



ALEDO ISD BOARD MEETING TEMPLATE

MEETING DATE: August 22, 2022

AGENDA ITEM: Calling a Portion of the Aledo Independent School District Unlimited Tax Refunding Bonds, Series 2016 for Redemption Prior to Maturity

PRESENTER: Earl Husfeld, Chief Financial Officer

BACKGROUND INFORMATION:

- Based upon the increase in the District's 2022 certified taxable values, Aledo ISD staff and BOK Financial Securities, Inc., the District's financial advisory firm, reviewed the District's 2022-2023 proposed Debt Service Fund budget and debt position to determine if a savings opportunity existed.
- After review of the 2022-2023 proposed budget and current tax rate for the Debt Service Fund, it was determined the District would have the funds available to prepay \$3,310,000 of Series 2016 outstanding bonds before maturity on August 15, 2023. The interest rate coupon on the bonds to be called is 5.0%.
- Since these Series 2016 bonds are not callable until February 15, 2026, the \$3,310,000 principal prepayment will require a deposit to an escrow account to legally defease these bonds.
- This item will be presented to you for consideration/action at the August 29, 2022 board meeting. McCall, Parkhurst & Horton L.L.P, the District's bond counsel, is drafting a resolution calling a portion of the Aledo Independent School District Unlimited Tax Refunding Bonds, Series 2016 for redemption prior to maturity and an escrow agreement for the Series 2016 redemption.

FISCAL INFORMATION:

Approval of this item at the August 29, 2022 board meeting will save the District and its taxpayers \$2,813,500 in future interest costs.

ATTACHMENTS:

None

ADMINISTRATIVE RECOMMENDATION:

None – Informational Report