

LA HONDA-PESCADERO UNIFIED SCHOOL DISTRICT  
360 Butano Cut-Off  
Pescadero, California 94060

**BOARD OF TRUSTEES**  
**REGULAR MEETING**  
District Board Room  
6:30 p.m. Thursday, September 11, 2014

**MINUTES**

**1. CALL TO ORDER**

**6:30**

*The meeting was called to order by President Andy Wilson at 6:32pm*

**2. ADJOURN TO CLOSED SESSION**

*The meeting was adjourned to close session by Board President, Andy Wilson.*

- a. Employee Group Negotiations-CTA
- b. Personnel
  - 1. Certificated Request for Leave of Absence

**3. RECONVENE TO OPEN SESSION**

**7:00**

*The meeting was reconvened to open session at 7:02pm.  
All Trustees present*

- a. Pledge of Allegiance

**4. REPORT ON ACTION TAKEN IN CLOSED SESSION**

*The Board President will report on the action, if any, taken by the Board during Closed Session  
The Board unanimously approved a one year leave of absence from a certificated employee  
to pursue a Fulbright Teacher Exchange program*

**5. CHANGES TO THE ORDER OF THE AGENDA**

*Superintendent Wooliever asked to pull item C.1.*

**6. COMMUNICATIONS FROM THE PUBLIC**

- a. *Written correspondence received by the Board or Superintendent*
- b. *Open Forum: Persons wishing to address the Board on an item that is not on the agenda may do so during Open Forum. To be recognized, fill out a speaker card completely and give it to the Board Clerk. Board agendas are full and presentations in Open Forum are limited to a maximum of three minutes. Board members are legally prohibited from discussing items presented in Open Forum*

**7. PUENTE REPORT**

*For more information and updates or how you can get involved please visit the Puente website at [www.puentedelacostasur.org](http://www.puentedelacostasur.org)*

**8. CONSENT CALENDAR**

*All items on the consent calendar will be approved with one motion that is not debatable and requires a unanimous vote for passage. If a Board Member or the Superintendent requests that an item be removed, or a member of the public wishes to speak on an item, the item will be removed from this section and placed in the regular order of business.*

- a. Approve warrants for the month of August, 2014
- b. Approve Specialized Services contract for **David Meyrovich** to provide Tutoring Services for Pescadero Middle and High School students in the amount not to exceed \$18,900.00.
- c. Approve response to the San Mateo Grand Jury report titled, *Educational Frenemies: Can Charter Schools Inspire Better Student Outcomes in Public Schools in San Mateo County?*
- d. Approve annual overnight trip to Geyserville Small Schools Basketball Tournament December 18-20, ~~2013~~ 2014
- e. Approve overnight travel for NCS athletic tournaments
- f. Approve Memorandum of Understanding with the San Mateo Office of Education for Beginning Teacher Support for consulting services to provide support to three new teachers through the BTSA program in the amount not to exceed \$6,000.
- g. Approve agreement with Notre Dame de Namur University to provide student teaching experiences for NDNU student teachers.
- h. Approve district certificated and classified staffing report for 2014-2015
- i. Approve contract with Anaya Construction in the amount not to exceed \$6800.00 for the removal of the PHS portable in preparation for the delivery of the new portable classroom.
- j. Approval of consultant agreement with Dian Delantoni to provide new teacher support for beginning teachers in the amount not to exceed \$6500.

***Humberto Perez asked to pull 8. d.***

***Humberto Perez made a motion to approve the consent calendar with item 8.d. pulled***

***Connie Sarabia seconded the motion***

***Motion passed 5-0***

***Item 8. d. The year should show 2014 not 2013***

***Humberto Perez made a motion to approve the consent calendar with item 8.d. amended***

***Connie Sarabia seconded the motion***

***Motion passed 5-0***

## **9. DISTRICT REPORTS**

- a. Director of Business Services Report: Sandra Stent

1. Update on the 2013-2014 unaudited actual and year end closing

***The Unaudited Actuals is the financial report of the District. It presents the results of operations for the fiscal year of 2013-14 and the financial condition of the District as of the end of the fiscal year, June 30, 2014.***

***Please see the attached report.***

- b. Director of Facilities Report

***Director of Facilities, Andy LaGow reported had a malware span/hacked. Our phone system at PES were also hacked. Working with AT&T.***

***Scoreboards are here probably another month before they are installed.***

***New Portable classroom here, will take a while before signed off.***

***Paving at PHS/PMS will take place for the front pathway***

- c. Superintendent report:

1. Broken Promises Report

***Superintendent Wooliever asked to pull item***

***Superintendent asked to add the Student Rep to present her report in place here.***

***Corina Cain, PHS Senior, Student Representative reported on upcoming events.***

- d. Principals Report

*No report*

**10. PUBLIC HEARING**

- a. Public hearing to allow for public input and comment regarding newly recommended Science textbooks for the Integrated Science Course at Pescadero High School.

