

Manor Independent School District
Board of Trustee Meeting Agenda Item
May 16, 2022

ACTION ITEM SHEET

RE: Sale of \$80 million in Unlimited Tax School Building Bonds

Supporting Documents:

1. Estrada Hinojosa - Manor ISD Presentation - 4 25 22 (PDF)
2. Order Authorizing Sale of \$80 million bonds (PDF)

District Goals:

Goal 2: COMMUNICATION- By 2026, 100% of Manor ISD communication to all scholars, family, staff, & community members will be interactive, accurate, timely, & accessible to ensure the Manor ISD community is routinely informed.

Goal 3: COMMUNITY & FAMILY ENGAGEMENT- By 2026, Manor ISD will collaboratively engage in opportunities with 100% of families, as well as new and existing community partners.

Goal 4: EQUITY & INNOVATION- By 2026, 100% of Manor ISD scholars, staff, campuses, and school communities will have equitable access to innovative academic, human, financial, capital, technological, and all other necessary resources and supports.

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Background Information:

In November 2019, the voters living in the Manor ISD boundaries authorized Manor ISD to sell \$280 million in bonds for various growth and assessment projects. In February 2020, Manor ISD sold a total of \$200 million in bonds leaving \$80 million unsold. Currently, interest rates are expected to continue to rise over the next year. We have been operating under the plan to wait to sell the remaining \$80 million in bonds until such time as we had a need for these funds. We have not reached that point nor are we approaching it.

However, if rates were to rise 1% over the next 6 months while we wait to sell, a 25 year bond would require in excess of \$10 million in additional interest costs over the life of a bond. By comparison, six (6) months of interest on \$80 million at 4% is only \$1.6 million. Selling our remaining bonds now as opposed to waiting appears to be our best course of action.

Fiscal Implications:

This will result in Manor ISD taking on an additional \$80 million in bond indebtedness in June or July 2022.

Administrative Recommendation:

It is recommended that the Board Of Trustees authorize our representatives to move forward with actions sufficient to sell the remaining unsold \$80 million of bonds authorized by the voters in the November 2019 election.

Motion Language:

I move that the Board approve the Order as presented authorizing the issuance, sale and delivery of Manor ISD bonds in one or more series at one or more times.

Jeffrey Solomon, Chief Financial Officer

Contact Person

Dr. Andre Spencer

Approved by Superintendent