

**Jacksonville Independent School District
Board of Trustees Special Meeting
July 27, 2010**

The Board of Education of the Jacksonville Independent School District, State of Texas, met for a Special Meeting on July 27, 2010 at 5:00 p.m. in the Board Room of the JISD Administration Building located at 1547 Pine Street, Jacksonville, Texas.

Present: James Houser, Jim Tarrant, Joe Casey, Dale Jamerson, Jimmy Brown, and Blaine Verhelle; Superintendent – Dr. Joe Wardell

Absent: Todd Travis

1. CALL TO ORDER

Board President, James Houser, announced that a quorum was present, that the meeting was duly called, and that notice of the meeting had been posted for the time and in the manner as required by law.

2. DISTRICT FACILITIES DISCUSSIONS

A. DISTRICT FINANCIAL ADVISOR – SOUTHWEST SECURITIES, INC.

Doug Whitt and Brian Grubbs of Southwest Securities, Inc. met with the Board of Trustees to discuss financial details of a proposed bond election. A proposed bond would fund the short term plan of the JISD Master Facilities Plan adopted by the Board on July 19, 2010. The discussion included current bond market conditions for Permanent School Fund Guaranteed AAA Bonds. Also included was state funding such as Qualified School Constructions Bonds (QSCB), Instructional Facilities Allotment (IFA), and Existing Debt Allotment (EDA). JISD has already qualified for a QSCB which will allow the district to borrow \$7 million toward new construction or renovation at almost 0% interest if a bond proposal is approved by voters this year. The district may also qualify for the IFA and EDA as well. Mr. Whitt also reported on recent bond history and growth assumptions of taxable values.

Based on a proposed bond amount of \$49,850,000, Mr. Whitt presented a preliminary bond program analysis reflecting three scenarios:

- Scenario 1: 25-Year “Level” Total Debt Service Structure (19 Cent Increase)
- Scenario 2: 20-Year “Level” New Debt Service Structure (28 Cent Increase)
Assumptions:
 - 1) Taxable Value – Assumed to Remain Constant at \$923,725,258
 - 2) Average Daily Attendance – Assumed to Remain Constant at 4,425
 - 3) Interest Rates - Assumed to be current market rates + 0.75%
 - 4) 98% Tax Collections
 - 5) 2010/11 I&S Tax Rate – Assumed to be 9 Cents
 - 6) Assumes Bonds are issued as Traditional Tax Exempt Bonds
- Scenario 3: 21-Year “Level” Total Debt Service Structure (19 Cent Increase)
Assumptions:
 - 1) Taxable Value – Assumed to Remain Constant at \$923,725,258

- 2) Average Daily Attendance – Assumed to Remain Constant at 4,425
- 3) Interest Rates - Assumed to be current market rates
- 4) 98% Tax Collections
- 5) 2010/11 I&S Tax Rate – Assumed to be 9 Cents
- 6) Assumes Bonds are issued as Qualified School Construction Bonds and Traditional Tax Exempt Bonds

Based on the average home value of \$87,681, it was reported that:

- a 19 cent increase equals an increase of \$11.51 per month
- A 28 cent increase equals an increase of \$16.96 per month.

Board members and members of the audience were then invited to ask questions and participate in the discussion.

B. DISTRICT ARCHITECTS – CLAYCOMB ASSOCIATES, INC.

Mr. Kevin Smith of Claycomb Associates, Inc. addressed the Board with the following estimated construction and renovation costs (including 6% inflation) totaling approximately \$49,865,000:

- renovations at Fred Douglass Elementary School projected to be \$4.5 million
- construction of 2 elementary campuses to replace East Side Elementary and Joe Wright Elementary (750 student capacity) projected to be \$33.3 million
- construction and renovation at JHS projected to be \$12 million

Board members and members of the audience were then invited to ask questions and participate in the discussion.

4. ADJOURNMENT

There being no further business, the special meeting was adjourned.

James Houser
Board President

Joe Casey
Board Secretary