



**FOREST LAKE AREA SCHOOLS  
FOREST LAKE, MN 55025**

**October 6, 2016**

**AGENDA ITEM: 10.4**

**TOPIC: RESOLUTION TO SET SALE DATE FOR GENERAL  
OBLIGATION BUILDING BONDS SERIES 2016B**

**BACKGROUND:** Representatives from Springsted, Inc. and Kutak Rock, Bond Counsel are working with administration on the bonds. The School Board Finance Committee has discussed the bonds for improvements to the school district's facilities.

**PROCESS:** Springsted, Inc. and Kutak Rock reviewed the project. Kutak Rock has prepared the resolution. The next step in the process is to set the sale date of the bonds.

**RECOMMENDATION:** First Reading

**Independent School District No. 831, Forest Lake, Minnesota  
General Obligation School Building Bonds, Series 2016B  
September 21, 2016**

September 1, 2016							October 1, 2016							November 1, 2016						
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S
				1	2	3							1			1	2	3	4	5
4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12
11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19
18	19	20	21	22	23	24	16	17	18	19	20	21	22	20	21	22	23	24	25	26
25	26	27	28	29	30		23	24	25	26	27	28	29	27	28	29	30			
							30	31												

  

December 1, 2016							January 1, 2017							February 1, 2017						
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S
				1	2	3	1	2	3	4	5	6	7				1	2	3	4
4	5	6	7	8	9	10	8	9	10	11	12	13	14	5	6	7	8	9	10	11
11	12	13	14	15	16	17	15	16	17	18	19	20	21	12	13	14	15	16	17	18
18	19	20	21	22	23	24	22	23	24	25	26	27	28	19	20	21	22	23	24	25
25	26	27	28	29	30	31	29	30	31					26	27	28				

Schedule of Events		
Date	Event	Responsible Party
September 14, 2016	Request for Official Statement Information sent to District Staff.	Springsted
September 30, 2016	Finalize Bond structure and prepare Terms of Proposal.	Springsted
October 3, 2016	Information forwarded to Springsted for preparation of the Preliminary Official Statement.	District Staff
October 6, 2016	Sale Recommendations and Bond Resolution delivered to District.	Springsted Kutak Rock
October 20, 2016	Rough draft of Preliminary Official Statement sent out to District Staff and Kutak Rock for review.	Springsted
October 13, 2016	District Board considers Bond Resolution authorizing the Bond sale.	District Board
October 26, 2016	Final comments to Springsted on Preliminary Official Statement draft.	District Staff Kutak Rock
October 26, 2016	Draft of Award Resolution provided to Springsted (to be included in the information sent to the rating agencies).	Kutak Rock
October 27, 2016	Posting of Preliminary Official Statement and application for rating forwarded to rating agencies.	Springsted
Week of October 31, 2016	Rating conferences conducted.	Moody's; S&P District Staff Springsted
November 9, 2016	Form of Award Resolution delivered to the District.	Kutak Rock

Schedule of Events		
Date	Event	Responsible Party
Week of November 14, 2017	Receipt of ratings.	Moody's; S&P
November 17, 2016	Sale and consideration of award of the Bonds by District.	District Springsted
November 25, 2016	Distribution of Final Official Statement.	Springsted
December 15, 2016	Settlement of the Bonds; receipt of Bond proceeds.	District Staff Kutak Rock Springsted

Independent School District No. 831, Forest Lake, Minnesota  
 General Obligation School Building Bonds, Series 2016A & 2016B  
 September 2016 Update

**Assumptions**

Voter Approved Amount			143,000,000
Voter Approved Amount, Adjusted for Discount			144,943,628
	<b>2016A Bonds</b>	<b>2016B Bonds</b>	<b>Total</b>
Par Amount.....	\$75,000,000	\$64,585,000	\$139,585,000
Premium.....	\$1,995,714	\$3,360,586	\$5,356,300
UW Discount.....	\$1,104,023	\$839,605	\$1,943,628
Gross Production.....	\$76,995,714	\$67,945,586	\$144,941,300
Deposit to Project Construction Fund (Current).....	\$75,674,990	\$66,895,156	\$142,570,147
Deposit to Project Construction Fund (Original).....	\$71,356,400	\$70,360,100	\$141,716,500
Cost of Issuance.....	\$216,700	\$210,845	
Capitalized Interest.....	\$0	\$0	
Additional Proceeds.....	\$0	\$853,647	\$853,647
		Gross Production Difference	(2,328)
<u>\$200,000 Tax Impact</u>	<b>Original</b>	<b>New</b>	
1st Year Increase	\$71	\$63	
2nd Year Increase	\$106	\$94	

