



Excellence. For each and every student.

BOARD OF EDUCATION

Special Meeting - June 28, 2021 - 4:00 PM
Wayzata Public Schools District Office
210 County Road 101 North
Plymouth, Minnesota 55447

AGENDA

1. **CALL TO ORDER/ROLL CALL**
2. **ADMINISTRATIVE REPORTS AND RECOMMENDATIONS**
 - A. **Superintendent**
 1. Introduction of New Administrators
 - B. **Finance and Business Services**
 1. Preliminary Budget for 2021-2022 2
 2. Award Sale of General Obligation Taxable School Building and Alternative Facilities Bonds, Series 2021A 15
 3. Central Middle School Track Rehabilitation Project 59
 - C. **Human Resource Services**
 1. Supplemental Salaries for 2021-2022
3. **ADJOURN**



BOARD OF EDUCATION
Special Meeting – June 28, 2021

AGENDA SECTION: Administrative Reports and Recommendations

ITEM: Finance and Business Services Recommendations

COMMENTS BY: Jim Westrum, Executive Director of Finance and Business

2021-2022 School Year Preliminary Budget

The District administration recommends the following revenue and expenditure budget, by fund, for the 2021-2022 fiscal year:

<u>Fund</u>	<u>Revenue</u>	<u>Expenditures</u>
General Fund	\$ 183,606,144	\$183,577,259
Food Service Fund	8,015,696	7,219,935
Community Service Fund	12,567,918	11,798,122
Building Construction Fund	-	6,000,000
Debt Service Fund	14,896,155	14,872,977
	<u>\$ 219,085,913</u>	<u>\$223,468,293</u>

The enclosed executive summary provides greater detail regarding the proposed budget.

Recommended Action: Approve the preliminary budget for the 2021-2022 fiscal year.

Motion by: _____ **ROLL CALL** **Passed:** _____

Second by: _____ **Failed:** _____

Abstentions: _____ **2** _____

Preliminary Budget Executive Summary



Excellence. For each and every student.

Dr. Chace B. Anderson, Superintendent
James Westrum, Executive Director of Finance and Business
Approved by the School Board June 28, 2021

GUIDING PRINCIPLES

Mission

The mission of the Wayzata School District is to ensure a world-class education that prepares each and every student to thrive today and excel tomorrow in an ever-changing global society.

Vision

The Vision of Wayzata Public Schools is to be a model of excellence where students of all ages discover their unique talents, develop a love and tenacity for learning and demonstrate confidence and capacity for success through:

Exceptional Student Learning, Experiences and Relationships:

- High achievement by each and every student;
- Content-rich, rigorous and personalized education;
- Meaningful relationships with teachers, staff, mentors and peers in a welcoming, nurturing and safe environment where all are valued for who they are and the contributions they make.

Community Trust, Confidence and Partnership:

- Comprehensive learning opportunities meeting diverse learner needs and community aspirations;
- Culture of continuous improvement and responsive innovation;
- Committed to being the first choice for students and families;
- Maintaining the highest levels of satisfaction and pride by staff, parents and community.

Operational Excellence:

- Attraction, development and retention of exemplary, creative and engaged employees;
- Accountability by all staff and clarity in all operations to maximize individual and collective performance;
- Effective and efficient use of time, human, financial and physical resources;
- High performing district governance, management and partnerships.

DISTRICT OFFICIALS

School Board

Andrea Cuene, Chair
Term Expires: January 2022

Linda A. Cohen, Vice Chair
Term Expires: January 2024

Sarah Johansen, Treasurer
Term Expires: January 2022

Bonita Lucky, Clerk
Term Expires: January 2024

Seanne Falconer, Director
Term Expires: January 2024

Chris McCullough, Director
Term Expires: January 2022

Cheryl Polzin, Director
Term Expires: January 2024

Chace B. Anderson, Ex-Officio

Administrative Staff

Dr. Chace B. Anderson, Superintendent

James Westrum, Executive Director
Finance and Business

Stacie Vos, Executive Director
Human Resources

Dr. Jill Johnson, Executive Director
Teaching and Learning

Independent School District 284

Wayzata Public Schools

210 County Road 101 N

Wayzata, MN 55391

GUIDING PRINCIPLES (cont'd)**CORE VALUES**

Achievement: Challenging oneself and others for excellence in all we do.

Collaboration: Working together to maximize opportunities and eliminate barriers to learning for all.

Community: Maintaining a sense of belonging to and responsibility for the broader community.

Equity: Meeting the specific needs of all students.

Integrity: Doing the right thing in the right way at the right time, even when no one is aware.

Respect: Valuing others for their diverse talents, backgrounds, cultures and viewpoints.

STRATEGIC DIRECTION (2019-2022)

Through Focus on Priorities and Strategy Execution, We Achieve Excellence and Realize Our Vision

1. Achievement: By the end of third grade, all students will achieve at or beyond grade level expectations for reading, writing, and mathematics.

2. Each and Every: Student achievement will not be predictable by any demographic classification, i.e. race, socioeconomic status, gender, or disability.

3. Personalization: All students will know and understand their unique talents, have a voice in their educational experiences, and take ownership for their learning, career aspirations, and future success.

4. Health and Well-Being: All students will feel a sense of belonging and connection to their school where social-emotional, physical and mental health is nurtured and valued.

GOVERNMENTAL FUND STRUCTURE

To understand this budget document, it is helpful to know that there are several legal restrictions on how school districts must spend and account for the public funds that they receive. Per state requirements and Generally Accepted Accounting Principles of the United States, Wayzata Public Schools separates its money into six major areas.

They are as follows:

General Fund

Used to account for the general operations of the school district. This fund includes salaries and benefits for teachers, principals, custodians, secretaries, paraprofessionals, and administrators; cost of supplies, textbooks, transportation contracts, utilities, repairs, equipment, and so on. This fund is also used for long-term facility maintenance projects of less than \$2,000,000 and for the capital projects (technology) levy.

Food Service Fund

Used for all expenditures related to operating the Culinary Express Department, including food, salaries, benefits, supplies, and equipment. Food Service revenues come primarily from the sale of meals to students and adults. Some federal and state aid is also provided.

Community Services Fund

Used for expenditures related to community education programs such as Early Childhood Family Education, Adult Basic Education, Wayzata Kids (afterschool and summer childcare programs), youth classes, and Community Education Programs. Community Services revenue primarily comes from fees charged for the programs, and property tax revenue dedicated to community services.

Building Construction Fund

Used for expenditures of major building projects. Proceeds from sale of bonds authorized in an election are placed in this fund. This fund is also used for long-term facility maintenance projects exceeding \$2,000,000.

Debt Service Fund

Used to accumulate and account for resources that fund principal and interest payments on bonds sold to finance construction. These are akin to a homeowner's payments on a mortgage.

Why is this information important? It is important to understand the fund structure because, with very few exceptions, money cannot be transferred from one fund to another. For example, raising school lunch prices or Wayzata Kids tuition is not a solution to a shortfall in the General Fund. Similarly, the resources of the Debt Service Fund or the Building Construction Fund cannot be used to pay teacher salaries.

EXPENDITURES BY PROGRAM

The school district budget consists of expenditures made for the following programs or activities:

Administration:

Includes all costs for general administration, instructional administration and school site administration. This area also covers the school board, superintendent, principals, and directors.

District Support Services

Consists of activities related to general administrative support not listed above. This area covers federal programs, human resources, business and finance, government relations, school elections, and miscellaneous district administration not otherwise classified. Anticipated salary increases and district contingency reserves have temporarily been budgeted here.

Elementary and Secondary Regular Instruction

Consists of all activities dealing directly with the teaching of pupils, the interaction between teachers and pupils in the classroom and co-curricular activities at the kindergarten, elementary and secondary levels.

Vocational Instruction

Courses and activities which develop knowledge, skills, attitudes and behavioral characteristics for students seeking career exploration and employability.

Special Education Instruction

Activities providing learning experiences for pupils of any age who, because of certain atypical characteristics or conditions, need, or who would benefit by, educational programs different from those provided pupils in regular or vocational instruction.

Instructional Support Services

Activities for assisting the instructional staff with the content and process of providing learning experiences for pupils in kindergarten through twelfth grade.

Pupil Support Services

Includes all services provided to pupils who do not qualify to be classified as instructional services (counseling/guidance, health, psychological, social work, transportation, other).

Sites and Buildings

Activities related to the acquisition, operation, maintenance, repair and remodeling of all physical plant, facilities and grounds of the school district.

Fiscal and Other Fixed Costs

Fiscal and fixed cost activities that are not recorded elsewhere.

EXPENDITURES BY OBJECT

The school district budget consists of the following types of expenditures:

Salaries

Regular salary related to personnel positions, extra-curricular assignments, overtime, and substitute costs.

Benefits

Health, dental, life, long-term disability, workers' compensation, state pension contributions, retirement plans and recording of post-retirement benefits for current employees.

Purchased Services

Includes consultants, postage, insurance, repair and maintenance services, utilities, student transportation contracts, travel/conferences, payments to other districts, and tuition.

Supplies and Materials

Textbooks, instructional supplies, office and custodial supplies, computer software, and related copier costs. Includes fuel for buildings.

Capital

Building construction, equipment, facility repair and maintenance, vehicles, and computer equipment.

Debt Service

Principal and interest payments for bonded debt.

Other Expenditures

All other expenditures not classified in other areas.

BUDGET OVERVIEW

The annual budget presented includes an analysis of the actual financial condition of the School District at June 30, 2020, and the anticipated positions at June 30, 2021 and June 30, 2022.

The budget was prepared in accordance with generally accepted accounting principles and includes all governmental funds. Each fund is treated as an independent accounting entity in accordance with statutory requirements and state and federal regulations governing the District’s various revenue sources and expenditure purposes. Minnesota Education Laws 2021 were used as the basis for building the fiscal year 2021-2022 budget which includes a 2.45% increase in the state funding formula. With the public’s increased demand for accountability, the expanding complexity of Minnesota school district funding, the challenge to do more with less, and responding to the demands of the COVID-19 pandemic, the administration continues to seek opportunities to effectively manage the financial resources of the District.

A school district’s budget can be one of the most meaningful and useful documents in public school administration. It depicts the priorities of the School Board, administration, staff, and the community. The District’s preliminary budget for the 2021-2022 school year is shown right.

