



## **ALEDO ISD BOARD MEETING TEMPLATE**

**MEETING DATE:** August 26, 2024

**AGENDA ITEM:** Consider Approval of a Resolution Calling a Portion of the Aledo Independent School District Unlimited Tax Refunding Bonds, Series 2016 for Redemption Prior to Maturity and Enacting Other Provisions Related to the Subject

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

### **BACKGROUND INFORMATION:**

- Based upon the increase in the District's 2024 certified taxable values, Aledo ISD staff and BOK Financial Securities, Inc., the District's financial advisory firm, reviewed the District's 2024-2025 proposed Debt Service Fund budget and debt position to determine if a savings opportunity existed.
- After review of the 2024-2025 proposed budget and proposed tax rate for the Debt Service Fund, it was determined the District would have the funds available to prepay \$3,155,000 of Series 2016 outstanding bonds before maturity on August 15, 2025. The interest rate coupon on the bonds to be called is 5.00%.
- Since these Series 2016 bonds are not callable until February 15, 2026, the \$3,155,000 principal and \$78,875 interest prepayment will require a deposit to an escrow account to legally defease these bonds.
- Attached for your review is a Resolution Calling a Portion of the Aledo Independent School District Unlimited Tax Refunding Bonds, Series 2016 for Redemption Prior to Maturity and Escrow Agreement that were prepared by the District's bond counsel, McCall, Parkhurst, & Horton L.L.P.

### **FISCAL INFORMATION:**

Approval of this item will save the District and its taxpayers \$2,599,750 in future interest costs.

### **ATTACHMENTS:**

Resolution Calling a Portion of the Aledo Independent School District Unlimited Tax Refunding Bonds, Series 2016 for Redemption Prior to Maturity and Enacting Other Provisions Relating to the Subject and Escrow Agreement.

### **ADMINISTRATIVE RECOMMENDATION:**

The Administration recommends the Board of Trustees approve the adoption of a Resolution Calling a Portion of the Aledo Independent School District Unlimited Tax Refunding Bonds Series 2016 for Redemption Prior to Maturity and Enacting Other Provisions Relating to the Subject as presented.