

**The Board of Trustees
Aledo ISD
Agenda of Special Meeting**

A Special Meeting of the Board of Trustees of Aledo ISD will be held October 5, 2020, beginning at 6:00 PM in the Aledo ISD Administration Board Room, 1008 Bailey Ranch Rd, Aledo, TX 76008.

**Aledo Independent School District Vision
Growing Greatness through exceptional experiences that empower learners for life**

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

If, during the course of the meeting covered by this agenda, the Board should determine that a closed session of the Board should be held or is required in relation to any item included on this agenda, then such closed session as authorized by Section 551.001 et seq of the Texas Government Code (the Open Meetings Act) will be held by the Board at that date, hour and place given in this agenda or as soon after the commencement of the meeting covered by this agenda as the Board may conveniently meet in such closed session concerning any and all subjects and for any and all purposes permitted by Sections 551.071 – 551.084, inclusive, of the Open Meetings Act.

- I. Call to Order
Hoyt Harris, President
- II. Determine a Quorum
Hoyt Harris, President
- III. Public Comment on Agenda Item
- IV. Public Comment on Non Agenda Item
- V. Update on COVID-19 Impact on District Operations and Community Needs
Susan K Bohn, Superintendent
 - A. Resolution Delegating Authority to the Superintendent to Act in Place of the Board of Trustees During an Emergency or Disaster Due to COVID-19
Susan K Bohn, Superintendent
 - B. Challenges Related to Instructional Delivery Models
Susan K Bohn, Superintendent
- VI. Communication Item
 - A. Review of Potential Taxable Bond Refunding Opportunities
Earl Husfeld, Chief Financial Officer
- VII. Action Item
 - A. Consider Approval of Competitive Sealed Proposal Bid for 2019 Bond Project Elementary School No. 6
Earl Husfeld, Chief Financial Officer; Tyler Boswell, Director of Construction and Facilities
- VIII. Executive Session
 - A. Texas Government Code Sections 551.071 and 551.129 - Consultation with Attorney

1. Consultation with legal counsel regarding pending litigation and mediation in Civil Action No. 4:20-cv-00442-O.

IX. Action Item

- A. Consideration and possible action regarding pending litigation and mediation in Civil Action No. 4:20-cv-00442-O.

X. Adjourn

Hoyt Harris, President



ALEDO ISD BOARD MEETING TEMPLATE

MEETING DATE: October 5, 2020

AGENDA ITEM: Update on COVID-19 Impact on District Operations and Community Needs

PRESENTER: Dr. Susan K. Bohn, Superintendent

BACKGROUND INFORMATION:

- Officials in the state of Texas and the United States Government have declared a disaster and emergency regarding coronavirus/COVID-19 and its potential spread.
- In order to efficiently and effectively address this ever-changing emergency situation in the best interest of the health, safety, and well-being of the District's students, staff, community, and the citizenship at-large, the Administration and Board of Trustees will discuss the impact of the situation on the District operations and our community as we plan for serving our students, staff, and community during the pandemic.

FISCAL INFORMATION:

Financial impact unknown at this time

ATTACHMENTS:

Resolution Delegating Authority to the Superintendent to Act in Place of the Board of Trustees During an Emergency or Disaster Due to COVID-19

ADMINISTRATIVE RECOMMENDATION:

Communication item only

BOARD OF TRUSTEES: ALEDO INDEPENDENT SCHOOL DISTRICT
Resolution No: 08172020-1
A RESOLUTION DELEGATING AUTHORITY TO THE SUPERINTENDENT TO ACT
IN PLACE OF THE BOARD OF TRUSTEES DURING AN EMERGENCY OR
DISASTER DUE TO COVID-19

WHEREAS, the Aledo Independent School District Board of Trustees (Board) recognizes that officials in the State of Texas and the United States Government have declared a disaster and emergency regarding coronavirus/COVID-19 (hereafter “COVID-19”) and its potential spread;

WHEREAS, the territory included in the Aledo Independent School District is within the areas declared a disaster and an emergency area;

WHEREAS, on or about March 13, 2020, the President of the United States declared a national emergency and the Governor of the State of Texas declared a statewide disaster regarding COVID-19;

WHEREAS, on or about March 19, 2020, the Governor of Texas issued an Executive Order limiting gatherings to ten (10) or fewer individuals until April 3, 2020;

WHEREAS, the Board recognizes that COVID-19 is an unforeseen and unavoidable emergency of urgent public necessity, that the World Health Organization has declared COVID19 a pandemic, and that additional emergency declarations may follow in the coming days and weeks;

WHEREAS, the Board and Administration are following advice and directives from federal, state and local authorities in responding to the COVID-19 Virus;

WHEREAS, the Board has a substantial public interest in protecting the health and safety of its students, staff, and community and therefore desires to ensure that the school district and community are prepared to the fullest extent possible to protect the health and safety of students, staff, and community in light of COVID-19;

WHEREAS, the District was closed during the spring of 2020, due to the COVID-19 pandemic, and may determine a need exists to implement further suspension or modification of classes and/or District operations in response to the health needs of our families and our community;

WHEREAS, the District’s public purpose is served by promoting conscientious health choices, including individual quarantines as may be necessary when classes resume;

WHEREAS, the District’s public purpose is served by working with students, families, and staff to the extent possible to support continued learning during times of

school suspension and/or quarantine;

WHEREAS, only for the duration of the Declaration of Disaster and resulting Executive Orders of the Governor, the board of trustees determines that the delay posed by the methods provided for in Texas Education Code Section 44.031(a) would prevent or substantially impair the provision of classes or other essential school activities; **WHEREAS**, to the extent possible, the term of contracts awarded by methods other than those required by Section 44.031(h), due to the COVID-19 emergency, shall not extend longer than reasonably necessary to respond to the Declaration of Disaster and comply with Executive Orders of the Governor;

WHEREAS, any contract entered into by the district pursuant to this resolution will be presented to the board of trustees for ratification at a future board meeting;

WHEREAS, the Board believes the public purposes described above are fulfilled by efficiently and effectively making certain delegations, as described more fully herein, to the Superintendent to address this ever-changing emergency situation in the best interest of the health, safety, and well-being of its students, staff, community, and the citizenship at-large.

