

## FINANCING FACILITIES DEVELOPMENT

The Board of Education, subject to approval by the voters, may issue bonds to provide for the expense of new construction projects or extensive renovations on existing buildings.

A capital reserve fund may, with the approval of the voters, be established as the fund through which monies used for capital construction or renovation projects will be controlled.

The Board shall employ financial consultants to advise the Board in capitalization planning and to carry out other functions relating to the financing of a building project. The Business Administrator will be the liaison between the Board and the financial consultants. In addition, the Business Administrator in conjunction with the district architect will consult with the State Education Department regarding estimates of state aid forthcoming in the project and will analyze the impact of the retirement of bonds and payment of interest on outstanding bonds on the budget and the tax rate.

### *Selling Bonds*

The sale of bonds for capital projects shall be accomplished through competitive bids. Bonds will be sold within parameters set by the Board to the bidder bidding the lowest interest rate. The services of a bond attorney or consultant may be used whenever such services are deemed by the Board to be in the best interest of the district.

### *Payment of Bonds*

The payment of bonds shall be based upon a fixed schedule adopted by the Board. Every effort shall be made to secure an interest rate which is the lowest possible rate available to the school district. The term of each bond issue shall be determined by the Board in consideration of interest rates and financial conditions at the time of the bond sale, as well as applicable state law and state aid payment schedules.

Adoption date: June 4, 2002

Effective: July 1, 2002