



ALEDO ISD BOARD MEETING TEMPLATE

MEETING DATE: March 18, 2019

AGENDA ITEM: Overview of AISD Current Debt Position and Bond Capacity Analysis and Conversion of Variable Rate Bonds

PRESENTER: Earl Husfeld, Chief Financial Officer and Josh McLaughlin, BOK Financial Securities, Inc.

BACKGROUND INFORMATION:

- During the February 21, 2019 Bearcat Growth Committee (BGC) meeting, Mr. Josh McLaughlin, with the District's financial advisory firm of BOK Financial Securities, Inc., presented the BGC an overview of the District's current debt position and preliminary bond capacity analysis.
- In light of our ongoing district growth and facilities planning discussions, this evening Mr. McLaughlin will share the same presentation with the Board of Trustees.
- Additionally, Mr. McLaughlin will share information with the Board related to the District's Variable Rate Unlimited Tax School Building Bonds Series 2006-A.
- Since 2006, the District has utilized these variable rate bonds to take advantage of historically lower interest rates.
- Mr. McLaughlin will discuss with us the scenario and process of converting these variable rate bonds to fixed rate bonds at this time.

FISCAL INFORMATION:

To be discussed at Board Meeting

ATTACHMENTS:

Overview of District's Current Debt Position and Preliminary Bond Capacity Analysis and Memorandum Discussing Variable Rate Unlimited Tax School Building Bonds Series 2006-A

ADMINISTRATIVE RECOMMENDATION:

None – Informational Report



Overview of District's Current Debt Position and Preliminary Bond Capacity Analysis

Thursday, February 21, 2019

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NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE



Savings from District's Debt Management Practices

- ❑ Aledo Independent School District (the “District”) has actively deployed various debt management practices to lower the borrowing costs of taxpayers. Such actions have reduced the cost of voter-approved bonds and provided District taxpayers with more than \$34.0 million of direct savings since year 2006!

- ❖ \$ 26,764,651 – Bond Refundings/Prepayment of Bonds

- ❖ \$ 7,250,253 – Lower Interest Rates from Prudent Use of Variable Rate Bonds

\$ 34,014,904 – Total Savings to Taxpayers

■ Variable Rate Debt:

- ❖ The District has strategically incorporated variable rate bonds within its debt portfolio since year 2006 – lowering its borrowing cost by approximately \$7.25 million in comparison to the sale of fixed rate bonds.
- ❖ The District's interest rate on its existing \$13,710,000 Variable Rate Unlimited Tax School Building Bonds, Series 2006-A is currently 1.76% (does not include ongoing support costs such as remarketing agent fees, liquidity provider fees, etc.).



Savings from District's Debt Management Practices

- **Bond Refundings and Prepayment of Bonds:** 8 bond refunding programs at a lower interest rate and prepayment of \$3.515 million of existing bonds – \$26.8 million of savings.

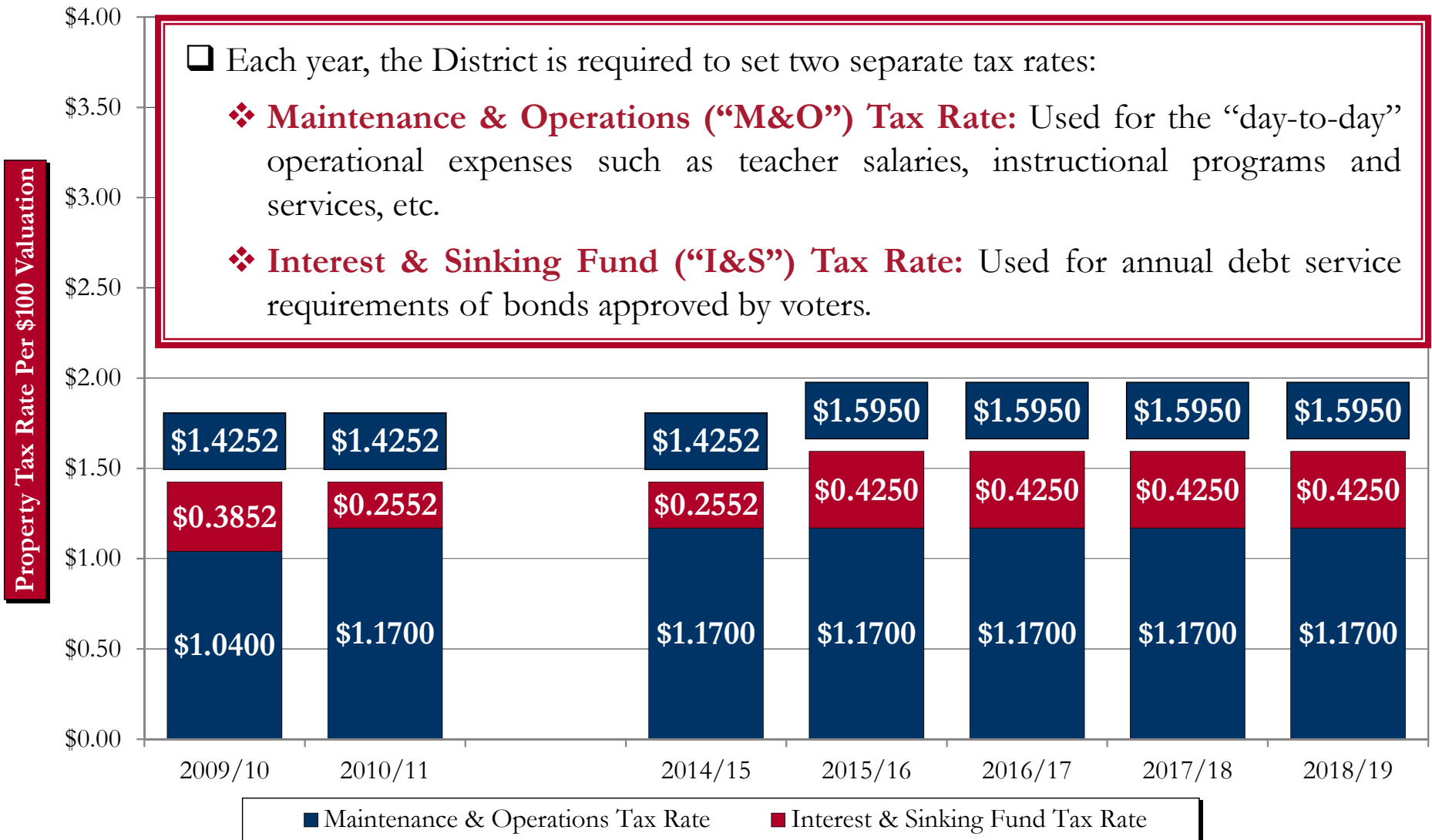
Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds

Issue / Description	Series Refunded / Redeemed	Principal Amount Refunded / Redeemed	Total Savings
Unlimited Tax Refunding Bonds, Series 2006	1998	\$ 23,035,000	\$ 1,172,515
Unlimited Tax Refunding Bonds, Series 2007	1998	7,520,000	988,788
Unlimited Tax Refunding Bonds, Series 2012	2001, 2005-A	8,519,919	1,075,426
Unlimited Tax Refunding Bonds, Series 2013-A	2005-A	8,985,000	2,344,653
Unlimited Tax Refunding Bonds, Taxable Series 2013-B	2005-A, 2006	17,010,000	2,204,602
Unlimited Tax Refunding Bonds, Series 2014	2005-A	9,330,000	1,866,979
Unlimited Tax Refunding Bonds, Series 2015	2005-A, 2006, 2008	13,195,000	3,502,667
Unlimited Tax Refunding Bonds, Series 2016	2008	56,615,000	12,467,671
Total - Bond Refunding Programs at a Lower Interest Rate	---	\$ 144,209,919	\$ 25,623,301
Prepayment of Series 2007 Bonds - February 2018	2007	\$ 1,275,000	\$ 552,750
Prepayment of Series 2007 Bonds - February 2019	2007	2,240,000	588,600
Total - Prepayment of Bonds Prior to Scheduled Maturity	---	\$ 3,515,000	\$ 1,141,350
Totals	---	\$ 147,724,919	\$ 26,764,651



Historical Tax Rates

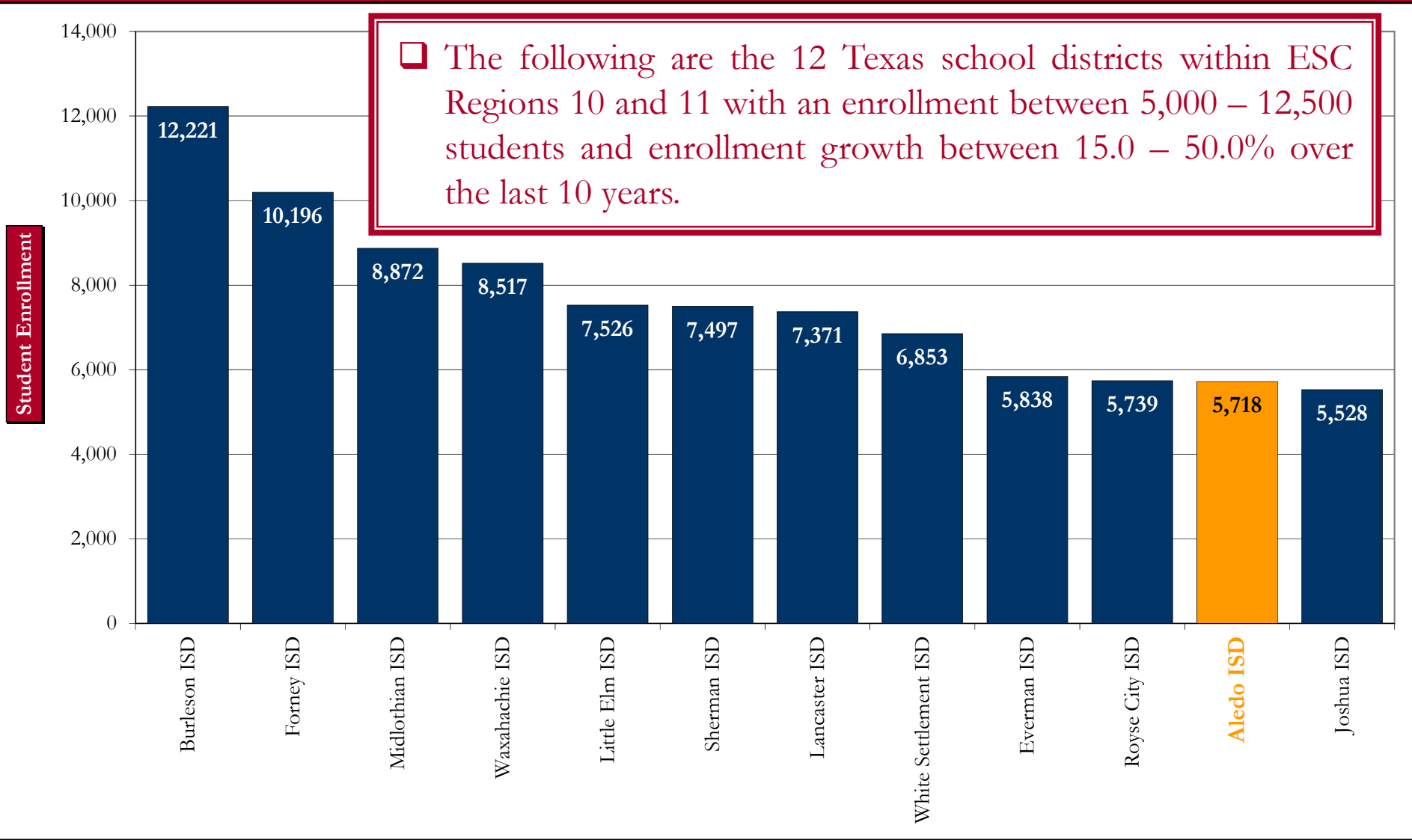
District's Historical Tax Rates





Comparison of Certain Texas School Districts – Greater Dallas/Fort Worth Area

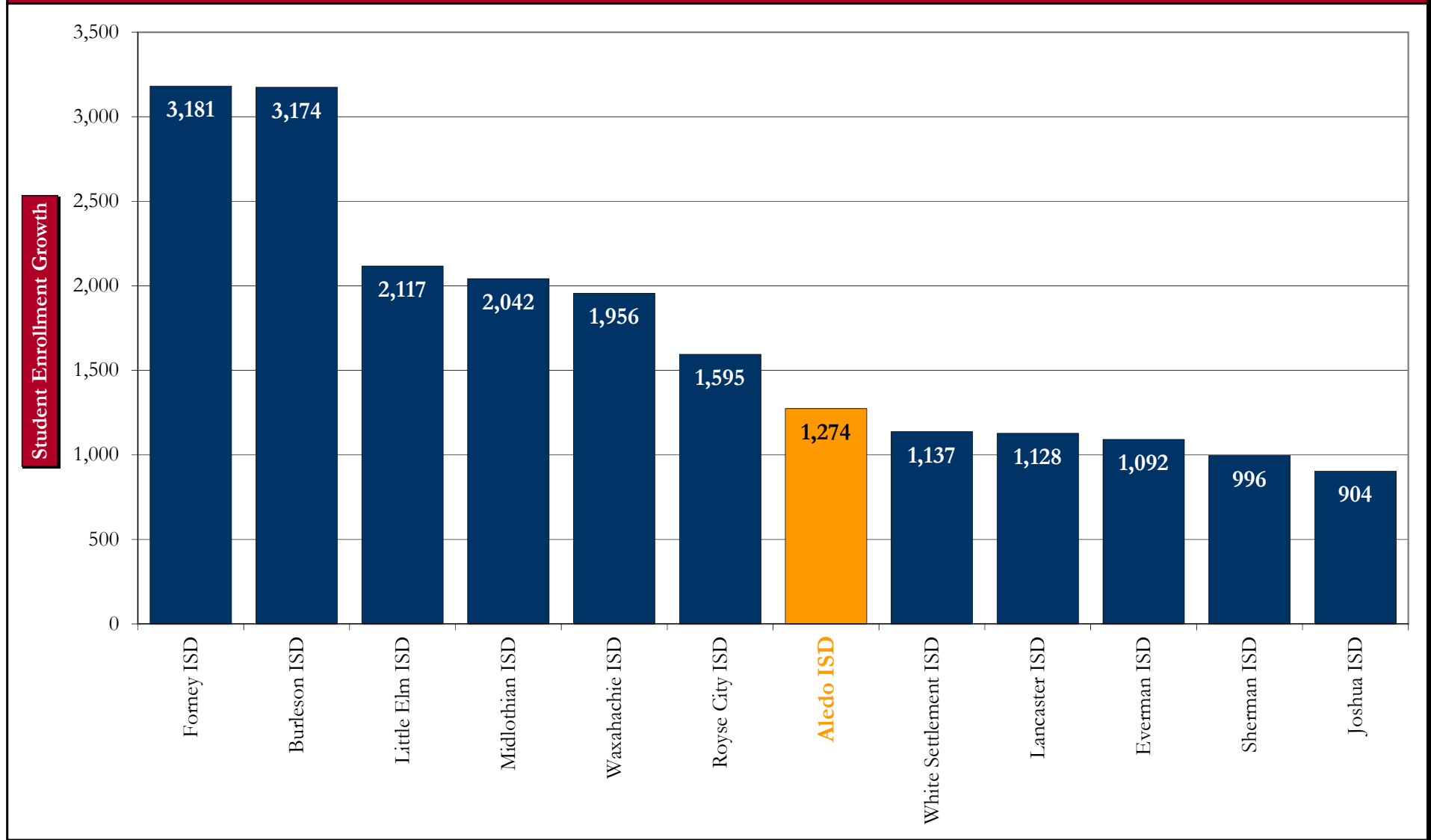
Ranked By 2017/18 Student Enrollment





Comparison of Certain Texas School Districts – Greater Dallas/Fort Worth Area

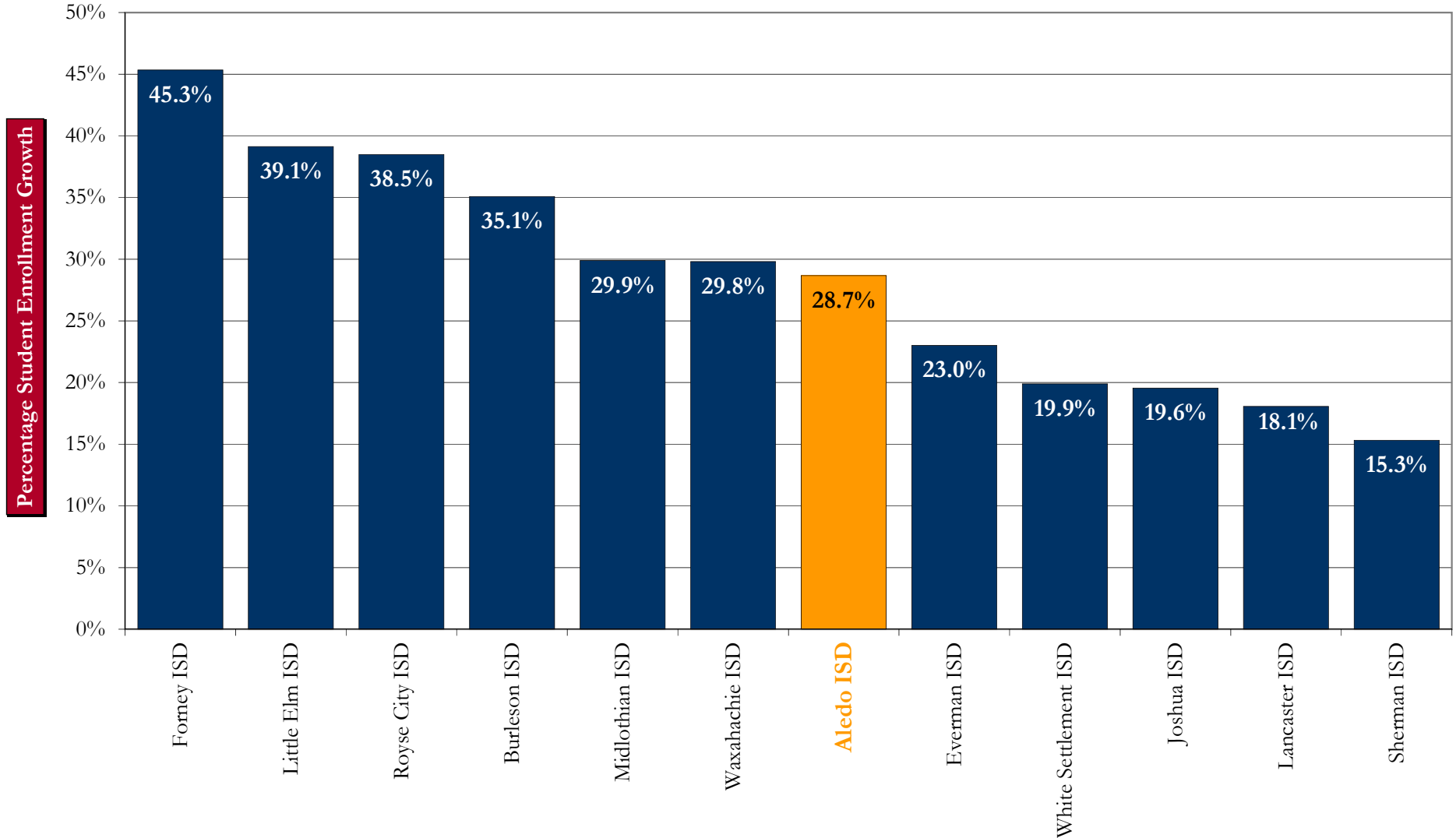
Ranked By Student Enrollment Growth – Last 10 Years





Comparison of Certain Texas School Districts – Greater Dallas/Fort Worth Area

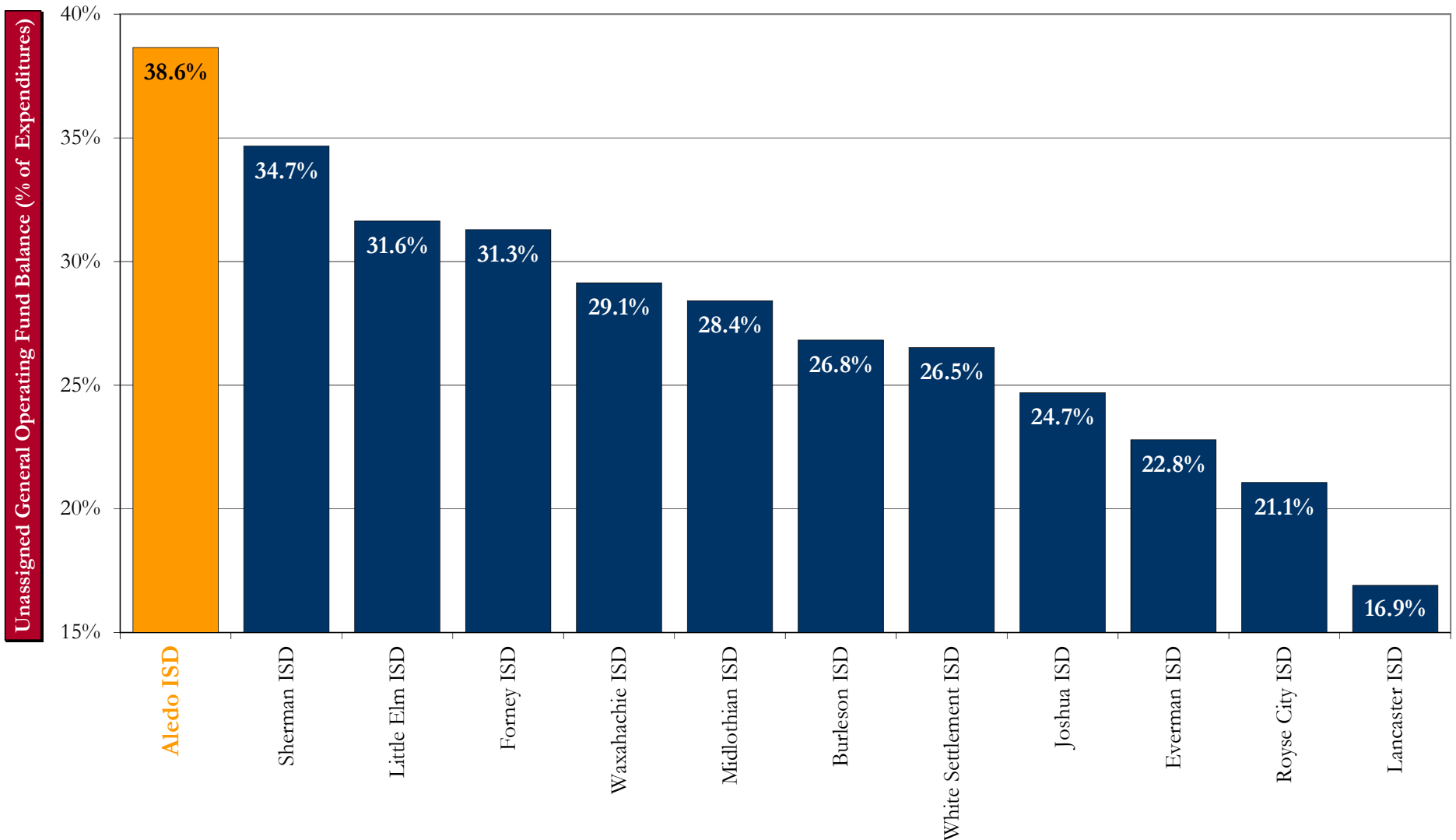
Ranked By Percentage Student Enrollment Growth – Last 10 Years





