



Calallen ISD

Special Meeting

Monday, August 29, 2016 5:30 PM

Agenda of Special Meeting

The Board of Trustees Calallen ISD

A Special Meeting of the Board of Trustees of Calallen ISD will be held August 29, 2016, beginning at 5:30 PM in the Central Administration Office, 4205 Wildcat Dr., Corpus Christi, Texas.

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

- | | |
|---|----|
| 1. Opening of Special Meeting by Chairman | 4 |
| 2. New Business | |
| A. Discuss proposed CISD Budget, Tax Rates and Redemption Resolution for 2016-2017
Presenter: Mrs. George | 5 |
| B. Public Comment - CISD Budget, Tax Rates and Redemption Resolution for 2016-2017
Presenter: Dr. Almendarez | 15 |
| C. Consider approval of CISD Budget Amendment #3 for 2015-2016
Presenter: Mrs. George | 16 |
| D. Discuss and consider approval of Redemption Resolution for 2008 Bond Series
Presenter: Mrs. George | 18 |
| E. Consider adoption of CISD Budgets for 2016-2017
Presenter: Mrs. George | 55 |
| F. Consider adoption of 2016 Tax Rate for Calallen ISD
Presenter: Mrs. George | 59 |
| G. Consider approval of Certification of Unopposed Candidates and Cancellation of CISD Board of Trustees Election scheduled for November 8, 2016
Presenter: Dr. Almendarez | 67 |
| H. Closed Session
Presenter: Dr. Almendarez | 70 |
| I. Personnel - Resignations and Appointments
Presenter: Dr. Hill | 71 |

3. Adjourn



Calling the Meeting to Order

I call this meeting of the Calallen Independent School District Board of Trustees to order and let the record show that a quorum of Board Members is present and that this meeting was duly called and posted in accordance with the Texas Open Meetings Act, Texas Government Code 551.

BOARD OF EDUCATION
CALALLEN INDEPENDENT SCHOOL DISTRICT
CORPUS CHRISTI, TEXAS

Date: August 29, 2016

Subject: Discuss proposed Calallen ISD Budget, Tax Rates and Redemption Resolution
for 2016-2017

New Business

Action

BACKGROUND INFORMATION

The Board is required by law to adopt budgets for General Operations, Food Service and Debt Service Funds by function and set a tax rate for General Operations (M&O rate) and Debt Service (I&S rate). The Redemption Resolution will affect I&S current debt amount and therefore the I&S tax rate.

ITEM ADDRESSED

Discuss proposed Calallen ISD Budget, Tax Rates and Redemption Resolution for 2016-2017

RECOMMENDED ACTION

No action. Discussion only.

History Reports -- ADA/WADA/Revenue/Expenses/Fund Balances -- 199,240,511							
	82nd Legisl met		83rd Legisl met		84th Legisl met		
Yearly Comparisons	After Audit Actual 2009-2010	After Audit Actual 2010-2011	After Audit Actual 2011-2012	After Audit Actual 2012-2013	After Audit Actual 2013-2014	After Audit Actual 2014-2015	Estimated Actual 2015-16
Enrollment	3,808	3,850	3,954	4,000	3,986	4,012	4,041
Refined ADA	3,548	3,606	3,697	3,735	3,737	3,756	3,832
WADA	4,636	4,730	4,573	4,813	4,899	4,883	5,010
			New law change WADA calculation	New law changed WADA calculation			
Certified Property Values	2009 Tax Yr 1.152 Billion	2010 Tax Yr 1.111 Billion	2011 Tax Yr 1.104 Billion	2012 Tax Yr 1.115 Billion	2013 Tax Yr 1.214 Billion	2014 Tax Yr 1.417 Billion	2015 Tax Yr 1.469 billion
Tax Rates per \$100		TRE					
M&O	1.0400	1.1700	1.1700	1.1700	1.1700	1.1700	1.1700
I&S	0.2585	0.1285	0.1585	0.1885	0.1885	0.1885	0.2055
Total	1.2985	1.2985	1.3285	1.3585	1.3585	1.3585	1.3755
Fund 199 General Operat		TRE M&O to \$1.17					
Beg. Fund Balance	4,068,247	4,457,865	6,715,384	7,053,912	7,147,419	8,192,097	9,633,611
Total Revenue	26,968,418	29,896,606	29,531,946	30,427,474	32,729,053	34,231,755	34,946,000
Total Expenses	(26,578,800)	(27,639,087)	(29,193,418)	(30,333,967)	(31,684,375)	(32,790,241)	(35,778,500)
Roll	389,618	2,257,519	338,528	93,507	1,044,678	1,441,514	(832,500)
End. Fund Balance	4,457,865	6,715,384	7,053,912	7,147,419	8,192,097	9,633,611	8,801,111
		no transfer to I&S	w/ \$1.046 million trans to I&S	w/ \$680,000 trans to I&S	w/ \$300,000 trans to I&S	w/ \$265,000 trans to I&S	w/ \$1.45 million trans to construction
Fund 240 Food Service							
Beg. Fund Balance	390,200	474,503	576,738	559,551	508,696	418,247	431,731
Revenue	1,924,987	1,953,139	1,881,617	2,014,165	2,038,978	1,950,253	2,126,000
Expenses	(1,840,684)	(1,850,904)	(1,898,804)	(2,065,019)	(2,129,427)	(1,936,769)	(2,082,000)
Roll	84,303	102,235	(17,187)	(50,855)	(90,449)	13,484	44,000
End. Fund Balance	474,503	576,738	559,551	508,696	418,247	431,731	475,731
Fund 511 Debt Service							
Beg. Fund Balance	973,536	1,108,824	65,543	96,985	122,151	27,528	28,025
Revenue and other sources	6,724,507	1,721,651	3,031,352	3,049,460	2,955,622	13,016,085	13,090,000
Expenses and other uses	(6,589,219)	(2,764,932)	(2,999,910)	(3,024,295)	(3,050,245)	(13,015,588)	(12,917,000)
Roll	135,288	(1,043,281)	31,442	25,165	(94,623)	497	173,000
End. Fund Balance	1,108,824	65,543	96,985	122,151	27,528	28,025	201,025
						refunded bonds	refunded bonds

Calallen ISD					
Proposed Budgets 2016-2017					
General Operating Fund (199)					
	2015-16 Budget as Amended (Amend #2)	Amend #3 Proposed	2015-16 Budget if Amendment Approved	2015-16 Estimated Actual (as of 7/31/16)	2016-17 Proposed Budget
Revenue					
Current & Delinquent Taxes	16,600,000		16,600,000	16,825,000	16,700,000
Pen & Int on Taxes	125,000		125,000	267,000	145,000
Interest Earn on Invest	15,000		15,000	40,000	35,000
Athletic receipts	170,000		170,000	170,000	170,000
Ch 313 Revenue Protection Pymts					2,490,000
Other	80,000		80,000	104,000	140,000
Total Local	16,990,000	0	16,990,000	17,406,000	19,680,000
State PerCapita/Foundation/EDA	14,930,000		14,930,000	15,800,000	14,288,000
TRS on Behalf rev=exp	1,465,000		1,465,000	1,465,000	1,550,000
Total State	16,395,000	0	16,395,000	17,265,000	15,838,000
Total Federal - NOT Stimulus	320,000		320,000	275,000	270,000
Total Operating Rev	33,705,000	0	33,705,000	34,946,000	35,788,000
Expenses					
11: Instruction	19,183,110	150,000	19,333,110	19,275,000	20,571,950
12: Instr. Res/Media	489,605	(40,000)	449,605	395,000	442,256
13: Curr Dev	494,185		494,185	450,000	484,857
21: Instr Leader	818,743	(50,000)	768,743	700,000	783,928
23: School Leader	1,736,038		1,736,038	1,700,000	1,846,106
31: Counsel	1,469,124		1,469,124	1,375,000	1,443,268
32: Social Work	51,980		51,980	49,000	47,722
33: Health Serv	411,274		411,274	410,000	430,621
34: Transport	1,212,242	(27,000)	1,185,242	1,125,000	1,376,572
35: Food service	15,000		15,000	15,000	15,000
36: Co/Extra Curr	1,514,612	(20,000)	1,494,612	1,420,000	1,476,656
41: Gen Admin	1,285,369	(40,000)	1,245,369	1,175,000	1,300,678
51: Plant Mtn	5,150,382		5,150,382	5,065,000	5,370,391
52: Security	139,500		139,500	117,000	128,000
53: Data Proc	150,723		150,723	145,000	152,806
71: Debt Pymt: Bonds or Mtn Notes	335,000		335,000	331,000	333,100
81: Construction (AG shop expansion)	310,000	15,000	325,000	320,000	175,000
95: Pymt to JJAEP	60,000		60,000	45,000	50,000
99: Pymt to Govt Appraiser	205,000	12,000	217,000	216,500	255,000
Net Operating Before Transfer	35,031,887	0	35,031,887	34,328,500	36,683,911
Net Roll/(Loss Before Transfer)	(1,326,887)	0	(1,326,887)	617,500	(895,911)
Transfer from M&O to Construction	(1,450,000)		(1,450,000)	(1,450,000)	
Net "Roll"/(Loss) to Fund Balance	(2,776,887)	0	(2,776,887)	(832,500)	(895,911)
Audited Beginning Fund Balance	9,633,611		9,633,611	9,633,611	8,801,111
Estimated Ending Fund Balance	6,856,724		6,856,724	8,801,111	7,905,200
NOTE: This transfer is to fund completion of the FEMA dome and Multipurpose Facility and assumes FEMA provides at least \$2.7 million towards the dome. Building of the pool will require additional transfer of funds.					

General Operating Expense Budget	
Original Budget for 2015-16	34,971,887
Proposed Budget for 2016-17	36,683,911
Difference	1,712,024
Major changes to budget 2016-17 over 2015-16	
*4% pay increase	1,240,000
*Additional staff	200,000
*Bus on back order	60,000
NOTE: in 16-17 we budgeted for two buses. One for special needs was not completed. It will be delivered and expensed in 2016-17	
*Band instruments (HS and MS)	26,000
*Outside contract trainers	35,000
*Technology generator	50,000
*Baseball bleachers upgrades	175,000
*Additional Utility costs	100,000
*Appraisal District increase	60,000
* No budget for AG shop expansion	(310,000)
	1,636,000
Note: We may need to install cameras in Special Ed classrooms and purchase network equipment to record activity and retain the recording. Unknown cost.	

