





College Station Independent School District

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MEMORANDUM

To: Dr. Tim Harkrider, Superintendent 

From: Amy Drozd, Interim Chief Financial Officer 

Date: May 15, 2024

Subject: An Order Authorizing the Issuance of Unlimited Tax School Building Bonds

Agenda Item: J - 1

BACKGROUND

District Administration is working with the District's financial advisor, Michelle Aragon, Hilltop Securities, and bond counsel Jeff Gulbas, McCall, Parkhurst & Horton L.L.P., to prepare a summer bond sale of up to \$98,470,000 in fixed rate bonds which are the first tranche of bonds issued pursuant to the authorization of bonds which were lawfully and favorably voted at the November 7, 2023 and May 4, 2024 elections.

Voted Bond Authorization. Voters have approved the following bonds and projects, none of which bond authorization has been sold:

- PROPOSITION A, approved November 7, 2023: \$284,975,000 for District-wide safety, security, technology infrastructure and facilities maintenance improvements; Rock Prairie Elementary renovations; A&M Consolidated High School additions and renovations; College Station High School additions and renovations Phase 2 of the Career and Technical Education Facility; College View High School CTE Cosmetology Lab; Middle School Playing Fields and Stadiums; security and renovations at the District's Central Administration Office; transportation and bus parking; the purchase of necessary sites for school facilities; and the purchase of school buses and vehicles
- PROPOSITION B, approved November 7, 2023: \$14,145,000 for updating instructional technology devices
- PROPOSITION A, approved May 4, 2024: \$40,200,000 for the existing A&M Consolidated High School athletic stadium and fieldhouse and existing College Station High School athletic stadium for football, band, dance, soccer, track and other student groups
- PROPOSITION B, approved May 4, 2024: \$13,270,000 for the existing A&M Consolidated High School baseball/softball stadiums and existing College Station High School baseball/softball stadiums.



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Summer 2024 Bond Sale. The Board is asked to authorize, issue, and deliver the first installment of bonds approved by voters at the election as follows. The District's bond counsel, Jeff Gulbas, has prepared the legal forms for adoption of an ORDER AUTHORIZING THE ISSUANCE OF UNLIMITED TAX SCHOOL BUILDING BONDS; APPOINTING A PRICING OFFICER AND DELEGATING TO THE PRICING OFFICER THE AUTHORITY TO APPROVE THE SALE OF THE BONDS; ESTABLISHING CERTAIN PARAMETERS FOR THE APPROVAL OF SUCH MATTERS; LEVYING AN ANNUAL AD VALOREM TAX FOR THE PAYMENT OF THE BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT.

The Order delegates to the Superintendent and Chief Financial Officer the authority to finalize the sale of the bonds at a later date with the following restrictions:

- the aggregate original principal amount of the Bonds shall not exceed \$98,470,000;
- no Bond shall mature after August 15, 2049;
- the true interest cost for the Bonds shall not exceed 5.00%; and
- the pricing of the bonds must be exercised within twelve months from today.

The order also authorizes the Superintendent and Chief Financial Officer the authority to select the method of bond sale, whether it be competitive or negotiated and, if negotiated, the selection of the underwriting syndicate.

It is Administration's recommendation the CSISD Board of Trustees approve the adoption of an ORDER AUTHORIZING THE ISSUANCE OF UNLIMITED TAX SCHOOL BUILDING BONDS; APPOINTING A PRICING OFFICER AND DELEGATING TO THE PRICING OFFICER THE AUTHORITY TO APPROVE THE SALE OF THE BONDS; ESTABLISHING CERTAIN PARAMETERS FOR THE APPROVAL OF SUCH MATTERS; LEVYING AN ANNUAL AD VALOREM TAX FOR THE PAYMENT OF THE BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

RECOMMENDATION

It is recommended that the College Station Independent School District Board of Trustees approval the Order Authorizing the Issuance of Unlimited Tax School Building Bonds as presented.