



MINNETONKA
PUBLIC SCHOOLS

Outstanding Bonds & Certificates of Participation As of June 30, 2025

September 30, 2024



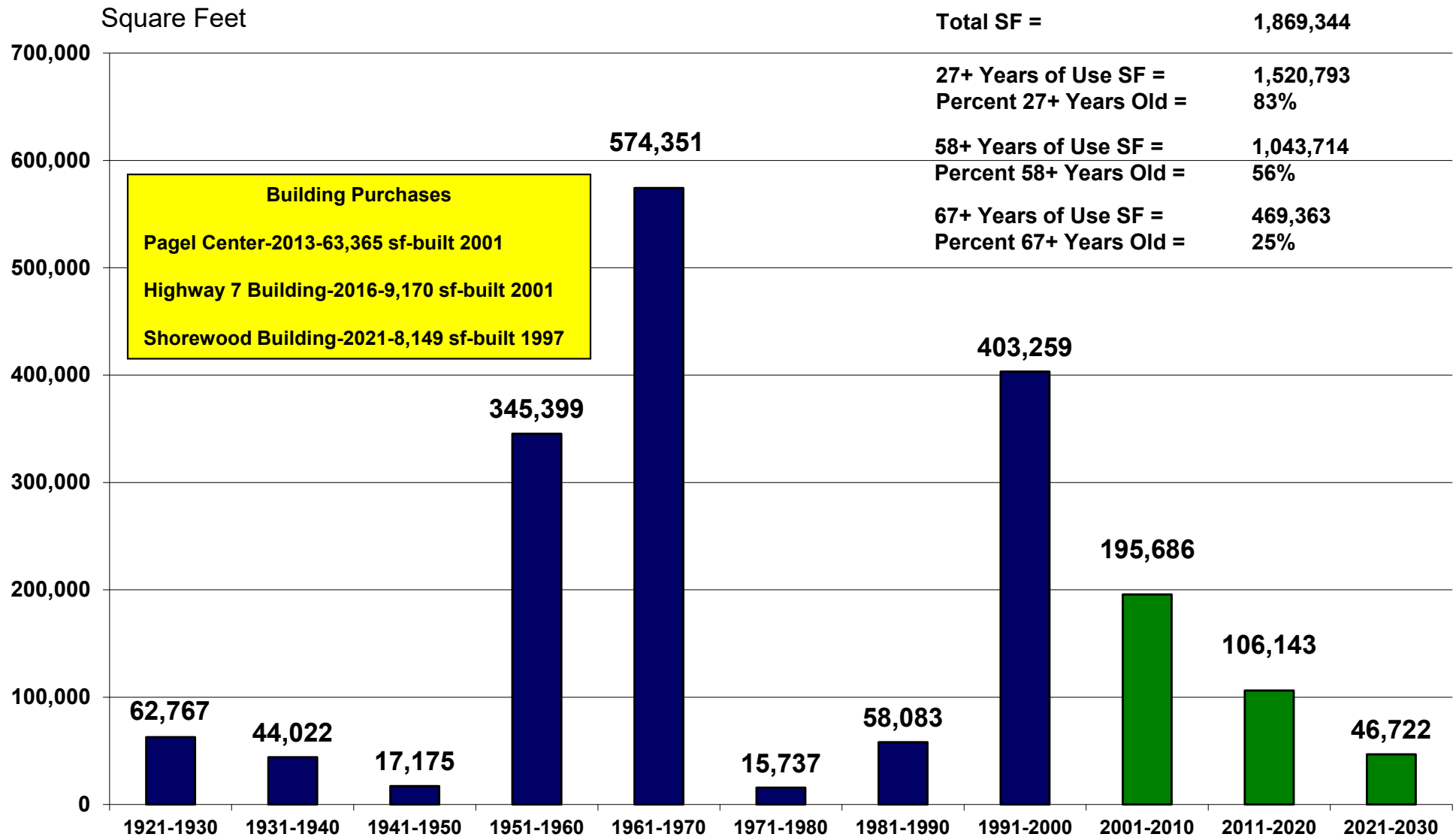
Four Segments Of Presentation

- Background
- Status as of June 30, 2025
- FY2025 Activity
- Estimating the Future

Minnetonka Independent School District 276

Facilities Construction And Acquisition By Decade

As Of June 30, 2025





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Thesaurus

fiduciary



Games & Quizzes

Dictionary

Definition

adjective

noun

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fiduciary 1 of 2 adjective

fi·du·cia·ry fə-'dū-shē-, er-ē -shə-rē, -'dyü-, fī-

: of, relating to, or involving a confidence or trust: such as

a : held or founded in trust or confidence

| a *fiduciary* relationship

| a bank's *fiduciary* obligations

b : holding in trust

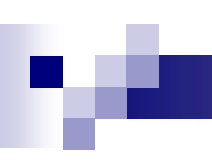
c : depending on public confidence for value or currency

| *fiduciary* fiat money

fiduciary 2 of 2 noun

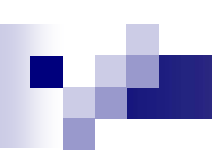
plural **fiduciaries**

: one that holds a fiduciary relation or acts in a fiduciary capacity



Facility Maintenance Strategy & Bonding Strategy

- In 2007, Minnetonka ISD 276 was levying a total of \$10,021,717 in facility bond debt payments and long-term maintenance projects on a pay as you go basis
 - About 32% of the total levy
- Much deferred maintenance had built up over prior decades
- District facilities were either at or past mid-life at 50-60 years of age or more
- Much work was needed to get them ready for the next 50-60 years of use
- The District began bonding for long term maintenance in 2008
 - Spread the payment for long-lived maintenance projects over the life of the improvement and has kept levies lower



Facility Maintenance Strategy & Bonding Strategy

- Spread costs over multiple generations and multiple taxpayers for long-lived improvements or maintenance
 - Similar to how utilities pay for large capital improvements like power plants or power lines so that rates stay low for ratepayers
- Restructuring strategies to keep overall annual payments roughly flat — rationale may be any combination of the following
 - Lower interest rates
 - Keep overall debt payments relatively flat for all bonds by extending payments out
 - Lowering payments to create payment “capacity” for a future bond in Lease Levy or Operating Capital
 - Net present value savings
 - Cash savings
- Different depending on the situation



Facility Maintenance Strategy & Bonding Strategy

- July 1, 2007 through June 30, 2025 - \$231,569,548 in facilities related improvements
 - \$132,514,548 in 26 General Obligation Long-Term Facilities Maintenance Bond issues – average \$7,361,919 over 18 years
 - \$89,205,000 in 31 Certificates of Participation Bond issues for classrooms and other necessary facility infrastructure to support classrooms (plus \$9,850,000 OPEB excess investment earnings for VANMO construction)
 - Classrooms-gyms-music rooms-science rooms-shops
 - Specialist small group rooms
 - Land acquisition
 - Parking lots
 - Athletic facilities
- We have also done 50 bond refunding and restructuring transactions that have had positive financial impact of over \$26.8 million
 - lowered levies
 - lowered par value
 - reduced payments either immediately or in the future





Facility Maintenance Strategy & Bonding Strategy

- What have we gotten out of this investment?
 - Capacity for additional students to generate revenue for programs serving all students
 - Deferred maintenance eliminated – now maintaining buildings in a state of good repair to be ready for another 50-60 years of use
- In-house construction management has resulted in the District saving over \$8.1 million in construction management fees
 - Approximately 3.5% of project costs based on what other districts are paying for construction management



