

**LEWISTOWN PUBLIC SCHOOLS  
BOARD OF TRUSTEES**

Fergus High School  
Fergus Center for Performing Arts  
1001 Casino Creek Drive  
Lewistown, Montana 59457

**WEDNESDAY, JUNE 26, 2024**

**SPECIAL BOARD MEETING**

**CALL TO ORDER (6:00 P.M.)**

**BOARD OF TRUSTEES**

1. Roll Call
2. Pledge of Allegiance
3. Recognition of Parents, Patrons, and Others Who Wish to Address the Board

**ACTION ITEMS**

4. Approve Building Use Agreement with Jim-n-I, Inc
5. Approve Retirement Fund Budget Resolution
6. Bond Proceeds - Investment Considerations

**ADJOURNMENT**

## **PUBLIC PARTICIPATION**

The Board of Education encourages participation at public School Board meetings. Under normal circumstances it is desirable to allow everyone to address the Board. However, when there are many persons who wish to address the Board, the following rules shall apply to protect the public's right to be heard:

- Speaker must first be recognized by the Chair and identify him/herself.
- Comments may not infringe on the rights to privacy of another.
- Each speaker shall be allowed a presentation not to exceed three (3) minutes at the appropriate time on the Agenda.
- There will be a limit of one presentation per person.
- The Board requests that organizations and groups be represented by a single spokesperson. The spokesperson for each group shall be limited to a presentation of three (3) minutes. To save repetition and time, the Board also requests that persons not speak if a previous speaker has expressed a similar position on the same issue.
- Appropriate comments are welcome but no action is likely to be taken at this time to ensure that others have the opportunity to address the same issue also. Items discussed may, at the discretion of the Board, be placed on a later agenda.
- The Board will accept comments from the public on each agenda item as it is discussed.

By a majority vote of the Board, these rules may be suspended for special reasons at any particular meeting. Further, the Board may reserve the right to adjust the length of time.

**LEWISTOWN PUBLIC SCHOOLS**  
**Lewistown, Montana**

**BOARD AGENDA ITEM**

**Meeting Date**

06/26/2024

**Agenda Item No.**

3

- Minutes/Claims     Board of Trustees     Superintendent's Report     Action - Consent  
 Action - Indiv.

**ITEM TITLE:** RECOGNITION OF PARENTS, PATRONS, AND OTHERS WHO WISH TO ADDRESS THE BOARD

**Requested By:** Board of Trustees    **Prepared By:** \_\_\_\_\_

**SUMMARY:**

Time is provided on the agenda for anyone who wishes to address the Board.

**SUGGESTED ACTION:**

Additional Information Attached    Estimated cost/fund source \_\_\_\_\_

**NOTES**

**LEWISTOWN PUBLIC SCHOOLS**

Lewistown, Montana

**BOARD AGENDA ITEM**

**Meeting Date**

06/26/2024

**Agenda Item No.**

4

- Minutes/Claims   
  Board of Trustees   
  Superintendent’s Report   
  Action - Consent  
 Action - Indiv.

**ITEM TITLE:** APPROVE BUILDING USE AGREEMENT WITH JIM-N-I, INC

**Requested By:** Board of Trustees    **Prepared By:** Thom Peck

**SUMMARY:**

The Federal Government transfer of the Central Montana Education Center property on Airport Road from Montana State University – Northern to Lewistown Public Schools took place in August 2019. As a result, the District may now allow other educational providers to enter into a Building Use Agreement for their portion of the building/property (prorated by square footage utilized). This document has been reviewed by both MTSBA and Jim-n-I, Inc.

**SUGGESTED ACTION:** Approve the building use agreement with Jim-n-I, Inc.

**Additional Information Attached**

**NOTES:**

	Motion	Second	Aye	Nay	Abstain	Other
<b>Board Action</b>						
Southworth						
Birdwell						
Hodge						
Brady						
Koch						
Carlson						
VanderBeek						

## AGREEMENT

THIS AGREEMENT is made and entered into by and between the Lewistown School District (“the District”) and **Jim-n-I, Inc dba Allied Steel** (“Allied Steel”).

WHEREAS, the District is the owner of the property identified as former BLM Lewistown Field Office, Lewistown, Montana; and

WHEREAS, Allied Steel desires to utilize the above-referenced premises from the District **for the purpose of providing educational services**; and

WHEREAS, pursuant to Section 20-6-607, MCA, the Trustees of the District are empowered to lease buildings, land, or facilities of the District under terms specified by the Trustees.

