SOUTH WASHINGTON COUNTY SCHOOLS
SCHOOL BOARD
7362 East Point Douglas Rd S.
Cottage Grove, MN 55016

ADMINISTRATIVE REPORT

DATE:	January 4, 2024
TOPIC:	7.1 – Resolution Amending and Restating Resolution relating to $134,215,000 General Obligation School Building, Facilities Maintenance and Refunding Bonds Series 2024A.
PRESENTER:	Dan Pyan, Executive Director of Finance and Operations
REFERENCE TO POLICY/STATUTE:	Policy 701, 702

A. **PURPOSE OF REPORT**

a. South Washington County Schools Board, at its last meeting, approved a resolution authorizing the sale of Series 2024A General Obligation and Facility Maintenance Bonds for $119,415,000.
b. With the recent decline in interest rates for municipal bonds, the school district's financial advisor is estimating a net total reduction in property tax levies of approximately $300,000 by refunding the district's 2014A Alternative Facilities Bonds of $14,840,000.
c. The purpose of this amending resolution to add the refunding component for the 2014A series alternative facilities bonds to original sale resolution of $119,425,000.
d. Attached is a draft resolution amending and restating the resolution relating to Bond Series 2024A.
e. The attached presale report will be discussed at the meeting.

B. **RECOMMENDATION**

a. The Board is asked to adopt the resolution which will be updated when Jodie Zesbaugh of Ehlers and Associates will present the results of the sale on January 18, 2023.

C. **CONNECTION TO STRATEGIC PRIORITY**

a. Student Experience
b. Student Pathways and Systemic Supports
c. Operations, Staffing, and Finance

CERTIFICATION OF MINUTES RELATING TO
$134,215,000 GENERAL OBLIGATION SCHOOL BUILDING, FACILITIES MAINTENANCE, AND REFUNDING BONDS, SERIES 2024A

Issuer: Independent School District No. 833 (South Washington County Schools), Minnesota

Governing Body: School Board

Kind, date, time and place of meeting: A regular meeting held on January 4, 2024 at 6:00 p.m. at the District offices.

Members present:

Members absent:

Documents attached:

Minutes of said meeting (including):

RESOLUTION AMENDING RESOLUTION RELATING TO GENERAL OBLIGATION SCHOOL BUILDING AND FACILITIES MAINTENANCE BONDS, SERIES 2024A; STATING OFFICIAL INTENT TO PROCEED WITH AND AUTHORIZING THE ISSUANCE AND SALE THEREOF, PROVIDING FOR CREDIT ENHANCEMENT WITH RESPECT THERETO, AND ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer this 4th day of January, 2024.

_____
School District Clerk

Member _____ introduced the following resolution and moved its adoption, which motion was seconded by Member _____:

RESOLUTION AMENDING RESOLUTION RELATING TO GENERAL OBLIGATION SCHOOL BUILDING AND FACILITIES MAINTENANCE BONDS, SERIES 2024A; STATING OFFICIAL INTENT TO PROCEED WITH AND AUTHORIZING THE ISSUANCE AND SALE THEREOF, PROVIDING FOR CREDIT ENHANCEMENT WITH RESPECT THERETO, AND ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

WHEREAS, on December 14, 2023, this School Board (the Board) of No. 833 (South Washington County Schools), Minnesota (the District), adopted a resolution titled "RESOLUTION RELATING TO $119,415,000 GENERAL OBLIGATION SCHOOL BUILDING AND FACILITIES MAINTENANCE BONDS, SERIES 2024A; STATING OFFICIAL INTENT TO PROCEED WITH AND AUTHORIZING THE ISSUANCE AND SALE THEREOF, PROVIDING FOR CREDIT ENHANCEMENT WITH RESPECT THERETO, AND ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE" (the Prior Resolution); and

WHEREAS, pursuant to Section 1 of the Prior Resolution, this Board authorized the issuance and sale of the District's General Obligation School Building and Facilities Maintenance Bonds, Series 2024A in the approximate principal amount of $119,415,000 (the Bonds) for the purpose of financing (i) the acquisition and betterment of school sites and facilities and (ii) deferred capital maintenance projects; and

WHEREAS, this Board desires to amend the authorization provided in Section 1 of the Prior Resolution to (i) increase the approximate par amount of the Bonds and (ii) also authorize the refunding of either a portion of, or all of, the District's outstanding General Obligation Alternative Facilities Bonds, Series 2014A.

NOW, THEREFORE, BE IT RESOLVED by the Board the District, as follows:

Additions to the Prior Resolution shall be shown in underline text (e.g., <u>underline text</u>) and deletions from the Prior resolution shall be shown in strikethrough text (e.g., ~~strikethrough text~~).

<u>SECTION 1. AMENDMENT OF SECTION 1 OF THE PRIOR RESOLUTION.</u> Section 1 of the Prior Resolution is hereby amended as follows:

<u>AUTHORIZATION, ELECTION AND DISTRICT INDEBTEDNESS</u>. The District is authorized, pursuant to Minnesota Statutes, Section 123B.595 and Chapter 475, to borrow money by the issuance of its general obligation facilities maintenance bonds and, subject to voter approval, general obligation school building bonds. This Board hereby determines that it is necessary and desirable and in the best interest of the District to issue its General Obligation School Building<u>,</u> ~~and~~ Facilities Maintenance<u>, and Refunding</u> Bonds, Series 2024A in the approximate principal amount of ~~$119,415,000~~ <u>$134,215,000</u> (the Bonds). A

portion of the proceeds of the Bonds (approximately $100,000,000) will be used to finance the acquisition and betterment of school sites and facilities including, but not limited to, safety and security enhancements, expansions and renovations at secondary schools, expansions of elementary schools expected to exceed capacity projections, and renovations for bathrooms at five elementary schools, as approved by the electors at a special election held on November 7, 2023 (the School Building Projects). A portion of the proceeds of the Bonds (approximately $19,415,000) will be used to finance various deferred capital maintenance projects (the Facilities Maintenance Projects), as described in the District's ten-year facility plan for Fiscal Year 2025 (the Facility Plan) hereby approved by this Board. Pursuant to the provisions of Minnesota Statutes, Section 123B.595, subdivision 5 it is hereby determined that the total amount of District indebtedness as of December 1, 2023 is $283,615,000. The School Building Projects and the Facilities Maintenance Projects and are referred to collectively herein as the Project. In addition, a portion of the proceeds of the Bonds (approximately $14,800,000) may be used, together with any additional funds of the District which might be required, to refund in advance of maturity and prepay, on March 14, 2024, all or a portion of the 2026 through 2028 maturities, of the District's outstanding General Obligation Alternative Facilities Bonds, Series 2014A, dated originally as of May 20, 2014 (the Refunded Bonds). The purpose of the refunding of the Refunded Bonds is to achieve debt service savings.

Upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted.