

CHICO UNIFIED FINANCING CORPORATION
BOARD OF DIRECTORS ANNUAL MEETING
November 20, 2013

Immediately following the Open Session of the Board of Education
Regular Session which begins at 6:00 pm

Chico City Council Chambers
421 Main Street, Chico, CA 95928

AGENDA

1. **CALL TO ORDER**
2. **INFORMATION AND DISCUSSION**
 - 2.1 Annual Financial Report/Status Update
3. **ACTION CALENDAR**
 - 3.1 Consider Approval of Minutes of Annual Meeting – November 7, 2012
4. **ADJOURNMENT**

Elizabeth Griffin, President
Board of Education
Chico Unified School District

The Chico Unified School District Board of Education welcomes you to this meeting and invites you to participate in matters before the Board.

INFORMATION, PROCEDURES AND CONDUCT OF CUSD BOARD OF EDUCATION MEETINGS

No disturbance or willful interruption of any Board meeting shall be permitted. Persistence by an individual or group shall be grounds for the Chair to terminate the privilege of addressing the meeting. The Board may remove disruptive individuals and order the room cleared, if necessary. In this case, further Board proceedings shall concern only matters appearing on the agenda.

CONSENT CALENDAR

The items listed on the Consent Calendar may be approved by the Board in one action. However, in accordance with law, the public has a right to comment on any consent item. At the request of a member of the Board, any item on the consent agenda shall be removed and given individual consideration for action as a regular agenda item. Board Bylaw 9322.

STUDENT PARTICIPATION

At the discretion of the Board President, student speakers may be given priority to address items to the Board.

PUBLIC PARTICIPATION FOR ITEMS ON THE AGENDA (Regular and Special Board Meetings)

The Board shall give members of the public an opportunity to address the Board either before or during the Board's consideration of each item of business to be discussed at regular or special meetings.

- Speakers will identify themselves and will direct their comments to the Board.
- Each speaker will be allowed three (3) minutes to address the Board.
- In case of numerous requests to address the same item, the Board may select representatives to speak on each side of the item.

PUBLIC PARTICIPATION FOR ITEMS NOT ON THE AGENDA (Regular Board Meetings only)

The Board shall not take action or enter into discussion or dialog on any matter that is not on the meeting agenda, except as allowed by law. (Government Code 54954.2) Items brought forth at this part of the meeting may be referred to the Superintendent or designee or the Board may take the item under advisement. The matter may be placed on the agenda of a subsequent meeting for discussion or action by the Board.

- Public comments for items not on the agenda will be limited to one hour in duration (15 minutes at the beginning of the meeting and 45 minutes at the end of the meeting).
- Initially, each general topic will be limited to 3 speakers.
- Speakers will identify themselves and will direct their comments to the Chair.
- Each speaker will be given three (3) minutes to address the Board.
- Once 2 speakers have shared a similar viewpoint, the Chair will ask for a differing viewpoint. If no other viewpoint is represented then a 3rd speaker may present.
- Speakers will not be allowed to yield their time to other speakers.
- After all topics have been heard, the remainder of the hour may be used by additional speakers to address a previously raised issue.

WRITTEN MATERIAL:

The Board is unable to read written materials presented during the meeting. If any person intends to appear before the Board with written materials, they should be delivered to the Superintendent's Office or delivered via e-mail to the Board and Superintendent 10 days prior to the meeting date.

COPIES OF AGENDAS AND RELATED MATERIALS:

- Available at the meeting
- Available on the website: www.chicousd.org
- Available for inspection in the Superintendent's Office prior to the meeting
- Copies may be obtained after payment of applicable copy fees

AMERICANS WITH DISABILITIES ACT

Please contact the Superintendent's Office at 891-3000 ext. 149 should you require a disability-related modification or accommodation in order to participate in the meeting. This request should be received at least 48 hours prior to the meeting in order to accommodate your request.

Pursuant to Government Code 54957.5, If documents are distributed to board members concerning an agenda item within 72 hours of a regular board meeting, at the same time the documents will be made available for public inspection at the Chico Unified School District, Superintendent's Office located at 1163 East Seventh Street, Chico, CA 95928 or may be viewed on the website: www.chicousd.org.

AGENDA ITEM: Chico Unified Schools Financing Corporation Annual Meeting

Prepared by: Kevin Bultema, Assistant Superintendent, Business Services

☐ Consent

Board Date November 20, 2013

☒ Information Only

☐ Discussion/Action

Background Information

The Chico Unified Schools Financing Corporation was formed to facilitate the use of debt financing for specific projects throughout the District. The projects began in 1996 when \$2.9 million in debt was issued to finance lighting and HVAC system retrofits for the majority of school sites. This debt was refinanced in 2004 at which point the principal was \$2.7 million.

The second project of the Financing Corporation was issued in 2005 to fund the Solar Photovoltaic System on the roof of Little Chico Creek Elementary School.

The Financial Corporation has not issued any new debt since 2005. The annual repayment schedule is attached.

Educational Implications

The solar array located at Little Chico Creek is for the benefit of students now and in the near future. The project serves as a science lab for students throughout the District. A kiosk has been installed in the library where children can watch the system produce energy. Students can see the number of kilowatts being generated, as well as the historical output of the system, which is a valuable learning opportunity.

Fiscal Implications

None.

NEW ISSUE
DTC BOOK-ENTRY ONLY

S&P Insured Rating: "AAA"
See "RATING" herein
(Ambac Insured)

In the opinion of Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, Special Counsel, based on existing statutes, regulations, rulings and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, the portion of each Rental Payment due under the Facilities Lease designated as and comprising interest and received by the owners of the Certificates is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the further opinion of Special Counsel, such interest is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Special Counsel observes that it is included in adjusted current earnings in calculating corporate alternative minimum taxable income. Special Counsel expresses no opinion regarding other federal or state income tax consequences relating to the accrual or receipt of such interest or the ownership or disposition of the Certificates. See "LEGAL MATTERS—Tax-Matters" herein.

\$2,705,000

**2004 CERTIFICATES OF PARTICIPATION
(2004 CAPITAL PROJECTS)**

Evidencing And Representing A Proportionate Interest Of The
Registered Owners Thereof In Rental Payments To Be Made By The

**CHICO UNIFIED SCHOOL DISTRICT
(BUTTE COUNTY, CALIFORNIA)**

Pursuant To A Facilities Lease With The
CHICO UNIFIED SCHOOLS FINANCING CORPORATION

DATED: Date of Delivery

DUE: September 1, as shown below

The 2004 Certificates of Participation (the "Certificates") are being executed and delivered in the aggregate principal amount of \$2,705,000. The Certificates are being sold for the purpose of implementing the District's 2004 Capital Projects. See "2004 Capital Projects" herein.

The Certificates evidence and represent the fractional undivided interests of the Owners thereof in Rental Payments (as defined herein) to be made by the Chico Unified School District (the "District") pursuant to a Facilities Lease dated October 1, 2004 (the "Facilities Lease"), between the Chico Unified Schools Financing Corporation, a California nonprofit public benefit corporation (the "Corporation"), and the District. The Certificates are being delivered pursuant to a Trust Agreement dated October 1, 2004 (the "Trust Agreement"), by and among U. S. Bank National Association (the "Trustee"), the Corporation and the District. The Certificates will be payable only on their respective maturity dates and are first payable on September 1, 2005. The Certificates are subject to optional and extraordinary prepayment. See "THE CERTIFICATES—Redemption Provision" herein.

THE DISTRICT HAS COVENANTED IN THE FACILITIES LEASE TO TAKE SUCH ACTION AS MAY BE NECESSARY TO INCLUDE AND MAINTAIN ALL RENTAL PAYMENTS AS AND WHEN DUE FOR THE FACILITIES LEASE, SUBJECT TO ABATEMENT, AS FURTHER DESCRIBED HEREIN, IN ITS ANNUAL BUDGET AND TO MAKE THE NECESSARY ANNUAL APPROPRIATIONS FOR ALL SUCH RENTAL PAYMENTS. THE OBLIGATION OF THE DISTRICT TO MAKE RENTAL PAYMENTS IS A SPECIAL OBLIGATION OF THE DISTRICT AND DOES NOT CONSTITUTE A DEBT OF THE DISTRICT OR THE COUNTY OF BUTTE OR THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE CORPORATION HAS NO OBLIGATION OR LIABILITY WHATSOEVER TO THE OWNERS OF THE CERTIFICATES.

Ambac

Payment of the principal of and interest on the Certificates when due will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation simultaneously with the delivery of the Certificates.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF ALL FACTORS RELEVANT TO AN INVESTMENT IN THE CERTIFICATES. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. CAPITALIZED TERMS USED ON THIS COVER PAGE NOT OTHERWISE DEFINED WILL HAVE THE MEANING SET FORTH HEREIN.

MATURITY SCHEDULE

Maturity Date September 1	Principal Amount	Coupon Rate	Reoffering Price / Yield	Maturity Date September 1	Principal Amount	Coupon Rate	Reoffering Price / Yield
2005	\$ 20,000	2.000 %	1.650 %	2011	\$ 240,000	3.000 %	3.125 %
2006	125,000	2.000	1.900	2012	255,000	3.250	3.350
2007	185,000	2.000	100.0	2013	270,000	3.350	3.500
2008	215,000	2.250	100.0	2014	285,000	3.500	3.600
2009	225,000	2.600	100.0	2015	300,000	3.625	3.750
2010	235,000	2.900	100.0	2016	315,000	3.750	3.850
				2017	35,000	4.000	100.0

The Certificates will be offered when, as and if executed and delivered and received by the underwriter, subject to the approval as to their legality by Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, Sacramento, California, Special Counsel. It is anticipated that the Certificates, in definitive form, will be available for delivery through the facilities of DTC in New York, New York on or about October 28, 2004.

