debt Optimization

Dec

- **BOARD ACTION:** Adopted Reimbursement Resolution



Mar 16

- **BOARD INPUT:** Receive market update, discuss next steps



Today

- **DECISION POINT TO PRESERVE LIQUIDITY AND FLEXIBILITY**
- **BOARD ACTION:** Consider adopting Bond Issuance Resolution – 3/30 (authorizes, but does not require issuance\*\*)
- **BOARD INPUT:** Review District offering documents – 3/26 – 4/6

Apr

- Publish offering documents with 2019 financials – 4/10\*
- Price and sell refinancing and new bonds – 4/21\*
- **BOARD ACTION:** Sign closing documents – 4/27\*

May

- Staff completes closing and delivers bonds – 5/1\*

\*Tentative, subject to market conditions

\*\*If issuance, retire certain bonds at later date