

Agenda of Special School Board Meeting

The Board of Trustees Lakeland Joint School District No. 272

A Special School Board Meeting of the Board of Trustees of Lakeland Joint School District No. 272 will be held Monday, May 14, 2012, beginning at 5:00 PM in the Administrative Offices, 15506 N. WASHINGTON ST., RATHDRUM, ID 83858.

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

- A. **Call to Order 5:00 p.m.**
- B. **Executive Session as authorized by Idaho Code 67-2345 (b) 5:00 p.m.**
 - 1. Student 2012-E
 - 2. Deliberations concerning labor negotiations
- C. **Board Workshop**
 - 1. Superintendent Evaluation 2
 - 2. Plant Facilities Levy 6
- D. **Welcome Visitors/ Pledge of Allegiance 7:00 p.m.**
- E. **Approve Agenda**
- F. **Report and Presentation Agenda**
 - 1. Danielle Quade & Eric Heringer from Hawley Troxell 8
 - 2. Tom Taggart- Financial Report 13
- G. **Action Agenda**
 - 1. Approve/Deny the Superintendent's recommendation to hire Brandi Johnson as the new Assistant Principal of Timberlake High School beginning the 2012/2013 school year.
 - 2. Approve/deny the hiring of new personnel as recommended by Administration
 - 3. Approve/deny to adopt Resolution 2012-C entitled *Authority to Proceed-Negotiated Sale of Refunding Bonds* 15
 - 4. Approve/deny to expel Student 2012-E

LAKELAND JOINT SCHOOL DISTRICT 272
Rathdrum, Idaho
2011

JOB DESCRIPTION & PERFORMANCE EVALUATION

Name: Mary Ann Ranells
Job Title: Superintendent
Reports: Board of Trustees
FLSA: Exempt

Date Assigned Position: 07/01/2008
Date of Original Hire: 07/01/2008
Input provided by:

SUMMARY DESCRIPTION:

The Superintendent supports the mission of District 272 by exhibiting behaviors that demonstrate executive, managerial, team and personal leadership skills.

Scoring Guideline

There are two scores for each of the behavior statements in each section. The first score reflects how important you believe the behavior is to the role of the Superintendent. The second score reflects how well the Superintendent demonstrates that behavior. Please score/mark both sections of each behavior statement. The score values and their meaning are described below:

Importance to Position	Value	Performance
Absolutely Critical.	5	Outstanding: Consistently exceeds behavior statement.
Very Important	4	Above Average Role Model: Occasionally exceeds behavior statement
Important	3	Good Role Model: Consistently meets behavior statement
Somewhat Important	2	Needs Improvement: Inconsistently meets behavior, occasionally falls short.
Not Important	1	Least Skilled: Consistently fails to meet behavior statement.
"Not Applicable"	N	"Not Applicable" or "Not Observed"

Section 1: Executive Leadership

Performance Behavior:	Importance:	Performance:
1. Sets a clear agenda by establishing core values, goals, strategies and initiatives that support the mission of District 272. Consistently sticks to the course with persistence and dedication.	N 1 2 3 4 5	N 1 2 3 4 5
2. Establishes strategic partnerships by showing how their future interests can best be realized by establishing a shared vision. Brings others into the process and garners their support.	N 1 2 3 4 5	N 1 2 3 4 5
3. Clearly communicates District 272 vision and values throughout the organization in a way that connects employees to the purpose of the district.	N 1 2 3 4 5	N 1 2 3 4 5
4. Viewed as a knowledgeable and skillful Superintendent by having an obvious set of abilities, which others respect.	N 1 2 3 4 5	N 1 2 3 4 5
5. Links own knowledge of trends and practices in education to the planning process to implement new programs or improve existing ones.	N 1 2 3 4 5	N 1 2 3 4 5

Section 2: Managerial Leadership

Performance Behavior:	Importance:	Performance:
1. Meets the educational objectives as established by the Board of Trustees. Maximizes the use of objective data to measure the performance of the district.	N 1 2 3 4 5	N 1 2 3 4 5
2. Establishes an effective planning process by demonstrating accountability for the accomplishment of district goals, strategies and initiatives.	N 1 2 3 4 5	N 1 2 3 4 5
3. Demonstrates a commitment to quality by seeking teacher, parent and student input and acting on that data. Continuously seeks to improve the outcome of students. Sees excellence in education as a non-negotiable goal.	N 1 2 3 4 5	N 1 2 3 4 5
4. Insures that District 272 operates in a way that is consistent with all applicable laws, regulations and other	N 1 2 3 4 5	N 1 2 3 4 5

standards.		
5. Insures that a process is in place, which demonstrates that District 272 hires, trains and coaches in a way that maximizes the knowledge, skills and abilities of all district employees.	N 1 2 3 4 5	N 1 2 3 4 5

