

Parameter Bond Refunding

Section 1371 of the Government Code allows some school districts to issue bonds via a Parameter Sale

- **Board delegates final pricing authority to Pricing Officer(s)**
- **Board establishes bond sale parameters:**
 - ▶ Maximum Interest Rate
 - ▶ Minimum Savings Threshold for Refunding
 - ▶ Aggregate Principal Amount of Issue
 - ▶ Final Maturity Date
 - ▶ Expiration of Delegated Authority
- **Pricing Officer can only approve sale if Board parameters are met**



Parameter Bond Sale

Reason for Parameter Bond Sale = FLEXIBILITY

Market Timing – Bond issue is in ‘Day-to-Day’ mode meaning that bonds can be priced at any time and in an interest rate environment that is advantageous to WISD rather than being locked into pricing on the date of a Board meeting.



Refunding of Series 2001 Bond Issue

Proposed Parameters

- Pricing Officer = Superintendent and/or Business Manager
- Maximum Interest Rate = 1.75% True Interest Cost
- Minimum Savings Threshold = 2.00% Present Value Savings
- Aggregate Principal Amount = \$2,885,000
- Final Maturity Date = February 15, 2012
- Expiration Date of Delegated Authority = 180 Days



Refunding of Series 2001 Bond Issue

MINIMUM SAVINGS THRESHOLD

Preliminary

Wylie Independent School District

Unlimited Tax Refunding Bonds
Series 2010

Refund Series 2001 Bond Issue

Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings
08/31/2010	110,600.00	1,375,312.50	1,485,912.50	1,489,302.50	3,390.00
08/31/2011	1,469,300.00	-	1,469,300.00	1,496,495.00	27,195.00
08/31/2012	1,479,650.00	-	1,479,650.00	1,504,500.00	24,850.00
Total	\$3,059,550.00	\$1,375,312.50	\$4,434,862.50	\$4,490,297.50	\$55,435.00
Net PV Benefit / \$2,885,000 Refunded Principal					2.002%

FirstSouthwest

Public Finance Department

Note: All savings are after any and all costs associated with the issuance of the bonds (i.e. there are no out-of-pocket costs to the district)

