Action Item

Date: August 27, 2026 **Division:** Finance

Subject: Consider a Resolution Committing to the Defeasance and/or Redemption of Certain Outstanding Bonds of the Lewisville Independent School District for the 2026-27 Fiscal Year

Background Information:
- Board Policy CCA (LOCAL) requires the administration to review its Debt Management Plan on an annual basis.
- With the proposed Interest and Sinking (I & S) tax rate, LISD is realizing a modest annual surplus. The District has the opportunity to defease and/or redeem eligible debt, which will increase savings for taxpayers.
- LISD's financial advisor has assisted in developing a defeasance program for the District, assuming approximately $9.5 million in surplus I & S funds by the end of Fiscal Year 2026-27.
- The LISD Board of Trustees may authorize the use of District funds realized from prior or prospective interest and sinking fund tax collections for the early redemption of certain qualifying long-term debt obligations (Defeased Obligations).

Administrative Consideration:
- Included are the callable bonds through August 15, 2030.
- The redemption opportunities within the analysis would reduce the debt service payments by approximately $7.6 million and would provide a Net Interest Savings to the taxpayers estimated at $997,400.
- Included is the Resolution for the Board of Trustees' consideration.

Recommendations:
- That the Lewisville ISD Board of Trustees adopts a resolution for the defeasance and/or redemption of certain of Lewisville Independent School District's outstanding unlimited tax bonds.

Timeline/Report:
- This item is brought prior to the consideration and adoption of the 2026-27 Tax Rate, indicating to taxpayers the District's plan for a defeasance program with available surplus I & S funds.
- In the spring after Tax Year 2026 (FY 2026-27) debt service tax collections have been secured, the District will carry out the 2026-27 debt management plan.