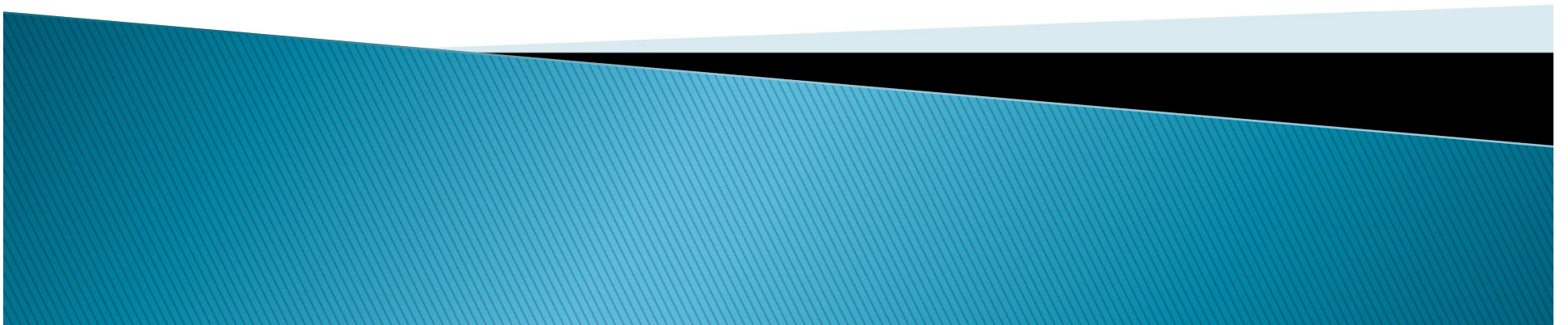


Lewisville ISD Community Budget Advisory Committee Meeting

October 28, 2020



Overview of Tonight's Discussion

- Looking back at fiscal 2019–20
- Looking ahead to fiscal 2020–21
- Changes to LISD tax rate for 2020–21
- Debt Posture – June 2020 New Issue, Paid off early, and Refundings
- Next Legislative Session in 2021 – State Budget



Looking Back at Fiscal 2019–20

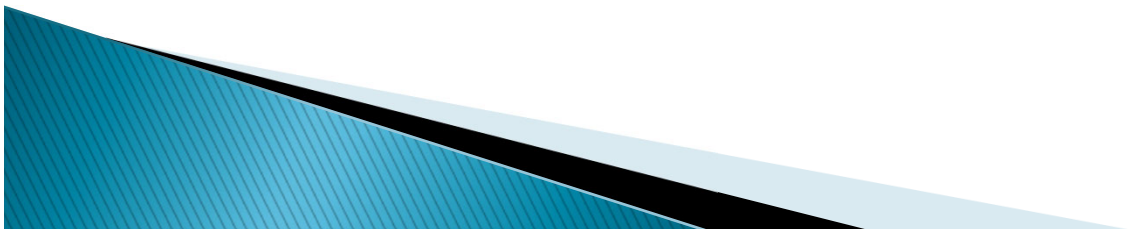
- ▶ General Fund – Numbers are Preliminary and are Pre–Audit, and so are subject to change

| | |
|----------------|-----------------------|
| ▶ Revenue | \$496 Million |
| ▶ Expenditures | <u>\$504 Million</u> |
| ▶ Deficit | (\$ 8 Million) |
| ▶ RE Sales | <u>\$ 22 Million</u> |
| ▶ Net | \$ 14 Million |



Looking Back at Fiscal 2019–20

- Purpose → save money on transportation on M&O side
- Acquired LISD fleet of 285 buses and 10 Suburbans
- Cost = \$28 Million
- Annual savings \$4 Million X 10 years (life of fleet) = \$40 Million
- Contractor would have built in debt service to our contract



Looking Back at Fiscal 2019–20

▶ Surplus Real Estate Sold

| | | |
|-----------------------|---------|--|
| ◦ 400 West Main St. | 07/2019 | \$ 1.7 Million |
| ◦ 14 Acres The Colony | 10/2019 | <u>\$ 3.3 Million</u> |
| ◦ Total | | \$ 5.0 Million |
| | | • Proceeds used to renovate East Natatorium and Admin. |
| ◦ Chinn Chapel | 06/2020 | \$ 7.0 Million |
| ◦ Plano Parkway | 07/2020 | \$ 7.2 Million |
| ◦ FM 544 / Windhaven | 08/2020 | \$ 7.1 Million |
| ◦ College Parkway | 08/2020 | <u>\$ 1.2 Million</u> |
| ◦ Total | | \$22.5 Million |



Looking Ahead to Fiscal 2020–21

▶ General Fund

- Revenue \$531 Million
- Expenditures \$543 Million
- Deficit **(\$12 Million)**

▶ General Fund Budget 2020–21 includes

- Raise of 2% \$9 Million
- One Time Pay \$750 \$5 Million
- Covid Custodial \$2 Million
- Substitutes \$1 Million
- Recapture to State \$32 Million



Looking Ahead to Fiscal 2020–21

▶ LISD Tax Rate

| | <u>M + O</u> | <u>I + S</u> | <u>Total</u> |
|--|-----------------|-----------------|-----------------|
| ▶ 2019–20 | \$0.9700 | \$0.3675 | \$1.3375 |
| ▶ 2020–21 | <u>\$0.9664</u> | <u>\$0.3809</u> | <u>\$1.3473</u> |
| ▶ Difference | -\$0.0036 | \$0.0134 | \$0.0098 |
| ▶ Impact of increase on a \$300,000 residence is | | | \$30.00 |



Debt Posture

- ▶ Summer of 2020
 - ▶ Issued remainder of voter authorized, but unissued bonds
 - ▶ 2017 Bond Election – \$285 Million of remaining bonds were sold to lock in low interest rates. Secured all in TIC of 1.9952% Historic.
 - ▶ \$765 Million in orders – drove up demand and prices, lowering rates
 - ▶ On refunding, LISD refinanced \$31 Million down to lower rates
 - ▶ achieved NPV savings of 17.45% (5%, 10%, 15%)
 - ▶ Defeased \$11 Million (Paid off early – at call date)
 - ▶ All three actions create capacity in debt management going forward



Debt Posture

- ▶ October of 2020
- ▶ Advance Refunded \$50 Million that was not callable until 2022
- ▶ They became taxable but interest rates were still favorable
- ▶ 2020A series Saved \$7 Million in interest costs
 - ▶ TIC = 1.64%
 - ▶ NPV = 13.37%
- ▶ 2020B Series Again, creates additional capacity
 - ▶ TIC = 1.25%
 - ▶ NPV = 12.50%



Legislature Meets in 2021

- ▶ Texas Economy
 - ▶ Driven by oil and gas – price of crude
 - ▶ State Deficit – Economic Stabilization Fund (Rainy Day Fund)
 - ▶ Ability to maintain HB3 gains to public education
- ▶ Impact of HB3 to LISD Recapture
- ▶ HB3 impact on LISD recapture was as follows:
 - ▶ Fiscal Year 2019 \$30 Million (Audited)
 - ▶ Fiscal Year 2020 \$17 Million (Projected)
 - ▶ Fiscal year 2021 \$32 Million (Budgeted)



Questions?