WHEREAS, the Board believes the public purposes described above are fulfilled by efficiently and effectively making certain delegations, as described more fully herein, to the Superintendent to address this ever-changing emergency situation in the best interest of the health, safety, and well-being of its students, staff, community, and the citizenship at-large, recognizing that at any time during this emergency, establishing a quorum may be difficult or impossible, and in such circumstances only, delegation of these authorities to the Superintendent would be the only way to make necessary decisions to continue District operations.

IT IS THEREFORE RESOLVED THAT the Board of Trustees finds a substantial public purpose exists in protecting the health and safety of its students, staff, and community and therefore in ensuring that the school district and community are prepared to the fullest extent possible to protect the health and safety of students, staff, and community in light of COVID-19.

In furtherance of these public purposes, the Board of Trustees makes the following delegations to the Superintendent and designee(s):

1. The authority to act in place of the Board under Policy DEC (Local) regarding employee leave and thus create guidelines and make decisions regarding absences,

leave time, leave days, and compensation of any employee who is quarantined as a result of COVID19 and/or who tests positive for COVID-19 and who presents appropriate medical documentation regarding themselves and/or an immediate family member, in compliance with Texas and federal law;

2. The authority to seek any necessary waivers from the Texas Education Agency without further action of the Board of Trustees regarding missed instructional days, low attendance, or any matters related to the emergency closures as part of this Resolution;

3. The authority to declare a catastrophe and take all actions as appropriate in accordance with Texas Government Code, Section 552.233, regarding temporary suspension of the Texas Public Information Act;

4. Where permitted by law, the authority to act in place of the Board under Policies CH, COA and CV (Local) to negotiate, and execute contracts for goods and services that are necessary to mitigate, prevent, restore, and repair damage caused to District equipment, personal property, and facilities or to protect the safety of students and staff, related to COVID-19 and its potential spread. Such authority being necessary to prevent delays that will prevent or substantially impair the conduct of classes or other essential school functions and activities;

5. The authority to make contracts for goods and services needed to replace traditional classroom facilities and instructional equipment with alternative goods and services by methods other than those required by Section 44.031(a), including but not limited to the acquisition of resources necessary to implement remote operations and instruction in compliance with the Governor's Executive Orders; Such authority also extending to contracts for goods and services necessary to maintain the health and safety of facilities and equipment, including but not limited to, resources necessary for cleaning, disinfection, air quality measures, and testing.

6. The authority to make budgeted or unbudgeted purchases for goods or services, up to \$150,000, such authority being necessary to prevent delays that will prevent or substantially impair the conduct of classes or other essential school functions and activities due to COVID-19; after which the Superintendent will fully report to the Board of Trustees; and,

7. In the event other waivers or immediate actions are needed, the Superintendent is authorized to take other action and to submit/apply for other waivers in accordance with guidance and instructions from the national and state authorities and/or agencies.

8. The above authority is granted only after the Superintendent discusses the necessary authority with the Board President and a good faith effort has been made

to convene a quorum of the Board in a meeting that meets the requirements of the Texas Open Meetings Act, Texas Government Code Chapter 551, and the special exceptions thereto issued by the Texas Office of the Attorney General as related to the COVID-19 emergency declaration.

9. This Resolution shall be placed on the agenda of each Board meeting for consideration by the Board until it is rescinded by the Board.

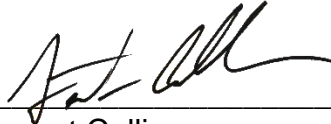
The above Resolution is passed and adopted this 17th day of August 2020 by the Board of Trustees.

APPROVED:



Hoyt Harris
President, Board of Trustees

ATTEST:



Forrest Collins
Secretary, Board of Trustees



ALEDO ISD BOARD MEETING TEMPLATE

MEETING DATE: October 5, 2020

AGENDA ITEM: Review of Potential Taxable Bond Refunding Opportunities

PRESENTER: Earl Husfeld, Chief Financial Officer

BACKGROUND INFORMATION:

- Periodically Aledo ISD staff and the District's financial advisory firm, BOK Financial Securities, Inc. (BOK), review the District's financial and debt position to ensure the District is taking advantage of current market conditions.
- Based upon these current market conditions, the District is able to realize a financial savings by "refinancing" or "refunding" a portion of the District's outstanding bonds at a lower interest rate.
- The following memorandum, Review of Potential "Taxable" Refunding Opportunities, was prepared by BOK and provides explanation and insight into the savings available to the District and the preliminary financing plan to achieve these savings.
- Assuming the Board of Trustees is interested in proceeding with this refinancing opportunity, the Board of Trustees will be asked to approve a "Parameters Bond Order" at the October 19, 2020 board meeting to ensure the most advantageous timing of the refinancing.
- If approved by the Board of Trustees, the Parameters Bond Order would delegate the ability to approve the issuance of the refinancing bonds to the District's Superintendent and/or Chief Financial Officer if certain parameters are met as specified in the Parameters Bond Order.
- Although the recommended parameters for this refinancing may be different, the District has used this method many times with bond sales in prior years.
- Mr. Josh McLaughlin, with BOK, will discuss the following memorandum, Review of Potential "Taxable" Refunding Opportunities, with the Board of Trustees and answer any questions you may have.

FISCAL INFORMATION:

Included in the memorandum from BOK Financial Securities, Inc.

ATTACHMENTS:

Memorandum from BOK Financial Securities, Inc. - Review of Potential "Taxable" Refunding Opportunities

ADMINISTRATIVE RECOMMENDATION:

None – Informational Report



Review of Potential “Taxable” Refunding Opportunities

Tuesday, September 29, 2020



Savings from District's Debt Management Practices

- ❑ Aledo Independent School District (“AISD” or the “District”) has actively deployed various debt management practices to lower the borrowing costs of taxpayers. Such actions have reduced the cost of voter-approved bonds and provided AISD taxpayers with more than \$34.6 million of direct savings since year 2006!
 - ❖ \$ 27,253,426 – Bond Refundings and Prepayment of Bonds
 - ❖ \$ 7,352,011 – Lower Interest Rates from Prudent Use of Variable Rate Bonds
- \$ 34,605,437 – Total Savings to Taxpayers**



Savings from District's Debt Management Practices

- **Bond Refundings and Prepayment of Bonds:** 8 bond refunding programs at a lower interest rate and prepayment of \$7.51 million of existing bonds – \$27.25 million of savings in future interest costs.

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 2006	1998	\$ 23,035,000	\$ 1,172,515
Unlimited Tax Refunding Bonds, Series 2007	1998	7,520,000	988,788
Unlimited Tax Refunding Bonds, Series 2012	2001, 2005-A	8,519,919	1,075,426
Unlimited Tax Refunding Bonds, Series 2013-A	2005-A	8,985,000	2,344,653
Unlimited Tax Refunding Bonds, Taxable Series 2013-B	2005-A, 2006	17,010,000	2,204,602
Unlimited Tax Refunding Bonds, Series 2014	2005-A	9,330,000	1,866,979
Unlimited Tax Refunding Bonds, Series 2015	2005-A, 2006, 2008	13,195,000	3,502,667
Unlimited Tax Refunding Bonds, Series 2016	2008	56,615,000	12,467,671
Total - Bond Refunding Programs at a Lower Interest Rate	---	\$ 144,209,919	\$ 25,623,301
Prepayment of Series 2007 Bonds - February 2018	2007	\$ 1,275,000	\$ 552,750
Prepayment of Series 2007 Bonds - February 2019	2007	2,240,000	588,600
Prepayment of Series 2007 & 2012 Bonds - February 2020	2007, 2012	3,995,000	488,775
Total - Prepayment of Bonds Prior to Scheduled Maturity	---	\$ 7,510,000	\$ 1,630,125
Totals	---	\$ 151,719,919	\$ 27,253,426



Summary of the District's Outstanding Callable Bonds

- The District currently has \$237,900,000 of existing bonds eligible to be repaid or refinanced prior to maturity, as summarized in the table below.

