

INDEPENDENT SCHOOL DISTRICT NO. 625
Saint Paul, Minnesota
SPECIAL MEETING OF THE BOARD OF EDUCATION
Administration Building
360 Colborne Street
Saint Paul, Minnesota 55102

September 28, 2022
10:00 AM

A G E N D A

- | | | |
|------|---|-----------|
| I. | CALL TO ORDER | |
| II. | ROLL CALL | |
| III. | APPROVAL OF THE ORDER OF THE MAIN AGENDA | |
| IV. | PROPOSED PAY23 LEVY | 3 |
| | A. Action to Certify the Proposed Pay23 Levy Ceiling as Maximum | |
| | B. Action to Certify the Date for the Taxation and Budget Hearing for December 6, 2022 at 6:00 p.m. (COB meeting that evening) | |
| V. | RESOLUTION DECLARING THE DISTRICT'S INTENT TO ISSUE CERTIFICATES OF PARTICIPATION AND TO USE THE PROCEEDS THEREFROM TO REIMBURSE ITSELF FOR CERTAIN EXPENDITURES, IN COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE | 18 |
| VI. | RESOLUTION AUTHORIZING AND SETTING THE PARAMETERS FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION FACILITIES MAINTENANCE BONDS, SERIES 2022E; AUTHORIZING AND DIRECTING ANY ONE OR MORE OF THE SUPERINTENDENT, CHIEF ADMINISTRATION AND OPERATIONS OFFICER, OR CONTROLLER TO AWARD THE SALE THEREOF AND TO TAKE SUCH ACTIONS AND EXECUTE ALL DOCUMENTS NECESSARY TO ACCOMPLISH SAID AWARD AND SALE; AND COVENANTING AND OBLIGATING THE DISTRICT TO BE BOUND BY AND USE THE PROVISIONS OF MINNESOTA STATUTES, SECTION 126C.55 TO GUARANTEE THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BONDS | 21 |
| VII. | RESOLUTION DECLARING THE DISTRICT'S INTENT TO ISSUE GENERAL OBLIGATION BONDS AND TO USE THE PROCEEDS THEREFROM TO REIMBURSE ITSELF FOR CERTAIN EXPENDITURES, IN COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE | 26 |

VIII. **ADJOURNMENT**
#BoldSubject#



Saint Paul
PUBLIC SCHOOLS

Levy Presentation

Mary G. Dougherty, Legislative Liaison and Lisa Rider Controller
September 28, 2022

Purpose

- Provide levy background
- Adopt Maximum Levy
- Provide Levy Schedule

4

The Basics

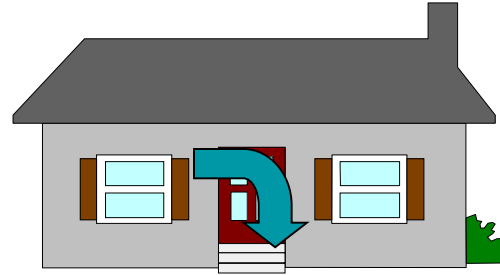
- School levy authority is established in law
- Unlike cities and counties, Pay 23 school levy funds the 2023-2024 school year
- Most districts certify what MDE authorizes in September.
- Levy can only go down after October 1
- Levies contribute to approximately 22% of SPPS budget

5

Who Determines Your Property Tax?

State Legislature

- Sets Property Tax Policy
- Establishes Property Classes & Class Rates
- Determines Levels of State Aid
- Sets School Formulas
- Underfunded Mandates to Local Governments
- Levies State Business Tax

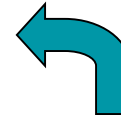


Property Tax



Taxing Jurisdictions

- Determines Levy Amount



County Assessor

- Determines Market Value
- Assigns Property Class

Major Factors Impacting Property Taxes

- Is the property tax levy going up, down, or staying the same?
- Is there additional money available to reduce the local tax burden?
 - State aids or Fiscal disparity distribution
- How is a home's market value changing relative to other homes or compared to other types of property?
- Are there increases to the tax base that are not the result of inflationary or deflationary changes to the values of individual properties?
 - New construction
 - Property going from exempt to taxable
 - Decertified tax increment financing districts
- Are there legislative changes?