Calallen ISD			
Proposed Budgets 2016-2017			
Food Service (240)			
	2015-16	2015-16	2016-2017
	Adopted Budget	Estimated Actual	Proposed Budget
Revenue			
Interest Earn on Invest	1,000	1,500	1,000
Food sales	1,010,000	978,400	1,060,000
Total Local	1,011,000	979,900	1,061,000
Other	12,000	11,600	12,000
TRS on Behalf rev=exp	25,000	25,000	20,000
Total State	37,000	36,600	32,000
Total Federal	1,110,000	1,110,500	1,205,000
Total Operating Revenue	2,158,000	2,127,000	2,298,000
Expenses			
35 Food service	2,283,056	2,081,500	2,391,053
51 Plant Mtn	3,000	1,500	3,000
Total Operating Expenses	2,286,056	2,083,000	2,394,053
Net Roll/(Loss)	(128,056)	44,000	(96,053)
Estimated Beginning Fund Balances	431,731	431,731	475,731
Estimated Ending Fund Balance	303,675	475,731	379,678
Meal Prices for paid meals			
Elementary lunch	\$2.15		\$2.25
Secondary lunch	\$2.40		\$2.50
Breakfast	\$1.25		\$1.35

Calallen ISD						
Proposed Budgets 2016-2017						
Debt Service / Interest and Sinking (511)						
	2015-2016	2015-2016	2016-17	2016-17	2016-17	
	Budget	Estimated	Option 1	Option 2	Option 3	
	as amended	Actual	Bond Pymt and \$710,000 Redempt	Bond Pymt and \$500,000 Redempt	Bond Pymt ONLY	
M&O Tax Rate	1.1700	on \$1.502 Billion	1.1700	1.1700	1.1700	
I&S Tax Rate	0.2055	on \$1.707 billion	0.2052	0.1932	0.1646	
Total Rate	1.3755		1.3752	1.3632	1.3346	
Revenue						
Local						
Current taxes	2,890,000	2,916,800	3,327,600	3,133,000	2,669,200	
Delinquent Taxes	25,000	43,881	40,000	40,000	40,000	
Pen & Int on Delinquent	15,000	40,380	15,000	15,000	15,000	
Interest Earn on Invest	1,000	3,500	3,000	3,000	3,000	
Total Local	2,931,000	3,004,561	3,385,600	3,191,000	2,727,200	
State (Hold Harmless)	0	86,000	35,000	35,000	35,000	
Bond Refunding	9,999,440	9,999,439				
Total Revenue/Other	12,930,440	13,090,000	3,420,600	3,226,000	2,762,200	
Expenses						
71 Debt Pymt	2,922,000	2,920,715	2,840,733	2,840,733	2,840,733	
71 Redemption			727,750	512,500	0	
71 Fees	5,000	1,700	4,000	4,000	4,000	
Total Operating expens	2,927,000	2,922,415	3,572,483	3,357,233	2,844,733	
Bond Refunding	9,999,530	9,994,585				
Total Expenses/Other	12,926,530	12,917,000				
Net Operating Roll/ (Loss)	3,910	173,000	(151,883)	(131,233)	(82,533)	
Beginning Est Fund Balance	28,025	28,025	201,000	201,000	201,000	
Ending Est Fund Balance	31,935	201,025	49,117	69,767	118,467	
			Note:	\$100,000 Property		
			1 cent of tax =	\$10		
				\$500,000 Property		
			1 cent of tax =	\$50		
				\$1,000,000 Property		
			1 cent of tax =	\$100		
				\$100 million Property		
			1 cent of tax =	\$10,000		

**Calallen ISD
Tax Rate Adoption Process**

OPTION 1 -- Assumes pay down of \$710,000 in debt

Current Rate			
Tax Year 2015	M&O	I&S	Total
	1.1700	0.2055	1.3755

For Tax Year 2016; School Year 2016-2017

Effective Rate -- Generally applies to municipalities; does not consider State funding of schools

N/A	N/A	<u>1.4454</u>	Any rate adopted above the "Effective Rate" requires special procedures
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Effective M&O Rate -- is the rate needed to generate the same total M&O funds from combined taxes and state funding as last year.

<u>1.3191</u>	N/A	N/A	However, if the M&O rate adopted, generates more in taxes than M&O taxes generated the preceeding year, then special wording is required on the resolution
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Rollback Rate -- is the Effective M&O rate plus 4 cents (BUT is limited to \$1.17) plus I&S rate to generate funds for bond payments

NOTE: A school district MUST hold an election to adopt a rate above the Rollback Rate

1.1700	0.2052	<u>1.3752</u>	(State law sets the Maximum M&O rate at \$1.17 that voters may approve)
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Option 1

Tax Year 2016	<u>1.1700</u>	<u>0.2052</u>	<u>1.3752</u>	The total \$1.3752 is NOT above the "Effective Rate" But the M&O rate will generate more taxes than were generated for M&O last year.
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To adopt Proposed Rate at this meeting

*Because the proposed rate does not exceed the Effective Rate,
no special wording is required in the motion.*

NOTE:

The vote to set the tax rate must be a record vote.

Because the M&O Rate will generate more taxes than were generated last year, the **Resolution** **Must** contain the following

"This tax rate will raise more taxes for maintenance and operations than last year's rate."

**Calallen ISD
Tax Rate Adoption Process**

OPTION 2 -- Assumes pay down of \$500,000 in debt

Current Rate			
Tax Year 2015	M&O	I&S	Total
	1.1700	0.2055	1.3755

For Tax Year 2016; School Year 2016-2017

Effective Rate -- Generally applies to municipalities; does not consider State funding of schools

N/A	N/A	<u>1.4454</u>	Any rate adopted above the "Effective Rate" requires special procedures
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Effective M&O Rate -- is the rate needed to generate the same total M&O funds from combined taxes and state funding as last year.

<u>1.3191</u>	N/A	N/A	However, if the M&O rate adopted, generates more in taxes than M&O taxes generated the preceeding year, then special wording is required on the resolution
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Rollback Rate -- is the Effective M&O rate plus 4 cents (BUT is limited to \$1.17) plus I&S rate to generate funds for bond payments

NOTE: A school district MUST hold an election to adopt a rate above the Rollback Rate

1.1700	0.2052	<u>1.3752</u>	(State law sets the Maximum M&O rate at \$1.17 that voters may approve)
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Option 2

Tax Year 2016	<u>1.1700</u>	<u>0.1932</u>	<u>1.3632</u>	The total \$1.3632 is NOT above the "Effective Rate" But the M&O rate will generate more taxes than were generated for M&O last year.
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To adopt Proposed Rate at this meeting

*Because the proposed rate does not exceed the Effective Rate,
no special wording is required in the motion.*

NOTE:

The vote to set the tax rate must be a record vote.

Because the M&O Rate will generate more taxes than were generated last year, the **Resolution** **Must** contain the following

"This tax rate will raise more taxes for maintenance and operations than last year's rate."

**Calallen ISD
Tax Rate Adoption Process**

OPTION 3 -- Assumes no additional pay down on debt

Current Rate			
Tax Year 2015	M&O	I&S	Total
	1.1700	0.2055	1.3755

For Tax Year 2016; School Year 2016-2017

Effective Rate -- Generally applies to municipalities; does not consider State funding of schools

N/A	N/A	<u>1.4454</u>	Any rate adopted above the "Effective Rate" requires special procedures
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Effective M&O Rate -- is the rate needed to generate the same total M&O funds from combined taxes and state funding as last year.

<u>1.3191</u>	N/A	N/A	However, if the M&O rate adopted, generates more in taxes than M&O taxes generated the preceeding year, then special wording is required on the resolution
---------------	-----	-----	--

Rollback Rate -- is the Effective M&O rate plus 4 cents (BUT is limited to \$1.17) plus I&S rate to generate funds for bond payments

NOTE: A school district MUST hold an election to adopt a rate above the Rollback Rate

1.1700	0.2052	<u>1.3752</u>	(State law sets the Maximum M&O rate at \$1.17 that voters may approve)
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Option 3

Tax Year 2016	<u>1.1700</u>	<u>0.1646</u>	<u>1.3346</u>	The total \$1.3346 is NOT above the "Effective Rate" But the M&O rate will generate more taxes than were generated for M&O last year.
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To adopt Proposed Rate at this meeting

*Because the proposed rate does not exceed the Effective Rate,
no special wording is required in the motion.*

NOTE:

The vote to set the tax rate must be a record vote.

Because the M&O Rate will generate more taxes than were generated last year, the **Resolution** **Must** contain the following

"This tax rate will raise more taxes for maintenance and operations than last year's rate."

BOARD OF EDUCATION
CALALLEN INDEPENDENT SCHOOL DISTRICT
CORPUS CHRISTI, TEXAS

Date : August 29, 2016

Subject: Public Comment on CISD Budget, CISD Tax Rate and Redemption Resolution
for 2016-2017

New Business

Action

BACKGROUND INFORMATION

Per governing laws, Calallen ISD must allow public comments on the presented budget.

ITEM ADDRESSED

Public Comment on CISD Budget, CISD Tax Rate and Redemptin Resolution for 2016-2017

RECOMMENDED ACTION

No action. Presiding officer just needs to present the item to the general audience for public comment.

BOARD OF EDUCATION
CALALLEN INDEPENDENT SCHOOL DISTRICT
CORPUS CHRISTI, TEXAS

Date: August 29, 2016

Subject: Consider approval of Budget Amendment #3 for 2015-2016

New Business

Action

BACKGROUND INFORMATION

The district formally adopted budgets in August of 2015 for General Operations, Food Service and Debt Service funds for the 2015-16 fiscal year. State law requires that these expenditure budgets be adopted by function and the district is not allowed to expend more in a function than is budgeted.

Budget Amendment #1 affected only the Interest and Sinking (Debt Service) fund and was related to the transactions required for the 2016 Refunded Bonds.

This Budget Amendment #2 was requested for General Operating. It involved amounts required to complete the expansion of the agriculture department workshop to accommodate the welding classes and the transfer of funds from General Operating to the construction funds to complete the FEMA dome and the Multipurpose Buidling.

Budget Amendment #3 is requested for General Operating. It involves balancing the amounts budgeted to insure that the district does not expend any more in any one function than is officially approved by Board action.

ITEM ADDRESSED

Consider approval of Budget Amendment #3 for 2015-16

RECOMMENDED ACTION

The Admininstration recommends the Board approve the budget amendment as indicated on the attached schedule.

**Calallen ISD
Budget Amendment #3
for 2015-2016**

General Operating Fund

Fund 199	2015-16 Budget as Amended	<i>Amend #3 Proposed</i>	2015-16 Budget if Approved	2015-16 <i>Estimated Actual</i> (as of July 31, 2016)	
Revenue					
Current & Delinquent Taxes	16,600,000		16,600,000	16,825,000	
Pen & Int on Taxes	125,000		125,000	267,000	
Interest Earn on Invest	15,000		15,000	40,000	
Athletic receipts	170,000		170,000	170,000	
Other	80,000		80,000	104,000	
Total Local	16,990,000	0	16,990,000	17,406,000	
State PerCapita/Foundation/EDA	14,930,000		14,930,000	15,800,000	
TRS on Behalf rev=exp	1,465,000		1,465,000	1,465,000	
Total State	16,395,000	0	16,395,000	17,265,000	
Total Federal - NOT Stimulus	320,000		320,000	275,000	
Total Operating Rev	33,705,000	0	33,705,000	34,946,000	
Expenses					
11 Instruction	19,183,110	150,000	19,333,110	19,275,000	underbudget 58,110
12 Instr. Res/Media	489,605	(40,000)	449,605	395,000	54,605
13 Curr Dev	494,185		494,185	450,000	44,185
21 Instr Leader	818,743	(50,000)	768,743	700,000	68,743
23 School Leader	1,736,038		1,736,038	1,700,000	36,038
31 Counsel	1,469,124		1,469,124	1,375,000	94,124
32 Social Work	51,980		51,980	49,000	2,980
33 Health Serv	411,274		411,274	410,000	1,274
34 Transport	1,212,242	(27,000)	1,185,242	1,125,000	60,242
35 Food service	15,000		15,000	15,000	0
36 Co/Extra Curr	1,514,612	(20,000)	1,494,612	1,420,000	74,612
41 Gen Admin	1,285,369	(40,000)	1,245,369	1,175,000	70,369
51 Plant Mtn	5,150,382		5,150,382	5,065,000	85,382
52 Security	139,500		139,500	117,000	22,500
53 Data Proc	150,723		150,723	145,000	5,723
71 Debt Pymt: Bonds or Mntn Notes	335,000		335,000	331,000	4,000
81 Construction (AG shop expansion)	310,000	15,000	325,000	320,000	5,000
95 Pymt to JJAEP	60,000		60,000	45,000	15,000
99 Pymt to Govt Appraisor	205,000	12,000	217,000	216,500	500
Net Operating Before Transfer	35,031,887	0	35,031,887	34,328,500	
Net Roll/(Loss Before Transfer)	(1,326,887)	0	(1,326,887)	617,500	
Transfer from M&O to Construction	(1,450,000)		(1,450,000)	(1,450,000)	
Net "Roll"/(Loss) to Fund Balance	(2,776,887)	0	(2,776,887)	(832,500)	
Audited Beginning Fund Balance	9,633,611		9,633,611	9,633,611	
Estimated Ending Fund Balance	6,856,724		6,856,724	8,801,111	

NOTE: This transfer is to fund completion of the FEMA dome and Multipurpose Facility and assumes FEMA provides at least \$2.7 million towards the dome. Building of the pool will require additional transfer of funds.

