



CALALLEN INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES AGENDA ITEM

MEETING DATE: August 25, 2025

AGENDA ITEM TITLE: Consider and approve a Resolution calling a portion of the Calallen Independent School District Unlimited Tax Refunding Bonds, Series 2016 for redemption prior to maturity; and enacting other provisions relating to the subject

PRESENTER: Kelsey Ramos, Assistant Superintendent of Finance & Operations

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|--|---------------------------------------|--|
| <input type="checkbox"/> Presentation/Communications | <input type="checkbox"/> Consent | <input checked="" type="checkbox"/> Action |
| <input type="checkbox"/> Informational Report | <input type="checkbox"/> Old Business | <input type="checkbox"/> Discussion Only |

SUMMARY: The scheduled for payments on the District’s bond programs will continue until 2049. We currently owe \$116,120,00 in principle on our long-term debt. Interest on the district’s bonds is approximately 5% per year. If the District pays down principle at an accelerated rate, the District will pay less in interest over the life of the bonds. The “pay down” is referred to as “redemption”. The law allows the District to schedule a redemption of principle and include the redemption amount in current debt. The Board is then allowed to set an I&S rate that will collect enough to pay current debt.

The Board is presented with the following Redemption amounts and corresponding Debt Service payments for 2025-2026. Assumes a redemption of \$495,000 on the Bond Series 2016 program, for a total scheduled bond payment of \$8,190,162.50, saving the taxpayers \$138,600 in future interest costs.

In absence of the redemption of \$495,000 on the Bond Series 2016 program, the calculated 2025 debt rate would be \$0.234756, or a reduction of \$0.036044 in I&S tax rate year-over-year.

89th Legislative Session Senate Bill 4 Impacts: This bill, among other provisions, provides additional state aid if the state and local revenue used to service eligible debt is less than it would have been without the increase in the homestead exemption (also known as ASAHE, or hold harmless). The bill would also **reduce a portion of the additional state aid should total calculated state and local revenue for debt service and required eligible debt service exceed the “minimum” required debt service payment.** Pursuant to new provisions included within SB 4, the District is projected to **forgo an estimated \$473,465 in ASAHE hold harmless state**

funding assistance by maintaining a higher I&S tax rate than needed to meet its “minimum” bond payment requirements.

DISTRICT PRIORITIES:

PRIORITY 1: Building and Sustaining a Culture of Performance and Preparedness for Life Beyond High School	N/A
PRIORITY 2: Building and Sustaining a Culture of Faculty and Staff Commitment	N/A
PRIORITY 3: Increasing Community Engagement and Commitment	N/A
PRIORITY 4: Ensuring Effective and Efficient Operations	4.1 Strong Financial Stewardship

RECOMMENDATION: The Administration recommends the Board approve the Resolution Calling a Portion of the Calallen Independent School District Unlimited Tax School Building Bonds, Series 2016 for Redemption Prior to Maturity based on the recommendation of the District’s Financial Advisor, BOK Financial Securities, Inc.

MOTION LANGUAGE: ☐ No specific language required.

I move to adopt a resolution calling a portion of the Calallen Independent School District Unlimited Tax Refunding Bonds, Series 2016 for redemption prior to maturity

FUNDING SOURCE AND FINANCIAL IMPACT: ☒ Not Applicable