2021-2022 Preliminary Budget			
	2019-20 Actual Amounts	2020-21 Revised Budget	2021-22 Preliminary Budget
Revenue			
General Fund	\$184,241,867	\$183,528,157	\$183,606,144
Food Service Fund	6,145,249	4,089,122	8,015,696
Community Service Fund	10,282,802	7,600,870	12,567,918
Debt Service Fund	12,430,729	23,405,972	14,896,155
Total Revenue Excluding Building Construction	213,400,802	218,624,121	219,085,913
Building Construction Fund	34,565,772	-	-
Total Revenue All Funds	\$247,966,574	\$218,624,121	\$219,085,913
Expenditures			
General Fund	\$179,451,017	\$186,528,344	\$183,577,259
Food Service Fund	6,730,260	4,751,558	7,219,935
Community Service Fund	11,410,373	10,146,177	11,798,122
Debt Service Fund	12,881,500	23,470,781	14,872,977
Total Expenditures Excluding Building Construction	210,473,150	224,896,860	217,468,293
Building Construction Fund	48,211,089	11,000,000	6,000,000
Total Expenditures All Funds	\$258,684,239	\$235,896,860	\$223,468,293

FUND BALANCE REPORT

	Audited Fund Balance June 30, 2020	Revised Revenue 2020-21	Revised Expenditure 2020-21	Revised Change in Fund Balance 2020-21	Revised Fund Balance June 30, 2021	Proposed Revenue 2021-22	Proposed Expenditure 2021-22	Proposed Change in Fund Balance 2021-22	Proposed Fund Balance 2021-22
Operating Funds									
	11.4%				11.6%				11.0%
Unassigned Fund Balance	\$ 19,452,217	\$ 155,913,940	\$ 157,141,274	\$ (1,227,334)	\$ 18,224,883	\$ 155,452,661	\$ 156,273,496	\$ (820,835)	\$ 17,404,048
Assigned - Re-Employment Insurance	12,985	-	212,985	(212,985)	(200,000)	-	-	-	(200,000)
Assigned - Q comp	901	35	-	35	936	-	-	-	936
Assigned - Site Carryover	2,053,501	-	1,253,501	(1,253,501)	800,000	-	800,000	(800,000)	-
Assigned - Self Funded Workers Comp	120,000	-	50,000	(50,000)	70,000	-	-	-	70,000
Assigned - Opening of Schools	695,305	-	-	-	695,305	-	695,305	(695,305)	-
Assigned - Student Activities (New 2019-20)	-	1,245,000	1,245,000	-	-	1,245,000	1,245,000	-	-
Assigned - LCTS	248,832	-	248,832	(248,832)	-	-	-	-	-
Assigned - Subsequent Years budget	241,176	-	241,176	(241,176)	-	-	-	-	-
Assigned - Post Employment Obligations	2,156,636	1,000,000	956,636	43,364	2,200,000	1,000,000	956,636	43,364	2,243,364
Nonspendable - Prepaid Items	611,106	-	-	-	611,106	-	-	-	611,106
Subtotal	\$ 25,592,659	\$ 158,158,975	\$ 161,349,404	\$ (3,190,429)	\$ 22,402,230	\$ 157,697,661	\$ 159,970,437	\$ (2,272,776)	\$ 20,129,454
Restricted - Scholarships	279,947	-	-	-	\$ 279,947	-	-	\$ -	\$ 279,947
Restricted - Staff Development	561,290	1,750,000	2,311,290	(561,290)	-	1,764,334	1,764,334	-	-
Restricted - MA Billing	341,472	300,000	641,472	(341,472)	-	300,000	300,000	-	-
Restricted - Long-Term Facility Maintenance	(421,472)	11,824,330	9,522,669	2,301,661	1,880,189	11,824,330	9,522,669	2,301,661	4,181,850
Restricted - Operating Capital	4,043,930	2,950,098	4,158,755	(1,208,657)	2,835,273	2,909,653	2,909,653	-	2,835,273
Restricted - Technology Levy	1,357,564	7,839,550	7,839,550	-	1,357,564	8,385,892	8,385,892	-	1,357,564
Restricted - Safe Schools Levy/Aid	191,570	705,204	705,204	-	191,570	724,274	724,274	-	191,570
Subtotal	\$ 6,354,301	\$ 25,369,182	\$ 25,178,940	\$ 190,242	\$ 6,544,543	\$ 25,908,483	\$ 23,606,822	\$ 2,301,661	\$ 8,846,204
Total General Fund	\$ 31,946,960	\$ 183,528,157	\$ 186,528,344	\$ (3,000,187)	\$ 28,946,773	\$ 183,606,144	\$ 183,577,259	\$ 28,885	\$ 28,975,658
Food Service Fund	-	4,089,122	4,751,558	(662,436)	(662,436)	8,015,696	7,219,935	795,761	133,325
Community Service Fund	854,947	7,600,870	10,146,177	(2,545,307)	(1,690,361)	12,567,918	11,798,122	769,796	(920,565)
Capital Projects Construction Fund									
Long-Term Facilities Maintenance >\$2M	(4,611,885)	-	-	-	(4,611,885)	-	-	-	(4,611,885)
Bond Referendum	23,516,237	-	11,000,000	(11,000,000)	12,516,237	-	6,000,000	(6,000,000)	6,516,237
Total Operating Funds	\$ 51,706,258	\$ 195,218,149	\$ 212,426,079	\$ (17,207,930)	\$ 34,498,328	\$ 204,189,758	\$ 208,595,316	\$ (4,405,558)	\$ 30,092,770
					\$ -				
Non Operating Funds									
Debt Service Fund	2,683,374	23,405,972	23,470,781	(64,809)	2,618,565	14,896,155	14,872,977	23,178	2,641,743
Total All Funds	54,389,632	218,624,121	235,896,860	(17,272,739)	37,116,893	219,085,913	223,468,293	(4,382,380)	32,734,513
Total All Funds Excluding Construction	\$ 35,485,280	\$ 218,624,121	\$ 224,896,860	\$ (6,272,739)	\$ 29,212,541	\$ 219,085,913	\$ 217,468,293	\$ 1,617,620	\$ 30,830,161

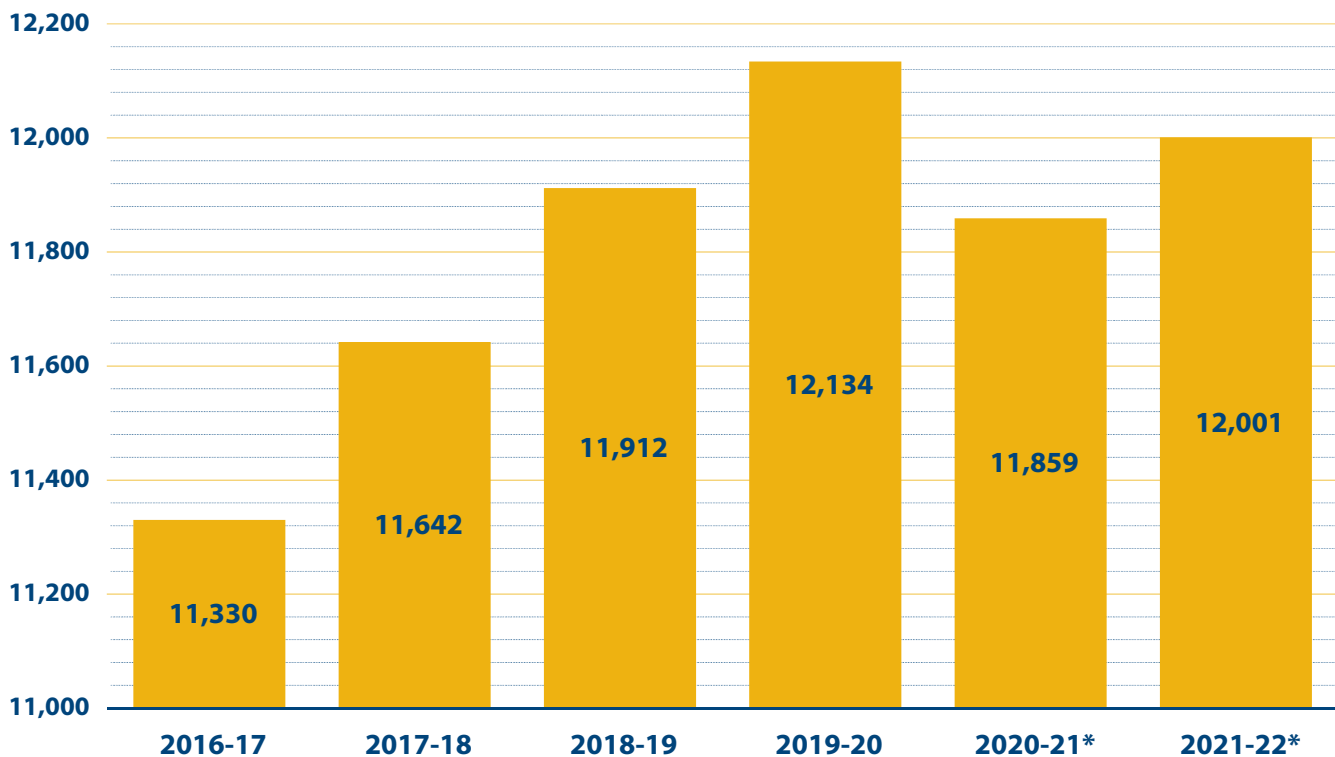
ENROLLMENT HISTORY & PROJECTIONS

During the 2020-21 school year the District experienced a one-time enrollment loss of about 275 students due to the COVID-19 pandemic. In 2021-22 enrollment at Wayzata Public Schools is projected to grow by 142 students to 12,001. Of these students, 60 students are served through tuition agreements by other districts.

The District’s student enrollment is projected to grow at an annual rate of 2.0-2.5% in each of the next several years. In some areas of the District new homes are under development, while mature parts of the District are also seeing increases in student enrollment. The District has closed open enrollment for all grade levels to accommodate the projected increases to its resident student population.

Enrollment projections are based upon demographic studies commissioned by the District that are updated annually and monitored regularly in regards to capacity at school buildings.

K-12 ENROLLMENT



*The enrollment figures for the 2020-21 and 2021-22 school years are estimates. The enrollment figures for the other years that are presented represent actual student enrollment (average daily membership).

GENERAL FUND

The General Fund contains all revenue and expense for the general, day-to-day operations of the school district. This includes salaries and benefits for teachers, administrators, custodians, secretaries, and paraprofessionals; instructional supplies, technology, transportation, textbooks, and money spent to operate and repair district buildings. In some ways, it is clearer to express the general fund in terms of what it does not cover. The General Fund does not cover Culinary Express; Community Education (including Wayzata Kids latch-key programs); debt service payments on bonds issued by the District; and the cost of major construction projects financed through the issuance of bonds.

The general fund includes expenses associated with the capital projects (technology) levy which became effective fiscal 2017-2018. The focus of this program is curriculum and classroom technology, particularly expansion of classroom tools: projection and sound systems, smartboards, and software. The general fund also includes expenses funded with the Long-Term Facility Maintenance (LTFM) levy for projects less than \$2.0 million. Projects over \$2 million are in the construction funds. It is important to note that LTFM expenditures can fluctuate considerably from year to year and can impact the overall view of the district’s funding picture.

2021-2022 Preliminary Budget			
	2019-20 Actual Amounts	2020-21 Revised Budget	2021-22 Preliminary Budget
Revenue			
Local Property Taxes	\$58,852,589	\$61,688,725	\$66,123,535
State Aid	106,065,256	104,612,490	107,595,534
Federal Aid	4,213,562	10,848,973	4,095,772
Other Revenue/Miscellaneous	15,110,460	6,377,969	5,791,303
Total Revenue	\$184,241,867	\$183,528,157	\$183,606,144
Expenditures			
Salaries	\$98,982,134	\$103,368,171	\$101,377,802
Benefits	32,097,295	33,811,979	31,966,136
Purchased Services	21,911,491	24,211,211	35,583,857
Supplies and Materials	6,118,075	5,800,461	5,281,496
Capital	10,922,076	18,957,486	8,448,588
Other/Miscellaneous	1,046,253	379,036	919,379
Transfers to Other Funds	8,373,693	-	-
Total Expenditures	\$179,451,017	\$186,528,344	\$183,577,259
Change in Fund Balance	4,790,850	(3,000,187)	28,885
Fund Balances			
Beginning of Year	\$27,156,110	\$31,946,960	\$28,946,773
End of Year	\$31,946,960	\$28,946,773	\$28,975,658

FUND BALANCE POLICY

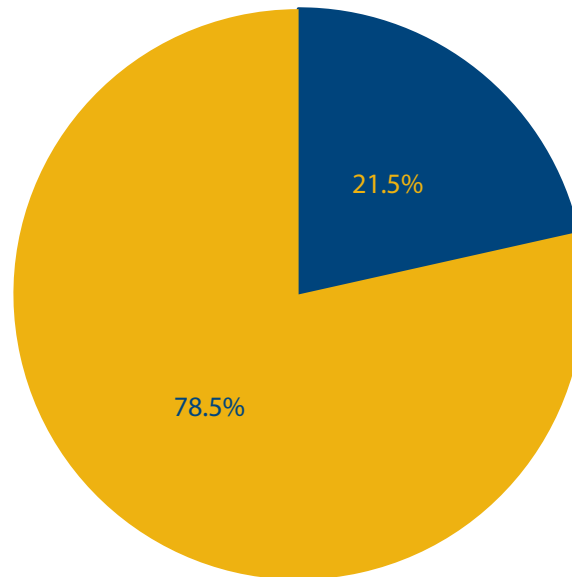
The level of spending is set with a number of considerations in mind, but one of the primary considerations is to maintain an adequate level of reserves for unanticipated events. The District has a formal policy calling for an unassigned fund balance in the General Fund equal to at least 5% to 7% of one year’s expenditures. This balance could be considered to be the District’s “savings account”. Maintaining a prudent fund balance is important for the stability of the district, and is a key measure that bond rating agencies examine when assigning a credit rating to a District’s debt issuances. The projected unassigned General Fund balance as of June 30, 2021 is \$18,224,883. This is 11.6% of the expenditure budget, or about four weeks of operations. Unanticipated events that could occur that would require the District to dip into its unassigned fund balance include:

- Property tax delinquencies and abatements
- Enrollment fluctuations
- Unanticipated price increases for essential purchases, e.g. fuel for heating, other utilities, transportation
- State aid revenue reductions or 'pro-rations'
- Unforeseen public health emergencies or severe weather/natural disaster
- Federal sequestration
- COVID-19 pandemic

GENERAL FUND

2021-22 EXPENDITURES BY PROGRAM

Program Code	Program Description	2019-20 Actual Amounts	2020-21 Revised Budget	2021-22 Preliminary Budget	Increase/ (Decrease)
000-099	Administration	\$ 5,067,907	\$ 5,146,925	\$ 5,564,454	8.1%
100-199	District Support Services	6,694,186	6,322,621	6,034,731	(4.6%)
200-299	Regular Instruction (Elem/Sec)	81,936,301	87,034,612	81,986,027	(5.8%)
300-399	Vocational Instruction	3,272,414	3,445,913	3,595,496	4.3%
400-499	Special Education Instruction	21,779,719	22,814,154	22,824,908	0.0%
600-699	Instructional Support Services	19,718,543	19,533,887	19,425,073	(0.6%)
700-799	Pupil Support Services	15,049,233	15,769,478	16,275,077	3.2%
800-899	Sites & Buildings	25,619,366	25,481,154	27,281,392	7.1%
900-999	Fiscal & Other Fixed Cost Programs	313,348	979,600	590,100	(39.8%)
	Total Expenditures	\$ 179,451,017	\$ 186,528,344	\$ 183,577,259	(1.6%)



■ Support Services & Other ■ Instruction & Direct Pupil Support

FOOD SERVICE FUND

Culinary Express is the District department that provides meals and nutrition services. All revenues and expenditures associated with the program must be accounted for in a separate fund. By law, revenues generated by the program can only be used to provide meals and to pay for certain closely related expenditures.

For the 2021-22 school year the United States Department of Agriculture will allow all schools to participate in the federal Seamless Summer Option program, allowing the District to provide free breakfast and lunch to all students.

2021-2022 Preliminary Budget			
	2019-20 Actual Amounts	2020-21 Revised Budget	2021-22 Preliminary Budget
Revenue			
A La Carte and Other Sales	\$4,000,966	\$143,964	\$2,021,050
Federal Aid	1,710,570	3,945,158	5,844,897
State Aid	184,168	-	149,749
Transfers In	249,545	-	-
Total Revenue	\$6,145,249	\$4,089,122	\$8,015,696
Expenditures			
Salaries and Benefits	\$3,255,477	\$2,694,862	\$3,136,924
Food	2,423,955	\$1,442,790	\$2,910,209
Other	1,050,828	\$613,906	\$1,172,802
Total Expenditures	\$6,730,260	\$4,751,558	\$7,219,935
Change in Fund Balance	(585,011)	(662,436)	795,761
Fund Balances			
Beginning of Year	\$585,011	-	(\$662,436)
End of Year	-	(\$662,436)	\$133,325

COMMUNITY SERVICES FUND

Community Education programs provide school district residents with the opportunity to use educational facilities and programs during non-school hours. Community Education programs are also available to PK-12 students during the summer. Major programs include Adult Basic Education, Wishes (after-school enrichment program), Wayzata Kids (latch-key program), Wayzata Bright Start (four year old program combined with latch-key), Peppermint Fence Nursery School, and other Early Childhood Family Education programming. The Community Ed department also schedules the use of the district's facilities outside of school houses, including athletic facilities.

2021-2022 Preliminary Budget			
	2019-20 Actual Amounts	2020-21 Revised Budget	2021-22 Preliminary Budget
Revenue			
Local Property Taxes	\$1,536,443	\$1,809,796	\$2,107,496
Fees and Charges	7,775,972	4,529,472	9,531,250
State Aids and Grants	970,387	1,026,602	929,172
Transfers In and Other Revenue	-	-	-
Total Revenue	\$10,282,802	\$7,600,870	\$12,567,918
Expenditures			
Salaries and Benefits	\$9,561,392	\$8,735,792	\$9,939,947
Non-Salary	1,848,981	1,410,385	1,858,175
Total Expenditures	\$11,410,373	\$10,146,177	\$11,798,122
Change in Fund Balance	(1,127,571)	(2,545,307)	769,796
Fund Balances			
Beginning of Year	\$1,982,518	\$854,947	(\$1,690,360)
End of Year	\$854,947	(\$1,690,360)	(\$920,564)

BUILDING CONSTRUCTION FUND

The Building Construction Fund is used for two purposes:

- to account for construction project expenditures financed with bond proceeds;
- to account for the expenditures of long-term facilities maintenance (LTFM) projects that are greater than \$2,000,000.

There can be no borrowing from the Building Construction fund; any cash or investment balance in the fund must be used for authorized construction or LTFM projects.

2021-2022 Preliminary Budget			
	2019-20 Actual Amounts	2020-21 Revised Budget	2021-22 Preliminary Budget
Revenue			
LTFM Revenue	\$8,102,000	-	-
Bond Proceeds	25,844,234	-	-
Investment Earnings and Other	619,538	-	-
Total Revenue	\$34,565,772	-	-
Expenditures			
Salaries and Benefits	\$72,335	\$73,200	\$73,200
Capital Improvements	41,797,969	\$9,885,600	\$5,897,200
Other	6,340,785	\$1,041,200	\$29,600
Total Expenditures	\$48,211,089	\$11,000,000	\$6,000,000
Change in Fund Balance	(13,645,317)	(11,000,000)	(6,000,000)
Fund Balances			
Beginning of Year	\$32,549,669	\$18,904,352	\$7,904,352
End of Year	\$18,904,352	\$7,904,352	\$1,904,352

DEBT SERVICE FUND

The Debt Service Fund exists to account for revenues and expenditures associated with the repayment of the District’s bonded indebtedness. The District primarily issues bonds for the purposes of financing the acquisition, construction, improvement and equipping of the District’s buildings. Also, the District occasionally issues bonds to refund or refinance existing debt at a more favorable interest rate. By state law, revenues and expenditures for debt service must be maintained in a separate fund. Borrowing from the Debt Service Fund is not allowed; all resources held by the fund are held exclusively for the purposes of debt repayment and related activity.

The District’s underlying bond rating by Moody’s Investors Service, most recently affirmed in June 2021, is Aaa, the highest rating possible. The District is one of only three school districts in the State of Minnesota, and one of 95 across the United States, to hold such a rating. The District’s credit rating is higher than 36 of 50 states, including Minnesota.

2021-2022 Preliminary Budget			
	2019-20 Actual Amounts	2020-21 Revised Budget*	2021-22 Preliminary Budget
Revenue			
Local Property Taxes	\$12,424,298	\$14,109,517	\$14,890,755
State Aids	6,431	5,400	5,400
Other	300,865	9,291,055	-
Total Revenue	\$12,731,594	\$23,405,972	\$14,896,155
Expenditures			
Bond Principal Payments	\$5,315,000	\$15,645,000	\$7,170,000
Bond Interest Payments	7,564,363	7,733,262	7,700,477
Bank Fees and Other Expenditures	2,137	92,519	2,500
Total Expenditures	\$12,881,500	\$23,470,781	\$14,872,977
Change in Fund Balance	(149,906)	(64,809)	23,178
Fund Balances			
Beginning of Year	\$2,833,280	\$2,683,374	\$2,618,565
End of Year	\$2,683,374	\$2,618,565	\$2,641,743

*During fiscal year 2020-21, the District issued the Series 2020A bonds to current refund the Series 2012A bonds, resulting in an inflow of \$9,291,055 from the issuance of the Series 2020A bonds and an outflow of \$9,287,519 to repay the Series 2012A bonds and the associated costs of issuance.



BOARD OF EDUCATION
Special Meeting – June 28, 2021

AGENDA SECTION: Administrative Reports and Recommendations

ITEM: Finance and Business Services Recommendations

COMMENTS BY: Jim Westrum, Executive Director of Finance and Business

General Obligation Taxable School Building and Alternative Facilities Refunding Bonds, Series 2021A

At the May 24, 2021 Special Meeting, the School Board passed a resolution authorizing the District Administration, its Municipal Advisors, and a Board Officer to take proposals and execute the sale of bonds refunding the General Obligation School Building Bonds, Series 2014A, and General Obligation Alternative Facilities Bonds, Series 2014B. The resolution also provided that the accepted proposal would be ratified by the Board at a Special Meeting on June 28, 2021.

On June 28, 2021, the District solicited and received bids in accordance with the conditions set forth by the May 24, 2021 resolution.

Recommended Action: Approve the resolution ratifying the award of the sale, determining the form and details, authorizing the execution, delivery, and registration, and providing for the payment of the General Obligation Taxable School Building and Alternative Facilities Refunding Bonds, Series 2021A.

Motion by: _____

ROLL CALL

Passed: _____

Second by: _____

Failed: _____

Abstentions: _____ 15 _____

EXTRACT OF MINUTES OF A MEETING OF THE
SCHOOL BOARD OF INDEPENDENT SCHOOL DISTRICT NO. 284
(WAYZATA PUBLIC SCHOOLS)
HENNEPIN COUNTY, MINNESOTA

Pursuant to due call and notice thereof, a special meeting of the School Board of Independent School District No. 284 (Wayzata Public Schools), Hennepin County, Minnesota, was held on June 28, 2021, at 4:00 p.m., in the District.

The following members were present:

and the following were absent:

* * *

* * *

* * *

Member _____ then introduced the following resolution and moved its adoption:

RESOLUTION AWARDING THE SALE OF TAXABLE GENERAL OBLIGATION SCHOOL BUILDING AND ALTERNATIVE FACILITIES REFUNDING BONDS, SERIES 2021A, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$132,865,000; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; PROVIDING FOR THEIR PAYMENT; PROVIDING FOR THE ESCROWING AND INVESTMENT OF THE PROCEEDS THEREOF; AND PROVIDING FOR THE REFUNDING OF BONDS REFUNDED THEREBY

BE IT RESOLVED By the School Board (the “Board”) of Independent School District No. 284 (Wayzata Public Schools), Hennepin County, Minnesota (the “District”), as follows:

Section 1. Sale of Bonds.

1.01. Background. It is hereby determined that:

(a) On May 22, 2014, the District issued its: (i) General Obligation School Building Bonds, Series 2014A (the “Series 2014A Bonds”), in the original aggregate principal amount of \$109,645,000, as approved by the voters of the District at a special election held on February 24, 2014; and (ii) General Obligation Alternative Facilities Bonds, Series 2014B (the “Series 2014B Bonds”), in the original aggregate principal amount of \$27,160,000. The Series 2014A Bonds and Series 2014B Bonds were issued pursuant to Minnesota Statutes, Chapter 475, as amended (the “Act”) and other provisions of Minnesota law. The Series 2014A Bonds are currently outstanding in the principal amount of \$105,130,000 of which \$100,990,000 in principal amount is subject to optional redemption and prepayment on February 1, 2023. Proceeds of the Series 2014A Bonds were used to finance the acquisition and betterment of school sites and facilities in the District. The Series 2014B Bonds are currently outstanding in the principal amount of \$27,160,000, of which \$27,160,000 in principal amount is subject to redemption and prepayment on February 1, 2023. Proceeds of the Series 2014B Bonds were used to fund the acquisition and betterment of projects included in the District’s ten-year plan approved by the Commissioner of Education.

