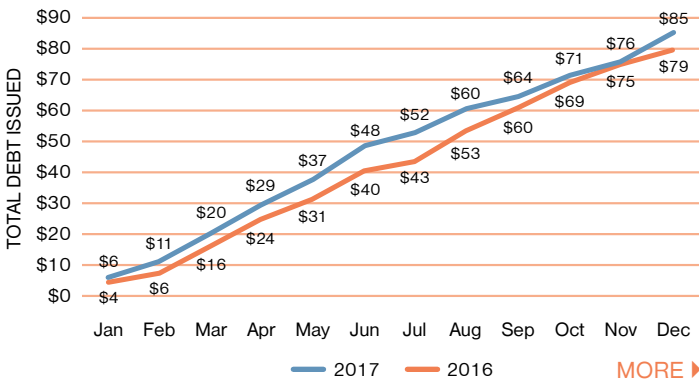


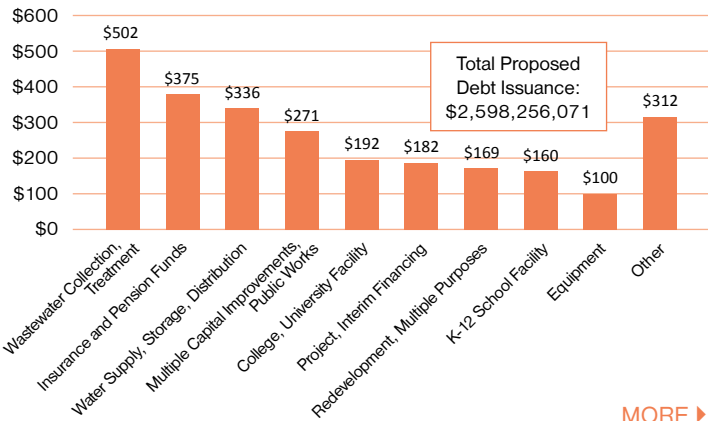
## California Public Debt Issuance Monthly Data

CUMULATIVE CALIFORNIA PUBLIC DEBT ISSUANCE (IN BILLIONS)<sup>1</sup>



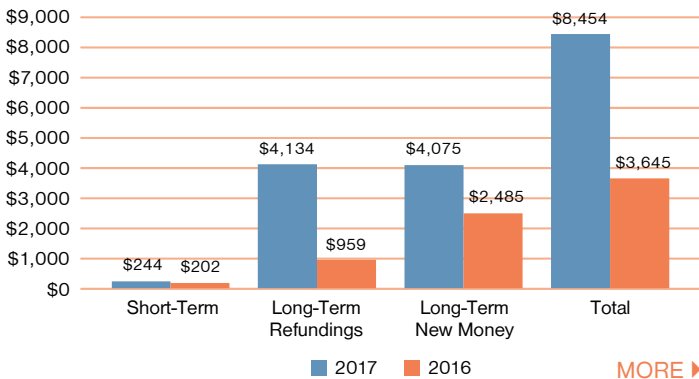
[MORE ▶](#)

REPORTS OF PROPOSED DEBT ISSUANCE RECEIVED 12-16-2017 THROUGH 1-15-2018, BY PURPOSE (IN MILLIONS)



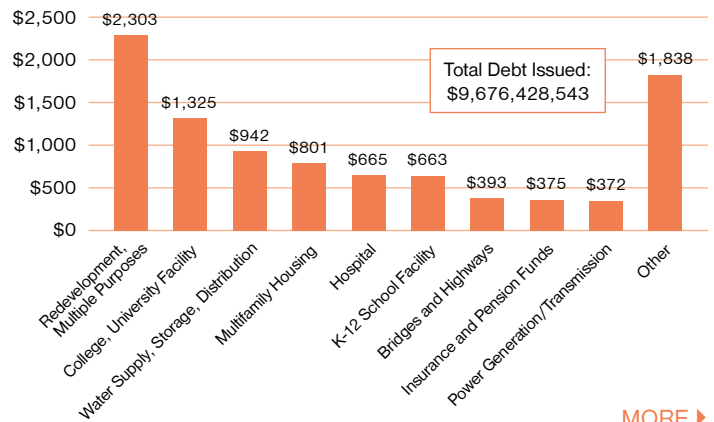
[MORE ▶](#)