Section 3: Team Leadership

Performance Behavior:	Importance:	Performance:
1. Maintains a positive relationship with the Board of Trustees by openly sharing information, establishing an effective planning process and giving honest feedback regarding the operations of the district.	N 1 2 3 4 5	N 1 2 3 4 5
2. Keeps Board of Trustees, teachers, employees and other stakeholders informed of the present as well as future changes; minimizes surprises and prepares people for change.	N 1 2 3 4 5	N 1 2 3 4 5
3. Establishes collaborative partnerships with surrounding districts and other stakeholders in order to work towards a shared vision for the educational community.	N 1 2 3 4 5	N 1 2 3 4 5
4. Actively involved in organizations and community initiatives that will provide a positive image of District 272, offers opportunities for new ideas and better outcomes.	N 1 2 3 4 5	N 1 2 3 4 5

Section 4: Personal Leadership

Performance Behavior:	Importance:	Performance:
1. Leads by example. Regularly demonstrates commitment to a set of ethics and values by behaving in an ethical manner that is consistent with District 272 values.	N 1 2 3 4 5	N 1 2 3 4 5
2. Encourages learning and growth in self and in others. Insures the existence of an environment that supports learning and appropriate risk taking.	N 1 2 3 4 5	N 1 2 3 4 5

3. Exhibits determination to prevail through conflict, set		
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Plant Facility Levy Workshop

Lakeland Board of Trustees
May 14, 2012

1) Review March Election

- a. Designed similar to past PFLs
 - i. To meet ongoing building and equipment needs
 - ii. Since it is for ten years it has been fairly general in design. This allows for flexibility as needs develop or change.
 - iii.
- b. Increased to:
 - i. reflect additional square footage
 - ii. meet developing need for technology
 - iii. stay within tax rate limitations
 - iv. recognize aging buildings
- c. Low turnout with increased no votes
- d. Received majority, just not enough to pass
- e.

2) Review and Discuss Options

- a. Learn to live without it
 - i. Would require an increased contingency to allow for unexpected building or equipment emergencies.
 - ii. Would require an increased supplemental levy to cover plant and equipment needs
 - iii. No spending would be made next year except emergency or from other sources
 - iv. Would, over time, result in deteriorating building conditions
 - v. Tax Rate would drop by an additional \$.17 per thousand
- b. Run it again in August
 - i. Same amount –same term
 - ii. Same amount -shorter term
 - 1. If shorter term we could be more specific in what it will be used for
 - 2. Could show we are listening and will not try and look ten years ahead
 - 3. If run for an odd number of years we would not have it “doubled up” when we renew it
 - 4. If run for an odd number of years we would end up with some type of election three years in a row
 - iii. Lower amount – same term
 - 1. Sends message to voters that if turned down we will lower the amount. Did we really need it to begin with?
 - 2. Would not be enough in the later years
 - iv. Lower amount – shorter term
 - 1. See iii(1)

- 2. Could show we are listening and will not try and look ten years ahead
 - v. Schools out, making campaign more difficult
 - vi. "Don't you understand no?"
 - 1. Some voters feel we should not be able to re-run an election we lost
 - vii. Would be on the tax bill and available to spend next year
 - 1. Some summer type projects, as well as needed equipment purchases could move ahead during the school year.
 - c. Run it again next March
 - i. Would lose one full year of any building maintenance or equipment replacement
 - ii. Taxes would drop and then go back up. This would be viewed as a tax increase.
 - iii. Still would have options regarding amount and term
 - iv. Would allow us to get off same cycle as the supplemental
- 3) Additional Information Needed Before June Meeting**
 - a. What does the board want between now and the June meeting regarding the levy?
 - b.
- 4) Other**

LAKELAND JOINT SCHOOL DISTRICT NO. 272

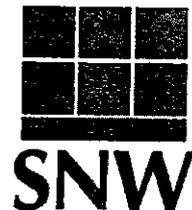
Bond Refunding Analysis

May 14, 2012

Eric Heringer
Senior Vice President
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MSRB Rule G-23 Disclosure:

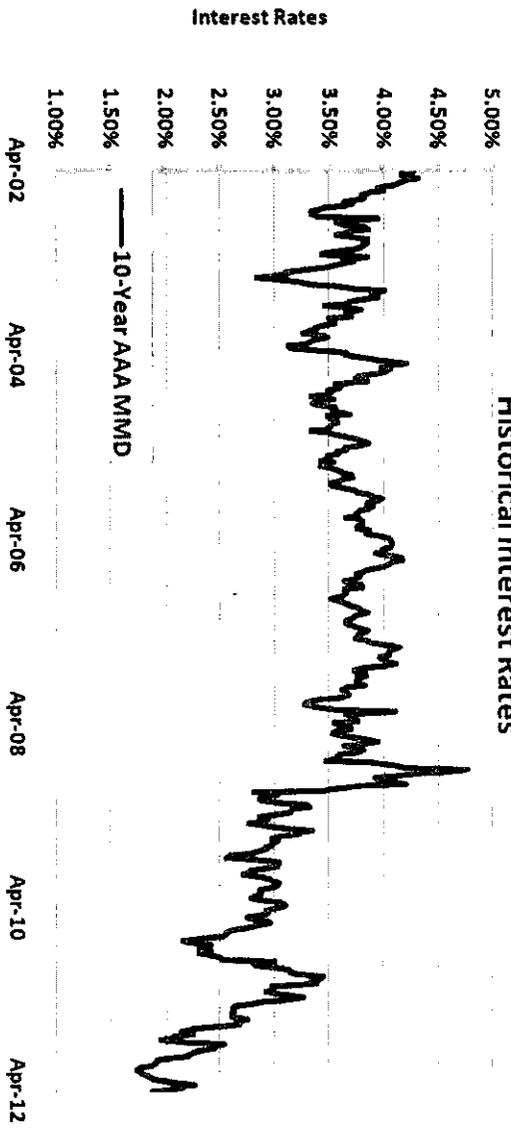
SNW is providing the information contained herein for discussion purposes only in anticipation of serving as underwriter to your municipality (an "Issuer"). The primary role of SNW, as an underwriter, is to purchase securities, for resale to investors, in an arm's-length commercial transaction between an Issuer and SNW and that SNW has financial and other interests that differ from those of an Issuer. SNW is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer or any other person or entity. The information provided is not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities and Exchange Act of 1934. To the extent it deems appropriate, an Issuer should consult with its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable.



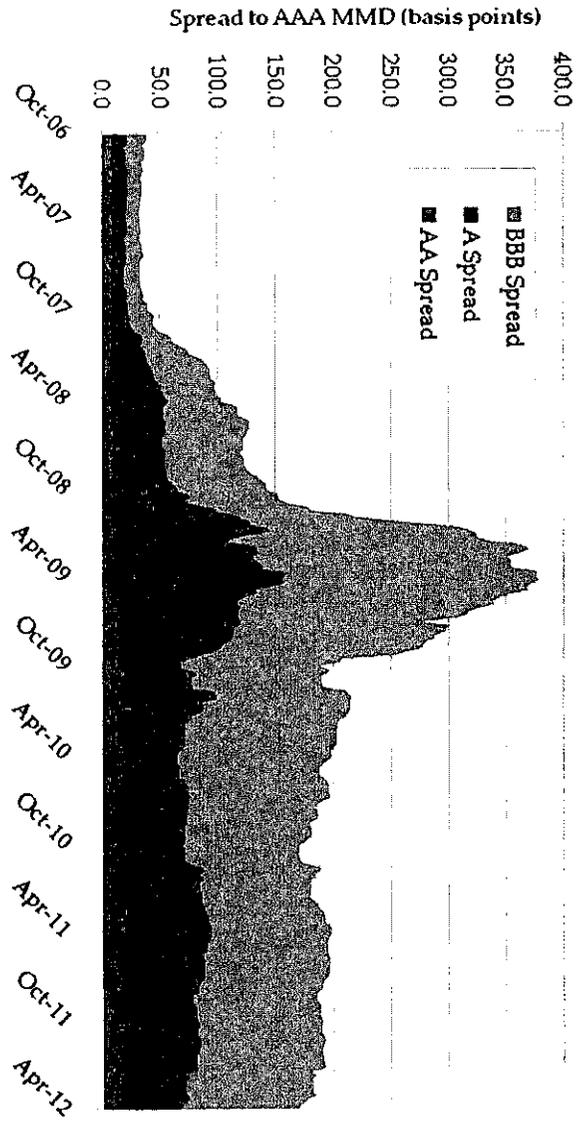
Interest Rate Trends

- The deteriorating financial situations in countries such as Spain, Ireland, Italy, and Greece have created increased market volatility and concerns for European sovereign debt. As a result, demand for U.S. government securities has increased.
- Supply/demand imbalance continues to be a factor that has contributed to recent volatility.

Historical Interest Rates



Credit Spreads for Tax Exempt Bonds



- Credit spreads between AA and A rated municipal bonds remain wide, illustrating the current flight to quality in the market.
- Low interest rates are achievable for highly rated municipal bonds.
- The Idaho School Bond Guaranty Program gives the District access to an "Aaa" enhanced bond rating.