(b) The District is authorized by Section 475.67 of the Act to issue and sell its general obligation bonds to refund outstanding bonds when determined by the Board to be necessary and desirable for the reduction of debt service costs of the District.

(c) On May 24, 2021, the Board adopted a resolution (the “Authorizing Resolution”) in which the Board determined that it is necessary and desirable for the reduction of debt service costs of the District to issue its Taxable General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A (the “Bonds”), and to apply a portion of the proceeds of the Bonds to establish an escrow fund to: (i) provide for the payment and the optional redemption and prepayment of the Series 2014A Bonds by paying the Series 2014A Bonds maturing on February 1, 2022, and February 1, 2023, and by prepaying on February 1, 2023, the Series 2014A Bonds maturing on February 1 of the years 2024 through 2035; and (ii) provide for the optional redemption and prepayment on February 1, 2023, of the Series 2014B Bonds maturing on February 1 of the years 2024 through 2036. The Series 2014A Bonds and the Series 2014B Bonds are hereinafter referred to collectively as the “Refunded Bonds.”

(d) The general requirement to sell bonds at a competitive sale is waived with respect to the Bonds under Section 475.60, subdivision 2(6), of the Act because the Board has determined, upon the advice of bond counsel, that interest on the Bonds cannot be represented to be excluded from gross income for purposes of federal income taxation, and under Section 475, subdivision 2(9), of the Act because the District has retained an independent municipal adviser with respect to the Bonds. The actions of the District staff in negotiating the sale of the Bonds are ratified and confirmed in all aspects.

1.02. Award to Purchaser and Interest Rates. The proposal by Robert W. Baird & Co., on behalf of itself and the other members of a syndicate (the “Purchaser”) to purchase the Bonds in the aggregate principal amount of \$132,865,000.00 is determined to be a reasonable offer and the Board hereby ratifies the acceptance of the proposal of the Purchaser to purchase the Bonds, at a price of \$137,249,726.08 (par amount of \$132,865,000.00, plus original issue premium of \$5,149,063.60, less original issue discount of \$225,778.15, less underwriter’s discount of \$538,559.37), plus accrued interest to the date of delivery, if any, for Bonds bearing interest as follows:

<u>Year</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Interest Rate</u>
2022	3.000%	2030	1.650%
2023	3.000%	2031	1.750%
2024	3.000%	2032	1.900%
2025	3.000%	2033	2.000%
2026	3.000%	2034	2.100%
2027	3.000%	2035	2.200%
2028	3.000%	2036	2.300%
2029	3.000%		

True interest cost: 1.8304779 percent.

1.03. Purchase Contract. The execution and delivery of the purchase contract with the Purchaser is hereby ratified and confirmed.

1.04. Terms and Principal Amount of Bonds. The District shall forthwith issue and sell the Bonds pursuant to the Act, specifically Section 475.67 of the Act, in the total principal amount of \$132,865,000, originally dated July 22, 2021, in the denomination of \$5,000 each, or any integral multiple thereof, numbered No. R-1, upward, bearing interest as above set forth, and maturing serially on February 1 in the years and principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2022	\$ 2,840,000	2030	\$11,235,000
2023	\$ 1,400,000	2031	\$11,395,000
2024	\$ 6,070,000	2032	\$11,620,000
2025	\$ 8,650,000	2033	\$11,875,000
2026	\$ 9,040,000	2034	\$12,155,000
2027	\$ 9,285,000	2035	\$12,450,000
2028	\$ 9,585,000	2036	\$ 4,350,000
2029	\$10,915,000		

1.05. Optional Redemption. The District may elect on February 1, 2029, and on any day thereafter, to prepay Bonds due on or after February 1, 2030. Redemption may be in whole or in part and if in part, at the option of the District and in such manner as the District shall determine. If less than all Bonds of a maturity are called for redemption, the District will notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments shall be at a price of par plus accrued interest to the date of redemption.

Section 2. Registration and Payment.

2.01. Registered Form. The Bonds shall be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, are payable by check or draft issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. Each Bond shall be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless: (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond will be dated as of the date of authentication; or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond shall be dated as of the date of original issue. Interest on the Bonds is payable on February 1 and August 1 of each year, commencing February 1, 2022, to the registered owners of record as of the close of business on the fifteenth day of the immediately preceding month, whether or not that day is a business day.

2.03. Registration. The District shall appoint a bond registrar, transfer agent, authenticating agent, and paying agent (the "Registrar"). Except as expressly provided otherwise in Section 7 hereof, the effect of registration and the rights and duties of the District and the Registrar with respect thereto are as follows:

(a) Register. The Registrar must keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred, or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of a Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity,

as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bonds. When Bonds are surrendered by the registered owner for exchange the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. Bonds surrendered upon transfer or exchange shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the District.

(e) Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The District and the Registrar may treat the person in whose name a Bond is registered in the bond register as the absolute owner of the Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes, and payments so made to a registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees, and Charges. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Bonds sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to the transfer or exchange.

(h) Mutilated, Lost, Stolen, or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen, or lost the Registrar will deliver a new Bond of like amount, number, maturity date, and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen, or lost upon the payment of the reasonable expenses and charges of the Registrar in connection therewith and, in the case of a Bond destroyed, stolen, or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen, or lost and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance, and amount satisfactory to it and as provided by law, in which both the District and the Registrar must be named as obligees. Bonds so surrendered to the Registrar shall be cancelled by the Registrar and evidence of such cancellation must be given to the District. If the mutilated, destroyed, stolen, or lost Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed shall be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, shall not affect the validity of any proceeding for the redemption of Bonds for which adequate notice has been given. Bonds so called for redemption shall cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit at the place of payment at that time.

2.04. Appointment of Initial Registrar. The District appoints Bond Trust Services Corporation, as the initial Registrar. The Board Chair and the Clerk are authorized to execute and deliver, on behalf of the District, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The District agrees to pay the reasonable and customary charges of the Registrar for the services performed. The District reserves the right to remove the Registrar upon thirty (30) days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and must deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of the Board, the Treasurer must transmit to the Registrar moneys sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the Clerk and executed on behalf of the District by the signatures of the Board Chair and the Clerk, provided that those signatures may be printed, engraved, or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of a Bond, that signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond shall not be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been so prepared, executed, and authenticated, the Clerk shall deliver the same in accordance with directions of the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

Section 3. Form of Bond.

3.01. Execution of the Bonds. The Bonds shall be printed or typewritten in substantially the form attached hereto as EXHIBIT A.

3.02. Approving Legal Opinion. The Clerk is authorized and directed to obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, and cause the opinion to accompany each Bond.

Section 4. Payment; Security; Funds; Pledges and Covenants.

4.01. Debt Service Fund. For the convenience and proper administration of the moneys to be borrowed and repaid on the Bonds, and to provide adequate and specific security for the Purchaser and holders from time to time of the Bonds, there is hereby created a special fund to be designated the Taxable General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A Debt Service Fund (the "Debt Service Fund") to be administered and maintained by the Treasurer as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the District. The Debt Service Fund shall be maintained in the manner herein specified until all of the Bonds and the interest thereon have been fully paid. To the Debt Service Fund, there is hereby pledged and irrevocably appropriated and there shall be credited: (i) ad valorem taxes hereinafter levied for the payment of the Bonds and interest thereon (the "Taxes"); (ii) any balance remitted to the District upon the termination of the Escrow Agreement (as defined in Section 4.02); (iii) all investment earnings on funds in the Debt Service Fund;

(iv) proceeds of the Bonds in the amount of \$2,242.95; and (v) all other moneys which are properly available and are appropriated by the Board to the Debt Service Fund.

4.02. Escrow Fund. Proceeds of the Bonds in the amount of \$136,886,511.13 shall be deposited in and are hereby irrevocably pledged and appropriated to a separate fund (the “Escrow Fund”) maintained by Zions Bancorporation, National Association, acting as escrow agent (the “Escrow Agent”). Such funds shall be received by the Escrow Agent and applied to fund the Escrow Fund. The money on deposit in the Escrow Fund shall be in an amount sufficient to: (i) pay on each interest payment date on and prior to February 1, 2023, on the Refunded Bonds the accrued interest on the Refunded Bonds; (ii) pay the principal of the Series 2014A Bonds maturing on February 1, 2022, and on February 1, 2023; and (iii) pay on the February 1, 2023 (the “Redemption Date”), the outstanding principal amount of the Refunded Bonds maturing after February 1, 2023, and called for optional redemption and prepayment on the Redemption Date. The money in the Escrow Fund shall be used solely for the purposes herein set forth and for no other purpose, except that any surplus in the Escrow Fund after payment in full of all principal of and interest on the Refunded Bonds may be remitted to the District, all in accordance with a Refunding Escrow Agreement, dated July 22, 2021 (the “Escrow Agreement”), between the District and the Escrow Agent. Under the terms of the Escrow Agreement, the Escrow Agent shall acknowledge receipt of the cash and securities transferred to the Escrow Agent for deposit in the Escrow Fund and shall agree to hold the cash and securities, and all earnings from the investments of the securities in the Escrow Fund, for the payment of the principal of and interest on the Refunded Bonds on each interest payment date, maturity, and redemption date with respect to the Refunded Bonds. Any money remitted to the District upon termination of the Escrow Agreement shall be deposited to the Debt Service Fund.

4.03. Prior Debt Service Fund. The debt service fund heretofore established for the Refunded Bonds pursuant to the resolution authorizing the issuance and sale of the Refunded Bonds (the “Prior Resolution”) shall be terminated on the date of issuance of the Bonds and all money in such debt service fund shall be transferred to the Escrow Fund herein created.

4.04. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bonds, as the same respectively become due, the full faith, credit, and taxing powers of the District will be and are hereby irrevocably pledged. If the balance in the Debt Service Fund is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency shall be promptly paid out of money in the general fund of the District which are available for such purpose, and such general fund shall be reimbursed with or without interest from the revenues derived from the Taxes when available.

4.05. Pledge of Taxes.

(a) To provide moneys for payment of the principal of and interest on the Bonds, there is hereby levied a direct annual irrevocable ad valorem tax (the “Taxes”) upon all of the taxable property in the District which shall be spread upon the tax rolls and collected with and as part of other general taxes of the District. The Taxes shall be credited to the Debt Service Fund above provided and shall be in the years and in the amounts set forth in EXHIBIT B attached hereto.

(b) The Taxes are such that if collected in full they, together with estimated collections of investment earnings and other revenues herein pledged for the payment of the Bonds, will produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levies so made and filed shall be irrevocable so long as any of the Bonds are outstanding and unpaid, provided that the District reserves the right to reduce the levies in the manner and to the extent permitted by Section 475.61, subdivision 3, of the Act.

4.06. Cancellation of Prior Levies after Redemption Date. Following the deposit in full in the Escrow Fund of the proceeds of the Bonds as required by Section 4.02 hereof, the Treasurer is hereby directed to certify such fact to and request the Director of the Taxpayer Services Department of Hennepin County, Minnesota to cancel any and all tax levies made for the Refunded Bonds pursuant to the Prior Resolution.

4.07. Registration of Resolution. The Clerk is authorized and directed to file a certified copy of this resolution with the Director of the Taxpayer Services Department of Hennepin County and to obtain the certificate required by Section 475.63 of Chapter 475.

Section 5. Refunding of Refunded Bonds; Findings; Redemption of Refunded Bonds.