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**\$64,585,000**

**Independent School District No. 831, Forest Lake, Minnesota**  
**General Obligation School Building Bonds, Series 2016B**

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**Sources & Uses**

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**Dated 12/15/2016 | Delivered 12/15/2016**

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**Sources Of Funds**

Par Amount of Bonds.....	\$64,585,000.00
Reoffering Premium.....	3,360,586.35
<b>Total Sources.....</b>	<b>\$67,945,586.35</b>

**Uses Of Funds**

Deposit to Project Construction Fund.....	66,041,510.00
Additional Project Funds Available.....	853,626.35
Total Underwriter's Discount (1.300%).....	839,605.00
Costs of Issuance.....	210,845.00
<b>Total Uses.....</b>	<b>\$67,945,586.35</b>

**\$64,585,000**

**Independent School District No. 831, Forest Lake, Minnesota**  
**General Obligation School Building Bonds, Series 2016B**

**Pricing Summary**

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
02/01/2020	Serial Coupon	5.000%	1.050%	1,405,000.00	112.121%	-	-	-	1,575,300.05
02/01/2021	Serial Coupon	5.000%	1.150%	1,470,000.00	115.475%	-	-	-	1,697,482.50
02/01/2022	Serial Coupon	5.000%	1.350%	1,545,000.00	118.022%	-	-	-	1,823,439.90
02/01/2023	Serial Coupon	5.000%	1.500%	1,625,000.00	120.416%	-	-	-	1,956,760.00
02/01/2024	Serial Coupon	5.000%	1.600%	1,705,000.00	122.815%	-	-	-	2,093,995.75
02/01/2025	Serial Coupon	5.000%	1.700%	1,790,000.00	124.950%	-	-	-	2,236,605.00
02/01/2026	Serial Coupon	5.000%	1.850%	1,880,000.00	126.342%	-	-	-	2,375,229.60
02/01/2027	Serial Coupon	5.000%	2.100%	1,975,000.00	126.331%	-	-	-	2,495,037.25
02/01/2028	Serial Coupon	3.000%	2.200%	2,070,000.00	107.226%	c 2.262%	02/01/2027	100.000%	2,219,578.20
02/01/2029	Serial Coupon	3.000%	2.350%	2,135,000.00	105.826%	c 2.442%	02/01/2027	100.000%	2,259,385.10
02/01/2030	Serial Coupon	3.000%	2.400%	2,195,000.00	105.364%	c 2.517%	02/01/2027	100.000%	2,312,739.80
02/01/2031	Serial Coupon	3.000%	2.450%	2,265,000.00	104.904%	c 2.583%	02/01/2027	100.000%	2,376,075.60
02/01/2032	Serial Coupon	2.500%	2.500%	2,335,000.00	99.998%	-	-	-	2,334,953.30
02/01/2033	Serial Coupon	2.550%	2.550%	2,390,000.00	99.998%	-	-	-	2,389,952.20
02/01/2034	Serial Coupon	2.600%	2.600%	2,455,000.00	99.998%	-	-	-	2,454,950.90
02/01/2035	Serial Coupon	2.650%	2.650%	2,515,000.00	99.998%	-	-	-	2,514,949.70
02/01/2036	Serial Coupon	2.700%	2.700%	2,580,000.00	99.998%	-	-	-	2,579,948.40
02/01/2037	Serial Coupon	2.750%	2.750%	2,650,000.00	99.998%	-	-	-	2,649,947.00
02/01/2038	Serial Coupon	2.800%	2.800%	2,725,000.00	99.998%	-	-	-	2,724,945.50
02/01/2039	Serial Coupon	2.850%	2.850%	2,805,000.00	99.998%	-	-	-	2,804,943.90
02/01/2040	Serial Coupon	2.900%	2.900%	2,880,000.00	99.998%	-	-	-	2,879,942.40
02/01/2041	Serial Coupon	2.950%	2.950%	2,965,000.00	99.997%	-	-	-	2,964,911.05
02/01/2042	Serial Coupon	3.000%	3.000%	3,055,000.00	99.997%	-	-	-	3,054,908.35
02/01/2043	Serial Coupon	3.050%	3.050%	3,145,000.00	99.997%	-	-	-	3,144,905.65
02/01/2044	Serial Coupon	3.100%	3.100%	3,240,000.00	99.997%	-	-	-	3,239,902.80
02/01/2045	Serial Coupon	3.150%	3.150%	3,340,000.00	99.997%	-	-	-	3,339,899.80
02/01/2046	Serial Coupon	3.200%	3.200%	3,445,000.00	99.997%	-	-	-	3,444,896.65
<b>Total</b>	-	-	-	<b>\$64,585,000.00</b>	-	-	-	-	<b>\$67,945,586.35</b>

