



BOND 2024

CALALLEN ISD

BOND COMMITTEE MEETING

TUESDAY, JANUARY 23, 2024 | 5:30PM

PRESENTERS



EMILY LORENZ
SUPERINTENDENT



KELSEY RAMOS
ASSISTANT SUPERINTENDENT
OF FINANCE & OPERATIONS

AGENDA

- PRELIMINARY BOND CAPACITY
- POTENTIAL BOND PROJECTS LIST
- LOOKING AHEAD



BOND 2024
CALALLEN ISD

BOND COMMITTEE PURPOSE

Review Current
District Financial
Situation

Review Facility
Needs and
Recommendations

Determine Details
of Next Bond
Package

Consider and
Make Bond
Recommendation
to the Board

PRELIMINARY BOND CAPACITY

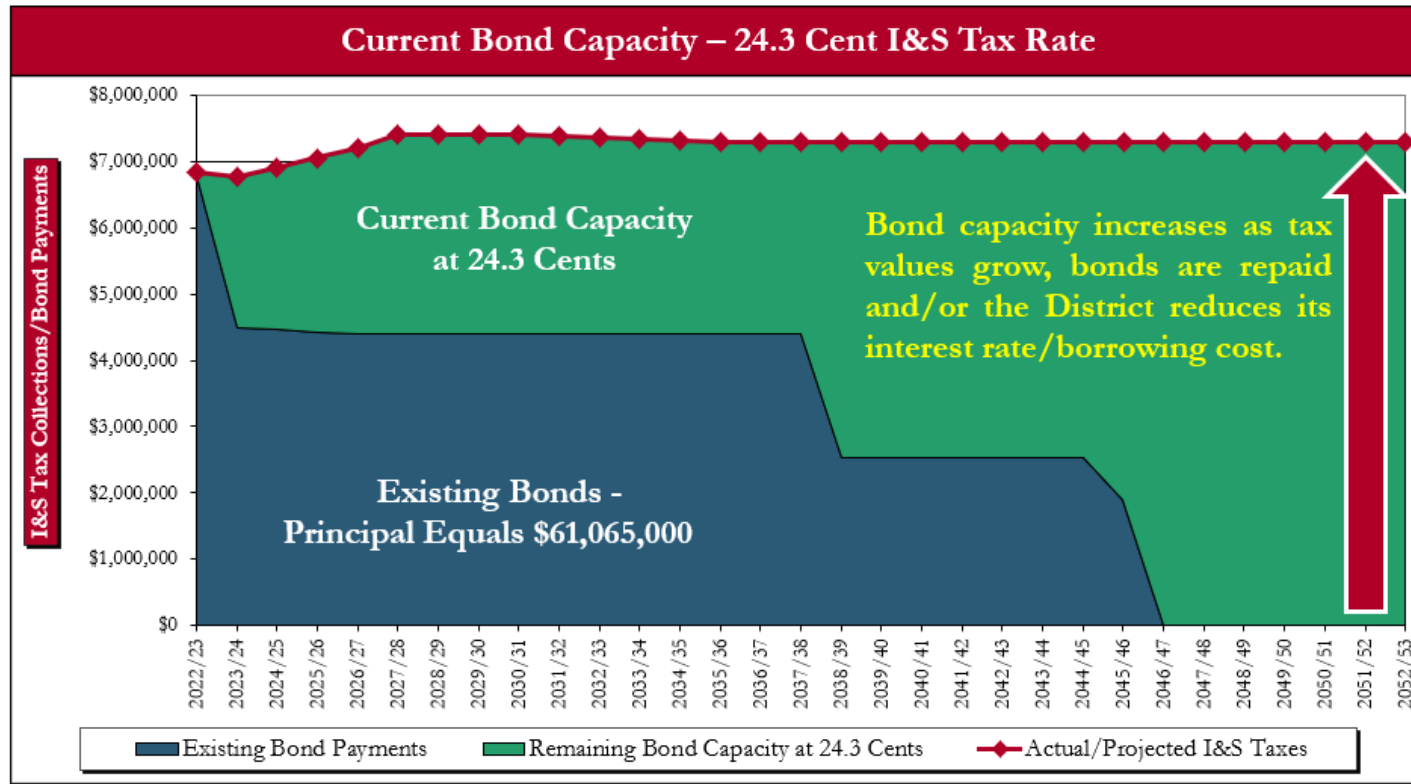
*Information provided by:
BOK Financial Advisors*



