



## **ALEDO ISD BOARD MEETING TEMPLATE**

**MEETING DATE:** April 21, 2014

**AGENDA ITEM:** Results of 2014 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 17<sup>th</sup> board meeting, the Board of Trustees adopted a "Parameters Bond Order" authorizing the sale of the Unlimited Tax Refunding Bonds, Series 2014 if certain parameters were met.
- On Tuesday, April 1<sup>st</sup>, the District successfully sold the Series 2014 Refunding Bonds to refund a portion of its outstanding Series 2005-A 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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April 1, 2014

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

**Re: Final Results – 2014 Refunding Program**

Dear Mr. Husfeld:

**Introduction**

On Tuesday, April 1, 2014, Aledo Independent School District (the “District”) successfully sold its Unlimited Tax Refunding Bonds, Series 2014 (the “Series 2014 Refunding Bonds”) to refund a portion of its outstanding Unlimited Tax School Building Bonds, Series 2005-A (the “Series 2005-A Bonds”) at a lower interest rate. This memorandum summarizes the results of the District’s Refunding Program, including the savings realized by the District and its taxpayers.

**Summary of Savings Realized from Refunding Program**

At its February 17, 2014 meeting, the District’s Board of Trustees adopted a “Parameters Order” authorizing the sale of the Series 2014 Refunding Bonds if certain parameters were met. The table below compares the actual results with the original savings parameter for the Refunding Program and the savings communicated to the Board of Trustees during its February 17, 2014 meeting. **Based upon the favorable bond market conditions, the interest rate on the District’s bonds was reduced from 5.10% to 3.07% and the District’s actual savings total \$1,866,979 (net of all costs) or \$866,979 more than the established parameter!**

Summary of Savings – Final Results – 2014 Refunding Program			
Description	Original Parameter	Estimated Results – Feb. 17, 2014	Final Results
Total Savings to the District (Net of Costs)	\$ 1,000,000	\$ 1,666,319	\$ 1,866,979

Based upon these results, the District has achieved \$9,652,963 of savings for District taxpayers since year 2006.

Summary of Interest Cost Savings Achieved By The District – Since Year 2006			
Issue	Series Refunded	Principal Amount Refunded	Total Savings
Unlimited Tax Refunding Bonds, Series 2006	1998	\$ 23,035,000	\$ 1,172,515
Unlimited Tax Refunding Bonds, Series 2007	1998	7,520,000	988,788
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
Totals	---	\$ 74,399,919	\$ 9,652,963

**Summary of District's Bond Payments**

The District's savings are summarized within the table below.

<b>2014 Refunding Program – Actual Savings</b>					
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>
<b>Fiscal Year</b>	<b>Existing Bond Payments</b>	<b>Less: Bond Payments – Series 2005-A Bonds To Be Refunded</b>	<b>Plus: Bond Payments – Refunding Bonds</b>	<b>Bond Payments – After Refunding Program</b>	<b>Savings<sup>(A)</sup> (Col. B – E)</b>
2013/14	\$ 9,447,463	\$ 236,894	\$ 236,009	\$ 9,446,578	\$ 885
2014/15	10,060,300	473,788	370,150	9,956,663	103,638
2015/16	10,057,499	473,788	368,850	9,952,562	104,938
2016/17	10,065,374	473,788	372,500	9,964,087	101,288
2017/18	10,054,149	473,788	371,100	9,951,462	102,688
2018/19	10,063,512	1,556,038	1,454,150	9,961,624	101,888
2019/20	10,058,724	1,554,163	1,450,050	9,954,612	104,113
2020/21	10,058,624	1,554,413	1,453,750	9,957,962	100,663
2021/22	10,055,174	298,788	205,300	9,961,687	93,488
2022/23	10,063,712	298,788	205,300	9,970,224	93,488
2023/24	10,060,990	298,788	205,300	9,967,502	93,488
2024/25	10,062,577	298,788	205,300	9,969,090	93,488
2025/26	10,056,806	298,788	205,300	9,963,318	93,488
2026/27	10,054,149	298,788	205,300	9,960,661	93,488
2027/28	10,056,737	298,788	205,300	9,963,249	93,488
2028/29	10,059,758	298,788	205,300	9,966,270	93,488
2029/30	10,060,332	298,788	205,300	9,966,845	93,488
2030/31	10,060,953	703,153	602,200	9,960,000	100,953
2031/32	10,190,388	4,555,025	4,453,150	10,088,513	101,875
2032/33	10,216,266	1,051,266	948,600	10,113,600	102,666
2033/34	10,302,500	---	---	10,302,500	---
2034/35	11,134,750	---	---	11,134,750	---
2035/36	8,388,250	---	---	8,388,250	---
2030/31	8,390,875	---	---	8,390,875	---
2031/32	8,383,625	---	---	8,383,625	---
2032/33	8,390,625	---	---	8,390,625	---
2033/34	8,824,750	---	---	8,824,750	---
2034/35	8,824,750	---	---	8,824,750	---
2035/36	8,825,250	---	---	8,825,250	---
2036/37	8,825,250	---	---	8,825,250	---
<b>Totals</b>	<b>\$291,154,110</b>	<b>\$15,795,188</b>	<b>\$13,928,209</b>	<b>\$289,287,132</b>	<b>\$1,866,979</b>
<sup>(A)</sup> At this time, the District receives approximately \$255,000 for each 1-cent of I&S tax effort.					

**Bonds to be Refunded**

The following table summarizes the District's existing Series 2005-A Bonds that were refunded at a lower interest rate.

Summary of the Series 2005-A Bonds to be Refunded					
Issue Outstanding	Principal Amount To Be Refunded	Maturities To Be Refunded	Interest Rate	Redemption Date	Redemption Price
Unlimited Tax School Building Bonds, Series 2005-A	\$ 9,330,000	02/15/2019 – 2021; 2031 – 2033	5.10%	02/15/2015	100.0%

**Closing**

Congratulations on the successful implementation of the District's 2014 Refunding Program. The actions of the District's Administration and Board of Trustees have reduced the District's bond payments for current and future taxpayers within Aledo Independent School District. Should any questions arise or additional information is needed, please do not hesitate to contact Josh McLaughlin or myself. 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