

**Consider Redemption of a Portion of
Denton Independent School District Variable Rate Unlimited Tax School Building Bonds, Series 2012-A
September 13, 2016**

SUMMARY:

This item requests the Board to consider and act upon adoption of an order authorizing redemption of a portion of Denton Independent School District Variable Rate Unlimited Tax School Building Bonds, Series 2012-A.

BOARD GOAL:

VI. Growth, Change & Fiscal Responsibility...In pursuit of excellence, the district will:
e. demonstrate effective and efficient management of district resources

PREVIOUS BOARD ACTION:

The Board approved additional principal payments toward outstanding debt service based on available funds in the amount of \$7,000,000 on June 28, 2016.

BACKGROUND INFORMATION:

The Board adopted the 2016-2017 budget on June 28, 2016 including a projected additional principal payment of \$7,000,000 pending the certified values to be released on July 25, 2016.

SIGNIFICANT ISSUES:

The debt service revenue projections have been revised based on the certified values. Revenue projections for 2016-2017 allow for an additional principal payment of \$8,800,000 plus interest payments of \$264,000 for a total of \$9,064,000.

FISCAL IMPLICATIONS:

The District has outstanding Denton Independent School District Variable Rate Unlimited Tax School Building Bonds, Series 2012-A, dated April 1, 2012, maturing August 1, 2040 and August 1, 2041 in the aggregate principal amount of \$9,625,000. This order will authorize the redemption of a portion of the Series 2012-A Bonds on August 1, 2018 in the principal amount of \$8,800,000 plus interest.

BENEFIT OF ACTION:

The principal payment will reduce future interest cost associated with the bonds by approximately \$7,937,000.

PROCEDURAL AND REPORTING IMPLICATIONS:

Notice of redemption of the bonds is required. An escrow agreement and fund will be established for the payment of these bonds.

ALTERNATIVES:

Redemption of bonds is optional.

SUPERINTENDENT'S RECOMMENDATION:

Recommend approval of the Order Authorizing Redemption of a Portion of Denton Independent School District Variable Rate Unlimited Tax School Building, Series 2012-A.

STAFF PERSONS RESPONSIBLE:

Debbie Monschke – Assistant Superintendent of Administrative Services

ATTACHMENT:

- Order Authorizing Redemption of a Portion of Denton Independent School District Variable Rate Unlimited Tax School Building Bonds, Series 2012-A
- Escrow Agreement

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Signature of Divisional Assistant Superintendent: _____

Signature of Superintendent: _____