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms, and conditions set forth herein, the parties hereto agree as follows:

1. **PREMISES**: The District agrees to permit Allied Steel to use the District-owned property known as the former BLM Lewistown Field Shop located at 773 Airport Road, Lewistown, Montana, 59457, in accordance with the terms and conditions of this Agreement. The property consists of a 5,880 square foot shop building.

2. **TERM**: The term of this Agreement shall be for a **period of one year**, beginning on July 1, 2024, and continuing through **June 30, 2025**. **Renewal of these terms may be extended for a period of two, one-year terms if mutually agreed upon by both parties at least 30 days prior to the end of the current term.**

3. **CONSIDERATION**: In consideration for the use of said premises in accordance with the terms and conditions of this Agreement, Allied Steel agrees to maintain required insurance coverage and pay for required maintenance of the premises.

4. **USE OF PREMISES:** Any and all activities conducted on said premises shall conform and comply with all School District policies as well as all federal, state, and local laws, ordinances and regulations, including all non-discrimination laws. District Policies will be provided to Allied Steel upon request. Specific School District policies of note include prohibition of tobacco use, limitation of access to registered sex offenders, school building security and preservation of student privacy. Allied Steel agrees further to keep the premises in a clean, safe, and sanitary condition.

5. **RESPONSIBILITIES:** Allied Steel agrees to provide for the care of the interior space being occupied by the offices, bathrooms and other areas of use by staff and students. Allied Steel's use or storage of gasoline, hazardous materials, or other flammable or explosive materials on the premises must be done in accordance with State Code. Allied Steel shall not change or alter any part of the Premises, in any form, except with the written permission of the District. The building, placing, or constructing of any permanent structure or item by Allied Steel is prohibited without written permission of the District. Any structural change which is not approved by the District in writing will be subject to removal at Allied Steel's expense.

Allied Steel is exclusively responsible for the following expenses it may incur as a result of use of its use of the premises: custodial services and supplies, post office box, internet, garbage and waste services, snow plow services and telephone services.

Allied Steel will ensure students are not unattended in the premises. This includes not issuing keys to students and maintaining staff supervision at all times students are present in the premises. Allied Steel is responsible for monitoring the premises for maintenance issues and report maintenance issues to the District's Maintenance Director. Any use of the premises by entities unaffiliated with Allied Steel or District or their assignees or sublessees will be in

accordance with the District's facilities use policies. Any organizations requesting use of the building for short-term purposes (less than 2 weeks) will be negotiated by separate agreement with Allied Steel and the third-party; for a fee set by Allied Steel and used to offset building expenditures. All prior year use of the premises will be reported to the District by January 1 of each year to ensure full compliance with the federally required Utilization Report.

The District and Allied Steel will share costs associated with the following on a prorated basis: city water, city sewer, utilities not otherwise designated as the sole responsibility of Allied Steel in this paragraph, snow removal from parking lot and fire inspection. A schedule of estimated costs for the Parties is attached at Exhibit A.

Allied Steel will allow the District to use the office located in the upper level of the North side of the building for office space for which the District has ensured the appropriate square footage is reflected when assessing maintenance charges.

6. **INSURANCE AND INDEMNITY**: Allied Steel and any assignees are obligated to provide insurance coverage for the contents of the building consisting of property, effects, documents, or possessions of Allied Steel or assignees, and the District shall not in any event be responsible for the loss of such property, effects, documents, or Allied Steel's possessions located on the premises. Allied Steel and assignees shall provide for a five hundred thousand (\$500,000) insurance policy for coverage for the contents of the building owned by Allied Steel and assignees. Allied Steel and assignees shall provide for insurance coverage for comprehensive general liability insurance in an amount not less than Two Million Dollars (\$2,000,000) for injuries to or death of any person or damage to or loss of property arising out of or in any way resulting from the described use of the facility. The policies shall name the District as an additional insured. Proof of insurance will be submitted to the District upon execution of this

Agreement.

Allied Steel and assignees agree to defend, indemnify and hold the District harmless from and against any and all claims, losses, liabilities or expenses, including without limitation attorneys' fees, which may arise, in whole or in part, out of (i) the negligence or willful misconduct of Allied Steel, its employees, assignees or agents, (ii) a breach by Allied Steel or assignees of its obligations under this Agreement, (iii) violation of District policy, state law or federal law by Allied Steel or assignees. The indemnity required herein shall not be limited by reason of the specification of any particular insurance coverage.