5.01 Purpose of Refunding. The proceeds of the Bonds shall be applied to pay on each interest payment date on and prior to February 1, 2023, on the Refunded Bonds the accrued interest on the Refunded Bonds, pay the principal of the Series 2014A Bonds maturing on February 1, 2022, and on February 1, 2023, and pay on the Redemption Date the outstanding principal amount of the Refunded Bonds maturing after February 1, 2023, and called for optional redemption and prepayment on February 1, 2023. It is hereby found and determined that the issuance of the Bonds is consistent with covenants made with the holders of the Refunded Bonds.

5.02 Findings. In accordance with the requirements of Section 475.67, subdivision 12, of the Act, it is hereby found and determined, based upon information presently available from Ehlers and Associates, the municipal advisor of the District (the "Municipal Advisor"), that as a result of the issuance of the Bonds and application of the proceeds of the Bonds to the payment and redemption and prepayment of the Refunded Bonds, the present value of the dollar amount of the debt service on the Bonds, computed to their stated maturity dates is lower by at least three percent (3%) than the present value of the dollar amount of debt service on the Refunding Bonds computed to their stated maturity dates. The debt service reduction, after the inclusion of all authorized expenses of refunding in the computation of the effective interest rate on the Bonds, is adequate to authorize the issuance of the Bonds as provided by Section 475.67, subdivision 12, of the Act.

5.03 Deposit of Funds. As of the date of delivery of and payment for the Bonds, proceeds of the Bonds, plus accrued interest on the Bonds, less necessary expenses of the issuance of the Bonds, are hereby pledged and appropriated and will be deposited in the Escrow Fund. Proceeds of the Bonds in excess of the amount needed to fund the Escrow Fund and pay costs of issuance are appropriated to the Debt Service Fund in accordance with Section 4.01 hereof.

5.04 Payment of Bonds and Refunded Bonds. It is hereby found and determined that money available and appropriated to the Escrow Fund will be sufficient, together with the permitted earnings on the investment of the Escrow Fund, to pay interest on the Bonds through the Redemption Date, to pay the Series 2014A Bonds maturing on February 1, 2022, and on February 1, 2023, and to pay at redemption all of the principal of and redemption premium (if any) on the Refunded Bonds maturing after the Redemption Date.

5.05 Securities to Fund Escrow Fund. Securities purchased from the moneys in the Escrow Fund will be limited to securities specified in Section 475.67, subdivision 8 of the Act. The Escrow Agent, as agent for the District, is hereby authorized and directed to purchase for and on behalf of the District and in its name, appropriate securities to fund the Escrow Fund. Upon the issuance and delivery of the Bonds, the securities so purchased shall be deposited with the Escrow Agent and held pursuant to the terms of the Escrow Agreement and this resolution.

5.06 Notice of Call for Redemption. The Refunded Bonds maturing on and after February 1, 2023, shall be optionally redeemed and prepaid on the Redemption Date. The Refunded Bonds to be optionally redeemed and prepaid on the Redemption Date, shall be redeemed and prepaid in accordance with their terms and in accordance with the terms and conditions set forth in the form of Notice of Call for Redemption attached to the Escrow Agreement as EXHIBIT B, which terms and conditions are hereby approved and incorporated herein by reference. The registrar for the Refunded Bonds is authorized and directed to send a copy of the Notice of Call for Redemption to each registered holder of the Refunded Bonds on a date no later than thirty (30) days after the date of issuance of the Bonds.

5.07 Escrow Agreement. On or prior to the delivery of the Bonds, the Board Chair and the Clerk are hereby authorized and directed to execute on behalf of the District the Escrow Agreement with the Escrow Agent in substantially the form now on file with the Clerk. All essential terms and conditions of the Escrow Agreement, including payment by the District of reasonable charges for the services of the Escrow Agent, are hereby approved and adopted and made a part of this resolution, and the District covenants that it will promptly enforce all provisions thereof in the event of default thereunder by the Escrow Agent.

5.08 Payment of Costs of Issuance. The District authorizes the disbursement of the amount of proceeds of the Bonds allocable to the payment of issuance expenses as directed by the District.

Section 6. Authentication of Transcript.

6.01 Proceedings and Records. The officers of the District are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the District relating to the Bonds and to the financial condition and affairs of the District, and such other certificates, affidavits, and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds, and such instruments, including any heretofore furnished, will be deemed representations of the District as to the facts stated therein.

6.02. Certification as to Official Statement. The Board Chair, Clerk, and Treasurer are hereby authorized and directed to certify that they have examined the Preliminary Official Statement and the final Official Statement (collectively, the “Official Statement”) prepared and circulated in connection with the issuance and sale of the Bonds and that, to the best of their knowledge and belief, at the time of the sale of the Bonds and at all times subsequent thereto up to and including the time of the delivery of the Bonds, the Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

6.02 Other Certificates. The Board Chair, the Clerk, and the Treasurer are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the District or incumbency of its officers, at the closing the Board Chair, the Clerk, and the Treasurer shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the Treasurer shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

6.03 Electronic Signatures. The electronic signature of the Board Chair, Clerk, and Treasurer to this resolution and to any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the District thereto. For purposes hereof: (i) “electronic signature” means (a) a manually signed original signature that is then transmitted by electronic means, or (b) a signature obtained through DocuSign or Adobe or a similarly digitally auditable

signature gathering process; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

Section 7. Book-Entry System; Limited Obligation of District.

7.01. The Depository Trust Company. The Bonds shall be initially issued in the form of a separate single, typewritten, fully-registered Bond for each of the maturities set forth in Section 1.04 hereof. Upon initial issuance, the ownership of each such Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns (“DTC”). Except as provided in this section, all of the outstanding Bonds shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the District, the Registrar, and the Paying Agent shall have no responsibility or obligation to any broker dealers, banks, and other financial institutions from time to time for which DTC holds Bonds as securities depository (the “Participants”), or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar), of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The District, the Registrar, and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium, and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments shall be valid and effectual to fully satisfy and discharge the District’s obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, shall receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the Clerk of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words “Cede & Co.” will refer to such new nominee of DTC; and upon receipt of such a notice, the Clerk will promptly deliver a copy of the same to the Registrar and Paying Agent.

7.03. Representation Letter. The District has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the “Representation Letter”) which shall govern payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the District with respect to the Bonds shall agree to take all action necessary for all representations of the District in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

7.04. Transfers Outside Book-Entry System. In the event the District, by resolution of the Board, determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the District shall notify DTC, whereupon DTC shall notify the Participants, of the availability through DTC of Bond certificates. In such event the District shall issue, transfer, and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this resolution. DTC may determine to discontinue providing its services with respect to the

Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the District shall issue and the Registrar shall authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange, and method of payment thereof.

7.05. Payments to Cede & Co. Notwithstanding any other provision of this resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and notices with respect to the Bond shall be made and given, respectively, in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 8. Continuing Disclosure.

8.01. Execution of Continuing Disclosure Certificate. "Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate executed by the Board Chair and Clerk and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

8.02. Compliance with Provisions of Continuing Disclosure Certificate. The District hereby covenants and agrees that it shall comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this resolution, failure of the District to comply with the Continuing Disclosure Certificate will not be considered an event of default with respect to the Bonds; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this section.

Section 9. Defeasance. When all Bonds and all interest thereon have been discharged as provided in this section, all pledges, covenants, and other rights granted by this resolution to the holders of the Bonds shall cease, except that the pledge of the full faith and credit of the District for the prompt and full payment of the principal of and interest on the Bonds shall remain in full force and effect. The District may discharge all Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

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The motion for the adoption of the foregoing resolution was duly seconded by Member _____
and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

EXHIBIT A
FORM OF BOND

No. R-_____ UNITED STATES OF AMERICA \$ _____
STATE OF MINNESOTA
COUNTY OF HENNEPIN
INDEPENDENT SCHOOL DISTRICT NO. 284
(WAYZATA PUBLIC SCHOOLS)

TAXABLE GENERAL OBLIGATION SCHOOL BUILDING AND
ALTERNATIVE FACILITIES REFUNDING BONDS
SERIES 2021A

<u>Annual Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____ %	February 1, 20__	July 22, 2021	_____

Registered Owner: Cede & Co.

Principal Amount:

Independent School District No. 284 (Wayzata Public Schools), a duly organized and existing school district in Hennepin County, Minnesota (the “District”), acknowledges itself to be indebted and for value received promises to pay to the Registered Owner specified above or registered assigns, the Principal Amount specified above, on the Maturity Date specified above, with interest thereon from the date hereof at the Annual Rate specified above, payable February 1 and August 1 in each year, commencing February 1, 2022, to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by Bond Trust Services Corporation, as Registrar, Paying Agent, Transfer Agent, and Authenticating Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the District have been and are hereby irrevocably pledged.

The District may elect on February 1, 2029, and on any day thereafter to prepay Bonds due on or after February 1, 2030. Redemption may be in whole or in part and if in part, at the option of the District and in such manner as the District will determine. If less than all Bonds of a maturity are called for redemption, the District will notify The Depository Trust Company (“DTC”) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

This Bond is one of an issue in the aggregate principal amount of \$132,865,000 all of like original issue date and tenor, except as to number, maturity date, redemption privilege, and interest rate, all issued pursuant to a resolution adopted by the School Board of the District (the “Board”) on June 28, 2021 (the “Resolution”) to achieve the refunding of the District’s General Obligation School Building Bonds, Series 2014A, and the District’s General Obligation Alternative Facilities Bonds, Series 2014B, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota

Statutes, Chapter 475, as amended (the "Act"), and specifically Section 475.67 of the Act. The principal of and interest on the Bonds are payable from ad valorem taxes, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the District are irrevocably pledged for payment of this Bond and the Board has obligated itself to levy additional ad valorem taxes on all taxable property in the District in the event of any deficiency, which additional taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

The District has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55, and to guarantee the payments of the principal of and interest on this Bond when due, pursuant to said statute.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the District at the principal office of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the District will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The District and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the District nor the Registrar will be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the District in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond does not cause the indebtedness of the District to exceed any constitutional or statutory limitation of indebtedness.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, Independent School District No. 284 (Wayzata Public Schools), Hennepin County, Minnesota, by its Board, has caused this Bond to be executed on its behalf by the facsimile or manual signatures of the Board Chair and Clerk and has caused this Bond to be dated as of the date set forth below.

Dated: July 22, 2021

**INDEPENDENT SCHOOL DISTRICT NO.
284 (WAYZATA PUBLIC SCHOOLS),
HENNEPIN COUNTY, MINNESOTA**

(Facsimile)
Board Chair

(Facsimile)
Clerk

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

BOND TRUST SERVICES CORPORATION

By _____
Its Authorized Officer

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signatures Program ("MSP") or other such "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

The Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address: _____

(Include information for all joint owners if this Bond is held by joint account.)

Please insert social security or other identifying number of assignee

PROVISIONS AS TO REGISTRATION

The ownership of the principal of and interest on the within Bond has been registered on the books of the Registrar in the name of the person last noted below.

