

**ORDER AUTHORIZING REDEMPTION OF A PORTION OF  
DENTON INDEPENDENT SCHOOL DISTRICT  
VARIABLE RATE UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2014-B**

**September 26, 2023**

**SUMMARY:**

The purpose of this request is to authorize the redemption of a portion of Denton Independent School District Variable Rate Unlimited Tax School Building Bonds, Series 2014-B.

**BOARD GOAL:**

Growth & Management

- Demonstrate effective and efficient management of district resources
- Provide leadership and/or oversight to ensure District meets all fiscal, legal and regulatory requirements

**PREVIOUS BOARD ACTION:**

The Board is presented with tax savings opportunities as they arise, and as market conditions allow for such transactions.

**BACKGROUND INFORMATION:**

The District has actively deployed various debt management practices to lower the borrowing costs to taxpayers. Such actions have reduced the cost of voter-approved bonds and provided District taxpayers with more than \$316.8 million of direct savings since 2005.

To date, the District has implemented 13 refunding programs and prepaid \$105.87 million of existing bonds, generating more than \$270.8 million of savings.

These savings are inclusive of the proposed prepayment of a portion of the 2014-B bonds.

**SIGNIFICANT ISSUES:**

Pursuant to State law, DISD may annually manage its tax rate by utilizing current year debt service tax collections and other lawfully available funds to “prepay” existing bonds prior to maturity by either:

- Repaying such bonds on their call date (if the call date is within the current fiscal year); or
- Placing sufficient funds in an escrow account to repay such bonds on their call date (if the call date is in a subsequent fiscal year).

**FISCAL IMPLICATIONS:**

This is an opportunity for Denton ISD to prepay as follows:

\$7,535,000 (a portion) of its Variable Rate Unlimited Tax School Building Bonds, Series 2014-B on February 1, 2024, saving taxpayers \$5,643,000 in future interest costs.

**BENEFIT OF ACTION:**

The benefits of prepaying bonds are:

- The District’s future interest cost is eliminated on such bonds
- The Denton ISD’s future bond capacity, for no tax rate increase, correspondingly grows by the dollar amount of bonds prepaid.

**PROCEDURAL AND REPORTING IMPLICATIONS:**

Designate the authority for the Superintendent and Deputy Superintendent to independently authorize and finalize the terms of the redemption of a portion of Denton Independent School District Variable Rate Unlimited Tax School Building Bonds, Series 2014-B.

**SUPERINTENDENT’S RECOMMENDATION:**

Recommend Approval of the Order Authorizing Redemption of a Portion of Denton Independent School District Variable Rate Unlimited Tax School Building Bonds, Series 2014-B.

**STAFF PERSONS RESPONSIBLE:**

Dr. J. Scott Niven, Deputy Superintendent  
Jennifer Stewart, Executive Director of Budget

**ATTACHMENT:**

Order Authorizing Redemption of a Portion of Denton Independent School District Variable Rate Unlimited Tax School Building Bonds, Series 2014-B

BOSC Presentation

**APPROVAL:**

Signature of Staff Member Proposing Recommendation: \_\_\_\_\_

Signature of Divisional Assistant Superintendent: \_\_\_\_\_