



BELLVILLE INDEPENDENT SCHOOL DISTRICT
Meeting of the BISD Board of Trustees

August 27, 2020

Subject:	Consideration and approval of an Order Authorizing the Defeasance and Redemption of a Portion of the District's Outstanding Unlimited Tax Bonds, and Approving an Escrow Agreement and all Other Instruments and Procedures Related Therto.
Presenter:	Dennis Jurek
Board Policy:	
BISD Goal:	<ol style="list-style-type: none">1. Develop and attain local standards for high levels of integrated learning and performance. [LEARNING]2. Foster a connected, collaborative, and strategic approach to continuous improvement for the district. [LEADERSHIP]3. Create a culture that attracts, develops, and retains exceptional individuals to be part of our district and community. [HUMAN CAPITAL]4. Cultivate connections in our schools and community to ensure all feel safe, valued, and engaged in meaningful ways. [COMMUNITY]
Summary:	Under S.B. 2274 a school district is able to establish and escrow agreement for I&S tax collections to pay off bond debt early. This order will allow Bellville ISD to utilize I&S tax revenues to eliminate a portion of the next callable bond in 2022 and generate an approximate savings of \$284,536 based on current estimates. The order can be reapproved annually to further eliminate portions of current debt and generate savings.
Attachments:	<ul style="list-style-type: none">▪ Order Authorizing the Defeasance and Redemption▪ Certificate For Order
Recommendation:	It is recommended: that the Board of Trustees approved the Order Authorizing the Defeasance and Redemption of a Portion of the District's Outstanding Unlimited Tax Bonds, and Approving an Escrow Agreement and All Other Instruments and Procedures Related Thereto.

BELLVILLE BRAHMAS
LEARNERS TODAY. LEADERS TOMORROW.



BELLVILLE INDEPENDENT SCHOOL DISTRICT

Meeting of the BISD Board of Trustees

Board Minute Language – Defeasance and Redemption Order

I move the board approve the Order Authorizing the Defeasance and Redemption of a Portion of the District's Outstanding Unlimited Tax Bonds, and Approving an Escrow Agreement and All Other Instruments and Procedures Related Thereto.

BELLVILLE BRAHMAS
LEARNERS TODAY. LEADERS TOMORROW.

ORDER AUTHORIZING THE DEFEASANCE AND REDEMPTION OF A PORTION OF THE DISTRICT'S OUTSTANDING UNLIMITED TAX BONDS, AND APPROVING AN ESCROW AGREEMENT AND ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO

WHEREAS, the Bellville Independent School District (the "District") previously issued its Unlimited Tax Refunding Bonds, Series 2013 (the "Bonds"); and

WHEREAS, in the order that authorized the issuance of the Bonds, the District reserved the option to redeem on certain dates all or a portion of the outstanding principal amount of the Bonds before their stated maturity, at a price equal to the principal amount of the Bonds so called for redemption plus accrued interest to the redemption date; and

WHEREAS, the Board of Trustees (the "Board") finds and determines that it is necessary and in the best interests of the District to defease and redeem a portion of the outstanding Bonds (the "Defeased Bonds") with funds available for such purpose in accordance with the terms hereof; and

WHEREAS, the funds available to the District for such defeasement and redemption is, at the date of adoption of this Order, estimated to be between \$500,000 and \$650,000, and such amount will be known to the District after February 1, 2021, when current taxes become delinquent and the tax collections available for defeasance are ascertained; and

WHEREAS, to accomplish the purpose of this Order and to achieve the benefits described above, the Board has determined to authorize the Superintendent, the Assistant Superintendent of Finance & Operations and the President of the Board (each an "Authorized Officer"), any one or more of said officials, to determine the amount of the Defeased Bonds based on tax collections, but within the range specified in the immediately preceding paragraph (the "Amount to be Defeased"); and

WHEREAS, it is officially found, determined and declared that the meeting at which this Order has been adopted was open to the public and public notice of the date, hour, place and subject of said meeting, including this Order, was given, all as required by the applicable provisions of Texas Government Code, Chapter 551;

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF TRUSTEES OF THE BELLVILLE INDEPENDENT SCHOOL DISTRICT:

Section 1. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Order are hereby adopted, restated and made a part of the operative provisions hereof.

Section 2. Defeasance and Redemption of Bonds.

(a) The Defeased Bonds are ordered to be defeased on a date in 2021 selected by an Authorized Officer (the "Defeasement Date"). The Amount to be Defeased shall be deposited with the Escrow Agent, in accordance with the following section, on the Defeasement Date.

(b) The Defeased Bonds are to be called for redemption on the date set forth in **Exhibit A** hereto (the "Redemption Date"). The Defeased bonds shall be paid on the Redemption Date and interest on the Redeemed Bonds shall cease to accrue on the Redemption Date. Upon determining the Defeased Bonds to be called for redemption on the Redemption Date, the form notice of redemption attached hereto as **Exhibit A** (the "Notice") shall be completed and delivered to BOKF, NA, the Paying Agent, Registrar for the Bonds ("BOKF"). Such delivery of the Notice shall complete the act of the District in calling for redemption such Defeased Bonds.

Section 3. Authorization of Actions.

(a) The Authorized Officers are hereby authorized and directed to (i) enter into an Escrow Agreement with UMB Bank, N.A. to accomplish the defeasance of the Defeased Bonds, (ii) deliver the Notice to BOKF, which notice shall be in substantially the form attached hereto as **Exhibit A**, as completed to show the principal amounts and maturities, or portions thereof, to be redeemed, and (iii) direct BOKF to send notice of redemption of the Defeased Bonds to the bondholders in accordance with the Bond Order.

