





College Station Independent School District

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

MEMORANDUM

To: Mike Martindale, Superintendent 

From: Amy Drozd, Chief Financial Officer 

Date: July 15, 2020

Subject: Order authorizing the redemption of outstanding bonds

Agenda Item: J – 3.

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. It may also be favorable at times to pay off debt early or to do a combination of refunding and redemption.

CSISD's bond series 2010, 2011 and 2012 are eligible for refunding or early redemption. By authorizing both of these instruments, CSISD will have the flexibility to exercise each in the amounts and terms that provide the best benefit to the District for savings and future bond issuance capacity.

RECOMMENDATION

It is recommended that the College Station ISD Board of Trustees approve the order authorizing the redemption of outstanding bonds. Further, it is recommended delegating the Superintendent or Chief Financial Officer the authority to select the principal amounts and to execute and deliver any required documents related to the redemption.