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MINUTES FOR SPECIAL MEETING OF AUGUST 5, 2009

<u>Call to Order</u>	<p>The Board of Education of Palo Alto Unified School District held a Special Meeting at the 25 Churchill Avenue, Room A, Palo Alto, California. Barb Mitchell, President, called the meeting to order at 12:30 p.m.</p> <p>Members present: Ms. Barb Mitchell, President Ms. Melissa Baten Caswell Ms. Camille Townsend</p> <p>Staff present: Dr. Robert Golton, CBO</p>
<u>Action</u> Establishment of Tax Rate for District Bonds for the 2009-10 Fiscal Year	<p>Golton recommended the Board take action to request the County to set the tax rate for the June 3, 2008, bond at \$6.70/\$100,000AV. This action is being recommended in order to adhere to the Tax Rate Statement for the June 3, 2008, bond which stated: "The District intends to structure the proposed bonds so the estimated combined tax rate needed to repay all of the Districts' bonds will not increase as a result of the issuance of the proposed bonds." Given the Tax Rate Statement at the time of the June 3, 2008, bond election was at \$44.50/\$100,000AV, the District's intent is to keep the tax rate equal or below that rate. The combined tax rate for 2009-2010 is less than \$44.50/\$100,000AV (currently \$37.80/\$100,000AV for the June 6, 1995, bonds plus \$2.50/\$100,000AV for the June 3, 2008, bonds for a total rate of \$40.30/\$100,000AV). This proposed change increase the tax rate to the \$44.50/\$100,000AV (\$37.80/\$100,000 for the June 6, 1995, bonds plus \$6.70/\$100,000AV for June 3, 2008, bonds).</p> <p>The District's investment advisor for these bonds, RBC Capital Markets, projects that the rate just for the bonds already issued, will rise beyond \$44.50/\$100,000AV in future years. The District, therefore, wishes to create an additional reserve amount this year that can be applied to future years' payments. This reserve will be held at the County.</p> <p>If the economy improves, the money in the reserve will be fed out at such time, lowering the tax rate.</p> <p>MOTION: It was moved by Caswell, seconded by Townsend, and motion carried 3-0 to approve the District request for the County to set the rate for the June 3, 2008, bonds at \$6.70/\$100,000AV and that the additional proceeds be used to increase the reserve.</p>
<u>Action</u> Resolution 2009-10.01 – Authorizing the Completion and Submission of an Application for Qualified School Construction Bond Allocation from the California Department of Education	<p>Golton requested authorization to prepare and file an application with the California Department of Education seeking an allocation of authority to issue federal tax credit bonds know as "Qualified School Construction Bonds" in the form of general obligation bonds of the District, in the maximum principal amount of \$25 million. The purpose of the resolution is to preserve the district's place in line should the district be prompted to act.</p> <p>MOTION: It was moved by Caswell, seconded by Townsend, and motion carried 3-0 to authorize staff to prepare and file an application with the California Department of Education seeking an allocation of authority to issue federal tax credit bonds know as "Qualified School Construction Bonds" in the form of general obligation bonds of the District, in the maximum principal amount of \$25 million.</p>
<u>Adjournment</u>	<p>The meeting was adjourned at 12:50 p.m.</p> <p>_____ Secretary to the Board</p>