

WINDSOR UNIFIED SCHOOL DISTRICT

**9291 Old Redwood Highway, Building 400
Town Council Chambers
Windsor, California 95492**

December 15, 2009

AGENDA

**ANNUAL MEETING
WINDSOR UNIFIED SCHOOL DISTRICT FACILITIES CORPORATION**

9:30 p.m. CALL TO ORDER: Heather Cullen, Sandy Dobbins, George Valenzuela
Katy Dillwood, Ted Seche

Public Comments – Anyone may address the Board regarding any item described in this notice. No person shall speak more than three minutes unless time is waived/shortened by a majority of the Board members present.

Report Item 1: Chief Business Officer Mary Downey will report on the status of Certificates of Participation (COP) Funds

ADJOURNMENT

Annual Report on the Status of Certificates of Participation (COPS)

Background

School districts have four (4) basic, commonly used debt financing techniques¹:

1. general obligation bonds
2. lease financing (certificates of participation or “COPS”)
3. Mello-Roos bonds
4. tax and revenue anticipation notes (“TRANS”)

In 1997-98, and under the authority of the Windsor Unified School District Facilities Corporation, the District utilized the lease financing option and issued Certificates of Participation in the amount of \$6,150,000 to pay for capital improvements.

In June 2006, the District was authorized by the Board to issue Certificates of Participation in the amount of \$7,445,000 to advance refund the outstanding 1997-98 COPS of \$5,190,000. Interest rates for the advance refunding varied from 3.75% to 4.375%. The net proceeds² of \$7,092,866 were used to purchase U.S. government securities, which were placed in an irrevocable trust to provide for all future debt service payments on the 1997-98 COPS. In addition, a portion of the remaining net proceeds (\$1.786M) were used for capital improvements, including a bridge loan for water remediation repairs at Windsor Middle School.

The District was scheduled to pay approximately \$405,000 - \$446,000 per year for 30 years - until 2037. Payments were made from the Capital Facilities Fund – Fund 25. The principal outstanding balance was approximately \$7,350,000 as of July 1, 2008.³

Payoff of COPS

The sizing of the 2008 Bond included a payoff of the outstanding COPS. This decision relieved the General Fund from the obligation of making COP payments in the event of a decline in developer fee revenue, which did occur.

The District sold the second series of the \$50M bond in June 2009. Out of the \$11M bond sale, \$7,270,310 was used to pay-off the COPS.

Report prepared by Mary Downey

Report reviewed by Steve Herrington

¹ For additional information, see The XYZs of California School District Debt Financing, Third Edition, 2005

² Net of cost of issuance, fees, and insurance (\$352,134).

³ See Windsor Unified School District, Annual Audit, June 30, 2007.