BOND 2024

CALALLEN ISD

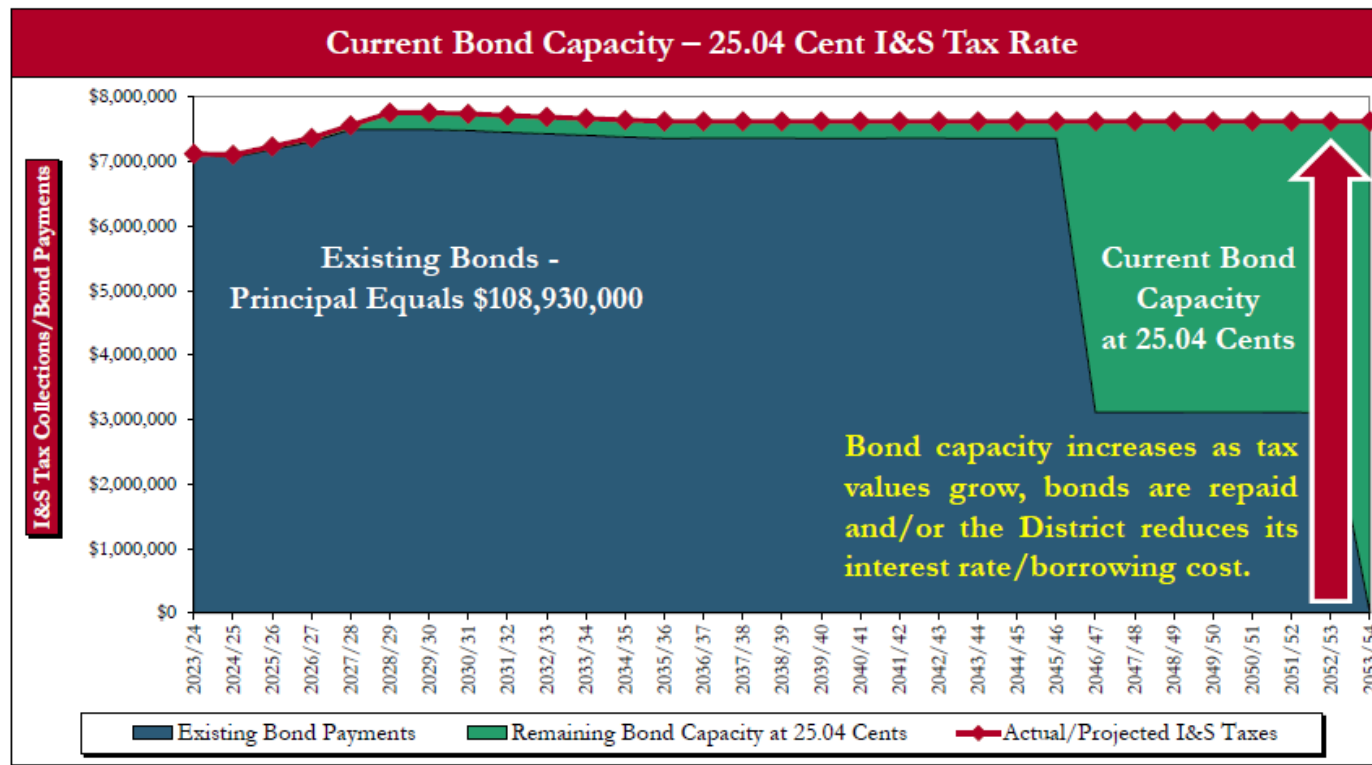
- ❑ Bond capacity refers to Calallen ISD's capacity to issue new bonds in light of the limitations imposed by the State mandated "50-Cent Debt Test" and the District's I&S tax rate.



Bond Capacity:

**Before Bond
2023**

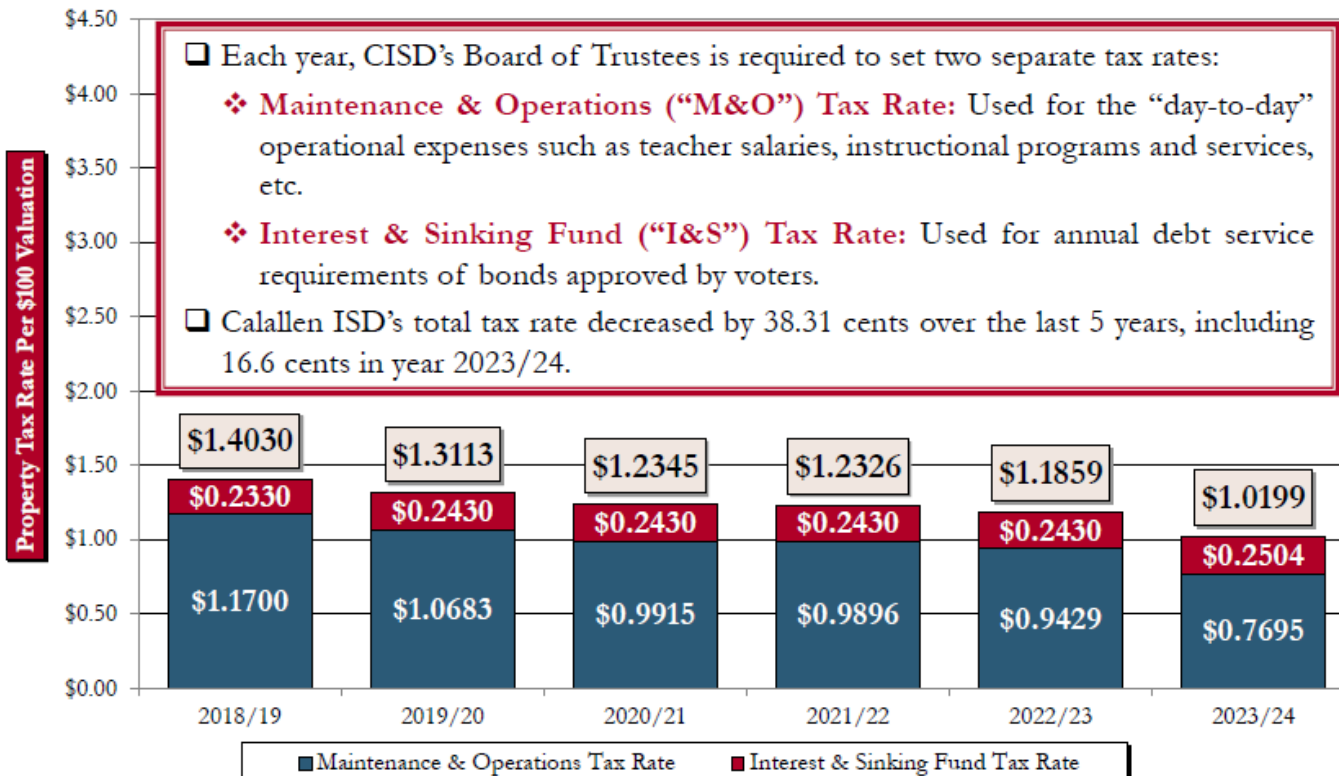
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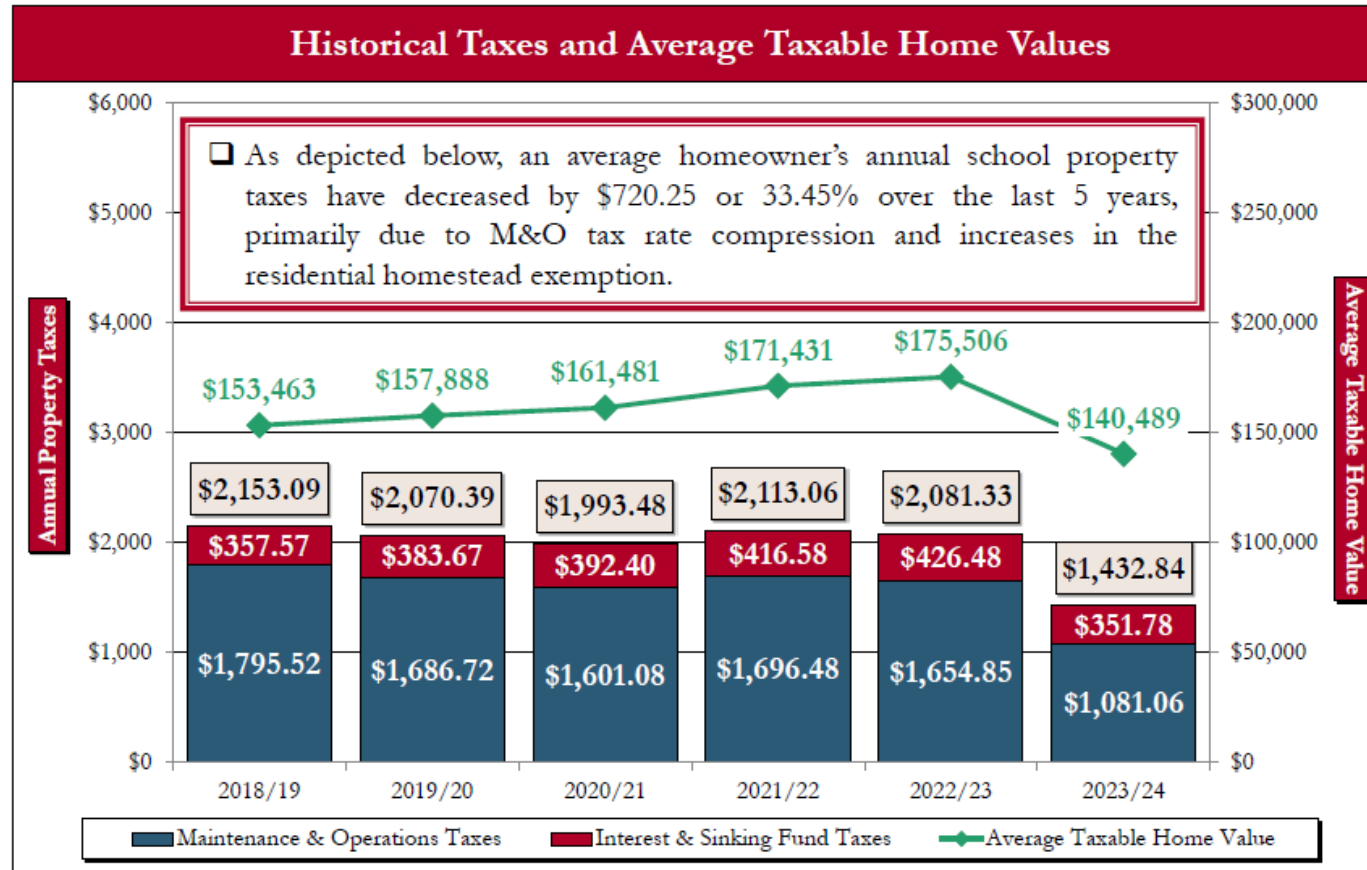
Bond Capacity:

**Current - After
Bond 2023**

District's Historical Tax Rates



Historical Tax Rates



Note: Taxes are net of the State-mandated residential homestead exemption.

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Average Home Values & Taxes

- Calallen Independent School District ("CISD" or the "District") has actively deployed various debt management practices to lower the borrowing costs of taxpayers. Such actions have provided the District's taxpayers with more than \$14.95 million of direct savings since year 2010.

Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds			
Issue / Description	Series Refunded / Redeemed	Par Amount Refunded / Redeemed	Total Savings
Unlimited Tax Refunding Bonds, Series 2010	1994, 1998	\$ 3,550,000	\$ 234,836
Unlimited Tax Refunding Bonds, Series 2015	2008	8,700,000	1,481,233
Unlimited Tax Refunding Bonds, Series 2016	2008	8,885,000	1,982,906
Unlimited Tax Refunding Bonds, Series 2017	2008	9,200,000	2,336,083
Unlimited Tax Refunding Bonds, Series 2018-A	2008	9,480,000	1,224,248
Total - Bond Refunding Programs at a Lower Interest Rate	---	\$ 39,815,000	\$ 7,259,306
Prepayment of Series 2008 Bonds - August 2017	2008	\$ 710,000	\$ 710,000
Prepayment of Series 2008 Bonds - February 2018	2008	1,550,000	1,550,000
Prepayment of Series 2018 Bonds - August 2020	2018	775,000	744,485
Prepayment of Series 2018 Bonds - August 2021	2018	1,280,000	1,229,600
Prepayment of Series 2018 Bonds - February 2022	2018	1,675,000	1,541,350
Prepayment of Series 2018 Bonds - February 2023	2018	2,230,000	1,916,356
Total - Prepayment of Bonds Prior to Scheduled Maturity	---	\$ 8,220,000	\$ 7,691,791
Totals	---	\$ 48,035,000	\$ 14,951,097