*President Wilson opened the public hearing*

*No comments were made during the Public Hearing.*

*Public hearing was closed*

**10. BOARD DISCUSSION AND/OR ACTION**

- a. Consider approval of unaudited actuals of revenues and expenditures for the 2013-2014 school year

*Connie Sarabia made a motion to approve the unaudited actuals of revenues and expenditures for the 2013-14 school year.*

*Humberto Perez seconded the motion*

*Motion passed 5-0*

- b. Consider approval of Gann Resolution **14-15-01** establishing maximum appropriation limitations for public agencies.

*Connie Sarabia made a motion to approve Resolution 14-15-01 establishing maximum appropriation limitations for public agencies.*

*Bob McCahon seconded the motion*

*Roll Call:*

*Peter Bohacek - aye*

*Humberto Perez - aye*

*Bob McCahon - aye*

*Connie Sarabia - aye*

*Andy Wilson - aye*

*Motion passed 5-0*

- c. Consider approval of adoption of Science curriculum for Integrated Science.

*Humberto Perez made a motion to approve the adoption of Science Curriculum for Integrated Science.*

*Connie Sarabia seconded the motion*

*Motion passed 5-0*

- d. Consider approval of list of curriculum and textbooks for the 2014-2015 school year.

*Bob McCahon made a motion to approve the list of curriculum and textbooks for the 2014-2015 school year.*

*Humberto Perez seconded the motion*

*Motion passed 5-0*

- e. Consider approval of contract with First Student for Home to School Transportation for the 2014-2015 school year.

*Humberto Perez made a motion to approve contract with First Student for Home to School Transportation for the 2014-2015 school year.*

*Peter Bohacek seconded the motion*

*Motion passed 5-0*

- f. Consider approval of Contract for engineering of fire water suppression tank tie downs for new PHS portable.

*Connie Sarabia made a motion to approve contract with MFT Consulting Engineers for engineering of fire water suppression tank tie downs for new PHS portable*

*Humberto Perez seconded the motion*

*Motion passed 5-0*

- g. Discussion and consideration of refinancing the 2009, Series B, \$1.65m of Current Interest Bonds.

***At the last Board meeting the District's Financial Advisor Albert Peche of A.M. Peche & Associates gave a presentation on the issuance of a Bond for new Projects and the savings from refinancing the Term Bond from the 2009B issue.***

***Please see the summary of the presentation attached to these minutes.***

***Options:***

- ***Refinance***
- ***New Bond***
- ***Combo***

***Schedule special meeting to discuss series C, ask for Albert Peche to come do another presentation using the model like Brisbane School Districts using our numbers***

- h. Discussion and consideration of action regarding future bond program.

***What are we going to do next?***

***Need to set up study Session possibly before the next board meeting in October at La Honda***

***Set up planning priorities, look at needs, look at what we have, what we need to develop, then set up meetings in other communities.***

## **12. COMMITTEE REPORTS**

- a. Parcel Tax Oversight Committee

***No report***

- b. Bond Oversight Committee

***No report***

## **13. INFORMATION ITEMS**

***The following items are included in the Board packet as informational items only. They are not scheduled for discussion unless requested by a Board member or the Superintendent.***

- a. First day of school attendance for August 2014  
b. Monthly attendance report for August 2014

## **14. COMMENTS OF THE BOARD AND SUPERINTENDENT**

***Board members and Superintendent may comment on the Board meeting and other topics of interest***  
***Superintendent Wooliever commented about a snake found at PES grounds under a car in front of Puente.***

***Bob McCahon commented about a nice article in the HMB Review about the after school program.***

## **15. FUTURE AGENDA ITEMS**

- a. Public hearing to allow for public comment regarding yearly review of instructional materials per Ed Code 60119 to determine whether the district has sufficient standards-aligned instructional materials and textbooks.