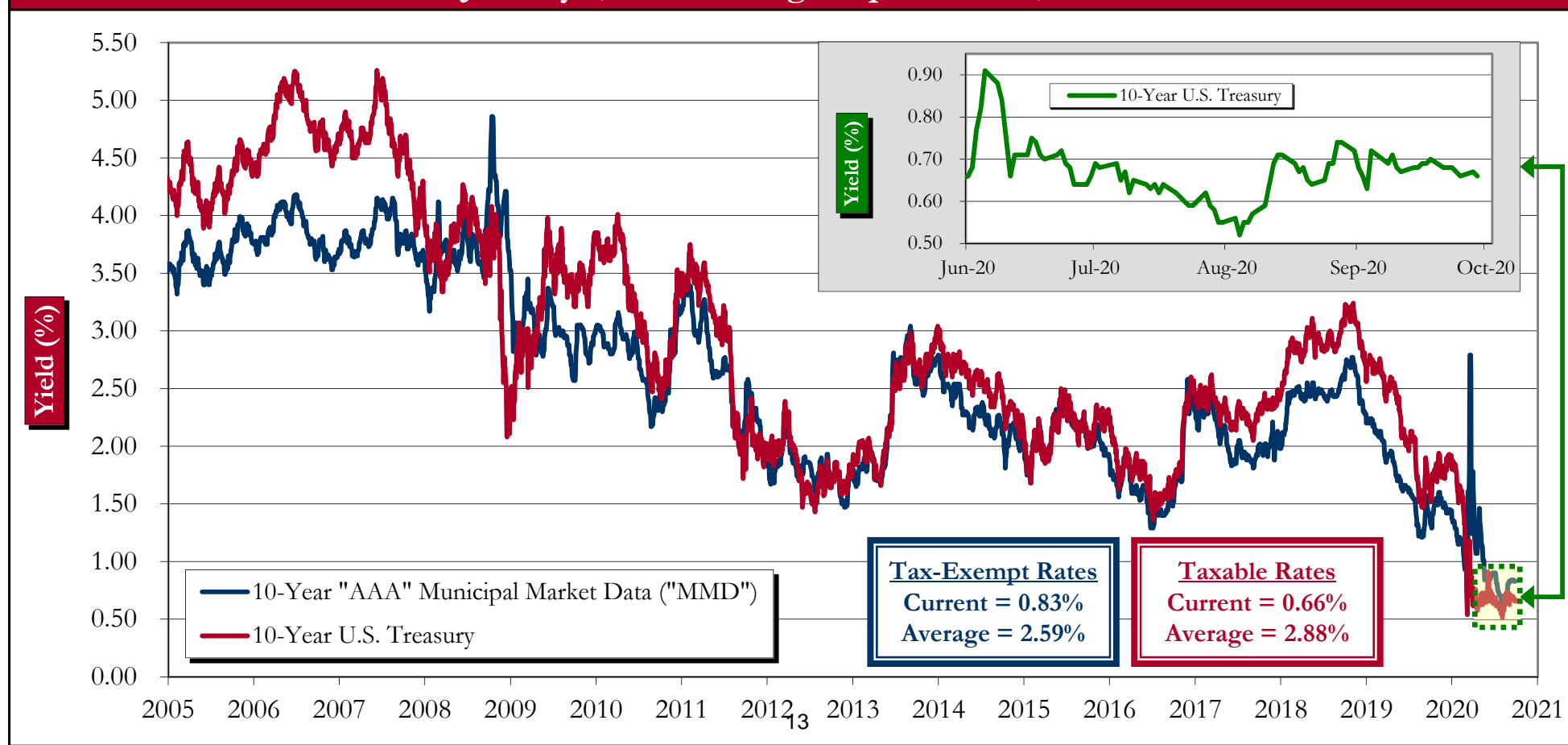
Aledo ISD - Summary of Callable Bonds Outstanding - As of August 31, 2020						
Issue Description	Call Date	Principal Amount Outstanding	Principal Amount Callable	Callable Maturities	Final Maturity	Coupons: Callable Maturities
Unlimited Tax Refunding Bonds, Series 2012	02/15/2022	\$ 4,979,913	\$ 4,230,000	2023 - 2025	2025	3.500%
Unlimited Tax Refunding Bonds, Series 2013-A	02/15/2023	8,710,000	8,580,000	2024 - 2031	2031	2.880% - 3.500%
Unlimited Tax Refunding Bonds, Taxable Series 2013-B	02/15/2023	9,820,000	4,970,000	2024 - 2032	2032	2.630% - 3.690%
Unlimited Tax Refunding Bonds, Series 2014	02/15/2023	6,905,000	5,675,000	2031 - 2033	2033	3.500% - 4.000%
Unlimited Tax Refunding Bonds, Series 2015	02/15/2025	12,280,000	12,230,000	2026; 2029; 2033-35	2035	2.990% - 5.000%
Unlimited Tax School Building Bonds, Series 2015-A	02/15/2025	42,330,000	28,295,000	2026-34; 2036-45	2045	3.125% - 5.000%
Unlimited Tax Refunding Bonds, Series 2016	02/15/2026	53,440,000	53,440,000	2036 - 2043	2043	4.000% - 5.000%
Unlimited Tax Refunding Bonds, Series 2019	02/15/2028	11,680,000	6,840,000	2029 - 2034	2034	4.000% - 5.000%
Unlimited Tax School Building Bonds, Series 2020	02/15/2029	133,590,000	113,640,000	2030 - 2050	2050	3.000% - 5.000%
Unlimited Tax School Building Bonds, Series 2001	Non-Callable	2,573,362	---	---	2032	---
Totals	---	\$ 286,308,275	\$ 237,900,000	---	---	---



“Taxable” Vs. “Tax-Exempt” Interest Rates

- Both tax-exempt and taxable interest rates continue to hover around their historical lows, primarily due to the economic uncertainty caused by the COVID-19 pandemic, potentially providing an opportunity for Aledo ISD to complete a refunding of its existing bonds at a lower interest rate.

Overview of 10-Year Tax-Exempt and Taxable Interest Rates January 1, 2005 Through September 29, 2020





Refunding Considerations

❑ “Tax-Exempt” Versus “Taxable” Refundings

■ Definitions:

- **Advance Refunding:** For purposes of certain tax and securities laws and regulations, a refunding in which the refunded issue remains outstanding (within a designated escrow account) for a period of more than 90 days after the issuance of the new refunding bonds.
- **Current Refunding:** A refunding transaction where the municipal securities being refunded will all mature or be redeemed within 90 days or less from the date of issuance of the new refunding bonds.

- As a direct result of “The Tax Cuts and Jobs Act of 2017,” Aledo ISD may no longer complete a so-called advance refunding of its outstanding bonds on a “tax-exempt” basis, limiting the District’s ability to lock-in today’s interest rates.
- In lieu of a “tax-exempt” advance refunding, AISD may complete a “taxable” advance refunding of its bonds or, alternatively, wait to complete a “tax-exempt” current refunding.
- Based upon the District’s existing debt portfolio, except for the Taxable Series 2013-B Bonds, a refunding of Aledo ISD’s existing callable bonds must be completed on a “taxable” basis.



Refunding Considerations

❑ State-Mandated “Par-to-Par” Test and Capital Appreciation Bonds

- Pursuant to existing State law, Aledo ISD may not issue new bonds in a “par amount” that exceeds the “par amount” of the bonds being refunded.
- In order to comply with this State mandate and based upon the coupon structure of “taxable” securities demanded by potential investors, a “taxable” refunding may require the use of Capital Appreciation Bonds (“CABs”), something the District has historically tried to avoid given the higher cost associated with such bonds.

❑ Opportunity Cost of Advance Refundings (i.e. “Negative Arbitrage”)

- As previously experienced with “tax-exempt” advance refundings, there are inefficiencies in the escrow account to repay AISD’s refunded bonds until their redemption date since short-term investment rates generate less investment income than is permitted under Federal tax law (i.e. “Negative Arbitrage”).
- Please note, “Negative Arbitrage” does not change the savings summarized herein as it is not an “actual” cost – It is solely an opportunity cost.



