Gregory-Portland Independent School District

BOARD MEMORANDUM

TO: DR. MICHELLE CAVAZOS

FROM: DR. ISMAEL GONZALEZ III

CC: BOARD OF TRUSTEES

DR. WILLIAM STOUT
DEBORAH GARZA
BRITTNEY SOLIZ SANDOVAL
DR. MICHAEL NORRIS
PENNY ARMSTRONG

DATE: Monday, August 31, 2026

SUBJECT: Discuss and Take Possible Action to Approve a Resolution by the Board of Trustees of the Gregory-Portland Independent School District Providing for the Defeasance and Calling for Redemption of Certain Currently Outstanding District Obligations; Directing That the Board Secretary, or Her Designee, Effectuate the Redemption of These Obligations; Authorizing the Execution of an Escrow Agreement; and Other Matters in Connection Therewith

PRIORITIES

PRIORITY 1: EXCEPTIONAL STUDENT PERFORMANCE
N/A
PRIORITY 3: QUALITY SERVICE AND IMPACTFUL COMMUNITY ENGAGEMENT
N/A
PRIORITY 4: EFFICIENT AND EFFECTIVE DISTRICT AND CAMPUS OPERATIONS
4.1 Annually improve operational processes
4.2 Maintain fiscal viability; stewardship; and improve staff knowledge of sustainable budgeting processes

BACKGROUND INFORMATION:

Type: Action

For more than a decade, Gregory-Portland ISD has actively managed its outstanding debt to reduce borrowing costs for taxpayers and strengthen the District's long-term financial position.

Since 2013, one of the District's primary debt-management strategies has been to **prepay a portion of its outstanding bonds before their scheduled maturity** when financial conditions allow. Similar to making an additional principal payment on a home mortgage, prepaying bonds allows the District to retire debt sooner, eliminate future interest costs, and increase future bond capacity—all **without increasing the I&S tax rate for this purpose**.

Since 2013, G-PISD has prepaid approximately **$131.48 million in outstanding bonds**, resulting in more than **$61.5 million in avoided future interest costs** for District taxpayers.

Based on the District's certified property values for FY 2026–27, G-PISD once again has an opportunity to utilize this strategy. Under the proposed resolution, the District would prepay approximately **$15,425,000 million in outstanding bonds**, generating an additional estimated **$5.33 million in future interest savings**.

This proposed action continues the District's long-standing approach of strategically managing debt to reduce taxpayer borrowing costs, retire debt earlier, and preserve future financial and bond capacity.

Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds			
Issue / Description	Series Refunded / Redeemed	Par Amount Refunded / Redeemed	Total Savings
Unlimited Tax Refunding Bonds, Taxable Series 2013	2005	$ 13,415,000	$ 1,404,625
Unlimited Tax Refunding Bonds, Series 2019	2013	22,805,000	3,028,718
Unlimited Tax Refunding Bonds, Series 2021B	2013	6,565,000	1,445,474
Total - Bond Refunding Programs at a Lower Interest Rate	**---**	**$ 42,785,000**	**$ 5,878,817**
Prepayment of Series 2018A Bonds - August 2020	2018A	$ 6,845,000	$ 7,052,850
Prepayment of Series 2018A Bonds - August 2021	2018A	14,495,000	13,354,425
Prepayment of Series 2018A Bonds - August 2022	2018A	9,980,000	7,816,725
Prepayment of Series 2018A Bonds - February 2023	2018A	20,195,000	9,483,850
Prepayment of Series 2018A Bonds - February 2024	2018A	1,295,000	86,750
Prepayment of Series 2018 Bonds - August 2024	2018	5,800,000	4,389,500
Prepayment of Series 2015 Bonds - February 2025	2015	9,835,000	4,455,050
Prepayment of Series 2016 & Series 2018 Bonds - August 2025	2016, 2018	20,250,000	9,064,963
Total - Prepayment of Bonds Prior to Scheduled Maturity	**---**	**$ 88,695,000**	**$ 55,704,113**
Totals	**---**	**$ 131,480,000**	**$ 61,582,930**

RECOMMENDATION:

Administration recommends to approve the order defeasing and redeeming Gregory-Portland ISD Unlimited Tax School Building Bonds, Series 2018 and Series 2023.

FINANCIAL IMPACT AMOUNT AND FUNDING SOURCE (IF APPLICABLE):

-PROJECTED ANALYSIS

Approximately $15,425,000 Prepayment of Bonds
Savings of interest cost by approximately $5.33 Million

BOARD RELATED POLICY:

CCA (LEGAL) (LOCAL)

ACTION ITEM SUGGESTED MOTION (if applicable):

That the board make a motion to approve and adopt a resolution providing for the defeasance and redemption of certain currently outstanding district obligations.