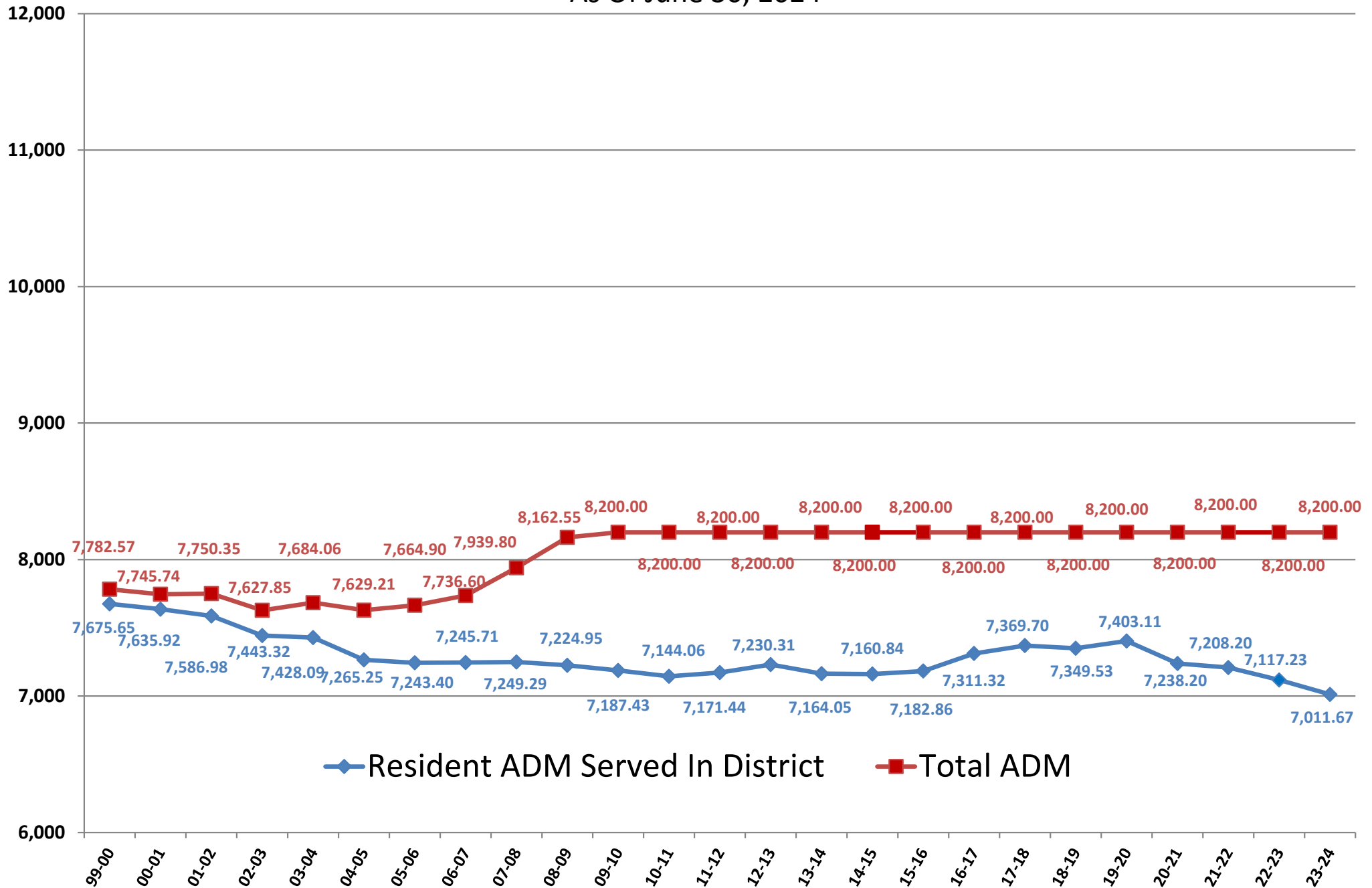
List Of Improvements 2008 To Date

- 146 classrooms – new build or internal reconfiguration
- 73 small group rooms – new build or internal reconfiguration
- 5 elementary school gymnasiums
- 2 pool additions and renovations
- 8 kitchen expansions
- 4 cafeteria expansions – each middle school and 2 at Scenic Heights
- 2 high school shops – MOMENTUM at Pagel
- 2 building purchases and complete renovations
- 11 secure entrance and main office additions and renovations
- 1 media center addition and 9 media center renovations
- 22 tennis courts
- 21 parking lot expansions
- 5 synthetic turf fields and one synthetic turf infield
- 11 boiler exhaust system replacements (resulted in Energy Star rating)
- 1 Culinary kitchen
- 2 Aviation training areas

Minnetonka ISD 276

Resident ADM Served In District to Total ADM History – Pre-K HDCP To Grade 12

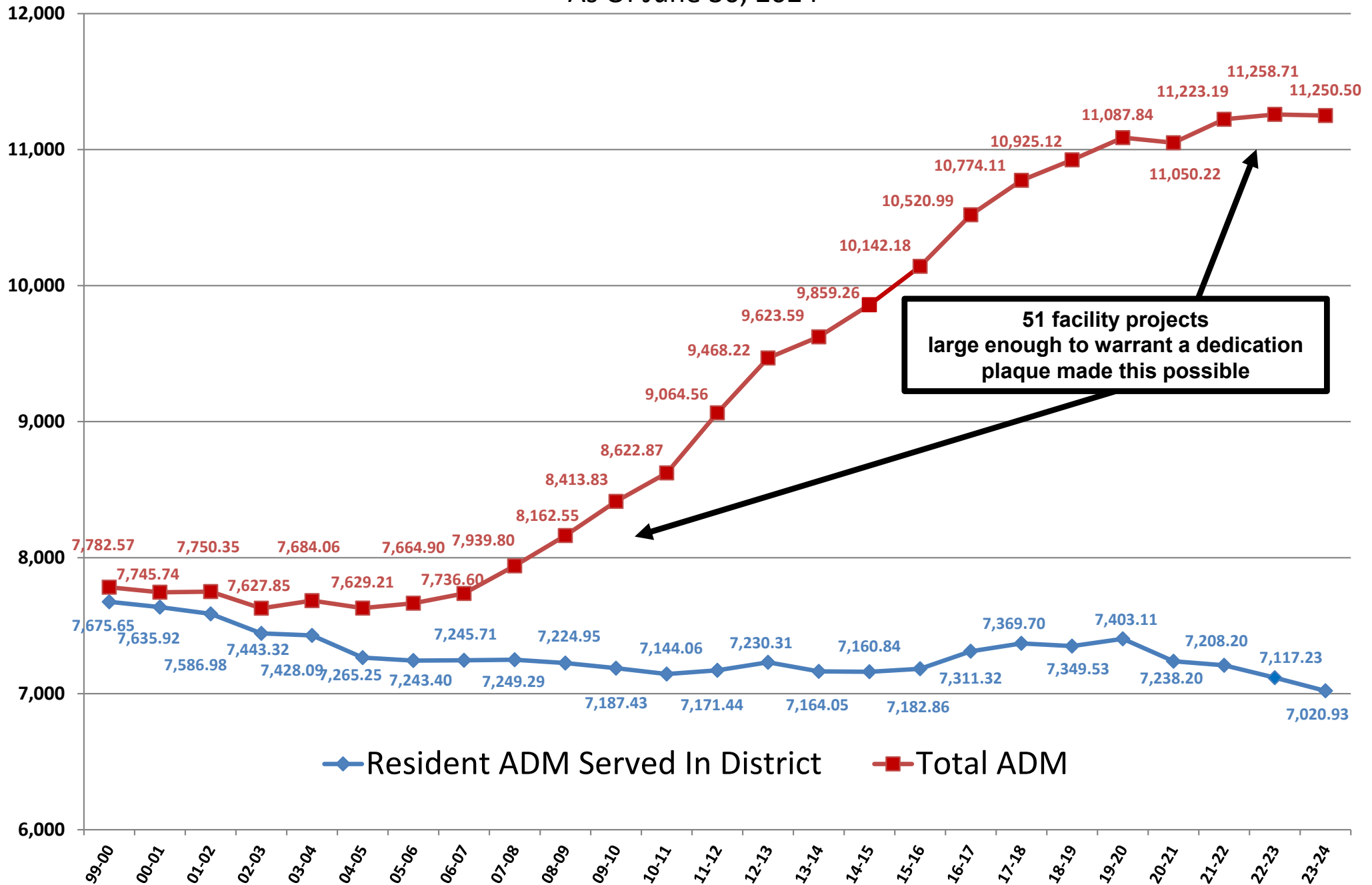
As Of June 30, 2024



Minnetonka ISD 276

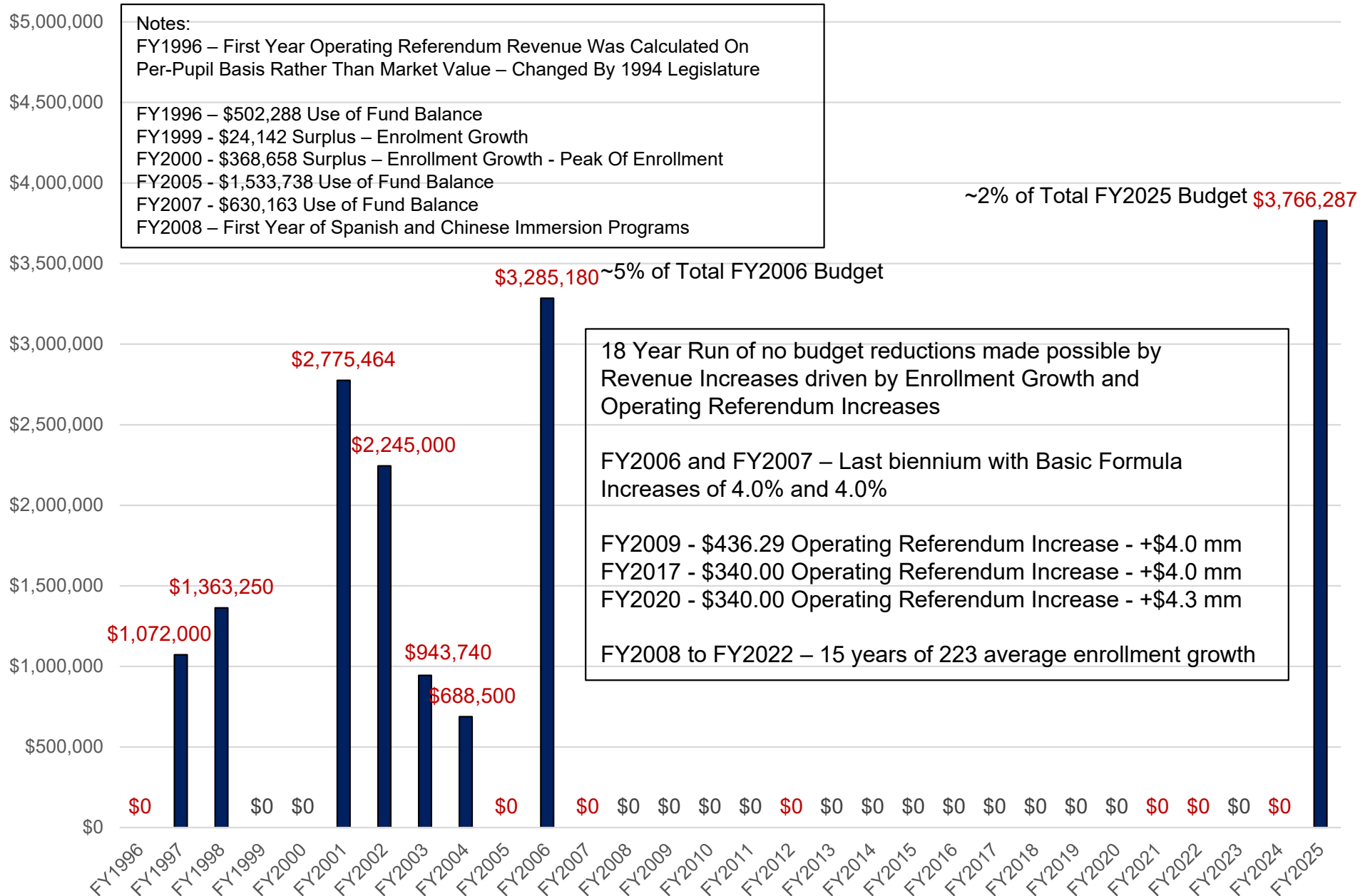
Resident ADM Served In District to Total ADM History – Pre-K HDCP To Grade 12

