

Conversion of the Interest Rate on the Series 2000 Bonds

December 9, 2008

SUMMARY:

Consider and take action on an order approving conversion of the interest rate on Denton Independent School District Variable Rate Unlimited Tax School Building Bond, Series 2000; and enacting other provisions relating to the subject.

BOARD GOAL:

VI. Growth & Change... In pursuit of excellence, the district will:

- b. create and continuously modify strategies to mitigate increasing stresses on our children, our schools, and our community.

PREVIOUS BOARD ACTION:

The Board last extended the Standby Bond Purchase Agreement with West LB AG on June 3, 2005.

BACKGROUND INFORMATION:

On September 25, 2008, West LB AG, the Standby Bond Purchase Agreement provider for our Series 96B and Series 2000 Bonds terminated our agreement effective April 1, 2009. The District is required to maintain a Standby Bond Purchase Agreement provider for these bonds. Therefore, a new provider must be appointed.

SIGNIFICANT ISSUES:

Currently the Series 2000 Bonds bear interest on a semiannual rate and the next expiration is January 31, 2009. It is necessary to convert the interest rate on the Bonds from semiannual to weekly to facilitate the related refunding process.

FISCAL IMPLICATIONS:

The bonds will bear interest based on a weekly rate beginning February 1, 2009 – April 1, 2009.

BENEFIT OF ACTION:

Allow for the recommended refunding of the Series 1996B and Series 2000 Bonds.

PROCEDURAL AND REPORTING IMPLICATIONS:

Approve the Order approving conversion of the interest rate so that notices may be generated.

ALTERNATIVES:

Continue the semiannual mode with no refunding.

SUPERINTENDENT'S RECOMMENDATION:

Recommend approval of Order Approving Conversion of the Interest Rate on Denton Independent School District Variable Rate Unlimited Tax School Building Bonds, Series 2000.

STAFF PERSONS RESPONSIBLE:

Debbie Monschke, Executive Director of Administrative Services

ATTACHMENT:

Order Approving Conversion of the Interest Rate on Denton Independent School District Variable Rate Unlimited Tax School Building Bonds, Series 2000.

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Signature of Divisional Assistant Superintendent: _____

Signature of Superintendent: _____