***NWEA presentation or information on the campus scores.***

***Eligible for sports numbers***

## **16. ADJOURNMENT**

Note: The next regular meeting of the Board of Trustees is scheduled for Thursday, October 16, 2014 at 6:00 pm at **La Honda Elementary School Library.**

***Connie Sarabia made a motion to adjourn the meeting***

***Humberto Perez seconded the motion.***

***Motion passed 5-0***

***Meeting adjourned at 8:59pm***

**PUBLIC NOTICE: Openings on Bond Oversight Committee**

The Governing Board is seeking volunteers willing to serve the school district as a member of the Bond Oversight Committee. For more information please contact the District Office at 879-0286.

**PUBLIC NOTICE: Openings on Parcel Tax Oversight Committee**

The Governing Board is seeking volunteers willing to serve the school district as a member of the Parcel Tax Oversight Committee. For more information please contact the District Office at 879-0286.



**LA HONDA-PESCADERO UNIFIED SCHOOL DISTRICT**  
**PO Box 189 • 360 Butano Cut Off, Pescadero, CA 94060**  
**650-879-0286 • FAX 650-879-0816**

*Amy Wooliever, Superintendent*

Report from the Business Office  
September 11, 2014

## **1. Highlights of the Past Year**

### **a) LCFF/LCAP**

This past year was one of changes revolving around the implementation of the State's new LCFF funding model. As a Basic Aid District, the new model did not result in an increase in our revenues. Instead, the impact was seen in the new requirements of the LCAP and how it ties to the budget cycle and preparation. The state now requires a planning and budget process which is guided by a locally driven needs process incorporating the input from multiple stakeholder groups.

### **b) Common Core**

In preparation for new Common Core Standards, the State provided new one-time funding for implementation of \$68,930. The District will be carrying a large part of this restricted funding into 2014-2015.

### **c) Parcel Tax**

With Voter approval coming in Late May 2013, the District's Parcel Tax was renewed. This brought in funding of over \$198,000 for the purposes of:

- To improve access to technology in classrooms
- To provide enrichment opportunities for students
- To provide high-quality professional development for teachers
- To increase student achievement

### **d) Property Taxes**

In August 2013, notification was received from the County Controller indicating the District's net assessed valuations had increased from 2012-13's amount of \$663,250,990 to \$689,163,005; resulting in an increase of approximately \$122,000 of additional tax revenue for the District's General Fund. Notification received in August 2014 indicates net assessed valuations of \$710,723,518; the District will be anticipating additional tax revenues around \$100,000. Better estimates will be known when the P1 Tax report is released in October 2014.

### **e) State Improvement Grant**

The District was awarded the SIG grant in 2010 as part of Cohort 1. The funding cycle for Cohort 1 ended on September 30, 2013. The District received \$2,265,188 for the implementation of the transformation model. In March of 2014, the District received notification of eligibility for Cohort 3 funding. Through some rapid collaboration of parents, community, staff and administration, the funding application was submitted with approval coming in late spring. The new funding of \$2,016,344 will continue through September 30, 2017 for continued implementation of the transformation model.

### **f) After School Education & Safety Program**

With increased student attendance in the ASES program for Pescadero Elementary and Middle School Students, the District qualified for an increase of funding from \$64,127 to \$131,627.

**Board of Trustees**

**Andy Wilson, Connie Sarabia, Bob McCahon, Humberto Perez, Peter Bohacek**

**g) Increases in Staffing Compensation**

Through diligent efforts and time requirements between the CTA & CSEA unions and the Superintendent and Board, negotiated increases were finalized for Fiscal Years 2012-13 and 2013-14. These have resulted in the ability to compensate as fairly as possible, to attract and retain valued staff members.

**h) County Loan**

At the end of the fiscal year, the District was able to repay the full amount owed, \$1,637,518.

**i) Other Funds Encroachment**

The School Meal Program finished the fiscal year in the black by utilizing excess funds carried over from 2012-13. Meal Counts in 2013-14 saw a trend of decreasing meals served to students. If this continues into 2014-15, it is likely the program will see encroachment and will require an Interfund Transfer from the General Fund.

The 2013-14 Preschool Program had some bumps along the way with the State's new requirement of family fees for State Qualified Students, based on income levels. Taken in account with a decrease in enrollment, the encroachment of \$6,536 was not unexpected. For 2014-15 encroachment is being budgeted for with the launching of the full-day Preschool Program in Pescadero. On a good note, the family fee requirement for Part-Day Preschool Students was repealed and won't be applicable in 2014-15.

