



SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

Agenda Item Summary

Meeting Date: 01/24/2024

Agenda Section: Discussion and Possible Action

Agenda Item Title: CONSIDERATION AND APPROVAL OF A RESOLUTION BY THE BOARD OF TRUSTEES OF THE SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT PROVIDING FOR THE DEFEASANCE OF CERTAIN CURRENTLY OUTSTANDING OBLIGATIONS; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; DELEGATING TO CERTAIN DISTRICT OFFICIALS AND STAFF THE AUTHORITY TO EFFECTUATE MATTERS HEREIN RESOLVED

From/Presenters: Tony Kingman

Description: The District proposes to use the unspent proceeds to pay down the outstanding principal for the Series 2022 tax note through the approval of a "Defeasance Resolution" to achieve cash flow savings in the M&O Fund. By contributing the unspent proceeds of approximately \$3,500,000, the District would achieve the following:

- Reduce the outstanding principal from \$4,965,000 to \$1,315,000
- Save total interest cost of \$1,960,510
- Reduce M&O cash flow requirements of \$148,050 per year from 2025 to 2032, then an average annual amount of \$500,000 per year from 2033 through 2041

Historical Data: On May 24, 2022, the District closed on the issuance of Maintenance Tax Notes, Series 2022. The transaction generated proceeds in the amount of \$4,965,000.

Recommendation: To approve the resolution as recommended.

Purchasing Director and Approval Date: N/A

Funding Budget Code and Amount: General Fund

Goal: 3. SSAISD will implement program initiatives and activities that reflect a commitment to preparing 100% of students for post-secondary educational or career paths.