Comparison of Certain Texas School Districts – Greater Dallas/Fort Worth Area

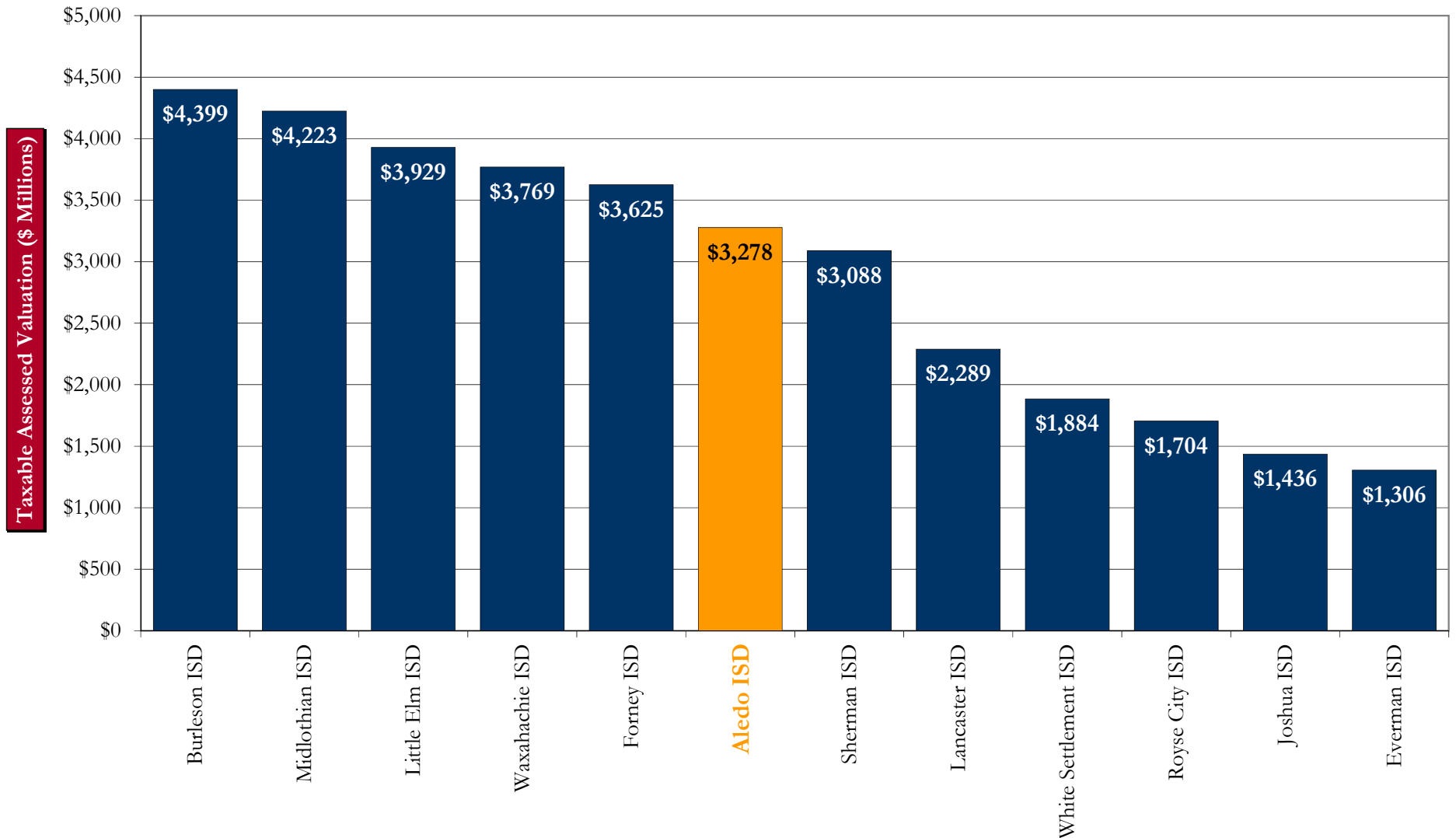
Ranked By Ending Unassigned General Operating Fund Balance As a Percentage of General Operating Fund Expenditures – Fiscal Year Ending 2018





Comparison of Certain Texas School Districts – Greater Dallas/Fort Worth Area

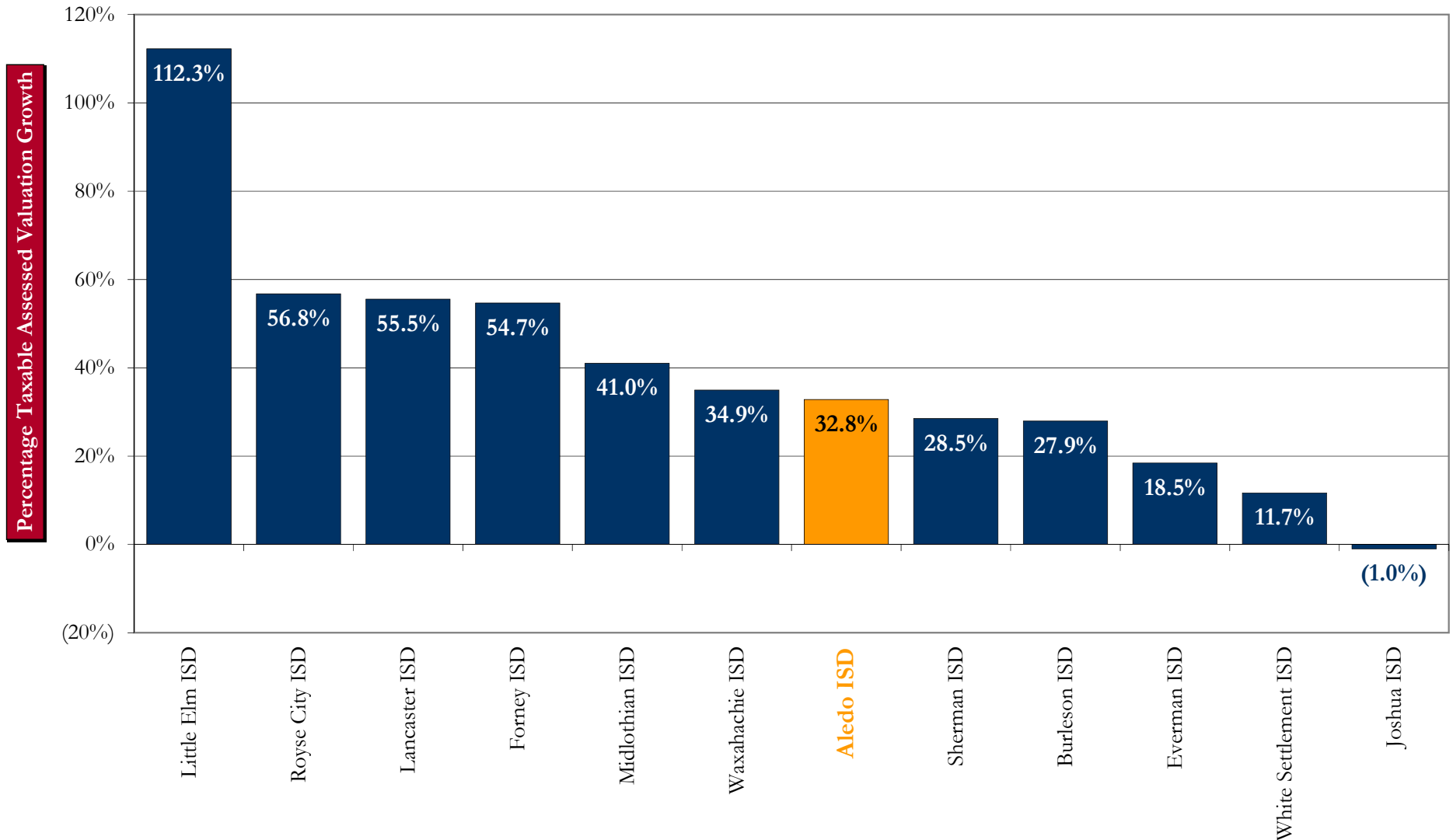
Ranked By Taxable Assessed Valuation – Year 2017/18





Comparison of Certain Texas School Districts – Greater Dallas/Fort Worth Area

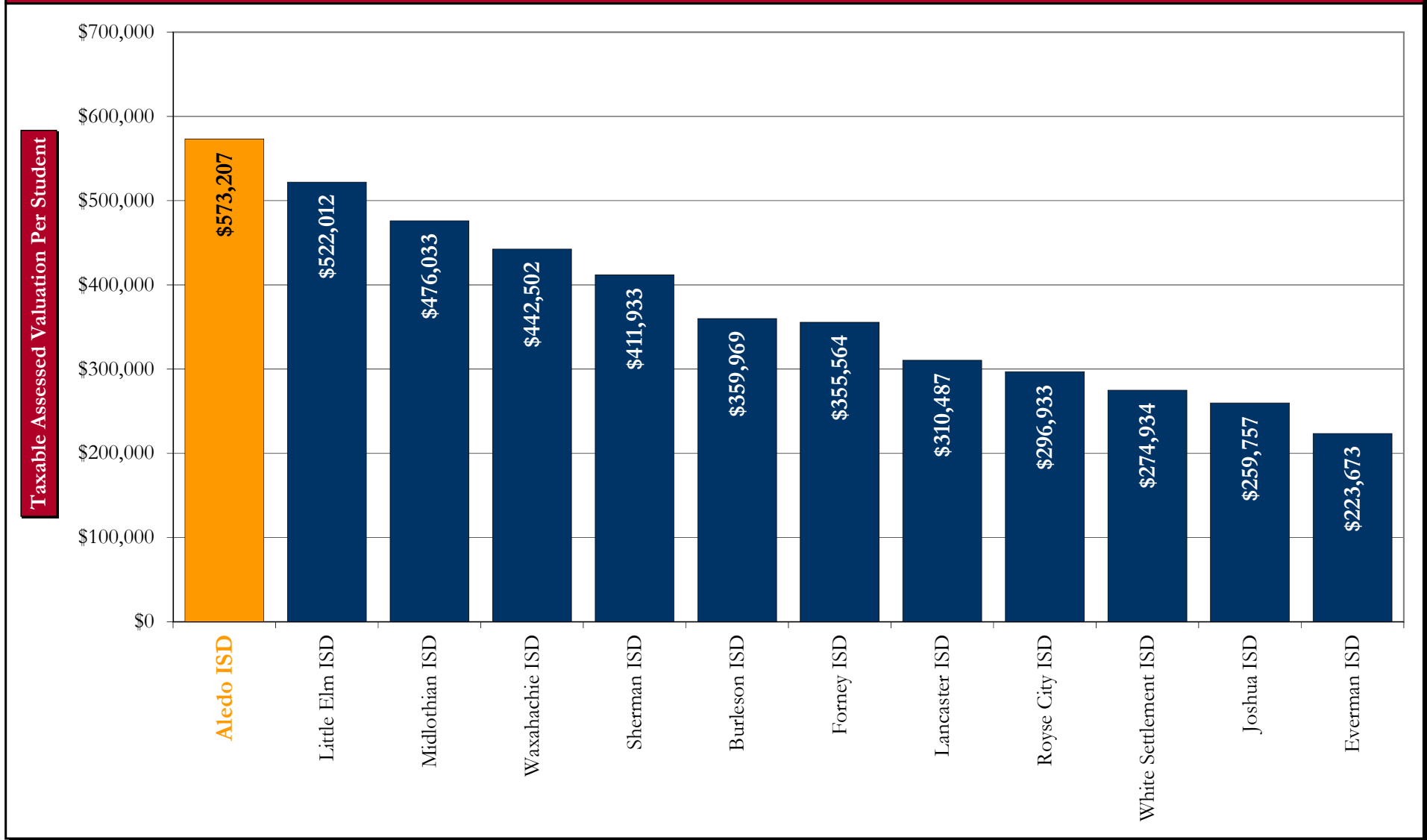
Ranked By Percentage Taxable Assessed Valuation Growth – Last 5-Years





Comparison of Certain Texas School Districts – Greater Dallas/Fort Worth Area

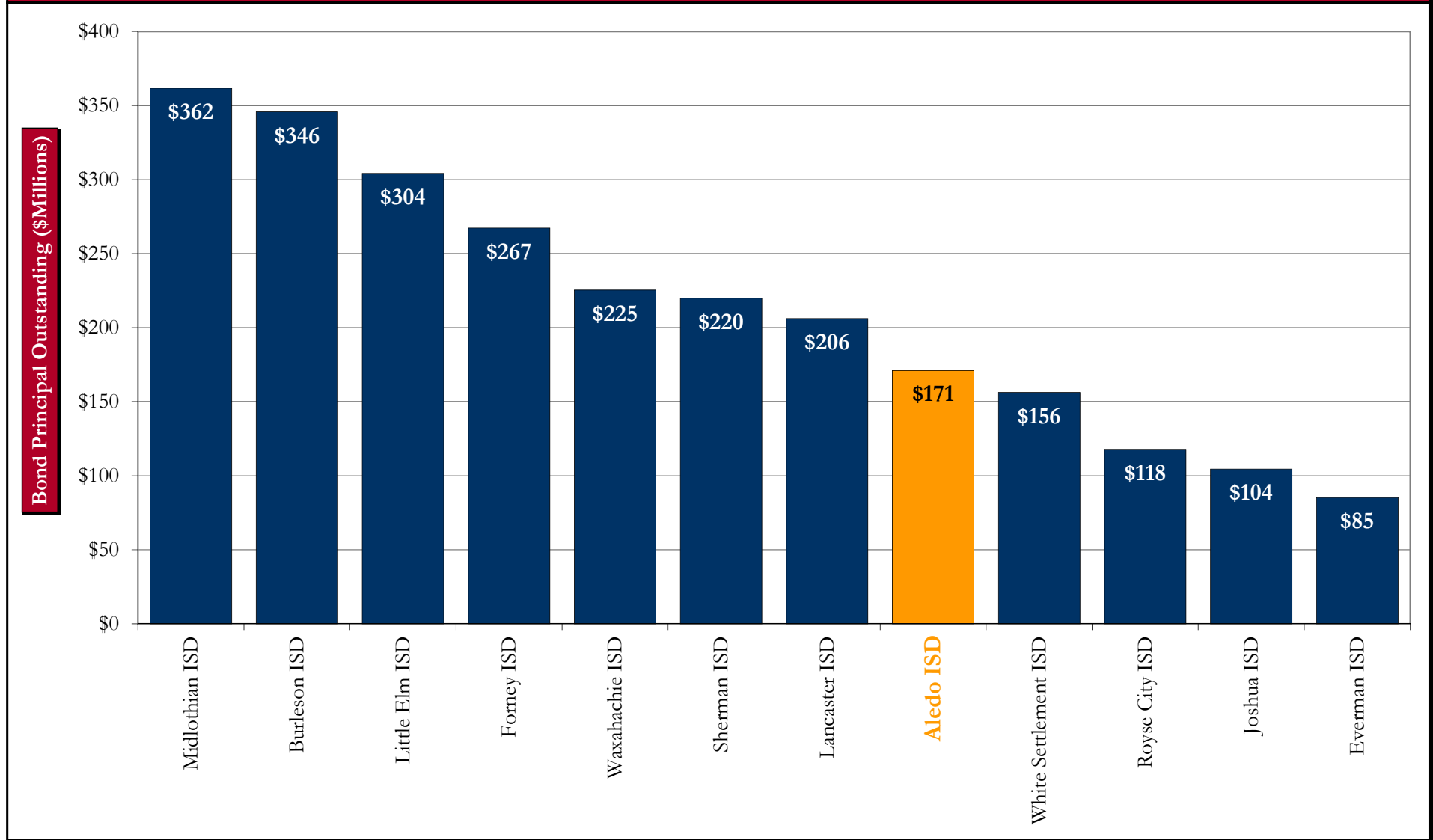
Ranked By Taxable Assessed Valuation Per Student – Year 2017/18