7

Factors Impacting St. Paul Levy

- Overall St. Paul's aggregate changes to 2022 assessed values are up 11.76%.
- SunRay, Battle Creek, Greater East Side, Dayton's Bluff, Payne/Phalen, Thomas Dale, Summit University, Hamline-Midway are all areas with higher increases in residential market values.
- Fiscal Disparities is going down slightly

Factors Impacting School Levies

- Changes in tax base –an increase often results in less state equalization aid
- Approved inflationary increases to referendums
- Pension contribution changes required by law
- OPEB obligations
- Employment changes that drive severance and unemployment levies
- Capital bonding, refunding of bonds, abatements, long term maintenance, health and safety projects, lease costs

9

Major Levy Categories

- **Operating** –fund school operations, including referendum, integration, transition, operating, career tech
- **Pension/OPEB/Contractual**—retiree health insurance, pensions, severance, unemployment
- **Facilities**, includes debt service for bond, lease levy, health and safety, long term facilities maintenance
- **Community Service**, includes community ed, ECFE, adult handicap disabled

10

Levy Recap

Levy Category	Certified Pay22 Levy	SPPS Proposed Pay23 Levy Ceiling	Difference
Operating	\$80,169,761	\$78,373,396	\$(1,796,365)
Pension/OPEB/Contractual	44,246,698	38,005,327	(6,241,371)
Facilities	74,297,022	81,042,617	6,745,595
Community Service	<u>4,074,564</u>	<u>3,610,908</u>	<u>(463,656)</u>
Total – All Levy Categories	\$202,788,045	\$201,032,248	\$(1,755,797)
Percent Change			(0.87)%

11

Estimated Annual Property Tax Impact | Home from 2022 to 2023

(assuming a 16% increase in market value)

Pay 2022 Estimated Home Market Value	Pay 2023 Estimated Home Market Value	Estimated Change at -0.89% Ceiling
\$ 79,500	\$92,220	\$31
106,000	122,960	38
228,700	266,300	76
318,000	368,880	94
424,000	491,840	102
530,000	614,800	195

12

Source: Ramsey County
Median home market value is \$266,300

Estimated Annual Property Tax Impact | Apartment from 2022 to 2023 (assuming a 14% increase in market value)

Pay 2022 Estimated Apartment Market Value	Pay 2023 Estimated Apartment Market Value	Estimated Change at -0.89 % Ceiling
\$ 498,000	\$567,720	\$95
1,025,300	1,127,550	(41)
1,494,000	1,703,160	286
1,992,000	2,270,880	380

13

Source: Ramsey County
Median apartment market value is \$1,127,550

Estimated Annual Property Tax Impact | Commercial/Industrial from 2022 to 2023 (assuming a 4% increase in market value)

Pay 2022 Estimated Commercial/Industrial Market Value	Pay 2023 Estimated Commercial/Industrial Market Value	Estimated Change at -0.89% Ceiling
\$ 201,600	\$209,664	\$(68)
480,400	500,900	(173)
504,000	524,160	(190)
1,008,000	1,048,320	(394)

14

Source: Ramsey County
Median commercial/industrial market value is \$500,900

Pay 23 Levy Calendar

	Date	Action
X	August-early September	District submits levy information to MDE
X	September ?	Preliminary run by MDE
X	September 28th	JPTAC Meeting –adopts joint levy
	September 28th	Special Board Meeting to Authorize Pay23 Levy
	October 1	Submit data to Ramsey County and MDE. Cities and Counties also certify by this date.
	October 1 – November 10	Ramsey County calculates taxes and prepares tax statements
	November 12	Anticipated Ramsey County mailing of tax statements
	December 6	Proposed Date for Public Hearing
	December 13	BOE certifies Pay 23 levy
	December 30	SPPS certifies Pay23 levy to Ramsey County

15

Requested Action

- Set the date for the Taxation and Budget Hearing for December 6th at 6pm (COB meeting that evening)
- Approve the maximum levy authorized by MDE

16

Questions

17

INDEPENDENT SCHOOL DISTRICT NO. 625

BOARD OF EDUCATION

SAINT PAUL PUBLIC SCHOOLS

RESOLUTION - GENERAL FORM



Board File No. _____

Date _____

RESOLUTION DECLARING THE DISTRICT'S INTENT TO ISSUE CERTIFICATES OF PARTICIPATION AND TO USE THE PROCEEDS THEREFROM TO REIMBURSE ITSELF FOR CERTAIN EXPENDITURES, IN COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

A. WHEREAS, the School Board of Independent School District Number 625, Saint Paul, Minnesota (the "District") is proposing to issue one or more series of Certificates of Participation (the "Certificates") pursuant to Minnesota Statutes, Chapter 475 and Minnesota Statutes, Section 126C.40, to finance various capital deferred maintenance projects, additions to, and repairs across existing school district facilities.

