



AGENDA ITEM ACTION SHEET

SUBJECT	Consider the approval a resolution providing for the defeasance and calling for the redemption certain currently outstanding district obligations and other matters on connection therewith.
RECOMMENDED MOTION	I move to approve the District’s defeasance resolution
SUMMARY	Texas law was previously amended to permit Texas school districts to levy an ad valorem tax for debt coming due in the current tax year or in a future tax year. This process requires the adoption of a redemption resolution that brings an additional debt payment into the current fiscal year along with the levy of the tax rate for that year and allows for the prepayment to occur by funding an escrow when tax proceeds are collected, resulting in the defeasance of outstanding debt. Utilizing this strategy, the District is able to maintain a steady debt service tax rate and prepay outstanding debt with current revenues, resulting in significant interest cost avoidance.
BISD GOAL	Brownwood ISD will practice fiscal responsibility by balancing projected revenue and budgeted expenditures for operations and debt service.
BISD POLICY	CE
BUDGET PROVISIONS	To establish funding for the 2022-2023 debt service fund budget.
RESOURCE PERSONNEL	Mitch Moore – Assistant Supt. of Business & Finance

ATTACHMENTS	Defeasance Resolution
MEETING DATE	August 25, 2022