Allied Steel and assignees shall maintain a workers' compensation insurance policy covering all employees while providing services on the premises in accordance with Title 39, chapter 71, MCA and other applicable provisions of Montana's Workers' Compensation Act. Allied Steel and assignees shall provide proof of such policy to District upon execution of the Agreement.

At no time during the term of this Agreement will District's insurance policies be considered to cover acts or omissions by Allied Steel or assignees. All insurance policies required by this Paragraph must remain valid for the entire term of the Agreement. Allied Steel and assignees must promptly notify District of any lapse in coverage. Allied Steel and assignees will not provide services on the premises in the event any insurance coverage lapses. Failure to honor the terms of this Paragraph is grounds for termination of the Agreement.

7. **ASSIGNMENT**: Allied Steel may not transfer or assign this Agreement or sublet the premises without the written permission of the District.

8. **CHANGES**: District and Allied Steel may, at any time by written order, request to negotiate changes to the agreement.

9. **STATUS**: This Agreement shall not constitute, create, or otherwise imply an employment, joint venture, partnership, agency or similar arrangement, and nothing contained herein shall be construed as providing for the sharing of profits or losses arising from the efforts of any or all of the parties.

10. **TERMINATION**: This Agreement will terminate upon expiration of the Agreement in Paragraph 2. Each Party shall have the right to terminate this Agreement upon **six month's** written notice submitted to the other Party. Each Party shall have the right to terminate this Agreement if any other Party is in default of any obligation hereunder and such default is not cured within thirty (30) days of receipt of a notice from a non-defaulting Party specifying such default.

11. **RETURN OF PROPERTY**: Upon the expiration or earlier termination of this Agreement, Allied Steel shall deliver promptly to the District all property relating to the business and work of the District. Such property shall include but not be limited to all keys and other District-owned property. Upon termination of the Agreement, Allied Steel shall return Premises to the same condition in which it was received, ordinary wear and tear excepted, and free of Allied Steel's personal property, trash, and debris.

After five (5) days following Allied Steel's surrender of the Premises or termination of Agreement in any manner except by court order, and if the District reasonably believes that Allied Steel has abandoned any personal property remaining on the Premises, the District may remove the property to a place for safekeeping, and take any steps reasonable and proper under Montana law. The District shall be entitled to reimbursement from Allied Steel for actual costs of storage and safekeeping of the property.

12. **NOTICES**: All notices under this Agreement will be in writing and will be delivered by personal service, facsimile or codified mail, postage prepaid, or overnight courier to such

address as may be designated from time to time by the relevant Party, which initially shall be the address set forth on the signature page to this Agreement. Any notice sent by certified mail will be deemed to have been given five (5) days after the date on which it is mailed. All other notices will be deemed given when received. No objection may be made to the manner of delivery of any notice actually received in writing by an authorized agent of a Party.

13. **SIGNAGE**: Any signage to be installed by Allied Steel must be first approved in writing by the School District Superintendent.

14. **PARTY REPRESENTATIVES**: The positions or persons noted shall serve as representatives for communication between the Parties regarding this Agreement. Rebekah Rhoades shall serve as the School District representative for purposes of communication under this Agreement. Ashley Morris shall serve as Allied Steel representative for purposes of communication under this Agreement.

15. **ENTIRE AGREEMENT; MODIFICATION**: This Agreement contains the entire agreement between the parties, and may not be altered, modified, or amended, except by written agreement signed by the authorized representatives of the respective parties. Time is of the essence to the terms of this Agreement.

16. **PARTIAL INVALIDITY**: If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force without being impaired or invalidated in a manner.

17. **CONSTRUCTION AND JURISDICTION**: This Agreement shall be construed under the laws of the State of Montana, and the parties agree that the courts of the State of Montana shall have personal jurisdiction over the parties in relation to any claim or cause of action arising from or related to the provisions hereof, including, but not limited to, any action for breach or

enforcement of the terms and conditions of this Agreement. In the event suit is brought to enforce or interpret any part of this Agreement, the prevailing party shall be entitled to recover as an element of the costs of suit, and not as damages, reasonable attorneys' fees to be fixed by the Court. The District's failure to require strict compliance with the conditions of this Agreement or to exercise any right provided, shall not be deemed a waiver of such default, nor limit the District's rights with respect to that or other default.