B. WHEREAS, the Department of Treasury has promulgated final regulations governing the use of proceeds of tax exempt obligations, all or a portion of which are to be used to reimburse the District for project expenditures made by the District prior to the date of issuance of such obligations. Those regulations (Treasury Regulations, Section 1.150-2) (the "Regulations") require that the District adopt a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditure. The Regulations also generally require that the Certificates be issued and the reimbursement allocation made from the proceeds of the Certificates within 18 months after the later of the date the expenditure is paid or the date the project is placed in service or abandoned, but in no event more than three years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the Certificates; and

Adopted _____

CHAIR Board of Education

CLERK Board of Education

C. WHEREAS, the District desires to comply with requirements of the Regulations with respect to the project hereinafter identified.

NOW, THEREFORE, BE IT RESOLVED by the School Board of Independent School District Number 625, Saint Paul, Minnesota as follows:

1. Official Intent Declaration.

(a) The District has determined to finance various capital deferred maintenance projects, additions to, and repairs across several existing school district facilities (the "Project").

(b) Other than (i) expenditures to be paid or reimbursed from sources other than the Certificates (as defined above), (ii) expenditures permitted to be reimbursed under prior Treasury Regulations pursuant to the transitional provision contained in Section 1.150-2(j)(2) of the Regulations, (iii) expenditures constituting "preliminary expenditures" within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iv) expenditures in a "de minimus" amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures for the Project have been paid by the District more than 60 days before the date of adoption of this Resolution.

(c) The District reasonably expects to reimburse all or a portion of the expenditures made for costs of the Project out of the proceeds of the Certificates to be issued by the District in an estimated maximum aggregate principal amount of \$28,000,000 after the date of payment of all or a portion of the costs of the Project. All reimbursed expenditures shall be capital expenditures, costs of issuance of the Certificates, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations.

2. Budgetary Matters. As of the date hereof, there are no District funds reserved, allocated on a long term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long term basis or otherwise set aside) to provide permanent financing for the expenditures related to the Project, other than pursuant to the issuance of the Certificates. This resolution, therefore, is determined to be consistent with the District's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof.

3. Reimbursement; Allocations. The District's financial officer shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Certificates to reimburse the source of temporary financing used by the District to make payment of the prior costs of the Project. Each allocation shall be evidenced by an entry on the official books and records of the District maintained for the Project and shall specifically identify the actual original expenditure being reimbursed.

STATE OF MINNESOTA
COUNTY OF RAMSEY
INDEPENDENT SCHOOL DISTRICT NUMBER 625, SAINT PAUL, MINNESOTA

I, the undersigned, being the duly qualified and acting Clerk of Independent School District Number 625, Saint Paul, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the School Board of said District, duly called and held on the date therein indicated, insofar as such minutes relate to considering a resolution declaring the District's intent to issue certificates of participation and to use the proceeds therefrom to reimburse itself for certain expenditures, in compliance with reimbursement bond regulations under the Internal Revenue Code.

WITNESS my hand this ____ day of _____, 2022.