Comparison of Certain Texas School Districts – Greater Dallas/Fort Worth Area

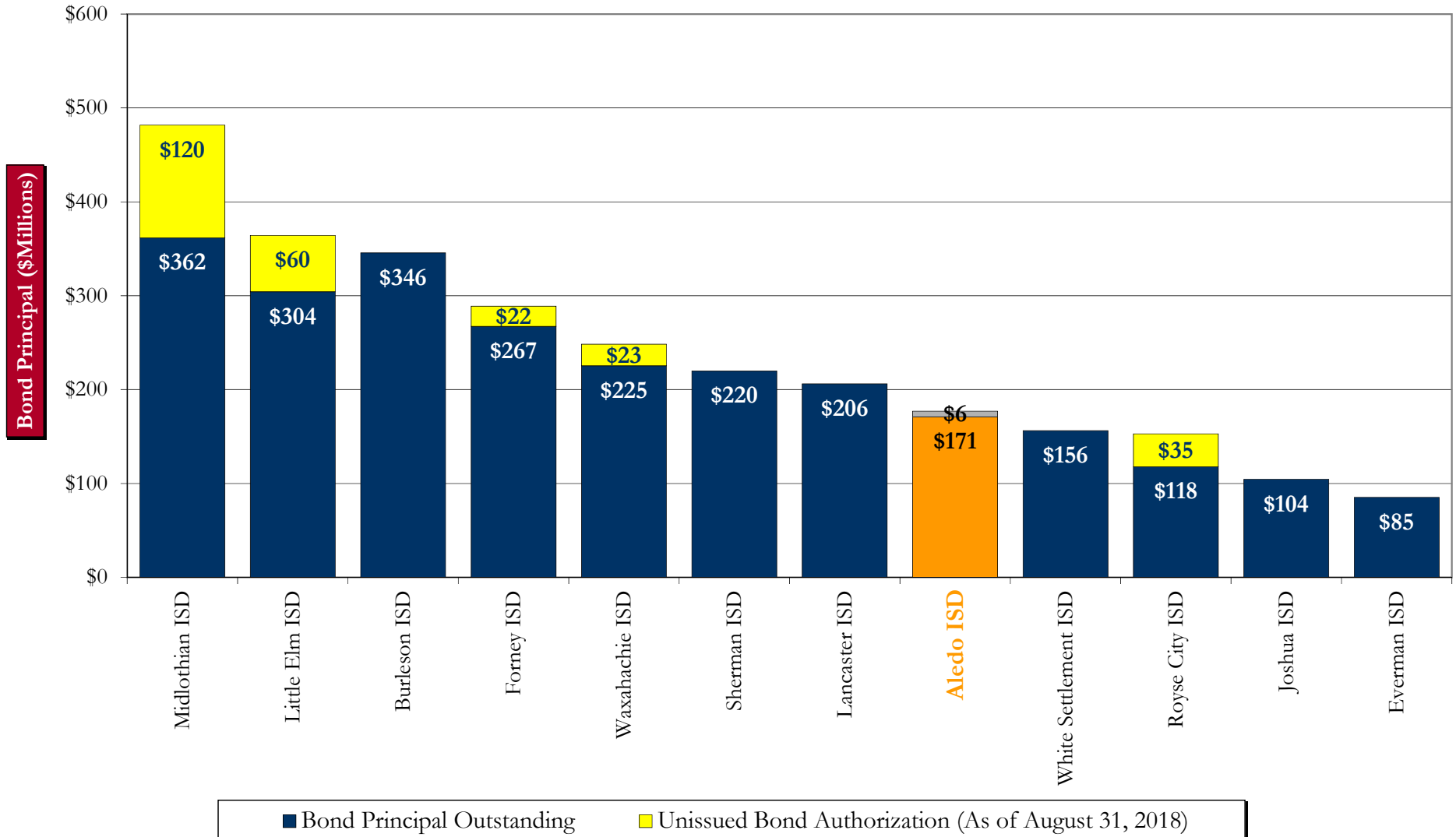
Ranked By Bond Principal Outstanding





Comparison of Certain Texas School Districts – Greater Dallas/Fort Worth Area

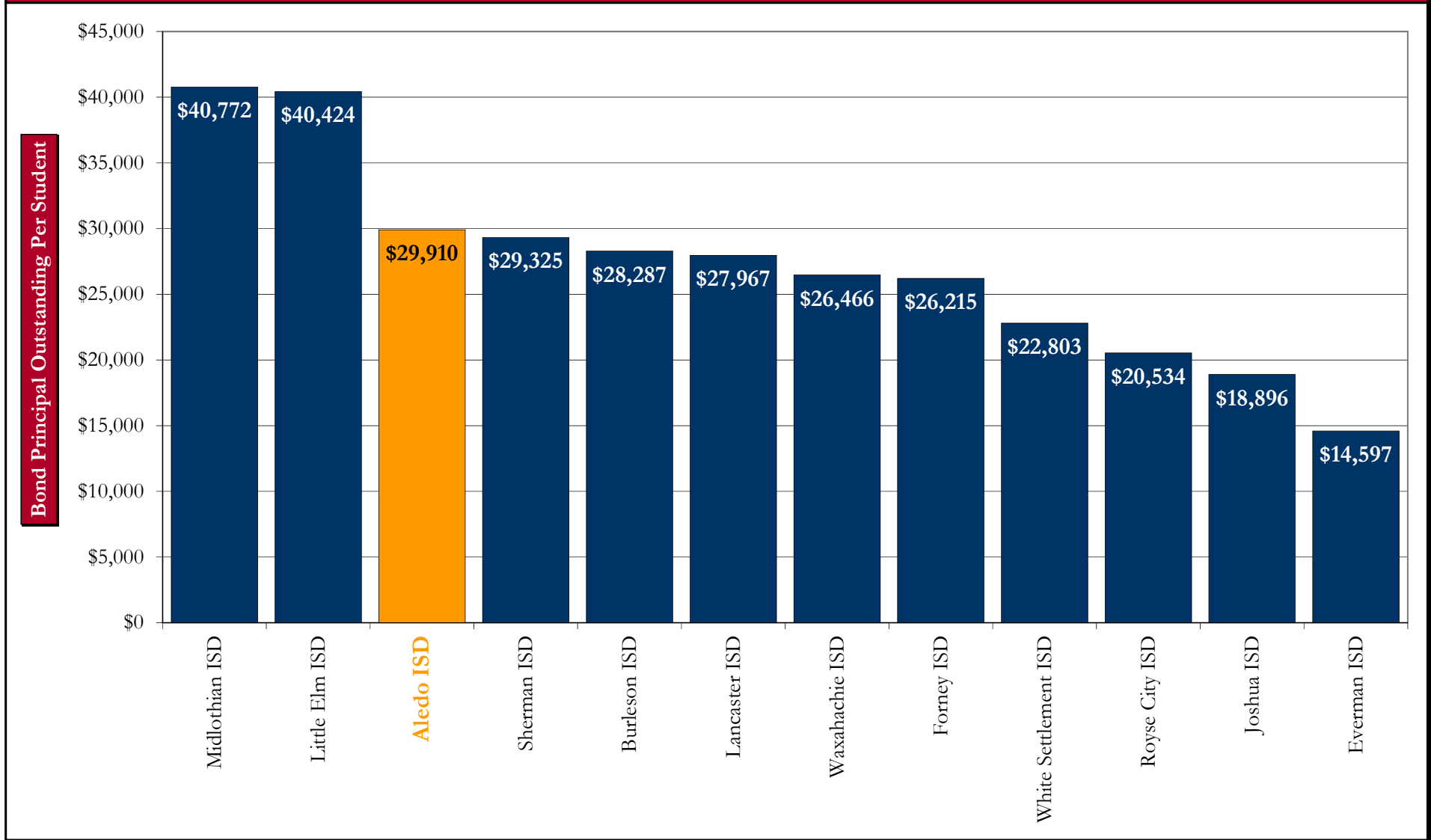
Ranked By Bond Principal Plus Unissued Bond Authorization





Comparison of Certain Texas School Districts – Greater Dallas/Fort Worth Area

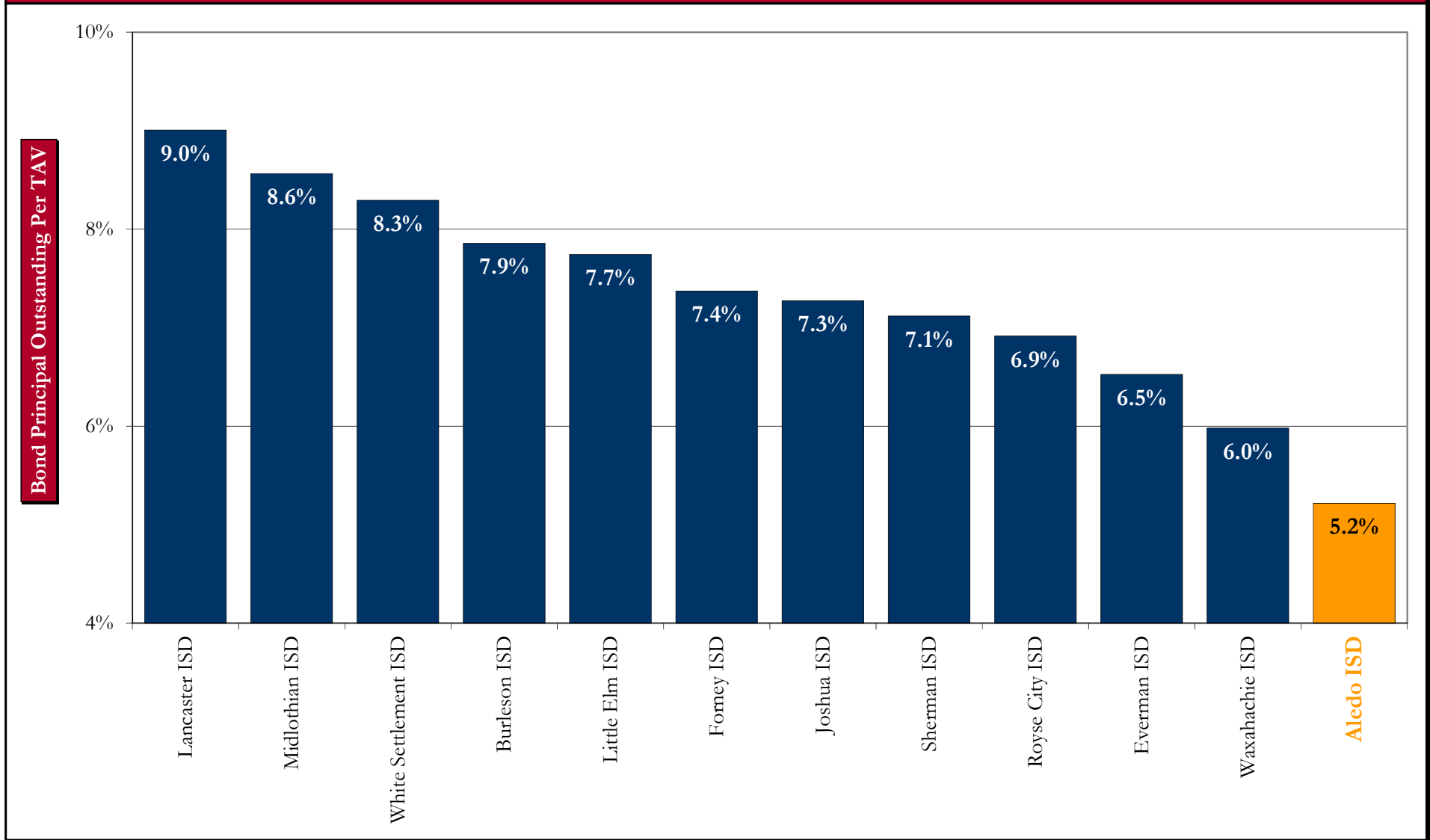
Ranked By Bond Principal Outstanding Per Student