Refunding Savings Analysis

The District's Series 2003 Bonds can be refinanced under current market conditions to achieve substantial savings.

Refunding Candidate	
Issue:	Series 2003 Bonds
Dated	12/15/2003
Callable Par Amount:	\$4,395,000
Callable Maturities:	2014-2023
Call Date and price:	8/15/2013 @ par
Avg. Coupon:	4.30%

Level Savings (rates as of May 7, 2012)

Calendar Year	Existing 2003 Bond Payments	Refunding Savings	Bond Payments After Refunding
2012	552,414	7,644	544,770
2013	548,814	45,514	503,300
2014	549,814	45,814	504,000
2015	551,309	48,559	502,750
2016	551,109	44,909	506,200
2017	550,309	46,109	504,200
2018	548,909	47,009	501,900
2019	551,378	47,078	504,300
2020	552,465	46,215	506,250
2021	547,470	44,720	502,750
2022	551,350	47,400	503,950
2023	548,625	43,925	504,700
Totals	6,603,964	514,894	6,089,070

Savings are net of issuance costs estimated at 1.50% of the amount refinanced.

Refunding Savings Analysis

Potential savings are primarily impacted by three things: 1) **interest rates on the new bonds** which are currently near historic lows; 2) **interest earnings in the refunding escrow** which are also low and hurting the potential savings, and 3) **the duration of the escrow** which is the amount of time remaining before the call date on the old bonds (shorter is better).

A summary of the refunding analysis for the Series 2003 bonds is shown below.

Current and Historical Analysis

Refunding Analysis – Assumes Level Savings Pattern and 8/15/2023 Final Maturity			
Date of Analysis	<u>5/7/2012</u>	<u>11/16/2011</u>	<u>9/23/2011</u>
True Interest Cost (TIC)	1.82%	2.30%	2.10%
Escrow Yield	0.17%	0.16%	0.16%
Escrow Duration	1.16 yrs	1.57 yrs	1.69 yrs
Total CF Savings - Net of Costs	\$514,893	\$307,743	\$358,179
Net Present Value Savings	\$467,715	\$272,449	\$320,225
% PV Savings of Old Bonds	10.60%	6.20%	7.35%

Proposed Schedule

MAY 2012						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

JUNE 2012						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Done	Draft Preliminary Official Statement ("POS") and legal document Meeting/Call with rating agencies Receive School Bond Guaranty Certificate
May 16	Post POS
May 17	Receive ratings
May 23	Price Bonds (approval at Special Board Meeting)
June 7	Close Bonds

LAKELAND JOINT SCHOOL DISTRICT #272

FY 11

FY12 - GENERAL FUND BUDGET SUMMARY INFORMATION

GF BUDGET SUMMARY INFORMATION

July, 2011 - April, 2012

REVENUE

REVENUE

REVENUE	BUDGET	RECEIPTS TO DATE	% Received	BALANCE	% Remaining	BUDGET	YTD ACTIVITY	% Received	BALANCE	% Remaining
M&O Levy	-	(24.57)		24.57			762.28		(762.28)	
Supplemental Levy	3,250,000.00	1,943,673.47	59.8%	1,306,326.53	40.2%	3,250,000.00	1,921,875.88	59.1%	1,328,124.12	40.87%
Emergency Levy	-	1,854.28		(1,854.28)			11,208.01		(11,208.01)	
Tort Levy	118,614.00	68,072.02	57.4%	50,541.98	42.6%	112,965.00	73,542.03	65.1%	39,422.97	34.90%
Investments	76,904.00	37,610.93	48.9%	39,293.07	51.1%	45,000.00	76,732.90	170.5%	(31,732.90)	-70.52%
Community Ed.		592.00		(592.00)			614.00		(614.00)	
Other Revenue	87,500.00	41,493.07	47.4%	46,006.93	52.6%	85,000.00	41,020.58	48.3%	43,979.42	51.74%
Base State Support	15,611,135.00	13,555,836.99	86.8%	2,055,298.01	13.2%	16,525,908.00	14,377,539.96	87.0%	2,148,368.04	13.00%
AARA	-	-	#DIV/0!	-	#DIV/0!	-	1,913,016.00	#DIV/0!	(1,913,016.00)	
Transportation	1,025,000.00	931,915.08	90.9%	93,084.92	9.1%	1,025,000.00	927,569.51	90.5%	97,430.49	9.51%
Tuition Equiv	52,500.00	-	0.0%	52,500.00	100.0%	44,988.00	-	0.0%	44,988.00	100.00%
State Paid Benefits	2,043,138.00	1,776,229.73	86.9%	266,908.27	13.1%	2,119,419.00	1,843,894.53	87.0%	275,524.47	13.00%
Other School Support	-	-		-					-	
Property Tax Replace.	9,621.00	2,577.75	26.8%	7,043.25	73.2%	9,621.00	3,279.50	34.1%	6,341.50	65.91%
Other State Revenue	248,814.00	36,466.00	14.7%	212,348.00	85.3%	-	32,762.25	#DIV/0!	(32,762.25)	#DIV/0!
Other Fed Rev-E-Rate	157,500.00	3.00	0.0%	157,497.00	100.0%	92,500.00	67,155.15	72.6%	25,344.85	27.40%
Unrestricted Grants	170,000.00	(25,681.02)	-15.1%	195,681.02	115.1%	155,000.00	65,779.28	42.4%	89,220.72	57.56%
Other Indirect Restricted	320,000.00	145,172.09	45.4%	174,827.91	54.6%					
Transfers	88,106.00	-	0.0%	88,106.00	100.0%	98,038.00	-	0.0%	98,038.00	100.00%
TOTALS	23,258,832.00	18,515,790.82	79.6%	4,743,041.18	20.4%	23,563,439.00	21,356,751.86	90.6%	2,206,687.14	9.36%