This Official Statement is dated October 7, 2004

Estimated Rental Payments

Rental Payments are required to be made in semiannual installments by the District under the Facilities Lease on or before February 15 and August 15 of each year the Certificates are outstanding, commencing on August 15, 2005, for the use and possession of the Facilities.

The Facilities Lease requires that Rental Payments be deposited in the Certificate Fund maintained by the Trustee. On each Principal Payment Date, the Trustee will withdraw from the Certificate Fund the aggregate amount necessary to make annual principal and semiannual interest payments with respect to the Certificates, as shown in the following exhibit of the Rental Payment Schedule.

Rental Payment Schedule 2004 Certificates of Participation

Date	Principal	Interest Rate Coupon	Interest	Semi-Annual Debt Service	Gross Annual Debt Service
Sep 1, 2005	\$20,000	2.000%	\$69,603.73	\$89,603.73	\$89,603.73
Mar 1, 2006			\$41,148.75	\$41,148.75	
Sep 1, 2006	\$125,000	2.000%	\$41,148.75	\$166,148.75	\$207,297.50
Mar 1, 2007			\$39,898.75	\$39,898.75	
Sep 1, 2007	\$185,000	2.000%	\$39,898.75	\$224,898.75	\$264,797.50
Mar 1, 2008			\$38,048.75	\$38,048.75	
Sep 1, 2008	\$215,000	2.250%	\$38,048.75	\$253,048.75	\$291,097.50
Mar 1, 2009			\$35,630.00	\$35,630.00	
Sep 1, 2009	\$225,000	2.600%	\$35,630.00	\$260,630.00	\$296,260.00
Mar 1, 2010			\$32,705.00	\$32,705.00	
Sep 1, 2010	\$235,000	2.900%	\$32,705.00	\$267,705.00	\$300,410.00
Mar 1, 2011			\$29,297.50	\$29,297.50	
Sep 1, 2011	\$240,000	3.000%	\$29,297.50	\$269,297.50	\$298,595.00
Mar 1, 2012			\$25,697.50	\$25,697.50	
Sep 1, 2012	\$255,000	3.250%	\$25,697.50	\$280,697.50	\$306,395.00
Mar 1, 2013			\$21,553.75	\$21,553.75	
Sep 1, 2013	\$270,000	3.350%	\$21,553.75	\$291,553.75	\$313,107.50
Mar 1, 2014			\$17,031.25	\$17,031.25	
Sep 1, 2014	\$285,000	3.500%	\$17,031.25	\$302,031.25	\$319,062.50
Mar 1, 2015			\$12,043.75	\$12,043.75	
Sep 1, 2015	\$300,000	3.625%	\$12,043.75	\$312,043.75	\$324,087.50
Mar 1, 2016			\$6,606.25	\$6,606.25	
Sep 1, 2016	\$315,000	3.750%	\$6,606.25	\$321,606.25	\$328,212.50
Mar 1, 2017			\$700.00	\$700.00	
Sep 1, 2017	\$35,000	4.000%	\$700.00	\$35,700.00	\$36,400.00
	\$2,705,000		\$670,326.23	\$3,375,326.23	\$3,375,326.23

MINUTES

1. CALL TO ORDER

At 7:37 p.m. Board President Thompson called the November 7, 2012, Annual Meeting to order at the City Council Chambers at 421 Main Street, Chico, CA.

Present: Thompson, Griffin, Robinson, Kaiser, Reed

Absent: None

2. INFORMATION AND DISCUSSION**2.1. Annual Financial Report/Status Update**

Assistant Superintendent Maureen Fitzgerald reviewed the Certificates of Participation (COPs) financing package and announced the Financing Corporation has not issued any new debt.

3. ACTION CALENDAR**3.1 Consider Approval of Minutes of Annual Meeting – November 16, 2011**

Board Member Reed moved to approve the Minutes of the Annual Meeting held on November 16, 2011; seconded by Board Vice President Griffin.

AYES: Thompson, Griffin, Robinson, Kaiser, Reed

NOES: None

ABSENT: None

6. ADJOURNMENT

At 7:38 p.m. Board President Thompson adjourned the CUSD Financing Corporation Board of Directors Annual Meeting.

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APPROVED:

Board of Education

Administration