


LA HABRA CITY SCHOOL DISTRICT
 Minutes of the Special Board of Education Meeting
 500 N. Walnut St.
 La Habra, CA 90631
 November 13, 2012

Call to Order Regular Meeting	The formal call to order of the Board of Education Special Meeting of the La Habra City School District was called by Board President, Paul S. Rodriguez, at 7:05 p.m.
Board Members	Board Members Present: Paul S. Rodriguez, President Linda Navarro Edwards, Vice President Sharon H. Brown, Clerk Sandi Baltés, Member Susan M. Hango, Member
Administrators	Administrators Present: Susan Belenardo, Superintendent Teresa Egan, Administrative Director Educational Services Teri Louer, Administrative Director Student Support Services
Pledge of Allegiance to the Flag	Board President, Paul S. Rodriguez, asked Lisalee Wells to lead the pledge of allegiance to the flag.
General Matters Information Item: Review of General Obligation Bond Issuance Process	<p>Superintendent, Susan Belenardo, introduced Ernesto Flores from Caldwell Flores Winters Inc. who apprised Trustees of the steps and details related to the issuance of the District's General Obligation Bonds. Ernesto first congratulated the District on the passing of Measure "O" and thanked the parents and community for all they did in helping pass the bond. He explained that the District could not have done it without the help and support of the community and those that hit the streets and the phones to help spread the word. La Habra's Measure O had the highest passing percentage in all of Orange County. Ernesto presented an overview of the District's planning process to develop a Facilities Assessment and Implementation beginning in 2010. During the process the District engaged the community to identify specific goals and continued to engage the community through a public information process in developing the final plan. The District is now in the process of issuing approximately \$6.5 million in general obligation. Ernesto explained the key steps in a General Obligation Bond Issuance Process: 1) Board approves bond sale resolution and related legal documents, 2) District obtains a bond rating(s) and seeks bond insurance where appropriate, 3) Finance team conducts bond pricing conference calls and establishes final bond structure and interest rates and 4) District and Underwriter execute closing documents. Lisalee Wells, from Fulbright & Jaworski L.L.P., explained the first step-the Board Approval Process. During the Board Approval Process the Board adopts a resolution which allows the sale of bonds. The resolution states the dollar amount of bonds to be sold, approved use of bond proceeds, term of the bonds, method of bond sales, and financing participants. It also authorizes a Preliminary Official statement and Purchase Contract and Continuing Disclosure Certificate. This step must be taken before any bonds can be sold. Ernesto then explained the credit rating and bond insurance process. A Financial Advisor works with the District to prepare a comprehensive presentation that is delivered to one or more rating agencies. The selected agencies review the District credit factors such as finances and management policies, local and regional economy, and population demographics. Ernesto stressed that La Habra is rated at an AA2 rating which is a very good rating. He explained that this rating is based on the District having and knowing how to manage their reserves. In Districts the size of La Habra, rating agencies critically evaluate the District's reserves. The Financial Advisor may also apply for the insurance. The bond insurance serves to enhance the credit rating on the District's bond, which increases investor demand and helps to lower the cost of borrowing. The third step in the process is the Bond Pricing and Sale. The District, the Financial Advisor, Underwriter and County Treasurer participate in a two-part conference call to review the proposed bond structure, interest rates, discuss comparable bond sales and other pricing factors. During the initial call the District makes a determination to allow the Underwriter to seek investor interest for the bonds under preliminary terms. During the second call, interest rates are negotiated based on the presale performance and the final sale commitment is reached by the District per recommendations of the Financial Advisor and County Treasurer. Upon reaching the final sale decision, the District and Underwriter sign the Bond Purchase Contract which memorializes all the specific details and terms of the sale. In the final step of the process the bond closing occurs approximately two weeks after the pricing calls. Prior to closing, Bond Counsel coordinates circulation of all legal documents requiring District signatures. The Bond proceeds are electronically transmitted into the District's construction fund held by the County. In closing, Ernesto explained the timeline that has been set up: November 13th, today- Board adopts legal documents to issue bonds; November 27th - District Staff meets with the rating agency; December 11th - Bonds priced; December 13th - Board appoints the Bond Oversight Committee; and, December 27th - transaction is scheduled to close and funds deposited into the construction fund.</p>

<p>Special Board Meeting Minutes November 13, 2012 Page 2</p> <p>Action Item: Approval of Resolution 32-2012</p>	<p>On a motion made by Susan M. Hango, and a second to the motion by Linda Navarro Edwards, Trustees unanimously approved Resolution 32-2012, Authorizing the issuance and sale of General Obligation Bonds, Preliminary Official Statement, and Contract of Purchase as attached to these minutes.¹</p>
<p>Items not on the Agenda</p>	<p>Superintendent, Susan Belenardo, announced that this would be Susie and Paul's last Board meeting and recognized them with a certificate and District Bell, thanking them for their outstanding leadership and support for their service as a Trustee to the La Habra City School District.</p>
<p>Adjournment</p>	<p>There being no further business meeting items before the board, Board President, Paul S. Rodriguez, adjourned the special meeting at 8:09 p.m.</p>
<p>Board Minutes Approved:</p>	<p>December 13, 2012</p>
	<div style="text-align: right;">  Susan Belenardo, Ed.D. Secretary to the Board </div>

¹ Resolution 32-2012