LAKELAND JOINT SCHOOL DISTRICT #272

FY11 GENERAL FUND BUDGET SUMMARY INFORMATION

FY12 GENERAL FUND BUDGET SUMMARY INFORMATION

EXPENSES

July, 2011 - April, 2012

EXPENDITURES	July, 2011 - April, 2012					EXPENSES				
	BUDGET	FYTD ACTIVITY	% Expended	BALANCE	% Remaining	BUDGET	YTD ACTIVITY	%	BALANCE	%
Elementary	6,019,782.00	3,952,310.58	65.7%	2,067,471.42	34.3%	6,169,353.00	4,149,539.43	67.3%	2,019,813.57	32.7%
Secondary	5,926,027.00	3,975,675.94	67.1%	1,950,351.06	32.9%	6,246,332.00	4,090,905.06	65.5%	2,155,426.94	34.5%
Alternative	454,828.00	322,036.69	70.8%	132,791.31	29.2%	450,144.00	308,599.60	68.6%	141,544.40	31.4%
Except. Child	1,067,253.00	971,488.27	91.0%	95,764.73	9.0%	1,086,137.00	781,481.79	72.0%	304,655.21	28.0%
Gifted/Talented	119,090.00	80,610.65	67.7%	38,479.35	32.3%	139,844.00	98,775.01	70.6%	41,068.99	29.4%
Ex Curr	512,117.00	362,012.34	70.7%	150,104.66	29.3%	551,666.00	402,509.11	73.0%	149,156.89	27.0%
Summer School	69,432.00	68,865.29	99.2%	566.71	0.8%	69,382.00	67,034.66	96.6%	2,347.34	3.4%
Adult Ed	500.00	288.50	57.7%	211.50	42.3%	600.00	228.30	38.1%	371.70	62.0%
Guidance/Health	892,394.00	611,960.68	68.6%	280,433.32	31.4%	893,187.00	629,498.08	70.5%	263,688.92	29.5%
Ancillary	503,581.00	301,544.76	59.9%	202,036.24	40.1%	395,798.00	346,974.55	87.7%	48,823.45	12.3%
Personnel Support	-	850.03	#DIV/0!	(850.03)	#DIV/0!	4,222.00	180.58	4.3%	4,041.42	95.7%
Ed Media	424,774.00	315,631.98	74.3%	109,142.02	25.7%	554,201.00	397,059.51	71.6%	157,141.49	28.4%
Instruct. Related Technology	245,687.00	149,809.97	61.0%	95,877.03	39.0%	223,322.00	150,017.93	67.2%	73,304.07	32.8%
Board	97,416.00	66,735.85	68.5%	30,680.15	31.5%	77,466.00	109,748.73	141.7%	(32,282.73)	-41.7%
District Admin	420,950.00	352,177.77	83.7%	68,772.23	16.3%	426,930.00	369,537.20	86.6%	57,392.80	13.4%
School Admin	1,965,004.00	1,489,383.91	75.8%	475,620.09	24.2%	1,972,318.00	1,504,842.13	76.3%	467,475.87	23.7%
Business Operations	248,960.00	204,986.37	82.3%	43,973.63	17.7%	250,003.00	208,129.40	83.3%	41,873.60	16.7%
Admin Tech Services	186,987.00	157,767.56	84.4%	29,219.44	15.6%	173,107.00	143,916.32	83.1%	29,190.68	16.9%
Bldg Custodial	1,753,650.00	1,272,415.15	72.6%	481,234.85	27.4%	1,712,529.00	1,309,964.28	76.5%	402,564.72	23.5%
General Maint Non-Student Occ	73,802.00	67,432.55	91.4%	6,369.45	8.6%	62,102.00	59,962.11	96.6%	2,139.89	3.4%
General Maint Student Occ	662,549.00	597,416.08	90.2%	65,132.92	9.8%	662,950.00	578,908.74	87.3%	84,041.26	12.7%
Pupil Trans.	1,585,617.00	1,262,893.08	79.6%	322,723.92	20.4%	1,430,131.00	1,261,129.44	88.2%	169,001.56	11.8%
Dist. Trans.	42,078.00	26,639.28	63.3%	15,438.72	36.7%	33,677.00	32,377.10	96.1%	1,299.90	3.9%
Capital Assets	-		#DIV/0!	-	#DIV/0!	-		#DIV/0!	-	#DIV/0!
Transfers	-		#DIV/0!	-	#DIV/0!	-		#DIV/0!	-	#DIV/0!
Reserve	86,354.00		0.0%	86,354.00	100.0%	78,038.00		0.0%	78,038.00	100.0%
TOTAL	23,358,832.00	16,610,933.28	71.1%	6,747,898.72	28.9%	23,663,439.00	17,001,319.06	71.8%	6,662,119.94	28.2%