As Of June 30, 2024



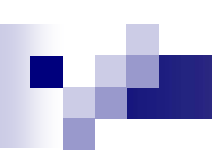
Minnetonka Independent School District 276

General Operating Fund Budget Reduction (Cost Containment) History Since FY1996



Eliminating Deferred Maintenance As Of June 30, 2024

- Long-Term Facilities Maintenance – A Multi-Year Process – Rebuilding For 2070
 - Room unit ventilator systems current
 - Roof replacement current
 - Parking lot repaving current
 - Lighting current
 - Windows current
 - Doors current
 - Flooring current
 - Pool mechanical systems current
 - Synthetic turf fields current
 - Painting current on seven-year rotation
 - Kitchen overhauls at every District kitchen completed summer 2015
 - Door safety hardware replacement completed fall 2015
 - Door replacement completed summer 2016
 - Public Address (PA) safety system replacement completed summer 2016
 - Hallway and high use areas wall tile resurfacing completed summer 2016 (small sections at EXC, GRV, MWA added to the list since then and will be completed summer 2025)
 - Restroom overhauls completed summer 2016
 - Boiler room overhauls completed summer 2017
 - Media center lights-ceiling-painting-flooring completed summer 2019
 - Mechanical room overhauls completed summer 2021
 - Mechanical systems digital controls will be completed in summer 2025
 - Unit ventilator replacement will be completed in summer 2025 – district classrooms 100% HVAC



Facility Maintenance Strategy & Bonding Strategy

- Bonding strategy allows the overall facility levy to remain relatively flat
 - Allows the District to perform necessary long-term maintenance to rebuild its buildings for another 50-60-70 years of use
 - Any levy increases in the levy therefore are as a result of additional revenue for educational operations
 - Active management of bond issues to manage facility levy impact
- This major rebuilding is taking place over approximately 20 years
- This time frame also roughly parallels the time of post World War II “baby boom” district building construction from 1947 to 1967
- As of FY2024 the District is current with major facilities maintenance
- Will always be long term maintenance needs that will need to be addressed as major components wear out
- Never ever done maintaining 1,869,722 square feet of buildings, and 259.29 acres of outdoor facilities
 - 3/5 has over 55 years of use

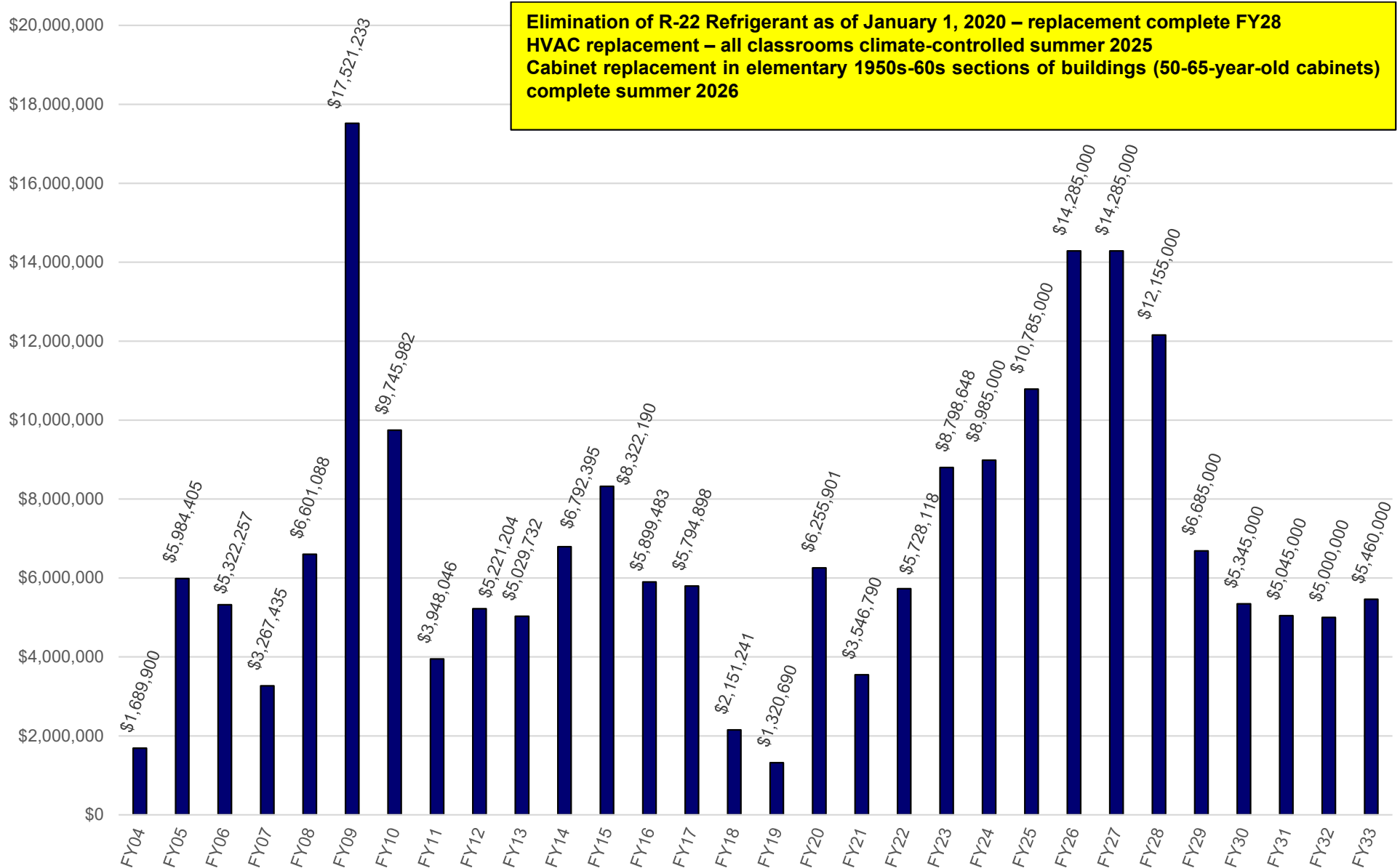


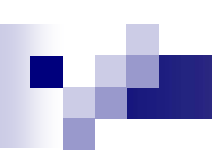
Long-Term Maintenance Plan Project Levels

- Prudent course of action is to maintain buildings in a state of good repair and maximize the community's investment in them
 - Much more cost effective than tearing down and rebuilding
 - \$925,512,390 to build 1,869,722 square feet new at \$495 per square foot current new construction cost – all in plus demo (no new land in District 276)
 - Average \$3.79 annual long-term maintenance cost per square foot over 18 years - 1/125 of build new
 - 0.80% of build new per year

Long Term Facilities Maintenance History And Projection

Eliminating Deferred Maintenance and Maintaining Buildings in a State of Good Repair for the Long Term





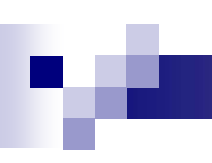
Summary – Total Outstanding GO & COP Bond Debt Paid By District Sources June 30, 2025

- Total Outstanding GO and COP Par Value Debt June 30, 2025 \$179,005,000

- Total To Be Paid By Property Tax Levy Sources \$154,715,000
 - Supported By GO Debt Service Levy \$104,370,000
 - Supported By GO OPEB Debt Service Levy \$ 16,280,000
 - Supported By Lease Purchase Levy \$ 34,065,000

- Total To Be Paid By Other District Funding Sources \$ 24,290,000
 - Operating Capital \$23,735,000
 - Tonka Dome - supported by fees & donations \$ 555,000

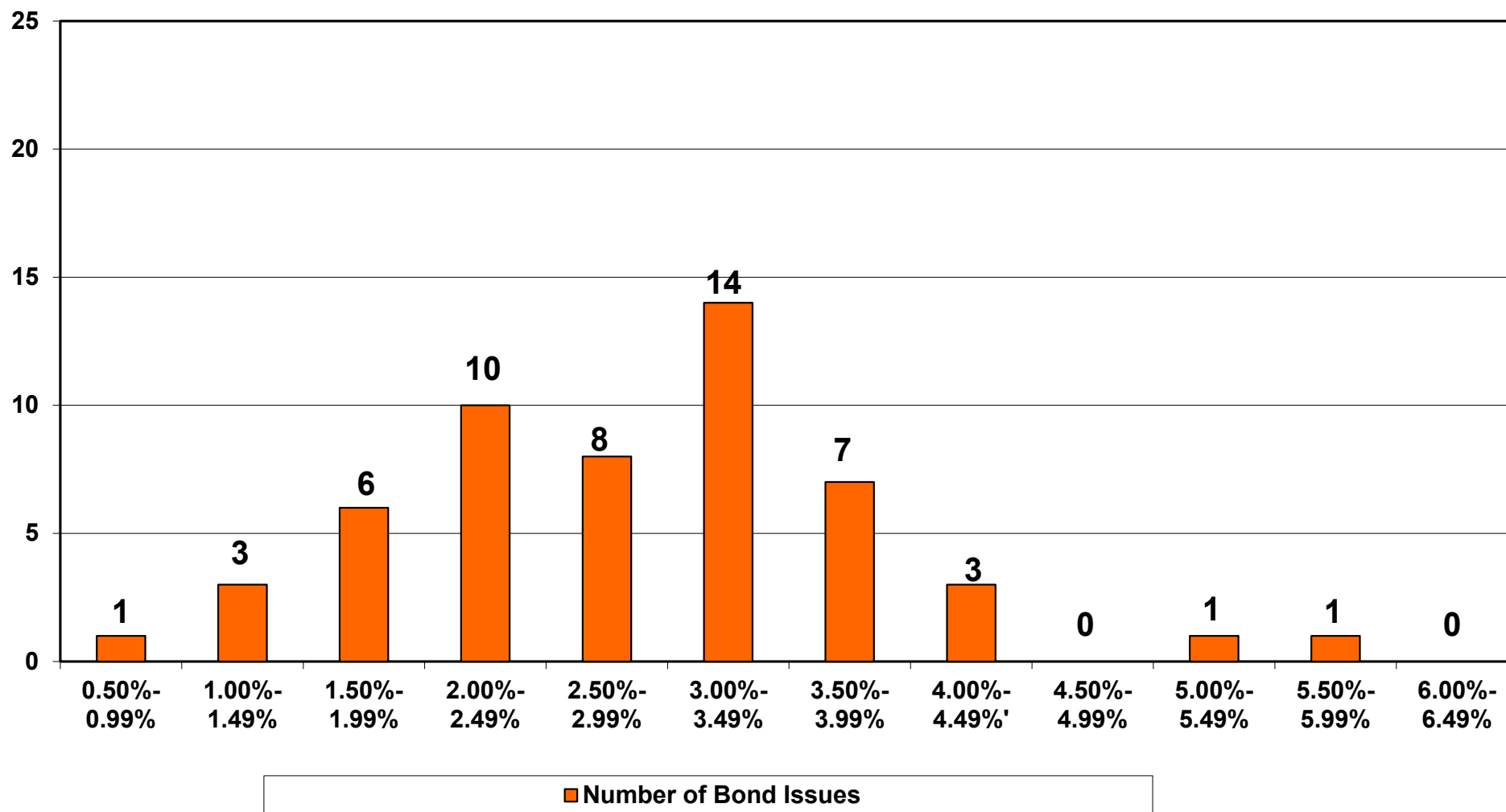
- Who Pays Off The \$155,112,000 To Be Paid From Property Taxes
 - Commercial 251 parcels
 - Industrial 15 parcels
 - Agricultural Homestead 4 parcels
 - Residential 12,948 parcels