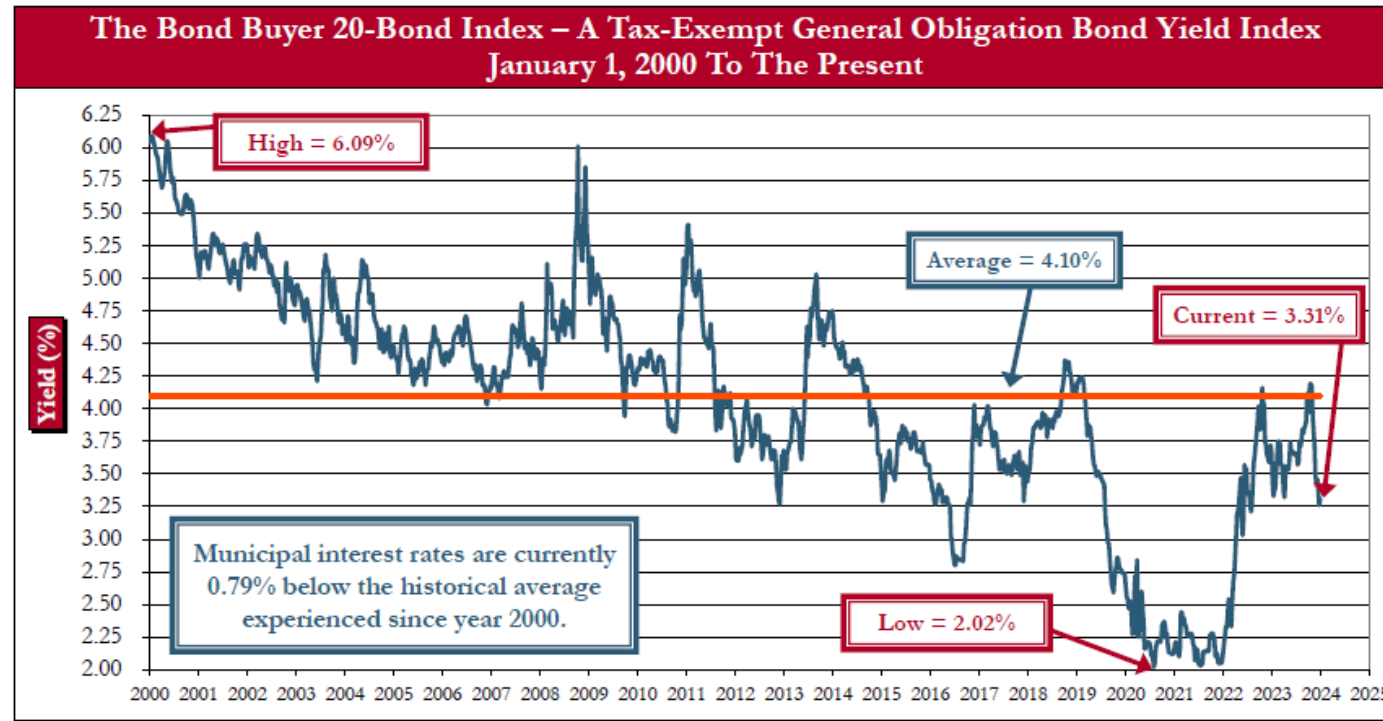
Source: District records.

1

Total Savings
from Refunding
and Prepayment
of Bonds:

\$14,951,097

- With ongoing geopolitical tensions and concerns regarding persistent inflation, The Bond Buyer 20-Bond Index has retracted below the historical average, with the current index level 0.79% below the historical average experienced since January 2000. Generally speaking, the lower the interest rate, the more borrowing capacity available to the District.



Source: The Bond Buyer.

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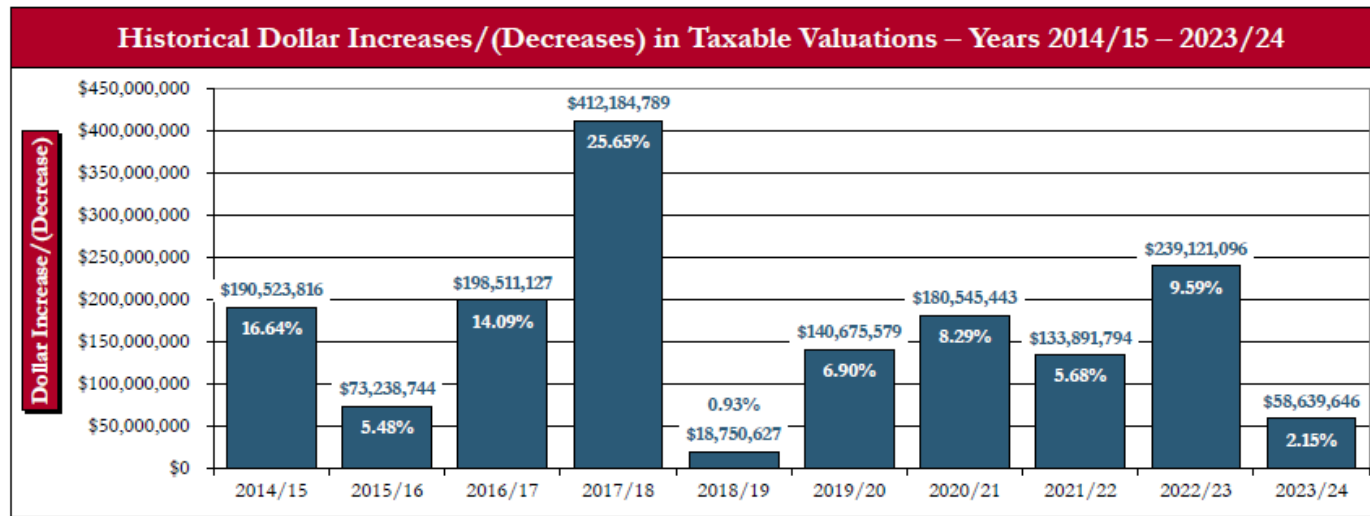
Current Interest
Rate:

3.31%



Bond Capacity Factors: Summary of District's Historical Taxable Assessed Valuation

- ❑ The value of Calallen ISD's tax base is the primary factor impacting CISD's bond capacity, as this determines the annual revenues generated from the District's I&S tax rate.
- ❑ CISD's taxable assessed valuation (net of frozen values) is \$2,790,962,783 for fiscal year 2023/24.
- ❑ The following summarizes certain taxable value growth statistics over the last decade:
 - Maximum tax base increase occurred in Year 2017/18: \$412,184,789 or 25.65%;
 - Average tax base increase last 10 years: \$164,608,266 or 9.32%; and
 - Average tax base increase last 5 years: \$150,574,712 or 6.49%.