BOARD OF EDUCATION
CALALLEN INDEPENDENT SCHOOL DISTRICT
CORPUS CHRISTI, TEXAS

Date: August 29, 2016

Subject: Consider/Approve a Resolution Calling a Portion of the Calallen Independent School District Unlimited Tax School Building Bonds, Series 2008 for Redemption Prior to Maturity; and Enacting Other Provisions Relating to the subject

New Business

Action

BACKGROUND INFORMATION

The schedule for payments on our 2008 bonds will continue until 2038. We currently owe about \$40 million in principle on our long term debt. Interest on our bonds is approximately 5% per year. Our debt payment in 2016-17 for bonds will be for \$2.8 million with \$1.1 million in principle and \$1.7 million in interest. If we pay down principle at an accelerated rate, we will pay less in interest over the life of the bonds. The “pay down” is referred to as “redemption”.

The law allows us to schedule a redemption of principle and include the redemption amount in current debt. The district is then allowed to set an I&S rate that will collect enough to pay current debt.

We have prepared three options for I&S payments in 2016-17.

- Option 1 – Assumes a redemption of \$710,000 plus the scheduled bond payment
- Option 2 – Assumes a redemption of \$500,00 plus the scheduled bond payment
- Option 3 – Assumes no redemption, but only the scheduled bond payment

ITEM ADDRESSED

Consider/Approve a Resolution Calling a Portion of the Calallen Independent School District Unlimited Tax School Building Bonds, Series 2008 for Redemption Prior to Maturity; and Enacting Other Provisions Relating to the subject

RECOMMENDED ACTION

The Administration recommends the Board select one of the three options presented. *(Note: The motion to propose a redemption would be: I move to adopt a resolution calling a portion of the Calallen ISD Unlimited Tax School Building Bonds, Series 2008 for redemption.)*

Calallen ISD						
Proposed Budgets 2016-2017						
Debt Service / Interest and Sinking (511)						
	2015-2016	2015-2016	2016-17	2016-17	2016-17	
	Budget	Estimated	Option 1	Option 2	Option 3	
	as amended	Actual	Bond Pymt and \$710,000 Redempt	Bond Pymt and \$500,000 Redempt	Bond Pymt ONLY	
M&O Tax Rate	1.1700	on \$1.502 Billion	1.1700	1.1700	1.1700	
I&S Tax Rate	0.2055	on \$1.707 billion	0.2052	0.1932	0.1646	
Total Rate	1.3755		1.3752	1.3632	1.3346	
Revenue						
Local						
Current taxes	2,890,000	2,916,800	3,327,600	3,133,000	2,669,200	
Delinquent Taxes	25,000	43,881	40,000	40,000	40,000	
Pen & Int on Delinquent	15,000	40,380	15,000	15,000	15,000	
Interest Earn on Invest	1,000	3,500	3,000	3,000	3,000	
Total Local	2,931,000	3,004,561	3,385,600	3,191,000	2,727,200	
State (Hold Harmless)	0	86,000	35,000	35,000	35,000	
Bond Refunding	9,999,440	9,999,439				
Total Revenue/Other	12,930,440	13,090,000	3,420,600	3,226,000	2,762,200	
Expenses						
71 Debt Pymt	2,922,000	2,920,715	2,840,733	2,840,733	2,840,733	
71 Redemption			727,750	512,500	0	
71 Fees	5,000	1,700	4,000	4,000	4,000	
Total Operating expens	2,927,000	2,922,415	3,572,483	3,357,233	2,844,733	
Bond Refunding	9,999,530	9,994,585				
Total Expenses/Other	12,926,530	12,917,000				
Net Operating Roll/ (Loss)	3,910	173,000	(151,883)	(131,233)	(82,533)	
Beginning Est Fund Balance	28,025	28,025	201,000	201,000	201,000	
Ending Est Fund Balance	31,935	201,025	49,117	69,767	118,467	
			Note:	\$100,000 Property		
				1 cent of tax = \$10		
				\$500,000 Property		
				1 cent of tax = \$50		
				\$1,000,000 Property		
				1 cent of tax = \$100		
				\$100 million Property		
				1 cent of tax = \$10,000		

A RESOLUTION CALLING A PORTION OF THE CALLEN INDEPENDENT SCHOOL DISTRICT'S UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2008 FOR REDEMPTION PRIOR TO MATURITY; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Calallen Independent School District (the "District") has issued, and there are currently outstanding in the aggregate principal amount of \$22,660,000, the District's Unlimited Tax School Building Bonds, Series 2008 (the "Bonds"); and

WHEREAS, in the order that authorized the issuance of the Bonds (the "Bond Order"), the District reserved the option to redeem the Bonds, in whole or in part, at a price equal to the principal amount of the Bonds so called for redemption plus accrued interest to the redemption date, beginning on February 15, 2018, or on any date thereafter; and

WHEREAS, the Board of Trustees (the "Board") finds and determines that it is necessary and in the best interests of the District to redeem the outstanding Bonds described below with funds available for such purpose in accordance with the terms hereof; and

WHEREAS, the District will, on or prior to August 15, 2017, deposit cash with the Escrow Agent (defined below) under and pursuant to the Escrow Agreement (defined below) in an amount sufficient to pay the redemption price for the Redeemed Bonds on the Redemption Date (defined below); and

WHEREAS, it is officially found, determined and declared that the meeting at which this Resolution has been adopted was open to the public and public notice of the date, hour, place and subject of said meeting, including this Resolution, was given, all as required by the applicable provisions of Texas Government Code, Chapter 551;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE CALLEN INDEPENDENT SCHOOL DISTRICT:

Section 1. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Resolution are hereby adopted, restated and made a part of the operative provisions hereof.

Section 2. Redemption of Bonds.

The Bonds listed in **Exhibit A** hereto (the "Redeemed Bonds") are hereby called for redemption on February 15, 2018 (the "Redemption Date"). The Redeemed Bonds shall be paid on the Redemption Date and interest on the Redeemed Bonds shall cease to accrue on the Redemption Date.

Section 3. Authorization of Actions.

(a) The President or Secretary of the Board, the Superintendent of Schools or the Director of Finance of the District (each an "Authorized Officer") are each hereby authorized and directed to deliver to The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, the Paying Agent/Registrar for the Bonds ("BoNY"), a notice of redemption with respect to the Redeemed Bonds in substantially the form attached hereto as **Exhibit A**, and to direct BoNY to send notice of redemption of the Redeemed Bonds to the bondholders in accordance with the Bond Order.

(b) The Redeemed Bonds shall be presented for redemption at the Paying Agent/Registrar therefor, and shall not bear interest after the Redemption Date.

(c) An Authorized Officer is hereby authorized to enter into and execute on behalf of the District with BoNY (in such capacity, the "Escrow Agent"), an escrow agreement (the "Escrow Agreement"), in the form and substance as shall be approved by the Authorized Officer, which Escrow Agreement will provide for the payment of the Redeemed Bonds.

(d) On or before August 15, 2017, the District shall deposit with the Escrow Agent funds in an amount sufficient to provide for the redemption of the Redeemed Bonds on the Redemption Date, with such funds to be applied in accordance with the Escrow Agreement. Lawfully available funds of the District are hereby authorized and appropriated in the amounts necessary for such purpose.

(e) The Authorized Officers are hereby authorized and directed to take such actions and to execute and deliver such documents, orders and receipts, including without limitation material events notices with respect to the Redeemed Bonds, as necessary or appropriate to consummate the transactions authorized by this Resolution and to redeem the Redeemed Bonds in accordance with the provisions and requirements of the Bond Order.

PASSED, APPROVED AND EFFECTIVE this August 29, 2016.

President, Board of Trustees
Calallen Independent School District

ATTEST:

Secretary, Board of Trustees
Calallen Independent School District

Exhibit A

NOTICE OF REDEMPTION

CALLEN INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2008

CUSIP NUMBER: 128109NU5

NOTICE IS HEREBY GIVEN that the Calallen Independent School District (the "District") has called for redemption the outstanding Bonds ("Redeemed Bonds") of the District described as follows:

CALLEN INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2008, dated May 15, 2008, \$710,000 in principal amount of the February 15, 2038 maturity (all from the last mandatory sinking fund payment), at a redemption price equal to the principal amount thereof and accrued interest to the redemption date of the Redeemed Bonds so called for redemption at The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. Redemption date: February 15, 2018, on which date interest on the Redeemed Bonds so called for redemption shall cease to accrue and be payable.

THE REDEEMED BONDS have been called for redemption in accordance with the terms of the order authorizing their issuance, and such Redeemed Bonds shall be redeemed at the Paying Agent/Registrar for the Redeemed Bonds:

<u>United States Mail</u>	<u>Express Delivery</u>	<u>Hand Delivery</u>
The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust P.O. Box 396 East Syracuse, New York 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust 111 Sanders Creek Parkway East Syracuse, New York 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust Corporate Trust Window 101 Barclay Street 1 ST Floor East New York, New York 10286

UPON PRESENTATION of the Redeemed Bonds at the Paying Agent/Registrar on the aforementioned redemption date, the holder thereof shall be entitled to receive the redemption price equal to par and accrued interest to the redemption date.

NOTICE IS FURTHER GIVEN that due and proper arrangements have been made for providing the place of payment of the Redeemed Bonds called for redemption with funds sufficient to pay the principal amount of the Redeemed Bonds and the interest thereon to the redemption date. In the event the Redeemed Bonds are not presented for redemption by the date fixed for their redemption, they shall not thereafter bear interest.

THIS NOTICE is issued and given pursuant to the redemption provisions in the proceedings authorizing the issuance of the Redeemed Bonds and in accordance with the recitals and provisions of each of the Redeemed Bonds, respectively.

CALLEN INDEPENDENT SCHOOL DISTRICT

A RESOLUTION CALLING A PORTION OF THE CALLEN INDEPENDENT SCHOOL DISTRICT'S UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2008 FOR REDEMPTION PRIOR TO MATURITY; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Calallen Independent School District (the "District") has issued, and there are currently outstanding in the aggregate principal amount of \$22,660,000, the District's Unlimited Tax School Building Bonds, Series 2008 (the "Bonds"); and

WHEREAS, in the order that authorized the issuance of the Bonds (the "Bond Order"), the District reserved the option to redeem the Bonds, in whole or in part, at a price equal to the principal amount of the Bonds so called for redemption plus accrued interest to the redemption date, beginning on February 15, 2018, or on any date thereafter; and

WHEREAS, the Board of Trustees (the "Board") finds and determines that it is necessary and in the best interests of the District to redeem the outstanding Bonds described below with funds available for such purpose in accordance with the terms hereof; and

WHEREAS, the District will, on or prior to August 15, 2017, deposit cash with the Escrow Agent (defined below) under and pursuant to the Escrow Agreement (defined below) in an amount sufficient to pay the redemption price for the Redeemed Bonds on the Redemption Date (defined below); and

WHEREAS, it is officially found, determined and declared that the meeting at which this Resolution has been adopted was open to the public and public notice of the date, hour, place and subject of said meeting, including this Resolution, was given, all as required by the applicable provisions of Texas Government Code, Chapter 551;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE CALLEN INDEPENDENT SCHOOL DISTRICT:

Section 1. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Resolution are hereby adopted, restated and made a part of the operative provisions hereof.