IN WITNESS WHEREOF:

LEWISTOWN SCHOOL DISTRICT, Lessor

By: \_\_\_\_\_  
Chair, Board of Trustees

Date: \_\_\_\_\_

ALLIED STEEL CO., INC, Lessee

By: \_\_\_\_\_  
Authorized Representative

Date: \_\_\_\_\_

**EXHIBIT 'A'**

**ESTIMATED EXPENSES FOR THE CMEC SHOP IN LEWISTOWN:  
5,888 SQ FT SHOP BUILDING**

**ALLIED STEEL DIRECT RESPONSIBILITY:**

CUSTODIAL SUPPLIES  
CUSTODIAL SERVICES  
SNOW PLOW BACK LOT  
INTERNET/PHONE  
WASTE SERVICES

**DISTRICT RESPONSIBILITY TO BILL ALLIED STEEL MONTHLY:**

CITY WATER AND SEWER  
GAS/ELECTRIC  
FIRE EXTINGUISHER INSPECTION  
PROPERTY INSURANCE

**MAJOR MAINTENANCE FEE = \$500/MO**

ALL AMOUNTS ARE **APPROXIMATE** AND BASED ON PREVIOUS YEAR'S BILLS. THIS IS NOT MEANT TO BE AN ALL INCLUSIVE LIST OF ROUTINE EXPENSES. ALLIED STEEL WILL BE BILLED MONTHLY FOR ACTUAL COSTS INCURRED IN ADDITION TO THE MAJOR MAINTENANCE FEE.

In consideration of permanent installation portion of the improvement cost incurred by Allied Steel, a monthly invoice credit will be issued by the school, which in aggregate, will not exceed the permanent building alteration portion of the investment from Allied Steel, and that is not to exceed the monthly bill amount. Requests for invoice credits must be made in writing and approved by the district. Any residual cost incurred by Allied Steel that is not offset through monthly invoice credits, remains the sole responsibility of Allied Steel and shall not become an obligation of the School District.

All non-permanent structural and/or equipment, remains in right-and-title, the property of Allied Steel.

Addendum -A-

Whereas section (5.) Responsibilities: states “[]...*The building, placing, or constructing of any permanent structure or item by Allied Steel is prohibited without written permission of the District.*”,

the school district grants Allied Steel permission to install electrical service and air particulate mitigation systems and equipment sufficient to power and service welders and the byproduct smoke created by the welder.

With this permission, the intent is understood that the electrical service and any permanent alteration to the building for such electrical service, is the property of the School District and shall not be repossessed by Allied Steel except in the case of breach of the School District’s responsibilities or obligations created by this Agreement.

IN WITNESS WHEREOF:

LEWISTOWN SCHOOL DISTRICT, Lessor

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Chair, Board of Trustees

Jim-n-I, Inc., Lessee

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Authorized Representative

**LEWISTOWN PUBLIC SCHOOLS**  
Lewistown, Montana

**BOARD AGENDA ITEM**

**Meeting Date**

06/26/2024

**Agenda Item No.**

5

- Minutes/Claims   
  Board of Trustees   
  Superintendent's Report   
  Action - Consent  
 Action - Indiv.

**ITEM TITLE:** APPROVE RETIREMENT FUND BUDGET RESOLUTION

**Requested By:** Board of Trustees    **Prepared By:** Rebekah Rhoades

**SUMMARY:**

The Board of Trustees needs to approve the Retirement Fund Budget Resolution.

**SUGGESTED ACTION:** Approve Retirement Budget Resolution

**Additional Information Attached**

**NOTES:**

	Motion	Second	Ave	Nav	Abstain	Other
<b><i>Board Action</i></b>						
Southworth						
Birdwell						
Hodge						
Brady						
Koch						
Carlson						
VanderBeek						

**BUDGET AMENDMENT RESOLUTION  
SCHOOL DISTRICT #1 OF FERGUS COUNTY  
LEWISTOWN ELEMENTARY**

At a regular meeting of the board of trustees of School District No. 1, Fergus County, Montana, held May 13, 2024 at 6:00p.m. in the Lincoln Board Room, the following resolution was introduced.