Refunding Considerations

❑ Refunding Matrix:

- As an alternative to the historical guideline used by many municipal issuers of 3%-5% of Present Value Savings, the refunding matrix below may be helpful as a general guideline for evaluating bond maturities for a potential refunding, while considering the “Negative Arbitrage” applicable to the particular existing bond maturity.

Refunding Matrix – Required Minimum Percentage of Present Value Savings			
Years After Call Date	Years to Call Date		
	0 – 2	3 – 6	7 – 10
0 – 3	1.0%	2.0%	4.0%
4 – 7	2.0%	3.5%	5.0%
8 – 12	4.0%	6.0%	8.0%
13 – 20	5.0%	7.0%	9.0%
20-plus	5.0%	8.0%	10.0%

“Negative Arbitrage” may not exceed 50% of the Present Value Savings.

- Based upon the above matrix, a refunding that produces in excess of 3% Present Value Savings and a ratio of “Negative Arbitrage to Present Value Savings” of less than 50% should be considered, but evaluated in its totality given certain byproducts of advance and/or “taxable” refundings.



“Taxable Refunding Monitor” – Callable Bonds Next 5 Years

- On the next few pages, we have examined potential refunding candidates within Aledo ISD’s existing debt portfolio that have a call date on or prior to February 15, 2025 (i.e. the next 5 years).

Summary of Savings and Negative Arbitrage by Maturity									
Bond Series	Refunded Maturity	Coupon	Bonds Eligible to be Refunded	Call Date	Present Value Savings (Dollars)	Present Value Savings (Percent)	Estimated Negative Arbitrage	Negative Arbitrage as a Percentage of Savings	Savings Efficiency Percentage
Series 2012	2/15/2023	3.500%	\$ 1,435,000	2/15/2022	\$ 23,038	1.61%	\$ 5,299	23.00%	81.30%
Series 2012	2/15/2024	3.500%	1,485,000	2/15/2022	59,558	4.01%	8,118	13.63%	88.00%
Series 2012	2/15/2025	3.500%	1,310,000	2/15/2022	85,317	6.51%	7,932	9.30%	91.49%
			\$ 4,230,000						
Series 2013-A	2/15/2024	3.000%	\$ 45,000	2/15/2023	\$ 146	0.32%	\$ 450	309.43%	24.42%
Series 2013-A	2/15/2025	3.000%	50,000	2/15/2023	1,172	2.34%	555	47.38%	67.85%
Series 2013-A	2/15/2026	3.000%	50,000	2/15/2023	1,588	3.18%	830	52.26%	65.68%
Series 2013-A	2/15/2027	PCAB	838,990	2/15/2023	39,197	4.67%	16,178	41.27%	70.78%
Series 2013-A	2/15/2028	3.500%	1,725,000	2/15/2023	120,125	6.96%	40,542	33.75%	74.77%
Series 2013-A	2/15/2029	3.500%	1,785,000	2/15/2023	144,478	8.09%	45,849	31.73%	75.91%
Series 2013-A	2/15/2030	3.500%	2,290,000	2/15/2023	206,029	9.00%	63,805	30.97%	76.35%
Series 2013-A	2/15/2031	3.500%	1,965,000	2/15/2023	187,185	9.53%	58,999	31.52%	76.03%
			\$ 8,748,990						

Notes:

- Highlighted maturities produce at least 3% present value savings and have a “Negative Arbitrage to Present Value Savings” ratio of less than 50%.
- Savings Efficiency Percentage equals present value savings/(present value savings + negative arbitrage).



“Taxable Refunding Monitor” – Callable Bonds Next 5 Years

Summary of Savings and Negative Arbitrage by Maturity

Bond Series	Refunded Maturity	Coupon	Bonds Eligible to be Refunded	Call Date	Present Value Savings (Dollars)	Present Value Savings (Percent)	Estimated Negative Arbitrage	Negative Arbitrage as a Percentage of Savings	Savings Efficiency Percentage
Series 2013-B	2/15/2024	2.630%	\$ 125,000	2/15/2023	\$ (35)	(0.03%)	\$ 1,245	---	---
Series 2013-B	2/15/2025	2.830%	125,000	2/15/2023	2,523	2.02%	1,385	54.90%	64.56%
Series 2013-B	2/15/2026	2.930%	125,000	2/15/2023	3,721	2.98%	2,073	55.70%	64.23%
Series 2013-B	2/15/2027	3.030%	2,005,000	2/15/2023	90,991	4.54%	37,666	41.40%	70.72%
Series 2013-B	2/15/2028	3.130%	2,070,000	2/15/2023	108,718	5.25%	48,419	44.54%	69.19%
Series 2013-B	2/15/2029	3.690%	65,000	2/15/2023	5,939	9.14%	1,674	28.18%	78.02%
Series 2013-B	2/15/2030	3.690%	100,000	2/15/2023	10,199	10.20%	2,793	27.38%	78.50%
Series 2013-B	2/15/2031	3.690%	105,000	2/15/2023	11,425	10.88%	3,160	27.66%	78.33%
Series 2013-B	2/15/2032	3.690%	250,000	2/15/2023	28,709	11.48%	8,067	28.10%	78.06%
			\$ 4,970,000						
Series 2014	2/15/2031	4.000%	\$ 405,000	2/15/2023	\$ 53,021	13.09%	\$ 12,239	23.08%	81.25%
Series 2014	2/15/2032	3.500%	4,340,000	2/15/2023	433,172	9.98%	139,709	32.25%	75.61%
Series 2014	2/15/2033	4.000%	930,000	2/15/2023	141,052	15.17%	31,142	22.08%	81.91%
			\$ 5,675,000						
Series 2015	2/15/2026	PCAB	\$ 1,507,483	2/15/2025	\$ (29,183)	(1.94%)	\$ 47,038	---	---
Series 2015	2/15/2029	PCAB	1,477,781	2/15/2025	52,040	3.52%	74,945	144.01%	40.98%
Series 2015	2/15/2033	4.000%	3,595,000	2/15/2025	290,015	8.07%	224,634	77.46%	56.35%
Series 2015	2/15/2034	5.000%	3,780,000	2/15/2025	602,381	15.94%	257,485	42.74%	70.06%
Series 2015	2/15/2035	5.000%	4,845,000	2/15/2025	816,214	16.85%	350,680	42.96%	69.95%
			\$ 15,205,264						