CALIFORNIA PUBLIC DEBT ISSUANCE, DECEMBER (IN MILLIONS)<sup>1</sup>



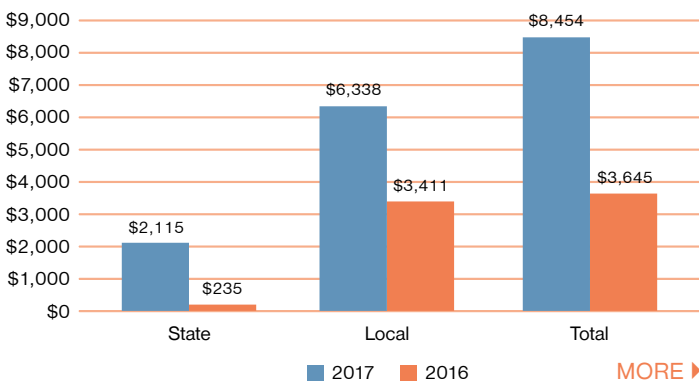
[MORE ▶](#)

TOTAL REPORTS OF FINAL SALE RECEIVED 12-16-2017 THROUGH 1-15-2018, BY PURPOSE (IN MILLIONS)



[MORE ▶](#)

STATE\* VERSUS LOCAL DEBT ISSUANCE, DECEMBER (IN MILLIONS)<sup>1</sup>



[MORE ▶](#)

\* State issuers include the State of California, its agencies, commissions, authorities, departments and The Student Loan Corporation.

<sup>1</sup> Data may not include issuances reported after the 22<sup>nd</sup> day of the following month.

More detailed debt issuance information is available in the monthly [Debt Line Calendar](#).



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**CALIFORNIA  
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*Debt Line* is published monthly by the California Debt and Investment Advisory Commission (CDIAC).

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*Debt Line* publishes articles on debt financing and public fund investment that may be of interest to our readers; however, these articles do not necessarily reflect the views of the Commission.

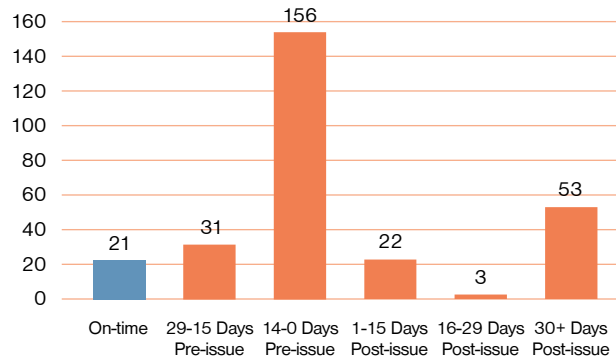
Business correspondence and editorial comments are welcome.

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# DATA-CORNER

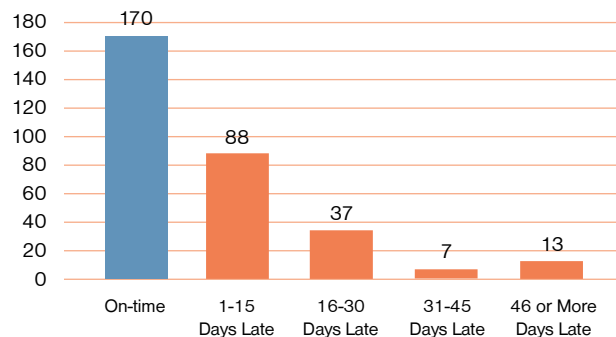
## TIMELINESS OF SUBMITTAL OF REPORTS

REPORTS OF PROPOSED DEBT ISSUANCE (RPDIs)<sup>1</sup> RECEIVED DECEMBER 2017



<sup>1</sup> California Government Code Section 8855(i) states that the issuer of any proposed debt issue of state and local government shall, no later than 30 days prior to the sale of any debt issue, submit a report of proposed issuance to the commission by any method approved by the commission.

