

Date: June 10, 2019

Division: Finance

Subject: Consider/Approve a Resolution Calling a Portion of the Lewisville Independent School District Unlimited Tax Refunding Bonds, Series 2011 for Redemption Prior to Maturity

Background Information:

- The adopted budget for the current fiscal year includes \$5,000,000 in the Debt Service Fund for additional debt reduction.
- There are previously issued and outstanding bonds eligible for call in 2019.

Administrative Consideration:

- Attached is a Debt Service Schedule for bonds recommended for redemption on August 15, 2019 totaling \$5,555,000 in principal.
- Redemption of the principal amount of \$5,555,000 at August 31, 2019 would save the taxpayers \$6,788,200 in future debt service payments.
- Attached is a draft Resolution for the Board's consideration and discussion.

Recommendations:

- That the Board of Trustees approve a Resolution Calling a Portion of the Lewisville Independent School District Unlimited Tax Refunding Bonds, Series 2011 for Redemption Prior to Maturity.

Timeline/Report:

- Effective Upon Approval.

LEWISVILLE INDEPENDENT SCHOOL DISTRICT
(Denton County, Texas)

Unlimited Tax School Refunding Bonds, Series 2011

Current Debt Service Schedule for Callable Bonds

FYE	Due	Principal	Int.Rate	Interest	Total	Fisc Total
8/31/2020	2/15/2020 8/15/2020	\$ 1,710,000.00	3.000%	\$ 208,540.63 208,540.63	\$ 208,540.63 1,918,540.63	\$ 2,127,081.25
8/31/2021	2/15/2021 8/15/2021	1,695,000.00	3.125%	182,890.63 182,890.63	182,890.63 1,877,890.63	2,060,781.25
8/31/2022	2/15/2022 8/15/2022	1,685,000.00	3.250%	156,406.25 156,406.25	156,406.25 1,841,406.25	1,997,812.50
8/31/2023	2/15/2023 8/15/2023	3,585,000.00	5.000%	129,025.00 129,025.00	129,025.00 3,714,025.00	3,843,050.00
8/31/2024	2/15/2024 8/15/2024	465,000.00	4.000%	39,400.00 39,400.00	39,400.00 504,400.00	543,800.00
8/31/2025	2/15/2025 8/15/2025	480,000.00	4.000%	30,100.00 30,100.00	30,100.00 510,100.00	540,200.00
8/31/2026	2/15/2026 8/15/2026	500,000.00	4.000%	20,500.00 20,500.00	20,500.00 520,500.00	541,000.00
8/31/2027	2/15/2027 8/15/2027	525,000.00	4.000%	10,500.00 10,500.00	10,500.00 535,500.00	546,000.00
		\$ 10,645,000.00		\$ 1,554,725.00	\$ 12,199,725.00	\$ 12,199,725.00

Notes: Original Principal Amount: \$ 33,659,938.25
Payable through US Bank.

Bonds are callable at any time beginning August 15, 2019.



LEWISVILLE INDEPENDENT SCHOOL DISTRICT
(Denton County, Texas)

Unlimited Tax School Refunding Bonds, Series 2011

Debt Service Schedule of Bonds Redeemed August 15, 2019

FYE	Due	Principal	Int.Rate	Interest	Total	Fisc Total
	2/15/2020			\$ 129,025.00	\$ 129,025.00	
8/31/2020	8/15/2020			129,025.00	129,025.00	\$ 258,050.00
	2/15/2021			129,025.00	129,025.00	
8/31/2021	8/15/2021			129,025.00	129,025.00	258,050.00
	2/15/2022			129,025.00	129,025.00	
8/31/2022	8/15/2022			129,025.00	129,025.00	258,050.00
	2/15/2023			129,025.00	129,025.00	
8/31/2023	8/15/2023	\$ 3,585,000.00	5.000%	129,025.00	3,714,025.00	3,843,050.00
	2/15/2024			39,400.00	39,400.00	
8/31/2024	8/15/2024	465,000.00	4.000%	39,400.00	504,400.00	543,800.00
	2/15/2025			30,100.00	30,100.00	
8/31/2025	8/15/2025	480,000.00	4.000%	30,100.00	510,100.00	540,200.00
	2/15/2026			20,500.00	20,500.00	
8/31/2026	8/15/2026	500,000.00	4.000%	20,500.00	520,500.00	541,000.00
	2/15/2027			10,500.00	10,500.00	
8/31/2027	8/15/2027	525,000.00	4.000%	10,500.00	535,500.00	546,000.00
		\$ 5,555,000.00		\$ 1,233,200.00	\$ 6,788,200.00	\$ 6,788,200.00

