

Manor Independent School District
Board of Trustee Meeting Agenda Item
May 2, 2022

INFORMATION 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

District Goals*: {Select strategic goal from below, delete goals that are not applicable}

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.

Jeffrey Solomon, Chief Financial Officer
Contact Person

Dr. Andre Spencer
Approved by Superintendent