Clerk

INDEPENDENT SCHOOL DISTRICT NO. 625

BOARD OF EDUCATION

SAINT PAUL PUBLIC SCHOOLS

RESOLUTION - GENERAL FORM



Board File No. _____

Date _____

RESOLUTION AUTHORIZING AND SETTING THE PARAMETERS FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION FACILITIES MAINTENANCE BONDS, SERIES 2022E; AUTHORIZING AND DIRECTING ANY ONE OR MORE OF THE SUPERINTENDENT, CHIEF ADMINISTRATION AND OPERATIONS OFFICER, OR CONTROLLER TO AWARD THE SALE THEREOF AND TO TAKE SUCH ACTIONS AND EXECUTE ALL DOCUMENTS NECESSARY TO ACCOMPLISH SAID AWARD AND SALE; AND COVENANTING AND OBLIGATING THE DISTRICT TO BE BOUND BY AND USE THE PROVISIONS OF MINNESOTA STATUTES, SECTION 126C.55 TO GUARANTEE THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BONDS

A. WHEREAS, the School Board of Independent School District Number 625, Saint Paul, Minnesota (the "District") is proposing to issue approximately \$29,190,000 General Obligation Facilities Maintenance Bonds, Series 2022E (the "Bonds") pursuant to Minnesota Statutes, Section 123B.595, subdivision 5, and Chapter 475, as amended, to finance various deferred maintenance and health and safety projects at various existing District sites and facilities, as described and in accordance with its ten-year facilities maintenance plan approved by the Commissioner of Education (the "Project"); and

B. WHEREAS, the District desires to use the provision of Minnesota Statutes, Section 126C.55 to take advantage of the State guarantee program; and

C. WHEREAS, the District has retained Baker Tilly Municipal Advisors, LLC, in Saint Paul, Minnesota ("Baker Tilly MA"), as its independent municipal advisor and is therefore authorized to sell the Bonds by a competitive negotiated sale in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9).

Adopted _____

CHAIR Board of Education

CLERK Board of Education

NOW, THEREFORE, BE IT RESOLVED by the School Board of Independent School District Number 625, Saint Paul, Minnesota as follows:

1. Authorization; Findings. The School Board hereby finds and determines that it is necessary and expedient to issue the Bonds, and authorizes Baker Tilly MA to prepare the terms of proposal for the Bonds, and to solicit bids for the competitive sale of the Bonds.

2. Official Statement. In connection with said competitive sale, the officers and employees of the District are hereby authorized to cooperate with Baker Tilly MA and participate in the preparation of an official statement for the Bonds, and to execute and deliver it on behalf of the District upon its completion.

3. Selection of Underwriter. In consultation with Baker Tilly MA, any one or more of the Superintendent, Chief Administration and Operations Officer, or Controller of the District are hereby authorized to select an underwriter to purchase the Bonds (the "Underwriter").

4. Approval Of The Sale Of The Bonds. Any one or more of the Superintendent, Chief Administration and Operations Officer, or Controller, with Baker Tilly MA, are hereby authorized to negotiate with the Underwriter and to approve the sale of the Bonds to the Underwriter as though the principal amount, price, and interest rate had been included herein, and, as appropriate, to execute a purchase agreement therefor, provided that the par amount does not exceed \$29,190,000; rates shall be in integral multiples of 1/100 or 1/8 of 1%; the true interest cost does not exceed 5.25%; the Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity; and a favorable recommendation to accept such terms is received from Baker Tilly MA. The final principal amount of the issue shall be determined as of the date of pricing and approval of the sale by any one or more of the Superintendent, Chief Administration and Operations Officer, or Controller.

5. Adoption Of Approving Resolutions. Upon approval of the sale of the Bonds by any one or more of the Superintendent, Chief Administration and Operations Officer, or Controller, the Board shall meet at its next regularly scheduled meeting to adopt a bond resolution prepared by the District's bond counsel ratifying the sale of the Bonds and incorporating the terms and conditions of the proposal so accepted.

6. Expiration of Authority. If there has not been an approval of the sale of the Bonds and an executed related bond purchase agreement on behalf of the District by March 15, 2023, this resolution shall expire.

7. Guarantee of Payment.

(a) The District hereby covenants and obligates itself to notify the Commissioner of Education of the State of Minnesota (the "Commissioner") of a potential default in the payment of principal and interest on the Bonds, and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee payment of the principal and interest on the Bonds when due. The District further covenants to deposit with the Bond Registrar or any successor paying agent three (3) days prior to the date on which a payment is due, an amount sufficient to make that payment or to notify the Commissioner that it will be unable to make all or a portion of that payment. The Bond Registrar for the Bonds is authorized and directed to notify the Commissioner

if it becomes aware of a potential default in the payment of principal or interest on the Bonds or if, on the day two (2) business days prior to the date a payment is due on the Bonds, there are insufficient funds to make that payment on deposit in the Bond Registrar. The District understands that as a result of its covenant to be bound by the provisions of Minnesota Statutes, Section 126C.55, the provisions of that section shall be binding as long as any Bonds of this issue remain outstanding.