REPORTS OF FINAL SALE (RFSs)<sup>2</sup> RECEIVED DECEMBER 2017



<sup>2</sup> California Government Code Section 8855(j) states that the issuer of any debt issue of state or local government, not later than 21 days after the sale of the debt, shall submit a report of final sale to the commission by any method approved by the commission.

## DATA UNIT ACTIVITY DECEMBER 2017

- ✓ Received and processed 286 RPDIs
- ✓ Received and processed 315 RFSs
- ✓ Received 26 Marks-Roos Yearly Fiscal Status Reports for FY 2016-17
- ✓ Received 0 Mello-Roos Yearly Fiscal Status Reports for FY 2016-17



# Top Municipal Market Financing Team Participants: Calendar Year 2017

Jeff Field  
Data Collection and Analysis Unit

California state and local agencies issued approximately \$ 78.5 billion of long- and short-term debt in calendar year 2017, only a 0.3 percent decrease from the total volume in 2016.<sup>1</sup> The nationwide picture also remained steady, declining a mere 1.6 percent from the previous year.<sup>2</sup>

## BOND COUNSELS

In 2017, the issuance of Property Assessed Clean Energy (PACE) bonds continue to account for much of the activity in California. PACE<sup>3</sup> allows a local public agency to issue loans to individual property owners for the purpose of making energy efficiency improvements. While the principal amounts are often low, the structure of the transactions accounted for hundreds of debt issuance reports submitted to CDIAC. Best Best & Krieger (BBK) served as bond counsel to PACE programs in Riverside and San Bernardino counties where issuance of PACE financings took off in 2013. This made BBK the leading bond counsel firm that year when measured by number of deals. BBK occupied the top spot until the

middle of 2016, when it was supplanted by Jones Hall, who by that time had begun to serve as bond counsel for the PACE programs of the California Statewide Communities Development Authority (CSCDA) as well as the County of Los Angeles. In calendar 2017, Jones Hall maintained its lead over BBK as California's top bond counsel firm ranked by number of deals. Jones Hall was responsible for 28.6 percent of deals that used a bond counsel. Best Best & Krieger, still a heavy PACE player, ranked second with 26.1 percent of the deals. Orrick Herrington & Sutcliffe, Stradling Yocca Carlson & Rauth, and Quint & Thimmig rounded out the top five firms for the first half of calendar 2017 on a deal basis. These same five firms occupied the top five rankings in calendar year 2016 (Figure 1).

**FIGURE 1**  
TOP FIVE BOND COUNSELS, BY NUMBER OF DEALS

JANUARY 1 - DECEMBER 31, 2016					JANUARY 1 - DECEMBER 31, 2017				
FIRM	NUMBER OF DEALS	PAR AMOUNT (\$ MILLIONS)	% OF TOTAL NUMBER OF DEALS <sup>1,2</sup>	% OF TOTAL VOLUME <sup>1,2</sup>	FIRM	NUMBER OF DEALS	PAR AMOUNT (\$ MILLIONS)	% OF TOTAL NUMBER OF DEALS <sup>1,2</sup>	% OF TOTAL VOLUME <sup>1,2</sup>
Jones Hall	715	\$5,954	27.1%	7.9%	Jones Hall	879	\$6,820	28.6%	9.0%
Best Best & Krieger LLP	698	1,722	26.4%	2.3%	Best Best & Krieger LLP	804	1,237	26.1%	1.6%
Orrick Herrington & Sutcliffe	305	31,189	11.5%	41.5%	Orrick Herrington & Sutcliffe	443	35,453	14.4%	46.5%
Stradling Yocca Carlson & Rauth	298	10,718	11.3%	14.3%	Stradling Yocca Carlson & Rauth	316	9,349	10.3%	12.3%
Quint & Thimmig LLP	105	1,672	4.0%	2.2%	Quint & Thimmig LLP	127	1,697	4.1%	2.2%
"All Others"	472	22,269	17.9%	29.7%	"All Others"	509	21,612	16.5%	28.4%
Total All Deals (W/ BOND COUNSEL)	2,593	\$73,525			Total All Deals (W/ BOND COUNSEL)	3,078	\$76,168		
TOTAL ALL DEALS	2,642	\$75,068			TOTAL ALL DEALS	3,154	\$78,546		
NO BOND COUNSEL REPORTED	49	\$1,544			NO BOND COUNSEL REPORTED	76	\$2,377		