Fiscal Year 2025 Activity

- 2024B GO LT Facilities Maintenance Bonds - \$14,285,000 - 3.84%
 - Purpose – Long Term Facility Maintenance Bonds for FY25-Summer 2024
- 2024C Refunding Certificates of Participation - \$5,935,000 – 3.97%
 - Purpose – Lower rate from 4.97% to 3.97%, reduce par value by \$440,000 and NPV Savings of \$290,254
- 2024D Refunding GO LTFM Bonds - \$3,905,000 – 3.74%
 - Purpose – Lower rate from 4.28% to 3.74%, reduce par value by \$300,000 and NPV savings of \$152,868

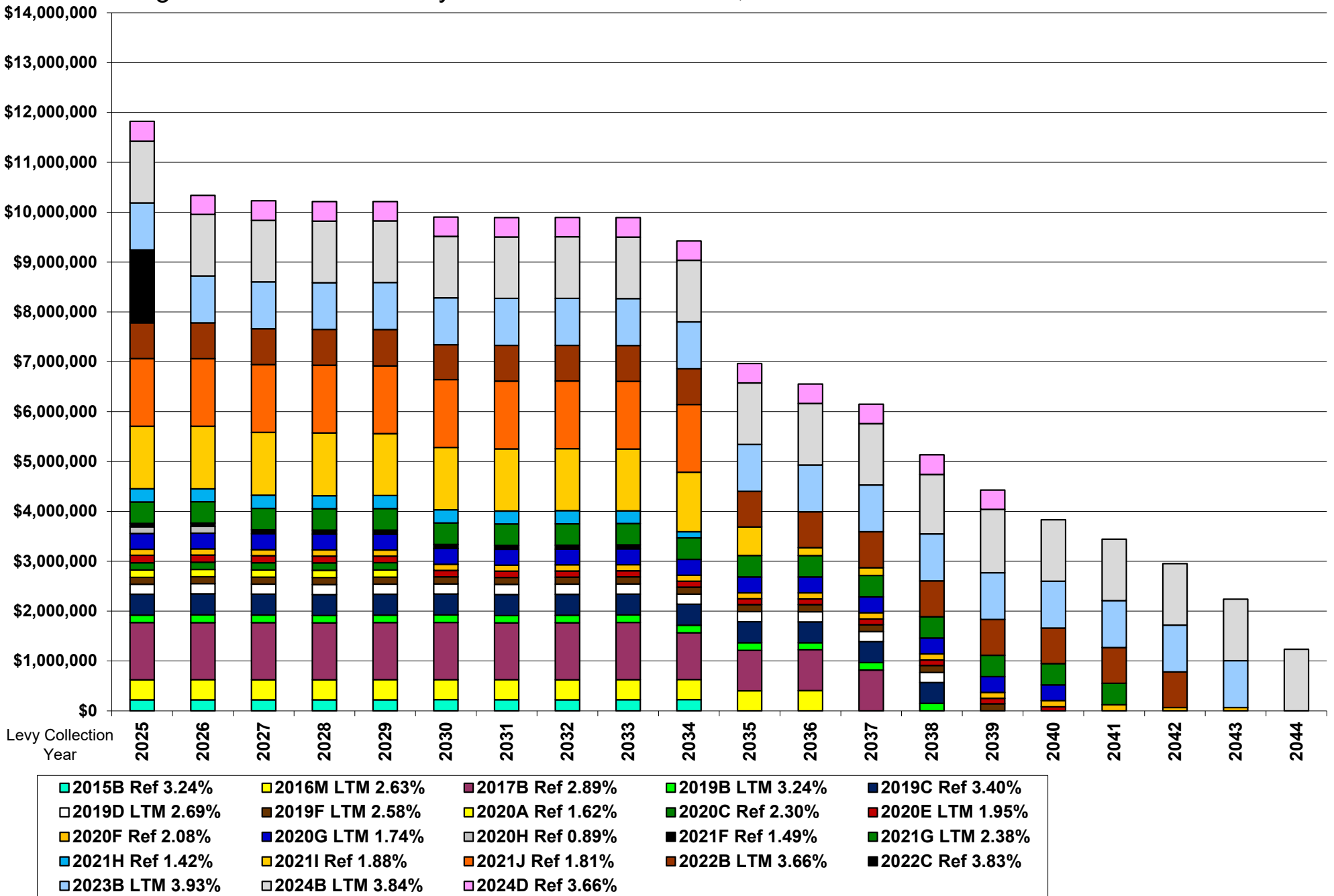
Distribution of Interest Rates for 52 Outstanding Bond Issues June 30, 2025



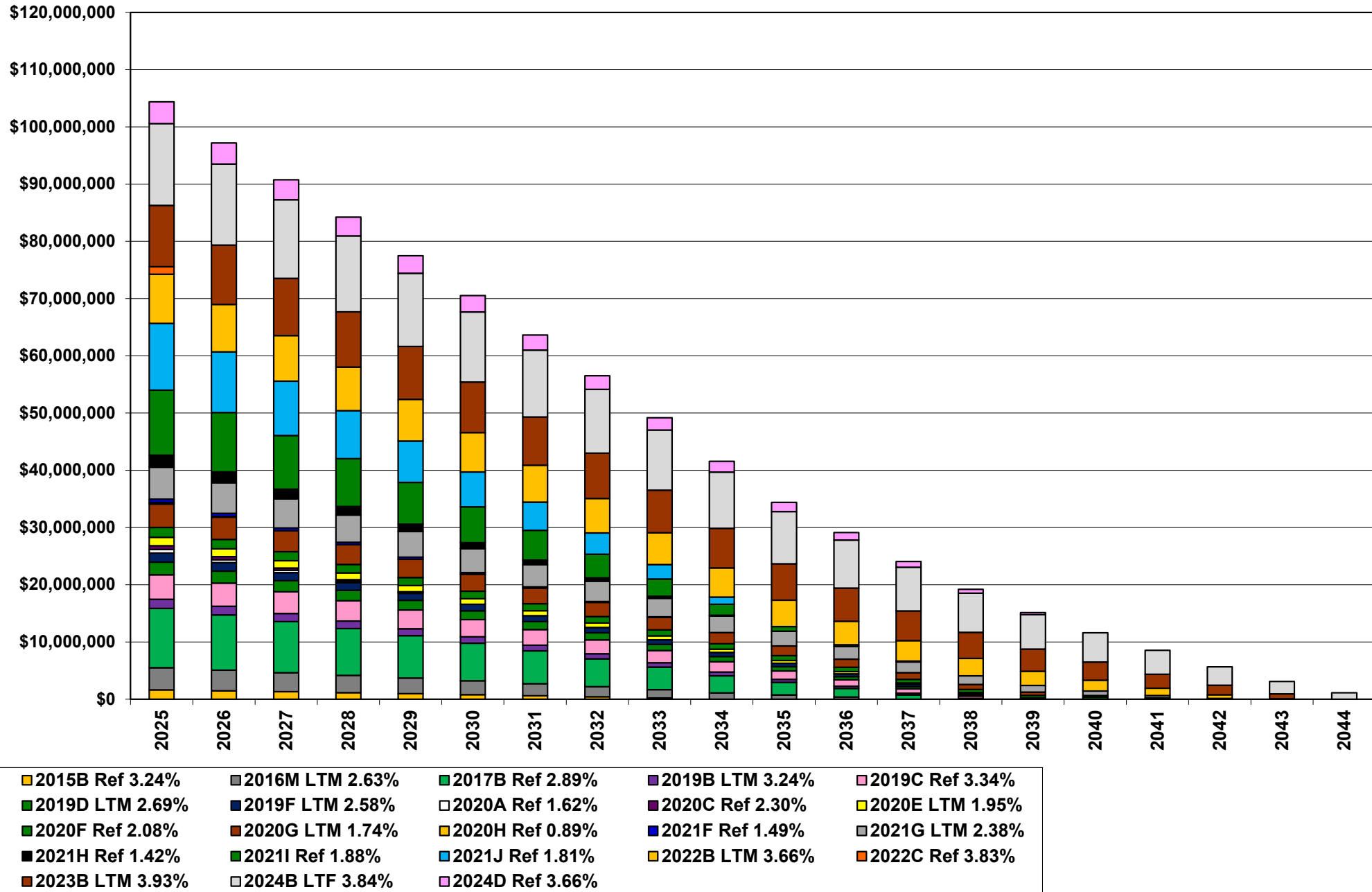
Outstanding GO Debt Service Levy Principal And Purpose June 30, 2025

