

Order Authorizing Issuance of Denton Independent School District Unlimited Tax School Building Bonds, Series 2015-A

June 23, 2015

SUMMARY:

Consider and act upon adoption of an order authorizing the issuance of Unlimited Tax School Building Bonds; establishing procedures and delegating authority for the sale and delivery of the bonds; levying an annual ad valorem tax for the payment of said bonds; authorizing the execution of agreements with a paying agent/registrars for the bonds; and enacting other provisions relating to the subject.

BOARD GOAL:

VI. Growth, Change & Fiscal Responsibility... In pursuit of excellence, the district will:
b. create and continuously modify strategies to mitigate increasing stresses on our children, our schools, and our community.

PREVIOUS BOARD ACTION:

The Board authorized the bond elections held in November of 2007 and in November of 2013. On November 6, 2007 the voters approved \$282,000,000. On November 5, 2013 the voters approved \$312,000,000.

BACKGROUND INFORMATION:

\$250,255,000 of the \$282,000,000 authorization has been issued leaving \$31,745,000 available under Bond Series 2007.
\$156,000,000 of the \$312,000,000 authorization has been issued leaving \$156,000,000 available under Bond Series 2013.

SIGNIFICANT ISSUES:

According to our Financial Advisors, based upon the \$82.9 million of savings generated from the Debt Management Strategies deployed by the District over the least 10-years, current market rates of interest and the growth of the District's tax base, the District has ample bond capacity to sell its remaining authorized bonds at this time.

FISCAL IMPLICATIONS:

Due to proposed increase of the residential homestead exemption from \$15,000 to \$25,000 – Selling bonds prior to September 1, 2015 will qualify the District's remaining bonds to potentially be "held harmless" – Which equates to \$8.6 million of potential "hold harmless" funds for the \$187,745,000 remaining bond authorization.

BENEFIT OF ACTION:

The issuance of the remaining \$187,745,000 of bonds authorized from 2007 and 2013 Bond programs will fund construction and capital improvements to meet the needs of the District's growing student population, which include Middle School #8, Elementary School #24, Guyer High School 9th Grade Center, Support Services Building, land and various renovations.

PROCEDURAL AND REPORTING IMPLICATIONS:

Designate the authority for the Superintendent and Assistant Superintendent of Administrative Services to approve the issuance of the Series 2015-A Bonds, as long as certain parameters included within the Bond Order approved by the Board of Trustees are met.

SUPERINTENDENT'S RECOMMENDATION:

Recommend approval of the Order Authorizing the Issuance of Denton Independent School District Unlimited Tax School Building Bonds, Series 2015-A with the following parameters:

1. The aggregate original principal amount of the Bonds shall not exceed \$187,745,000;
2. The final maturity of the Bonds shall not be later than August 15, 2045;
3. The true interest cost of the Bonds shall not exceed 5.00%;
4. The maximum interest rate on the Bonds shall not exceed the highest rate permitted by Chapter 1204, Texas Government Code; and
5. The delegation shall expire if not exercised by the Pricing Officer on or before December 22, 2015.

STAFF PERSONS RESPONSIBLE:

Debbie Monschke, Assistant Superintendent of Administrative Services
Jennifer Stewart, Budget Coordinator

ATTACHMENT:

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BOSC, Inc. – Preliminary Financing Plan

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Signature of Divisional Assistant Superintendent: _____