Notes: Original Principal Amount: \$ 33,659,938.25
Payable through US Bank.

Bonds are callable at any time beginning August 15, 2019.



LEWISVILLE INDEPENDENT SCHOOL DISTRICT
(Denton County, Texas)

Unlimited Tax School Refunding Bonds, Series 2011

Remaining Debt Service Schedule following August 15, 2019 Redemption

FYE	Due	Principal	Int.Rate	Interest	Total	Fisc Total
	2/15/2020			\$ 79,515.63	\$ 79,515.63	
8/31/2020	8/15/2020	\$ 1,710,000.00	3.000%	79,515.63	1,789,515.63	\$ 1,869,031.25
	2/15/2021			53,865.63	53,865.63	
8/31/2021	8/15/2021	1,695,000.00	3.125%	53,865.63	1,748,865.63	1,802,731.25
	2/15/2022			27,381.25	27,381.25	
8/31/2022	8/15/2022	1,685,000.00	3.250%	27,381.25	1,712,381.25	1,739,762.50
	2/15/2023					
8/31/2023	8/15/2023					
	2/15/2024					
8/31/2024	8/15/2024					
	2/15/2025					
8/31/2025	8/15/2025					
	2/15/2026					
8/31/2026	8/15/2026					
	2/15/2027					
8/31/2027	8/15/2027					
		\$ 5,090,000.00		\$ 321,525.00	\$ 5,411,525.00	\$ 5,411,525.00

Notes: Original Principal Amount: \$ 33,659,938.25
Payable through US Bank.

Bonds are callable at any time beginning August 15, 2019.



LEWISVILLE INDEPENDENT SCHOOL DISTRICT
(Denton County, Texas)

Unlimited Tax School Refunding Bonds, Series 2011

Summary of Defeasance Results

Reduction of Principal:

Bonds Outstanding:	\$ 10,645,000.00
Principal Redeemed (Paid Early):	<u>(5,555,000.00)</u>
Remaining Balance:	\$ 5,090,000.00

Reduction of Payments:

Debt Service before Defeasance:	\$ 12,199,725.00
Debt Service after Defeasance:	<u>(5,411,525.00)</u>
Taxpayer Savings:	\$ 6,788,200.00



RESOLUTION CALLING A PORTION OF THE LEWISVILLE INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX REFUNDING BONDS, SERIES 2011 FOR REDEMPTION PRIOR TO MATURITY; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Lewisville Independent School District (the "District") previously issued its Unlimited Tax Refunding Bonds, Series 2011 (the "Bonds"); and

WHEREAS, in the order and the pricing certificate that authorized the issuance of the Bonds (the "Bond Order"), the District reserved the option to redeem the Bonds, in whole or in part, at a price equal to the principal amount of the Bonds so called for redemption plus accrued interest to the redemption date, beginning on August 15, 2019, or on any date thereafter; and

WHEREAS, the Board of Trustees of the District (the "Board") finds and determines that it is in the best interests of the District to redeem the outstanding Bonds described below with funds available for such purpose in accordance with the terms hereof; and

WHEREAS, it is officially found, determined and declared that the meeting at which this Resolution has been adopted was open to the public and public notice of the date, hour, place and subject of said meeting, including this Resolution, was given, all as required by the applicable provisions of Texas Government Code, Chapter 551;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE LEWISVILLE INDEPENDENT SCHOOL DISTRICT:

Section 1. Findings.