(b) The Defeased Bonds shall be presented for redemption at BOKF, and shall not bear interest after the Redemption Date.

(c) On or before the Defeasement Date, the District shall deposit with UMB Bank, N.A., funds in an amount sufficient to provide for the defeasement of the Defeased Bonds on the Defeasement Date. Lawfully available funds of the District are hereby authorized and appropriated in the amounts necessary for such purpose.

(d) The Authorized Officers are hereby authorized and directed to take such actions and to execute and deliver such documents, orders and receipts, including without limitation material events notices with respect to the Defeased Bonds, as necessary or appropriate to consummate the transactions authorized by this Order and to defease the Defeased Bonds in accordance with the provisions and requirements of the order that authorized their issuance.

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PASSED AND APPROVED THIS ____ day of August, 2020.

President, Board of Trustees
Bellville Independent School District

ATTEST:

Secretary, Board of Trustees
Bellville Independent School District

Signature page to Bellville Independent School District

Defeasance and Redemption Order

EXHIBIT A

FORM OF

NOTICE OF DEFEASANCE AND REDEMPTION

To the Holders of the
**BELLVILLE INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX REFUNDING BONDS, SERIES 2013
(A Portion of the Bonds Maturing on February 15, 20__)**

NOTICE IS HEREBY GIVEN that BELLVILLE INDEPENDENT SCHOOL DISTRICT, in Austin County, Texas (the "Issuer"), has deposited cash and direct obligations of the United States government into an irrevocable Escrow Fund in order to pay, and has legally defeased a portion of the Issuer's outstanding UNLIMITED TAX REFUNDING BONDS, SERIES 20__ (the "Series ____ Bonds"), being a portion of the Series ____ Bonds maturing on February 15, 20__, which are further described below (collectively, the "Redeemed Bonds"):

**Bellville Independent School District
UNLIMITED TAX REFUNDING BONDS, SERIES 2013**

MATURITY (February 15)	PRINCIPAL AMOUNT MATURING IN YEAR (\$)	PRINCIPAL AMOUNT BEING REDEEMED (\$)	STATED INTEREST RATE (%)	CUSIP No. (07988)
20__		**		

*Represents the mandatory sinking fund redemption amounts of _____ and _____ due on 20__ and 20__, respectively. The remaining mandatory sinking fund redemption amount of \$_____ due on February 15, 20__ has not been defeased.

NOTICE IS FURTHER GIVEN that the Redeemed Bonds have been called for redemption at par on *February 15, 20__* (the "Redemption Date") at the Redemption Price equal to 100% of par plus accrued interest to the Redemption Date. Such Redeemed Bonds shall be redeemed and shall become due and payable on the Redemption Date, and the interest thereon shall cease to accrue from and after the Redemption Date.

INTEREST ON THE DEFEASED BONDS will continue to be paid on the scheduled due dates until the Redemption Date. Due and proper arrangements have been made for providing BOKF, NA, the Paying Agent/Registrar for the Redeemed Bonds, with funds sufficient to pay the redemption price of the Redeemed Bonds. Interest thereon shall cease to accrue from and after the Redemption .

In order to distinguish the portion of the 20__ maturity which are Redeemed Bonds from the portion of the 20__ maturity which is not being defeased and redeemed (the "Unredeemed Bonds"), new CUSIP Numbers have been assigned to the 20__ maturity of the Series 20__ Bonds. The Principal Amount and the new CUSIP Number for the Redeemed Bonds and the Unredeemed Bonds are as follows:

Maturity Date (Feb. 15)	Original CUSIP Number (07988)	Principal Amount of Redeemed Bonds (\$)	Principal Amount of Unredeemed Bonds (\$)	New CUSIP No. For Redeemed Bonds (_____)	New CUSIP No. For Unredeemed Bonds (_____)
20__					

Please note that all Series 20__ Bonds maturing in 20__ issued under the original CUSIP Number listed above, whether selected for redemption or not, must be returned to the Paying Agent/Registrar (at the address listed in the following paragraph) to be exchanged for new Series 20__ Bonds maturing on February 15 in the year 20__, with new CUSIP Numbers being assigned to each indicating if such Series 20__ Bonds have been defeased and redeemed or if such Series 20__ Bonds have not been defeased and redeemed. No transfer forms, bond powers or other forms need to be presented to the Paying Agent/Registrar for reissuance.

All Series 20__ Bonds maturing in the year 20__ should be delivered either in person or by certified or registered mail to be exchanged for new Series 20__ Bonds maturing on February 15 in the year 20__, with new CUSIP Numbers as described above, to the following address:

Overnight / First Class/Registered/Certified Mail:

BOKF, NA
Corporate Trust Services
111 Fillmore Avenue E
St. Paul, Minnesota 55107
Bond Holder Communications: 1-866-429-7481

To avoid a backup withholding tax required by Section 3406 of the Internal Revenue Code of 1986, holders must submit a properly completed IRS Form W-9.

* THE ABOVE REFERENCED CUSIP NUMBERS ARE PROVIDED FOR THE CONVENIENCE OF THE HOLDERS. NEITHER THE PAYING AGENT NOR THE ISSUER ARE RESPONSIBLE FOR ANY ERROR OF ANY NATURE RELATING TO THE CUSIP NUMBERS.

IN WITNESS WHEREOF, I have signed my name officially this
_____, 2020.

Secretary, Board of Trustees
Bellville Independent School District

(SEAL)