Purpose and Benefits of Parameters Resolution

• Because of continued volatility in the municipal bond market many issuers are approving their refunding and new money issues using a “Parameters Resolution.” This type of resolution authorizes the financing team to sell the bonds at any time after authorization to proceed from the Board and administration. Refunding financings can occur anytime while new money issues require a Project to be approved and reasonable time period for the Project.

• A “Parameters Resolution” that accepts a Bond Purchase Agreement from a bond underwriter with not to exceed principal amounts and interest rates provides the maximum flexibility to the financing team. This format can also reduce the need to re-advertise meetings, thereby saving money and also permits the School District to have immediate access to the market in the event of rising interest rates.

• The financing team will inform the administration when all the necessary steps to access the market have been completed (i.e. credit rating report) and provide a market update that supports the decision to bring the bonds to market. Only upon approval of the administration would the bond sale be completed.

• The maximum principal amounts and interest rates are required for the debt filing with the PA Department of Community and Economic Development (DCED). The final amounts and interest rates will not exceed these maximums and will be confirmed in an Addendum to the Bond Purchase Agreement. The Addendum will be provided to DCED upon actual pricing of the bonds.

• The Parameters Resolution does not increase the costs of the transaction and will have no impact on the School District’s credit rating.

• Parameters Resolutions are used for both refinancings and new money transactions.

• Many school districts are using Parameters Resolutions in an attempt to “Grandfather” debt before proposed school property tax elimination legislation becomes effective.