<sup>1</sup> California issuance numbers include all debt reported to CDIAC as of January 4, 2018 pursuant to CA Govt. Code §8855(j), including long-term and short-term financings and private placements.

<sup>2</sup> SIFMA data "US Municipal Issuance" <https://www.sifma.org/wp-content/uploads/2017/06/municipal-us-municipal-issuance-sifma.xls>.

<sup>3</sup> Governed by Street and Highways Code Section 5898.28.

Ranking of bond counsel firms by par amount issued produced an entirely different result. Orrick was the leading firm in California. In fact, deals in which Orrick served as bond counsel accounted for \$35.4 billion, almost four times the amount of the second ranking firm, Stradling Yocca Carlson & Rauth. Jones Hall, Hawkins Delafield & Wood, and Kutak Rock LLP placed third, fourth and fifth, respectively. BBK dropped back to 10th based on par value. Bond counsels participated in 97.6 percent of the reported financings in California during 2017, a slight decrease from the 98.1 percent for 2016.

## FINANCIAL ADVISORS

As was the case in 2016, California's leading financial advisory firm for

2017 based on deal count was The PFM Group/Public Financial Management, Inc. (PFM). PFM continued to hold the top spot while increasing its total deal count by 23 percent to 665 as compared to 542 in 2016. PFM serves as the financial advisor on the PACE programs in Riverside and San Bernardino Counties, which constituted 88 percent of the deals in which they participated. Urban Futures/Isom Advisors, Fieldman, Rolapp & Associates; and KNN Public Finance (KNN), placed second, third and fourth respectively based on deal count. Public Resources Advisory Group (PRAG) continued to maintain the fifth spot in 2017 (Figure 2). When measured by volume issued, PRAG was California's top financial

advisory firm, participating in 54 deals with a total par amount of \$17.6 billion. KNN, PFM, Fieldman Rolapp, and Montague DeRose & Associates LLC complete the top five on a par amount basis.

Based on number of deals, financial advisors participated in 60.2 percent of the reported public debt issuance during 2017, a 3 percent decrease from 2016. Based upon par amount issued, financial advisory firms participated in 85.4 percent of the debt issued in 2017. This figure was also a 3 percent decrease from the 2016 share.

