

**SPECIAL MEETING OF THE
BOARD OF TRUSTEES
BARTON COUNTY COMMUNITY COLLEGE**

**April 7, 2004– 12:00 p.m.
U-219 (Upper Level of Student Union)**

AGENDA

- 1. Official Board Meetings 1**
- 2. Call to Order 2**
Comments from Chairman
Public and/or Employee Comment
- 3. Refinancing of Certificate of Participation..... 3**

Special Meeting of the Board of Trustees
Barton County Community College

April 7, 2004

OFFICIAL BOARD MEETINGS

Comments: All official Board meetings are open to the public except executive sessions, which are convened in compliance with State law. The Board of Trustees welcomes the attendance and participation of citizens in regular meetings and upon recognition by the Chairman, encourages questions or comments pertaining to items on the agenda. Persons having other matters to be brought before the Board should submit these matters in writing to the President at least 72 hours in advance of the meeting, in order that items may be placed on the agenda. In accordance with time requirements, the Chairman reserves the right to limit comments, both in content and length of presentation.

1. No comments will be heard on matters which are not on the agenda without the consent of the Board.
2. Persons wishing to speak will identify themselves to the Chairman and state whether or not they represent the opinion of a group.
3. Each person may speak no longer than five (5) minutes.
4. Presentations containing information or comments related to College personnel or students may be referred for consideration in executive sessions.
5. The Chairman reserves the right to stop the proceedings and poll the Board to determine if a speaker may continue.

Please Note: Barton County Community College Trustees routinely hold a monthly Board study session for the purpose of setting goals, Board development, and future planning; discussion is informal and no votes are taken. Both the regularly scheduled monthly Board meeting and the monthly study session are subject to the Kansas Open Meetings Act and are open to the public.

Information Only

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CALL TO ORDER

COMMENTS FROM CHAIRMAN:

The Chairman will address the assembly.

PUBLIC AND/OR EMPLOYEE COMMENT:

No requests for public and/or employee comment have been received.

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REFINANCING OF CERTIFICATE OF PARTICIPATION

Detail: Ron Vratil has been researching the feasibility of refinancing one or more of the College's Certificates of Participation issues. Because of the current low interest rates, it appears that there is a strong likelihood the College would realize substantial savings in interest costs over a period of time. Two brokerage firms conducted the analysis. The results of both firms confirmed that there is a payback on the College's Series 1993 issue, but its 1999 issue does not reflect a savings on refinancing. The 1999 issue does not show a positive payback because there is a call date two years in the future that results in added costs and the original rates on the issue are fairly good. As we get closer to the call date and if interest rates were to stay low, we may reach a point in the future when the 1999 issue would be cost effective to refinance.

The result of the analysis on the 1993 issue is attached. The 1993 issue has a balance of \$975,000 due in August 2010 at an interest rate of 5.25%. The new refunding currently has an average interest rate of approximately 2.71% that results in a substantial savings as noted on the attachment.

We are recommending that the Board approve the refinance of the 1993 issue with Piper Jaffray at a cost savings of approximately \$119,135.87 over a 6-year period. The final rates would be finalized by April 19, 2004 just prior to the Board's regular monthly meeting. An approval of a resolution (which will be distributed to the Trustees at the special meeting) to allow Piper Jaffray to prepare and offer a refinancing to investors is needed now, with a final resolution being presented to the Board for approval at its April 20, 2004 regular meeting, if interest rates remain as currently predicted.

Recommendation: It is recommended that a resolution be approved to allow Piper Jaffray to offer a refinancing of our 1993 Certificate of Participation issue to investors at an approximate 2.71% rate with final approval expected on April 20, 2004

Action: Dean of Business Services

BARTON COUNTY COMMUNITY COLLEGE
 Potential refinancing--1993 issue
 3-22-04

	Jones	Piper Jaffray
Total new financing	1,030,000.00	995,000.00
Paid by College for 8-1		25,593.75
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Total new financing	1,030,000.00	1,020,593.75
New interest paid	172,545.00	167,989.13
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Total Cost	1,202,545.00	1,188,582.88
Pay original owed	(975,000.00)	(975,000.00)
Pay 8-1-04 Interest	(25,593.75)	(25,593.75)
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Cost for new financing	201,951.25	187,989.13
Interest above	172,545.00	167,989.13
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Cost of issue	29,406.25	20,000.00
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Cost of old issue to payout	1,307,718.75	1,307,718.75
New cost above	1,202,545.00	1,188,582.88
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Cost savings with new issue	105,173.75	119,135.87
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