

**Order Authorizing the Issuance of up to \$112,705,000 Denton Independent School District
Unlimited Tax Refunding Bonds, Series 2025; Establishing Procedures and Delegating Authority for the Sale
and Delivery of the Bonds; Levying an Annual Ad Valorem Tax for the Payment of Said Bonds;
And Enacting Other Provisions Relating to the Subject
October 14, 2025**

SUMMARY:

The purpose of this request is to authorize the issuance of up to \$112,705,000 Denton Independent School District Unlimited Tax Refunding Bonds, Series 2025.

BOARD GOAL:

Growth & Management – In pursuit of excellence, we value:

- Demonstrating effective and efficient management of district resources;
- Providing 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:

Denton Independent School District has actively deployed various debt management practices to lower the borrowing cost of taxpayers. Such actions have reduced the cost of voter-approved bonds and provided the taxpayers with more than \$325.9M of direct savings since 2005.

SIGNIFICANT ISSUES:

Denton ISD's Unlimited Tax Refunding Bonds, Series 2016 (the "Series 2016 Bonds") become callable on February 15, 2026 and, pursuant to Federal tax law, the District may refund such bonds on or after November 17, 2025.

The District's existing bond payments are conservatively structured with annual principal and interest payments over 30 years. The District maintains independent bond ratings of "AA" by both Fitch Ratings and S&P Global Ratings.

BENEFIT OF ACTION:

By refunding the Series 2016 Bonds, the District will reduce its future bond payments by approximately \$6,276,150, thereby creating additional future bond capacity.

PROCEDURAL AND REPORTING IMPLICATIONS:

Designate the authority for the Superintendent and Deputy Superintendent to independently authorize and finalize the terms of the Unlimited Tax Refunding Bonds, Series 2025.

SUPERINTENDENT'S RECOMMENDATION:

Consider and act upon adoption of an order authorizing the issuance of up to \$112,705,000 Denton Independent School District Unlimited Tax Refunding Bonds, Series 2025; establishing procedures and delegating authority for the sale and delivery of the bonds; levying an annual ad valorem tax for the payment of said bonds; and enacting other provisions relating to the subject:

1. The proposed 2025 Refunding Program produces a "Present Value Debt Service Savings" ratio of at least 4.00% - Equates to a minimum savings of approximately \$4,600,000 (net of all costs);
2. Maximum principal amount of Series 2025-C Refunding Bonds to be issued - \$112,705,000 (The principal amount of the eligible Series 2016 Bonds that may potentially provide a savings, if refunded);
3. Maximum "All-In" True Interest Rate (must not exceed) – 3.75%;
4. Final Maturity of the Series 2025-C Refunding Bonds – August 15, 2038 (The same final maturity date as the eligible Series 2016 Bonds to be refunded at a savings); and
5. The Refunding Program must be completed prior to October 13, 2026 (i.e., 1 year).

Unless each parameter listed above can be achieved, the Series 2025-C Refunding Bonds would not be issued until additional direction is received from the District's Board of Trustees.

STAFF PERSONS RESPONSIBLE:

Dr. Jeremy Thompson, Deputy Superintendent
Jennifer Stewart, Executive Director of Budget

ATTACHMENT:

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BOK Presentation

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Signature of Divisional Assistant Superintendent: _____