## UNDERWRITERS

Stifel Nicolaus & Company, Inc. (Stifel) and RBC Capital Markets

**FIGURE 2**

TOP FIVE FINANCIAL ADVISORS, BY NUMBER OF DEALS

JANUARY 1 - DECEMBER 31, 2016					JANUARY 1 - DECEMBER 31, 2017				
FIRM	NUMBER OF DEALS	PAR AMOUNT (\$ MILLIONS)	% OF TOTAL NUMBER OF DEALS <sup>1,2</sup>	% OF TOTAL VOLUME <sup>1,2</sup>	FIRM	NUMBER OF DEALS	PAR AMOUNT (\$ MILLIONS)	% OF TOTAL NUMBER OF DEALS <sup>1,2</sup>	% OF TOTAL VOLUME <sup>1,2</sup>
The PFM Group / Public Financial Management Inc	542	\$9,871	32.4%	14.9%	The PFM Group / Public Financial Management Inc	665	\$7,834	35.0%	11.7%
Isom Advisors/Urban Futures Inc	171	2,469	10.2%	3.7%	Urban Futures Inc / Isom Advisors	171	2,489	9.0%	3.7%
Fieldman Rolapp & Associates	134	4,579	8.0%	6.9%	Fieldman Rolapp & Associates	165	4,470	8.7%	6.7%
KNN Public Finance	106	8,793	6.3%	13.2%	KNN Public Finance	127	8,698	6.7%	13.0%
Dale Scott & Company Inc	53	1,528	3.2%	2.3%	Public Resources Advisory Group	54	17,607	2.8%	26.2%
"All Others"	665	39,144	39.8%	59.0%	"All Others"	718	25,979	37.8%	38.7%
TOTAL ALL DEALS (W/ FINANCIAL ADVISOR)	1,671	\$66,385			TOTAL ALL DEALS (W/ FINANCIAL ADVISOR)	1,900	\$67,078		
TOTAL ALL DEALS	2,642	\$75,068			TOTAL ALL DEALS	3,154	\$78,546		
NO FINANCIAL ADVISOR REPORTED	971	\$8,683			NO FINANCIAL ADVISOR REPORTED	1,254	\$11,468		


<sup>1</sup> Totals may not add due to rounding.

<sup>2</sup> Deals with a Bond Counsel Firm participating.

were California's top two underwriting firms for 2017, as measured by number of deals with 232 with 114 deals respectively. Stifel and RBC together underwrote 39 percent more deals than the remaining three of the top five firms combined. Those were Morgan Stanley & Co., Raymond James & Associates, and Piper Jaffray & Co. (Figure 3).

Citigroup Global Markets eclipsed all other underwriting firms on a par value basis by purchasing 14.2 percent, or approximately \$9.3 billion, of California's debt involving an underwrit-

er. In 2017, underwriters purchased 83.6 percent of the state's municipal offerings by par amount.<sup>4</sup> No participation by an underwriter was reported on 2,087 deals totaling approximately \$12.9 billion in par value.

CDIAC relies on the accuracy of the information submitted on the Report of Final sale to analyze market trends for California public issuers. Most of the information noted above can be accessed through the California State Treasurer's online data portal DebtWatch, at <http://www.debtwatch.treasurer.ca.gov>. 

**FIGURE 3**  
TOP FIVE UNDERWRITERS, BY NUMBER OF DEALS

JANUARY 1 - DECEMBER 31, 2016					JANUARY 1 - DECEMBER 31, 2017				
FIRM	NUMBER OF DEALS	PAR AMOUNT (\$ MILLIONS)	% OF TOTAL NUMBER OF DEALS <sup>1,2</sup>	% OF TOTAL VOLUME <sup>1,2</sup>	FIRM	NUMBER OF DEALS	PAR AMOUNT (\$ MILLIONS)	% OF TOTAL NUMBER OF DEALS <sup>1,2</sup>	% OF TOTAL VOLUME <sup>1,2</sup>
Stifel Nicolaus & Company Inc	264	\$6,258	25.8%	9.6%	Stifel Nicolaus & Company Inc	232	\$5,820	21.7%	8.9%
Piper Jaffray & Co	88	2,918	8.6%	4.5%	RBC Capital Markets LLC	114	4,085	10.7%	6.2%
RBC Capital Markets LLC	78	3,202	7.6%	4.9%	Morgan Stanley & Co LLC	84	6,630	7.9%	10.1%
Morgan Stanley & Co LLC	72	7,010	7.0%	10.8%	Raymond James & Associates Inc	84	1,851	7.9%	2.8%
Citigroup Global Markets Inc	69	10,861	6.7%	16.7%	Piper Jaffray & Co	81	2,173	7.6%	3.3%
"All Others"	453	34,818	44.2%	53.5%	"All Others"	474	\$45,080	44.3%	68.7%
TOTAL ALL DEALS (W/ UNDERWRITER)	1,024	\$65,067			TOTAL ALL DEALS (W/ UNDERWRITER)	1,069	\$65,639		
TOTAL ALL DEALS	2,644	\$75,068			TOTAL ALL DEALS	3,156	\$78,546		
NO UNDERWRITER ON DEAL	1,620	\$10,002			NO UNDERWRITER ON DEAL	2,087	\$12,906		

<sup>1</sup> Totals may not add due to rounding.

