



College Station Independent School District

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

MEMORANDUM

To: Mike Martindale, Superintendent *mm*

From: Amy Drozd, Chief Financial Officer *AD*

Date: July 15, 2020

Subject: Bond order authorizing the issuance of unlimited tax refunding bonds in 2020

Agenda Item: J – 2.

BACKGROUND

With the assistance of the District's financial advisor, Specialized Public Finance, all bonds and debt of the district are monitored to determine when bonds are eligible for either refunding or early redemption. Once eligible, the bond market and interest rates are monitored to determine when it is favorable to authorize the transaction. Favorable conditions occur when the interest rate lowers to a level that will offer the District a savings more than the reissuance cost and produces a net present value savings. The refunded bonds can be restructured in a way that best fits the district needs regarding the tax rate and potential future bond issuances.

CSISD's bond series 2010, 2011 and 2012 are eligible for refunding. Based on the current market, Specialized Public Finance has estimated a net present value savings of more than 3%.

RECOMMENDATION

It is recommended that the College Station ISD Board of Trustees approve the order authorizing the issuance of unlimited tax refunding bonds, series 2020, appoint pricing officers and delegating to the pricing officer the authority to approve the sale within the specified parameters, levy an ad valorem tax for the payment of the bonds and enact other provisions related to the sale.