

CENTER POINT ISD BOARD OF TRUSTEES
Special Meeting
Thursday, January 13, 2011

MEMBERS PRESENT

Michael Butler, President	Sue Holloway
Sabyn Park, Vice President	Jimmy Nibblett
Allen Kaiser, Secretary	Sherry Rivers
Guy Bolin	

MEMBERS ABSENT

ADMINISTRATION PRESENT

Cody Newcomb, Superintendent	Deborah Hicks, Superintendent's Secretary
Kim Bishop, Director of Business Services	

GUESTS

Jerry Kyle, Andrews Kurth LLP	Jim Brooks, Southwest Securities
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A. Call to order/declaration of quorum.

The Center Point ISD Board of Trustees met in special session on Thursday, January 13, 2011, in the CP Meeting Room located on the 2nd floor of the Administration Building, 215 China Street, Center Point, Texas. President Butler established a quorum and called the meeting to order at 6:05 p.m. Mr. Butler stated that a notice of this meeting was posted in accordance with the Texas Open Meetings Act, Texas Government Code Chapter 551.

B. Action Item:

Consider and approve the order authorizing 2011 refunding bonds and related matters.

Jim Brooks with Southwest Securities gave board members a presentation about current bonding matters and the advantages of refunding CP bonds as follows:

The District will issue \$1,535,000 principal amount of Series 2011 Refunding Bonds

Standard and Poor's has assigned an initial underlying bond rating for Center Point ISD of AA-

The Texas Education Agency approved the Permanent School Fund Guarantee, elevating the bond rating to AAA

The principal proceeds together with the bond premium collected will be sufficient pay off in full on August 15, 2011, the first call date for the old Series 2001 bonds, the \$1,535,000 outstanding principal of the Series 2001 bonds and pay all costs of underwriting and selling the refunding bonds

The average coupon for the old bonds was 5.01%

The average interest rate for the new refunding bonds equals 3.32%

The total interest savings for the District will equal \$153,832

The present value of the total savings is equal to 8% of the bonds refunded, which compares very favorably with traditional present value savings targets of 3 to 4%

The annual savings for the refunding bonds equals between \$4,493 and \$11,481 per year, or an average savings of \$9,048 per year over the next 17 years, or approximately ½ cent in I&S tax rate

The Series 2011 Refunding bonds are expected to be reviewed and approved by the Texas Attorney General's office to provide for the bond closing and defeasance of the old bonds on February 15, 2011

Allen Kaiser made a motion to approve the order authorizing 2011 refunding bonds as presented with Jimmy Nibblett giving the second. A copy of the order is available from the CP Administration, Business Office.

MOTION APPROVED 7 FOR 0 OPPOSED 0 ABSENT

C. Adjournment.

Sherry Rivers moved to adjourn the meeting with Guy Bolin giving the second.

MOTION APPROVED 7 FOR 0 OPPOSED 0 ABSENT

The meeting adjourned at 6:40 p.m.

Approved by:

Michael Butler, President

Date

Allen Kaiser, Secretary

Date