<sup>2</sup> Deals with an Underwriting Firm participating.

<sup>4</sup> Banks or other entities purchased the debt not purchased by underwriters. In these sales, there was no firm identified as an underwriter on the Report of Final Sale submitted to CDIAC.

# 2017 Debt Line Index

TITLE	MONTH
2016 Debt Line Index . . . . .	January
2016 Debt Issuance (Data-Corner) . . . . .	March
2016 vs 2017 - Six Month Comparison of Debt Issuance Data as of 7/12/17 . . . . .	September
CDIAC Bids Farewell to a Long Time Staff Member. . . . .	December
Data Corner – Timeliness of Report Submittal . . . . .	June
Federal Legislation Affecting State and Local Governments . . . . .	March, May, June, July, August, September, October, November
Guidance on Complying with SB 1029 Release Date: December 28, 2016 . . . . .	January
Mello-Roos and Marks-Roos Reporting Requirements . . . . .	September
Mello-Roos Financing: A Comparison of Issuance in Fiscal Years 2014-15 and 2015-16 . . . . .	November
Municipal Market Regulatory Activity Calendar of Events . . . . .	January, February, March, April, May, June, July, August, September, October, November, December
Property Assessed Clean Energy Financings . . . . .	May
Review of Assembly Bill 2300 Reporting Requirements . . . . .	April
SB 1029 Compliance: Adoption of Local Debt Policies. . . . .	July
School Districts, Smaller Issuers Maintaining Revival of Bond Insurance . . . . .	October
State Legislation Affecting State and Local Governments. . . . .	March, May, June, July, August, September, October, November, December
State Public Finance Legislation Effective January 1 <sup>st</sup> , 2016 . . . . .	February
Summary of the California 2017 Local Elections. . . . .	December
Top Municipal Market Financing Team Participants, Calendar Year 2016 . . . . .	February
Top Municipal Market Financing Team Participants – Quarters 1 & 2 of 2017 . . . . .	August

**DL**

## Municipal Market Regulatory Activity Calendar of Events

### JANUARY 2018

- 1** The MSRB began implementation of the continuing education program for municipal advisors, as required by amendments to MSRB Rule G-3.

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- 18** The MSRB filed Proposed Rule Change Consisting of Amendments to Rule G-21, on Advertising, Proposed New Rule G-40, on Advertising by Municipal Advisors, and a Technical Amendment to Rule G-42, on Duties of Non-Solicitor Municipal Advisors with the SEC. The MSRB

has requested an effective date of nine months for the proposed changes.

### MARCH 2018

- 5** Comments due to GASB on Exposure Draft – *Accounting for Interest Cost During the Period of Construction*.

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- 12** Effective date for SEC’s amendments to Rule 203(l)-1 and Rule 203(m)-1 under the Investment Advisors Act of 1940 to exempt advisers to small business investment companies from Investment Adviser Registration.

### MAY 2018

- 14** Effective date for changes to MSRB Rule G-15 on confirmation, clear-

ance, settlement and other uniform practice requirements for customer transactions and G-30 on prices and commissions for disclosure of mark-ups/mark-downs by brokers, dealers, and municipal securities dealers.