Respectfully submitted,

Sandra Stent  
Director of Business Services

**Board of Trustees**

**Andy Wilson, Connie Sarabia, Bob McCahon, Humberto Perez, Peter Bohacek**

## STAFF REPORT

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TO: Members of the Board of Education  
FROM: Amy Wooliever, Superintendent  
Sandra Stent, Business Manager  
DATE: September 11, 2014  
SUBJECT: Ability to issue a Bond for New Projects and  
Refinancing of Prior Bonds

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At the last Board meeting, the District's Financial Advisor Albert Peché of A. M. Peché & Associates ("Peché & Associates") gave a presentation on the issuance of a Bond for new Projects and the savings from refinancing the Term Bond from the 2009B issue. This is a summary of the presentation.

### **BACKGROUND**

On November 7, 2006 over 70% of the voters of the La Honda-Pescadero Unified School District authorized the sale of up to \$15,000,000 of General Obligation Bonds for projects named in the Measure I ballot initiative. The proceeds of the Bonds have a specific use that is described in Exhibit A-1 of the District's Resolution calling for the Bond Election and in the voter initiative pamphlet.

The Bonds were issued under Proposition 39, which was passed by California voters in November 2000. Proposition 39 limits the tax rate for unified school districts to \$60 per \$100,000 of assessed value (AV). Proposition 39 also requires a Citizen's Oversight Committee and annual audits that show that Bond proceeds are used for voter approved projects.

The planning for the Bond election began in early 2006 when the District hired an architect to assist in determining the facility needs of the District. A Master Plan was prepared by the architect and it was determined that General Fund and other District funds on hand would be insufficient to meet the facility needs of the District. Therefore it was determined that a Bond election would be necessary to fund the facility needs of the District. District Staff then began researching firms who could help with determining the amount of the Bonds, the legal requirements for issuing Bonds, the costs to taxpayers, and polling the community to see the support for the bond.

The Board of Trustees authorized negotiating contracts with several firms. Bregman & Associates was hired to do political polling. Jones Hall was hired as Bond and Disclosure Counsel. Peché & Associates was hired as Financial Advisor, and RBC was hired as Underwriter. These firms made several presentations to the Board about the election process. Peché & Associates and RBC developed Bond bonding analysis and tax rates that could be used in a voter survey. Along with District Staff all firms reviewed and assisted Bregman & Associates in preparing the questions that would be asked of voters.



The voter survey took place in July 2006 and the results of the survey were presented to the Board by Bregman & Associates. The Board authorized Jones Hall to prepare the various legal documents required to call a Bond election. Jones Hall prepared the Resolution calling for the Bond election. With the assistance of Bregman & Associates, Peché & Associates and RBC, Jones Hall also prepared additional legal documentation required for a Bond election. Peché & Associates also prepared a Tax Rate Statement that was legally required in the voting materials.

The entire process leading to the Bond election took approximately six months. Bregman & Associates received compensation for preparing and conducting the voter survey. However, contracts for Jones Hall, Peché & Associates and RBC were all based on a contingent basis whereby compensation would only be paid upon: 1) the successful passage of the Bond election and 2) the sale of Bonds. If the Bond election were unsuccessful no compensation, or expenses these firm's incurred during this time, would be not be paid to these firms. These contingent contracts were negotiated in good faith to accomplish the substantial amount of work that took place to place Measure I on the ballot.

In addition, the Campaign Committee for Measure I solicited contributions from these firms to assist in the Bond campaign. These firms all made significant contributions to the Measure I campaign. Finally these firms have assisted the District in setting up the Citizen Oversight Committee and ongoing Surveillance Reviews from Moody's and Fitch Ratings. No compensation is given for these additional services as compensation is only given upon the sale of Bonds.

Information on the Bond Oversight Committee requirements was presented to the Board by Jones Hall and Peché & Associates in December 2006. The planning for the first bond began in January 2007. In March 2007 the District issued \$3 million of Bonds, the Series 2007A. These Bonds were structured by RBC and Peché & Associates as current interest bonds that matured in 25 years. The District received the full \$3 million for projects as costs for the bond were paid for by the premium on the bonds. The payback ratio for the Series 2007A was 1.77 to 1 ((total principal + interest) divided by principal). These firms and Jones Hall all assisted District Staff in the rating process and the 2007A Bonds received a Moody's "Baa1" rating and a Fitch "A-" rating.

