



## **ALEDO ISD BOARD MEETING TEMPLATE**

**MEETING DATE:** August 19, 2019

**AGENDA ITEM:** Resolution Calling a Portion of the Aledo Independent School District Unlimited Tax Refunding Bonds, Series 2007 and Aledo Independent School District Unlimited Tax Refunding Bonds, Series 2012 for Redemption Prior to Maturity and Enacting Other Provisions Relating to the Subject

**PRESENTER:** Earl Husfeld, Chief Financial Officer

### **BACKGROUND INFORMATION:**

- Based upon the increase in the District's 2019 certified taxable values, Aledo ISD staff and BOK Financial Securities, Inc., the District's financial advisory firm, reviewed the District's 2019-2020 proposed Debt Service Fund budget and debt position to determine if a savings opportunity existed.
- After review of the 2019-2020 proposed budget and current tax rate for the Debt Service Fund, it was determined the District would have the funds available to call, or prepay, \$3,995,000 of outstanding bonds before maturity.
- After a review of the District's debt position, the greatest savings for the District and its taxpayers would be accomplished by calling a portion of the Series 2007 Unlimited Tax Refunding Bonds and Series 2012 Unlimited Tax Refunding Bonds. The interest rate being paid on the bonds to be called is 4.00% and 3.5% respectively.
- Following for your review is a Resolution Calling a Portion of the Aledo Independent School District Unlimited Tax Refunding Bonds, Series 2007 and Aledo Independent School District Unlimited Tax Refunding Bonds, Series 2012 for Redemption Prior to Maturity that was prepared by the District's bond counsel, McCall, Parkhurst & Horton L.L.P.
- This item will be presented to the Board of Trustees for consideration and approval during the August 27, 2019 board meeting.

### **FISCAL INFORMATION:**

Approval of this item will save the District and its taxpayers \$488,775 in future interest costs.

### **ATTACHMENTS:**

BOK Financial Securities Memo and Resolution Calling a Portion of the Aledo Independent School District Unlimited Tax Refunding Bonds, Series 2007 and Aledo Independent School District Unlimited Tax Refunding Bonds, Series 2012 for Redemption Prior to Maturity

### **ADMINISTRATIVE RECOMMENDATION:**

None – Informational Report

RESOLUTION CALLING A PORTION OF THE ALEDO INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX REFUNDING BONDS, SERIES 2007 AND ALEDO INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX REFUNDING BONDS, SERIES 2012 FOR REDEMPTION PRIOR TO MATURITY; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Aledo Independent School District (the "District") previously issued its Aledo Independent School District Unlimited Tax Refunding Bonds, Series 2007 (the "2007 Bonds") and its Aledo Independent School District Unlimited Tax Refunding Bonds, Series 2012 (the "2012 Bonds" and, together with the 2007 Bonds, the "Bonds"); and

WHEREAS, in the order and the pricing certificate that authorized the issuance of the 2007 Bonds (the "2007 Bond Order"), the District reserved the option to redeem the 2007 Bonds maturing on and after February 15, 2018, in whole or in part, at a price equal to the principal amount of the Bonds so called for redemption plus accrued interest to the redemption date, beginning on February 15, 2017, or on any date thereafter; and

WHEREAS, in the order and the pricing certificate that authorized the issuance of the 2012 Bonds (the "2012 Bond Order" and, together with the 2007 Bond Order, the "Bond Orders"), the District reserved the option to redeem the 2012 Bonds maturing on and after February 15, 2023, in whole or in part, at a price equal to the principal amount of the Bonds so called for redemption plus accrued interest to the redemption date, beginning on February 15, 2022, or on any date thereafter; and

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE ALEDO INDEPENDENT SCHOOL DISTRICT:

Section 1. Findings.

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

Section 2. Redemption of Bonds.

The 2007 Bonds listed in **Exhibit A-1** hereto (the "2007 Redeemed Bonds") are hereby called for redemption on February 15, 2020 (the "2007 Bond Redemption Date"), and the 2012 Bonds listed in **Exhibit A-2** hereto (the "2012 Redeemed Bonds" and, together with the 2007 Redeemed Bonds, the "Redeemed Bonds") are hereby called for redemption on February 15, 2022 (the "2012 Bond Redemption Date" and, together with the 2007 Bond Redemption Date, the "Redemption Date"). The Redeemed Bonds shall be paid, and the interest on each respective series of Redeemed Bonds shall cease to accrue, on each respective Redemption Date.

Section 3. Authorization of Actions.

(a) The President and Secretary of the Board, the Superintendent of Schools and the Chief Financial Officer of the District (the "Authorized Officers" and, each individually, an "Authorized Officer") are each hereby authorized and directed to deliver to The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, the Paying Agent/Registrar for the Bonds ("BoNY"), notices of redemption with respect to the Redeemed Bonds in substantially the forms attached hereto as **Exhibits A-1** and **A-2**, and to direct BoNY to send notice of redemption of the Redeemed Bonds to the bondholders in accordance with the Bond Orders.

(b) The Redeemed Bonds shall be presented for redemption at BoNY, and shall not bear interest after each respective Redemption Date.

(c) On or before the 2007 Bond Redemption Date, the District shall deposit with BoNY funds in an amount sufficient to provide for the redemption of the 2007 Redeemed Bonds on the 2007 Bond Redemption Date. Lawfully available funds of the District are hereby authorized and appropriated in the amounts necessary for such purpose.