**Bid Information**

Par Amount of Bonds.....	\$64,585,000.00
Reoffering Premium or (Discount).....	3,360,586.35
Gross Production.....	\$67,945,586.35
Total Underwriter's Discount (1.300%).....	\$(839,605.00)
Bid (103.903%).....	67,105,981.35
Total Purchase Price.....	\$67,105,981.35
Bond Year Dollars.....	\$1,165,057.53
Average Life.....	18.039 Years
Average Coupon.....	3.0896835%
Net Interest Cost (NIC).....	2.8733010%
True Interest Cost (TIC).....	2.8248919%

\$64,585,000

Independent School District No. 831, Forest Lake, Minnesota  
General Obligation School Building Bonds, Series 2016B

NET DEBT SERVICE SCHEDULE

Table with 9 columns: Date, Principal, Coupon, Interest, Total P+I, Debt Service Transfer, Existing D/S, Net New D/S, 105% Levy. Rows include annual data from 2017 to 2046 and a Total row.

SIGNIFICANT DATES

Table with 2 columns: Date description (Dated Date, Delivery Date, First Coupon Date) and corresponding date (12/15/2016, 12/15/2016, 8/01/2017).

Yield Statistics

Table with 2 columns: Metric (Bond Year Dollars, Average Life, Average Coupon, Net Interest Cost (NIC), True Interest Cost (TIC), Bond Yield for Arbitrage Purposes, All Inclusive Cost (AIC), IRS Form 8038 Net Interest Cost, Weighted Average Maturity) and value (\$1,165,057.53, 18.039 Years, 3.0896835%, 2.8733010%, 2.8248919%, 2.7268305%, 2.8485710%, 2.7369022%, 17.550 Years).



Independent School District No. 831, Forest Lake, Minnesota  
 General Obligation School Building Bonds, Series 2016A & 2016B  
 September 2016 Update