Section 2. Redemption of Bonds.

The Bonds listed in **Exhibit A** hereto (the "Redeemed Bonds") are hereby called for redemption on February 15, 2018 (the "Redemption Date"). The Redeemed Bonds shall be paid on the Redemption Date and interest on the Redeemed Bonds shall cease to accrue on the Redemption Date.

Section 3. Authorization of Actions.

(a) The President or Secretary of the Board, the Superintendent of Schools or the Director of Finance of the District (each an "Authorized Officer") are each hereby authorized and directed to deliver to The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, the Paying Agent/Registrar for the Bonds ("BoNY"), a notice of redemption with respect to the Redeemed Bonds in substantially the form attached hereto as **Exhibit A**, and to direct BoNY to send notice of redemption of the Redeemed Bonds to the bondholders in accordance with the Bond Order.

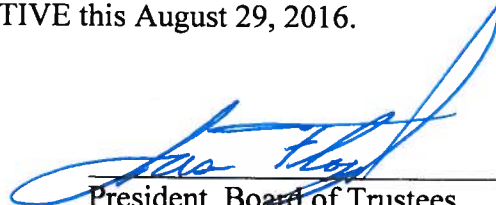
(b) The Redeemed Bonds shall be presented for redemption at the Paying Agent/Registrar therefor, and shall not bear interest after the Redemption Date.

(c) An Authorized Officer is hereby authorized to enter into and execute on behalf of the District with BoNY (in such capacity, the "Escrow Agent"), an escrow agreement (the "Escrow Agreement"), in the form and substance as shall be approved by the Authorized Officer, which Escrow Agreement will provide for the payment of the Redeemed Bonds.

(d) On or before August 15, 2017, the District shall deposit with the Escrow Agent funds in an amount sufficient to provide for the redemption of the Redeemed Bonds on the Redemption Date, with such funds to be applied in accordance with the Escrow Agreement. Lawfully available funds of the District are hereby authorized and appropriated in the amounts necessary for such purpose.

(e) The Authorized Officers are hereby authorized and directed to take such actions and to execute and deliver such documents, orders and receipts, including without limitation material events notices with respect to the Redeemed Bonds, as necessary or appropriate to consummate the transactions authorized by this Resolution and to redeem the Redeemed Bonds in accordance with the provisions and requirements of the Bond Order.

PASSED, APPROVED AND EFFECTIVE this August 29, 2016.



President, Board of Trustees
Calallen Independent School District

ATTEST:



Secretary, Board of Trustees
Calallen Independent School District

Exhibit A

NOTICE OF REDEMPTION

**CALLEN INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2008**

CUSIP NUMBER: 128109NU5

NOTICE IS HEREBY GIVEN that the Calallen Independent School District (the "District") has called for redemption the outstanding Bonds ("Redeemed Bonds") of the District described as follows:

CALLEN INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2008, dated May 15, 2008, \$710,000 in principal amount of the February 15, 2038 maturity (all from the last mandatory sinking fund payment), at a redemption price equal to the principal amount thereof and accrued interest to the redemption date of the Redeemed Bonds so called for redemption at The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. Redemption date: February 15, 2018, on which date interest on the Redeemed Bonds so called for redemption shall cease to accrue and be payable.

THE REDEEMED BONDS have been called for redemption in accordance with the terms of the order authorizing their issuance, and such Redeemed Bonds shall be redeemed at the Paying Agent/Registrar for the Redeemed Bonds:

<u>United States Mail</u>	<u>Express Delivery</u>	<u>Hand Delivery</u>
The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust P.O. Box 396 East Syracuse, New York 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust 111 Sanders Creek Parkway East Syracuse, New York 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust Corporate Trust Window 101 Barclay Street 1 ST Floor East New York, New York 10286

UPON PRESENTATION of the Redeemed Bonds at the Paying Agent/Registrar on the aforementioned redemption date, the holder thereof shall be entitled to receive the redemption price equal to par and accrued interest to the redemption date.

NOTICE IS FURTHER GIVEN that due and proper arrangements have been made for providing the place of payment of the Redeemed Bonds called for redemption with funds sufficient to pay the principal amount of the Redeemed Bonds and the interest thereon to the redemption date. In the event the Redeemed Bonds are not presented for redemption by the date fixed for their redemption, they shall not thereafter bear interest.

THIS NOTICE is issued and given pursuant to the redemption provisions in the proceedings authorizing the issuance of the Redeemed Bonds and in accordance with the recitals and provisions of each of the Redeemed Bonds, respectively.

CALLEN INDEPENDENT SCHOOL DISTRICT

ESCROW AGREEMENT

Calallen Independent School District Unlimited Tax School Building Bonds, Series 2008

THIS ESCROW AGREEMENT, dated as of September 1, 2016 (herein, together with any amendments or supplements hereto, called the "Agreement") is entered into by and between the Calallen Independent School District (called the "Issuer") and The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent"). The addresses of the Issuer and the Escrow Agent are shown on Exhibit "A" attached hereto and made a part hereof.

W I T N E S S E T H:

WHEREAS, the Issuer heretofore issued and there presently remain outstanding the obligations (the "Defeased Obligations") described in Exhibit "B" attached hereto and made a part hereof; and

WHEREAS, the Defeased Obligations are scheduled to mature in the year, bear interest at the rate, and are payable at such times as are set forth in Exhibit "B" hereto; and

WHEREAS, when firm banking arrangements have been made for the payment of principal and interest to the maturity or redemption dates of the Defeased Obligations, then the Defeased Obligations shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

WHEREAS, Chapter 1207, Texas Government Code ("Chapter 1207"), authorizes the Issuer to deposit any of its available funds or resources directly with any paying agent for the Defeased Obligations, or a trust company or commercial bank that does not act as a depository for the Issuer, and such deposit, if made before such payment dates and in sufficient amounts, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Defeased Obligations; and

WHEREAS, Chapter 1207 further authorizes the Issuer to enter into an escrow agreement with any such paying agent for any of the Defeased Obligations, or a trust company or commercial bank that does not act as a depository for the Issuer, with respect to the safekeeping, investment, administration and disposition of any such deposit, upon such terms and conditions as the Issuer and such paying agent, trust company or commercial bank may agree, provided that such deposits may be invested only in obligations described in Section 1207.062 of Chapter 1207, which obligations may be in book entry form, and which shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment of principal and interest on the Defeased Obligations when due; and

WHEREAS, the Escrow Agent is the paying agent for the Defeased Obligations (in such capacity, the "Paying Agent"), and this Agreement constitutes an escrow agreement of the kind authorized and required by said Chapter 1207; and

WHEREAS, Chapter 1207 makes it the duty of the Escrow Agent to comply with the terms of this Agreement and timely make available to the Paying Agent for the Defeased Obligations the amounts required to provide for the payment of the principal of and interest on such obligations when due, and in accordance with their terms, but solely from the funds, in the manner, and to the extent provided in this Agreement;

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure the full and timely payment of principal of and the interest on the Defeased Obligations, the Issuer and the Escrow Agent mutually undertake, promise, and agree for themselves and their respective representatives and successors, as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01. Recitals. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

Section 1.02. Definitions. Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

"Code" means the Internal Revenue Code of 1986, as amended, or to the extent applicable the Internal Revenue Code of 1954, together with any other applicable provisions of any successor federal income tax laws.

"Escrow Fund" means the fund created by this Agreement to be administered by the Escrow Agent pursuant to the provisions of this Agreement.

Section 1.03. Other Definitions. The terms "Agreement", "Issuer", "Escrow Agent", "Defeased Obligations" and "Paying Agent", when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

Section 1.04. Interpretations. The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the defeasance and redemption of the Defeased Obligations in accordance with applicable law.

ARTICLE II

DEPOSIT OF FUNDS

Section 2.01. Deposits in the Escrow Fund. On or prior to August 15, 2017, the Issuer agrees to deposit, or cause to be deposited, with the Escrow Agent, for deposit into the Escrow Fund, funds in the amount set forth in Exhibit "B" hereto.

ARTICLE III

CREATION AND OPERATION OF ESCROW FUND

Section 3.01. Escrow Fund. The Escrow Agent has created on its books a special trust fund and irrevocable escrow to be known as the "Calallen ISD Unlimited Tax School Building Bonds, Series 2008 Escrow Fund" (the "Escrow Fund"). The Escrow Agent hereby agrees that upon receipt thereof it will

irrevocably deposit to the credit of the Escrow Fund the funds described above. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Defeased Obligations, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.02 hereof. When the final transfers have been made for the payment of such principal of and interest on the Defeased Obligations, any balance then remaining in the Escrow Fund shall be transferred to the Issuer, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.02. Payment of Principal and Interest. The Escrow Agent is hereby irrevocably instructed to transfer from the cash balances from time to time on deposit in the Escrow Fund, the amounts required to pay the principal of the Defeased Obligations on the redemption date set forth in Exhibit "B" hereto and interest thereon to such redemption date.

Section 3.03. Sufficiency of Escrow Fund. The Issuer represents that the amount deposited into the Escrow Fund pursuant to Section 2.01 hereof is sufficient to pay all principal and interest coming due on the Defeased Obligations to the redemption date thereof. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to transfer the amounts required by each place of payment (paying agent) for the Defeased Obligations to make the payments set forth in Section 3.02 hereof, the Issuer shall timely deposit in the Escrow Fund, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments, unless such insufficiency is caused by the acts of the Escrow Agent. Notice of any such insufficiency shall be given as promptly as practicable as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund or the Issuer's failure to make additional deposits thereto.

Section 3.04. Trust Fund. The Escrow Agent shall hold at all times the Escrow Fund wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow any assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Defeased Obligations; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Defeased Obligations shall be entitled to the same preferred claim and first lien upon all assets of the Escrow Fund to which they are entitled as owners of the Defeased Obligations. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Issuer, and the Escrow Agent shall have no right to title with respect thereto except as a constructive trustee and Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the Issuer or, except to the extent expressly herein provided, by the Paying Agent.

Section 3.05. Security for Cash Balances. Cash balances from time to time on deposit in the Escrow Fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a pledge of direct obligations of, or obligations unconditionally guaranteed by, the United States of America, having a market value at least equal to such cash balances.

ARTICLE IV

LIMITATION ON INVESTMENTS

Section 4.01. Limitations. The Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder without the prior written consent of the Issuer.

Section 4.02. Arbitrage. The Issuer hereby covenants and agrees that it shall never request the Escrow Agent to exercise any power hereunder or permit any part of the money in the Escrow Fund to be used directly or indirectly to acquire any securities or obligations if the exercise of such power or the acquisition of such securities or obligations would cause any Defeased Obligations to be an "arbitrage bond" within the meaning of the Code.

ARTICLE V

APPLICATION OF CASH BALANCES

Section 5.01. In General. Except as may be agreed to by the Issuer in writing, no withdrawals, transfers, or reinvestment shall be made of cash balances in the Escrow Fund.

ARTICLE VI

RECORDS AND REPORTS

Section 6.01. Records. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the Issuer and the owners of the Defeased Obligations.

Section 6.02. Reports. While this Agreement remains in effect, the Escrow Agent annually shall prepare and send to the Issuer a written report summarizing all transactions relating to the Escrow Fund during the preceding year, including, without limitation, transfers from the Escrow Fund for payments on the Defeased Obligations, together with a detailed statement of the cash balance on deposit in the Escrow Fund as of the end of such period.