WHEREAS, the trustees of School District No. 1, Fergus County, Montana, have made a determination that as a result of unforeseen circumstances, the district’s budget for the elementary retirement fund does not provide sufficient financing to properly maintain and support the district for the entire current school year; and

WHEREAS, the trustees have determined that an amendment to the elementary retirement fund budget in the amount of \$40,000 is necessary under the provision of Section 2-9-161(6), MCA; for the purpose of meeting the financial needs of the District and

WHEREAS, the anticipated source of financing the budget amendment expenditures shall be the elementary retirement reserve;

THEREFORE BE IT RESOLVED that the Board of Trustees of School District No. 1, Fergus County, Montana, proclaims a need for an amendment to the elementary retirement fund budget for fiscal year 2024 in the amount of \$40,000 under Section 20-9-161(6), MCA, for the purpose identified above.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Print Chairperson’s Name

Signature of Chairperson

Date

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Print District Clerk’s Name

Signature of District Clerk

Date

DATE BUDGET AMENDMENT WAS ADOPTED: June 26, 2024

List all budget amendment expenditure line items and amounts:

114.XX.100.1XXX.2XX.000	\$25,000
114.XX.100.23XX.2XX.000	\$15,000

**LEWISTOWN PUBLIC SCHOOLS**  
**Lewistown, Montana**

**BOARD AGENDA ITEM**

**Meeting Date**

06/26/2024

**Agenda Item No.**

6

- Minutes/Claims   
  Board of Trustees   
  Superintendent's Report   
  Action - Consent  
 Action - Indiv.

**ITEM TITLE:** BOND PROCEEDS - INVESTMENT CONSIDERATIONS

**Requested By:** Board of Trustees    **Prepared By:** Rebekah Rhoades

**SUMMARY:**

The Board of Trustees needs to consider approval of the investment of the remaining Elementary Bond Funds.

**SUGGESTED ACTION:** Bond Proceeds - Investment Considerations

**Additional Information Attached**

**NOTES:**

<i>Board Action</i>	Motion	Second	Aye	Nay	Abstain	Other
Southworth						
Birdwell						
Hodge						
Brady						
Koch						
Carlson						
VanderBeek						

## CDM Demand Deposit SLGS Program for Tax Exempt Bond Proceeds

Causey Demgen & Moore P.C. offers a managed process for issuers of tax-exempt obligations for the application of bond proceeds to the US Treasury's State and Local Government Series Securities (SLGS) and specifically, Demand Deposit SLGS. The program allows for the application of bond proceeds to US Treasury obligations that combine the full faith and credit of the US Government, liquidity, and an avoidance of the arbitrage limitations on earnings.

**Demand Deposit SLGS – what are they?** One-day certificates of indebtedness that are automatically rolled each day until redemption is requested (31 CFR §344.7). These securities are issued and backed by the full faith and credit of the United States.

**Where are the Demand Deposit SLGS held?** Demand Deposit SLGS will be held with the US Treasury. Each day they are automatically rolled into another investment until redemption is requested. The US Treasury will provide statements regarding principal and accrued interest.

**How is the rate for Demand Deposit SLGS determined?** Each security shall bear a rate of interest based on an adjustment of the average yield for 13-week Treasury bills at the most recent auction. The rate is variable and typically yields 75% of the T-Bill yield. The rate resets weekly.

As of June 21, 2024, the current annualized effective rate (the yield) is 4.17%.

**What is the treatment with regard to arbitrage?** As outlined in Treas. Reg. §1.150-1(b), Demand Deposit SLGS are treated as tax-exempt bonds and are thus excluded from arbitrage rebate and yield restriction limitations on earnings.

**How are the Demand Deposit SLGS subscribed for?** Depending on the size, the time frame for subscriptions is 5 or 7 calendar days.

- (1) Subscription of \$10,000,000 or less requires 5 calendar days for settlement
- (2) Subscription above \$10,000,000 requires 7 calendar days for settlement.

**What information is required for a subscription of Demand Deposit SLGS?** The investment amount, issue date, underlying bond issue information, owner name, and TIN.

**How are the Demand Deposit SLGS redeemed?** Depending on the size, they may be redeemed in 1 or 3 business days. They are redeemed at par plus accrued interest.

- (1) Redemption of \$10,000,000 or less requires 1 business day for settlement.
- (2) Redemption above \$10,000,000 requires 3 business days for settlement.

**Who is responsible for redemptions of Demand Deposit SLGS?** The Treasury department requires Demand Deposit SLGS to be redeemed through SLGSafe by either the owner or Trustee.

**What funds may be invested in Demand Deposit SLGS?** Proceeds of a tax-exempt bond issue as well as amounts commingled with gross proceeds of an exempt issue.

