

June 11, 2019

Executive Summary

Resolution No. 19-106 - Tax Anticipation Notes, Series 2019

June 25, 2019 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 2019-20 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 said funds. The authorizing resolution requires net interest cost to be below 3.00 percent. The expected closing date for the TANs will be on or about July 24, 2019.

In order to fully optimize the TANs issuance this year, the resolution allows for a maturity up to June 2019. At the time of pricing, if market conditions are no longer favorable, a shorter maturity will prevail.

The TAN, Series 2019 issuance is slightly different from past years:

- Typically the TAN was issued around September. However, in order to optimize investment income, the TAN, Series 2019 is scheduled to price and close in July 2019, providing the District a longer timeframe to make additional investment income that would off-set interest expense.
- The dollar amount has increased from \$125M to \$160M to ensure appropriate funding for continuity of hiring school resources officers and District school security staff, and the recruiting and retaining of highly qualified District teachers, etc., until funding from the ½ mill operational levy (approved by referendum on August 28, 2018) is received by the District at the end of November 2019.

The Financial Advisory Committee concurs with the issuance of the TANs, Series 2019.