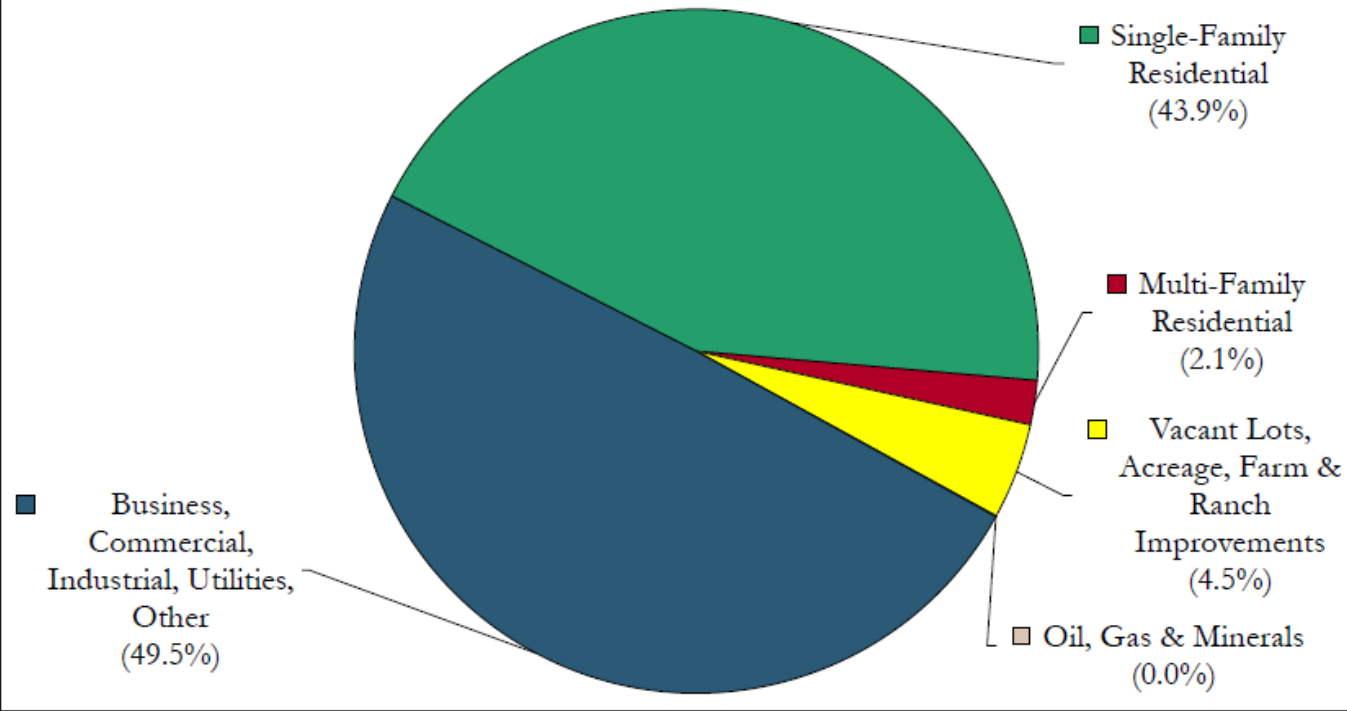


Source: Nueces County Appraisal District. Represents 100% of the certified tax values plus 100% of the tax values under ARB protest.

Primary Factor
Impacting Bond
Capacity:

**District's Taxable
Valuations**

For year 2023/24, Single-Family Residential properties comprise 43.9% of the District's total assessed valuation, while Business, Commercial, Industrial and Utility properties comprise 49.5%.



Breakdown of
the District's Tax
Valuation:

Bond 2024:
49.5% Commercial
43.9% Residential

Bond 2023:
52.5% Commercial
40.6% Residential



Preliminary Tax Rate Impact Analysis

□ Assumptions

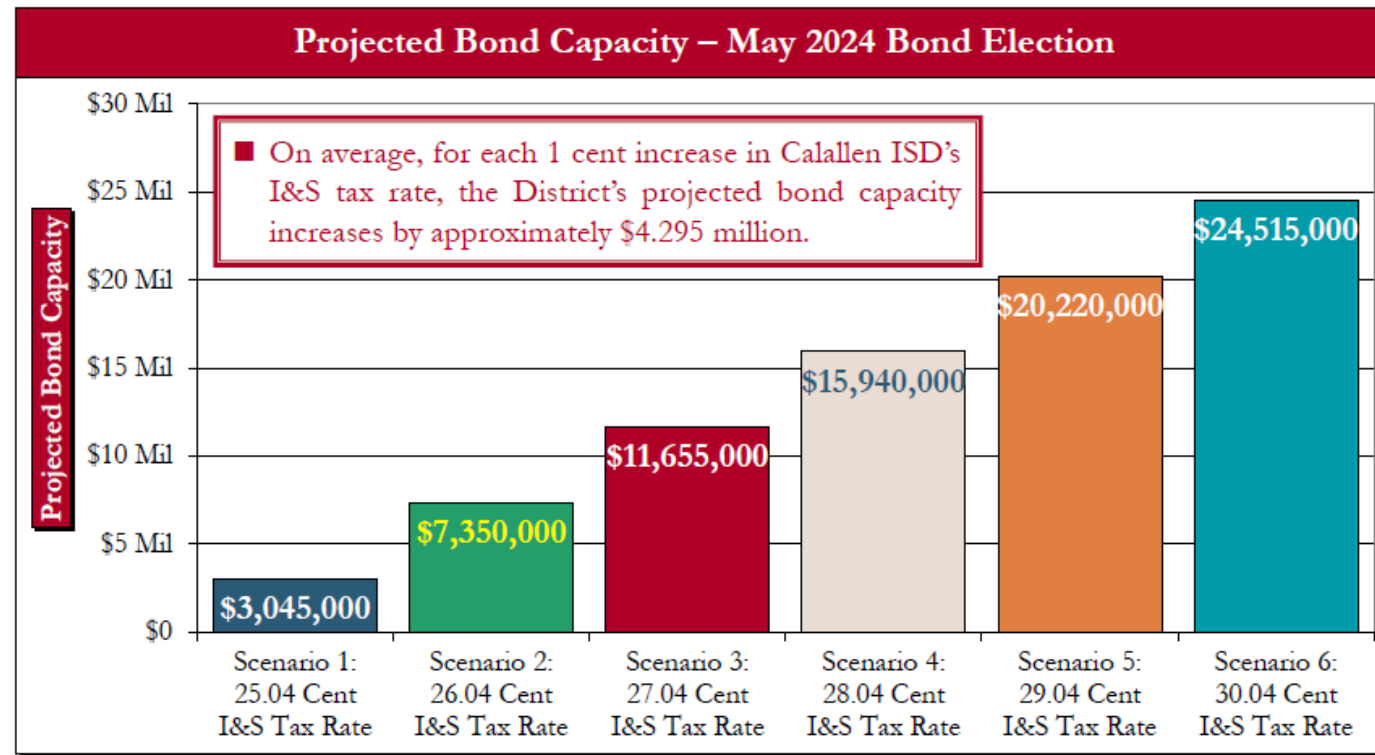
- Any I&S tax rate increase for the new bond program will occur in year 2024/25.
- The new bond program is sold in August 2024 at an interest rate of 5.00% (current market rates of interest are approximately 4.00%).
- The new bond program will initially be structured with annual principal payments over the next 30 years (i.e. final maturity of February 15, 2054) to maximize CISD's bond capacity. However, the District will have the flexibility to prepay the bonds prior to scheduled maturity, without penalty.
- Calallen ISD will annually have \$274,319 of "Other Available Revenues" available for bond payments, which consist of frozen I&S Fund tax collections (\$289,319) less estimated annual bond fees of \$15,000.
- **Short-Term Projects:** Fully repay bonds issued for certain short-term projects over their useful lives (e.g. devices – 5 years and infrastructure, buses, etc. – 10 years).
- CISD will not receive any State assistance for the repayment of bonds.
- Tax collection rate of 98.0%.