**What happens to Demand Deposit SLGS during a Debt Limit Contingency?** At anytime the Secretary of the Treasury determines that issuance of obligations sufficient to conduct the orderly financing operations of the United States cannot be made without exceeding the statutory debt limit, the Bureau will invest any unredeemed Demand Deposit securities in special ninety-day certificates of indebtedness. Funds invested in the ninety-day certificates of indebtedness earn simple interest equal to the daily factor in effect at the time Demand Deposit security issuance is suspended, multiplied by the number of days outstanding. When regular Treasury borrowing operations resume, the ninety-day certificates of indebtedness, at the owner's option, are:

- (1) Payable at maturity;
- (2) Redeemable before maturity, provided funds are available for redemption; or
- (3) Reinvested in Demand Deposit securities.

Special ninety-day certificates may be redeemed based on the same requirements listed above when the the Treasury department is not conducting orderly financing operations of the United States.

**More history – when was the Demand Deposit SLGS program introduced?** They were introduced in 1986. The intent was to provide an investment vehicle to avoid the arbitrage rebate limitations on earnings.

**Fees and charges – what costs are involved?** Causey charges a monthly fee of \$1,500 for each separate account to facilitate all of the steps and actions for subscribing to the program. As funds are transferred from the US Treasury to the Issuer's custodial account, there may be a wire fee from the financial institution. Causey has the ability to provide additional reporting and coordination with the Issuer's Municipal Advisor, Underwriter, and trusted investment professionals.

**What are the risks of Demand Deposit SLGS?** When the SLGS window closes (typically when the nation bumps into debt ceiling limitations), the Demand Deposit SLGS may be rolled over into ninety-day certificates of indebtedness. Such certificates may cashed in early, following the same requirements as for other Demand Deposit SLGS. Historically, the Bureau has honored these redemptions when regular Treasury operations are not being conducted.

**Why choose Causey Demgen & Moore P.C.?** We serve in a fiduciary capacity as a registered investment advisor with the SEC. We are an SEC Practice Section CPA firm with the quality controls and insurance that this entails, and we are subject to formal peer review of our quality assurance systems and procedures by the American Institute of Certified Public Accountants. We are an accounting firm registered with the Public Company Accounting Oversight Board ("PCAOB"), which was created by the Sarbanes-Oxley Act of 2002 to oversee auditors of public companies. This membership requires us to be inspected by the PCAOB, and we have consistently passed these inspections without exception. Copies of these inspections are available at [www.pcaobus.org](http://www.pcaobus.org). Additionally, we maintain a professional liability insurance policy with a \$5,000,000 coverage limit.

**Who should I contact at Causey Demgen & Moore P.C.?** Andrew Mathes, Dino Zepcan and Hunter Short coordinate the Demand Deposit SLGS program for Causey Demgen & Moore. Andy can be reached at (901) 212-2360 or [amathes@causeycpas.com](mailto:amathes@causeycpas.com), Dino can be reached at (303) 672-9892 or [dzepcan@causeycpas.com](mailto:dzepcan@causeycpas.com) and Hunter can be reached at (303) 672-9869 or [hshort@causeycpas.com](mailto:hshort@causeycpas.com).



**DISTRICT'S 2022 BOND ISSUE: CURRENT SCENARIO / OVERVIEW**

School District No. 1 (Lewistown) Fergus County, Montana (the "District"), issued its \$20,400,000 General Obligation School Building Bonds, Series 2022 (the "Bonds") on February 3, 2022, with an arbitrage yield of 1.75%.

The Bonds do not meet any of the available exemptions that allow for the retention of investment earnings over and above the arbitrage yield limitation of 1.75%. Current investment earnings greater than the arbitrage yield must be remitted to the IRS in the form of a Rebate Payment. Meaning, if the proceeds are invested in the Short-Term Investment Pool (STIP), currently yielding ~ 5.30% (*this "high" yield is a result of the rise in Fed rates over the last two years*), every dollar of earnings over the 1.75% limitation (5.30% - 1.75% = 3.55%, aka "investment earnings over the 1.75% limitation") must be remitted to the IRS. Causey Demgen & Moore P.C. has presented the District with an investment solution that would allow for the retention of future investment earnings over and above the arbitrage yield limitation through a variable rate investment program offered by the US Treasury: Demand Deposit SLGS.

With the assistance of Causey Demgen & Moore, P.C. (SEC, registered investment advisor, based in Denver, Colorado, serving the public finance sector since 1986) and their proposed investment strategy of purchasing tax-exempt, Demand Deposit SLGS (which are NOT subject to arbitrage rebate restriction), **it would allow the District to retain every dollar of investment earnings over the 1.75% arbitrage yield.**

**WHAT ARE DEMAND DEPOSIT SLGS?** One-day certificates of indebtedness that are automatically rolled each day until redemption is requested. These securities are issued and backed by the full faith and credit of the United States. The program acts like a tax-exempt money market holding available only to State and Local Government entities.

