



MINUTES
SPECIAL MEETING OF THE BOARD OF TRUSTEES OF
BLAINE COUNTY SCHOOL DISTRICT NO. 61
FRIDAY, OCTOBER 14, 2011 – 12:00 P.M.
DISTRICT OFFICE

For complete details, please logon to the Blaine County School District website www.blaineschools.org and watch the streamed broadcast of the October 14, 2011 Special Meeting of the Board.

I. Call to Order and Welcome

Chairman Steve Guthrie called the Special Meeting of the Board of Trustees of Blaine County School District No. 61 to order at 12:00 p.m. and welcomed everyone in attendance.

Present were Board Members Don Nurge, Paul Bates, Kathryn Graves and Shawn Bennion. Also present were Superintendent, Dr. Lonnie Barber, School District Treasurer, Mike Chatterton and Board Clerk, Laurie Kaufman.

Chairman Guthrie stated that a quorum was present.

II. Any Additions, Corrections, Modifications or Substitutions to the Current Agenda

None.

III. Further Discussion of the 2011 QSCB (Qualified School Construction Bonds) Allocation – Mike Chatterton, School District Treasurer

Because *Approval of Parameter Resolutions to Sell QSCB Series of 2011B and QSCB Series of 2011C* will be voted on by the Board at their Regular October Meeting, this Special Meeting of the Board was called to further discuss the 2011 QSCB allocation.

Since allocation of expenditures to the 2011C series of bonds relates to Goal 8 of the BSCD Strategic Plan, Safety and Security, Principals Don Haisley (Hemingway), Tom Bailey (Hailey), Angie Martinez (Bellevue), Lynn Seifert (SCHS), John Peck (Carey) and Pete Jurovich (WRHS) were asked to address the Board with their concerns regarding security cameras and access controls in their school buildings.

Mike Chatterton then presented the Board with two scenarios showing the District's interest earnings by borrowing on the no interest QSCB bonds being sold. The scenarios

assume two different possibilities, one showing the new elementary and addition being built and one showing them not being built. The assumption, just for demonstration purposes, is that the schools would be open in 2016.

The first scenario shows the two buildings being started in 2014-2015 just as an example in column G. Column B shows the invested school plant facilities funds that are currently being collected and column H shows the sinking fund requirements as the District has gone through in the past. Column C shows the interest earnings on the plant facilities funds and column E shows the interest in the sinking funds investments.

The second scenario shows the same details in each of the columns except instead of building the two new buildings, the money would not be collected from the taxpayers of Blaine County for the last two and one-half years as promised.

To summarize, the projected interest earnings on scenario 1 shows interest earned of approximately \$4,061,345.00 and scenario 2 shows interest earnings of approximately \$6,195,536.00. Both of these numbers are substantially higher than the estimated costs of issuance of two percent which would be, at most, \$544,000.00.

The scenarios are moderate and do not project interest rates that are unrealistic. Mike Chatterton stated that from his point of view, the projected interest earnings will more than cover the cost of sale of the QSCBs, the cost of all legal fees for the Judicial Confirmation, and the overages of the Bellevue Elementary addition, maintenance facility and the auditorium.

The scenario 1 and scenario 2 spreadsheets are book-marked for reference.

There being no further business to discuss, Board Member Don Nurge made a motion to adjourn the meeting. The motion was seconded by Paul Bates and passed unanimously.

The Special Meeting of the Board of Trustees of Blaine County School District No. 61 adjourned at 1:50 p.m.

Scenario 1 - Assumes Elementary & Classroom addition Project Completed

Date	Cash Inflows					Cash Outflows		Capital Project Fund Balance
	Available Plant Levy	Plant Fund Investment Earnings	Int Rate	Sinking Fund Investment Earnings	Int Rate	Project Draws	QSCB Sinking Funds	
11/1/2011	2,000,000	-	0.00%	-		-	-	2,000,000
2/1/2012	3,000,000	10,000	1.00%	-		-	-	5,010,000
8/1/2012	2,000,000	25,050	1.00%			-	-	7,035,050
2/1/2013	3,000,000	35,175	1.00%			-	-	10,070,225
8/1/2013	2,000,000	75,527	1.50%			-	-	12,145,752
2/1/2014	3,000,000	91,093	1.50%			-	-	15,236,845
8/1/2014	2,000,000	114,276	1.50%			-	-	17,351,121
2/1/2015	3,000,000	173,511	2.00%			3,559,968	-	16,964,665
8/1/2015	2,000,000	169,647	2.00%			6,908,595	-	12,225,716
2/1/2016	3,000,000	152,821	2.50%			3,324,867	-	12,053,670
8/1/2016	3,000,000	150,671	2.50%		3.50%	1,555,267	5,430,000	8,219,075
2/1/2017	2,000,000	123,286	3.00%	95,025		68,303	-	10,369,083
8/1/2017	3,000,000	155,536	3.00%	95,025	3.25%	-	5,440,000	8,179,644
2/1/2018	2,000,000	143,144	3.50%	183,425		-	-	10,506,213
8/1/2018	3,000,000	183,859	3.50%	183,425	3.00%	-	5,440,000	8,433,496
2/1/2019	2,000,000	147,586	3.50%	265,025		-	-	10,846,108
8/1/2019	3,000,000	189,807	3.50%	265,025	2.75%	-	5,445,000	8,855,940
2/1/2020	2,000,000	154,979	3.50%	339,894		-	-	11,350,812
8/1/2020	3,000,000	198,639	3.50%	339,894	0.00%	-	5,430,000	9,459,345
Total	48,000,000	2,294,608		1,766,738		15,417,000	27,185,000	

Scenario 2 - Assumes Elementary & Classroom addition Project Not Completed

Date	Cash Inflows					Cash Outflows		Capital Project Fund Balance
	Available Plant Levy	Plant Fund Investment Earnings	Int Rate	Sinking Fund Investment Earnings	Int Rate	Project Draws	QSCB Sinking Funds	
11/1/2011	2,000,000	-	0.00%	-		-	-	2,000,000
2/1/2012	3,000,000	10,000	1.00%	-		-	-	5,010,000
8/1/2012	2,000,000	25,050	1.00%			-	-	7,035,050
2/1/2013	3,000,000	35,175	1.00%			-	-	10,070,225
8/1/2013	2,000,000	75,527	1.50%			-	-	12,145,752
2/1/2014	3,000,000	91,093	1.50%			-	-	15,236,845
8/1/2014	2,000,000	114,276	1.50%			-	-	17,351,121
2/1/2015	3,000,000	173,511	2.00%				-	20,524,633
8/1/2015	2,000,000	205,246	2.00%				-	22,729,879
2/1/2016	3,000,000	284,123	2.50%				-	26,014,002
8/1/2016	3,000,000	325,175	2.50%		3.50%		5,430,000	23,909,177
2/1/2017	2,000,000	358,638	3.00%	95,025			-	26,362,840
8/1/2017	3,000,000	395,443	3.00%	95,025	3.25%	-	5,440,000	24,413,308
2/1/2018	2,000,000	427,233	3.50%	183,425		-	-	27,023,966
8/1/2018		472,919	3.50%	183,425	3.00%	-	5,440,000	22,240,310
2/1/2019		389,205	3.50%	265,025		-	-	22,894,540
8/1/2019		400,654	3.50%	265,025	2.75%	-	5,445,000	18,115,220
2/1/2020		317,016	3.50%	339,894		-	-	18,772,130
8/1/2020		328,512	3.50%	339,894	0.00%	-	5,430,000	14,010,536
Total	35,000,000	4,428,799		1,766,738		-	27,185,000	