

Hartnell Community College District

Measure T General Obligation Bonds

April 22, 2020









Considerations Going Forward

More uncertainty and volatility going forward given the unpredictability of COVID-19's impact and response from governments and investors



Current Municipal Bond Market

In the current economic climate, a flight to quality/liquidity has taken place where Treasury rates have declined (Exhibit 1) while municipal bond rates have increased (Exhibit 2) as investors withdraw billions from municipal bond funds (Exhibit 3)

Exhibit 1
(US 10-Year Treasury Yield)

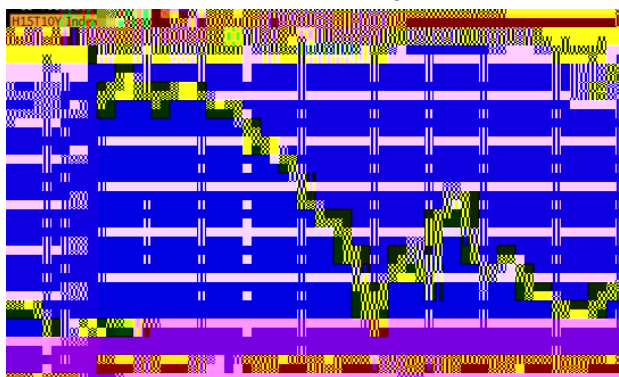


Exhibit 2
(Bloomberg Barclays Municipal Bond Index)

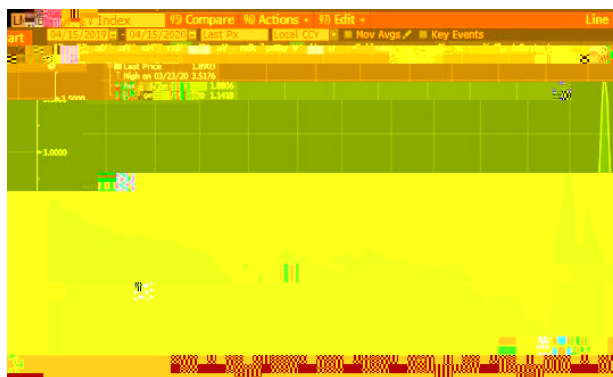


Exhibit 3
(Municipal Bond Fund Weekly In/Outflows)

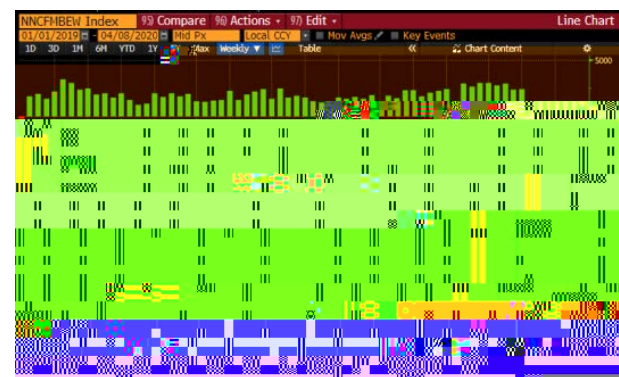
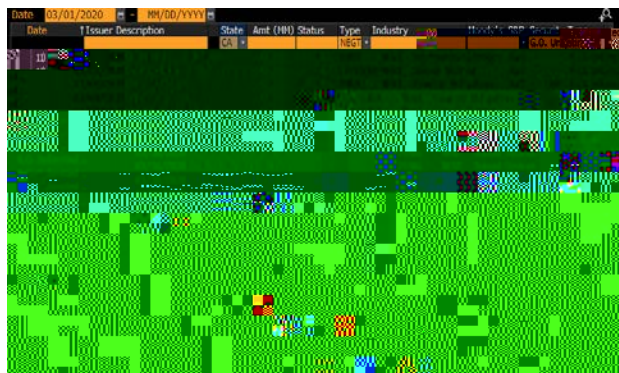


Exhibit 4
(Recent CA K-14 Bond Financings)



Highly-rated/secure financings are experiencing greater success in getting sold to investors (Exhibit 4)

Source: Graphs from Bloomberg.



	Moody's	S&P	Fitch	Rating Description
Investment grade	Aaa	AAA	AAA	Prime
	Aa1			



Next Steps

Following are the next steps to complete the financing plan

- 1) Bring legal documents back to the Board of Trustees for consideration
- 2) Present District credit profile and receive ratings
- 3) Circulate offering document to prospective investors
- 4) Sell bonds/lock interest rates
- 5) Close financing/receive proceeds

While current economic conditions remain uncertain, the District



Questions?

Thank you for your time and we welcome any questions!