Preliminary Bond Capacity Assumptions



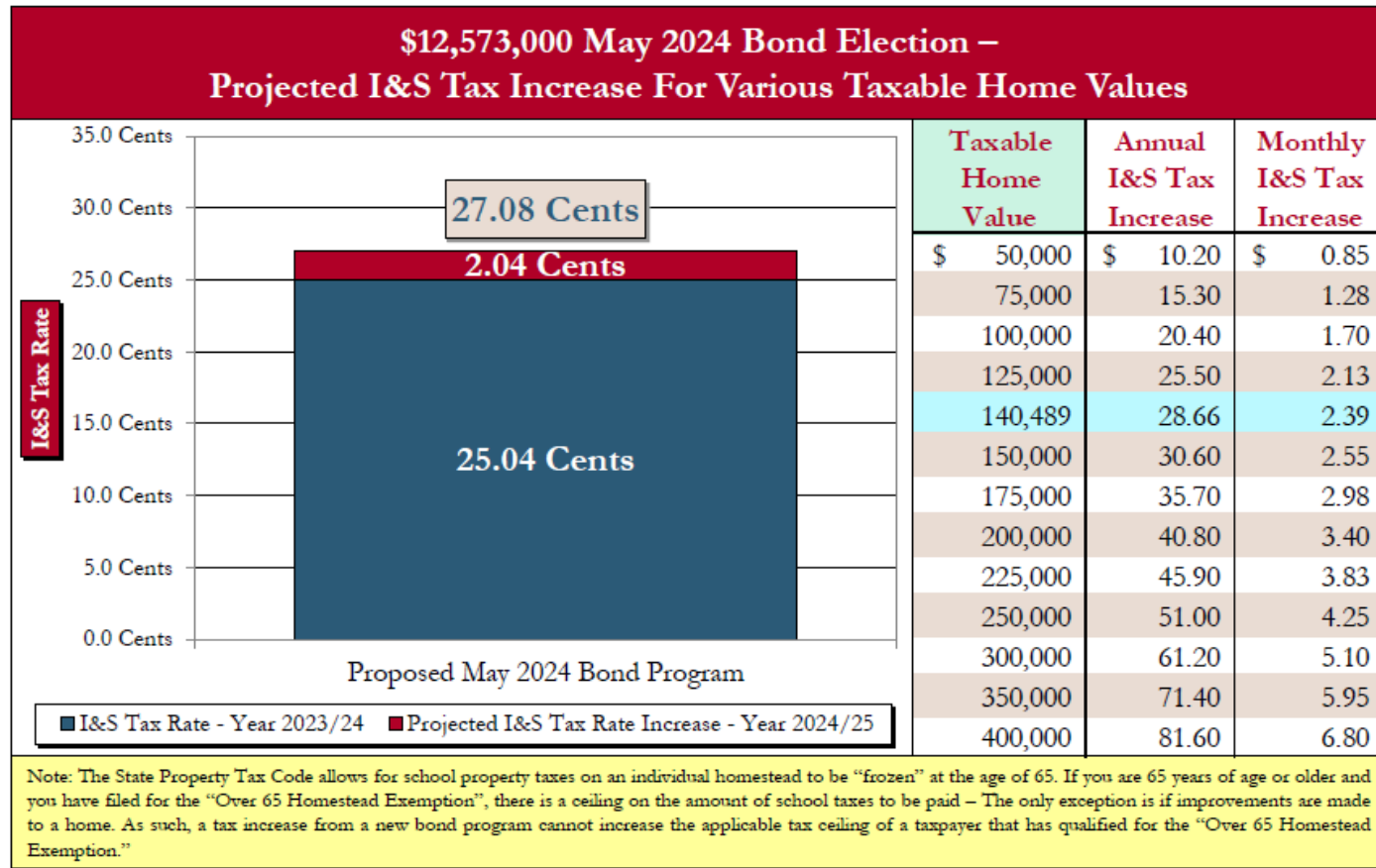
Preliminary Bond Capacity Analysis

- ❑ The following demonstrates Calallen ISD's projected bond capacity based upon the scenarios presented herein.



Preliminary Bond Capacity:

\$3.045M



**Bond 2023
Proposition B -
\$12.573 M**

2.04 Cents



Notable Changes in Bond Election Laws

❑ House Bill 3 – “Tax” Language on the Ballot

- Requires ballot propositions for school district bond elections to now include the statement: **“THIS IS A PROPERTY TAX INCREASE.”**

❑ Senate Bill 30 – Separate Propositions for Certain Items

- Historically, school districts have been able to use a single ballot proposition for the construction, acquisition and equipment of school buildings, including the purchase of land for school building sites, and the purchase of new school buses.
- Now, should a district conduct an election for any of the purposes described below, each must be stated in a separate proposition:
 - 1) Stadium with seating capacity for more than 1,000 spectators;
 - 2) Natatorium;
 - 3) Another recreational facility other than a gymnasium, playground or play area;
 - 4) Performing arts facility;
 - 5) Teacher housing; and
 - 6) Technology equipment, other than equipment used for school security purposes or technology infrastructure integral to the construction of a facility.

