



Discussion Item

Date: May 4, 2026

Division: Finance

Subject: 2025-26 Debt Management Program

Background Information:

- The adopted Debt Service Fund budget for the current fiscal year included funds for additional debt reduction.
- There are previously issued and outstanding bonds eligible for call.
- The Board approved a resolution for the defeasance and/or redemption of certain outstanding unlimited tax bonds as part of the approval of the Debt Management Plan for the 2025-26 Fiscal Year at the August 25, 2025, Special Meeting.

Administrative Consideration:

- This year's debt management plan involves the use of surplus funds to be returned to the taxpayer through early redemption of outstanding debt. This is detailed as follows:
 - The cash defeasance of the 2028 maturity on the callable 2016A Bonds in the amount of \$19,965,000 is expected to result in net effective savings of \$1,996,500.
 - The cash defeasance of the remaining 2017 ULT Refunding Bonds in the amount of \$4,245,000 is expected to result in net effective savings of \$212,250.
 - Anticipated Total Net Effective Savings of \$2,208,750 or 9.12% of the Bonds defeased.
- The cash defeasance will take place on August 15, 2026.
- A projected future debt service and I&S tax rate analysis has also been provided. This analysis includes current property value growth estimated at 1.45% for FY 27 and future growth of 1.50%. The 2025-26 Debt Management Program has been included, as well as a sale of the remaining \$210 million unauthorized 2023 Bonds in May 2027.