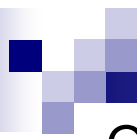
2015B Refunding	3.24%	2008B Partial (LTFM)	\$ 1,615,000
2016M Long-Term Maint	2.63%	LTFM FY17-18-19	\$ 3,880,000
2017B Refunding	2.89%	2008A, 2008B, 2010A, 2010D (LTFM)	\$ 10,365,000
2019B Long-Term Maint	3.24%	Long-Term Facilities Maintenance FY20	\$ 1,605,000
2019C Refunding	3.34%	2009F Long-Term Facilities Maintenance	\$ 4,270,000
2019D Long-Term Maint	2.69%	Long-Term Facilities Maintenance FY20	\$ 2,210,000
2019F Long-Term Maint	2.58%	Long-Term Facilities Maintenance FY21	\$ 1,585,000
2020A Refunding	1.62%	2012B Long-Term Facilities Maintenance	\$ 635,000
2020C Refunding	2.30%	2015C Long-Term Facilities Maintenance	\$ 650,000
2020E Long-Term Maint	1.95%	Long-Term Facilities Maintenance FY21	\$ 1,475,000
2020F Refunding	2.08%	2012C, 2014A (LTFM)	\$ 1,720,000
2020G Long-Term Maint	1.74%	Long-Term Facilities Maintenance FY22	\$ 4,105,000
2020H Refunding	0.89%	2013F Long-Term Facilities Maintenance	\$ 245,000
2021F Refunding	1.49%	2012G Long-Term Facilities Maintenance	\$ 590,000
2021G Long-Term Maint	2.38%	Long-Term Facilities Maintenance FY23	\$ 5,600,000
2021H Refunding	1.42%	2013D, 2014D (LTFM)	\$ 2,100,000
2021I Refunding	1.88%	2015A, 2015E, 2016A, 2016B, 2016E (LTFM)	\$ 11,335,000
2021J Refunding	1.81%	2016I LTFM	\$ 11,675,000
2022B Long-Term Maint	3.66%	Long-Term Facilities Maintenance FY24	\$ 8,595,000
2022C Refunding	3.83%	2013H Refunding of 1996 Bldg Referendum Bonds	\$ 1,315,000
2023B Long-Term Maint	3.93%	Long-Term Facilities Maintenance FY25	\$ 10,710,000
2024B Long-Term Maint	3.84%	Long-Term Facilities Maintenance FY26	\$ 14,285,000
2024D Refunding	3.66%	2018E LTFM	\$ 3,805,000
Total			\$104,370,000

Existing GO Debt Service Levy For Facilities - June 30, 2025



Outstanding Principal General Obligation Debt June 30, 2025

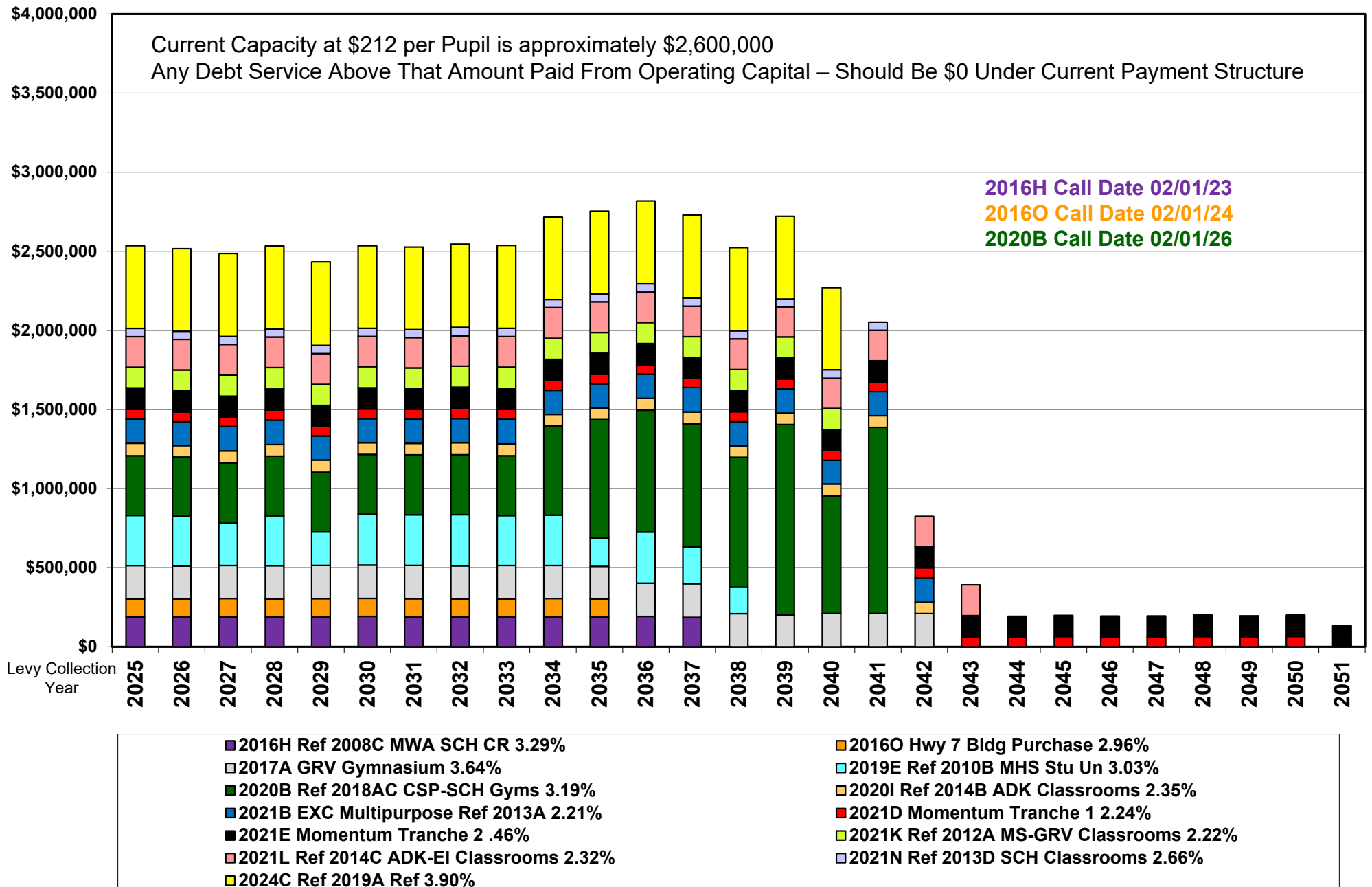




Outstanding Lease Purchase Levy Principal And Purpose June 30, 2025

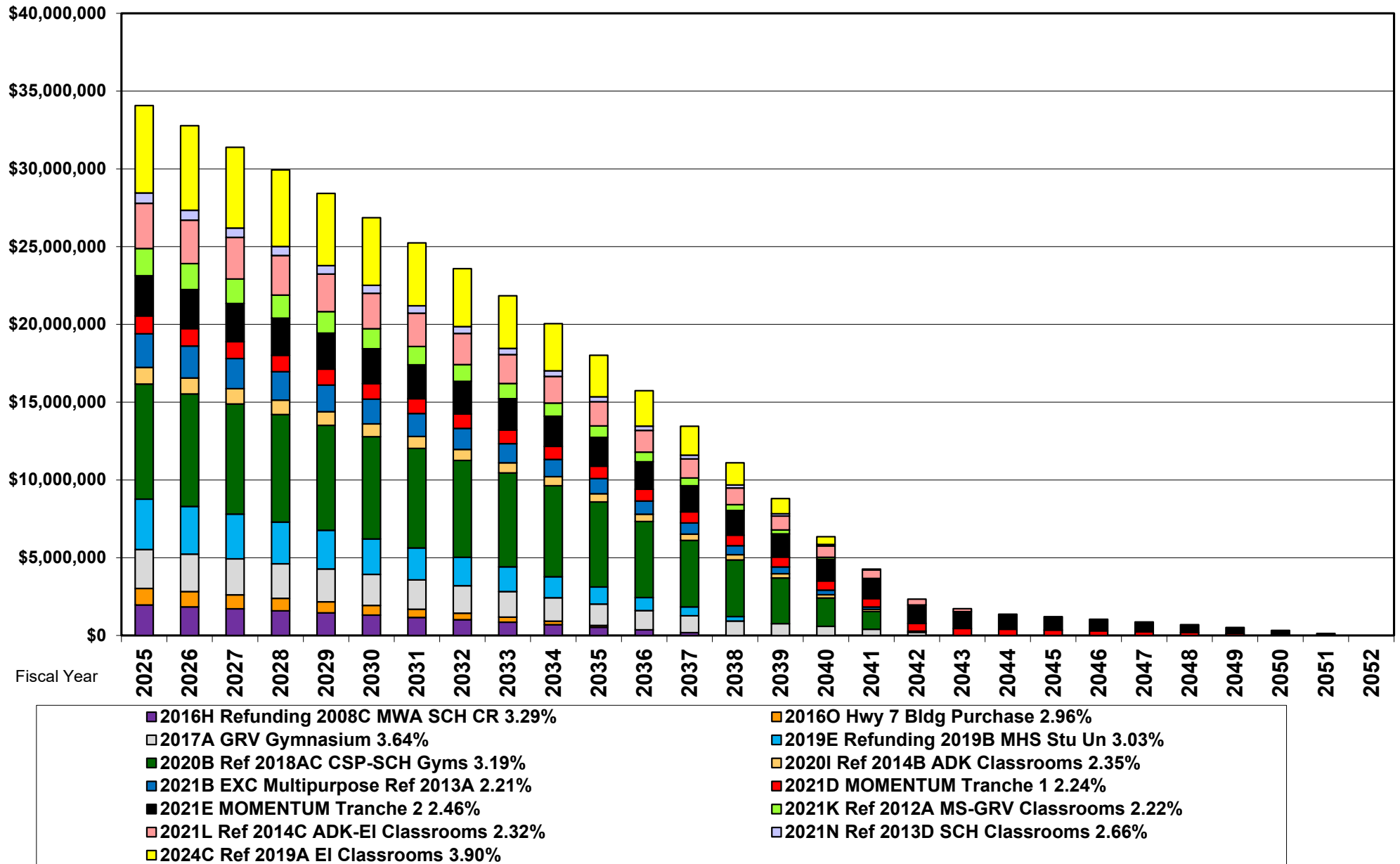
2016H Refunding	3.29%	2008C MWA-SCH Classrooms	\$ 1,960,000
2016O Lease Purchase	2.96%	Hwy 7 Building Purchase	\$ 1,060,000
2017A Lease Purchase	3.64%	GRV Gymnasium	\$ 2,505,000
2019E Refunding	3.03%	2010B MHS Stu Union Fine Arts	\$ 3,245,000
2020B Refunding	3.19%	2018A-2018C CSP-SCH Gymnasiums	\$ 7,390,000
2020I Refunding	2.35%	2014B ADK-EI Classrooms Tranche 1	\$ 1,070,000
2021B Refunding	2.21%	2013A EXC Gymnasium Refunding	\$ 2,165,000
2021D Lease Purchase	2.53%	Momentum Addition Tranche 1	\$ 1,150,000
2021E Lease Purchase	2.46%	Momentum Addition Tranche 2	\$ 2,580,000
2021K Refunding	2.22%	2012A Mid School-Grv Classrooms	\$ 1,755,000
2021L Refunding	2.32%	2014C ADK-EI Classrooms Tranche 1	\$ 2,905,000
2021N Refunding	2.66%	2013D SCH Classrooms	\$ 665,000
2024C Refunding	3.90%	2019A Elementary Classrooms	\$ 5,615,000
Total			\$34,065,000

