



Discussion Item

Date: May 5, 2025

Division: Finance

Subject: Issuance of Unlimited Tax School Building and Refunding Bonds and Appointing a Pricing Officer to Approve the Sale of the Bonds

Background Information:

- In order to facilitate moving forward with projects associated with the 2023 Bond that voters approved on November 7, 2023, a bond sale is necessary.
- The cash flow requirements for the second sale of the 2023 Bond is \$300 million.
- The bond sale will be amortized over 20 years.
- A portion of the Series 2016A Bonds are eligible for refunding this year with \$85,115,000 callable on August 15, 2025. The Series 2016A was Permanent School Fund program (PSF) guaranteed and can be combined with up to \$510,177,000 of new money bond sale.

Administrative Consideration:

- The attached Proposed Schedule of Events provides information about the timeline for the proposed bond sale.
- The sale is proposed as a Parameter Sale in which the Board would designate the Superintendent and/or Chief Financial Officer as pricing officers with authority to execute the transaction if it can be accomplished within parameters set by the Board.
- The recommended parameters of the combined new money/refunding are summarized as follows:
 - The new money bond sale shall not exceed \$510,177,000;
 - the principal from the Series 2016A Bonds (PSF guaranteed) to be refunded shall not exceed \$85,115,000;
 - the aggregate original principal amount of the Bonds shall not exceed \$595,292,000;
 - the final maturity of the Bonds shall not exceed August 15, 2045;
 - the maximum true interest cost shall not exceed 6.00%;
 - the refunding must achieve a present value (PV) savings of at least 2.00%.
- The next steps would be to proceed with the items listed in the attached Proposed Schedule of Events. Those items include:
 - Circulate for Review the Preliminary Official Statement
 - Participate in ratings calls with Standard & Poor's and Fitch

- The sale is recommended to be conducted as a negotiated sale with the following underwriting team selected from the approved underwriter pool:
 - Raymond James – Senior Manager
 - Frost Bank – Co-Manager
 - Jefferies – Co-Manager
 - Siebert Williams Shank – Co-Manager