



BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

3C. Action

Date: June 13, 2005

SUBJECT: CONSIDER ADOPTION OF AN ORDER AUTHORIZING THE ISSUANCE OF BONDS, AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT AND AN ESCROW AGREEMENT AND APPROVING AN OFFICIAL STATEMENT

BOARD GOAL: Budget and Finance

FISCAL NOTE: Revenues from sale of voter authorized bonds

Background Information:

- In March, voters approved the issue \$99,750,000 in bonds for construction projects.
- At the May 23 Board meeting, the Board of Trustees authorized the single sale of the 2005 voter approved bonds.
- Also, as stated at the May 23 meeting, the bond sale would take place in June.
- State capacity to guarantee district issued bonds increased. This guarantee allows the district to have an AAA rating on this issue of bonds.
- In addition to the sale of voter approved bonds will be \$21,520,000 in refunding of existing debt.
- The district has secured the state guarantee on the new issue of bonds and therefore the district will be issuing these bonds as AAA rated.
- The actual pricing of the bonds occurs Thursday, June 9, 2005.

Administrative Considerations:

- Included are documents or web links to documents pertaining to the sale of the bonds.
- The Order Authorizing the Issuance of Bonds, Authorizing the Execution of a Bond Purchase Agreement and Escrow Agreement and Approving and Official Statement is attached.
- The Preliminary Official Statement (POS) is a perspective used by buyers to determine the bonds value to the buyer. It contains items concerning the financial condition of the district and community as well as a look at possible future factors about the community's financial health. The POS can be viewed at the following link, <https://delivery.i-dealprospectus.com/?id=%3a%3c739%2f6%3a978>

- The Bond Purchase Agreement (BPA) is the agreement between the District and the District's underwriters (Morgan Keegan & Company, Inc., RBC Dain Rausher Inc., Southwest Securities, Inc., and Bank of America Securities L.L.C.). Morgan Keegan & Company, Inc. will be the Lead Manager on the sale.
- The Paying Agent/Registrar Agreement and Escrow Agreement are with Wachovia Bank, National Association, Houston, Texas. Wachovia will act as the district's paying agent. This will mean that Wachovia will disburse the bond payment amounts to the owners of the bonds at the time payment is forwarded from the district in accordance with the repayment schedule.
- These documents have been reviewed by the district's legal counsel, McCall, Parkhurst & Horton L.L.P. A representative will be in attendance to complete the signing of the documents.
- Also attending will be the district's Financial Advisor, First Southwest, Inc. and a representative from the Lead Manager Underwriter, Morgan Keegan & Company, Inc.

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The administration recommends that the Board of Trustees approve the Order Authorizing the Issuance of Bonds, Authorizing the Execution of a Bond Purchase Agreement and Escrow Agreement and Approving an Official Statement.

Respectfully submitted,

Kent Morrison
Chief Financial Officer