Discussions for the need for a second bond issue began in November 2008. In March 2009 the District issued \$2,853,561 of Bonds, the Series 2009B. The Bonds were structured by Peché & Associates with 22 years of capital appreciation bonds ("CABs") and a 3 year current interest Term Bond. CABs were required to be used so that the tax rate would remain below the \$60 per \$100,000 threshold required by Proposition 39 and the Measure I Ballot Initiative. Again the District received the full \$2,853,561 for projects as costs for the bond were paid for by the premium in the Term Bond. Even with CABs, the payback ratio was 2.75 to 1. The 2009B Bonds received the same Moody's rating of "Baa1" but were downgraded by Fitch to "BBB". These ratings were also assigned to the 2007A Bonds.

Moody's and Fitch review the District's ratings annually in a Surveillance Review. Current information is presented on the District to these rating agencies. Questions are also asked by the rating agencies and answered by District Staff and Albert Peché. Most recently Moody's and Fitch reviewed the Bonds in March and May of 2014, respectively. The District Bonds now have ratings of Moody's "A1" and Fitch "A". These ratings were higher than the initial ratings that were given to the 2007A Bonds. Albert Peché has assisted District Staff in these

Surveillance Reviews over the years, including assisting the Interim Superintendents that were hired prior to the current Superintendent. No compensation is paid by the District for this service as it is part the Firm's service to the District.

Tax rates are set by the County Auditor Controller and are dependent upon the debt service on the Bonds and on the AV of the District. These are the tax rates per \$100,000 of AV:

- ▶ 2007-08 \$21.80
- ▶ 2008-09 \$53.50
- ▶ 2009-10 \$54.20
- ▶ 2010-11 \$52.70
- ▶ 2011-12 \$58.20
- ▶ 2012-13 \$57.20
- ▶ 2013-14 \$52.40
- ▶ 2014-15 \$54.50 (Not Final - Estimated from County Auditor Controller)

Assessed valuation (AV) is important because the higher the AV, the lower the tax rate. Here are the historical AVs for the District:

- ▶ 2007-08 579,963,222
- ▶ 2008-09 602,390,148 3.87%
- ▶ 2009-10 610,735,975 1.39%
- ▶ 2010-11 614,782,047 0.66%
- ▶ 2011-12 619,745,998 0.81%
- ▶ 2012-13 667,333,390 7.68%
- ▶ 2013-14 693,111,005 3.86%
- ▶ 2014-15 713,904,335 3.00% (Not Final – Estimated from Auditor Controller)

### **MONEY FOR NEW PROJECTS**

Because of the grown in AV and the maturity of some of the prior 2007A and 2009B Bonds, the District can consider the issuance of a new Series of Bonds (the "Series C Bonds"). RBC presented Staff and Peché & Associates with analysis that was presented by Albert Peché at the last Board meeting.

The Series C Bonds would be a 30 year maturity with CABs in the first 21 to 25 years with a current interest Term Bond in 30 years that would mature in 2044. CABs are necessary, just as they were for the 2009B Bonds, to keep the tax rate below the \$60 per \$100,000 of AV threshold. However, based on current interest rates it is estimated that the payback ratio would be 2.63 to 1.

New State legislation will have to be followed when Bond issues are structured with CABs:

- Two Board meetings must be held to discuss need for CABs
- CABs with a maturity of more than 10 years must be callable
- CABs cannot have a maturity of more than 25 years
- Payback ratio cannot exceed 4 to 1

Based on current interest rates and an assumed AV growth rate of 3%, it is estimated that the Series C Bonds would generate approximately \$2.25 million to \$2.5 million new projects. The Series C Bonds would have an average life of 23.8 years based on current interest rates. 85

Depending on when the Series C Bonds are issued, a more conservative AV growth rate should likely be used. A slower projected AV growth rate of 2.25% to 2.5% should likely be used to make sure that the tax rate after the sale of the Series C Bonds remains below the \$60 per \$100,000 AV threshold. Therefore based on this more conservative AV growth rate, **the money generated from the Series C Bond for new projects would likely be between \$2 million to \$2.25 million.**

Because the Series C Bonds would have an average life of 23.8 years, the projects for which the Bonds will be used for should have a useful life of at least 19 years. This is required by the IRS which has a rule that the average life of Bonds cannot exceed 120% of the useful life of assets being financed. The cost of issuance for the Series C Bonds is estimated to be \$150,000. These costs include: Preparation and printing of Preliminary and Final Official Statements, rating costs for Moody's and Fitch Ratings, Paying Agent Fee to the County, bond insurance to upgrade the rating on the Bonds, Financial Advisor fees, Bond Counsel and Disclosure Counsel fees, and other miscellaneous expenses. The estimated breakdown of the cost of issuance and separate underwriting fee to sell the Bonds will be part of the Resolution calling for the any new sale of Bonds.