Bond Election
Law Changes:

Ballot Language

**Multiple
Propositions**

POTENTIAL
PROJECTS:

*BOND 2023
PROPOSITION B*



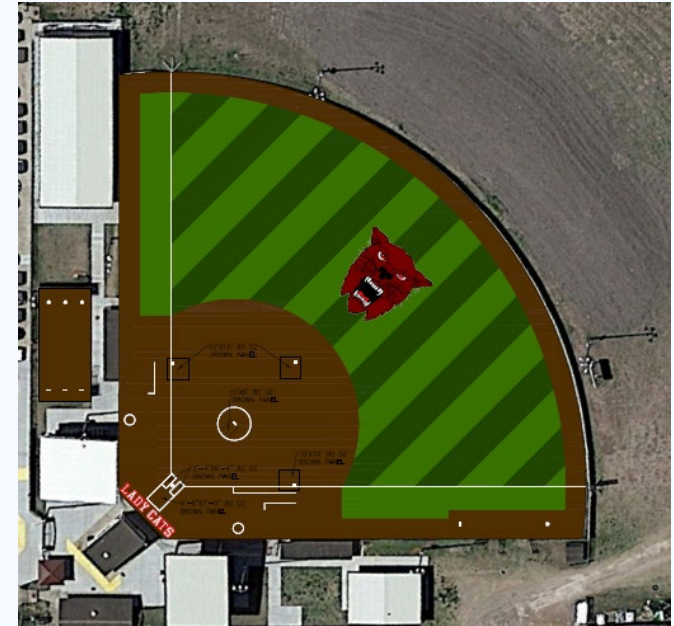
BOND 2024
CALALLEN ISD

HOW DID ADMINISTRATION COMPILE THE ORIGINAL BOND 2023 PROJECT LIST?

1. Postponed Projects from Previous Bond Elections
2. Campus and Department Walk-throughs with Principals and Department Heads
3. Outstanding Deferred Maintenance Requests
4. Community, Staff, and Student Recommendations

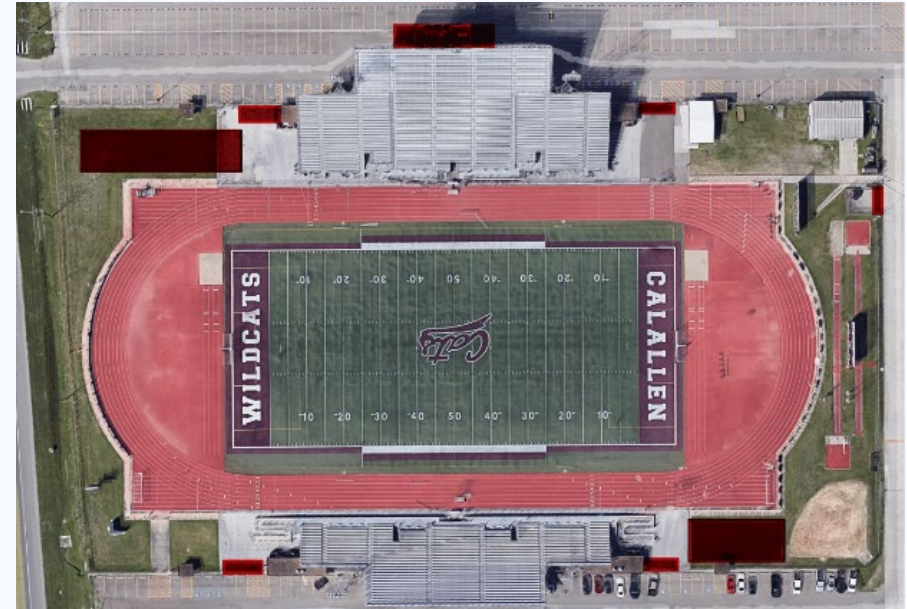
ATHLETICS – BASEBALL & SOFTBALL

- Baseball fence replacement
- Baseball field turf
- Softball field turf



ATHLETICS – STADIUM

- Entry and fencing upgrades
- Expand & remodel restrooms
- New press box
- New score board



REMINDER: The stadium remodel was paired down during the Bond 2023 Committee process. It does not include concession stands. Old restrooms will be expanded and remodeled. 2 entrances will match baseball & softball.

BOND 2023 - ESTIMATES

- Administration interviewed 3 estimating firms and selected RMA Architects
- RMA provided estimates for all proposed projects
- These estimates include 15% for soft costs (architect, engineers, etc.) and 12% for inflation

BOND 2024 - ESTIMATES

- Administration asked RMA Architects to revisit the Proposition B projects and provide estimates
- These estimates include 15% for soft costs (architect, engineers, geotechnical, dirtwork/earthwork etc.) and 10% for inflation

BOND 2024 - PROJECT ESTIMATES

Project	RMA Estimates	15% Soft Costs	10% Inflation	2024 Bond Budget	2023 Bond Budget
Baseball Fence Replacement	\$68,400	\$10,260	\$7,866	\$86,526	\$88,000
Baseball Field Turf	\$2,800,000	\$420,000	\$322,000	\$3,542,000	\$3,606,000
Softball Field Turf	\$1,150,000	\$172,500	\$132,250	\$1,454,750	\$1,481,000
Stadium Renovations	\$3,678,400	\$551,760	\$423,016	\$4,653,176	\$4,577,000
Stadium New Press Box	\$1,190,500	\$178,575	\$136,908	\$1,505,983	\$1,533,000
Stadium New Score Board	\$1,000,000	\$150,000	\$115,000	\$1,265,000	\$1,288,000
Grand Totals				\$12,507,435	\$12,573,000

BASEBALL & SOFTBALL – TURF COSTS

- Turnkey Estimates from RMA:
 - **Baseball - \$2,800,000**
 - **Softball - \$1,150,000**
 - DOES NOT INCLUDE Geotechnical
 - INCLUDES ESTIMATED BASIC Dirtwork/Earthwork (subject to change with geotechnical requirements)
- London ISD – Earthwork alone was \$1.6 M
- Gregory Portland ISD – Earthwork alone is \$1.8 M

LOOKING
AHEAD...



