

**Medina Valley Independent School District
Board of Trustees
Special Meeting on Monday, November 4, 2024 at 6:05 PM .
Medina Valley ISD Central Office Board Room**

A Special Board Meeting Expressly for the Purpose of Considering the Use of Unspent 2023 Bond Proceeds of the MVISD Board of Trustees was held on Monday, November 4, 2024, beginning at 6:05 PM at/on Medina Valley ISD Central Office Board Room.

I. First Order of Business

- A Call Meeting to Order
- B Establish a Quorum
- C Pledge of Allegiance to the Flag followed by a moment of silence

II. Public Comment

At Regular Board Meetings the Board shall permit public comment on any topic. At all other Board Meetings public comments will be limited to items on the agenda posted with the notice of the meeting. All Public Comments are limited to 5 minutes.

III. Discussion and Possible Action Items

- A Consider Approval of Expenditure of 2023 Bond Investment Earnings in the amount of \$15 million for the payment of interest on the Series 2023 Debt Issue 2
- B Consider Approval of Expenditure of project savings from the 2023 Bond Funds in the amount of \$15 million towards the Design and Construction Cost of Middle School #3 3

IV. Adjournment

(Items do not have to be taken in the same order as shown on the meeting agenda.)



Agenda Item Memorandum

To: MVIDS Board of Trustees

Date: November 4, 2024

Agenda item: Consider Approval of Expenditures of 2023 Investment Earnings

Background Information

The district was able to invest the proceeds from the Bond 2023 issuance and earn investment earnings on those proceeds. The interest earned to date is \$22 million. After reserving funds for arbitrage, the district has a remaining balance of \$16 million. Per IRS regulations pertaining to tax-exempt debt issues, these investment earnings may be used for either authorized bond projects or to pay the interest or principal on the Series 2023 debt.

Administrative Consideration

The administration is requesting that the Board consider utilizing \$15 million of investment earnings to fund the Series 2023 debt payments due in February 2025 and August 2025. This will allow the district to defease/redeem callable debt issues to create bonding capacity and accelerate access to the Bond 2024 project funds. The defeasance resolution will be requested for approval separately.

Recommendation

Administration recommends that the Board consider and approve the expenditure of Bond 2023 investment earnings in the amount of \$15 million for the payment of interest on the Series 2023 debt issue.



Agenda Item Memorandum

To: MVIDS Board of Trustees

Date: November 4, 2024

Agenda item: Consider Approval of Expenditures of 2023 Bond Project Savings

Background Information

Bond 2023 was planned and passed at a time with high escalation in construction materials and labor. Escalation slowed prior to the bidding of High School #2, which reduced the guaranteed maximum price for the construction of the school providing \$33.8 million in anticipated project savings. In addition to this savings, \$8 million in contingency remains in the project to cover any unforeseen circumstances.

Administrative Consideration

The administration is requesting that the Board consider using \$15 million of the anticipated project savings for the design and construction of Middle School #3 and the design and construction of the safety and security vestibules. This action would allow the district to utilize currently outstanding bond funds prior to issuing new debt and maintain the current construction timeline for Middle School #3.

Recommendation

The administration recommends that the Board consider and approve the expenditure of Bond 2023 funds in the amount of \$15 million for the design and construction of Middle School #3 and the design and construction of the safety and security vestibules.