Notes:

- 1.) Highlighted maturities produce at least 3% present value savings and have a “Negative Arbitrage to Present Value Savings” ratio of less than 50%.
- 2.) Savings Efficiency Percentage equals present value savings/(present value savings + negative arbitrage).



“Taxable Refunding Monitor” – Callable Bonds Next 5 Years

Summary of Savings and Negative Arbitrage by Maturity

Bond Series	Refunded Maturity	Coupon	Bonds Eligible to be Refunded	Call Date	Present Value Savings (Dollars)	Present Value Savings (Percent)	Estimated Negative Arbitrage	Negative Arbitrage as a Percentage of Savings	Savings Efficiency Percentage
Series 2015-A	2/15/2026	4.000%	\$ 610,000	2/15/2025	\$ (6,622)	(1.09%)	\$ 18,325	---	---
Series 2015-A	2/15/2027	4.000%	560,000	2/15/2025	6,066	1.08%	19,247	317.27%	23.97%
Series 2015-A	2/15/2028	4.000%	570,000	2/15/2025	12,410	2.18%	24,745	199.40%	33.40%
Series 2015-A	2/15/2029	3.125%	645,000	2/15/2025	4,281	0.66%	30,178	704.94%	12.42%
Series 2015-A	2/15/2030	3.125%	455,000	2/15/2025	5,698	1.25%	23,188	406.94%	19.73%
Series 2015-A	2/15/2031	3.250%	465,000	2/15/2025	9,882	2.13%	25,693	260.00%	27.78%
Series 2015-A	2/15/2032	3.250%	350,000	2/15/2025	8,350	2.39%	20,791	248.99%	28.65%
Series 2015-A	2/15/2033	3.375%	515,000	2/15/2025	19,946	3.87%	31,745	159.16%	38.59%
Series 2015-A	2/15/2034	3.400%	300,000	2/15/2025	12,158	4.05%	19,743	162.39%	38.11%
Series 2015-A	2/15/2036	5.000%	1,945,000	2/15/2025	340,705	17.52%	149,032	43.74%	69.57%
Series 2015-A	2/15/2037	5.000%	2,040,000	2/15/2025	366,301	17.96%	164,928	45.03%	68.95%
Series 2015-A	2/15/2038	5.000%	2,155,000	2/15/2025	410,255	19.04%	178,761	43.57%	69.65%
Series 2015-A	2/15/2039	5.000%	2,255,000	2/15/2025	450,631	19.98%	191,793	42.56%	70.15%
Series 2015-A	2/15/2040	5.000%	1,930,000	2/15/2025	401,411	20.80%	168,195	41.90%	70.47%
Series 2015-A	2/15/2041	5.000%	2,025,000	2/15/2025	395,322	19.52%	189,148	47.85%	67.64%
Series 2015-A	2/15/2042	5.000%	1,400,000	2/15/2025	294,369	21.03%	130,769	44.42%	69.24%
Series 2015-A	2/15/2042	5.000%	730,000	2/15/2025	153,493	21.03%	68,187	44.42%	69.24%
Series 2015-A	2/15/2043	5.000%	2,240,000	2/15/2025	503,867	22.49%	209,230	41.52%	70.66%
Series 2015-A	2/15/2044	5.000%	3,465,000	2/15/2025	829,036	23.93%	323,652	39.04%	71.92%
Series 2015-A	2/15/2045	5.000%	3,640,000	2/15/2025	921,760	25.32%	339,998	36.89%	73.05%
			\$ 28,295,000						

Notes:

- 1.) Highlighted maturities produce at least 3% present value savings and have a “Negative Arbitrage to Present Value Savings” ratio of less than 50%.
- 2.) Savings Efficiency Percentage equals present value savings/(present value savings + negative arbitrage).



Potential “Taxable” Advance Refunding Opportunity

- Based upon prevailing market conditions and the “Taxable Refunding Monitor,” the table below summarizes Aledo ISD’s outstanding bonds (the “Bonds to be Refunded”) which generate sufficient savings based upon prevailing market conditions to be considered for a potential “taxable” refunding program.

