



MEMORANDUM

To: Bruce Colby
From: Rich Malone (RM)
Date: December 10, 2015
Re: Prepayment of Community Facilities District No. 1 Outstanding Bonds

Bruce, this memorandum summarizes the opportunity for the District to prepay its outstanding Community Facilities District No. 1 (CFD#1) special tax bonds from available funds on February 15, 2016.

The District established CFD#1 in 1989. Voters within CFD#1 subsequently authorized the levy of a special tax within CFD#1 and the issuance of up to \$33.3 million of special tax bonds to finance the acquisition, repair and rehabilitation of facilities and equipment within CFD#1 (CFD#1 has the same boundaries as the District). The District issued CFD#1 special tax bonds in 1990, 1991, 1993, 1995, and 2001, with refunding bonds issued in 2006 and 2007. Only the bonds issued in 2006 and 2007 are currently outstanding.

Under the terms of the original resolution, any CFD#1 special taxes that are collected but not needed to pay debt service on any outstanding CFD#1 bonds are deposited into a special fund called the "Prior Redemption Account" until all of the CFD#1 bonds are repaid. Funds in the Prior Redemption Account accumulate over time, and, under the terms of the original resolution, must be used to prepay any outstanding CFD#1 bonds as soon as the balance in the Prior Redemption Account is greater than the amount of CFD#1 bonds outstanding. Once all of the CFD#1 bonds are repaid, the special taxes can be used for any lawful purpose.

Funds in the Prior Redemption Account (along with funds in the CFD#1 reserve account) are now more than the amount of CFD#1 bonds currently outstanding. As a result, the District must use the funds in the Prior Redemption Account to repay the outstanding CFD #1 bonds issued in 2006 and 2007. The Board will be asked to consider a resolution authorizing the prepayment of the CFD#1 bonds issued in 2006 and 2007 at an upcoming Board meeting.

The prepayment of the CFD#1 bonds in fiscal year 2015-16 is part of the District's long-term facilities financing plan. The District has planned for the prepayment of the outstanding CFD#1 bonds to occur in fiscal year 2015-16 for many years. As a result, the District has already allocated the CFD#1 special taxes available after the prepayment of the outstanding CFD#1 bonds to pay debt service on certificates of participation issued in 2005, 2007, 2009 and 2014.

Attached is a schedule of events to complete the prepayment. Key dates in the proposed schedule include Board consideration of a resolution authorizing the prepayment at the January 7, 2016 meeting, with the CFD#1 bonds prepaid on February 15, 2016.

As always, please let us know if you have any questions.

RM/abm

Attachment

DAVIS JOINT UNIFIED SCHOOL DISTRICT
Community Facilities District No. 1
Redemption of Special Tax Bonds

Preliminary Schedule of Events
As of December 9, 2015

November 2015						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December 2015						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

January 2016						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
						31

February 2016						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29				

November 11: Veteran's Day
November 26: Thanksgiving

December 25: Christmas

January 1: New Year's Day
January 18: MLK, Jr.'s Birthday

February 15: Presidents' Day

DATE	ITEM	RESPONSIBILITY
In Progress	Confirmation of all information relating to the redemption of the CFD #1 Series 2006 Bonds and Series 2007 Bonds.	All Parties
Thursday, December 10, 2015	Draft resolution authorizing the redemption of the CFD #1 Series 2006 Bonds and Series 2007 Bonds delivered to all interested parties.	Parker & Covert
Tuesday, December 15, 2015	Comments due on draft resolution.	All Parties
Wednesday, December 16, 2015	Agenda Deadline: Resolution authorizing the redemption of the CFD #1 Series 2006 Bonds and Series 2007 Bonds delivered to District.	Parker & Covert
Friday, December 18, 2015	District notifies Paying Agent of intent to redeem the CFD #1 Series 2006 Bonds and Series 2007 Bonds.	District Government Financial Strategies
Thursday, January 7, 2016	District Board Meeting: 1) Information regarding redemption of the CFD #1 Series 2006 Bonds and Series 2007 Bonds provided to District Board. 2) District Board considers adoption of resolution authorizing redemption of the CFD #1 Series 2006 Bonds and Series 2007 Bonds.	District Government Financial Strategies
No Later Than Friday, January 15, 2016	Paying Agent gives Notice of Redemption to Bondholders.	Paying Agent
Thursday, February 12, 2016	Funds for redemption wired to Paying Agent.	County
Monday, February 15, 2016	Redemption of Series 2006 Bonds and Series 2007 Bonds.	Paying Agent