Lease Levy Funding of Lease Purchases For Facilities June 30, 2025



Outstanding Principal Lease Purchase Levy June 30, 2025

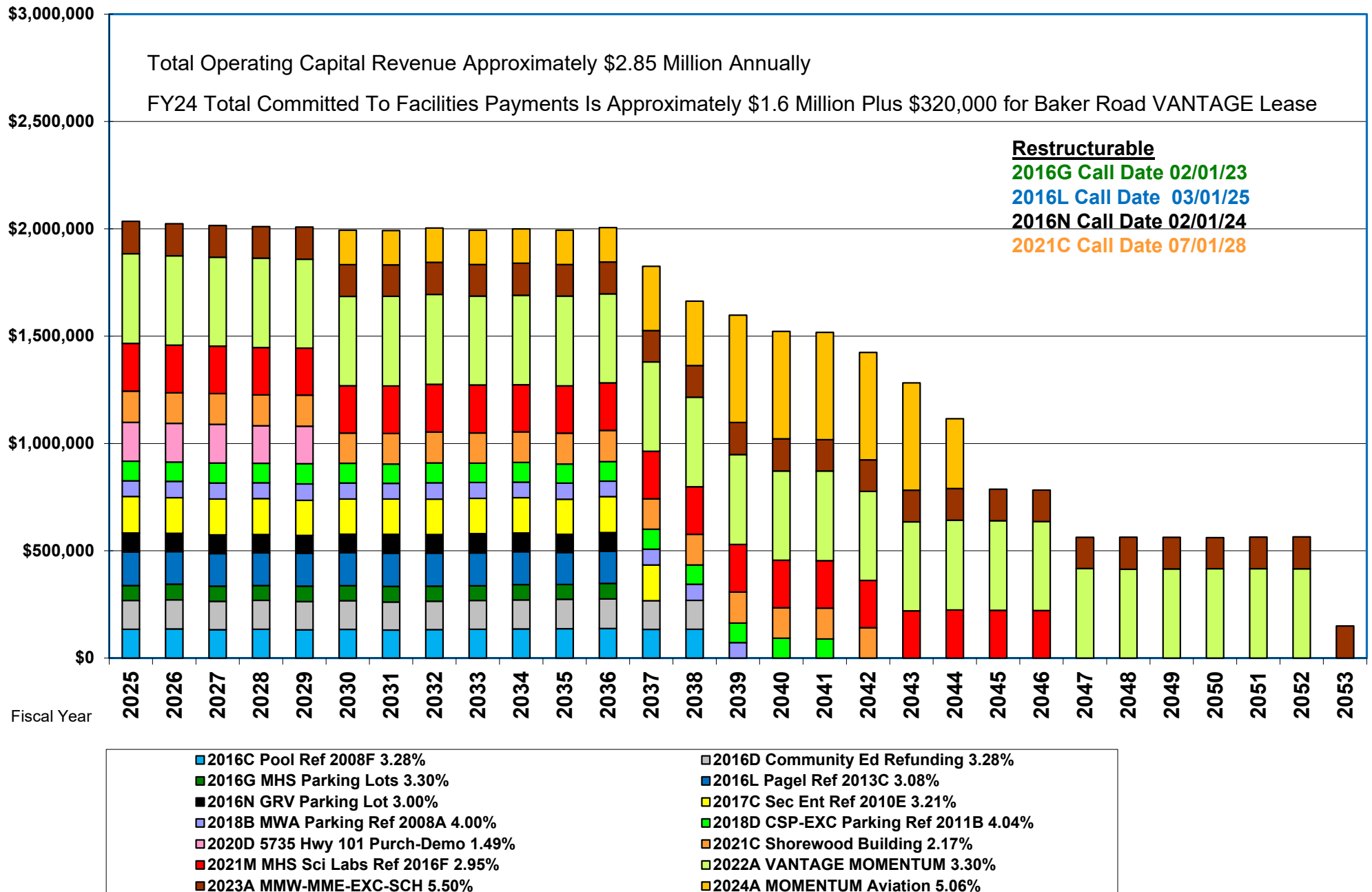
Principal Retirement Schedule



Outstanding Operating Capital Lease Purchase Principal And Purpose June 30, 2025

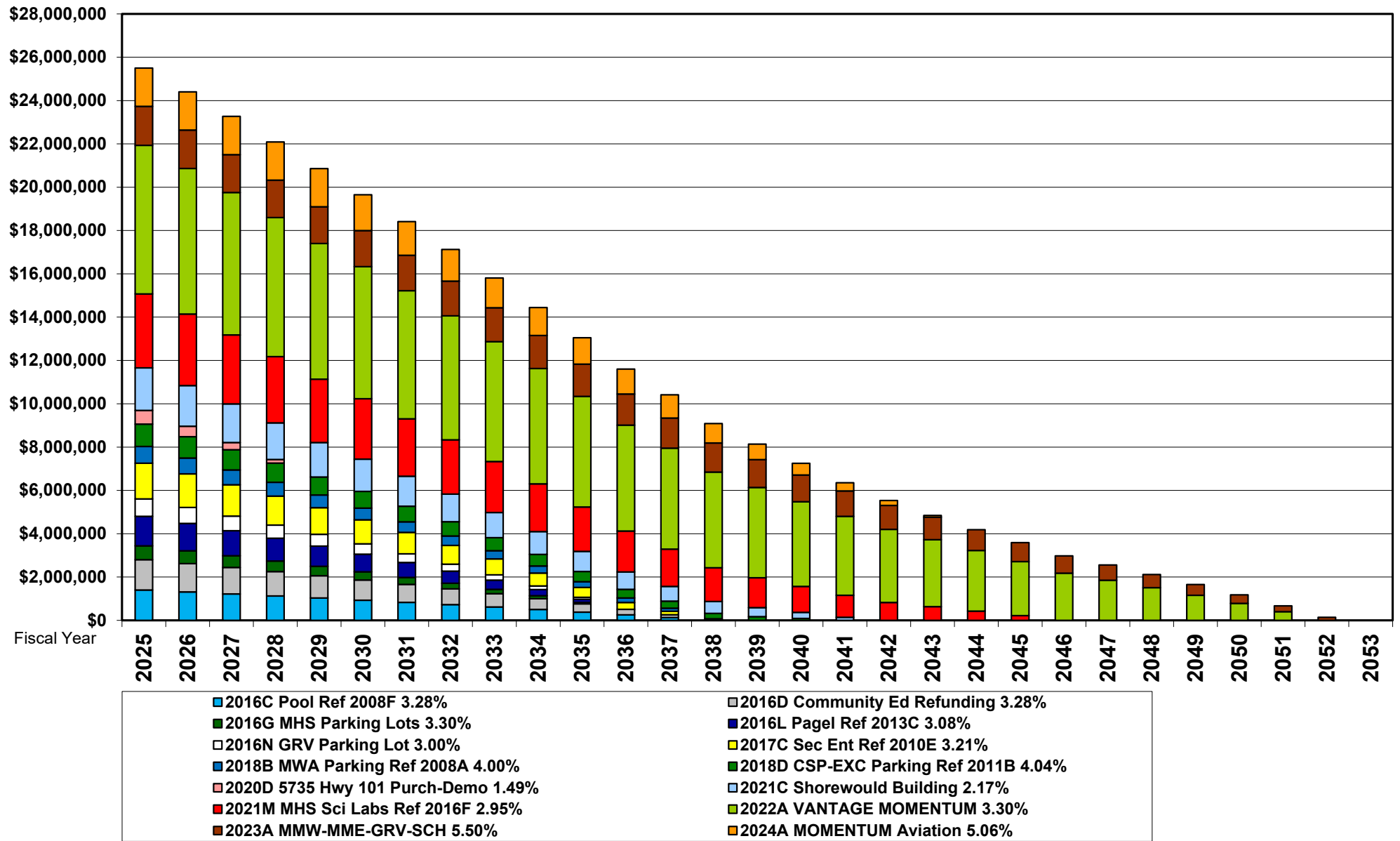
2016C Refunding	3.28%	2008F Pool Addition	\$ 1,400,000
2016D Refunding	3.28%	2008G Community Ed Additions	\$ 1,400,000
2016G Lease Purchase	3.30%	MHS Parking Lots	\$ 640,000
2016L Refunding	3.08%	2013C Pagel Purchase	\$ 1,365,000
2016N Lease Purchase	3.00%	GRV Parking Lot	\$ 800,000
2017C Refunding	3.21%	2010E Secure Entries Refunding	\$ 1,650,000
2018B Refunding	4.00%	2008A MWA Parking Lot Refunding	\$ 775,000
2018D Refunding	4.04%	2011B CSP-EXC Parking Lot Refunding	\$ 1,030,000
2020D Lease Purchase	1.49%	5735 Hwy 101 Purchase & Demo	\$ 635,000
2021C Lease Purchase	2.17%	Shorewood Building Purchase & Conv	\$ 1,960,000
2021M Refunding	2.95%	2016F MHS Science Labs	\$ 3,415,000
2022A Lease Purchase	3.30%	VANTAGE MOMENTUM Building	\$ 6,865,000
2023A Lease Purchase	5.50%	MMW-MME-EXC-SCH Classrooms	\$ 1,800,000
2024A Lease Purchase	5.06%	MOMENTUM Aviation	\$ 1,765,000
Total			\$23,735,000