**Aggregate Debt Service**

DATE	Existing Debt	2016 GO School Building Bonds (Sale)	2016B GO School Building Bonds (August 2016 Estimate)	TOTAL	105% Levy	2016A & 2016B Bonds		
						Debt Service Levy Jan 2015	Debt Service Levy Current (16A Sale & 16B Est)	Difference Higher/(Lower)
02/01/2017	4,360,358.61	1,813,315.53	-	6,173,674.14	6,482,357.85	2,082,537.85	1,903,981.31	(178,556.54)
02/01/2018	4,365,166.25	2,454,111.25	1,972,795.42	8,792,072.92	9,231,676.57	4,843,174.22	4,648,252.00	(194,922.22)
02/01/2019	4,379,716.25	2,454,111.25	2,152,725.00	8,986,552.50	9,435,880.13	5,531,993.25	4,837,178.06	(694,815.19)
02/01/2020	542,966.25	3,909,111.25	3,557,725.00	8,009,802.50	8,410,292.63	8,508,743.25	7,840,178.06	(668,565.19)
02/01/2021	548,216.25	3,906,361.25	3,552,475.00	8,007,052.50	8,407,405.13	8,500,138.50	7,831,778.06	(668,360.44)
02/01/2022	537,151.25	3,915,111.25	3,553,975.00	8,006,237.50	8,406,549.38	8,516,282.25	7,842,540.56	(673,741.69)
02/01/2023	560,511.25	3,889,611.25	3,556,725.00	8,006,847.50	8,407,189.88	8,486,548.88	7,818,653.06	(667,895.81)
02/01/2024	551,431.25	3,899,661.25	3,555,475.00	8,006,567.50	8,406,895.88	8,498,581.88	7,827,893.06	(670,688.81)
02/01/2025	551,451.25	3,903,411.25	3,555,225.00	8,010,087.50	8,410,591.88	8,500,219.88	7,831,568.06	(668,651.81)
02/01/2026	555,001.25	3,897,661.25	3,555,725.00	8,008,387.50	8,408,806.88	8,496,676.13	7,826,055.56	(670,620.56)
02/01/2027	561,761.25	3,889,661.25	3,556,725.00	8,008,147.50	8,408,554.88	8,489,672.63	7,818,705.56	(670,967.06)
02/01/2028	571,396.25	3,881,761.25	3,552,975.00	8,006,132.50	8,406,439.13	8,478,742.13	7,806,473.06	(672,269.06)
02/01/2029	578,556.25	3,872,361.25	3,555,875.00	8,006,792.50	8,407,132.13	8,468,635.88	7,799,648.06	(668,987.81)
02/01/2030	588,300.00	3,866,461.25	3,551,825.00	8,006,586.25	8,406,915.56	8,462,293.88	7,789,200.56	(673,093.31)
02/01/2031	-	4,453,911.25	3,555,975.00	8,009,886.25	8,410,380.56	9,076,412.63	8,410,380.56	(666,032.06)
02/01/2032	-	4,451,861.25	3,558,025.00	8,009,886.25	8,410,380.56	9,079,439.25	8,410,380.56	(669,058.69)
02/01/2033	-	4,452,411.25	3,554,650.00	8,007,061.25	8,407,414.31	9,079,607.25	8,407,414.31	(672,192.94)
02/01/2034	-	4,450,411.25	3,558,705.00	8,009,116.25	8,409,572.06	9,076,562.25	8,409,572.06	(666,990.19)
02/01/2035	-	4,450,861.25	3,554,875.00	8,005,736.25	8,406,023.06	9,075,192.00	8,406,023.06	(669,168.94)
02/01/2036	-	4,453,611.25	3,553,227.50	8,006,838.75	8,407,180.69	9,080,179.50	8,407,180.69	(672,998.81)
02/01/2037	-	4,453,511.25	3,553,567.50	8,007,078.75	8,407,432.69	9,080,242.50	8,407,432.69	(672,809.81)
02/01/2038	-	4,450,561.25	3,555,692.50	8,006,253.75	8,406,566.44	9,074,979.38	8,406,566.44	(668,412.94)
02/01/2039	-	4,450,561.25	3,559,392.50	8,009,953.75	8,410,451.44	9,079,730.63	8,410,451.44	(669,279.19)
02/01/2040	-	4,452,280.00	3,554,450.00	8,006,730.00	8,407,066.50	9,077,706.75	8,407,066.50	(670,640.25)
02/01/2041	-	4,450,561.25	3,555,930.00	8,006,491.25	8,406,815.81	9,078,966.75	8,406,815.81	(672,150.94)
02/01/2042	-	4,450,405.00	3,558,462.50	8,008,867.50	8,409,310.88	9,077,386.50	8,409,310.88	(668,075.63)
02/01/2043	-	4,450,705.00	3,556,812.50	8,007,517.50	8,407,893.38	9,077,533.50	8,407,893.38	(669,640.13)
02/01/2044	-	4,452,225.00	3,555,890.00	8,008,115.00	8,408,520.75	9,078,491.63	8,408,520.75	(669,970.88)
02/01/2045	-	4,450,762.50	3,555,450.00	8,006,212.50	8,406,523.13	9,079,321.13	8,406,523.13	(672,798.00)
02/01/2046	-	4,450,075.00	3,555,240.00	8,005,315.00	8,405,580.75	9,079,058.63	8,405,580.75	(673,477.88)
02/01/2047	-	-	-	-	-	9,076,717.13	-	(9,076,717.13)
<b>Total</b>	<b>\$19,251,983.61</b>	<b>\$120,777,426.78</b>	<b>\$100,126,590.42</b>	<b>\$240,156,000.81</b>	<b>\$252,163,800.85</b>	<b>260,191,767.95</b>	<b>231,949,218.06</b>	



Independent School District No. 831, Forest Lake, Minnesota  
 General Obligation School Building Bonds, Series 2016A & 2016B  
 September 2016 Estimate

	Year One (2015 Pay 2016)			Year Two (2016 Pay 2017)		
	New Bonds	Refunding	Net	New Bonds	Refunding	Net
Current Levy	\$6,772,927	\$4,022,201		\$9,231,677	\$4,023,075	
Less Existing Levy	\$4,868,946	\$4,309,200		\$6,772,927	\$4,022,201	
Increase	\$1,903,981	(\$286,999)	\$1,616,982	\$2,458,749	\$874	\$2,459,624
TNTC	\$46,640,719	\$46,640,719	\$46,640,719	\$47,311,330	\$47,311,330	\$47,311,330
Taxable Market Value (a)	4.082%	-0.615%	3.467%	5.197%	0.002%	5.199%
Tax Rate Increase (b):						

