


Action Sheet

MEETING DATE: August 28, 2024

AGENDA ITEM: **Discuss and consider adoption of an order authorizing the defeasance and redemption of certain outstanding bonds; approving and authorizing the execution of an escrow agreement; authorizing the engagement of a verification agent; and containing other provisions relating thereto.**

The purpose of this action is to set aside funds to defease and redeem a portion of the District's currently outstanding debt. The proposed defeasance and redemption will strengthen the District's financial position and save taxpayers the payment of interest that would otherwise accrue on said debt. A cash contribution of \$1,400,000 from I&S revenues/fund balance will defease approximately \$1,275,000 of the District's Unlimited Tax School Building Bonds, Series 2022 (the "Series 2022 Bonds") and pay accrued interest on the bonds to the redemption date. We are currently estimating net PV savings of approximately \$641,000 through the defeasance and redemption of a portion of the 2/1/2037 maturity of the District's Series 2022 Bonds. In order to facilitate the defeasance and redemption of such bonds, the order authorizes the District to enter into an escrow agreement, engage a verification agent and acquire escrowed securities as required by the order authorizing the Series 2022 Bonds and state law.

RECOMMENDATION: **I move that the Board of Trustees of Galveston Independent School District adopt an order authorizing the defeasance and redemption of certain outstanding bonds; approving and authorizing the execution of an escrow agreement; authorizing the engagement of a verification agent; and containing other provisions relating thereto.**


Matthew Neighbors Ed. D.
Superintendent


Jeff Martello
Chief Financial Officer