



ALEDO ISD BOARD MEETING TEMPLATE

MEETING DATE: April 20, 2015

AGENDA ITEM: Results of 2015 Bond Refunding Program

PRESENTER: Earl Husfeld

ALIGNS TO BOARD GOAL(S): Financial/Facilities – The District shall exhibit excellence in financial and facility planning, management, and stewardship.

BACKGROUND INFORMATION:

- Periodically Aledo ISD staff and the District's financial advisory firm, BOSC, Inc., review the District's financial and debt position to ensure the District is taking advantage of current market conditions.

ADMINISTRATIVE CONSIDERATIONS:

- During the February 16th board meeting, the Board of Trustees adopted a "Parameters Bond Order" authorizing the sale of the Unlimited Tax Refunding Bonds, Series 2015 if certain parameters were met.
- On Tuesday, March 31st, the District successfully sold the Series 2015 Refunding Bonds to refund a portion of its outstanding Series 2005-A, Series 2006, and Series 2008 bonds at a lower interest rate.
- The following memorandum letter prepared by BOSC, Inc., summarizes the results of this Refunding Program, including the savings realized by the District and our taxpayers.

FISCAL NOTE:

None – Informational Report

ADMINISTRATIVE RECOMMENDATION:

None – Informational Report



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March 31, 2015

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

Re: Final Results – 2015 Refunding Program

Dear Mr. Husfeld:

Introduction

As planned, on Tuesday, March 31, 2015, Aledo Independent School District (the “District”) successfully sold its Unlimited Tax Refunding Bonds, Series 2015 (the “Series 2015 Refunding Bonds”) to refund its existing Unlimited Tax Bonds, Series 2005-A, 2006 and 2008 (collectively, the “Bonds to be Refunded”) at a lower interest rate. This memorandum summarizes the results of the District’s 2015 Refunding Program, including the savings realized by the District and its taxpayers.

Summary of Savings – 2015 Refunding Program

At its February 16, 2015 meeting, the Board of Trustees adopted a “Parameters Bond Order” authorizing the sale of the Series 2015 Refunding Bonds if certain parameters were met. Based upon the favorable bond market conditions, each parameter was met, the interest rate on the District’s bonds was successfully reduced from 5.30% to 3.58% and the District’s actual savings totaled \$3,502,667 (net of all costs) – Which is \$1,002,667 higher than the established savings parameter.

Based upon the successful result of the 2015 Refunding Program, the District’s refunding programs over the last 3-years have generated a collective savings of \$10,994,327 for District taxpayers (see table below)!

Summary of District’s Savings From Refunding Programs – Last 3-Years			
Issue	Series Refunded	Principal Amount Refunded	Total Savings
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
Totals	---	\$ 57,039,919	\$ 10,994,327

Summary of Annual Savings – 2015 Refunding Program

The District’s savings are summarized within the table below. As shown, the savings are structured in the same years as the Bonds to be Refunded.

2015 Refunding Program – Actual Savings					
A	B	C	D	E	F
Fiscal Year	Existing Bond Payments	Less: Bond Payments – Bonds to be Refunded	Plus: Bond Payments – Series 2015 Refunding Bonds	Bond Payments – After Refunding Program	Savings^(A) (Col. B – E)
2014/15	\$ 9,362,463	\$ 235,600	\$ 233,102	\$ 9,359,965	\$ 2,498
2015/16	9,660,262	1,402,325	1,190,050	9,447,987	212,275
2016/17	9,677,687	1,403,325	1,195,050	9,469,412	208,275
2017/18	9,671,062	1,401,825	1,190,050	9,459,287	211,775
2018/19	9,687,424	925,450	715,050	9,477,024	210,400
2019/20	9,687,012	925,450	715,050	9,476,612	210,400
2020/21	9,697,262	930,450	720,050	9,486,862	210,400
2021/22	9,708,087	930,450	720,050	9,497,687	210,400
2022/23	9,724,024	940,450	730,050	9,513,624	210,400
2023/24	9,729,002	2,559,247	2,350,050	9,519,806	209,197
2024/25	9,738,590	2,555,309	2,345,050	9,528,331	210,259
2025/26	9,741,218	2,553,200	2,340,050	9,528,068	213,150
2026/27	9,747,361	718,825	575,050	9,603,586	143,775
2027/28	9,759,049	718,825	575,050	9,615,274	143,775
2028/29	9,771,570	2,766,913	2,555,050	9,559,708	211,863
2029/30	9,782,045	590,000	575,050	9,767,095	14,950
2030/31	9,785,400	590,000	575,050	9,770,450	14,950
2031/32	9,924,513	600,000	575,050	9,899,563	24,950
2032/33	9,963,900	4,310,000	4,098,150	9,752,050	211,850
2033/34	10,185,800	4,325,000	4,116,750	9,977,550	208,250
2034/35	11,075,150	5,175,000	4,966,125	10,866,275	208,875
2035/36	8,388,250	---	---	8,388,250	---
2036/37	8,390,875	---	---	8,390,875	---
2037/38	8,383,625	---	---	8,383,625	---
2038/39	8,390,625	---	---	8,390,625	---
2039/40	8,824,750	---	---	8,824,750	---
2040/41	8,824,750	---	---	8,824,750	---
2041/42	8,825,250	---	---	8,825,250	---
2042/43	8,825,250	---	---	8,825,250	---
Totals	\$ 274,932,254	\$ 36,557,644	\$ 33,054,977	\$ 271,429,587	\$ 3,502,667

^(A) At this time, the District receives approximately \$240,000 for each 1-cent of I&S tax effort.

Bonds Refunded – 2015 Refunding Program

The following table provides the District’s existing bonds that were refunded at a lower interest rate.

Summary of Bonds to be Refunded						
Issue Outstanding	Principal Amount To Be Refunded	Maturity Amount To Be Refunded	Maturities To Be Refunded	Interest Rate	Redemption Date	Redemption Price
Unlimited Tax School Building Bonds, Series 2005-A	\$ 3,015,000	\$ 3,015,000	02/15/2016 – 2018	5.00%	05/28/2015	100.0%
Unlimited Tax Refunding Bonds, Series 2006	7,265,000	7,265,000	02/15/2024 – 2026 & 2029	4.42%	05/28/2015	100.0%
Unlimited Tax School Building Bonds, Series 2008	2,915,000	22,385,000	02/15/2019 – 2035	5.70%	02/15/2018	100.0%
Totals	\$ 13,195,000	\$ 32,665,000	---	5.30%	---	---

Closing

Congratulations on the successful implementation of the District’s 2015 Refunding Program. The actions of the District’s Administration and Board of Trustees have reduced the District’s existing bond payments for Aledo ISD’s taxpayers and increased the District’s bond capacity for future school facilities. Should any questions arise or additional information is preferred, please do not hesitate to contact us. We thank you for the opportunity to be of service to the District and hope you are pleased with the results. Hope all is well!

Sincerely,



William J. Gumber
 Managing Director



Joshua M. McLaughlin
 Managing Director