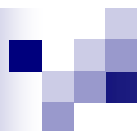
Operating Capital Funding Of Lease Purchases For Facilities June 30, 2025



Outstanding Principal Operating Capital Lease Purchases June 30, 2022

Principal Retirement Schedule





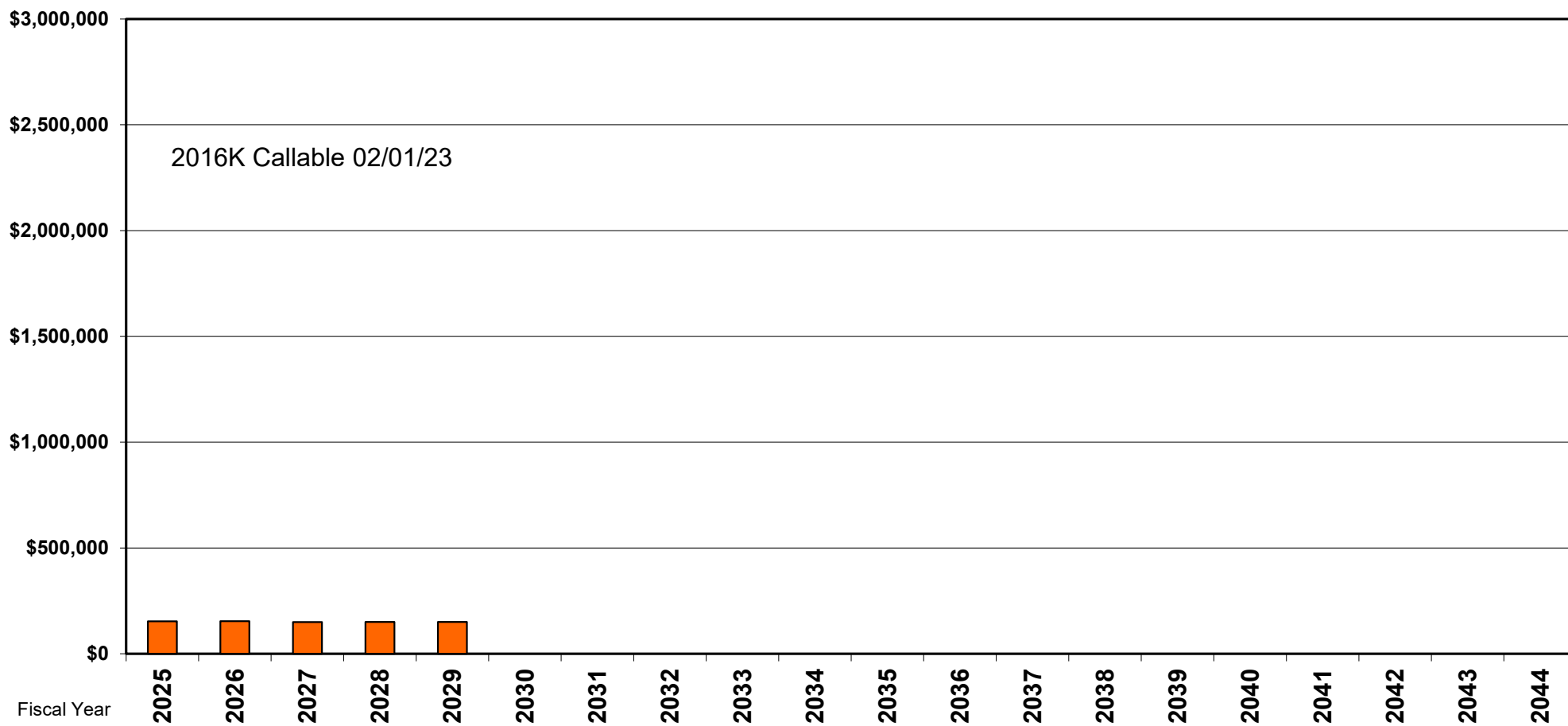
Other Funded Lease Purchase Principal And Purpose June 30, 2025

2016K Refunding	3.29%	2008D Tonka Dome*	\$ 555,000
Total			\$ 555,000

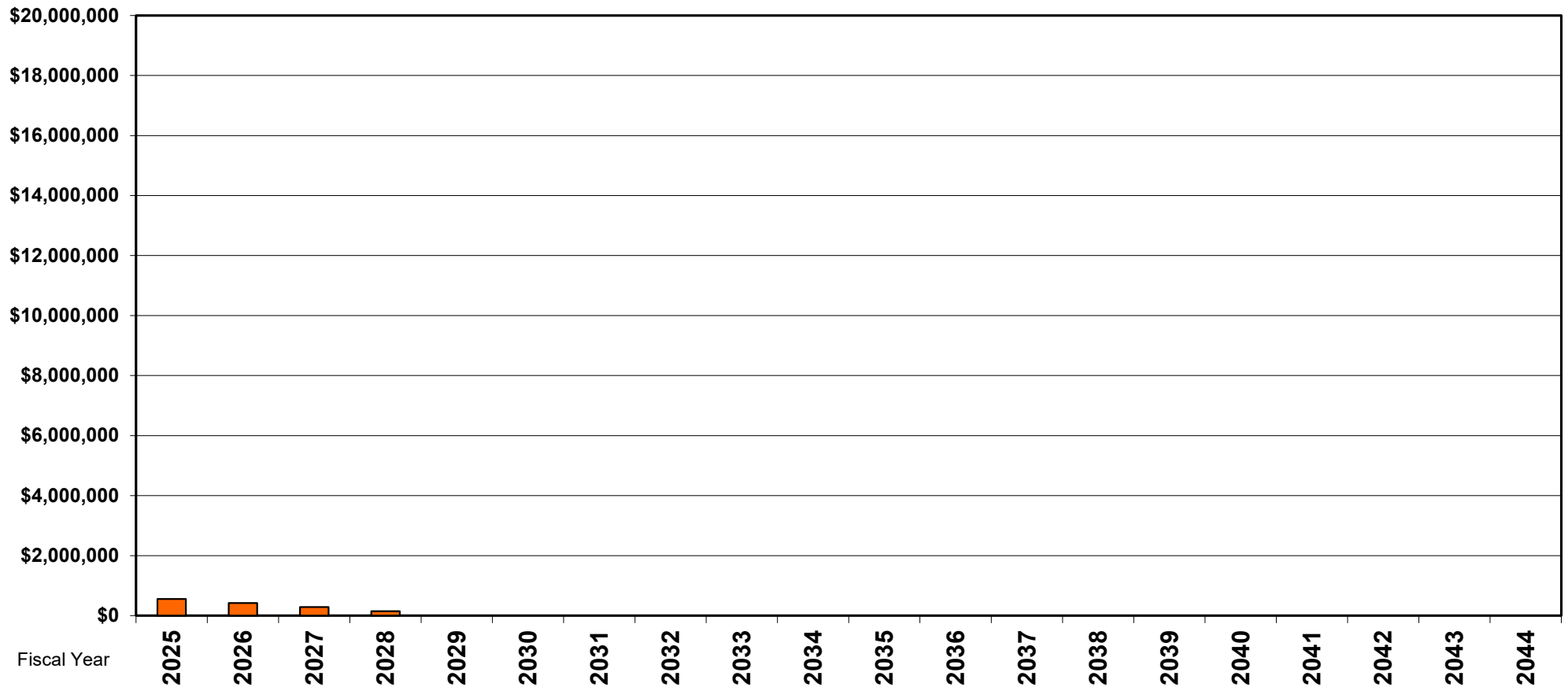
*Funded by usage fees

- Dome opened in November 2004 – FY2005 – 20 seasons of use through FY24
- Dome Bonds are paid 100% through rental revenue
- Current Dome is the collateral for the Dome Bonds
- Opened 5 months each Fiscal Year except 4 months in FY2015, FY2016 and FY2021 – FY2005 through FY2024 to date
- Through 06/30/24 the Dome has 97 months of actual use – equals 8 years and 1 month
- Dome bonds are paid off in February 2029 – FY2029
- Current Dome has to be used for 25 more months – FY2025 through FY2029 - until bonds are paid off – equal to 2 years and 1 month
- Total months of use at the end of FY2029 will be 122 months – equals 10 years and 2 months of use
- A new Dome can be financed in Spring of 2029 for use in November 2029 in FY2030 if necessary

Other Funded Lease Purchases For Facilities June 30, 2025 Annual Payments



Outstanding Principal For Other Funded Lease Purchases June 30, 2025 Principal Retirement Schedule

