



Discussion Item

Date: August 6, 2025

Division: Finance

Subject: Debt Management Update for the 2024-25 Fiscal Year (I&S Funds)

Background Information:

- The adopted budget for the current fiscal year included \$35,000,000 in the Debt Service Fund for additional debt reduction.
- There were previously issued and outstanding bonds eligible for call.
- The Board approved a resolution for the defeasance and/or redemption of certain outstanding unlimited tax bonds as part of the approval of the Debt Management Plan for the 2024-25 Fiscal Year at the August 26, 2024, Special Meeting.

Administrative Consideration:

- This year's debt management plan involves the use of surplus funds to be returned to the taxpayer through early redemption and escrow of outstanding debt. This is detailed as follows:
 - The cash defeasance of the callable 2016B Bonds in the amount of \$39,410,000 is expected to result in net effective savings of \$5,171,000. The 2016B Bonds are the last bonds outstanding from the 2001 Bond.
 - The remaining 2018 ULT Refunding Bonds in the amount of \$2,791,233 will be escrowed to maturity and is expected to result in \$90,516 in savings. Although this provides minimal savings, this transaction will clear the district of any outstanding debt from the 2002 Bond.
 - Anticipated Total Net Effective Savings of \$5,261,516 or 12.46% of the Bonds defeased and escrowed.
- The cash defeasance will take place on August 25, 2025, and the escrow securities to defease the 2018 ULT Refunding Bonds will settle on August 21, 2025.