Comparison of Certain Texas School Districts – Greater Dallas/Fort Worth Area

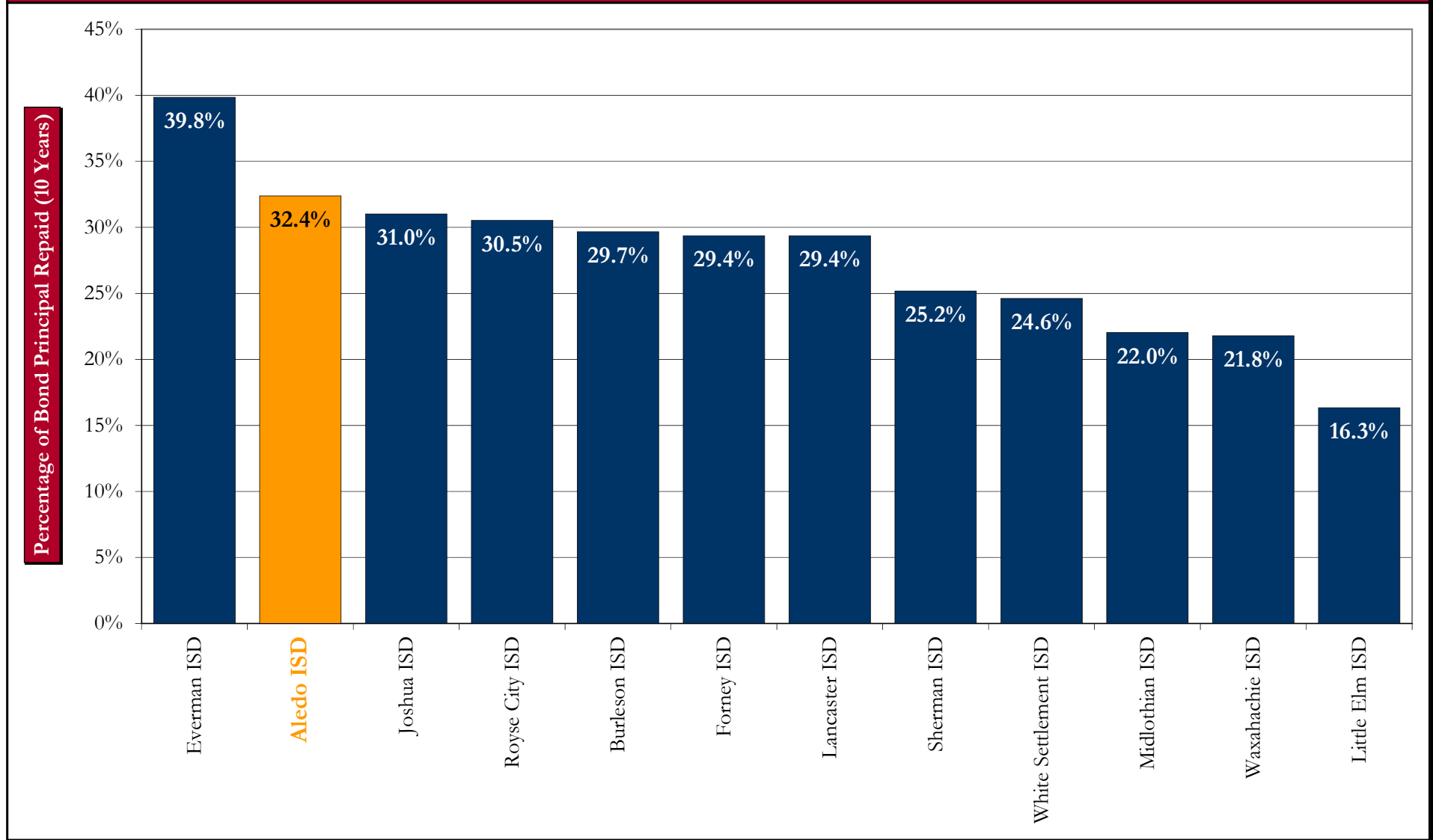
Ranked By Bond Principal Outstanding as a Percentage of Taxable Value





Comparison of Certain Texas School Districts – Greater Dallas/Fort Worth Area

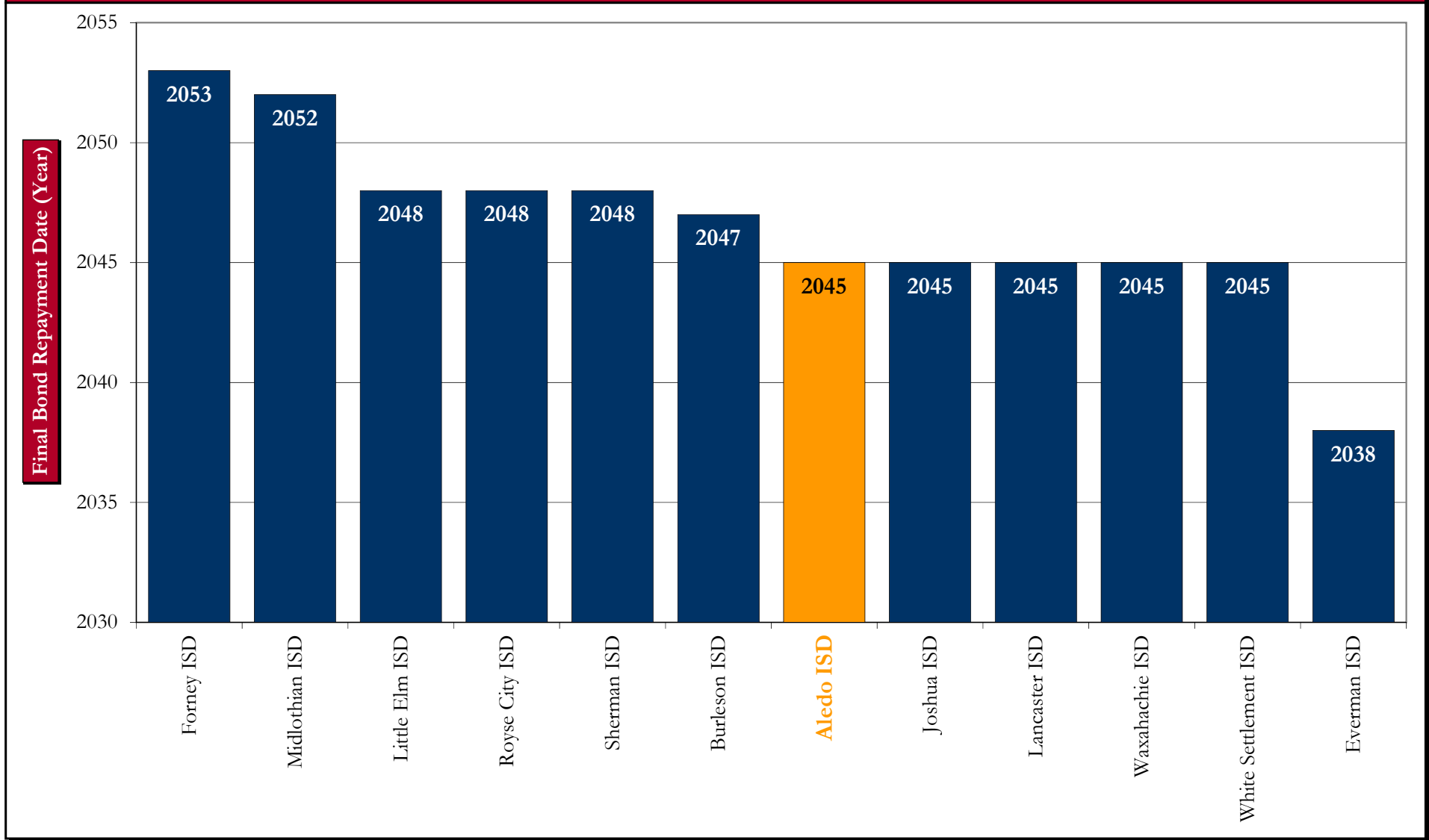
Ranked By Percentage of Bond Principal Repaid – Next 10 Years