ARTICLE VII

CONCERNING THE PAYING AGENT AND ESCROW AGENT

Section 7.01. Representations. The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

Section 7.02. Limitation on Liability. The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Defeased Obligations shall be limited to the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, neither the Escrow Agent nor the Paying Agent shall have any liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund, except for the obligation to notify the Issuer as promptly as practicable of any such occurrence.

The recitals herein and in the proceedings authorizing the Defeased Obligations shall be taken as the statements of the Issuer and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. The Escrow Agent is not a party to the proceedings authorizing the Defeased Obligations and is not responsible for nor bound by any of the provisions thereof (except as a place of payment and paying agent and/or a Paying Agent/Registrar therefor). In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

Except as stated in Section 7.05 hereof, the Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the Issuer thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its negligence or willful misconduct.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Issuer with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own willful misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the Issuer or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the Issuer at any time.

Section 7.03. Compensation. (a) Concurrently with the initial deposit to the Escrow Fund, the Issuer shall pay to the Escrow Agent, as a fee for performing the services hereunder and for all expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement, the amount set forth in Exhibit "C" attached hereto, the sufficiency of which is hereby acknowledged by the Escrow Agent. In the event that the Escrow Agent is requested to perform any extraordinary services hereunder, the Issuer hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services, and the Escrow Agent hereby agrees to look only to the Issuer for the payment of such fees and reimbursement of such expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses.

(b) Upon receipt of the aforesaid specific sum stated in subsection (a) of this Section 7.03 for Escrow Agent fees, expenses, and services, the Escrow Agent shall acknowledge such receipt to the Issuer in writing.

Section 7.04. Successor Escrow Agents. If at any time the Escrow Agent or its legal successor or successors should become unable, through operation or law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Issuer, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Issuer within 60 days, a successor may be appointed by the owners of a majority in principal amount of the Defeased Obligations then outstanding by an instrument or instruments in writing filed with the Issuer, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Defeased Obligation may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or the State of Texas, authorized under such laws to exercise corporate trust powers, authorized under Texas law to act as an escrow agent, having its principal office and place of business in the State of Texas, having a combined capital and surplus of at least \$50,000,000 and subject to the supervision or examination by Federal or State authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the Issuer and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trust hereby created by giving not less than sixty (60) days' written notice to the Issuer and publishing notice thereof, specifying the date when such resignation will take effect, in a newspaper printed in the English language and with general circulation in New York, New York, such publication to be made once at least three (3) weeks prior to the date when the resignation is to take effect. No such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the owners of the Defeased Obligations or by the Issuer as herein provided and such successor Escrow Agent shall be a paying agent for the Defeased Obligations and shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

Under any circumstances, the Escrow Agent shall pay over to its successor Escrow Agent proportional parts of the Escrow Agent's fee and, if applicable, its Paying Agent's fee hereunder.

Section 7.05. Notice of Redemption. The Escrow Agent is hereby authorized and directed to cause notice of defeasance and redemption of the Defeased Obligations to be given at the time and in the form and manner prescribed in the proceedings that authorized the issuance of the Defeased Obligations.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Notice. Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the Issuer or the Escrow Agent at the address shown on Exhibit "A" attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten (10) days prior notice thereof. Prior written notice of any amendment to this Agreement contemplated pursuant to Section 8.08 and immediate written notice of any incidence of a severance pursuant to Section 8.04 shall be sent to Moody's Investors Service, Attn: Public Finance Rating Desk/Refunded Bonds, 99 Church Street, New York, New York 10007, Standard & Poor's Corporation, Attn: Municipal Bond Department, 25 Broadway, New York, New York 10004 and Fitch, Inc., One State Street Plaza, New York, New York 10004.

Section 8.02. Termination of Responsibilities. Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the Issuer, the owners of the Defeased Obligations or to any other person or persons in connection with this Agreement.

Section 8.03. Binding Agreement. This Agreement shall be binding upon the Issuer and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Defeased Obligations, the Issuer, the Escrow Agent and their respective successors and legal representatives.

Section 8.04. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 8.05. Texas Law Governs. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 8.06. Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 8.07. Effective date of Agreement. This Agreement shall be effective upon receipt by the Escrow Agent of the funds described in Exhibit "B" hereto, together with the specific sums stated in subsections (a) and (b) of Section 7.03 for Escrow Agent and paying agency fees, expenses, and services.

Section 8.08. Amendments. This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall adversely affect the rights of the holders of the Defeased Obligations.

Section 8.09. Counterparts. This Agreement may be executed in one or more counterparts, each and all of which shall constitute one and the same instrument.

EXECUTED as of the date first written above.

CALLEN INDEPENDENT SCHOOL DISTRICT

Authorized Officer

Signature Page to Escrow Agreement
Calallen Independent School District Unlimited Tax School Building Bonds, Series 2008

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By: _____

Title: _____

Signature Page to Escrow Agreement
Calallen Independent School District Unlimited Tax School Building Bonds, Series 2008

INDEX TO EXHIBITS

Exhibit "A" Addresses of the Issuer and the Escrow Agent

Exhibit "B" Defeased Obligations

EXHIBIT "A"

ADDRESSES OF THE ISSUER AND THE ESCROW AGENT

ISSUER

Calallen Independent School District
4205 Wildcat Drive
Calallen, Texas 78410

Attention: Superintendent

ESCROW AGENT

The Bank of New York Mellon Trust Company, N.A.
2001 Bryan Street, 11th Floor
Dallas, Texas 75201

Attention: Corporate Trust Department

EXHIBIT "B"

DEFEASED OBLIGATIONS

Calallen Independent School District Unlimited Tax School Building Bonds, Series 2008
CUSIP No.: 128109NU5

Maturity Date: February 15, 2038

Principal Amount to be Redeemed: \$710,000 (all from the last mandatory sinking fund payment)

Defeasance Date: August 15, 2017

Redemption Date: February 15, 2018

ESCROW DEPOSIT

Deposit with Respect to the Defeased Obligations: The sum of \$727,750 is to be deposited with the Escrow Agent on or before August 15, 2017, and is to be applied to pay the principal of and interest on the Defeased Obligations on the Redemption Date.

EXHIBIT "C"

ESCROW AGENT FEES

A RESOLUTION CALLING A PORTION OF THE CALALLEN INDEPENDENT SCHOOL DISTRICT'S UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2008 FOR REDEMPTION PRIOR TO MATURITY; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Calallen Independent School District (the "District") has issued, and there are currently outstanding in the aggregate principal amount of \$22,660,000, the District's Unlimited Tax School Building Bonds, Series 2008 (the "Bonds"); and

WHEREAS, in the order that authorized the issuance of the Bonds (the "Bond Order"), the District reserved the option to redeem the Bonds, in whole or in part, at a price equal to the principal amount of the Bonds so called for redemption plus accrued interest to the redemption date, beginning on February 15, 2018, or on any date thereafter; and

WHEREAS, the Board of Trustees (the "Board") finds and determines that it is necessary and in the best interests of the District to redeem the outstanding Bonds described below with funds available for such purpose in accordance with the terms hereof; and

WHEREAS, the District will, on or prior to August 15, 2017, deposit cash with the Escrow Agent (defined below) under and pursuant to the Escrow Agreement (defined below) in an amount sufficient to pay the redemption price for the Redeemed Bonds on the Redemption Date (defined below); and

WHEREAS, it is officially found, determined and declared that the meeting at which this Resolution has been adopted was open to the public and public notice of the date, hour, place and subject of said meeting, including this Resolution, was given, all as required by the applicable provisions of Texas Government Code, Chapter 551;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE CALALLEN INDEPENDENT SCHOOL DISTRICT:

Section 1. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Resolution are hereby adopted, restated and made a part of the operative provisions hereof.

Section 2. Redemption of Bonds.

The Bonds listed in **Exhibit A** hereto (the "Redeemed Bonds") are hereby called for redemption on February 15, 2018 (the "Redemption Date"). The Redeemed Bonds shall be paid on the Redemption Date and interest on the Redeemed Bonds shall cease to accrue on the Redemption Date.

Section 3. Authorization of Actions.

(a) The President or Secretary of the Board, the Superintendent of Schools or the Director of Finance of the District (each an "Authorized Officer") are each hereby authorized and directed to deliver to The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, the Paying Agent/Registrar for the Bonds ("BoNY"), a notice of redemption with respect to the Redeemed Bonds in substantially the form attached hereto as **Exhibit A**, and to direct BoNY to send notice of redemption of the Redeemed Bonds to the bondholders in accordance with the Bond Order.

(b) The Redeemed Bonds shall be presented for redemption at the Paying Agent/Registrar therefor, and shall not bear interest after the Redemption Date.

(c) An Authorized Officer is hereby authorized to enter into and execute on behalf of the District with BoNY (in such capacity, the "Escrow Agent"), an escrow agreement (the "Escrow Agreement"), in the form and substance as shall be approved by the Authorized Officer, which Escrow Agreement will provide for the payment of the Redeemed Bonds.

(d) On or before August 15, 2017, the District shall deposit with the Escrow Agent funds in an amount sufficient to provide for the redemption of the Redeemed Bonds on the Redemption Date, with such funds to be applied in accordance with the Escrow Agreement. Lawfully available funds of the District are hereby authorized and appropriated in the amounts necessary for such purpose.

(e) The Authorized Officers are hereby authorized and directed to take such actions and to execute and deliver such documents, orders and receipts, including without limitation material events notices with respect to the Redeemed Bonds, as necessary or appropriate to consummate the transactions authorized by this Resolution and to redeem the Redeemed Bonds in accordance with the provisions and requirements of the Bond Order.

PASSED, APPROVED AND EFFECTIVE this August 29, 2016.

President, Board of Trustees
Calallen Independent School District

ATTEST:

Secretary, Board of Trustees
Calallen Independent School District

Exhibit A

NOTICE OF REDEMPTION

CALALLEN INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2008

CUSIP NUMBER: 128109NU5

NOTICE IS HEREBY GIVEN that the Calallen Independent School District (the "District") has called for redemption the outstanding Bonds ("Redeemed Bonds") of the District described as follows:

CALALLEN INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2008, dated May 15, 2008, \$500,000 in principal amount of the February 15, 2038 maturity (all from the last mandatory sinking fund payment), at a redemption price equal to the principal amount thereof and accrued interest to the redemption date of the Redeemed Bonds so called for redemption at The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. Redemption date: February 15, 2018, on which date interest on the Redeemed Bonds so called for redemption shall cease to accrue and be payable.

THE REDEEMED BONDS have been called for redemption in accordance with the terms of the order authorizing their issuance, and such Redeemed Bonds shall be redeemed at the Paying Agent/Registrar for the Redeemed Bonds:

<u>United States Mail</u>	<u>Express Delivery</u>	<u>Hand Delivery</u>
The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust P.O. Box 396 East Syracuse, New York 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust 111 Sanders Creek Parkway East Syracuse, New York 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust Corporate Trust Window 101 Barclay Street 1 ST Floor East New York, New York 10286

UPON PRESENTATION of the Redeemed Bonds at the Paying Agent/Registrar on the aforementioned redemption date, the holder thereof shall be entitled to receive the redemption price equal to par and accrued interest to the redemption date.

NOTICE IS FURTHER GIVEN that due and proper arrangements have been made for providing the place of payment of the Redeemed Bonds called for redemption with funds sufficient to pay the principal amount of the Redeemed Bonds and the interest thereon to the redemption date. In the event the Redeemed Bonds are not presented for redemption by the date fixed for their redemption, they shall not thereafter bear interest.

THIS NOTICE is issued and given pursuant to the redemption provisions in the proceedings authorizing the issuance of the Redeemed Bonds and in accordance with the recitals and provisions of each of the Redeemed Bonds, respectively.

