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BOARD OF TRUSTEES

Date:	August 24, 2026	Prepared By:	J Steen
Subject:	Discussion and consideration of a resolution authorizing adoption of an interest and sinking fund tax rate in excess of the minimum rate required to service district debt.		

Action

PURPOSE:

To approve Resolution to pay off debt early.

BACKGROUND INFORMATION:
The District received the final Truth in Taxation Calculations from the Appraisal District. Due to Excess Debt Service Collections from the prior year and increased appraisal values will cause the compressed Interest and Sinking (I & S) rate to be $0.1238/$100 valuation.
The District has been able to pay down debt for 6 consecutive years. If the Board desires to pay off debt early in 2026-2027, a resolution would need to be passed. Based on discussions with the District's Bond Counsel and Financial Advisor, approximately $1,000,000 would be paid to an escrow account for the early prepayment of a portion of the district's bonds. By passing the resolution, the district could adopt the I & S rate of $0.3146/$100 valuation.

RECOMMENDATION:
Approve the resolution authorizing adoption of an interest and sinking fund tax rate in excess of the minimum rate required to service district debt.

BOARD ACTION REQUIRED

Possible motion: "I move that the Board of Trustees approve an interest and sinking fund tax rate of $0.3146 per $100 valuation for tax year. **The Board finds that the District's minimum debt service tax rate is $0.1238** per $100 valuation, that the proposed rate exceeds the minimum debt service tax rate by $0.1908 per $100 valuation, and that the additional revenue generated by the proposed rate will be used for lawful debt service purposes, including: early defeasance or retirement of outstanding bonded indebtedness; establishment or maintenance of prudent debt service reserves; mitigation of future tax rate volatility."