Comparison of Certain Texas School Districts – Greater Dallas/Fort Worth Area

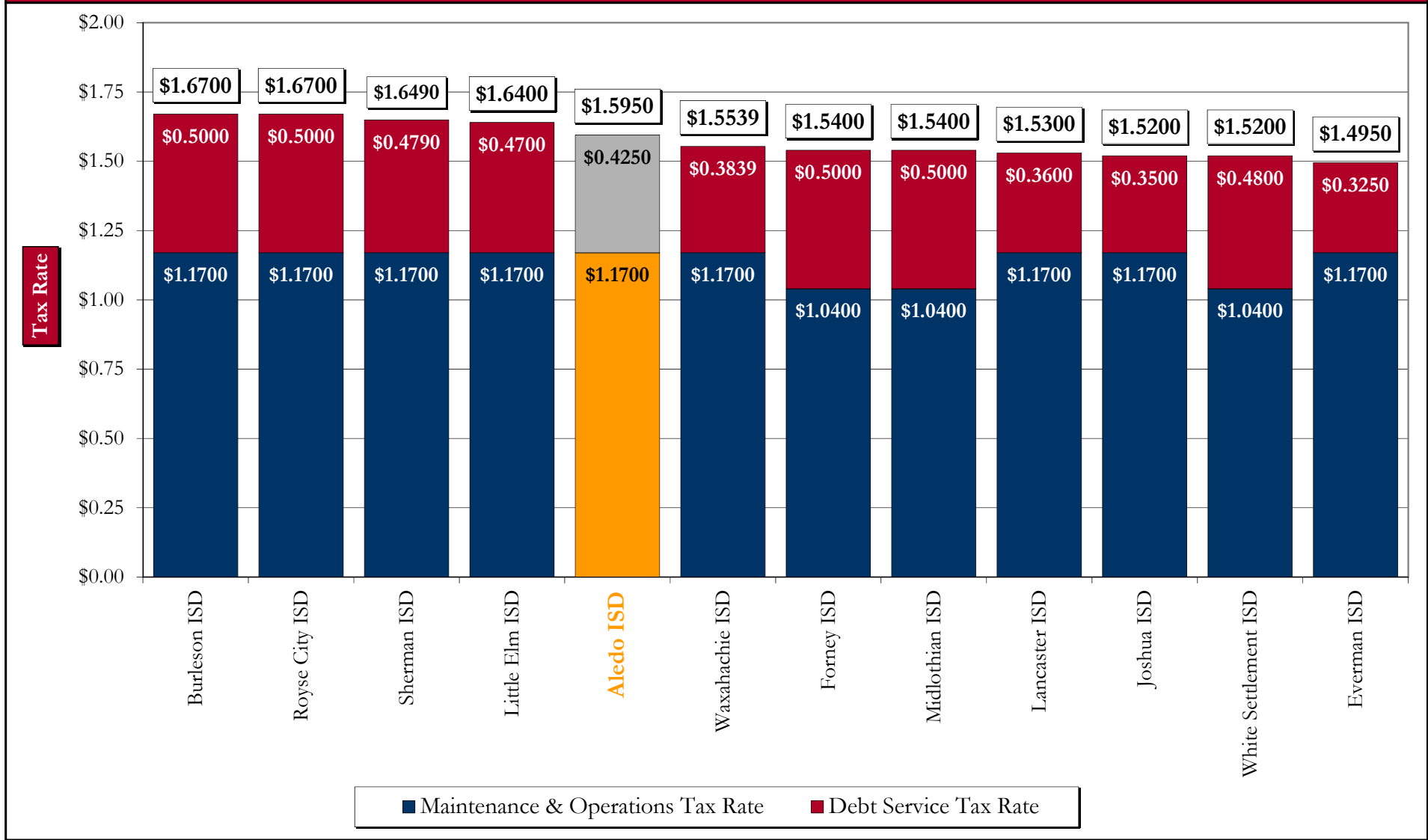
Ranked By Final Bond Repayment Date





Comparison of Certain Texas School Districts – Greater Dallas/Fort Worth Area

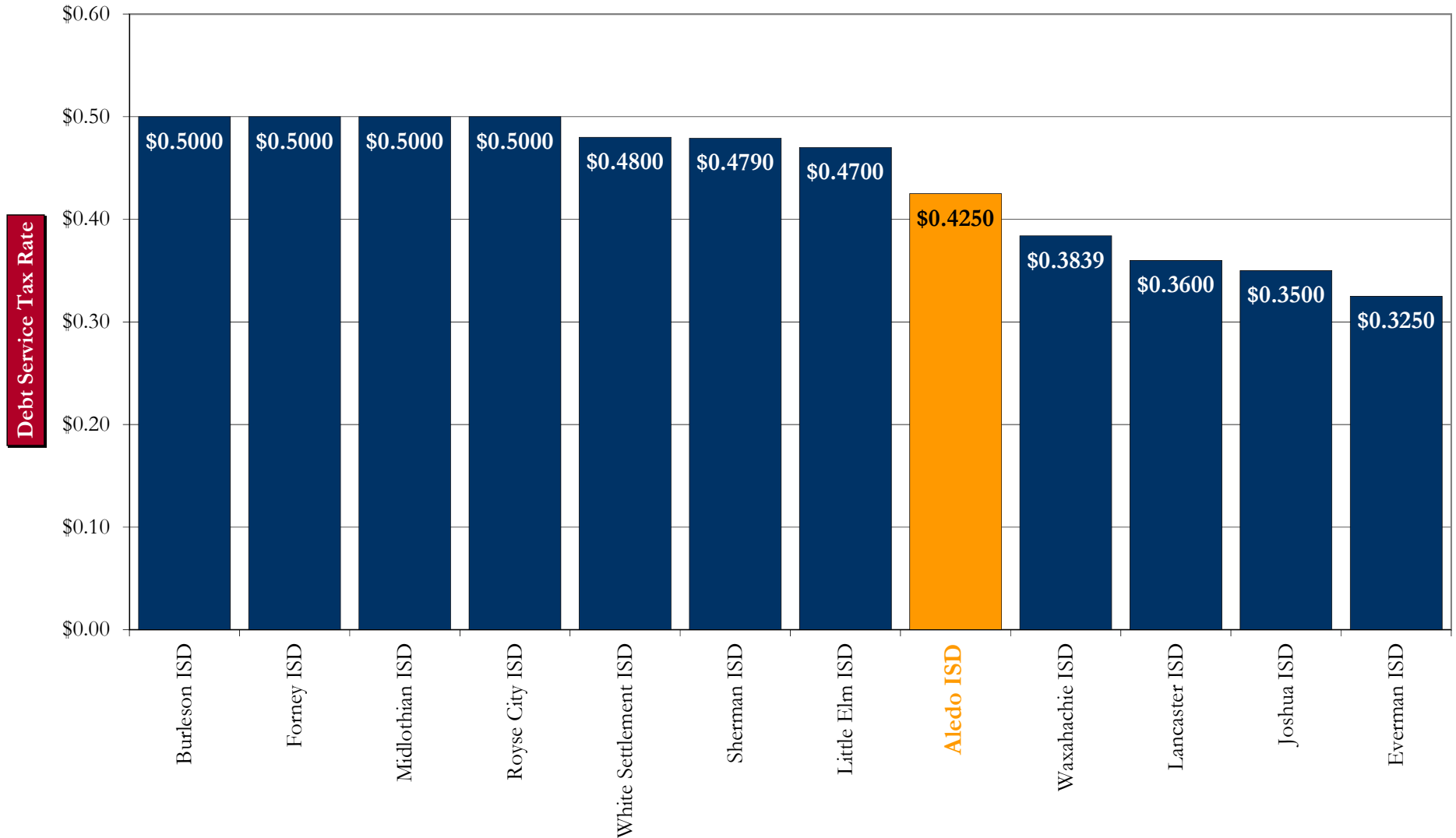
Ranked By Total Tax Rate – Year 2018/19





Comparison of Certain Texas School Districts – Greater Dallas/Fort Worth Area

Ranked By Debt Service Tax Rate – Year 2018/19





Tax Rate Management and Bond Capacity Considerations

❑ Tax Rate Management Considerations

- Generally speaking, on an annual basis, Aledo ISD's Board of Trustees may either:
 - Adopt the minimum I&S tax rate necessary to service its current year bond payment requirements;
 - Maintain existing or adopt a higher I&S tax rate and prepay bonds; or
 - Any combination of the above.

❑ Bond Capacity Considerations

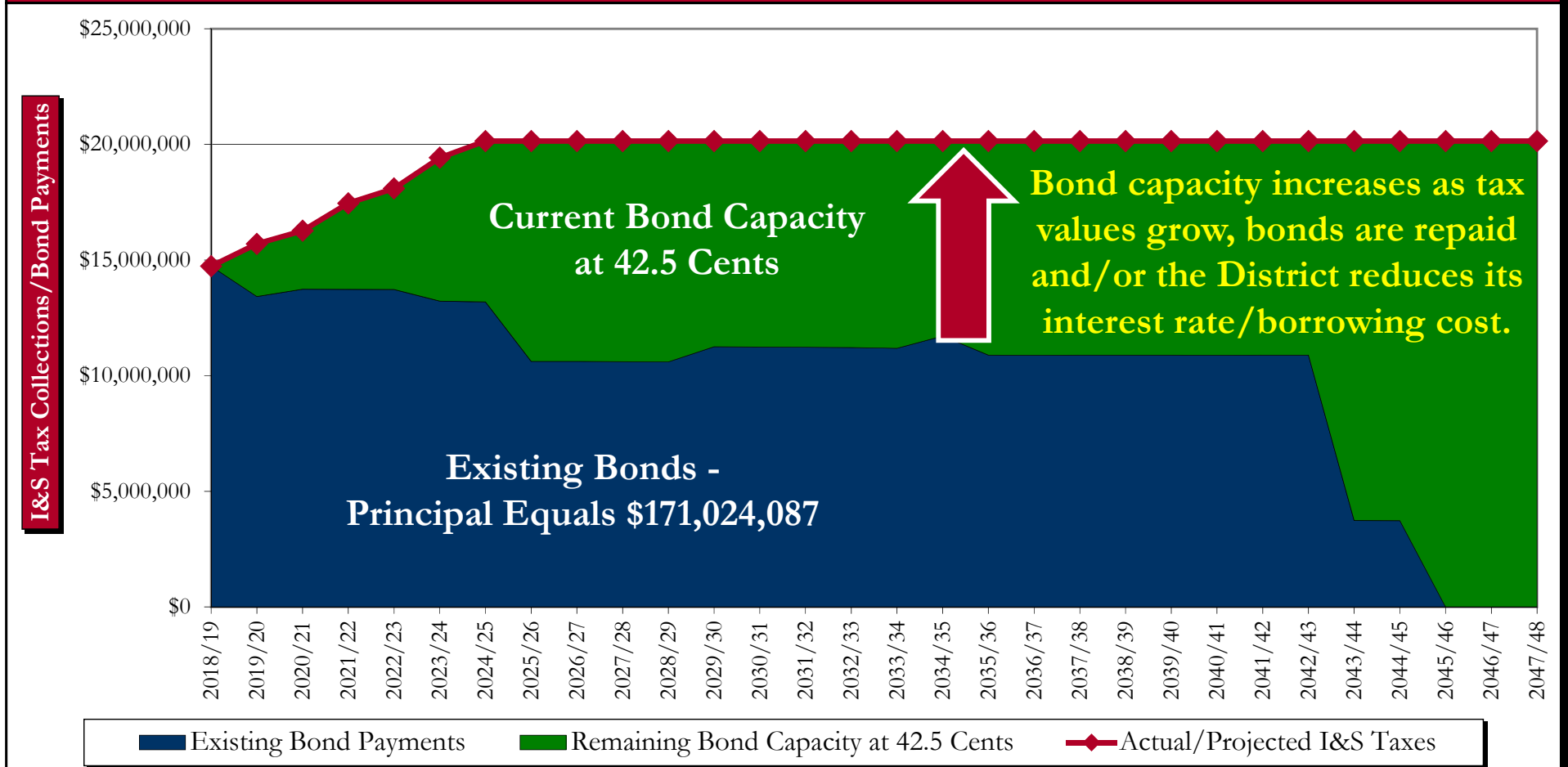
- Pursuant to State law, the District may only issue new bonds to the degree it can demonstrate its I&S tax rate will not exceed 50.0 cents (the so-called State mandated "50-Cent Debt Test").
- However, there is not a limit on the amount of bonds that may be authorized in a bond election.



What is Bond Capacity?

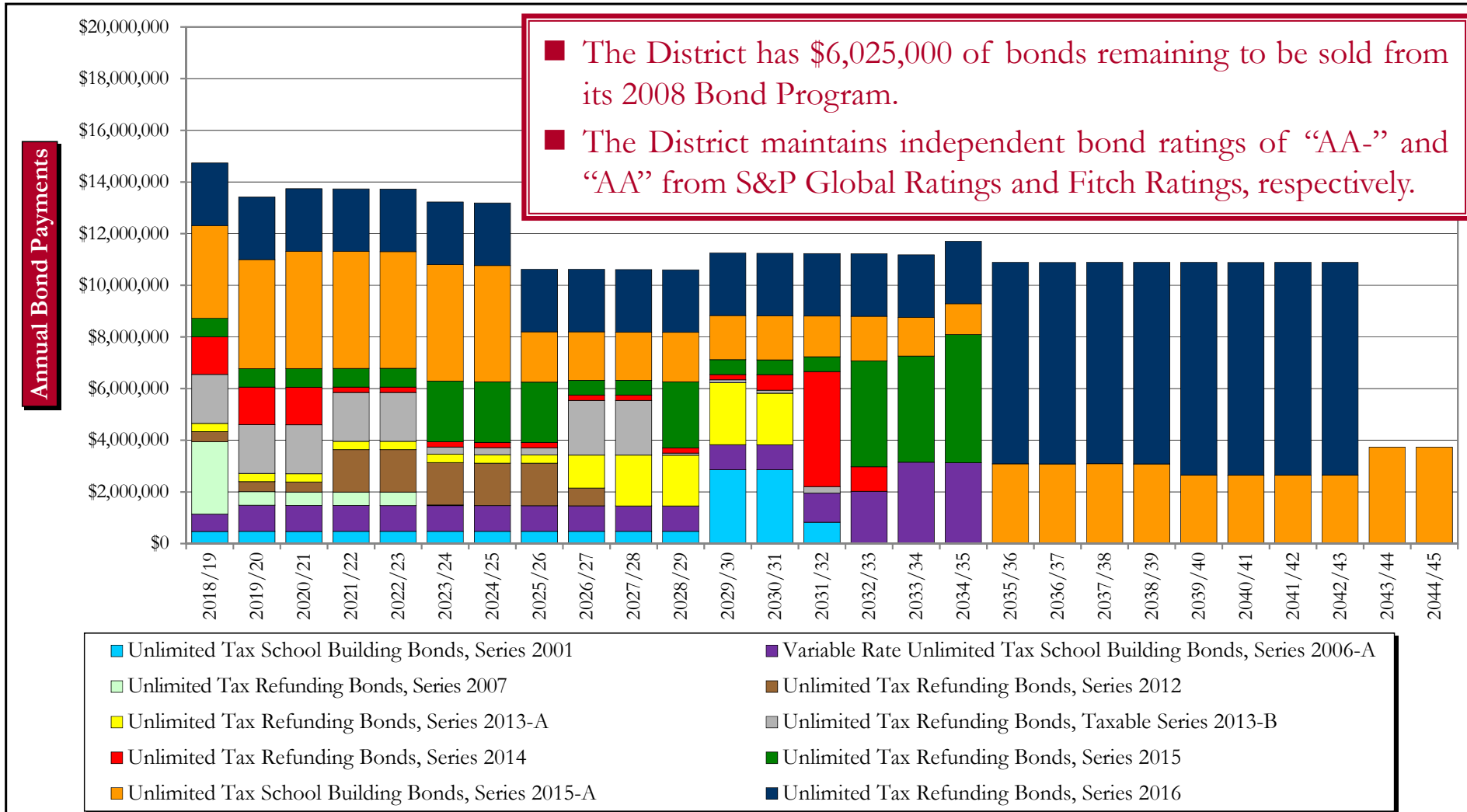
- ❑ Bond capacity refers to the District's capacity to issue new bonds in light of the limitations imposed by the State mandated "50-Cent Debt Test" and the District's current I&S tax rate.

Current Bond Capacity – 42.5 Cent I&S Tax Rate





Bond Capacity Factors – Existing Bonds – Debt Service by Series



Note: Assumes a 2.50% coupon rate on the District’s Variable Rate Unlimited Tax School Building Bonds, Series 2006-A through July 31, 2019 and a 5.00% coupon thereafter. Includes a \$2,240,000 redemption of the District’s Unlimited Tax Refunding Bonds, Series 2007 prior to scheduled maturity on February 15, 2019.

