

Executive Summary

Prepared for Board of Trustees Meeting

May 10, 2016

Summary of 2016 Bond Refunding Program

Board Goal:

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

- Demonstrate effective and efficient management of district resources

Purpose of Report

On February 23, 2016, a “Parameters Bond Order” was adopted by the Board of Trustees authorizing the sale of the Series 2016 Refunding Bonds if certain parameters were met. Based upon the favorable bond market conditions, the interest rate on the District’s existing bonds was successfully reduced from 5.04% to 2.79% and the actual savings totaled \$51,970,247.

Objectives

The bond order included the following parameters:

- The District achieves a savings of at least \$25,000,000;
- The maximum principal amount of Refunding Bonds that may be issued is \$118,749,192;
- The maximum interest rate (All-In TIC) on the Refunding Bonds is 4.00%;
- The final maturity of the Refunding Bonds may not exceed August 15, 2038 – the same final maturity as the existing Bonds to be Refunded; and
- The refunding program is completed prior to August 21, 2016.

Operational Impact

In addition to the savings of \$51,970,247, the District reduced the maturity amount of existing capital appreciation bonds by \$117,285,000. With the 2016 Refunding Program, capital appreciation bonds will comprise less than 4% of the District’s remaining bond payments and will be fully repaid in the upcoming 9 years.

Results

Based upon the favorable results of the 2016 Refunding Program, the District’s refunding programs have generated a collective savings of \$112,327,397 for taxpayers over the last 10 years.