



To: Dr. Mike Riggle
Board of Education

From: Dr. R.J. Gravel

Date: Monday, January 8, 2018

Re: Refunding Opportunity for the 2008 Referendum Bonds

Recommendation

It is recommended that the Board of Education approve the Resolution providing for the issue of not to exceed \$15,150,000 General Obligation Refunding School Bonds, Series 2018, for the purpose of refunding certain outstanding bonds of the District, providing for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds, and authorizing the proposed sale of said bonds to the purchaser thereof.

Background

On November 7, 2006, the Glenbrook High School District 225 community approved the issuance of \$94 million dollars in building bonds for the purposes of:

- Maintaining the academic, activity and athletic opportunities for current and future students;
- Bringing aging and inadequate facilities up to current standards to meet student needs;
- Maintaining financial stability for at least ten years.¹

In an effort to maximize access to referendum funds, at the lowest possible cost to the taxpayer, the District issued \$94 million in bonds over the course of 5 years with similar repayment terms. Since that time the District has taken advantage of several refunding opportunities, resulting in the refinancing of the original debt. Through the different refunding opportunities, the Board of Education has saved over \$10,555,000 of interest for the taxpayers of the school district.

This spring, the District has the opportunity to refund the Series 2008 bonds for savings within 90 days of the call date which is June 1, 2018. In partnership with the District's long-term municipal financial advisor, Mrs. Elizabeth Hennessy of Raymond James (formerly William Blair), two options for refunding the Series 2008 bonds have been developed. While each provides savings to the taxpayer, the accelerated debt payment structure provides the greatest amount of savings - approximately \$2,838,267.

Both refunding options were presented to the Finance Committee on Monday, December 4, 2017, and it was determined that this information should be presented at the regular Board of Education meeting on Monday, January 8, 2018. It should be noted that the savings amount between the two models has been updated since the December meeting, as a result of updated interest rates.

¹ Glenbrook North High School. "A Newsletter for the Community: Special Referendum Edition". Fall 2006.

To support Monday evening's presentation, several resources have been attached:

- **Proposed Financing Schedule**

This document provides a draft schedule for the activities leading to the refunding of the Series 2008 bonds. Meetings of the Board of Education have been identified on the schedule with an outline around the date, to highlight anticipated Board actions regarding the refunding.

- **Parameters Bond Resolution**

The parameters bond resolution authorizes the administration, to issue up to \$15,150,000 in general obligation bonds for the purposes of refunding the Series 2008 bonds.

- **Engagement Letter for Municipal and Financial Advisor Services**

The engagement letter from Raymond James & Associates, Inc. (Elizabeth Hennessy) outline the services to be provided to the District as municipal and financial advisor.

- **Engagement Letter for Bond Counsel and Disclosure Counsel Services**

The engagement letter from Chapman & Cutler outline the services to be provided to the District as bond and disclosure counsel.

- **Monday, January 8, 2018 Presentation**

This presentation will be used by the Business Services team and Mrs. Hennessy during the Board of Education meeting. The presentation provides an overview of the District's existing debt, the current refunding opportunity, and Mrs. Hennessy's / Raymond James & Associates, Inc. recent municipal portfolio.

If you have any questions in advance of Monday's meeting, please do not hesitate to contact me.