

# Order Authorizing Issuance of Denton Independent School District Unlimited Tax School Building Bonds, Series 2018

July 24, 2018

## **SUMMARY:**

Consider and act upon adoption of an order authorizing the issuance of unlimited tax school building bonds of the Denton Independent School District; 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; authorizing the execution of an agreement with a paying agent/registrars for the bonds; and enacting other provisions relating to the subject.

## **BOARD GOAL:**

VI. Growth, Change & Fiscal Responsibility... In pursuit of excellence, the district will:  
b. create and continuously modify strategies to mitigate increasing stresses on our children, our schools, and our community.

## **PREVIOUS BOARD ACTION:**

The Board called a bond election on February 13, 2018 to be held on May 5, 2018.

## **BACKGROUND INFORMATION:**

The voters authorized \$750,500,000 for the purpose of construction, renovation, acquisition and equipment of school buildings in the District, the purchase of the necessary sites for school buildings, the purchase of new school buses and the levying of the tax in payment thereof, including the costs of any credit agreements executed in connection with the bonds on May 5, 2018.

## **SIGNIFICANT ISSUES:**

The goals of the financing plan are to comply with the "50-Cent Debt Test" and meet the school facility needs of the District's growing student enrollment and the expectations of taxpayers; do not use costly Capital Appreciation Bonds (CABs); maintain bond repayment period of 30 years; minimize the District's total interest cost within approved Debt Management strategies; maximize the District future bond capacity for capital improvements; and provide flexibility to repay outstanding bonds prior to scheduled maturity, as taxable values increase in the future.

## **FISCAL IMPLICATIONS:**

According to our Financial Advisors, based upon the \$137,713,728 of savings generated from the Debt Management Strategies deployed by the District over the last 10-years, current market rates of interest and the growth of the District's tax base, the District has bond capacity to sell \$450,000,000 of its 2018 authorized bonds at this time without a Debt Service tax increase.

## **BENEFIT OF ACTION:**

The issuance of a maximum of \$450,000,000 of bonds authorized from the 2018 Bond Program will fund construction and capital improvements to meet the needs of the District's student population, including the replacement/renovation of Denton High School, Wilson Elementary, Strickland Middle School, Athletic and Fine Arts additions and renovations for Guyer High School and Ryan High School as well as various other renovations.

## **PROCEDURAL AND REPORTING IMPLICATIONS:**

Designate the authority for the Superintendent and Assistant Superintendent of Administrative Services to approve the issuance of the Series 2018 Bonds, as long as certain parameters included within the Bond Order approved by the Board of Trustees are met.

## **SUPERINTENDENT'S RECOMMENDATION:**

Recommend approval of the Order Authorizing the Issuance of Denton Independent School District Unlimited Tax School Building Bonds, Series 2018 with the following parameters:

1. The aggregate original principal amount of the Bonds shall not exceed \$450,000,000;
2. The final maturity of the Bonds shall not be later than August 15, 2048;
3. The true interest rate of the Bonds shall not exceed 4.50%; and
4. The delegation shall expire if not exercised by the Pricing Officer on or before December 31, 2018.

## **STAFF PERSONS RESPONSIBLE:**

Debbie Monschke, Assistant Superintendent of Administrative Services  
Jennifer Stewart, Director of Budget

## **ATTACHMENT:**

Order Authorizing the Issuance of Denton Independent School District Unlimited Tax School Building Bonds  
BOK Financial Advisors – Preliminary Financing Plan

## **APPROVAL:**

Signature of Staff Member Proposing Recommendation: \_\_\_\_\_

Signature of Divisional Assistant Superintendent: \_\_\_\_\_