BOND 2024
CALALLEN ISD

BOND COMMITTEE TIMELINE

January 11, 2024

Board Workshop – Board discussed Bond 2024 and requested Bond Committee Meeting

January 23, 2024

Bond Committee Meeting

February 12, 2024

Board Meeting – Bond Committee presents and makes recommendation to Call for Bond Election

FEBRUARY 12, 2024 – BOARD MEETING

- **Who from the Bond Committee** will make the presentation and recommendation to the Board to call for the 2024 Bond Election?
- CISD Administration will meet with the Bond Committee team and help develop the Board presentation and materials



Preliminary Bond Election Timetable – May 4, 2024

BOK FINANCIAL SECURITIES

Financing Team Members

CISD	---	Calallen Independent School District – Issuer
BOKFS	---	BOK Financial Securities, Inc. – Financial Advisor
MPH	---	McCall, Parkhurst & Horton L.L.P. – Bond Counsel

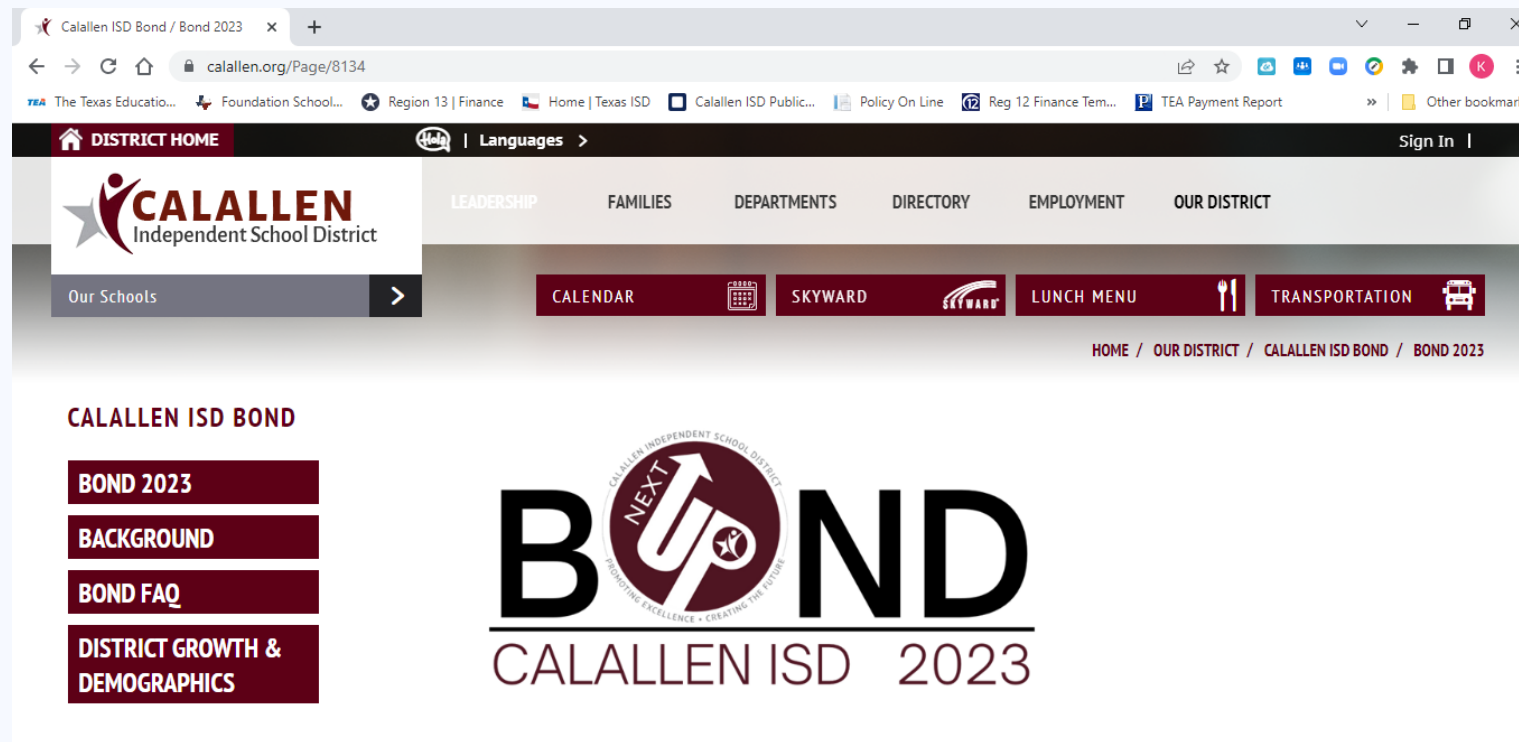
Preliminary Bond Election Timetable – May 4, 2024

Date	Action	Responsibility
On or Prior to February 16, 2024 ^(A)	Board Meeting – Board of Trustees Calls the Bond Election	CISD, BOKFS, MPH
April 4 – 24, 2024	Publish Notice of Election	CISD, MPH
Prior to April 15, 2024	Post Notice of Election	CISD, MPH
April 22 – 30, 2024	Early Voting Period	CISD
May 4, 2024	Bond Election	CISD, BOKFS
May 7 – 15, 2024	Board Meeting – Canvass Election Results	CISD, BOKFS
June 6 – 14, 2024	30-Day Contest Period Ends	N/A
July 2024 or Thereafter	Bond Sale	CISD, BOKFS, MPH
August 2024 or Thereafter	Bond Closing (District Receives Bond Proceeds)	CISD, BOKFS, MPH

^(A) For bond elections held on the May uniform election date, State law requires a bond election to be called by the Board of Trustees at least 78 days prior to the date of the election.

BOND 2024 WEBSITE COMING SOON!

www.calallen.org/bond2024



BOND 2024 COMMUNICATION PLAN

- Website and Social Media
- Information Sheets for Each Major Project
- Communication From Superintendent
- Signs and Posters at Campuses, Athletics, and Stadium Facilities

THANK YOU FOR ATTENDING!

*Please reach out to CISD Administration
with any questions, comments, or concerns.*

*Emily Lorenz
Superintendent
elorenz@calallen.org*

*Kelsey Ramos
Assistant Superintendent
kramos@calallen.org*



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