

City of Biddeford
School Department Finance/Building & Grounds Committee
May 09, 2017 5:30 PM Leadership Office Conference Room

- 1. Roll Call**
- 2. Acceptance of Minutes**
 - 2.1. 2/28/17 minutes
[2-28-17 minutes.doc](#)
- 3. New Business**
 - 3.1. 3. Review: Bond Refunding
[bond refunding.pdf](#)
 - 3.2. 4. Review: Field Study Report (see report on school web site)
- 4. Other Business**
- 5. Adjournment**

School Department Finance/Building & Grounds Committee Agenda Item Report

Agenda Item No. 2016-911

Submitted by: Diane Milliard

Submitting Department:

Meeting Date: May 9, 2017

SUBJECT

2/28/17 minutes

Recommendation:

ATTACHMENTS

- [2-28-17 minutes.doc](#)

**Biddeford School Department
Finance/Building & Grounds Committee
February 28, 2017
6:00 p.m.
(Leadership Conference Room)**

MINUTES

Item 1 Roll Call

Present: Alan Casavant, Karen Ruel, Dennis Anglea, Lisa Vадnais, Jeremy Ray, Terry Gauvin.

Chair Ruel called the meeting to order at 6:05 p.m.

Item 2 Acceptance of Minutes – 2/8/17

Mr. Anglea moved and Ms. Vадnais seconded, unanimous vote, to approve the minutes of 2/8/17.

Item 3 Budget Discussion

Mr. Ray discussed several reductions and additions to the budget (see attached document).

Item 4 ED 279 Review & Revenue Discussion

Mr. Ray reviewed the ED 279 State subsidy (preliminary) numbers and the report can be viewed on the school's web site. It appears that Biddeford could receive \$944,000 in additional subsidy.

Item 5 Setting Budget Review Process

Mr. Ray referenced the timeline provided in the packet.

Item 6 Adjournment - Mr. Anglea moved and Ms. Vадnais seconded, unanimous vote, to adjourn at 6:55 p.m.

Respectfully submitted,

Jeremy Ray
Superintendent

School Department Finance/Building & Grounds Committee Agenda Item Report

Agenda Item No. 2016-912

Submitted by: Diane Milliard

Submitting Department:

Meeting Date: May 9, 2017

SUBJECT

3. Review: Bond Refunding

Recommendation:

ATTACHMENTS

- [bond refunding.pdf](#)

City of Biddeford, Maine 2017 General Obligation Bonds As of April 26, 2017 Refunding of Non-Callable Maturities, Up-Front Savings Series 2011			
Scenario	Refund of Series 2010	Refund of Series 2011	Aggregate Refunding
Par Amount	\$ 6,825,000	\$ 19,890,000	\$ 26,715,000
Arb Yield	2.67%	2.67%	2.67%
True Interest Cost	2.38%	3.04%	2.91%
Escrow Yield	1.42%	1.60%	1.56%
Negative Arbitrage	254,908	791,207	1,046,115
WAM Refunding Bonds	7.68	11.16	10.25
WAM Refunded Bonds	8.07	11.40	10.51
Refunded Bonds	7,280,000	19,970,000	27,250,000
PV Savings	325,674	684,039	1,009,714
PV Savings %	4.47%	3.43%	3.71%
Cashflow Savings	\$ 484,561	\$ 907,441	\$ 1,392,003
FY 2018	38,011	858,141	896,153
2019	4,219	4,500	8,719
2020	3,219	3,500	6,719
2021	41,319	2,500	43,819
2022	44,219	2,100	46,319
2023	45,519	3,625	49,144
2024	45,444	2,050	47,494
2025	45,619	1,225	46,844
2026	41,169	2,825	43,994
2027	42,094	4,925	47,019
2028	43,269	2,650	45,919
2029	44,975	900	45,875
2030	45,488	2,400	47,888
2031	-	3,700	3,700
2032	-	4,800	4,800
2033	-	800	800
2034	-	3,400	3,400
2035	-	700	700
2036	-	2,700	2,700

RAYMOND JAMES

SUMMARY OF BONDS REFUNDED

City of Biddeford, Maine
 General Obligation Refunding Bonds, Series 2017
 Market Rates as of May 2, 2017
 Refunding of Non-Callable Maturities
 Series 2011 Up-Front Savings
 Preliminary & Subject to Change