(d) Each Authorized Officer is hereby authorized to enter into and execute on behalf of the District an escrow agreement (the "Escrow Agreement") between the District and BoNY (in such capacity, the "Escrow Agent"), in the form and substance as shall be approved by the Authorized Officer, which Escrow Agreement will provide for the payment of the 2012 Redeemed Bonds. In addition, each Authorized Officer is authorized to purchase, or approve the purchase of, Defeasance Securities (as defined in the 2012 Bond Order) with the proceeds deposited with the Escrow Agent.

(e) On or before February 15, 2020, the District shall deposit with the Escrow Agent funds in an amount sufficient to provide for the redemption of the 2012 Redeemed Bonds on the 2012 Bond Redemption Date, with such funds to be applied in accordance with the Escrow Agreement. Lawfully available funds of the District are hereby authorized and appropriated in the amounts necessary for such purpose.

(f) 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 Redeemed Bonds, as necessary or appropriate to consummate the transactions authorized by this Resolution and to redeem the Redeemed Bonds in accordance with the provisions and requirements of the Bond Orders.

PASSED, APPROVED AND EFFECTIVE this August 27, 2019.

\_\_\_\_\_  
President, Board of Trustees  
Aledo Independent School District

ATTEST:

\_\_\_\_\_  
Secretary, Board of Trustees  
Aledo Independent School District

**Exhibit A-1**

**NOTICE OF REDEMPTION**

**ALEDO INDEPENDENT SCHOOL DISTRICT  
UNLIMITED TAX REFUNDING BONDS, SERIES 2007**

NOTICE IS HEREBY GIVEN that the Aledo Independent School District (the "District") has called for redemption the outstanding bonds (the "Redeemed Bonds") of the District described as follows:

ALEDO INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX REFUNDING BONDS, SERIES 2007, maturing on February 15 in the years shown below. Such Redeemed Bonds have been called for redemption on February 15, 2020 (the "Redemption Date") at a redemption price equal to the principal amount thereof plus accrued interest to the Redemption Date (the "Redemption Price"):

<u>Maturity Date</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Being Refunded</u>	<u>Principal Amount Remaining</u>
2021	\$ 470,000	\$ 470,000	\$ 0
2022	490,000	490,000	0
2023	510,000	510,000	0
2024	25,000	25,000	0

THE REDEEMED BONDS have been called for redemption in accordance with the terms of the order authorizing their issuance, and such Redeemed Bonds shall be redeemed at The Bank of New York Mellon Trust Company, N.A., the Paying Agent/Registrar for the Redeemed Bonds.

UPON PRESENTATION of the Redeemed Bonds at the Paying Agent/Registrar on the Redemption Date, the holder thereof shall be entitled to receive the Redemption Price equal to par and accrued interest to the Redemption Date.

NOTICE IS FURTHER GIVEN that due and proper arrangements have been made for providing the place of payment of the Redeemed Bonds called for redemption with funds sufficient to pay the principal amount of the Redeemed Bonds and the interest thereon to the Redemption Date. In the event the Redeemed Bonds are not presented for redemption by the Redemption Date, they shall not thereafter bear interest.

THIS NOTICE is issued and given pursuant to the redemption provisions in the proceedings authorizing the issuance of the Redeemed Bonds and in accordance with the recitals and provisions of each of the Redeemed Bonds, respectively.

**ALEDO INDEPENDENT SCHOOL DISTRICT**

**Exhibit A-2**

**NOTICE OF REDEMPTION**

**ALEDO INDEPENDENT SCHOOL DISTRICT  
UNLIMITED TAX REFUNDING BONDS, SERIES 2012**

NOTICE IS HEREBY GIVEN that the Aledo Independent School District (the "District") has called for redemption the outstanding bonds (the "Redeemed Bonds") of the District described as follows:

ALEDO INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX REFUNDING BONDS, SERIES 2012, maturing on February 15 in the years shown below. Such Redeemed Bonds have been called for redemption on February 15, 2022 (the "Redemption Date") at a redemption price equal to the principal amount thereof plus accrued interest to the Redemption Date (the "Redemption Price"):

<u>Maturity Date</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Being Refunded</u>	<u>Principal Amount Remaining</u>
2025	\$ 1,540,000	\$ 230,000	\$ 1,310,000
2026	1,595,000	1,595,000	0
2027	675,000	675,000	0

THE REDEEMED BONDS have been called for redemption in accordance with the terms of the order authorizing their issuance, and such Redeemed Bonds shall be redeemed at The Bank of New York Mellon Trust Company, N.A., the Paying Agent/Registrar for the Redeemed Bonds.

UPON PRESENTATION of the Redeemed Bonds at the Paying Agent/Registrar on the Redemption Date, the holder thereof shall be entitled to receive the Redemption Price equal to par and accrued interest to the Redemption Date.

NOTICE IS FURTHER GIVEN that due and proper arrangements have been made for providing the place of payment of the Redeemed Bonds called for redemption with funds sufficient to pay the principal amount of the Redeemed Bonds and the interest thereon to the Redemption Date. In the event the Redeemed Bonds are not presented for redemption by the Redemption Date, they shall not thereafter bear interest.

THIS NOTICE is issued and given pursuant to the redemption provisions in the proceedings authorizing the issuance of the Redeemed Bonds and in accordance with the recitals and provisions of each of the Redeemed Bonds, respectively.

**ALEDO INDEPENDENT SCHOOL DISTRICT**