

Agenda Topic: Resolution Stating the Intention of the School Board to Issue General Obligation School Building and Facilities Maintenance Refunding Bonds, Series 2027A, in the Aggregate Principal Amount of Approximately \$106,865,000

Meeting Date: October 27, 2026

Contact Person: Shari Thompson

Background:

The district retains Ehlers & Associates, Inc. as its independent financial advisor. Ehlers has been monitoring interest rates for the district, with the intent to refund our 2017B Long-Term Facilities Maintenance (LTFM) bonds, which are currently outstanding in the principal amount of \$9,995,000, of which \$8,490,000 is subject to optional redemption and prepayment on or after February 1, 2027.

In addition, on February 1, 2018, the district issued its General Obligation School Building Bonds, Series 2018A (the "Series 2018A Bonds"), in the original aggregate principal amount of \$130,045,000, pursuant to the Act and the authority granted by district voters, for the purpose of financing the acquisition and betterment of school sites and facilities, including without limitation, improving safety and security, addressing aging buildings, adding space to accommodate increasing student enrollment, updating learning spaces, and enhancing community resources. The Series 2018A Bonds are currently outstanding in the principal amount of \$101,235,000, of which \$96,975,000 is subject to optional redemption and prepayment on or after February 1, 2027.

We are proposing to issue new bonds at a lower interest rate and buy back the bonds that were issued in 2017 and 2018 at a higher rate of interest. At current bond rates, the most recent projections indicate the sale will result in an estimated savings of approximately \$350,000 annually over the remaining life of the bonds by this action.

Each of these issues has a call date of February 1, 2027, and the earliest we can issue a current refunding is 90 days prior to the call date. Our goal is to secure net present-value (NPV) debt service savings or lower true interest costs (TIC) before proceeding. This would be of benefit to our taxpayers and the resulting debt service levy, reducing property taxes in this area.

The board's approval of the resolution allows for a partial or full (all maturities) refunding that gives us the flexibility to include more maturities in the refunding should rates come down between now and selling the bonds. In addition, this resolution does not commit the board to issuing refunding bonds if it chooses not to. This is just the first step in the process that gets us started.

Recommendation:

It is recommended that the board adopt the Resolution Stating the Intention of the School Board to Issue General Obligation School Building and Facilities Maintenance Refunding Bonds, Series 2027A, in the Aggregate Principal Amount of Approximately \$106,865,000.

 X Action Required

 Informational – No Board Action Requested