



College Station Independent School District

Success...each life...each day...each hour

MEMORANDUM

To: Dr. Clark Ealy, Superintendent
From: Glynn Walker, Deputy Superintendent
Date: March 11, 2015
Subject: Bond Refunding Opportunity
Agenda Item: J-1
Board Priority/
District Goal: Priority 3, Goal 4

BACKGROUND

The District's Financial Advisor has monitored the status of the district's outstanding bonds for opportunities to lower the total debt service requirements. The market conditions are currently favorable for the possible refunding of the remaining 2006 and the 2007 bond issues totaling approximately \$47,000,000 of bonds with an current average bond interest rate of 4.87%. This transaction provides an estimated interest savings of approximately \$386,784 per year over the remaining debt service schedule through the year 2027. The term of the debt for both bonds would remain the same, with a virtually no impact on the current debt service tax rate. This proposed transaction exceeds the financial advisor recommendations of a four percent (4%) net present value savings.

Victor Quiroga, Jr., Financial Advisor with Frost Bank, will present this proposal in detail to the Board of Trustees on March 24, 2015. Due to projected cost savings for the constituents of CSISD, the administration recommends that Frost Bank be granted authority to pursue this refunding option.

RECOMMENDATION

It is recommended that the College Station ISD Board of Trustees approve the order authorizing the issuance of unlimited tax refunding bonds; appointing a pricing officer and delegating to the pricing officer the authority to approve the sale of the bonds; establishing certain parameters for the approval of such matters; approving an escrow agreement, and paying agent/registrar agreement; levying an annual ad valorem tax for the payment of the bonds; and enacting other provisions relating to the subject.

A handwritten signature in black ink, appearing to read "Glynn Walker".

GLYNN WALKER
Deputy Superintendent for
Business and Operations

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A handwritten signature in black ink, appearing to read "Clark C. Ealy".
3/13/15

CLARK C. EALY, Ph.D.
Superintendent of Schools