CALALLEN INDEPENDENT SCHOOL DISTRICT

ESCROW AGREEMENT

Calallen Independent School District Unlimited Tax School Building Bonds, Series 2008

THIS ESCROW AGREEMENT, dated as of September 1, 2016 (herein, together with any amendments or supplements hereto, called the "Agreement") is entered into by and between the Calallen Independent School District (called the "Issuer") and The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent"). The addresses of the Issuer and the Escrow Agent are shown on Exhibit "A" attached hereto and made a part hereof.

W I T N E S S E T H:

WHEREAS, the Issuer heretofore issued and there presently remain outstanding the obligations (the "Defeased Obligations") described in Exhibit "B" attached hereto and made a part hereof; and

WHEREAS, the Defeased Obligations are scheduled to mature in the year, bear interest at the rate, and are payable at such times as are set forth in Exhibit "B" hereto; and

WHEREAS, when firm banking arrangements have been made for the payment of principal and interest to the maturity or redemption dates of the Defeased Obligations, then the Defeased Obligations shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

WHEREAS, Chapter 1207, Texas Government Code ("Chapter 1207"), authorizes the Issuer to deposit any of its available funds or resources directly with any paying agent for the Defeased Obligations, or a trust company or commercial bank that does not act as a depository for the Issuer, and such deposit, if made before such payment dates and in sufficient amounts, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Defeased Obligations; and

WHEREAS, Chapter 1207 further authorizes the Issuer to enter into an escrow agreement with any such paying agent for any of the Defeased Obligations, or a trust company or commercial bank that does not act as a depository for the Issuer, with respect to the safekeeping, investment, administration and disposition of any such deposit, upon such terms and conditions as the Issuer and such paying agent, trust company or commercial bank may agree, provided that such deposits may be invested only in obligations described in Section 1207.062 of Chapter 1207, which obligations may be in book entry form, and which shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment of principal and interest on the Defeased Obligations when due; and

WHEREAS, the Escrow Agent is the paying agent for the Defeased Obligations (in such capacity, the "Paying Agent"), and this Agreement constitutes an escrow agreement of the kind authorized and required by said Chapter 1207; and

WHEREAS, Chapter 1207 makes it the duty of the Escrow Agent to comply with the terms of this Agreement and timely make available to the Paying Agent for the Defeased Obligations the amounts required to provide for the payment of the principal of and interest on such obligations when due, and in accordance with their terms, but solely from the funds, in the manner, and to the extent provided in this Agreement;

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure the full and timely payment of principal of and the interest on the Defeased Obligations, the Issuer and the Escrow Agent mutually undertake, promise, and agree for themselves and their respective representatives and successors, as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01. Recitals. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

Section 1.02. Definitions. Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

"Code" means the Internal Revenue Code of 1986, as amended, or to the extent applicable the Internal Revenue Code of 1954, together with any other applicable provisions of any successor federal income tax laws.

"Escrow Fund" means the fund created by this Agreement to be administered by the Escrow Agent pursuant to the provisions of this Agreement.

Section 1.03. Other Definitions. The terms "Agreement", "Issuer", "Escrow Agent", "Defeased Obligations" and "Paying Agent", when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

Section 1.04. Interpretations. The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the defeasance and redemption of the Defeased Obligations in accordance with applicable law.

ARTICLE II

DEPOSIT OF FUNDS

Section 2.01. Deposits in the Escrow Fund. On or prior to August 15, 2017, the Issuer agrees to deposit, or cause to be deposited, with the Escrow Agent, for deposit into the Escrow Fund, funds in the amount set forth in Exhibit "B" hereto.

ARTICLE III

CREATION AND OPERATION OF ESCROW FUND

Section 3.01. Escrow Fund. The Escrow Agent has created on its books a special trust fund and irrevocable escrow to be known as the "Calallen ISD Unlimited Tax School Building Bonds, Series 2008 Escrow Fund" (the "Escrow Fund"). The Escrow Agent hereby agrees that upon receipt thereof it will

irrevocably deposit to the credit of the Escrow Fund the funds described above. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Defeased Obligations, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.02 hereof. When the final transfers have been made for the payment of such principal of and interest on the Defeased Obligations, any balance then remaining in the Escrow Fund shall be transferred to the Issuer, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.02. Payment of Principal and Interest. The Escrow Agent is hereby irrevocably instructed to transfer from the cash balances from time to time on deposit in the Escrow Fund, the amounts required to pay the principal of the Defeased Obligations on the redemption date set forth in Exhibit "B" hereto and interest thereon to such redemption date.

Section 3.03. Sufficiency of Escrow Fund. The Issuer represents that the amount deposited into the Escrow Fund pursuant to Section 2.01 hereof is sufficient to pay all principal and interest coming due on the Defeased Obligations to the redemption date thereof. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to transfer the amounts required by each place of payment (paying agent) for the Defeased Obligations to make the payments set forth in Section 3.02 hereof, the Issuer shall timely deposit in the Escrow Fund, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments, unless such insufficiency is caused by the acts of the Escrow Agent. Notice of any such insufficiency shall be given as promptly as practicable as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund or the Issuer's failure to make additional deposits thereto.

Section 3.04. Trust Fund. The Escrow Agent shall hold at all times the Escrow Fund wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow any assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Defeased Obligations; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Defeased Obligations shall be entitled to the same preferred claim and first lien upon all assets of the Escrow Fund to which they are entitled as owners of the Defeased Obligations. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Issuer, and the Escrow Agent shall have no right to title with respect thereto except as a constructive trustee and Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the Issuer or, except to the extent expressly herein provided, by the Paying Agent.

Section 3.05. Security for Cash Balances. Cash balances from time to time on deposit in the Escrow Fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a pledge of direct obligations of, or obligations unconditionally guaranteed by, the United States of America, having a market value at least equal to such cash balances.

ARTICLE IV

LIMITATION ON INVESTMENTS

Section 4.01. Limitations. The Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder without the prior written consent of the Issuer.

Section 4.02. Arbitrage. The Issuer hereby covenants and agrees that it shall never request the Escrow Agent to exercise any power hereunder or permit any part of the money in the Escrow Fund to be used directly or indirectly to acquire any securities or obligations if the exercise of such power or the acquisition of such securities or obligations would cause any Defeased Obligations to be an "arbitrage bond" within the meaning of the Code.

ARTICLE V

APPLICATION OF CASH BALANCES

Section 5.01. In General. Except as may be agreed to by the Issuer in writing, no withdrawals, transfers, or reinvestment shall be made of cash balances in the Escrow Fund.

ARTICLE VI

RECORDS AND REPORTS

Section 6.01. Records. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the Issuer and the owners of the Defeased Obligations.

Section 6.02. Reports. While this Agreement remains in effect, the Escrow Agent annually shall prepare and send to the Issuer a written report summarizing all transactions relating to the Escrow Fund during the preceding year, including, without limitation, transfers from the Escrow Fund for payments on the Defeased Obligations, together with a detailed statement of the cash balance on deposit in the Escrow Fund as of the end of such period.

ARTICLE VII

CONCERNING THE PAYING AGENT AND ESCROW AGENT

Section 7.01. Representations. The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

Section 7.02. Limitation on Liability. The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Defeased Obligations shall be limited to the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, neither the Escrow Agent nor the Paying Agent shall have any liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund, except for the obligation to notify the Issuer as promptly as practicable of any such occurrence.

The recitals herein and in the proceedings authorizing the Defeased Obligations shall be taken as the statements of the Issuer and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. The Escrow Agent is not a party to the proceedings authorizing the Defeased Obligations and is not responsible for nor bound by any of the provisions thereof (except as a place of payment and paying agent and/or a Paying Agent/Registrar therefor). In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

Except as stated in Section 7.05 hereof, the Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the Issuer thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its negligence or willful misconduct.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Issuer with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own willful misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the Issuer or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the Issuer at any time.

Section 7.03. Compensation. (a) Concurrently with the initial deposit to the Escrow Fund, the Issuer shall pay to the Escrow Agent, as a fee for performing the services hereunder and for all expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement, the amount set forth in Exhibit "C" attached hereto, the sufficiency of which is hereby acknowledged by the Escrow Agent. In the event that the Escrow Agent is requested to perform any extraordinary services hereunder, the Issuer hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services, and the Escrow Agent hereby agrees to look only to the Issuer for the payment of such fees and reimbursement of such expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses.

(b) Upon receipt of the aforesaid specific sum stated in subsection (a) of this Section 7.03 for Escrow Agent fees, expenses, and services, the Escrow Agent shall acknowledge such receipt to the Issuer in writing.

Section 7.04. Successor Escrow Agents. If at any time the Escrow Agent or its legal successor or successors should become unable, through operation or law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Issuer, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Issuer within 60 days, a successor may be appointed by the owners of a majority in principal amount of the Defeased Obligations then outstanding by an instrument or instruments in writing filed with the Issuer, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Defeased Obligation may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or the State of Texas, authorized under such laws to exercise corporate trust powers, authorized under Texas law to act as an escrow agent, having its principal office and place of business in the State of Texas, having a combined capital and surplus of at least \$50,000,000 and subject to the supervision or examination by Federal or State authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the Issuer and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trust hereby created by giving not less than sixty (60) days' written notice to the Issuer and publishing notice thereof, specifying the date when such resignation will take effect, in a newspaper printed in the English language and with general circulation in New York, New York, such publication to be made once at least three (3) weeks prior to the date when the resignation is to take effect. No such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the owners of the Defeased Obligations or by the Issuer as herein provided and such successor Escrow Agent shall be a paying agent for the Defeased Obligations and shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

Under any circumstances, the Escrow Agent shall pay over to its successor Escrow Agent proportional parts of the Escrow Agent's fee and, if applicable, its Paying Agent's fee hereunder.

Section 7.05. Notice of Redemption. The Escrow Agent is hereby authorized and directed to cause notice of defeasance and redemption of the Defeased Obligations to be given at the time and in the form and manner prescribed in the proceedings that authorized the issuance of the Defeased Obligations.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Notice. Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the Issuer or the Escrow Agent at the address shown on Exhibit "A" attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten (10) days prior notice thereof. Prior written notice of any amendment to this Agreement contemplated pursuant to Section 8.08 and immediate written notice of any incidence of a severance pursuant to Section 8.04 shall be sent to Moody's Investors Service, Attn: Public Finance Rating Desk/Refunded Bonds, 99 Church Street, New York, New York 10007, Standard & Poor's Corporation, Attn: Municipal Bond Department, 25 Broadway, New York, New York 10004 and Fitch, Inc., One State Street Plaza, New York, New York 10004.

Section 8.02. Termination of Responsibilities. Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the Issuer, the owners of the Defeased Obligations or to any other person or persons in connection with this Agreement.

Section 8.03. Binding Agreement. This Agreement shall be binding upon the Issuer and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Defeased Obligations, the Issuer, the Escrow Agent and their respective successors and legal representatives.

Section 8.04. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 8.05. Texas Law Governs. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 8.06. Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 8.07. Effective date of Agreement. This Agreement shall be effective upon receipt by the Escrow Agent of the funds described in Exhibit "B" hereto, together with the specific sums stated in subsections (a) and (b) of Section 7.03 for Escrow Agent and paying agency fees, expenses, and services.

Section 8.08. Amendments. This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall adversely affect the rights of the holders of the Defeased Obligations.

Section 8.09. Counterparts. This Agreement may be executed in one or more counterparts, each and all of which shall constitute one and the same instrument.

EXECUTED as of the date first written above.