Date of Registration

Registered Owner

Signature of
Officer of Registrar

Cede & Co.
Federal ID #13-2555119

EXHIBIT B

TAX LEVY SCHEDULE

TAX LEVY CALCULATION

Issue ID# 339625

Independent School District No. 284 (Wayzata Public Schools), MN
 \$132,865,000 Taxable General Obligation School Building and
 Alternative Facilities Refunding Bonds, Series 2021A

Dated Date: 7/22/2021
 Call Date: 2/1/2029

\$104,565,000 School Building Refunding Portion

Tax Levy Year	Tax Collect Year	Bond Pay Year	Total P & I	Funds Available (1)	P & I @ 105%	Net Levy
2020	/ 2021	/ 2022	3,561,210.38	(926.22)	3,738,298.37	3,738,298.37 *
2021	/ 2022	/ 2023	3,559,065.00		3,737,018.25	3,737,018.25
2022	/ 2023	/ 2024	7,331,065.00		7,697,618.25	7,697,618.25
2023	/ 2024	/ 2025	9,303,915.00		9,769,110.75	9,769,110.75
2024	/ 2025	/ 2026	9,423,165.00		9,894,323.25	9,894,323.25
2025	/ 2026	/ 2027	9,422,515.00		9,893,640.75	9,893,640.75
2026	/ 2027	/ 2028	9,445,265.00		9,917,528.25	9,917,528.25
2027	/ 2028	/ 2029	10,310,515.00		10,826,040.75	10,826,040.75
2028	/ 2029	/ 2030	10,292,765.00		10,807,403.25	10,807,403.25
2029	/ 2030	/ 2031	10,251,377.50		10,763,946.38	10,763,946.38
2030	/ 2031	/ 2032	10,268,890.00		10,782,334.50	10,782,334.50
2031	/ 2032	/ 2033	10,294,055.00		10,808,757.75	10,808,757.75
2032	/ 2033	/ 2034	10,325,655.00		10,841,937.75	10,841,937.75
2033	/ 2034	/ 2035	10,352,860.00		10,870,503.00	10,870,503.00
Totals			124,142,317.88	(926.22)	130,348,461.24	130,348,461.24

(1) The following funds are available to pay a portion of the interest payment due 02/01/2022
 Deposit to Debt Service Fund
 (Rounding): 926.22

Notes: Original tax levies for collection years 2023 through 2034 on the Series 2014A Bonds will be cancelled.

* The District previously levied an amount sufficient to cover this payment.

TAX LEVY CALCULATION

Issue ID# 339625

Independent School District No. 284 (Wayzata Public Schools), MN
 \$132,865,000 Taxable General Obligation School Building and
 Alternative Facilities Refunding Bonds, Series 2021A

Dated Date: 7/22/2021
 Call Date: 2/1/2029

\$28,300,000 Alternative Facilities Refunding Portion

Tax Levy Year	Tax Collect Year	Bond Pay Year	Total P & I	Funds Available (1)	P & I @ 105%	Net Levy
2020	/ 2021	/ 2022	961,847.75	(1,316.73)	1,008,557.57	1,008,557.57 *
2021	/ 2022	/ 2023	961,560.00		1,009,638.00	1,009,638.00
2022	/ 2023	/ 2024	1,817,560.00		1,908,438.00	1,908,438.00
2023	/ 2024	/ 2025	2,242,610.00		2,354,740.50	2,354,740.50
2024	/ 2025	/ 2026	2,253,860.00		2,366,553.00	2,366,553.00
2025	/ 2026	/ 2027	2,228,310.00		2,339,725.50	2,339,725.50
2026	/ 2027	/ 2028	2,227,010.00		2,338,360.50	2,338,360.50
2027	/ 2028	/ 2029	2,404,210.00		2,524,420.50	2,524,420.50
2028	/ 2029	/ 2030	2,414,510.00		2,535,235.50	2,535,235.50
2029	/ 2030	/ 2031	2,430,520.00		2,552,046.00	2,552,046.00
2030	/ 2031	/ 2032	2,438,595.00		2,560,524.75	2,560,524.75
2031	/ 2032	/ 2033	2,447,650.00		2,570,032.50	2,570,032.50
2032	/ 2033	/ 2034	2,458,550.00		2,581,477.50	2,581,477.50
2033	/ 2034	/ 2035	2,471,090.00		2,594,644.50	2,594,644.50
2034	/ 2035	/ 2036	4,450,050.00		4,672,552.50	4,672,552.50
Totals			34,207,932.75	(1,316.73)	35,916,946.82	35,916,946.82

(1) The following funds are available to pay a portion of the interest payment due 02/01/2022
 Deposit to Debt Service Fund 1,316.73

Notes: Original tax levies for collection years 2023 through 2035 on the Series 2014B Bonds will be cancelled.

* The District previously levied an amount sufficient to cover this payment.

STATE OF MINNESOTA)
)
COUNTY OF HENNEPIN) ss.
)
INDEPENDENT SCHOOL)
NO. 284)

I, the undersigned, being the duly qualified and acting Clerk of Independent School District No. 284 (Wayzata Public Schools), Hennepin County, Minnesota (the “District”), do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the School Board of the District held on June 28, 2021, with the original minutes on file in my office and the extract is a full, true, and correct copy of the minutes insofar as they relate to the issuance and sale of the District’s Taxable General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A, in the original aggregate principal amount of \$132,865,000.

WITNESS My hand officially as such Clerk this _____ day of _____, 2021.

Clerk
Independent School District No. 284
(Wayzata Public Schools)
Hennepin County, Minnesota

MOODY'S

INVESTORS SERVICE

Rating Action: Moody's revises Wayzata ISD 284, MN's outlook to stable from negative & affirms Aaa issuer rating; assigns Aaa UND & Aa2 ENH to GOULT bonds

23 Jun 2021

New York, June 23, 2021 -- Moody's Investors Service has revised Wayzata Independent School District 284, MN's outlook to stable from negative and has affirmed the district's Aaa issuer rating, the Aaa rating on the outstanding general obligation unlimited tax (GOULT) bonds and the Aa1 rating the outstanding Certificates of Participation (COPs). The issuer rating reflects the district's ability to repay debt and debt-like obligations without consideration of any pledge, security, or structural features. Concurrently, Moody's has assigned Aaa underlying and Aa2 enhanced ratings to the district's \$136 million General Obligation Taxable School Building and Alternative Facilities Refunding Bonds, Series 2021A. Following the sale, the district will have about \$218 million in GOULT debt outstanding and \$28 million in annual appropriation COPs outstanding.

RATINGS RATIONALE

The Aaa issuer rating reflects the district's affluent tax base in the Twin Cities (Minneapolis, Aa1 stable; St. Paul, Aa1 stable) metropolitan area, consistently strong academic performance compared to the state, and while the available fund balance remains below peers at the Aaa rating, recent solid financial performance has resulted in improved reserves. The rating additionally incorporates the district's above average leverage and manageable fixed costs.

The Aaa GOULT rating is equivalent to the Aaa issuer rating because of the district's full faith and credit pledge with authority to raise ad valorem property taxes unlimited as to rate or amount.

The Aa1 rating on annual appropriation COPs is notched once from the Aaa issuer rating and reflects the risk of non-appropriation for lease payments and the more essential nature of the pledged assets, district facilities.

RATING OUTLOOK

The outlook has been revised to stable from negative to reflect the notably improved reserve position and the expectation that the large voter approved operating levy that increases annually with inflation combined with continued enrollment growth will support sound financial performance for several years. Also pointing to stability going forward is the fact that the district benefits from consistently strong voter support for operating levies and could also choose to add students through open enrollment should enrollment trends soften.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

-Upward movement in State of Minnesota's underlying GOULT rating (enhanced)

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

-Further increases in the already above-average leverage

-Weakened financial performance that results in narrowed reserves

-Downward movement in the State of Minnesota's underlying GOULT rating (enhanced)

-Weakening of the credit enhancement program mechanics (enhanced)

LEGAL SECURITY

The general obligation unlimited tax (GOULT) bonds are supported by the district's full faith and credit pledge and the authority to levy a dedicated property tax unlimited as to rate and amount. The bonds are additionally secured by statute. The GOULT bonds are also supported by the State of Minnesota's School District Credit Enhancement Program which provides for an unlimited advance from the state's general fund should the district be unable to meet debt service requirements.

The annual appropriation COPs are supported by district's pledge to make rental payments, subject to annual appropriation. The pledged asset are district facilities, which we deem to be more essential assets.

USE OF PROCEEDS

Proceeds will advance refund the district's General Obligation School Building Bonds, Series 2014A and the General Obligation Alternative Facilities Bonds, Series 2014B for anticipated interest cost savings.

PROFILE

Wayzata ISD 284 comprises an area of 38 square miles and is located approximately 13 miles west of the city of Minneapolis. The district is governed by an elected school board and employs a staff that includes 642 non-licensed employees and 945 licensed employees. The district provides education for about 12,000 students in grades kindergarten through twelve.

METHODOLOGY

The principal methodology used in the underlying ratings was US K-12 Public School Districts Methodology published in January 2021 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1202421.

The principal methodology used in the enhanced rating was State Aid Intercept Programs and Financings published in December 2017 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1067422. Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of these methodologies.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at http://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1263068.

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June 28, 2021

SALE DAY REPORT FOR:

Independent School District No. 284 (Wayzata Public Schools), MN

**\$132,865,000 Taxable General Obligation
School Building and Alternative Facilities
Refunding Bonds, Series 2021A**



Prepared by:

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BUILDING COMMUNITIES. IT'S WHAT WE DO.

COMPETITIVE SALE RESULTS

Purpose: To finance the advance refunding of the 2024 through 2035 maturities of the District's \$109,645,000 General Obligation School Building Bonds, Series 2014A and the 2024 through 2036 maturities of the District's \$27,160,000 General Obligation Alternative Facilities Bonds, Series 2014B.

Rating: MN Credit Enhancement Rating: Moody's Investor's Service "Aa2" Underlying Moody's Investor's Service "Aaa"

Number of Bids: 7

Low Bidder: Baird, Milwaukee, Wisconsin

Comparison from Lowest to Highest Bid: (TIC as bid)

Low Bid 1.8215%

High Bid 1.9190%

Interest Difference \$855,161

Summary of Sale Results:	
Principal Amount*:	\$132,865,000
Underwriter's Discount:	\$538,559
Reoffering Premium:	\$4,923,285
True Interest Cost*:	1.8304%
Costs of Issuance:	\$360,972
Yield:	0.10%-2.33%
Future Value Savings:	\$13,334,999
Present Value Savings:	\$11,547,355
Savings Percentage:	7.733%
Total Net P&I	\$158,350,251

** The winning bidder submitted a bid with a premium that was higher than the estimate in the Pre-Sale Report. As a result, the principal amount of the Bonds was decreased from \$135,755,000 (in the Pre-Sale Report and the Preliminary Official Statement) to \$132,865,000. This also resulted in a slight change to the True Interest Cost.*

Notes: The True Interest of 1.83% is slightly higher than the 1.75% estimated in the Pre-Sale report, resulting from increasing market interest rates. This resulted in slightly less savings than projected in the Pre-Sale report that was presented to the board on May 24th. The future value savings is \$13,334,999, representing a present value benefit as a percent of refunded debt service of 7.73%.

Closing Date: July 22, 2021

Designated Official Action: Resolution to award the sale of \$132,865,000 Taxable General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A.

Supplementary Attachments

- ✓ Bid Tabulation
- ✓ Sources and Uses of Funds
- ✓ Updated Debt Service Schedules
- ✓ Refunding Savings Analysis
- ✓ Rating Report
- ✓ Bond Resolution (Distributed Separately)

BID TABULATION

\$135,755,000* Taxable General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A

Independent School District No. 284 (Wayzata Public Schools), Minnesota

SALE: June 28, 2021

AWARD: BAIRD

MN Credit Enhancement Rating: Moody's Investor's Service "Aa2"

Underlying Rating: Moody's Investor's Service "Aaa"

Taxable - Non-Bank Qualified

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
BAIRD				\$140,346,989.95	\$21,150,126.49	1.8215%
Milwaukee, Wisconsin	2022	3.000%	0.100%			
C.L. King & Associates	2023	3.000%	0.250%			
Colliers Securities LLC	2024	3.000%	0.450%			
Edward Jones	2025	3.000%	0.680%			
Davenport & Co. L.L.C.	2026	3.000%	0.900%			
Loop Capital Markets	2027	3.000%	1.120%			
Northland Securities, Inc.	2028	3.000%	1.320%			
Duncan-Williams, Inc.	2029	3.000%	1.470%			
Country Club Bank	2030	1.650%	1.680%			
Crews & Associates, Inc.	2031	1.750%	1.780%			
Sierra Pacific Securities	2032	1.900%	1.930%			
BNYMellon Capital Markets	2033	2.000%	2.030%			
Isaak Bond Investments, Inc	2034	2.100%	2.130%			
SumRidge Partners	2035	2.200%	2.230%			
Oppenheimer & Co.	2036	2.300%	2.330%			
United Bankers Bank						
Midland Securities						
FMS Bonds Inc.						
Multi Bank Securities Inc.						
First Southern LLC						
Commerce Bank, N.A.						
280 Securities LLC						
Dinosaur Securities						
Mountainside Securities LLC						
StoneX Financial Inc.						
FHN Financial Capital Markets						

* Subsequent to bid opening the issue size was decreased to \$132,865,000.