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
General Obligation Bonds, Series 2010:					
BOND	04/01/2019	4.000%	25,000.00		
	04/01/2020	4.000%	25,000.00		
	04/01/2021	4.000%	755,000.00	04/01/2020	100.000
	04/01/2022	4.000%	755,000.00	04/01/2020	100.000
	04/01/2023	4.000%	755,000.00	04/01/2020	100.000
	04/01/2024	4.000%	755,000.00	04/01/2020	100.000
	04/01/2025	4.000%	755,000.00	04/01/2020	100.000
	04/01/2026	4.000%	755,000.00	04/01/2020	100.000
	04/01/2027	4.000%	755,000.00	04/01/2020	100.000
	04/01/2028	4.125%	755,000.00	04/01/2020	100.000
	04/01/2029	4.250%	755,000.00	04/01/2020	100.000
	04/01/2030	4.250%	435,000.00	04/01/2020	100.000
			7,280,000.00		
General Obligation Bonds, Series 2011:					
BOND	04/01/2018	3.000%	695,000.00		
	04/01/2019	4.000%	25,000.00		
	04/01/2020	4.000%	25,000.00		
	04/01/2021	4.000%	25,000.00		
	04/01/2022	4.000%	1,280,000.00	04/01/2021	100.000
	04/01/2023	4.000%	1,280,000.00	04/01/2021	100.000
	04/01/2024	4.000%	1,280,000.00	04/01/2021	100.000
	04/01/2025	4.250%	1,280,000.00	04/01/2021	100.000
	04/01/2026	4.250%	1,280,000.00	04/01/2021	100.000
	04/01/2027	4.250%	1,280,000.00	04/01/2021	100.000
	04/01/2028	4.500%	1,280,000.00	04/01/2021	100.000
	04/01/2029	4.500%	1,280,000.00	04/01/2021	100.000
	04/01/2030	4.500%	1,280,000.00	04/01/2021	100.000
	04/01/2031	4.500%	1,280,000.00	04/01/2021	100.000
	04/01/2032	4.500%	1,280,000.00	04/01/2021	100.000
	04/01/2033	4.750%	1,280,000.00	04/01/2021	100.000
	04/01/2034	4.750%	1,280,000.00	04/01/2021	100.000
	04/01/2035	4.750%	1,280,000.00	04/01/2021	100.000
	04/01/2036	5.000%	1,280,000.00	04/01/2021	100.000
			19,970,000.00		
			27,250,000.00		

SOURCES AND USES OF FUNDS

City of Biddeford, Maine
General Obligation Refunding Bonds, Series 2017
Market Rates as of May 2, 2017
Refunding of Non-Callable Maturities
Series 2011 Up-Front Savings
Preliminary & Subject to Change

Sources:	Refunding of Series 2010 Bonds	Refunding of Series 2011 Bonds	Total
Bond Proceeds:			
Par Amount	6,825,000.00	19,890,000.00	26,715,000.00
Premium	1,099,148.95	2,438,388.80	3,537,537.75
	<u>7,924,148.95</u>	<u>22,328,388.80</u>	<u>30,252,537.75</u>
Uses:	Refunding of Series 2010 Bonds	Refunding of Series 2011 Bonds	Total
Refunding Escrow Deposits:			
Cash Deposit	0.18	0.07	0.25
SI/GS Purchases	<u>7,860,637.00</u>	<u>22,147,814.00</u>	<u>30,008,451.00</u>
	<u>7,860,637.18</u>	<u>22,147,814.07</u>	<u>30,008,451.25</u>
Delivery Date Expenses:			
Cost of Issuance	25,547.45	74,452.55	100,000.00
Underwriter's Discount	<u>35,597.67</u>	<u>108,203.79</u>	<u>143,801.46</u>
	<u>61,145.12</u>	<u>182,656.34</u>	<u>243,801.46</u>
Other Uses of Funds:			
Additional Proceeds	2,366.65	-2,081.61	285.04
	<u>7,924,148.95</u>	<u>22,328,388.80</u>	<u>30,252,537.75</u>

