

BOARD MEETING MINUTES
FREEMAN SCHOOL DISTRICT NO. 358
BOARD OF DIRECTORS
July 2, 2008

MEETING CALLED TO ORDER: The special meeting of the Freeman School District Board of Directors was called to order at 7:00 a.m. by Chair Chad Goldsmith. There was a quorum present.

MEMBERS PRESENT: Brent Fetsch, Chad Goldsmith, Randy Primmer, Vicki Sellers, Diane Woodman, Sergio Hernandez and Jan Davis.

GUESTS: Jon Gores, Mike Ormsby, John Zingg, and Ellen Hawley.

FLAG SALUTE: Ellen Hawley led the audience in the flag salute.

APPROVE BOND RESOLUTION 10-2007/2008: Jon Gores of D.A. Davidson reviewed goals for the bond sale which were to not exceed the promised tax rate of \$2.50/\$1000, produce maximum revenue for the capital projects fund, and utilize the state school bond guarantee program. "All of the goals have been achieved due to the favorable bond market and the timing of the sale," he stated.

Mr. Gores accepted a low bid for bond insurance from Assured Guarantee. The low bid on bond insurance gained lower interest rates, which offset the cost of the insurance itself. The bonds were sold at a net interest cost of 4.68% with final maturity in 2027. Tax rates are estimated to be \$2.49/\$1000. Cost of the issuance is less than one-half of one percent and is covered by the fact the bonds were sold at a premium.

The bond sale produces revenue of \$15,279,738.20, which is the \$15 million par amount plus reoffering premium of \$279,738.20. The premium covers all bond issuance expenditures including the following:

Total underwriter's discount	\$60,000.00
Bond counsel fee and costs	28,500.00
Rating agency fee	6,600.00
Official statement	1,000.00
Election costs	3,000.00
Gross bond insurance premium	<u>19,834.60</u>
Total	\$118,934.60

The remaining premium funds (\$160,803.60) are deposited to debt service fund to pay off bond debt, and the full \$15,000,000 is deposited in capital projects fund for the construction project.

Mike Ormsby of K&L Gates stated his firm will issue a legal opinion on the bond issue that allows the bonds to be exempt from federal income taxes. The bonds have a call feature, which means if interest rates drop in the future, the District can refinance them. He reviewed the contents of the bond resolution document. The bonds will require signatures of the superintendent and Board chair. After discussion, Mr. Fetsch moved the Board adopt Resolution 10-2007/2008. Mr. Primmer seconded the motion, and it passed unanimously.

BOARD RETREAT: The Board set July 10 as a retreat date, with the meeting starting at 9:00 a.m. Potential topics will include board protocol, budget, and self-evaluation.

ADJOURNMENT: The meeting adjourned at 8:12 a.m. with no further action.

Recording Secretary

Board Secretary

Board Chair