“Taxable” Refunding – Summary of Bonds to be Refunded						
Issue Outstanding	Principal Amount To Be Refunded	Maturity Amount To Be Refunded	Maturities To Be Refunded	Interest Rate	Redemption Date	Redemption Price
Unlimited Tax Refunding Bonds, Series 2012 ^(A)	\$ 4,230,000	\$ 4,230,000	02/15/2023 – 2025	3.50%	02/15/2022	100.0%
Unlimited Tax Refunding Bonds, Series 2013-A	8,435,000	8,435,000	02/15/2027 – 2031	3.45%	02/15/2023	100.0%
Unlimited Tax Refunding Bonds, Taxable Series 2013-B	4,595,000	4,595,000	02/15/2027 – 2032	3.18%	02/15/2023	100.0%
Unlimited Tax Refunding Bonds, Series 2014	5,675,000	5,675,000	02/15/2031 – 2033	3.62%	02/15/2023	100.0%
Unlimited Tax Refunding Bonds, Series 2015	8,625,000	8,625,000	02/15/2034 – 2035	5.00%	02/15/2025	100.0%
Unlimited Tax School Building Bonds, Series 2015-A	23,825,000	23,825,000	02/15/2036 – 2045	5.00%	02/15/2025	100.0%
Totals	\$ 55,385,000	\$ 55,720,000	---	4.57%	---	---

^(A) Please note, the February 15, 2023 maturity of the Series 2012 Bonds is being refunded to reduce the impact of Capital Appreciation Bonds within the “taxable” refunding structure herein.



Potential “Taxable” Advance Refunding Opportunity

- The table below summarizes the savings currently available to Aledo ISD by refunding a portion of its existing bonds on a “taxable” basis (net of all costs).

“Taxable” Refunding – Summary of Potential Savings Available	
Description	Summary Of Results
Principal Amount of Bonds to be Refunded	\$ 55,385,000
Maturity Amount of Bonds to be Refunded	55,720,000
Interest Rate on the Bonds to be Refunded	4.57%
“All-In” True Interest Cost on the Refunding Bonds	2.10%
Escrow Yield	0.31%
Total Debt Service Savings	\$ 11,369,883
Average Annual Savings (Years 2021/22 – 2044/45) (i.e. 24 Years)	473,745
Present Value Debt Service Savings (@ All-In TIC)	8,746,348
Present Value Savings as a Percentage of the Redemption Amount of the Bonds to be Refunded	15.74%
Opportunity Cost of Advance Refunding (i.e. “Negative Arbitrage”)	\$ 3,120,226
“Negative Arbitrage” as a Percentage of Present Value Savings	35.67%
Maturity Amount of Capital Appreciation Bonds Needed (Fully Matures By February 15, 2025)	\$ 6,955,000
Current Refunding Alternative – Estimated Rate Movement to Provide Same Dollar Savings (February 15, 2025 Call Date – Series 2015 and Series 2015- ²¹ A Bonds Only)	0.88%



Use of a “Parameters Bond Order” for Approval of a Refunding Bond Sale

- ❑ As previously utilized for Aledo ISD’s prior bond sales, the District’s Board of Trustees may adopt a “Parameters Bond Order” to complete the sale of its Unlimited Tax Refunding Bonds, Taxable Series 2020-A (the “Taxable Series 2020-A Bonds”). The “Parameters Bond Order” authorizes AISD’s Administration to approve the refunding bond sale if each of the established parameters is met.

- ❑ The Board of Trustees will consider a “Parameters Bond Order” at its Monday, October 19, 2020 Board Meeting and the following is a representative listing of the primary parameters we recommend for the Taxable Series 2020-A Bonds:
 - 1) The District achieves a savings (net of all costs) of at least \$10,000,000;
 - 2) Maximum principal amount to be issued – \$55,385,000;
 - 3) Maximum “All-In” True Interest Rate (must not exceed) – 2.50%;
 - 4) Final maturity of the Taxable Series 2020-A Bonds – February 15, 2045; and
 - 5) Sale must be completed prior to April 17, 2021 (i.e. 180 days).

- ❑ Unless each parameter listed above can be achieved, the Taxable Series 2020-A Bonds will not be issued until additional direction is received from the District.



Preliminary Timetable – Taxable Series 2020-A Bonds

- The preliminary timetable for the implementation of the proposed Taxable Series 2020-A Bonds is summarized below.

October 2020						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November 2020						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December 2020						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

January 2021						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

■ Board Meeting ■ Closing – Receipt of Funds

Preliminary Timetable – Taxable Series 2020-A Bonds	
Date*	Action Necessary
October 5, 2020	Board Meeting – Discuss potential “Taxable” Refunding Program.
October 19, 2020	Board Meeting – Consider “Parameters Bond Order” authorizing the issuance of Aledo ISD’s Unlimited Tax Refunding Bonds, Taxable Series 2020-A (the “Taxable Series 2020-A Bonds”).
November 13, 2020	Completion of all actions necessary to complete the “Taxable” Refunding Program.
To Be Determined.	Bond Sale – Pricing of the Taxable Series 2020-A Bonds pursuant to specified parameters and the District’s Administration approves the necessary legal documents – Interest rates and savings locked-in at this time.
December 17, 2020	Closing – The “Taxable” Refunding Program is completed and Aledo ISD begins paying the lower interest rate on the Taxable Series 2020-A Bonds.
* Preliminary, subject to change.	



Questions





ALEDO ISD BOARD MEETING TEMPLATE

MEETING DATE: October 5, 2020

AGENDA ITEM: Consider Approval of Competitive Sealed Proposal Bid for 2019 Bond Project: Elementary School No. 6

PRESENTER: Earl Husfeld, Chief Financial Officer and Tyler Boswell, Director of Construction & Facilities

BACKGROUND INFORMATION:

- During the August 31, 2020 board meeting, the Board of Trustees approved the Competitive Sealed Proposal (CSP) procurement method for the Elementary School No. 6 construction project.
- Following this action of the Board of Trustees and pursuant to Texas Government Code Chapter 2269, the following steps were undertaken by the District:
 - Released CSP 21-90420 on September 8
 - Conducted a Pre-Proposal Conference for interested parties on September 15
 - Received eight (8) Competitive Sealed Proposals by the due date/time of 2:00 PM on September 29
 - Based on evaluation criteria included in the CSP, the Evaluation Committee reviewed and scored/ranked each response received that included an August 1, 2021 completion date
 - Notified the highest scored/ranked firm of their selection for final negotiation of a contract
- Based on the information learned from the steps outlined above and discussions with PBK, the Administration recommends awarding the contract for construction of Elementary School No. 6 to Satterfield & Pontikes Construction, Inc.
- The District was very pleased with the number of contractors submitting responses to the CSP. After thorough analysis and much discussion, the Administration concluded that Satterfield & Pontikes Construction, Inc. provides the best value to the District to ensure timely completion of Elementary School No. 6.