RAYMOND JAMES

SAVINGS

City of Biddeford, Maine
Refunding of Series 2010 Bonds
Market Rates as of April 26, 2017
Refunding of Callable Maturities
Preliminary & Subject to Change

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 06/08/2017 @ 2.6700405%
06/30/2018	295,118.76	257,107.50	38,011.26	37,831.87
06/30/2019	320,118.76	315,900.00	4,218.76	3,888.39
06/30/2020	319,118.76	315,900.00	3,218.76	2,852.34
06/30/2021	1,048,118.76	1,006,800.00	41,318.76	28,699.66
06/30/2022	1,017,918.76	973,700.00	44,218.76	30,547.83
06/30/2023	987,718.76	942,200.00	45,518.76	30,849.87
06/30/2024	957,518.76	912,075.00	45,443.76	29,950.81
06/30/2025	927,318.76	881,700.00	45,618.76	29,282.23
06/30/2026	897,118.76	855,950.00	41,168.76	24,915.75
06/30/2027	866,918.76	824,825.00	42,093.76	24,954.97
06/30/2028	836,718.76	793,450.00	43,268.76	25,163.99
06/30/2029	805,575.00	760,600.00	44,975.00	25,778.71
06/30/2030	453,487.50	408,000.00	45,487.50	28,591.21
	9,732,768.86	9,248,207.50	484,561.36	323,307.62

Savings Summary

Dated Date	06/08/2017
Delivery Date	06/08/2017
PV of savings from cash flow	323,307.62
Plus: Refunding funds on hand	2,366.65
Net PV Savings	325,674.27

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SAVINGS

City of Biddeford, Maine
 Refunding of Series 2011 Bonds
 Market Rates as of April 26, 2017
 Refunding of Callable Maturities
 Preliminary & Subject to Change

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 06/08/2017 @ 2.6700405%
06/30/2018	1,570,050.00	711,908.61	858,141.39	841,944.06
06/30/2019	879,200.00	874,700.00	4,500.00	4,158.21
06/30/2020	878,200.00	874,700.00	3,500.00	3,115.09
06/30/2021	877,200.00	874,700.00	2,500.00	2,123.73
06/30/2022	2,131,200.00	2,129,100.00	2,100.00	-13,329.72
06/30/2023	2,080,000.00	2,076,375.00	3,625.00	-11,730.96
06/30/2024	2,028,800.00	2,026,750.00	2,050.00	-12,832.92
06/30/2025	1,977,600.00	1,976,375.00	1,225.00	-13,255.49
06/30/2026	1,923,200.00	1,920,375.00	2,825.00	-11,687.77
06/30/2027	1,868,800.00	1,863,875.00	4,925.00	-9,805.05
06/30/2028	1,814,400.00	1,811,750.00	2,650.00	-11,344.55
06/30/2029	1,756,800.00	1,755,900.00	900.00	-12,327.34
06/30/2030	1,699,200.00	1,696,800.00	2,400.00	-10,905.52
06/30/2031	1,641,600.00	1,637,900.00	3,700.00	-9,689.25
06/30/2032	1,584,000.00	1,579,200.00	4,800.00	-8,665.11
06/30/2033	1,526,400.00	1,525,600.00	800.00	-11,085.50
06/30/2034	1,465,600.00	1,462,200.00	3,400.00	-9,076.10
06/30/2035	1,404,800.00	1,404,100.00	700.00	-10,511.85
06/30/2036	1,344,000.00	1,341,300.00	2,700.00	-8,973.01
	30,451,050.00	29,543,608.61	907,441.39	686,120.96

Savings Summary

Dated Date	06/08/2017
Delivery Date	06/08/2017
PV of savings from cash flow	686,120.96
Plus: Refunding funds on hand	-2,081.61
Net PV Savings	684,039.35

RAYMOND JAMES

SAVINGS

City of Biddeford, Maine
 General Obligation Refunding Bonds, Series 2017
 Market Rates as of May 2, 2017
 Refunding of Non-Callable Maturities
 Series 2011 Up-Front Savings
 Preliminary & Subject to Change

