



# College Station Independent School District

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

## MEMORANDUM

To: Mike Martindale, Superintendent *MM*

From: Amy Drozd, Chief Financial Officer *A Drozd*

Date: July 14, 2021

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 a 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 do a combination of refunding and redemption.

CSISD's bond series 2010, 2014 and 2015 have portions that are eligible for refunding or redemption. Based on interest rates on these referenced bonds and the available revenue that is estimated to be generated from the current debt service rate, it is the recommendation of the District's financial advisor to redeem a portion of the references series bonds to result in overall interest savings. The exact amount of the redemption and the timing will be determined during the 2021-2022 fiscal year as property tax revenues are secured.

## RECOMMENDATION

It is recommended that the College Station ISD Board of Trustees approve the order authorizing the redemption of outstanding bonds and delegate 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.