The declarations, determinations and findings declared, made and found in the preambles to this Resolution are hereby adopted, restated and made a part of the operative provisions hereof.

Section 2. Redemption of Bonds.

The Bonds listed in **Exhibit A** hereto (the "Redeemed Bonds") are hereby called for redemption on August 15, 2019 (the "Redemption Date"). The Redeemed Bonds shall be paid on the Redemption Date and interest on the Redeemed Bonds shall cease to accrue on the Redemption Date.

Section 3. Authorization of Actions.

(a) The President or Secretary of the Board, the Superintendent of Schools or the Chief Financial Officer of the District (each an "Authorized Officer") are each hereby authorized and directed to deliver to U.S. Bank National Association, Dallas, Texas, the Paying Agent/Registrar for the Bonds ("U.S. Bank"), a notice of redemption with respect to the Redeemed Bonds in substantially the form attached hereto as **Exhibit A**, and to direct U.S. Bank

to send notice of redemption of the Redeemed Bonds to the bondholders in accordance with the Bond Order.

(b) The Redeemed Bonds shall be presented for redemption at the Paying Agent/Registrar therefor, and shall not bear interest after the Redemption Date.

(c) On or before the Redemption Date, the District shall deposit with the Paying Agent/Registrar for the Bonds funds in an amount sufficient to provide for the redemption of the Redeemed Bonds on the Redemption Date. Lawfully available funds of the District are hereby authorized and appropriated in the amounts necessary for such purpose.

(d) The Authorized Officers are hereby authorized and directed to take such actions and to execute and deliver such documents, orders and receipts, including without limitation material event notices with respect to the Redeemed Bonds, as necessary or appropriate to consummate the transactions authorized by this Resolution and to redeem the Redeemed Bonds in accordance with the provisions and requirements of the Bond Order.

PASSED, APPROVED AND EFFECTIVE this June 10, 2019.

President, Board of Trustees
Lewisville Independent School District

ATTEST:

Secretary, Board of Trustees
Lewisville Independent School District

Exhibit A

NOTICE OF REDEMPTION

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX REFUNDING BONDS, SERIES 2011**

NOTICE IS HEREBY GIVEN that the Lewisville Independent School District (the "District") has called for redemption the outstanding bonds (the "Redeemed Bonds") of the District described as follows:

LEWISVILLE INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX REFUNDING BONDS, SERIES 2011, maturing on August 15 in the years shown below. Such Redeemed Bonds have been called for redemption on August 15, 2019 (the "Redemption Date") at a redemption price equal to the principal amount thereof plus accrued interest to the Redemption Date (the "Redemption Price"):

<u>Maturity Date</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Being Refunded</u>	<u>Principal Amount Remaining</u>
2023	\$ 3,585,000	\$ 3,585,000	\$ 0
2024	465,000	465,000	0
2025	480,000	480,000	0
2026	500,000	500,000	0
2027	525,000	525,000	0

THE REDEEMED BONDS have been called for redemption in accordance with the terms of the order authorizing their issuance, and such Redeemed Bonds shall be redeemed at the Paying Agent/Registrar for the Redeemed Bonds, U.S. Bank National Association, Dallas, Texas.

UPON PRESENTATION of the Redeemed Bonds at the Paying Agent/Registrar on the aforementioned Redemption Date, the holder thereof shall be entitled to receive the Redemption Price.

NOTICE IS FURTHER GIVEN that due and proper arrangements have been made for providing the place of payment of the Redeemed Bonds called for redemption with funds sufficient to pay the principal amount of the Redeemed Bonds and the interest thereon to the Redemption Date. In the event the Redeemed Bonds are not presented for redemption by the Redemption Date, they shall not thereafter bear interest.

THIS NOTICE is issued and given pursuant to the redemption provisions in the proceedings authorizing the issuance of the Redeemed Bonds and in accordance with the recitals and provisions of each of the Redeemed Bonds, respectively.

LEWISVILLE INDEPENDENT SCHOOL DISTRICT