CALLEN INDEPENDENT SCHOOL DISTRICT

Authorized Officer

Signature Page to Escrow Agreement
Calallen Independent School District Unlimited Tax School Building Bonds, Series 2008

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By: _____

Title: _____

Signature Page to Escrow Agreement
Calallen Independent School District Unlimited Tax School Building Bonds, Series 2008

INDEX TO EXHIBITS

Exhibit "A" Addresses of the Issuer and the Escrow Agent

Exhibit "B" Defeased Obligations

EXHIBIT "A"

ADDRESSES OF THE ISSUER AND THE ESCROW AGENT

ISSUER

Calallen Independent School District
4205 Wildcat Drive
Calallen, Texas 78410

Attention: Superintendent

ESCROW AGENT

The Bank of New York Mellon Trust Company, N.A.
2001 Bryan Street, 11th Floor
Dallas, Texas 75201

Attention: Corporate Trust Department

EXHIBIT "B"

DEFEASED OBLIGATIONS

Calallen Independent School District Unlimited Tax School Building Bonds, Series 2008
CUSIP No.: 128109NU5

Maturity Date: February 15, 2038

Principal Amount to be Redeemed: \$500,000 (all from the last mandatory sinking fund payment)

Defeasance Date: August 15, 2017

Redemption Date: February 15, 2018

ESCROW DEPOSIT

Deposit with Respect to the Defeased Obligations: The sum of \$512,500 is to be deposited with the Escrow Agent on or before August 15, 2017, and is to be applied to pay the principal of and interest on the Defeased Obligations on the Redemption Date.

EXHIBIT "C"

ESCROW AGENT FEES

BOARD OF EDUCATION
CALALLEN INDEPENDENT SCHOOL DISTRICT
CORPUS CHRISTI, TEXAS

Date : August 29, 2016

Subject: Consider adoption of Calallen ISD budgets for 2016-2017

New Business

Action

BACKGROUND INFORMATION

The Board is required to adopt budgets for General Operations, Food Service and Debt Service Funds. These budgets must be adopted by August 31, 2016.

The Board will be presented with three different options for 2016-2017 Debt Service. Each option results in a different required tax rate. All three rates are less than or equal to the rate published by the district in the required Notice of this meeting.

The budgets for General Operations and Food Service include pay increases that were authorized by the Board at the June 13, 2016 meeting.

ITEM ADDRESSED

Consider adoption of Calallen ISD Budgets 2016-2017

RECOMMENDED ACTION

The Administration recommends the Board adopt the Calallen ISD budgets for 2016-2017.

Calallen ISD					
Proposed Budgets 2016-2017					
General Operating Fund (199)					
	2015-16 Budget as Amended (Amend #2)	Amend #3 Proposed	2015-16 Budget if Amendment Approved	2015-16 Estimated Actual (as of 7/31/16)	2016-17 Proposed Budget
Revenue					
Current & Delinquent Taxes	16,600,000		16,600,000	16,825,000	16,700,000
Pen & Int on Taxes	125,000		125,000	267,000	145,000
Interest Earn on Invest	15,000		15,000	40,000	35,000
Athletic receipts	170,000		170,000	170,000	170,000
Ch 313 Revenue Protection Pymts					2,490,000
Other	80,000		80,000	104,000	140,000
Total Local	16,990,000	0	16,990,000	17,406,000	19,680,000
State PerCapita/Foundation/EDA	14,930,000		14,930,000	15,800,000	14,288,000
TRS on Behalf rev=exp	1,465,000		1,465,000	1,465,000	1,550,000
Total State	16,395,000	0	16,395,000	17,265,000	15,838,000
Total Federal - NOT Stimulus	320,000		320,000	275,000	270,000
Total Operating Rev	33,705,000	0	33,705,000	34,946,000	35,788,000
Expenses					
11: Instruction	19,183,110	150,000	19,333,110	19,275,000	20,571,950
12: Instr. Res/Media	489,605	(40,000)	449,605	395,000	442,256
13: Curr Dev	494,185		494,185	450,000	484,857
21: Instr Leader	818,743	(50,000)	768,743	700,000	783,928
23: School Leader	1,736,038		1,736,038	1,700,000	1,846,106
31: Counsel	1,469,124		1,469,124	1,375,000	1,443,268
32: Social Work	51,980		51,980	49,000	47,722
33: Health Serv	411,274		411,274	410,000	430,621
34: Transport	1,212,242	(27,000)	1,185,242	1,125,000	1,376,572
35: Food service	15,000		15,000	15,000	15,000
36: Co/Extra Curr	1,514,612	(20,000)	1,494,612	1,420,000	1,476,656
41: Gen Admin	1,285,369	(40,000)	1,245,369	1,175,000	1,300,678
51: Plant Mtn	5,150,382		5,150,382	5,065,000	5,370,391
52: Security	139,500		139,500	117,000	128,000
53: Data Proc	150,723		150,723	145,000	152,806
71: Debt Pymt: Bonds or Mtn Notes	335,000		335,000	331,000	333,100
81: Construction (AG shop expansion)	310,000	15,000	325,000	320,000	175,000
95: Pymt to JJAEP	60,000		60,000	45,000	50,000
99: Pymt to Govt Appraiser	205,000	12,000	217,000	216,500	255,000
Net Operating Before Transfer	35,031,887	0	35,031,887	34,328,500	36,683,911
Net Roll/(Loss Before Transfer)	(1,326,887)	0	(1,326,887)	617,500	(895,911)
Transfer from M&O to Construction	(1,450,000)		(1,450,000)	(1,450,000)	
Net "Roll"/(Loss) to Fund Balance	(2,776,887)	0	(2,776,887)	(832,500)	(895,911)
Audited Beginning Fund Balance	9,633,611		9,633,611	9,633,611	8,801,111
Estimated Ending Fund Balance	6,856,724		6,856,724	8,801,111	7,905,200
NOTE: This transfer is to fund completion of the FEMA dome and Multipurpose Facility and assumes FEMA provides at least \$2.7 million towards the dome. Building of the pool will require additional transfer of funds.					

Calallen ISD			
Proposed Budgets 2016-2017			
Food Service (240)			
	2015-16	2015-16	2016-2017
	Adopted Budget	Estimated Actual	Proposed Budget
Revenue			
Interest Earn on Invest	1,000	1,500	1,000
Food sales	1,010,000	978,400	1,060,000
Total Local	1,011,000	979,900	1,061,000
Other	12,000	11,600	12,000
TRS on Behalf rev=exp	25,000	25,000	20,000
Total State	37,000	36,600	32,000
Total Federal	1,110,000	1,110,500	1,205,000
Total Operating Revenue	2,158,000	2,127,000	2,298,000
Expenses			
35 Food service	2,283,056	2,081,500	2,391,053
51 Plant Mtn	3,000	1,500	3,000
Total Operating Expenses	2,286,056	2,083,000	2,394,053
Net Roll/(Loss)	(128,056)	44,000	(96,053)
Estimated Beginning Fund Balances	431,731	431,731	475,731
Estimated Ending Fund Balance	303,675	475,731	379,678
Meal Prices for paid meals			
Elementary lunch	\$2.15		\$2.25
Secondary lunch	\$2.40		\$2.50
Breakfast	\$1.25		\$1.35

Calallen ISD						
Proposed Budgets 2016-2017						
Debt Service / Interest and Sinking (511)						
	2015-2016	2015-2016	2016-17	2016-17	2016-17	
	Budget	Estimated	Option 1	Option 2	Option 3	
	as amended	Actual	Bond Pymt and \$710,000 Redempt	Bond Pymt and \$500,000 Redempt	Bond Pymt ONLY	
M&O Tax Rate	1.1700	on \$1.502 Billion	1.1700	1.1700	1.1700	
I&S Tax Rate	0.2055	on \$1.707 billion	0.2052	0.1932	0.1646	
Total Rate	1.3755		1.3752	1.3632	1.3346	
Revenue						
Local						
Current taxes	2,890,000	2,916,800	3,327,600	3,133,000	2,669,200	
Delinquent Taxes	25,000	43,881	40,000	40,000	40,000	
Pen & Int on Delinquent	15,000	40,380	15,000	15,000	15,000	
Interest Earn on Invest	1,000	3,500	3,000	3,000	3,000	
Total Local	2,931,000	3,004,561	3,385,600	3,191,000	2,727,200	
State (Hold Harmless)	0	86,000	35,000	35,000	35,000	
Bond Refunding	9,999,440	9,999,439				
Total Revenue/Other	12,930,440	13,090,000	3,420,600	3,226,000	2,762,200	
Expenses						
71 Debt Pymt	2,922,000	2,920,715	2,840,733	2,840,733	2,840,733	
71 Redemption			727,750	512,500	0	
71 Fees	5,000	1,700	4,000	4,000	4,000	
Total Operating expenses	2,927,000	2,922,415	3,572,483	3,357,233	2,844,733	
Bond Refunding	9,999,530	9,994,585				
Total Expenses/Other	12,926,530	12,917,000				
Net Operating Roll/ (Loss)	3,910	173,000	(151,883)	(131,233)	(82,533)	
Beginning Est Fund Balance	28,025	28,025	201,000	201,000	201,000	
Ending Est Fund Balance	31,935	201,025	49,117	69,767	118,467	
			Note:	\$100,000 Property		
				1 cent of tax = \$10		
				\$500,000 Property		
				1 cent of tax = \$50		
				\$1,000,000 Property		
				1 cent of tax = \$100		
				\$100 million Property		
				1 cent of tax = \$10,000		

BOARD OF EDUCATION
CALALLEN INDEPENDENT SCHOOL DISTRICT
CORPUS CHRISTI, TEXAS

Date : August 29, 2016

Subject: Consider adoption of 2016 tax rate for Calallen ISD

New Business

Action

BACKGROUND INFORMATION

The District is required to adopt a tax rate after formally adopting the budget and before September 29.

Three options are being proposed to the Board for the 2016 tax rate.

Option 1 – Call for a redemption of \$710,000 of bonds
Tax rate would be: $\$1.1700 + \$0.2052 = \$1.3752$

Option 2 – Call for a redemption of \$500,000 of bonds
Tax rate would be: $\$1.1700 + \$0.1932 = \$1.3632$

Option 3 – Do not call for a redemption of bonds
Tax rate would be: $\$1.1700 + \$0.1646 = \$1.3346$

ITEM ADDRESSED

Consider adoption of the 2016 tax rate for Calallen ISD

RECOMMENDED ACTION

To be discussed. Recommendation to be made at the meeting.

**Calallen ISD
Tax Rate Adoption Process**

OPTION 1 -- Assumes pay down of \$710,000 in debt

Current Rate			
Tax Year 2015	M&O	I&S	Total
	1.1700	0.2055	1.3755

For Tax Year 2016; School Year 2016-2017

Effective Rate -- Generally applies to municipalities; does not consider State funding of schools

N/A	N/A	<u>1.4454</u>	Any rate adopted above the "Effective Rate" requires special procedures
-----	-----	---------------	---

Effective M&O Rate -- is the rate needed to generate the same total M&O funds from combined taxes and state funding as last year.

<u>1.3191</u>	N/A	N/A	However, if the M&O rate adopted, generates more in taxes than M&O taxes generated the preceeding year, then special wording is required on the resolution
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Rollback Rate -- is the Effective M&O rate plus 4 cents (BUT is limited to \$1.17) plus I&S rate to generate funds for bond payments

NOTE: A school district MUST hold an election to adopt a rate above the Rollback Rate

1.1700	0.2052	<u>1.3752</u>	(State law sets the Maximum M&O rate at \$1.17 that voters may approve)
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Option 1

Tax Year 2016	<u>1.1700</u>	<u>0.2052</u>	<u>1.3752</u>	The total \$1.3752 is NOT above the "Effective Rate" But the M&O rate will generate more taxes than were generated for M&O last year.
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To adopt Proposed Rate at this meeting

*Because the proposed rate does not exceed the Effective Rate,
no special wording is required in the motion.*

NOTE:

The vote to set the tax rate must be a record vote.

