



Bond Refunding Update

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Discussion Topics



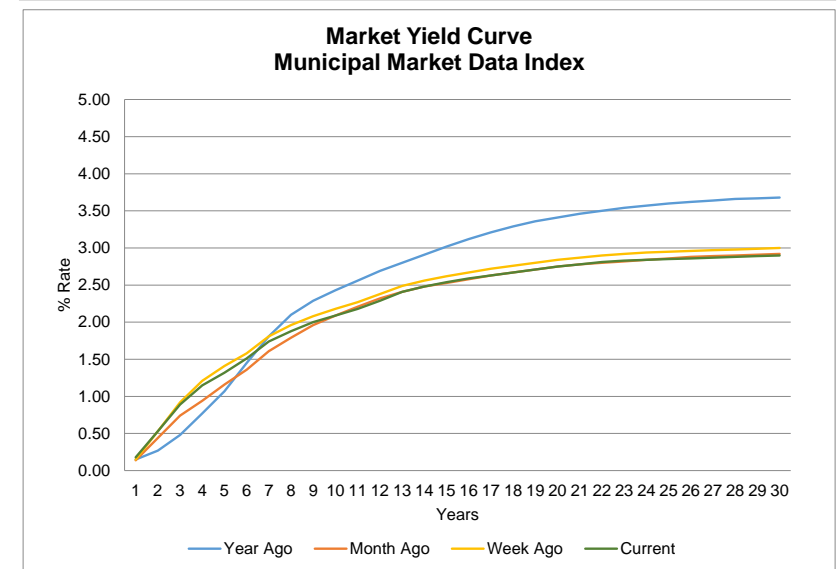
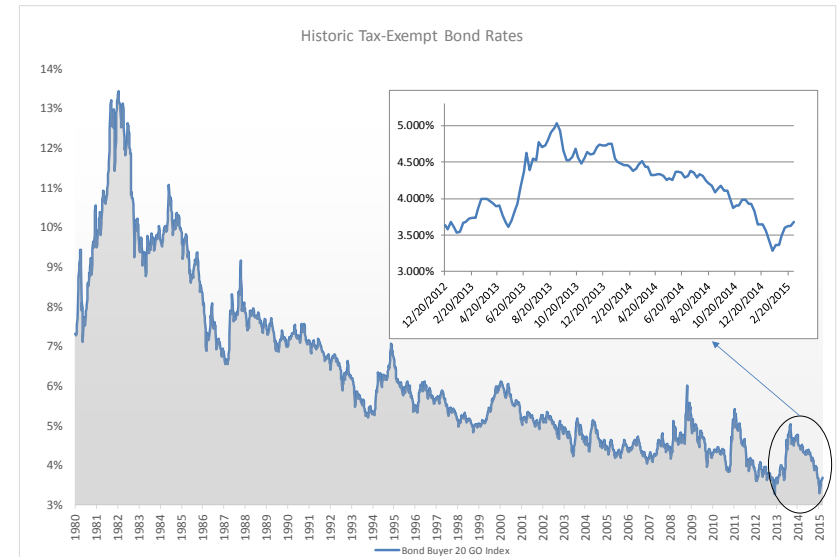
- I. Bond Market Update
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I. Bond Market Update



Bond interest rates remain near historic lows but volatility has increased recently due to:

- Continued global economic uncertainty
- Strong investor demand
- Long-awaited U.S. economic recovery is slow to arrive
- Looming Federal Reserve action to raise rates



II. Bond Refunding Goals



- ✓ Evaluate and potentially refund a portion of the District's 2005 UTGO Bonds, if a refunding would result in significant interest savings for taxpayers
 - ✓ Tax-exempt bonds
 - ✓ Minimum present value savings of 3.00%
 - ✓ Target savings to smooth future bond tax rates where possible
 - ✓ Minimize savings in the years for which the bond levy has already been set
 - ✓ Utilize existing funds available in the Debt Service Fund as appropriate
- ✓ Utilize a negotiated bond sale to best accomplish the District's goals while providing the lowest cost of borrowing
- ✓ Navigate potential issues from the Federal debt ceiling
- ✓ Renew the District's credit rating from Moody's Investors Service
- ✓ Participate in the Washington State School District Credit Enhancement Program ("State Guarantee Program")

III. Preliminary Refunding Results



Refunding Bond Candidates

Bonds Issued:	2005
Principal Amount of refunded bonds:	\$2,640,000
Callable Maturities:	2016-2024
Average Coupon:	3.36%
Call Date:	12/1/2015

Preliminary Refunding Results

	Preliminary Results
Date of Analysis	3/18/15
Dated Date of Refunding	4/21/15
Maturities Included	2016-2024
Principal Amount of New Bonds	\$2,560,000
Call Feature	Non-callable
Final Maturity	12/1/24
→ True Interest Cost	1.98%
→ Total Savings – Net of costs	\$232,134
→ Present Value of Net Savings	\$214,926
→ PV as % of Old Bonds	8.14%

III. Next Steps



Date	Event	Responsibility
March 2015	Establish bond sale goals	District, FA, UW
March 23	Brief Board on bond sale planning Board consideration of bond resolution Rating presentation	District, BC, FA District, FA
March 23-April 14	Prepare bond legal and disclosure documents	All
April 21*	Conduct bond sale	All
April 27	Brief Board on bond sale results	District, FA
May 19*	Bond closing	BC, UW, County

* Preliminary