(b) The District further covenants to comply with all procedures now or hereafter established by the Commissioner pursuant to Minnesota Statutes, Section 126C.55, subdivision 2(c) and otherwise to take such actions as necessary to comply with that section.

8. Official Intent Declaration.

(a) The District has determined to finance the Project.

(b) Other than (i) expenditures to be paid or reimbursed from sources other than the Bonds (as hereinafter defined), (ii) expenditures permitted to be reimbursed under prior Treasury Regulations pursuant to the transitional provision contained in Section 1.150-2(j)(2) of the Regulations, (iii) expenditures constituting "preliminary expenditures" within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iv) expenditures in a "de minimus" amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures for the Project have been paid by the District more than 60 days before the date of adoption of this Resolution.

(c) The District reasonably expects to reimburse all or a portion of the expenditures made for costs of the Project out of the proceeds of the Bonds to be issued by the District in an estimated maximum aggregate principal amount of \$29,190,000 after the date of payment of all or a portion of the costs of the Project. All reimbursed expenditures shall be capital expenditures, costs of issuance of the Bonds, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations.

9. Budgetary Matters. As of the date hereof, there are no District funds reserved, allocated on a long term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long term basis or otherwise set aside) to provide permanent financing for the expenditures related to the Project, other than pursuant to the issuance of the Bonds. This resolution, therefore, is determined to be consistent with the District's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof.

10. Reimbursement; Allocations. The District's financial officer shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Bonds to reimburse the source of temporary financing used by the District to make payment of the prior costs of the Project. Each allocation shall be evidenced by an entry on the official books and records of the District maintained for the Project and shall specifically identify the actual original expenditure being reimbursed.

11. Ten-year Facility Plan. The ten-year facility plan approved by the District is fully incorporated herein by reference. The District's financial officer, or delegee, is authorized and directed to submit to the Commissioner such additional information as may be necessary to

secure the approval of the Commissioner for the ten-year facility plan and this bond issuance, as required by Minnesota Statutes, Section 123B.595. The submission of a proposed plan and a request for approval prior to the date of this resolution is ratified and approved in all respects.

12. Compliance with Minnesota Statutes, Section 123B.595. The District covenants to comply with all procedures now or hereafter established by the Commissioner pursuant to Minnesota Statutes, Section 123B.595, and otherwise to take such actions as necessary to comply with that section. The chair, clerk, superintendent, or other official or officer of the District, as the case may be, is hereby authorized to execute any applicable Minnesota Department of Education forms.

13. Published Notice. The District's clerk is hereby authorized and directed to cause a notice, substantially in the Form of Notice attached hereto as Exhibit A and incorporated herein by reference to be published as a legal notice one (1) time in the official newspaper of the District no later than twenty (20) days prior to the issuance of the Bonds.

EXHIBIT A

FORM OF NOTICE

**NOTICE OF INTENT TO ISSUE FACILITIES MAINTENANCE BONDS TO FINANCE
CERTAIN PROJECTS INCLUDED IN THE DISTRICT'S TEN-YEAR FACILITY PLAN**

**INDEPENDENT SCHOOL DISTRICT NO. 625
(SAINT PAUL PUBLIC SCHOOLS)
STATE OF MINNESOTA**

NOTICE IS HEREBY GIVEN that the School Board of Independent School District No. 625, State of Minnesota (the "District"), adopted a resolution on _____, 2022 (the "Resolution"), stating the intention of the District to issue general obligation facilities maintenance bonds (the "Bonds") in an aggregate principal amount not to exceed \$29,190,000, pursuant to Minnesota Statutes, Section 123B.595, subdivision 5, and Chapter 475, as amended. The proceeds of the Bonds will be used to finance various deferred maintenance and health and safety projects at various existing District sites and facilities, as described and in accordance with its ten-year facilities maintenance plan approved by the Commissioner of Education of the State of Minnesota (the "Project").

The total amount of District indebtedness as of September 1, 2022 is \$570,330,000.

Dated: _____

BY ORDER OF THE SCHOOL BOARD
OF INDEPENDENT SCHOOL DISTRICT
NO. 625

/s/ _____
Clerk

INDEPENDENT SCHOOL DISTRICT NO. 625

BOARD OF EDUCATION

SAINT PAUL PUBLIC SCHOOLS

RESOLUTION - GENERAL FORM



Board File No. _____

Date _____

**RESOLUTION DECLARING THE DISTRICT'S INTENT TO ISSUE GENERAL
OBLIGATION BONDS AND TO USE THE PROCEEDS THEREFROM TO REIMBURSE
ITSELF FOR CERTAIN EXPENDITURES, IN COMPLIANCE WITH REIMBURSEMENT
BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE**

A. WHEREAS, the School Board of Independent School District Number 625, Saint Paul, Minnesota (the "District") is proposing to issue one or more series of General Obligation Bonds (the "Bonds") pursuant to Minnesota Statutes, Chapter 475 and pursuant to Laws of Minnesota, 2007, Regular Session, Chapter 146, Article 4, Sections 12 and 13, as amended by Laws of Minnesota, 2013, Chapter 116, Article 6, Section 8, to finance the acquisition and betterment of school facilities and grounds (the "Project").

B. WHEREAS, the Department of Treasury has promulgated final regulations governing the use of proceeds of tax exempt obligations, all or a portion of which are to be used to reimburse the District for project expenditures made by the District prior to the date of issuance of such obligations. Those regulations (Treasury Regulations, Section 1.150-2) (the "Regulations") require that the District adopt a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditure. The Regulations also generally require that the Bonds be issued and the reimbursement allocation made from the proceeds of the Bonds within 18 months after the later of the date the expenditure is paid or the date the project is placed in service or abandoned, but in no event more than three years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the Bonds; and

Adopted _____

CHAIR Board of Education

CLERK Board of Education

C. WHEREAS, the District desires to comply with requirements of the Regulations with respect to the project hereinafter identified.

NOW, THEREFORE, BE IT RESOLVED by the School Board of Independent School District Number 625, Saint Paul, Minnesota as follows:

1. Official Intent Declaration.

(a) The District has determined to finance the acquisition and betterment of school facilities and grounds (the "Project").

(b) Other than (i) expenditures to be paid or reimbursed from sources other than the Bonds (as defined above), (ii) expenditures permitted to be reimbursed under prior Treasury Regulations pursuant to the transitional provision contained in Section 1.150-2(j)(2) of the Regulations, (iii) expenditures constituting "preliminary expenditures" within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iv) expenditures in a "de minimus" amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures for the Project have been paid by the District more than 60 days before the date of adoption of this Resolution.

(c) The District reasonably expects to reimburse all or a portion of the expenditures made for costs of the Project out of the proceeds of the Bonds to be issued by the District in the aggregate principal amount of \$15,000,000 after the date of payment of all or a portion of the costs of the Project. All reimbursed expenditures shall be capital expenditures, costs of issuance of the Bonds, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations.

2. Budgetary Matters. As of the date hereof, there are no District funds reserved, allocated on a long term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long term basis or otherwise set aside) to provide permanent financing for the expenditures related to the Project, other than pursuant to the issuance of the Bonds. This resolution, therefore, is determined to be consistent with the District's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof.

3. Reimbursement; Allocations. The District's financial officer shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Bonds to reimburse the source of temporary financing used by the District to make payment of the prior costs of the Project. Each allocation shall be evidenced by an entry on the official books and records of the District maintained for the Project and shall specifically identify the actual original expenditure being reimbursed.

STATE OF MINNESOTA
COUNTY OF RAMSEY
INDEPENDENT SCHOOL DISTRICT NUMBER 625, SAINT PAUL, MINNESOTA

I, the undersigned, being the duly qualified and acting Clerk of Independent School District Number 625, Saint Paul, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the School Board of said District, duly called and held on the date therein indicated, insofar as such minutes relate to considering a resolution declaring the District's intent to issue Bonds of participation and to use the proceeds therefrom to reimburse itself for certain expenditures, in compliance with reimbursement bond regulations under the Internal Revenue Code.

WITNESS my hand this _____ day of _____, 2022.

Clerk