

El Paso Independent School District
Minutes of Board Finance Committee Meeting
January 15, 2002
2:00 p.m.
Education Center-Boeing

Present: Dr. Gene Finke, Board Vice President, Board Finance Committee
Chairperson
Mr. Dan Wever, Board President
Miss Leonor Garcia, Board Secretary
Mr. Joe Rosales, Board Member
Mr. John Birkelbach, School District Attorney

Administration: Dr. Gilberto Anzaldúa, Superintendent
Mr. William Goodman, Associate Superintendent, Finance
Mr. Hector Martinez, Associate Superintendent, Operations
Mr. Charles Tafoya, Associate Superintendent, Human Resources
Mr. Richard Romero, Director, Budget
Mr. Walt Byers, Treasury Manager
Mr. James Damm, E-Rate Consultant

Guests: Mr. Sal Mena, Jr., Board Member
Mr. Richard Telles, Board Member
Mr. Bob Akin, C. F. Jordan LP
Mr. Paul Braden, Delgado Acosta Braden & Jones PC
Mr. Jorge Garza, C. F. Jordan LP
Mr. Paul Martin, C. F. Jordan LP
Mr. Jim McDaniel, Jacobs Facilities Inc.
Mr. Dan Roseveare, First Southwest Company
Mr. David Seifert, Jacobs Facilities Inc.

The meeting was called to order at 2:10 p.m. by Dr. Finke.

The topics discussed were as follows:

1. Presentation by C. F. Jordan and Jacobs Facilities on Proposed Capitalization Plans for Renovations and New Schools (Item #1, A.)
 - a. Jordan/Jacobs
 - (1) Needs of EPISD
 - (2) Jordan/Jacobs Solution
 - (3) Legal authority confirmation
 - (4) Jordan/Jacobs Process
 - (5) Immediate actions
 - (6) Benefits
 - (a) meeting critical needs and renovating existing facilities
 - (b) achieving goals within budget and timeframe requirements

- b. RFP/RFQ for Financing/Construction of Proposed Plan
 - (1) Financing and delivery can be combined
 - (2) Decision by Board on procurement methodology that is in the best interest of the District
 - (3) Obtaining approval of Attorney General
 - (4) Public facility corporation (PFC)
 - (5) Item being placed on upcoming Board agenda

2. Discussion Regarding Alternative Financing Possibilities for Renovations, Deferred Maintenance, and Construction of New Schools (Item #1, B.)

- a. Legal framework regarding alternative financing options
 - (1) lease purchase transaction
 - (2) maintenance tax notes
- b. Use of M&O for purchase of bonds
- c. Maintenance tax notes can be used for building repairs and improvements
- d. Reviewed structure of lease purchase
 - (1) Lease purchase can be used for new construction and new additions to existing construction
 - (2) requires creation of Public facility corporation (PFC)
 - (3) requires public notification
 - (4) petition from 5 percent of voters, presented to Board of Trustees, will require an election for transaction to proceed
- e. Methods of funding renovations
 - (1) capital improvement assessment
 - (2) replacement type projects
 - (3) budget constraints
- f. Existing capital improvement plan
 - (1) capital plan goals for maintenance tax notes
 - (2) capital plan assumptions
 - (3) series 2001 results
 - i. transaction summary
 - ii. tax management summary
 - iii. tax impact comparison graph
- g. Lease purchase revenue bonds
 - (1) overview of lease purchase financing
 - (2) what should be negotiated
 - i. debt service reserve fund
 - ii. optional redemption
 - iii. rating on issue
 - (3) procedures for lease purchase
- h. Advantages of lease purchase
 - (1) petition process versus voted bonds
 - (2) construction process

- i. Disadvantages of lease purchase
 - (1) payment from General Fund budget
 - (2) lower credit quality
 - (3) lower debt service capacity
 - (4) higher debt service cost

- j. Key items to consider
 - (1) amount of renovation
 - (2) priority of renovation
 - (3) what qualifies for lease purchase
 - (4) what budgetary pressures will be faced in upcoming years
 - (5) if bond election passes, what then?
 - (6) what qualifies for QZAB (qualified zone academy bonds)
 - (7) what qualifies for Instructional Facilities Allotment

3. Quarterly Investment Report , September – November 2001 (Item #1, C.)

Reviewed highlights of investments for the fall quarter, 2001

4. Other Finance-Related Issues (Item #1, D.)

Refinancing debt

Meeting Adjourned

The meeting was adjourned at 3:43 p.m.

Date Approved: April 9, 2002