



College Station Independent School District

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

MEMORANDUM

To: Dr. Eddie Coulson, Superintendent

From: Glynn Walker, Deputy Superintendent

Date: November 8, 2011

Subject: Bond Refunding Opportunity

Agenda Item: J-1

Board Priority/
District Goal: Priority 3, Goal 4

BACKGROUND

The District's Financial Advisors, Southwest Securities, have 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 \$8,220,000 in debt from the 2004 bond issue to be refunded. The proposed closing date for this option is January 2012. The recommended transaction provides an estimated total cash savings of \$487,633. The term of the debt for the 2004 bond remains the same, with a minimal impact on the current debt service tax rate. However, this proposed transaction exceeds the financial advisor recommendations of a four percent (4%) net present value savings.

Due to projected cost savings for the constituents of CSISD, the administration recommends that Southwest Securities be granted authority to pursue this refunding option.

RECOMMENDATION

It is recommended that the Board of Trustees of College Station Independent School District consider approval of Adoption of an Order Authorizing the Issuance of College Station Independent School District Unlimited Tax Refunding Bonds; Establishing Procedures for the sale and delivery of the bonds; Levying an annual ad valorem tax for the payment of said bonds; Approving an Official Statement; and Enacting other provisions relating to the subject.

Handwritten signature of Glynn Walker in black ink.

GLYNN WALKER
Deputy Superintendent for
Human Resources and Business

1812 Welsh Avenue
College Station, TX 77840
979-764-5411 FAX 979-764-5472

Handwritten signature of Eddie Coulson in blue ink, dated 11-11-2011.

EDDIE COULSON, Ed.D.
Superintendent of Schools