Should the District wish to have a new Bond, the Board should take steps towards identifying new projects making sure they are eligible projects under Measure I. This would include hiring an architect, providing a draw schedule (when money is needed in a timeline), getting approval for matching funds (if any) and Board action that it plans to undertake the Project. As with the 2007A and 2009B Bonds, the actual bond issuance should take approximately 2 to 3 months. Also similar to the 2007A and 2009B Bonds, the actual bonding process can start in December or January. This would lead to Bonds being sold in February or March. The debt service schedule can then be provided to the County Tax Collector and County Auditor so that it can be placed on the tax rolls in August.

### **REFINANCING OPPORTUNITY**

2019 → Based on current interest rates, the current interest Term Bonds from the Series 2009B Bonds can be refinanced with savings. Because these bonds cannot be called until March 1, 2019, this would be an "advance refunding" whereby the proceeds of a new issue would be put in an escrow that would make interest payments when they become due before they are paid off in full on March 1, 2034. The escrow makes all future payments on these bonds and the District is no longer obligated to make payments on these bonds.

Based on interest rates when the analysis prepared by RBC, a refinancing of these bonds would produce a savings of \$414,998. This would not extend the maturity of the Bonds. This is a present value savings (in today's dollars) of \$272,305 or 16.5% of the refunded bonds. An industry "rule of thumb" is to have at least 3% of present value savings for an economic refinancing. Therefore the 16.5% present value savings is well in excess of the 3% rule that most issuers look to when determining whether to proceed with a refinancing.

This savings would open up capacity for debt service on a new bond issue that would keep the tax rate below the Prop. 39 requirement of \$60 per \$100,000 of assessed value. **RBC has estimated that an additional \$250,000 of capacity for new projects would be available if this refinancing were to be completed.** So if the refinancing were accomplished based on these numbers, it is estimated that the District could have \$2.25 million to \$2.5 million for new projects. It should be noted that the interest rates and savings

are not "locked in" until Bonds are sold. Therefore depending on the direction of interest rates when Bonds are sold, savings could be greater or could be less, which would also affect the bonding capacity. Should the District not decide to sell additional Bonds, RBC estimates that it would decrease the tax rate by \$1.25 per \$100,000 of AV. Of course, if the District decides to proceed with a new Bond issuance, the tax rate would be close to the voter approved Measure I threshold of \$60 per \$100,000 of AV threshold. It should be noted that the tax rates for all Bond issues are set by the County Auditor Controller.

The refinancing issue would not count against the remaining \$9.1 million authorization remaining under Measure I. It is estimated that the costs of issuance for a refinancing, as described previously for a new Bond, would be approximately \$150,000. If the District were to wait to accomplish the refinancing once decisions were made for the Series C Bonds, a combined Series C Bond and Refunding Bond could be combined in one Preliminary and Final Official Statement that could be sold to investors simultaneously. It is estimated that the cost of issuance for a larger combined Series C Bonds and Refunding Bonds would be approximately \$225,000 to \$230,000. As described previously, it is estimated that the cost of issuance for issuing a single bond are approximately \$150,000. Therefore an estimated savings by having a combined Series C Bonds and Refunding Bonds would be estimated to be \$75,000 to \$80,000. However, should interest rates rise while waiting for a decision on projects for the new Series C Bond, it might eliminate savings to the estimated \$441,000 in gross savings by refinancing the eligible bonds.

**ACTION:**

The Board can direct Staff and its consultants to:

1. Elect to wait to do the refinancing of the eligible 2009B Bonds when it decides on projects funded by a Series C Bonds. If interest rates go up, it could lower savings. If interest rates go down, it could increase savings.
2. Decide to do start the refinancing process of the eligible 2009B Bonds now. A Resolution and legal documentation will then be brought back to the Board at a Special Meeting or at the next regularly scheduled Board meeting. The Board would then have more time to decide what projects to fund with a new Series C Bond.