

Executive Summary

Prepared for Board of Trustees Meeting

June 13, 2023

Review of Preliminary Financing Plan for Proposed \$1,036,485,000 Bond Sale from the 2023 Bond Program

Board Goal:

Growth & Management

- Demonstrate effective and efficient management of district resources
- Provide leadership and/or oversight to ensure District meets all fiscal, legal and regulatory requirements

Purpose of Report

Present proposed financing plan for the Series 2023 Bonds to fund the construction and renovation of various facilities as detailed in the Bond Program.

Objectives

- Meet or exceed expectations of taxpayers – fully implement the 2023 Bond Program within the projected cost communicated to voters at the time of the May 6, 2023 bond election with no tax rate increase to the current I&S tax rate of 48 cents
- Comply with the “50 Cent Debt Test”, without the use of Capital Appreciation Bonds
- Meet the needs of the District’s growing student enrollment for school facilities and the expectations of taxpayers
- Minimize the District’s total interest cost within approved Debt Management strategies
- Maximize the District’s future bond capacity for capital improvements
- Fully repay bonds issued for certain short-term projects over their useful lives

Operational Impact

- As the District has previously utilized to strategically lower its borrowing costs, the use of variable rate bonds is limited to no more than 25% of the District’s total debt portfolio;
- Bonds will be structured to maintain an I & S tax rate of 48 cents
- Bonds are repaid over a 30 year period and incorporate ongoing flexibility to prepay outstanding bonds to reduce the interest cost to taxpayers

Results

The following is a representative listing of the parameters recommended to be used for the sale of the District’s Series 2023 Bonds:

1. A maximum of \$1,036,485,000 may be issued
2. The true interest cost rate does not exceed 5.50%
3. The final maturity may not exceed August 15, 2053
4. The District must complete the sale on or prior to June 12, 2024 (i.e. one year)