Homestead Residential							
\$50,000	\$12	(\$2)	\$10	\$16	\$0	\$16	
70,000	17	(3)	15	22	0	22	
85,000	23	(3)	19	29	0	29	
100,000	29	(4)	25	37	0	37	
125,000	40	(6)	34	51	0	51	
150,000	52	(8)	44	66	0	66	
<b>200,000</b>	<b>74</b>	<b>(11)</b>	<b>63</b>	<b>94</b>	<b>0</b>	<b>94</b>	
225,000	85	(13)	72	108	0	108	
250,000	96	(14)	82	122	0	122	
300,000	118	(18)	100	151	0	151	
350,000	141	(21)	119	179	0	179	
400,000	163	(25)	138	207	0	207	
450,000	184	(28)	156	234	0	234	
500,000	204	(31)	173	260	0	260	
550,000	230	(35)	195	292	0	292	
600,000	255	(38)	217	325	0	325	
650,000	281	(42)	238	357	0	357	
700,000	306	(46)	260	390	0	390	
750,000	332	(50)	282	422	0	422	
800,000	357	(54)	303	455	0	455	
850,000	383	(58)	325	487	0	487	
900,000	408	(62)	347	520	0	520	
950,000	434	(65)	368	552	0	552	
1,000,000	459	(69)	390	585	0	585	

Commercial/Industrial							
\$100,000	\$61	(\$9)	\$52	\$16	\$0	\$16	
150,000	92	(14)	78	22	0	22	
250,000	173	(26)	147	29	0	29	
500,000	378	(57)	321	38	0	38	
1,000,000	786	(118)	667	52	0	52	
3,000,000	2,419	(365)	2,054	66	0	66	
5,000,000	4,052	(611)	3,441	95	0	95	
7,000,000	5,685	(857)	4,828	109	0	109	
10,000,000	8,134	(1,226)	6,908	123	0	123	

Independent School District No. 831, Forest Lake, Minnesota  
 General Obligation School Building Bonds, Series 2016A & 2016B  
 September 2016 Estimate

	Year One (2015 Pay 2016)			Year Two (2016 Pay 2017)		
	New Bonds	Refunding	Net	New Bonds	Refunding	Net
Current Levy	\$6,772,927	\$4,022,201		\$9,231,677	\$4,023,075	
Less Existing Levy	\$4,868,946	\$4,309,200		\$6,772,927	\$4,022,201	
Increase	\$1,903,981	(\$286,999)	\$1,616,982	\$2,458,749	\$874	\$2,459,624
TNTC	\$46,640,719	\$46,640,719	\$46,640,719	\$47,311,330	\$47,311,330	\$47,311,330
Taxable Market Value (a)	4.082%	-0.615%	3.467%	5.197%	0.002%	5.199%
<b>Apartments (4 or More Units)</b>						
\$ 50,000	\$26	(\$4)	\$22	\$33	\$0	\$33
75,000	38	(6)	33	49	0	49
100,000	51	(8)	43	66	0	66
200,000	102	(15)	87	131	0	131
500,000	255	(38)	217	328	0	328
1,000,000	510	(77)	433	656	0	656
3,000,000	1,531	(231)	1,300	1,968	1	1,968
5,000,000	2,551	(385)	2,167	3,279	1	3,281
7,000,000	3,572	(538)	3,034	4,591	2	4,593
10,000,000	5,103	(769)	4,334	6,559	2	6,561
<b>Seasonal/Recreational (Residential)</b>						
\$ 50,000	\$20	(\$3)	\$17	\$26	\$0	\$26
100,000	41	(6)	35	52	0	52
150,000	61	(9)	52	79	0	79
200,000	82	(12)	69	105	0	105
250,000	102	(15)	87	131	0	131
<b>Agricultural Homestead</b>						
Value per Acre	\$ 10,000					
Dwelling Est. Market (c)	Acres	Total EMV (d)				
\$ 100,000	80	\$ 900,000	\$193	(\$29)	\$164	\$248
	160	1,700,000	356	(54)	302	457
	320	3,300,000	899	(135)	763	1,155
	640	6,500,000	2,205	(332)	1,873	2,834
						\$0
						0
						1
						1
<b>Agricultural Non-Homestead</b>						
	Acres	Total EMV (d)				
	80	\$ 800,000	\$327	(\$49)	\$277	\$420
	160	1,600,000	653	(98)	555	840
	320	3,200,000	1,306	(197)	1,109	1,679
	640	6,400,000	2,613	(394)	2,219	3,358
						\$0
						0
						1
						1

(a) Taxable market value is the basis from which the net tax capacity is calculated. This value is not necessarily the price the property would bring if sold.

(b) The tax rate increase is derived by dividing the average debt service by the taxable net tax capacity. The dollar increase in taxes payable is derived by multiplying the net tax capacity by the tax capacity rate increase.

(c) Includes house, garage and one acre with an estimated market value of \$100,000.00

(d) Estimated value per tillable acre is \$10,000.00

Note: Changes in interest rates, timing or size of the bond issue may cause significant alterations of this information.