### JUNE 2018

- 14** Effective date of amendment to Municipal Securities Rulemaking Board (MSRB) Rule G-34 that municipal securities dealers acting as placement agents in private placements of municipal securities, including direct purchase transactions, must obtain a CUSIP number. The Securities and Exchange Commission approved the amendment to MSRB Rule G-34. **DL**

# SAVE THE DATE

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## CDIAC Webinars, Seminars, and Conferences

### FEBRUARY

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FEBRUARY 7, 2018  
Municipal Market Disclosure  
Fresno, CA  
[www.treasurer.ca.gov/cdiac/seminars](http://www.treasurer.ca.gov/cdiac/seminars)

## Other Seminars and Conferences

### FEBRUARY

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FEBRUARY 20-23, 2018  
California Society of Municipal  
Finance Officers  
Annual Conference  
Riverside, CA  
[www.csmfo.org](http://www.csmfo.org)

FEBRUARY 26-28, 2018  
California's Coalition for  
Adequate School Housing  
Annual Conference  
Sacramento, CA  
[www.cashnet.org](http://www.cashnet.org)

FEBRUARY 27-28, 2018  
California State Treasurer's Office  
Green Bond Symposium  
Santa Monica, CA  
[www.treasurer.ca.gov](http://www.treasurer.ca.gov)

### MARCH

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MARCH 9-13, 2018  
American Society for Public Administration  
Annual Conference  
Denver, CO  
[www.aspanet.org](http://www.aspanet.org)

MARCH 21-23, 2018  
Government Investment Officers Association  
Annual Conference  
Las Vegas, NV  
[www.gioa.us](http://www.gioa.us)

### APRIL

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APRIL 4-7, 2018  
California Association of  
School Business Officials  
Annual Conference & California  
School Business Expo  
Sacramento, CA  
[www.casbo.org](http://www.casbo.org)

APRIL 25-27, 2018  
National Association of Bond Lawyers  
Fundamentals of Municipal  
Bond Law Seminar  
Charlotte, NC  
[www.nabl.org](http://www.nabl.org)

APRIL 25-27, 2018  
California Municipal Treasurers Association  
Annual Conference  
Oakland, CA  
[www.cmta.org](http://www.cmta.org)

### MAY

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MAY 2-4, 2018  
League of California Cities  
City Attorneys' Spring Conference  
San Diego, CA  
[www.cacities.org](http://www.cacities.org)

MAY 6-9, 2018  
Government Finance Officers Association  
Annual Conference  
St. Louis, MO  
[www.gfoa.org](http://www.gfoa.org)

MAY 8-11, 2018  
Association of California Water Agencies  
Spring Conference and Exhibition  
Sacramento, CA  
[www.acwa.com](http://www.acwa.com)

MAY 22-23, 2018  
California Special Districts Association  
Special Districts Legislative Days  
Sacramento, CA  
[www.csda.net](http://www.csda.net)

MAY 29-JUNE 1, 2018  
National Federation of Municipal Analysts  
Annual Conference  
San Diego, CA  
[www.nfma.org](http://www.nfma.org)

### JUNE

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JUNE 12-15, 2018  
California Association of County  
Treasurers and Tax Collectors  
Annual Conference  
Yosemite, CA  
[www.cacttc.org](http://www.cacttc.org)

### JULY

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JULY 22-25, 2018  
Association of Public Treasurers of the  
United States and Canada  
Annual Conference  
Memphis, TN  
[www.aptusc.org](http://www.aptusc.org)

### AUGUST

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AUGUST 8-10, 2018  
California Association of Sanitation Agencies  
Annual Conference  
Monterey, CA  
[www.casaweb.org](http://www.casaweb.org)

AUGUST 11-15, 2018  
National Association of State Auditors,  
Comptrollers and Treasurers  
Annual Conference  
Salt Lake City, UT  
[www.nasact.org](http://www.nasact.org)

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Organizations may submit information on future educational seminars, meetings, or conferences by contacting emailing [cdiac\\_education@treasurer.ca.gov](mailto:cdiac_education@treasurer.ca.gov). Publication of announcements is subject to space limitations. **DL**