MEMORANDUM

TO: Board of Trustees, Joint School District No. 272 (Lakeland), Kootenai and Bonner Counties, State of Idaho

CC: Tom Taggart, Director of Business and Operations

FROM: Danielle Quade
Nicholas G. Miller

DATE: May 7, 2012

RE: May 14, 2012 - Board Resolution

This Memorandum explains the provisions of the resolution relating to preliminary actions to issue the District’s refunding bonds (the “2012 Bonds”) that the District’s Board of Trustees (the “Board”) will consider at its May 14, 2012 meeting.

A. Background

The issuance of the District’s 2012 Bonds is a two-step process of official action by the Board. The first step is to adopt a “Preliminary Resolution,” scheduled for adoption at the May 14, 2012 meeting. As described in Part B below, the Preliminary Resolution constitutes “authority to proceed” with the documentation needed for issuance by the District of the 2012 Bonds. At the meeting, Seattle-Northwest Securities Corp., as the District’s underwriter (the “Underwriter”), will advise the District generally of the interest rates that can be expected when the 2012 Bonds are sold, and the District can determine if it is advisable to proceed. The Board will instruct the Underwriter to go forward so long as an advisable level of savings can be achieved. See Paragraph B.7 below.

The second time the Board takes official action is to approve the actual terms and conditions and interest rates on the 2012 Bonds. This occurs after the Underwriter determines that the savings are reasonably achievable and goes into the market to obtain orders for the 2012 Bonds. At that time the Underwriter will propose to the Board for adoption and approval a Bond Purchase Contract that will specify the actual rates of interests and amounts for the 2012 Bonds. Only at this time are the rates “locked-in.” At that time, currently planned for a special Board meeting on May 23, 2012, the Board will give its final approval to the terms of the 2012 Bonds and give final approval to the legal documents. See Paragraph B.4 below. Practically speaking, the Board should expect to adopt the proposal on May 23, 2012; the May 14, 2012, meeting is the appropriate time for the Board to ask questions so that the resolution is readily approved on May 23, 2012.

B. Specifics of the Preliminary Resolution

1. Section 1 of the Resolution. The Board appoints Seattle-Northwest Securities Corporation as the District's Underwriter.

2. Section 2 of the Resolution. The Board appoints Hawley Troxell as bond counsel.

3. Section 3 of the Resolution. The Board is taking official action to elect to sell the 2012 Bonds through a negotiated sale to the Underwriter. Idaho statutes require a notice to be published prior to approving a negotiated sale, so this section of the Preliminary Resolution authorizes Bond Counsel to prepare and publish notice prior to the bond sale, and to prepare the required documents.

4. Section 4 of the Resolution. Authorizes preparation of the form of the bond resolution providing for the terms of the 2012 Bonds and escrow agreement under which the refunding proceeds from the bond sale shall be applied to refinance the refunded bonds. These documents will not be finally adopted until the time that the bonds are sold -- expected to be May 23, 2012. This section also authorizes the Underwriter to submit the documents to rating agencies to rate the 2012 Bonds.

5. Section 5 of the Resolution. Authorizes the District's officials to "deem final" the District's Preliminary Official Statement (the "POS") to market the 2012 Bonds. District Staff will work with the Underwriter and Hawley Troxell to prepare this document. The SEC requires the Board to make the determination that the POS has been reviewed and prepared and is not going to be changed again before it goes to the bond market, so the Board is delegating authority to Staff to complete this document.

6. Section 6 of the Resolution. Authorizes the District's application for the State of Idaho bond guaranty and credit enhancement programs and payment of fees therefor, as applicable.