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 06/08/2017 @ 2.6700405%
06/30/2018	1,865,168.76	969,016.11	896,152.65	879,775.92
06/30/2019	1,199,318.76	1,190,600.00	8,718.76	8,046.61
06/30/2020	1,197,318.76	1,190,600.00	6,718.76	5,967.43
06/30/2021	1,925,318.76	1,881,500.00	43,818.76	30,823.39
06/30/2022	3,149,118.76	3,102,800.00	46,318.76	17,218.11
06/30/2023	3,067,718.76	3,018,575.00	49,143.76	19,118.92
06/30/2024	2,986,318.76	2,938,825.00	47,493.76	17,117.88
06/30/2025	2,904,918.76	2,858,075.00	46,843.76	16,026.74
06/30/2026	2,820,318.76	2,776,325.00	43,993.76	13,227.98
06/30/2027	2,735,718.76	2,688,700.00	47,018.76	15,149.92
06/30/2028	2,651,118.76	2,605,200.00	45,918.76	13,819.43
06/30/2029	2,562,375.00	2,516,500.00	45,875.00	13,451.37
06/30/2030	2,152,687.50	2,104,800.00	47,887.50	17,685.69
06/30/2031	1,641,600.00	1,637,900.00	3,700.00	-9,689.25
06/30/2032	1,584,000.00	1,579,200.00	4,800.00	-8,665.11
06/30/2033	1,526,400.00	1,525,600.00	800.00	-11,085.50
06/30/2034	1,465,600.00	1,462,200.00	3,400.00	-9,076.10
06/30/2035	1,404,800.00	1,404,100.00	700.00	-10,511.85
06/30/2036	1,344,000.00	1,341,300.00	2,700.00	-8,973.01
	40,183,818.86	38,791,816.11	1,392,002.75	1,009,428.58

Savings Summary

Dated Date	06/08/2017
Delivery Date	06/08/2017
PV of savings from cash flow	1,009,428.58
Plus: Refunding funds on hand	285.04
Net PV Savings	1,009,713.62

RAYMOND JAMES

SUMMARY OF REFUNDING RESULTS

City of Biddeford, Maine
 General Obligation Refunding Bonds, Series 2017
 Market Rates as of May 2, 2017
 Refunding of Non-Callable Maturities
 Series 2011 Up-Front Savings
 Preliminary & Subject to Change

	Refunding of Series 2010 Bonds	Refunding of Series 2011 Bonds	Total
Dated Date	06/08/2017	06/08/2017	06/08/2017
Delivery Date	06/08/2017	06/08/2017	06/08/2017
Arbitrage Yield	2.670041%	2.670041%	2.670041%
Escrow Yield	1.422961%	1.603099%	1.564329%
Value of Negative Arbitrage	254,908.09	791,207.27	1,046,115.36
Bond Par Amount	6,825,000.00	19,890,000.00	26,715,000.00
True Interest Cost	2.381742%	3.040189%	2.908057%
Net Interest Cost	2.606089%	3.242846%	3.123348%
All-In TIC	2.431485%	3.077699%	2.947934%
Average Coupon	4.644625%	4.274662%	4.344092%
Average Life	7.644	11.354	10.406
Weighted Average Maturity	7.678	11.164	10.251
Par amount of refunded bonds	7,280,000.00	19,970,000.00	27,250,000.00
Average coupon of refunded bonds	4.078999%	4.533410%	4.440136%
Average life of refunded bonds	8.075	11.397	10.510
Remaining weighted average maturity of refunded bonds	8.075	11.397	10.510
PV of prior debt	8,065,275.16	23,659,236.84	31,724,512.00
Net PV Savings	325,674.27	684,039.35	1,009,713.62
Percentage savings of refunded bonds	4.473548%	3.425335%	3.705371%
Percentage savings of refunding bonds	4.771784%	3.439112%	3.779576%
Percentage savings of refunding proceeds	4.109896%	3.063541%	3.337616%

School Department Finance/Building & Grounds Committee Agenda Item Report

Agenda Item No. 2016-913

Submitted by: Diane Milliard

Submitting Department:

Meeting Date: May 9, 2017

SUBJECT

4. Review: Field Study Report (see report on school web site)

Recommendation:

ATTACHMENTS

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