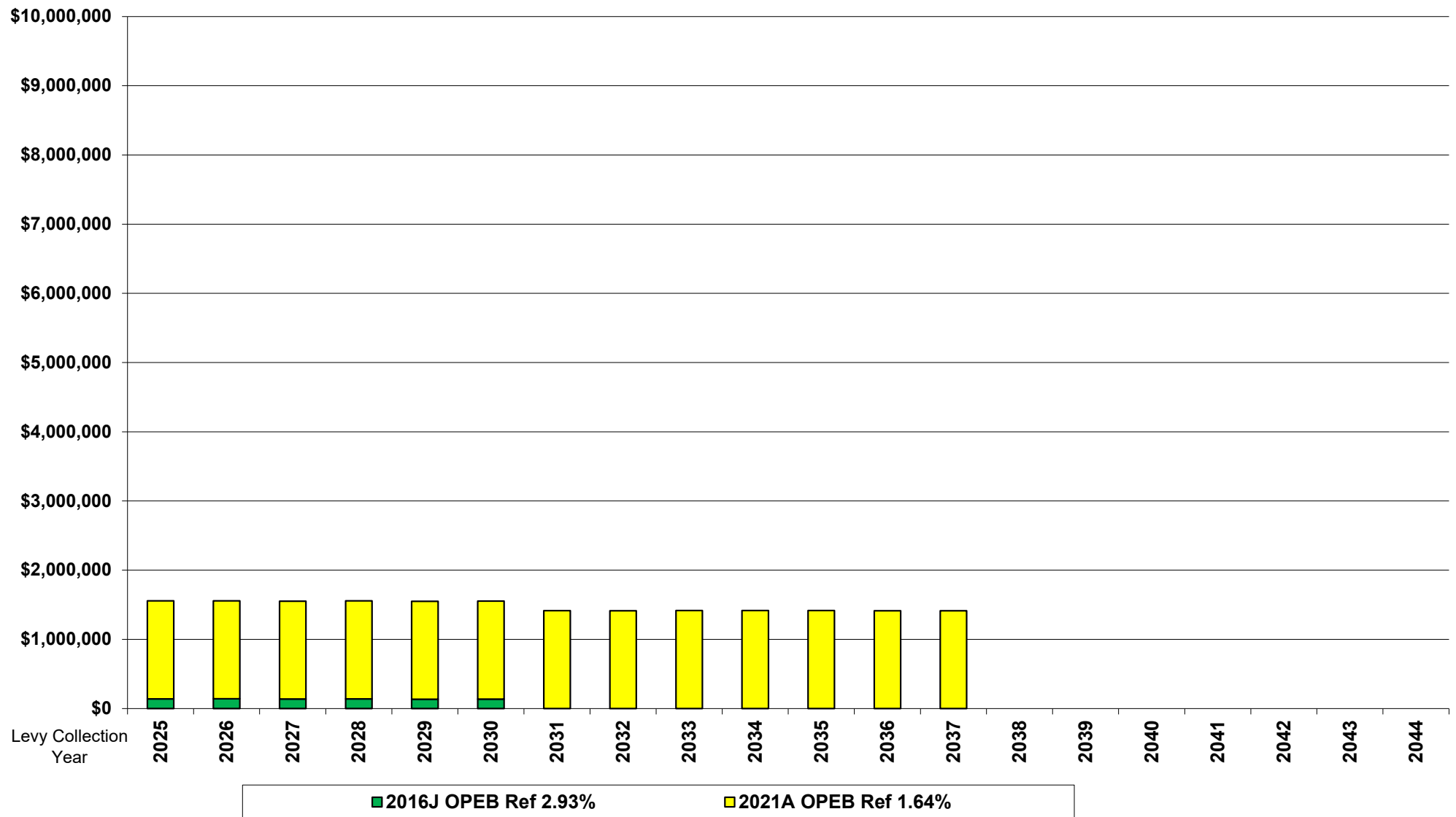


Outstanding Debt Service Levy OPEB Principal June 30, 2025

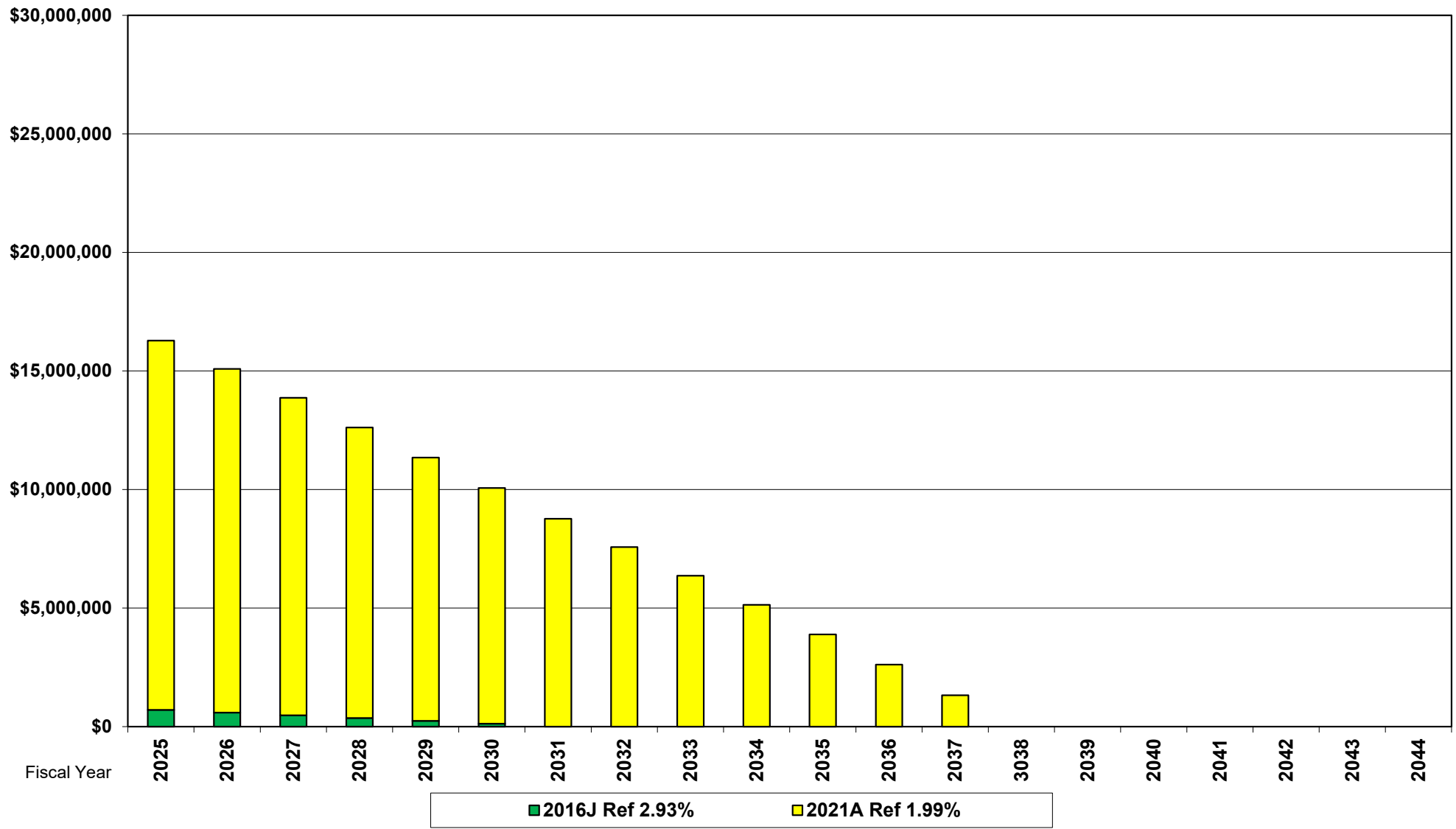
2008I OPEB	6.83%	Fully Defeased By 2013E Refunding	\$0
2009A OPEB	6.24%	Fully Defeased By 2013E Refunding	\$0
2010F OPEB Part Refunding 2009A	5.05%	Fully Defeased By 2016J Refunding (Saved \$605,005)	\$0
2013E OPEB Refunding	3.01%	Fully Defeased By 2021A Refunding (Saved \$2,251,496)	\$0
2016J OPEB Refunding	2.93%	2010F OPEB Partial Ref (Saved \$123,758)	\$ 705,000
2021A OPEB Refunding	1.64%	2013E OPEB Refunding (Saved \$973,056)	\$15,575,000
Total			\$16,280,000

Cumulative refunding net present value savings to date of \$3,953,315

Existing GO Debt Service Levy – OPEB - June 30, 2025



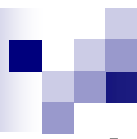
Outstanding Principal General Obligation Debt – OPEB - June 30, 2025 Principal Retirement Schedule





Moody's Bond Rating – Aaa For General Obligations Bonds

- Three school districts in Minnesota currently – ninety across the country out of over 13,000 school districts
 - Edina
 - Wayzata
 - Minnetonka (since April 2010)
- Four school districts in Minnesota all-time
 - Edina
 - Wayzata
 - Minnetonka
 - Rochester (1996-2002)



Maintaining the Aaa Rating

- Excerpts from 2023A COP Rating Writeup
- *New York, December 16, 2022 -- Moody's Investors Service has affirmed Minnetonka Independent School District 276, MN's Aaa issuer rating and assigned a Aa1 rating to the district's \$1.85 million Certificates of Participation, Series 2023A. Moody's maintains the district's Aaa general obligation unlimited tax (GOULT) rating, Aa1 ratings on outstanding certificates of participation (COPs) issued for more essential purposes and Aa2 ratings on outstanding certificates of participation (COPs) issued for less essential purposes.*
- *FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS*
- *- Not applicable*
- *FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS*
- *- Considerable weakening of the district's tax base or resident incomes*
- *- Weakening of reserves or liquidity*
- *- Material increases to the debt burden or unfunded retirement liabilities*



Estimating The Future – Other Bonds

- Bonds will be continuously evaluated for savings and-or restructuring at call dates depending on the circumstances and capital needs at the time
- *Long-Term Facilities Maintenance continues yearly but will taper off as “mid-life rebuilding” comes to substantial completion in summer 2027 in FY2028*
- *Post FY2028 main focus is on roofing, paving, and replacing turf field*
- *Two large projects will be replacing MHS Cooling Tower in summer 2028 and Pagel ice-making equipment in summer 2031*
- MOMENTUM addition and VANTAGE MOMENTUM have increased high school capacity
 - MOMENTUM addition adds 45 student capacity to grades 9-12 facilities
 - VANTAGE MOMENTUM building adds 300 student capacity to grades 9-12 facilities - 300 in the morning and 300 in the afternoon
 - Highway 7 Building will have capacity but will likely need modifications for its next use
 - Lots of potential – “Swiss Army Knife” of a building
 - Has hosted many different uses since District purchased it in 2016



Questions?