

College Station Independent School District



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

MEMORANDUM

To: Dr. Clark Ealy, Superintendent

From: Mike Martindale, Deputy Superintendent

Date: September 14, 2016

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 refinancing of various bonds from the 2009, 2010, and 2011 Series totaling \$39,255,000 with an average interest rate of 4.45 %. This opportunity would allow us to refinance these identified bonds at an estimated rate of 2.30% resulting in an average annual savings of over \$256,622 and a total recognized saving of approximately \$4,619,200 without any change to the term of the debt.

Victor Quiroga, our Financial Advisor with Frost Bank, will present this proposal in detail to the Board of Trustees during our workshop on Tuesday, September 20, 2016. Due to projected cost savings for the constituents of CSISD, the administration recommends that Frost Bank be granted authority to pursue this refunding option.

Mike Martindale
Deputy Superintendent for
Business and Operations

1812 Welsh Avenue
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CLARK C. EALY, Ph.D.
Superintendent of Schools

College Station Independent School District



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RECOMMENDATION

It is recommended that the Board of Trustees of College Station ISD 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.

Mike Martindale
*Deputy Superintendent for
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