Because the M&O Rate will generate more taxes than were generated last year, the **Resolution** **Must** contain the following

"This tax rate will raise more taxes for maintenance and operations than last year's rate."

**Calallen ISD
Tax Rate Adoption Process**

OPTION 2 -- Assumes pay down of \$500,000 in debt

Current Rate			
Tax Year 2015	M&O	I&S	Total
	1.1700	0.2055	1.3755

For Tax Year 2016; School Year 2016-2017

Effective Rate -- Generally applies to municipalities; does not consider State funding of schools

N/A	N/A	<u>1.4454</u>	Any rate adopted above the "Effective Rate" requires special procedures
-----	-----	---------------	---

Effective M&O Rate -- is the rate needed to generate the same total M&O funds from combined taxes and state funding as last year.

<u>1.3191</u>	N/A	N/A	However, if the M&O rate adopted, generates more in taxes than M&O taxes generated the preceeding year, then special wording is required on the resolution
---------------	-----	-----	--

Rollback Rate -- is the Effective M&O rate plus 4 cents (BUT is limited to \$1.17) plus I&S rate to generate funds for bond payments

NOTE: A school district MUST hold an election to adopt a rate above the Rollback Rate

1.1700	0.2052	<u>1.3752</u>	(State law sets the Maximum M&O rate at \$1.17 that voters may approve)
--------	--------	---------------	---

Option 2

Tax Year 2016	<u>1.1700</u>	<u>0.1932</u>	<u>1.3632</u>	The total \$1.3632 is NOT above the "Effective Rate" But the M&O rate will generate more taxes than were generated for M&O last year.
---------------	---------------	---------------	---------------	---

To adopt Proposed Rate at this meeting

*Because the proposed rate does not exceed the Effective Rate,
no special wording is required in the motion.*

NOTE:

The vote to set the tax rate must be a record vote.

Because the M&O Rate will generate more taxes than were generated last year, the **Resolution** **Must** contain the following

"This tax rate will raise more taxes for maintenance and operations than last year's rate."

**Calallen ISD
Tax Rate Adoption Process**

OPTION 3 -- Assumes no additional pay down on debt

Current Rate			
Tax Year 2015	M&O	I&S	Total
	1.1700	0.2055	1.3755

For Tax Year 2016; School Year 2016-2017

Effective Rate -- Generally applies to municipalities; does not consider State funding of schools

N/A	N/A	<u>1.4454</u>	Any rate adopted above the "Effective Rate" requires special procedures
-----	-----	---------------	---

Effective M&O Rate -- is the rate needed to generate the same total M&O funds from combined taxes and state funding as last year.

<u>1.3191</u>	N/A	N/A	However, if the M&O rate adopted, generates more in taxes than M&O taxes generated the preceeding year, then special wording is required on the resolution
---------------	-----	-----	--

Rollback Rate -- is the Effective M&O rate plus 4 cents (BUT is limited to \$1.17) plus I&S rate to generate funds for bond payments

NOTE: A school district MUST hold an election to adopt a rate above the Rollback Rate

1.1700	0.2052	<u>1.3752</u>	(State law sets the Maximum M&O rate at \$1.17 that voters may approve)
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Option 3

Tax Year 2016	<u>1.1700</u>	<u>0.1646</u>	<u>1.3346</u>	The total \$1.3346 is NOT above the "Effective Rate" But the M&O rate will generate more taxes than were generated for M&O last year.
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To adopt Proposed Rate at this meeting

*Because the proposed rate does not exceed the Effective Rate,
no special wording is required in the motion.*

NOTE:

The vote to set the tax rate must be a record vote.

Because the M&O Rate will generate more taxes than were generated last year, the **Resolution** **Must** contain the following

"This tax rate will raise more taxes for maintenance and operations than last year's rate."



Ordinance to Set Tax Rate

Date: August 29, 2016

On this date, we, the Board of Trustees of the Calallen Independent School District, hereby levy or set the tax rate on \$100 of valuation for the District for the tax year 2016 at a total tax rate of \$ 1.3752, to be assessed and collected by the duly specified assessor and collector as follows:

\$ 1.1700 for the purpose of maintenance and operations, and

\$ 0.2052 for the purpose of payment of principal and interest on debts.

Such taxes are to be assessed and collected by the tax officials designated by the District.

Because the proposed M&O rate generates more taxes than were generated last year, the district hereby makes the following disclosure:

“THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR’S TAX RATE.

In Certification thereof:

Signed:

President, Calallen ISD Board of Trustees

Attest:

Secretary, Calallen ISD Board of Trustees



Ordinance to Set Tax Rate

Date: August 29, 2016

On this date, we, the Board of Trustees of the Calallen Independent School District, hereby levy or set the tax rate on \$100 of valuation for the District for the tax year 2016 at a total tax rate of \$ 1.3632, to be assessed and collected by the duly specified assessor and collector as follows:

\$ 1.1700 for the purpose of maintenance and operations, and

\$ 0.1932 for the purpose of payment of principal and interest on debts.

Such taxes are to be assessed and collected by the tax officials designated by the District.

Because the proposed M&O rate generates more taxes than were generated last year, the district hereby makes the following disclosure:

“THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR’S TAX RATE.

In Certification thereof:

Signed:

President, Calallen ISD Board of Trustees

Attest:

Secretary, Calallen ISD Board of Trustees



Ordinance to Set Tax Rate

Date: August 29, 2016

On this date, we, the Board of Trustees of the Calallen Independent School District, hereby levy or set the tax rate on \$100 of valuation for the District for the tax year 2016 at a total tax rate of \$ 1.3346, to be assessed and collected by the duly specified assessor and collector as follows:

\$ 1.1700 for the purpose of maintenance and operations, and

\$ 0.1646 for the purpose of payment of principal and interest on debts.

Such taxes are to be assessed and collected by the tax officials designated by the District.

Because the proposed M&O rate generates more taxes than were generated last year, the district hereby makes the following disclosure:

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\$ 0.2052 for the purpose of payment of principal and interest on debts.

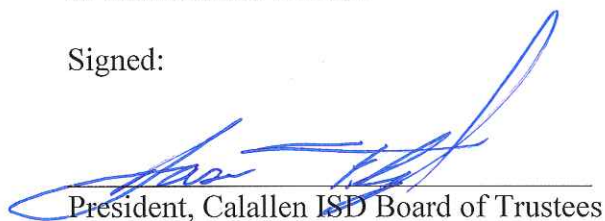
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Because the proposed M&O rate generates more taxes than were generated last year, the district hereby makes the following disclosure:

“THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR’S TAX RATE.


In Certification thereof:

Signed:



President, Calallen ISD Board of Trustees

Attest:



Secretary, Calallen ISD Board of Trustees

BOARD OF EDUCATION
CALALLEN INDEPENDENT SCHOOL DISTRICT
CORPUS CHRISTI, TEXAS

Date : August 29, 2016

Subject: Consider approval of Certification of Unopposed Candidates and Cancellation of
CISD Board of Trustees Election scheduled for November 8, 2016

New Business

Action

BACKGROUND INFORMATION

Per Texas Election Code Law: Sec. 2.052: Certification of unopposed status: The authority responsible for having the official ballot prepared shall certify in writing that a candidate is unopposed for election to an office (in other words, the outcome is already known due to the lack of opposition).

The certification shall be delivered to the governing body of the political subdivision as soon as possible after the filing deadlines for placement on the ballot and on the list of write-in candidates.

Also in accordance with Sec. 2.053: Action on certification:

On receipt of the certification, the governing body of the political subdivision by order or ordinance may declare each unopposed candidate elected to the office. If a declaration of unopposed candidates is made, the election is not held. A copy of the order or ordinance must be posted on election day at each polling place that would have been used in the election.

ITEM ADDRESSED

Consider approval of Certification of Unopposed Candidates and Cancellation of
CISD Board of Trustees Election scheduled for November 8, 2016

RECOMMENDED ACTION

The Administration recommends the Board approve the Certification of Unopposed Candidates and Cancellation of CISD Board of Trustees Election scheduled for November 8, 2016.



CERTIFICATION OF UNOPPOSED CANDIDATES FOR OTHER POLITICAL SUBDIVISIONS

(CERTIFICACIÓN DE CANDIDATOS ÚNICOS PARA OTRAS SUBDIVISIONES POLITICAS)

To: Presiding Officer of Governing Body, Calallen ISD

Al: Presidente de la entidad gobernante de Distrito Escolar Independiente de Calallen

As the authority responsible for having the official ballot prepared, I hereby certify that the following candidates are unopposed for election to office for the election scheduled to be held on Tuesday, November 8, 2016.

Como autoridad a cargo de la preparación de la boleta de votación oficial, por la presente certifico que los siguientes candidatos son candidatos únicos para elección para un cargo en la elección que se llevará a cabo el Martes el 8 de Noviembre, 2016.

List offices and names of candidates: *(Lista de cargos y nombres de los candidatos:)*

Office(s): *Cargo(s)*

Candidate(s): *Candidatos(s)*

Calallen ISD Board of Trustees, Place 3
Distrito Escolar Independiente Calallen
Consejo de Fiduciario, Lugar 3

Lana Carr

Calallen ISD Board of Trustees, Place 4
Distrito Escolar Independiente Calallen
Consejo de Fiduciario, Lugar 4

Bill Kelly

Calallen ISD Board of Trustees, Place 7
Distrito Escolar Independiente Calallen
Consejo de Fiduciario, Lugar 7

Royce Cameron

Signature (*Firma*)

Printed name (*Nombre en letra de molde*)

Title (*Puesto*)

Date of signing (*Fecha de firma*)

(Seal)

Closed Session Statement

The Superintendent requests that the Board of Trustees convene in closed meeting as authorized by the provisions of the Open Meetings Act, Chapter 551 of the Texas Government Code. This executive session is in accordance with Section §551.074: For the purpose of considering the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear complaints or charges against a public officer or employee.

BOARD OF EDUCATION
CALALLEN INDEPENDENT SCHOOL DISTRICT
CORPUS CHRISTI, TEXAS

Date: August 29, 2016

Subject: Resignation and Appointments

New Business

Action

BACKGROUND INFORMATION

Calallen I.S.D. administration prepares a list of resignations and appointments since the previous Board meeting.

ITEM ADDRESSED

As per Personnel List presented to the Board.

RECOMMENDED ACTION

Informational purposes only, unless employee resigning or being hired requires Board approval as dictated by policy.



PERSONNEL LIST
August 29, 2016

Resignations (Action required)

Name	Assignment	Campus	Reason
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Resignations (No Action Required)

Name	Assignment	Campus	Reason
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Resignation- Relocating to Houston

Appointments (Action required)

(The following personnel are being recommended for employment with Calallen ISD. Each employee shall be subject to assignment and reassignment of positions or duties, additional duties, changes in responsibilities or work, transfers, or reclassification at any time during the contract term.)

Name	Previous Employment	Assignment	Campus	Replacing
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Appointments (No action required-effective 16-17 contract)

(The following personnel are being recommended for employment with Calallen ISD. Each employee shall be subject to assignment and reassignment of positions or duties, additional duties, changes in responsibilities or work transfers, or reclassification at any time during the contract term.)

Name	Previous Employment	Assignment	Campus	Replacing
Garcia, Velma	Retired	Part Time Diag Ms. Garcia is a retired diagnostician.	Wood River	Melly Guerra
Aleman, Juan	Principal in PA	SPED Mr. Aleman received his bachelors while in the Air Force from American Public University and a M.S. from Grand Canyon University.	CMS	New Position