**ARBITRAGE REBATE RULES: OVERVIEW**

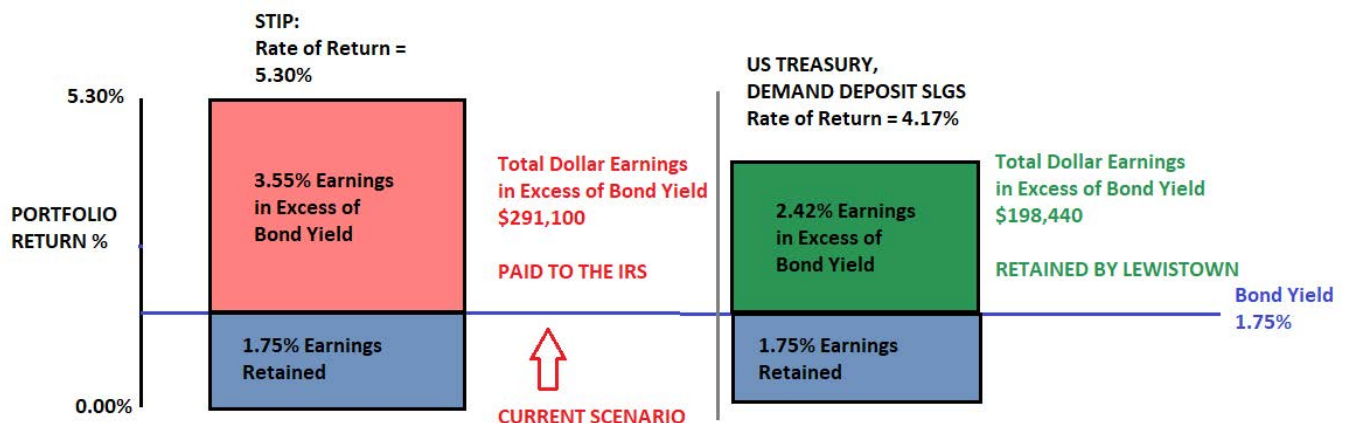
The District's Bonds and its Project Fund **do not** qualify for any of the available exceptions to arbitrage rebate:

- The Bonds are over \$15 million, and therefore this bond issue does not qualify for the small issuer exception available for bonds issued to finance construction of public-school facilities.
- The District did not spend the Project Fund prior to February 3, 2024, and therefore the Project Fund would not qualify for any of the available spending exceptions.

**AS A RESULT, THE BONDS ARE SUBJECT TO ARBITRAGE REBATE LIMITATIONS**

**CAUSEY'S PROPOSED INVESTMENT STRATEGY TO ASSIST THE DISTRICT**

**FIGURE A:** Proposed Tax-Exempt Investment Strategy, assuming \$8,200,000 deposited and held for a 1-year period.



**KEY TAKEAWAY:** Both scenarios allow you to keep up to 1.75% of investment earnings, and even though the 5.30% STIP is a higher yielding investment, **only with Demand Deposit SLGS does the District get to keep the earnings above the 1.75% bond yield.**

# LEWISTOWN PUBLIC SCHOOLS

# 2023-2024 SCHOOL CALENDAR

AUGUST 2023						
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		

SEPTEMBER 2023						
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

OCTOBER 2023						
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 2023						
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 2023						
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 2024						
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			

FEBRUARY 2024						
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		

MARCH 2024						
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						

APRIL 2024						
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				

MAY 2024						
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	

JUNE 2024						
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						

JULY 2024						
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			

**PIR DAYS** (Pupil Instruction-Related)

August 14	New Staff Orientation
August 21-22	All Staff Orientation/PIR
October 19-20	Staff Development Days <i>Teachers Convention (Billings)</i>
Oct 30-Nov 10	Parent-Teacher Conferences <i>Schedules vary by school</i> <i>PIR November 2nd</i> <i>No school November 2nd-3rd</i>
March 25-27	Parent-Teacher Conferences <i>Schedules vary by school</i> <i>Full school days for students</i>
May 13	PIR Day

**HOLIDAYS & VACATIONS**  
*No School for Teachers or Students*

September 4	Labor Day
November 3	Vacation Day
November 22-24	Thanksgiving Vacation
Dec 25 - Jan 2	Winter Break
February 22-23	Vacation Days
March 28-April 1	Easter Vacation
April 26	Vacation Day
May 27	Memorial Day