Adjusted Price - \$137,249,726.08 Adjusted Net Interest Cost - \$21,100,524.55 Adjusted TIC - 1.8304%

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
WELLS FARGO BANK, NATIONAL ASSOCIATION Charlotte, North Carolina				\$136,059,388.30	\$21,046,211.95	1.8342%
PIPER SANDLER & CO. Chicago, Illinois				\$137,343,293.16	\$21,334,758.09	1.8533%
MORGAN STANLEY & CO, LLC New York, New York				\$135,211,980.00	\$21,263,708.38	1.8586%
J.P. MORGAN SECURITIES LLC New York, New York				\$135,919,568.81	\$21,420,255.19	1.8644%
CITIGROUP GLOBAL MARKETS INC. New York, New York				\$135,218,466.25	\$21,863,508.13	1.9111%
BANK OF AMERICA MERRILL LYNCH New York, New York				\$135,469,802.50	\$22,005,287.69	1.9190%

Bid Tabulation
Independent School District No. 284 (Wayzata Public Schools), Minnesota
\$135,755,000* Taxable General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A

June 28, 2021

Wayzata School District No. 284

\$132,865,000 G.O. Taxable Sch Bld and Alternative Facilities Refunding Bds, Series 2021A
Issue Summary

Dated: July 22, 2021 - Taxable Advance Refunding of Series 2014A & 2014B

Total Issue Sources And Uses

Dated 07/22/2021 | Delivered 07/22/2021

	Taxable Net Cash Refunding 2014A Portion	Taxable Net Cash Refunding 2014B Portion	Issue Summary
Sources Of Funds			
Par Amount	\$104,565,000.00	\$28,300,000.00	\$132,865,000.00
Original Issue Premium	4,022,214.55	901,070.90	4,923,285.45
Total Sources	\$108,587,214.55	\$29,201,070.90	\$137,788,285.45
Uses Of Funds			
Total Underwriter's Discount (0.405%)	423,847.22	114,712.15	538,559.37
Costs of Issuance	284,085.63	76,886.37	360,972.00
Deposit to Net Cash Escrow Fund	107,878,355.48	29,008,155.65	136,886,511.13
Rounding Amount	926.22	1,316.73	2,242.95
Total Uses	\$108,587,214.55	\$29,201,070.90	\$137,788,285.45

Wayzata School District No. 284

\$132,865,000 G.O. Taxable Sch Bld and Alternative Facilities Refunding Bds, Series 2021A
Issue Summary

Dated: July 22, 2021 - Taxable Advance Refunding of Series 2014A & 2014B

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+	Fiscal Total
07/22/2021	-	-	-	-	-
02/01/2022	2,840,000.00	3.000%	1,683,058.13	4,523,058.13	4,523,058.13
08/01/2022	-	-	1,560,312.50	1,560,312.50	-
02/01/2023	1,400,000.00	3.000%	1,560,312.50	2,960,312.50	4,520,625.00
08/01/2023	-	-	1,539,312.50	1,539,312.50	-
02/01/2024	6,070,000.00	3.000%	1,539,312.50	7,609,312.50	9,148,625.00
08/01/2024	-	-	1,448,262.50	1,448,262.50	-
02/01/2025	8,650,000.00	3.000%	1,448,262.50	10,098,262.50	11,546,525.00
08/01/2025	-	-	1,318,512.50	1,318,512.50	-
02/01/2026	9,040,000.00	3.000%	1,318,512.50	10,358,512.50	11,677,025.00
08/01/2026	-	-	1,182,912.50	1,182,912.50	-
02/01/2027	9,285,000.00	3.000%	1,182,912.50	10,467,912.50	11,650,825.00
08/01/2027	-	-	1,043,637.50	1,043,637.50	-
02/01/2028	9,585,000.00	3.000%	1,043,637.50	10,628,637.50	11,672,275.00
08/01/2028	-	-	899,862.50	899,862.50	-
02/01/2029	10,915,000.00	3.000%	899,862.50	11,814,862.50	12,714,725.00
08/01/2029	-	-	736,137.50	736,137.50	-
02/01/2030	11,235,000.00	1.650%	736,137.50	11,971,137.50	12,707,275.00
08/01/2030	-	-	643,448.75	643,448.75	-
02/01/2031	11,395,000.00	1.750%	643,448.75	12,038,448.75	12,681,897.50
08/01/2031	-	-	543,742.50	543,742.50	-
02/01/2032	11,620,000.00	1.900%	543,742.50	12,163,742.50	12,707,485.00
08/01/2032	-	-	433,352.50	433,352.50	-
02/01/2033	11,875,000.00	2.000%	433,352.50	12,308,352.50	12,741,705.00
08/01/2033	-	-	314,602.50	314,602.50	-
02/01/2034	12,155,000.00	2.100%	314,602.50	12,469,602.50	12,784,205.00
08/01/2034	-	-	186,975.00	186,975.00	-
02/01/2035	12,450,000.00	2.200%	186,975.00	12,636,975.00	12,823,950.00
08/01/2035	-	-	50,025.00	50,025.00	-
02/01/2036	4,350,000.00	2.300%	50,025.00	4,400,025.00	4,450,050.00
Total	\$132,865,000.00	-	\$25,485,250.63	\$158,350,250.63	-

Yield Statistics

Bond Year Dollars	\$1,133,614.13
Average Life	8.532 Years
Average Coupon	2.2481416%
Net Interest Cost (NIC)	1.8613498%
True Interest Cost (TIC)	1.8304779%
Bond Yield for Arbitrage Purposes	1.7792723%
All Inclusive Cost (AIC)	1.8649468%

IRS Form 8038

Net Interest Cost	1.7741389%
Weighted Average Maturity	8.411 Years

Wayzata School District No. 284

\$132,865,000 G.O. Taxable Sch Bld and Alternative Facilities Refunding Bds, Series 2021A
Issue Summary

Dated: July 22, 2021 - Taxable Advance Refunding of Series 2014A & 2014B

Debt Service Comparison

Date	Total P+	Existing D/S	Net New D/S	Old Net D/S	Savings
02/01/2022	4,523,058.13	2,129,200.00	6,650,015.18	6,656,068.76	6,053.58
02/01/2023	4,520,625.00	2,199,050.00	6,719,675.00	6,725,918.76	6,243.76
02/01/2024	9,148,625.00	-	9,148,625.00	9,151,868.76	3,243.76
02/01/2025	11,546,525.00	-	11,546,525.00	12,738,118.76	1,191,593.76
02/01/2026	11,677,025.00	-	11,677,025.00	12,867,368.76	1,190,343.76
02/01/2027	11,650,825.00	-	11,650,825.00	12,844,068.76	1,193,243.76
02/01/2028	11,672,275.00	-	11,672,275.00	12,867,718.76	1,195,443.76
02/01/2029	12,714,725.00	-	12,714,725.00	13,906,418.76	1,191,693.76
02/01/2030	12,707,275.00	-	12,707,275.00	13,895,618.76	1,188,343.76
02/01/2031	12,681,897.50	-	12,681,897.50	13,870,981.26	1,189,083.76
02/01/2032	12,707,485.00	-	12,707,485.00	13,895,156.26	1,187,671.26
02/01/2033	12,741,705.00	-	12,741,705.00	13,935,581.26	1,193,876.26
02/01/2034	12,784,205.00	-	12,784,205.00	13,975,781.26	1,191,576.26
02/01/2035	12,823,950.00	-	12,823,950.00	14,012,737.50	1,188,787.50
02/01/2036	4,450,050.00	-	4,450,050.00	4,667,850.00	217,800.00
Total	\$158,350,250.63	\$4,328,250.00	\$162,676,257.68	\$176,011,256.38	\$13,334,998.70

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	11,545,111.76
Net PV Cashflow Savings @ 1.779%(Bond Yield)....	11,545,111.76
Contingency or Rounding Amount.....	2,242.95
Net Present Value Benefit	\$11,547,354.71
Net PV Benefit / \$149,333,397.21 PV Refunded Debt Service	7.733%
Net PV Benefit /\$128,150,000 Refunded Principal...	9.011%
Net PV Benefit /\$132,865,000 Refunding Principal..	8.691%

Refunding Bond Information

Refunding Dated Date	7/22/2021
Refunding Delivery Date	7/22/2021

Rating Action: Moody's revises Wayzata ISD 284, MN's outlook to stable from negative & affirms Aaa issuer rating; assigns Aaa UND & Aa2 ENH to GOULT bonds

23 Jun 2021

New York, June 23, 2021 -- Moody's Investors Service has revised Wayzata Independent School District 284, MN's outlook to stable from negative and has affirmed the district's Aaa issuer rating, the Aaa rating on the outstanding general obligation unlimited tax (GOULT) bonds and the Aa1 rating the outstanding Certificates of Participation (COPs). The issuer rating reflects the district's ability to repay debt and debt-like obligations without consideration of any pledge, security, or structural features. Concurrently, Moody's has assigned Aaa underlying and Aa2 enhanced ratings to the district's \$136 million General Obligation Taxable School Building and Alternative Facilities Refunding Bonds, Series 2021A. Following the sale, the district will have about \$218 million in GOULT debt outstanding and \$28 million in annual appropriation COPs outstanding.

RATINGS RATIONALE

The Aaa issuer rating reflects the district's affluent tax base in the Twin Cities (Minneapolis, Aa1 stable; St. Paul, Aa1 stable) metropolitan area, consistently strong academic performance compared to the state, and while the available fund balance remains below peers at the Aaa rating, recent solid financial performance has resulted in improved reserves. The rating additionally incorporates the district's above average leverage and manageable fixed costs.

The Aaa GOULT rating is equivalent to the Aaa issuer rating because of the district's full faith and credit pledge with authority to raise ad valorem property taxes unlimited as to rate or amount.

The Aa1 rating on annual appropriation COPs is notched once from the Aaa issuer rating and reflects the risk of non-appropriation for lease payments and the more essential nature of the pledged assets, district facilities.

RATING OUTLOOK

The outlook has been revised to stable from negative to reflect the notably improved reserve position and the expectation that the large voter approved operating levy that increases annually with inflation combined with continued enrollment growth will support sound financial performance for several years. Also pointing to stability going forward is the fact that the district benefits from consistently strong voter support for operating levies and could also choose to add students through open enrollment should enrollment trends soften.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

-Upward movement in State of Minnesota's underlying GOULT rating (enhanced)

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

-Further increases in the already above-average leverage

-Weakened financial performance that results in narrowed reserves

-Downward movement in the State of Minnesota's underlying GOULT rating (enhanced)

-Weakening of the credit enhancement program mechanics (enhanced)

LEGAL SECURITY

The general obligation unlimited tax (GOULT) bonds are supported by the district's full faith and credit pledge and the authority to levy a dedicated property tax unlimited as to rate and amount. The bonds are additionally secured by statute. The GOULT bonds are also supported by the State of Minnesota's School District Credit Enhancement Program which provides for an unlimited advance from the state's general fund should the district be unable to meet debt service requirements.

The annual appropriation COPs are supported by district's pledge to make rental payments, subject to annual appropriation. The pledged asset are district facilities, which we deem to be more essential assets.

USE OF PROCEEDS

Proceeds will advance refund the district's General Obligation School Building Bonds, Series 2014A and the General Obligation Alternative Facilities Bonds, Series 2014B for anticipated interest cost savings.