7. Section 7 of the Resolution. The Board declares its expectations about the savings. This can be discussed in real time at the May 14, 2012, meeting.

It is typical to set a savings goal in the case of so-called "advance refunding" bonds. This means that the refunding bonds are issued well before (*i.e.*, in advance of) bonds are actually retired. The refunding of the District's 2003 Bonds would be an advance refunding. The 2003 Bonds can be paid in full on August 15, 2013. The proceeds of the 2012 Bonds will be used to purchase U.S. Government Securities that mature on or before August 15, 2013.

Under IRS Rules, advance refunding bonds can be issued only once; therefore, the savings goal is a useful yardstick to determine whether the District is well-advised to utilize its one opportunity to refinance outstanding debt. The practice in the industry is to calculate the present value of the total savings from refinancing, net of all costs and expenses, and compare that amount on a percentage basis to the principal amount of the bonds being refunded.

Normally, that present value should exceed 3% of the refunded bonds, so a higher goal gives the District some additional assurance that its decision is wise.

Seattle-Northwest estimates that if the 2012 Bonds were sold today, the District's savings would be a 10.6% present value.

As described under "Costs and Expenses" in Part C of this Memorandum, it is possible that the District could incur a rating fee. Part of the Underwriter's responsibility is to judge the market direction to see that the savings goal can be achieved. The Board is authorizing the rating fee to be incurred if advised by the Underwriter that in its reasonable judgment it is advisable.

8. Section 8 of the Resolution. Self-explanatory

C. Costs and Expenses

Hawley Troxell as Bond Counsel and Seattle-Northwest Securities Corp. as Underwriter will charge their fees only if the 2012 Bonds are sold.

It is possible that the preparations for the sale will proceed to the point of requesting the rating agency to issue a rating on the 2012 Bonds so that the sale can occur, but before the sale can take place the market deteriorates such that the savings goal cannot be achieved. The rating agency will bill the District if it has issued a rating. If the market comes back and the sale occurs within a reasonable period of time, an additional fee will not be owed to the rating agency; but, if the market never comes back, the District will incur the rating fee and not be able to recover it as a cost of the bond issue but will have to pay it from other resources.

RESOLUTION 2012-C

(Authority to Proceed - Negotiated Sale of Refunding Bonds)

WHEREAS, the Board of Trustees (the "Board") of Joint School District No. 272 (Lakeland), Kootenai and Bonner Counties, State of Idaho (the "District") has been advised that certain maturities of the District's general obligation bonds in one or more series, as more particularly described on Schedule 1 hereto (the "Prior Bonds"), may be refinanced at a savings and to the benefit and advantage of the District;

WHEREAS, the Board desires to authorize the actions needed to prepare for the issuance of its General Obligation Refunding Bonds, Series 2012, the proceeds of which will be used to refund any or all of the Prior Bonds as may result in a savings to the District (the "2012 Bonds");

WHEREAS, in connection with the proposed issuance and sale of the 2012 Bonds, the District desires to appoint an underwriter and to appoint and authorize Hawley Troxell Ennis & Hawley LLP, as bond counsel ("Bond Counsel"), to assist in the preparation of documentation for the sale and issuance of the 2012 Bonds;

WHEREAS, the Board desires to approve the form of Notice of Negotiated Private Bond Sale attached to this Resolution as Exhibit A (the "Notice of Private Sale");

WHEREAS, the District desires to authorize the Superintendent or the Director of Business and Operations of the District to deem final the preliminary official statement (the "POS") of the District with respect to the 2012 Bonds at such time the POS is final and to authorize the underwriter to use the POS in connection with the offering of the 2012 Bonds.

IT IS HEREBY RESOLVED by the Board as follows:

Section 1. Appointment of Underwriter. Seattle-Northwest Securities Corporation is hereby appointed the District's underwriter for the sale of the 2012 Bonds (the "Underwriter"), and the District's Superintendent or the Director of Business and Operations is authorized to negotiate the terms of the agreement engaging the services of the Underwriter.

Section 2. Appointment of Bond Counsel. Hawley Troxell Ennis & Hawley LLP is appointed as the District's Bond Counsel for the sale of the 2012 Bonds.

Section 3. Notice of Private Sale. The Notice of Private Sale in the form attached as Exhibit A is hereby ratified and approved and Bond Counsel is authorized to complete the Notice of Private Sale and effect timely publication thereof prior to the sale of the 2012 Bonds, and to provide and/or assist with preparation of the documentation for the issuance and sale of the 2012 Bonds.

Section 4. The Board authorizes the District's Superintendent or Director of Business and Operations and other officials of the District to (a) work with the Underwriter and Bond Counsel to prepare the forms of bond resolution to be adopted upon sale of the 2012 Bonds (the

“Bond Resolution”) and escrow agreement (the “Escrow Agreement”) to evidence the terms and conditions upon which the District will issue the 2012 Bonds and refund the Prior Bonds, and (b) to submit the Bond Resolution and Escrow Agreement to rating agencies for purposes of obtaining a rating for the 2012 Bonds, provided that the District will take official action on such Bond Resolution at the time that the District confirms the sale of the 2012 Bonds, and will adopt such changes to the forms of Bond Resolution and Escrow Agreement as necessitated by the sale of the 2012 Bonds.

Section 5. The Board authorizes the District’s Superintendent or the Director of Business and Operations and other officials of the District to work with the Underwriter and Bond Counsel to prepare the POS with respect to the District’s 2012 Bonds and submit the POS to rating agencies for purposes of obtaining a rating for the 2012 Bonds. Upon completion of the POS, the Chairman of the Board, the Superintendent or the Director of Business and Operations of the District is authorized and instructed to approve the POS, and to execute and deliver a certificate as to the finality of the POS pursuant to SEC Rule 15c2-12, and the Underwriter is authorized to use the POS in connection with the offering of the 2012 Bonds.

Section 6. To the extent applicable, the Board authorizes the application of the District’s Superintendent and/or other officials of the District to obtain a Certificate of Eligibility under the State of Idaho School Bond Guaranty Act and acceptance under the school district bond credit enhancement program with respect to the 2012 Bonds, and further authorizes payment of any required application and transaction fees authorized thereunder.

Section 7. The Board hereby authorizes the Underwriter to incur the expense of a fee from the rating agency when the Underwriter reasonably determines that an appropriate level of savings can be achieved, and the Board directs the Director of Business and Operations to consult with the Underwriter to determine the time and manner of sale of the 2012 Bonds that will achieve a level of savings that the Underwriter can recommend to the Board.

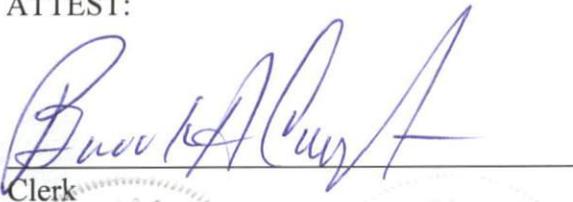
Section 8. That all resolutions in conflict or inconsistent herewith are hereby repealed to the extent of any such conflict or inconsistency.

Adopted and approved this 14th day of May, 2012.



Chairman, Board of Trustees

ATTEST:



Clerk

[SEAL]

RESOLUTION - 2

SCHEDULE 1

Prior Bonds Subject to Refunding

Series 2003 - General Obligation School Bonds:

<u>August 15 Year</u>	<u>Amount Maturing</u>	<u>Rate %</u>
2014	\$365,000	3.700
2015	380,000	4.000
2016	395,000	4.000
2017	410,000	4.000
2018	425,000	4.125
2019	445,000	4.250
2020	465,000	4.300
2021	480,000	4.400
2022	505,000	4.500
2023	525,000	4.500

EXHIBIT A - NOTICE OF NEGOTIATED PRIVATE BOND SALE

NOTICE OF NEGOTIATED PRIVATE BOND SALE

Public notice is hereby given by Joint School District No. 272 (Lakeland), Kootenai and Bonner Counties, State of Idaho (the "District"), of negotiation for and private sale to Seattle-Northwest Securities Corporation (the "Underwriter") of up to \$ _____ General Obligation Refunding Bonds, Series 2012 (the "Bonds") pursuant to a Bond Purchase Contract between the District and the Underwriter ("Purchase Contract"). The Purchase Contract will be considered at a [regular] public meeting of the District to be held on May 23, 2012, at 6:00 p.m. at the District offices indicated below. Additional information concerning the terms and provisions of the Bonds, the contents of the District's Preliminary Official Statement with respect to issuance of the Bonds, the security for payment of the Bonds, and other pertinent information relating to the Bonds is available for public inspection at the offices of the District:

15506 N. Washington Street
Rathdrum, Idaho 83858
Telephone: 208.687.0431

The District intends to proceed to close on or about May 23, 2012, subject to meeting all necessary conditions set forth in the proposed Purchase Contract with the Underwriter and the Bond Resolution to be adopted by the District authorizing the issuance and sale of the Bonds.

By order of the Chairman of the Board of Trustees of the District.

Dated: May 14, 2012.

JOINT SCHOOL DISTRICT NO. 272
(LAKELAND), KOOTENAI AND BONNER
COUNTIES, STATE OF IDAHO


Chairman, Board of Trustees

ATTEST:


Clerk