- New Teacher Orientation
- First/Last Day of School  K-4 First Day
- End of Quarter
- Quarter Mid-Term
- End of Semester (2nd & 4th quarters)
- School Dismissed at 1:30 pm
- FHS Graduation Day
- PIR Day  PT Conferences
- No School (Day Off/No School)
- Paid Holiday (Day Off/No School)
- Flex Day (No School for Students)

<b>PUPIL INSTRUCTION (INCLUDING FLEX DAYS)</b>	<b>First Semester</b> <span style="float: right;"><b>88 days</b></span>				<b>Second Semester</b> <span style="float: right;"><b>91 days</b></span>					
	<b>FIRST QUARTER</b> <span style="float: right;"><b>DAYS</b></span>				<b>THIRD QUARTER</b> <span style="float: right;"><b>DAYS</b></span>					
	First Week	Aug 23	to	Aug 25	3	First Week	Jan 16	to	Jan 19	4
	Second Week	Aug 28	to	Sept 1	5	Second Week	Jan 22	to	Jan 26	5
	Third Week	Sept 5	to	Sept 8	4	Third Week	Jan 29	to	Feb 2	5
	Fourth Week	Sept 11	to	Sept 15	5	Fourth Week	Feb 5	to	Feb 9	5
	Fifth Week	Sept 18	to	Sept 22	5	Fifth Week	Feb 12	to	Feb 16	5
	Sixth Week	Sept 25	to	Sept 29	5	Sixth Week	Feb 19	to	Feb 21	3
	Seventh Week	Oct 2	to	Oct 6	5	Seventh Week	Feb 26	to	March 1	5
	Eighth Week	Oct 9	to	Oct 13	5	Eighth Week	March 4	to	March 8	5
	Ninth Week	Oct 16	to	Oct 18	3	Ninth Week	March 11	to	March 15	5
	Tenth Week	Oct 23	to	Oct 27	5	Tenth Week	March 18	to	March 22	5
				<b>45</b>					<b>47</b>	
<b>SECOND QUARTER</b> <span style="float: right;"><b>DAYS</b></span>				<b>FOURTH QUARTER</b> <span style="float: right;"><b>DAYS</b></span>						
First Week	Oct 30	to	Nov 1	3	First Week	March 25	to	March 27	3	
Second Week	Nov 6	to	Nov 10	5	Second Week	April 2	to	April 5	4	
Third Week	Nov 13	to	Nov 17	5	Third Week	April 8	to	April 12	5	
Fourth Week	Nov 20	to	Nov 21	2	Fourth Week	April 15	to	April 19	5	
Fifth Week	Nov 27	to	Dec 1	5	Fifth Week	April 22	to	April 25	4	
Sixth Week	Dec 4	to	Dec 8	5	Sixth Week	April 29	to	May 3	5	
Seventh Week	Dec 11	to	Dec 15	5	Seventh Week	May 6	to	May 10	5	
Eighth Week	Dec 18	to	Dec 22	5	Eighth Week	May 14	to	May 17	4	
Ninth Week	Jan 3	to	Jan 5	3	Ninth Week	May 20	to	May 24	5	
Tenth Week	Jan 8	to	Jan 12	5	Tenth Week	May 28	to	May 31	4	
				<b>43</b>					<b>44</b>	
<b>Total Days 179</b>										

<b>PUPIL INSTRUCTION-RELATED DAYS (PIR)</b>	August 14	New Staff Orientation	
	August 21-22	All Staff Orientation/PIR	2.0
	October 19-20	Staff Development Days <i>Teachers Convention</i>	2.0
	Oct 30-Nov 10	Parent-Teacher Conferences <i>Schedules vary by school PIR November 2nd No school November 2nd &amp; 3rd</i>	1.5
	March 25-27	Parent-Teacher Conferences <i>Schedules vary by school Full school days for students</i>	.5
	May 13	PIR Day	1.0
		Floating PIR Day	<u>1.0</u>
		<b>8.0</b>	

<b>HOLIDAYS &amp; VACATIONS</b>	<i>Dates Inclusive</i>	September 4	Labor Day
		November 3	Vacation Day
		November 22-24	Thanksgiving Vacation
		Dec 25-Jan 2	Winter Break
		February 22-23	Vacation Days
		March 28-April 1	Easter Vacation
		April 26	Vacation Day
May 27	Memorial Day		
July 4	Vacation Day (12-mo employees)		