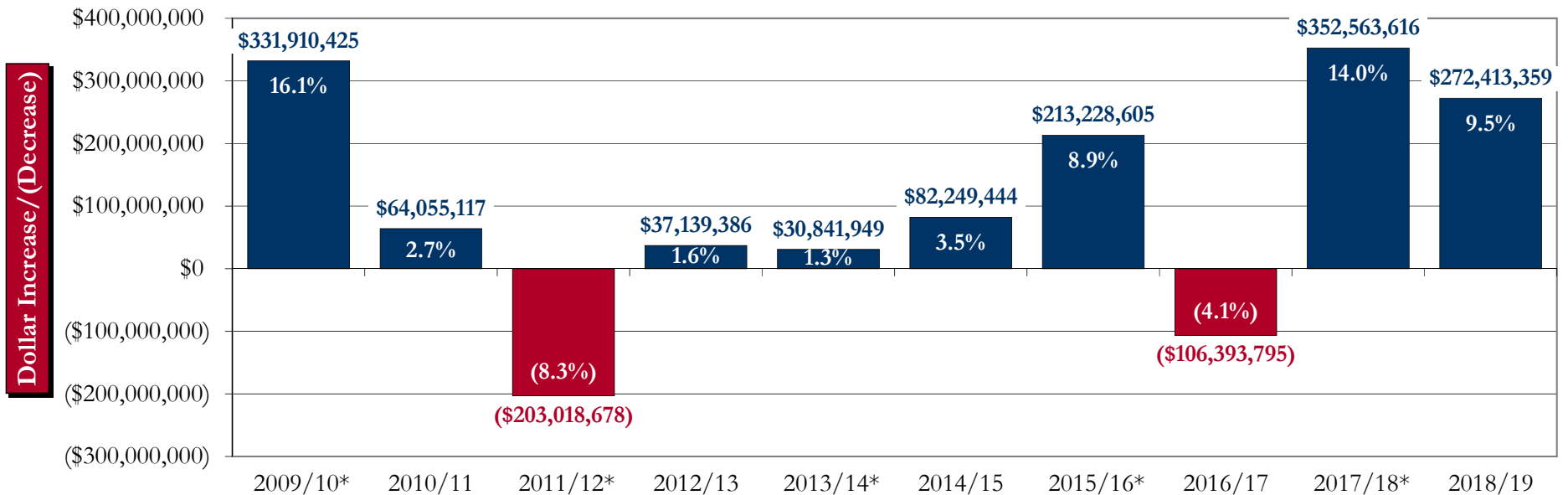
The District has a total principal amount of existing bonds equal to \$171,024,087.



Bond Capacity Factors – Summary of District’s Historical Taxable Assessed Valuation

- ❑ The District’s taxable assessed valuation (net of frozen values) is \$3,135,067,074 for fiscal year 2018/19.
- ❑ The following summarizes certain taxable value growth statistics over the last decade:
 - Maximum tax base increase occurred in Year 2017/18: \$352,563,616 or 14.0%;
 - Average tax base increase – “Non-Reappraisal Years”: \$69,892,702 or 2.7%; and
 - Average tax base increase – “Reappraisal Years”: \$145,105,183 or 6.4%.

Historical Dollar Increases/(Decreases) in Taxable Valuations – Years 2009/10 – 2018/19





Preliminary Bond Capacity Analysis

The Preliminary Bond Capacity Analysis is based upon the assumptions summarized herein. To the extent the District's actual results differ from the assumptions herein, the financial impact to the District will correspondingly change.

□ Scenarios Presented – Potential New Bond Program

- Determine the District's current bond capacity at a maximum I&S tax rate of **42.5 cents, 45.0 cents, 47.5 cents and 50.0 cents** assuming:
 - ❖ **Moderate TAV Growth:** Taxable values increase by 4% for “Non-Reappraisal” years and 8% for “Reappraisal” years in each of the next 6 years and remain constant thereafter.
 - ❖ **Optimistic TAV Growth:** Taxable values increase by 6% for “Non-Reappraisal” years and 11% for “Reappraisal” years in each of the next 6 years and remain constant thereafter.
- Note: While the District's taxable values may increase in future years, the projected current bond capacity only utilizes 6 years of growth to permit “future growth to fund future bond programs for capital improvements.”



Preliminary Bond Capacity Analysis

□ Assumptions

- The District will prepay a portion of its existing bonds prior to scheduled maturity in year 2019/20 to maintain its current I&S tax rate of 42.5 cents.
- Any I&S tax rate increase for the new bond program will occur in year 2020/21.
- The new bond program is sold at an interest rate of 5.00% (current market rates of interest are approximately 4.00%).
- The bonds will be repaid over 30 years to maximize the District's bond capacity. However, the District will have the flexibility to prepay the bonds prior to scheduled maturity, without penalty.
- **Short-Term Projects:** Fully repay bonds issued for certain short-term projects over their useful lives (e.g. devices – 5 years and infrastructure, busses, etc. – 10 years).
- The District will not receive any State assistance for the repayment of bonds.



Preliminary Bond Capacity Analysis

- The following summarizes the dollar and percentage growth, on an annual basis and in total, for both the Moderate and Optimistic tax base growth assumptions.

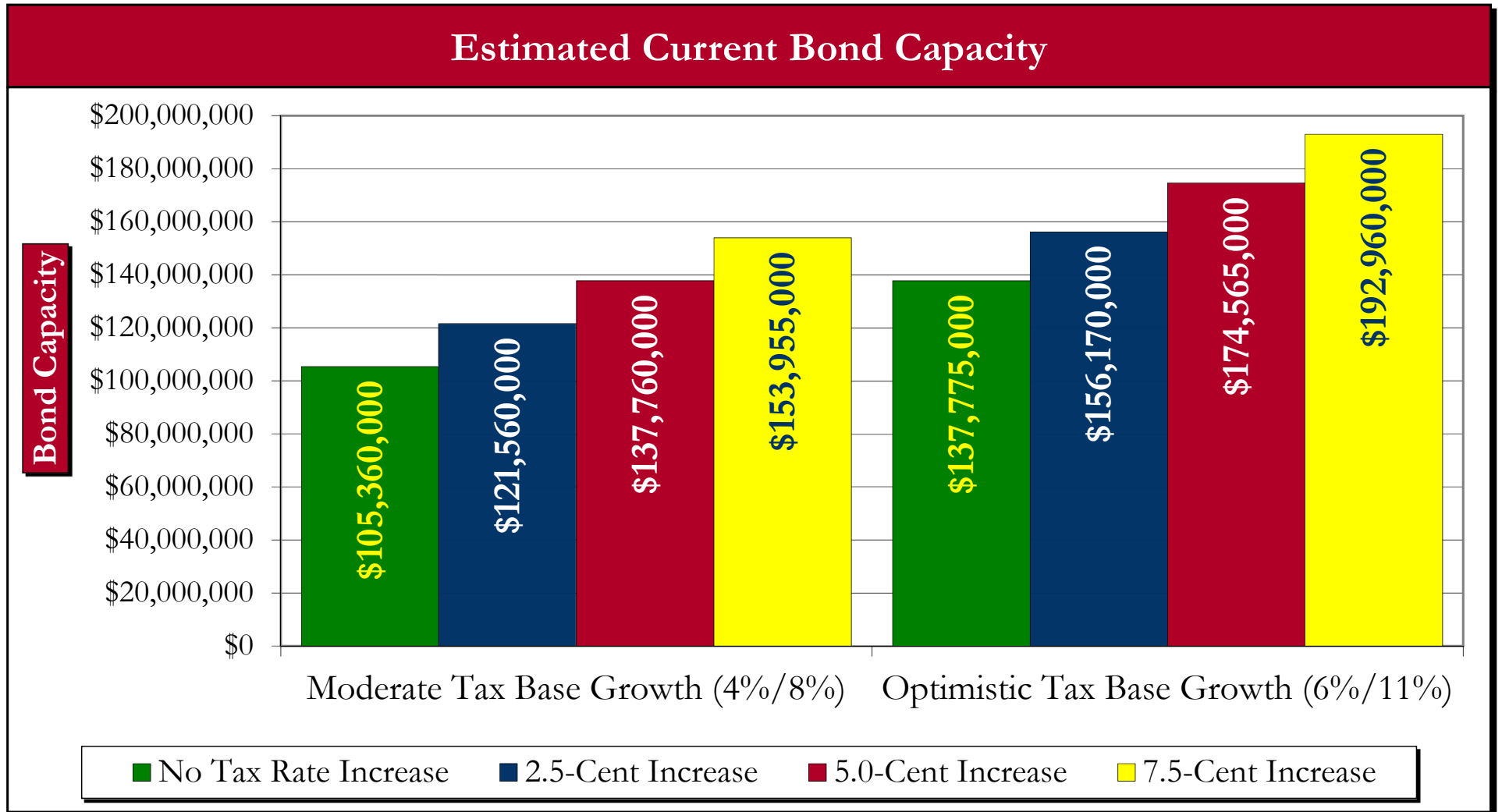
Projected Taxable Values - Moderate and Optimistic Tax Base Growth Scenarios						
A	B			C		
Fiscal Year	Moderate TAV Growth Assumption			Optimistic TAV Growth Assumption		
	Taxable Value	Dollar Growth	Percentage Growth	Taxable Value	Dollar Growth	Percentage Growth
2018/19	\$ 3,135,067,074	---	---	\$ 3,135,067,074	---	---
2019/20*	3,385,872,440	\$ 250,805,366	8.00%	3,479,924,452	\$ 344,857,378	11.00%
2020/21	3,521,307,338	135,434,898	4.00%	3,688,719,919	208,795,467	6.00%
2021/22*	3,803,011,925	281,704,587	8.00%	4,094,479,110	405,759,191	11.00%
2022/23	3,955,132,402	152,120,477	4.00%	4,340,147,857	245,668,747	6.00%
2023/24*	4,271,542,994	316,410,592	8.00%	4,817,564,121	477,416,264	11.00%
2024/25	4,442,404,714	170,861,720	4.00%	5,106,617,968	289,053,847	6.00%
Totals	---	\$ 1,307,337,640	41.70%	---	\$ 1,971,550,894	62.89%
Average	---	\$ 217,889,607	5.58%	---	\$ 328,591,816	7.97%

*Denotes a "Reappraisal Year".



Preliminary Bond Capacity Analysis

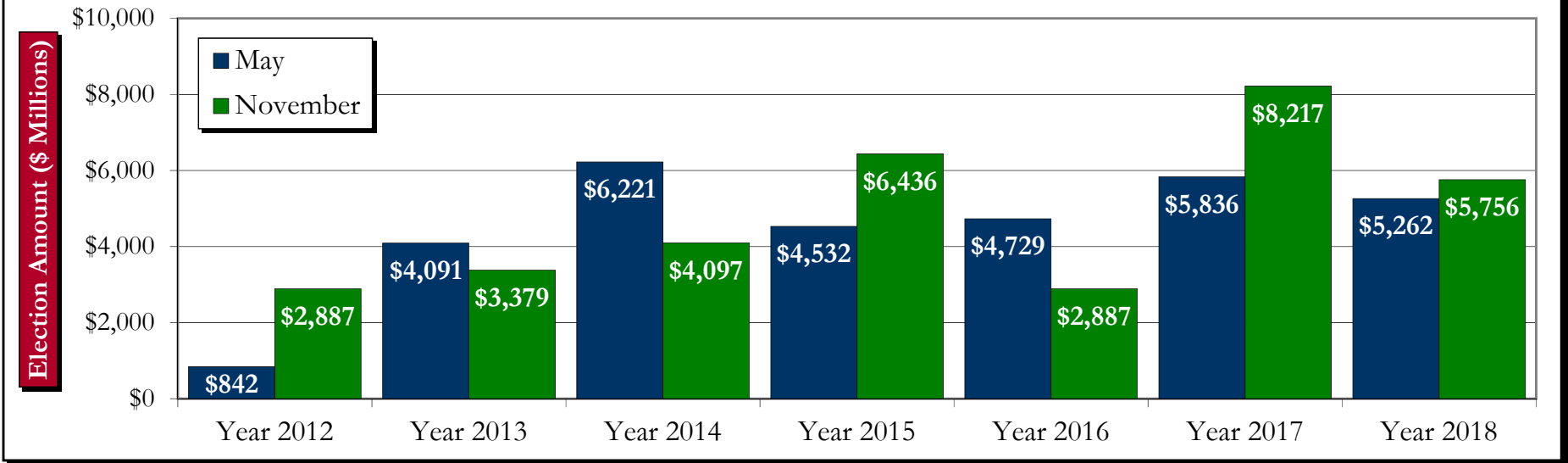
- The following demonstrates the District's estimated bond capacity based upon the scenarios presented herein.





Historical Texas School District Bond Elections

Historical Texas School District Election Volume – Since Year 2012



Historical Texas School District Bond Election Results

Year	No. Of Elections	Dollar Amount Of Elections	No. Of Propositions	Dollar Amount Approved		Propositions Approved	
				Dollar Amount	Percentage	Number	Percentage
2012	70	\$ 3,729,707,339	83	\$ 3,410,662,339	91.4%	62	74.7%
2013	146	7,470,170,049	171	5,510,117,049	73.8%	122	71.3%
2014	127	10,318,550,976	138	9,412,896,675	91.2%	110	79.7%
2015	126	10,968,064,264	139	9,644,168,689	87.9%	114	82.0%
2016	109	7,616,504,038	126	6,984,324,038	91.7%	95	75.4%
2017	126	14,052,477,791	143	11,797,747,500	84.0%	97	67.8%
2018	102	11,018,931,959	120	9,971,577,659	90.5%	88	73.3%
Totals	806	\$ 65,174,406,416	920	\$ 56,731,493,949	87.0%	688	74.8%



ESC Region 10 & 11 Texas School Districts – Successful Bond Elections Over \$50 Million Since Year 2015

- Since year 2015, school districts within Education Service Centers Regions 10 and 11 have held 45 successful bond elections, totaling \$12,590,910,951.

