

July 26, 2017

Executive Summary

Resolution No. 18-92 Tax Anticipation Notes, Series 2017

August 22, 2017 RSBM

Summary of Explanation and Background (continued):

The resolution provides the Board's authorization for the District to enter into agreements necessary to carry out the sale of the Tax Anticipation Notes (TANs), and it includes the Board's covenant to provide sufficient funds in fiscal year 2017-18 to repay the TANs.

The TANs are being sold via competitive bid to ensure the lowest possible net interest cost. Once the sale of the TANs has occurred, this resolution authorizes the Superintendent or his authorized designee to award the sale of the TANs to the bidder offering the lowest bid.

District staff is then authorized to take the necessary steps to close the sale and receive the funds. The authorizing resolution requires net interest cost to be below 1.00 percent. The expected closing date for the TANs will be on or about August 31, 2017.

The District's TANs typically issued in prior years had a maturity (repayment) the following January.

In order to fully optimize the TANs issuance this year, the resolution allows for flexibility to extend to a longer maturity up to June 2018. Based on an analysis of current market conditions, staff is electing to opt for the longer maturity. At the time of pricing, if market conditions are no longer favorable, the shorter maturity of January 2018 will prevail.