FISCAL INFORMATION:

The cost of \$30,709,000.00 is within the remaining construction budget of \$32,303,397.62 allocated for construction of Elementary School No. 6 and will be paid with 2019 Bond Funds.

ATTACHMENTS:

PBK Recommendation Letter and CSP 21-90420 Proposal Tabulation Summary

ADMINISTRATIVE RECOMMENDATION:

The Administration recommends the Board of Trustees accept the competitive sealed proposal submitted by Satterfield & Pontikes Construction, Inc. and authorize the Superintendent to execute a negotiated contract with Satterfield & Pontikes Construction, Inc. for the construction of Elementary School No. 6.

100 Throckmorton St., Ste. 1550
Fort Worth, Texas 76102
Phone: 817-332-4333
PBK.com

October 1, 2020

VIA: E-MAIL



Dr. Susan K. Bohn
Aledo Independent School District
1008 Bailey Ranch Road
Aledo, TX 76008

RE: Aledo ISD Elementary School #6
Aledo Independent School District
CSP No.: 21-90420
PBK Project Number: 2018

Dear Dr. Bohn

On Tuesday, September 29, 2020, the competitive sealed proposals were received at the Aledo Independent School District Board Room for the Aledo ISD Elementary School #6 project. Eight (8) offerors submitted proposals. A tabulation of the proposal results is attached.

A Selection Committee made up of District Administrators, Architects and Consultants evaluated the proposals on Wednesday, September 30th, 2020, and ranked them based on the selection criteria published in the Instructions to Offerors section of the Contract Documents.

PBK recommends to the Aledo Independent School District's Board of Trustees, the acceptance of the Selection Committee's recommendation to select Satterfield & Pontikes Construction, Inc. as the contractor for the Aledo ISD Elementary School #6 project in the amount of Thirty million, seven hundred and nine thousand dollars (\$30,709,000), which represents the Base Proposal, plus Alternates 1, 2, and 3.

Satterfield & Pontikes Construction, Inc. is a North Texas based contractor that has successfully executed numerous construction projects for a host of school districts in the Dallas/Fort Worth area. Additionally, after discussions with their references, they are well-qualified to execute the requirements of the contract.

We would like to express our sincere thanks to you and your staff, the Board of Trustees, and the Aledo Independent School District for allowing us the exciting opportunity to be a part of this important project.

We look forward to a successful partnership with the District and Satterfield & Pontikes Construction, Inc. in the construction of the Aledo ISD Elementary School #6.

Sincerely,
PBK Architects, Inc.

A handwritten signature in black ink, appearing to read 'D. Lee Osborne', written over a horizontal line.

Daniel Lee Osborne
Principal

cc: 4C

Proposal Tabulation Summary

Aledo Elementary School No. 06

Aledo Independent School District

Aledo ISD CSP Number: 21-90420 // PBK Project Number: 2018



	SATTERFIELD PONTIKES	WHITING-TURNER	JOERIS	CADENCE MCSHANE	LEE LEWIS	RATCLIFF	POGUE	REEDER
Proposal Bond	Y	Y	Y	Y	Y	Y	Y	Y
Total Base Proposal	\$29,809,000.00	\$30,198,000.00	\$30,750,000.00	\$32,399,000.00	\$29,674,000.00	\$30,577,000.00	\$35,450,000.00	\$32,300,000.00
Addenda Acknowledged (1,2,3)	Y	Y	Y	Y	Y	Y	Y	Y
Alternates								
Alternate No. 01: Substantial Completion is August 1, 2021.	\$750,000.00	\$1,046,000.00	\$2,400,000.00	\$1,300,000.00	No Bid	No Bid	No Bid	No Bid
Alternate No. 02: Precast Terrazzo Treads and Risers (all interior stairs).	\$52,000.00	\$70,000.00	\$42,200.00	\$49,873.00	\$62,000.00	\$78,000.00	\$79,000.00	\$115,000.00
Alternate No. 03: Interior guards at rails and guard rails stainless steel (base bid for interior handrails is stainless steel).	\$98,000.00	\$28,000.00	\$21,200.00	\$86,404.00	\$54,000.00	\$36,000.00	\$55,000.00	\$25,000.00
TOTAL BASE PROPOSAL + ALTERNATE NO. 1								
	\$30,559,000.00	\$31,244,000.00	\$33,150,000.00	\$33,699,000.00	No Bid for Alt. 1	No Bid for Alt. 1	No Bid for Alt. 1	No Bid for Alt. 1
Total Base and ALL Alternates	\$30,709,000.00	\$31,342,000.00	\$33,213,400.00	\$33,835,277.00	No Bid for Alt. 1	No Bid for Alt. 1	No Bid for Alt. 1	No Bid for Alt. 1
PROPOSER RANK	97.85	91.78	73.82	67.85	N/A	N/A	N/A	N/A