Texas School Districts Within Regions 10 & 11 Education Service Centers 45 Successful Bond Elections Over \$50 Million Since Year 2015 Totaling \$12,590,910,951

No.	School District	Election Date	Bonds Approved	No.	School District	Election Date	Bonds Approved
1	Dallas ISD	November 3, 2015	\$ 1,600,000,000	24	Hurst-Eules-Bedford ISD	May 5, 2018	\$ 199,000,000
2	Denton ISD	May 5, 2018	750,500,000	25	Sherman ISD	November 7, 2017	176,000,000
3	Fort Worth ISD	November 7, 2017	749,735,000	26	Argyle ISD	May 6, 2017	166,000,000
4	Lewisville ISD	May 6, 2017	737,550,000	27	Grand Prairie ISD	November 3, 2015	156,000,000
5	Frisco ISD	November 6, 2018	691,000,000	28	Anna ISD	May 7, 2016	155,000,000
6	Eagle Mtn.-Saginaw ISD	November 7, 2017	524,755,000	29	Dallas ISD	November 6, 2018	150,000,000
7	Plano ISD	May 7, 2016	481,000,000	30	Melissa ISD	May 7, 2016	150,000,000
8	Richardson ISD	May 7, 2016	437,085,000	31	Cleburne ISD	May 7, 2016	130,558,461
9	Northwest ISD	May 6, 2017	399,000,000	32	Lancaster ISD	May 9, 2015	125,900,000
10	Highland Park ISD	November 3, 2015	361,400,000	33	Crandall ISD	May 6, 2017	125,000,000
11	Carrollton-F.B. ISD	November 6, 2018	350,935,000	34	Waxahachie ISD	May 9, 2015	125,000,000
12	Mesquite ISD	May 5, 2018	325,000,000	35	Community ISD	November 7, 2017	115,775,000
13	Mesquite ISD	May 9, 2015	280,000,000	36	Princeton ISD	May 6, 2017	93,600,000
14	Mansfield ISD	May 6, 2017	275,000,000	37	Burleson ISD	May 6, 2017	85,000,000
15	Allen ISD	November 3, 2015	272,580,000	38	Weatherford ISD	May 9, 2015	74,900,000
16	Midlothian ISD	November 8, 2016	268,000,000	39	Stephenville ISD	May 5, 2018	60,800,000
17	Rockwall ISD	November 3, 2015	256,820,000	40	Royse City ISD	May 5, 2018	60,000,000
18	Birdville ISD	November 6, 2018	252,802,490	41	Azle ISD	November 8, 2016	59,500,000
19	Coppell ISD	May 7, 2016	249,040,000	42	Aledo ISD	May 9, 2015	53,200,000
20	Grapevine-Colleyville ISD	May 7, 2016	248,975,000	43	Aubrey ISD	November 7, 2017	51,000,000
21	Little Elm ISD	November 7, 2017	239,500,000	44	Godley ISD	November 3, 2015	50,000,000
22	McKinney ISD	May 7, 2016	220,000,000	45	Joshua ISD	May 9, 2015	50,000,000
23	Carroll ISD	May 6, 2017	208,000,000				



Preliminary Bond Election Timetable – November 5, 2019

Financing Team Members

AISD	---	Aledo Independent School District – Issuer
BOKFS	---	BOK Financial Securities, Inc. – Financial Advisor
MPH	---	McCall, Parkhurst & Horton L.L.P. – Bond Counsel

Preliminary Bond Election Timetable – November 5, 2019

Date	Action	Responsibility
On or Prior to August 19, 2019^(A)	Board Meeting – Board of Trustees Calls the Bond Election	AISD, BOKFS, MPH
October 6 – 28, 2019	Publish Notice of Election	AISD, MPH
Prior to October 15, 2019	Post Notice of Election	AISD, MPH
October 21 – November 1, 2019	Early Voting Period	AISD
November 5, 2019	Bond Election	AISD, BOKFS
November 8 – 18, 2019	Board Meeting – Canvass Election Results	AISD, BOKFS
December 9 – 18, 2019	30-Day Contest Period Ends	N/A
January 2020 or Thereafter	Bond Sale	AISD, BOKFS, MPH
February 2020 or Thereafter	Bond Closing (District Receives Bond Proceeds)	AISD, BOKFS, MPH

^(A) For bond elections held on the November uniform election date, State law requires a bond election to be called by the Board of Trustees at least 78 days prior to the date of the election.



Questions





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March 5, 2019

Dr. Susan Bohn
 Superintendent of Schools
 Aledo Independent School District
 1008 Bailey Ranch Road
 Aledo, Texas 76008

Mr. Earl Husfeld
 Chief Financial Officer
 Aledo Independent School District
 1008 Bailey Ranch Road
 Aledo, Texas 76008

**Re: Variable Rate Unlimited Tax School Building Bonds, Series 2006-A –
 Expiration of Existing Standby Bond Purchase Agreement and Review of Financing Alternatives**

Dear Dr. Bohn and Mr. Husfeld:

Introduction

As currently structured, Aledo Independent School District’s (“AISD” or the “District”) existing Standby Bond Purchase Agreement (“SBPA”) with JPMorgan Chase Bank, N.A. to provide liquidity for the remarketing of the District’s Variable Rate Unlimited Tax School Building Bonds, Series 2006-A (the “Series 2006-A Bonds”) expires on May 15, 2019. This memorandum summarizes Aledo ISD’s financing alternatives related to the Series 2006-A Bonds, including our recommendation and the required actions related thereto.

Historical Savings from Variable Rate Unlimited Tax School Building Bonds, Series 2006-A

In order to lower its overall borrowing cost and to provide the District with the flexibility to repay its bonds prior to their original scheduled maturity, the District issued its \$16,910,000 Variable Rate Unlimited Tax School Building Bonds, Series 2006-A on September 21, 2006. At the time of the sale, fixed rates of interest were approximately 5.00%. Since inception, the Series 2006-A Bonds have had an average interest rate of 1.14% and, since the Series 2006-A Bonds were converted to a Weekly Rate (i.e. the interest rate resets every 7 days) on August 1, 2010, the Series 2006-A Bonds have had an average interest rate of 0.43%. **Based upon the lower interest rate achieved through the use of variable rate bonds, the District has reduced the cost of taxpayers by more than \$7.27 million over the last 13 years as summarized below.**

Aledo ISD’s Series 2006-A Variable Rate Bonds – Summary of Historical Interest Rates And Interest Cost Savings			
Rate Mode	Rate Period	Interest Rate	Estimated Savings Versus 5% Fixed Rate
Initial Rate	09/21/06 – 07/31/07	3.62%	\$ 200,947
1-Year Term Rate	08/01/07 – 07/31/08	3.75%	204,688
1-Year Term Rate	08/01/08 – 07/31/09	1.75%	522,763
1-Year Term Rate	08/01/09 – 07/31/10	1.90%	491,350
Weekly Rate	08/01/10 – Present	0.43%	5,850,256
Total	09/21/06 – Present	1.14%	\$ 7,270,004

Role of the Standby Bond Purchase Agreement Provider

Pursuant to the traditional and accepted structure of variable rate financings, at the time a new interest rate is set and at certain other times, the owners of the Series 2006-A Bonds may elect to “tender” their bonds for sale to new investors and “demand” repayment at such time. When a bond is “tendered” for sale, the Standby Bond Purchase Agreement Provider is responsible for purchasing the Series 2006-A Bonds from the existing owners until the Series 2006-A Bonds are resold to another investor. As such, the SBPA Provider provides “liquidity” to current bondholders by ensuring a bondholder will receive timely repayment of the Series 2006-A Bonds at the time it is “tendered.”

Review of Financing Alternatives

Pursuant to the existing financing documents, rating agency requirements and to ensure the Series 2006-A Bonds remain “marketable” to investors at prevailing market rates of interest, the District is required to either maintain a Standby Bond Purchase Agreement Provider for the Series 2006-A Bonds or “fix” the interest rate on such bonds, as summarized below:

- **Alternative No. 1 – Extend/Renew Existing SBPA:** Maintain the Series 2006-A Bonds in their original financing structure and extend the existing Standby Bond Purchase Agreement with JPMorgan Chase Bank, N.A. for an additional time period (e.g. a new 3-year term).
 - ❖ Allows the District to maintain the lowest interest rate on the Series 2006-A Bonds as current short-term variable rates of interest are still below long-term fixed rates of interest.
 - ❖ As of February 27, 2019, the interest rate on the Series 2006-A Bonds is 1.78%. When including the estimated fee associated with a 3-year SBPA renewal of 0.45% per year (the District is currently paying 0.49% per year) and an annual remarketing agent fee of 0.10%, the current “All-In” interest rate on the Series 2006-A Bonds is 2.33%.
 - ❖ For budgeting purposes, other than for the current fiscal year, the District assumes an annual interest rate of 5.00% on the Series 2006-A Bonds.
- **Alternative No. 2 – “Fix” Rate on Series 2006-A Bonds:** Aledo ISD may remarket/refund its Series 2006-A Bonds to a fixed rate of interest. The following summarizes the benefits associated with fixing the interest rate on the Series 2006-A Bonds:
 - ❖ Allows the District to lock-in a historically attractive fixed interest rate of approximately 3.39% (net of all costs) based upon current market conditions, which compares favorably to the estimated 5.00% “fixed” interest rate at the time of the original issuance of the Series 2006-A Bonds;
 - ❖ Upon fixing the interest rate, the District would no longer incur the ongoing support costs associated with the Series 2006-A Bonds (i.e. SBPA fees, remarketing agent fees, etc.);
 - ❖ Allows the District to reduce the repayment period of the Series 2006-A Bonds by one year (i.e. from year 2034/35 to year 2033/34 – a final maturity of February 15, 2034 or 15 years);
 - ❖ Provides the District with the flexibility to utilize additional variable rate bonds within a future new bond program, if deemed appropriate and financially prudent based upon then prevailing market conditions; and
 - ❖ Creates additional future bond capacity as AISD would be paying an estimated 3.39% “fixed” rate of interest versus a budgeted 5.00% interest rate.

Recommendation

Based upon prevailing market conditions, the volatility of short-term interest rates and uncertainty of future “rate hikes” by the Federal Reserve, BOK Financial Securities, Inc., as the District’s financial advisor, recommends the District “fix” the interest rate on its Series 2006-A Bonds prior to May 15, 2019.

Use of a “Parameters Bond Order” for Approval of Refunding Bond Sale

Should Aledo ISD elect to “fix” the interest rate on the Series 2006-A Bonds, the District may adopt a “Parameters Bond Order” at its Board of Trustees meeting on April 15, 2019. As previously utilized for prior District bond sales, AISD’s Board of Trustees may adopt a “Parameters Bond Order” to complete the sale of Refunding Bonds by authorizing the District’s Administration to approve the Refunding Bond sale if each of the following parameters is met.

- 1.) The maximum principal amount of Refunding Bonds that may be issued is \$13,710,000 – The principal amount of the existing Series 2006-A Bonds;
- 2.) The maximum interest rate (All-In TIC) on the Refunding Bonds is 3.75%;
- 3.) The final maturity of the Refunding Bonds may not exceed August 1, 2035 – The same final maturity as the existing Series 2006-A Bonds; and
- 4.) The Refunding Program must be completed prior to May 15, 2019.

Unless each parameter listed above is achieved, the Refunding Bonds would not be issued until additional direction is received from the District’s Board of Trustees.

Preliminary Timetable

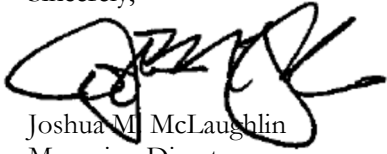
The preliminary timetable for the sale of the Refunding Bonds is listed below.

Preliminary Timetable – Refunding Bonds	
Date	Action Necessary
March 18, 2019	Board Meeting – Discuss Refunding Program to “fix” the interest rate on the District’s existing Series 2006-A Bonds.
April 12, 2019	Completion of all items necessary to complete the Refunding Program (i.e. Preliminary Official Statement Completed, Ratings Received, etc.).
April 15, 2019	Board Meeting – Discuss Refunding Program and consider “Parameters Bond Order” authorizing issuance of Refunding Bonds.
TBD	Pricing – Sale of the Refunding Bonds within the specified parameters – Interest rates locked-in at this time.
1-Business Day After Pricing	The District’s Administration approves sale of Refunding Bonds.
On or Prior to May 15, 2019	Closing – The Refunding Program is completed and the Series 2006-A Bonds are no longer outstanding.

Closing

We hope this information is helpful as you manage the District's financial and debt position. Should any questions arise, additional material is preferred or we may be of any assistance, please let us know. We look forward to visiting with you soon and hope all is well!

Sincerely,



Joshua M. McLaughlin
Managing Director



Alison M. Long
Director