PROFILE

Wayzata ISD 284 comprises an area of 38 square miles and is located approximately 13 miles west of the city of Minneapolis. The district is governed by an elected school board and employs a staff that includes 642 non-licensed employees and 945 licensed employees. The district provides education for about 12,000 students in grades kindergarten through twelve.

METHODOLOGY

The principal methodology used in the underlying ratings was US K-12 Public School Districts Methodology published in January 2021 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1202421.

The principal methodology used in the enhanced rating was State Aid Intercept Programs and Financings published in December 2017 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1067422. Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of these methodologies.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

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CREDIT OPINION

23 June 2021

 Rate this Research

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Wayzata Independent School District 284, MN

Update to credit analysis following assignment of stable outlook

Summary

[Wayzata Independent School District 284](#) (Aaa stable) benefits from an affluent and growing tax base in the Twin Cities ([Minneapolis](#), Aa1 stable; [St. Paul](#), Aa1 stable) metropolitan area and consistently strong academic performance compared to the state. While the district's available fund balance remains somewhat weak for the Aaa rating, the solid financial performance has resulted in several years of growing reserves. The district's primary challenge remains the above average leverage for the Aaa rating, although fixed costs remain manageable.

On June 23, we revised the district's outlook to stable from negative and affirmed the Aaa issuer rating, Aaa general obligation unlimited tax (GOULT) rating and the Aa1 annual appropriation certificate of participation (COP) rating.

Credit strengths

- » Affluent tax base in the Twin Cities metro with a long-term trend of growing enrollment
- » Consistently strong voter support
- » Consistently strong academic performance compared to the state
- » Solid financial performance with several years of growing reserves

Credit challenges

- » Relatively narrow fund balance for the Aaa rating
- » Above average leverage for the Aaa rating

Rating outlook

The stable outlook reflects the notably improved reserve position and the expectation that going forward the large voter approved operating levy that increases annually with inflation combined with continued enrollment growth will support sound financial performance for several years. Also pointing to stability going forward is the fact that the district benefits from consistently strong voter support for operating levies and could also choose to add students through open enrollment should enrollment trends soften.

Factors that could lead to an upgrade

- » Not applicable

Factors that could lead to a downgrade

- » Further increases in the already above-average leverage
- » Weakened financial performance that results in narrowed reserves

Key indicators

Exhibit 1

Wayzata Independent School District 284, MN

	2017	2018	2019	2020	Aaa Medians
Economy					
Resident income	162.6%	176.8%	184.4%	N/A	183.2%
Full value (\$000)	\$13,578,401	\$14,127,006	\$14,861,852	\$15,732,786	\$13,609,741
Population	67,268	69,279	71,654	N/A	45,569
Full value per capita	\$201,855	\$203,915	\$207,411	N/A	\$214,726
Enrollment	11,292	11,706	11,948	12,207	4,762
Enrollment trend	N/A	N/A	3.1%	2.6%	0.2%
Financial performance					
Operating revenue (\$000)	\$157,421	\$164,462	\$176,703	\$188,281	\$124,842
Available fund balance (\$000)	\$15,445	\$16,621	\$25,140	\$31,739	\$37,202
Net cash (\$000)	\$25,899	\$33,777	\$53,923	\$65,180	\$47,065
Available fund balance ratio	9.8%	10.1%	14.2%	16.9%	28.7%
Net cash ratio	16.5%	20.5%	30.5%	34.6%	38.6%
Leverage					
Debt (\$000)	\$169,057	\$236,335	\$230,324	\$255,648	\$49,826
ANPL (\$000)	\$460,853	\$418,405	\$327,444	\$411,417	\$163,604
OPEB (\$000)	N/A	\$8,051	\$12,491	\$17,824	\$23,033
Long-term liabilities ratio	N/A	403.0%	322.7%	363.8%	227.6%
Implied debt service (\$000)	\$13,445	\$12,557	\$17,414	\$16,793	\$3,912
Pension tread water (\$000)	\$10,695	\$9,697	\$9,036	\$9,634	\$4,849
OPEB contributions (\$000)	N/A	\$27	\$1,956	\$66	\$923
Fixed-costs ratio	N/A	13.5%	16.1%	14.1%	10.8%

For definitions of the metrics in the table above please refer to the [US K-12 Public School Districts Methodology](#) or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published [K-12 Median Report](#).

Sources: US Census Bureau, Wayzata Independent School District 284, MN's financial statements and Moody's Investors Service

Profile

Wayzata ISD 284 comprises an area of 38 square miles and is located approximately 13 miles west of the city of Minneapolis. The district is governed by an elected school board and employs a staff that includes 642 nonlicensed employees and 945 licensed employees. The district provides education for about 12,000 students in grades kindergarten through twelve.

Detailed credit considerations

Economy: affluent and growing tax base; long-term trend of enrollment growth

The district's growing and affluent tax base will remain a credit strength because of the continued long-term trend of population growth coupled with the current levels of economic development underway despite the national economic slowdown from the coronavirus pandemic. Wealth and income indicators are very strong, with full value per capita at \$232,000 and adjusted resident incomes equal to about 184% of the national figure. The tax base is primarily residential (67%) but also has a notable commercial/

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

industrial (30%) component. Tax base growth has been driven primarily by residential construction, a trend that is expected to continue. Residents have access to diverse employment opportunities throughout the Twin Cities metropolitan area.

Wayzata consistently produces very strong academic results compared to the state. The district's enrollment has been gradually growing for the last 20 years. The pandemic drove a modest enrollment decline though enrollment is likely to begin growing again in fiscal 2022. Open enrollment does not factor into the enrollment growth because the district has been closed to open enrollment for about 10 years. However, should the enrollment trends soften, the district has the option to add students through open enrollment.

Financial operations: reserves are somewhat weak for the Aaa rating but will remain stable

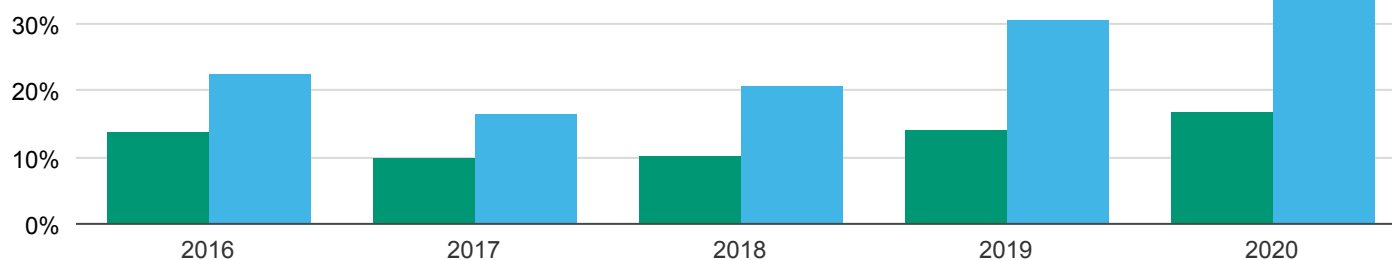
The district benefits from a large voter approved operating levy that increases annually with inflation which combined with continued enrollment growth will support sound financial performance for several years. The district's fiscal 2021 estimates reflect a \$3 million decline in reserves, which was entirely driven by the negative enrollment variances during the year because of the pandemic. Favorably, the district has received about \$8 million in total state and federal funding related to the pandemic. Management is in the process of completing the fiscal 2022 budget and expects balanced operations with no material change in reserves.

Operating reserves have nearly doubled since their low point in 2017, increasing to \$32 million from \$15.5 million and are now equal to 17% of revenue (see exhibit). Despite this growth, the fund balance remains relatively low for the Aaa rating.

Exhibit 2

Steady enrollment growth coupled with voter approved operating levy driving solid growth in operating reserves and liquidity

■ Available fund balance ratio (available fund balance / operating revenue) ■ Net cash ratio (net cash / operating revenue)



Note: The adjusted NOL is not available pre-GASB 75

Source: Issuer financial statements; Moody's Investors Service

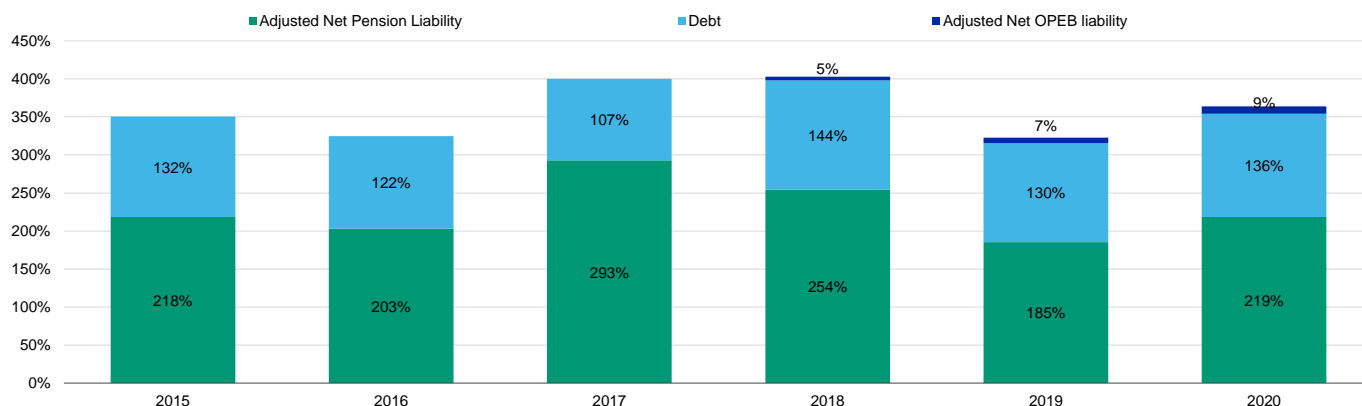
Liquidity

The district's liquidity is consistently higher than fund balance because the district defers a large portion of current-year property tax revenue into the following fiscal year. The district closed fiscal 2020 with a net cash position of \$65 million, equal to 35% of revenue which is in line with its Aaa peers nationally.

Leverage

Balance sheet leverage related debt, pensions and OPEB liabilities will likely remain elevated because of the high adjusted net pension metrics (ANPL). Inclusive of the 2021 refunding, the district has \$247 million in outstanding debt, equal to about 130% revenue. There are no near-term debt plans but the district may need to go to voters for a new middle school by 2026 if enrollment continues growing at the current rate. Total leverage related to long-term debt, pension, and OPEB liabilities is equal to about 359% of operating revenue while fixed costs typically hover around 15% of revenue.

Exhibit 3

Combined debt and pension burdens driving above leverage for the Aaa rating

Source: audited financial statements; Moody's Investors Service

Legal security

The general obligation unlimited tax (GOULT) bonds are supported by the district's full faith and credit pledge and the authority to levy a dedicated property tax unlimited as to rate and amount. The bonds are additionally secured by statute. The GOULT bonds are also supported by the State of Minnesota's School District Credit Enhancement Program which provides for an unlimited advance from the state's general fund should the district be unable to meet debt service requirements.

The annual appropriation COPs are supported by district's pledge to make rental payments, subject to annual appropriation. The pledged asset are district facilities, which we deem to be more essential assets.

Debt structure

The district's debt structure includes about \$218 million of GOULT debt and \$28 million of annual appropriation COPs. All of the district's debt is fixed rate and amortizes over the long term.

Debt-related derivatives

The district is not a party to any interest rate swap agreements.

Pensions and OPEB

The district participates in two multiple-employer cost-sharing plans, the General Employees Retirement Fund (GERF) and the Teachers Retirement Association of Minnesota (TRA). Most of its unfunded liabilities are attributable to the TRA. In aggregate, the total contributions to TRA from all participating school districts in 2020 were equal to about 81% of our Tread Water indicator. Wayzata ISD 284 has an adjusted net pension liability (ANPL) equal to \$411 million, which is equal to about 219% of operating revenue. In comparison, the reported GASB net pension liability totals about \$108 million.

Other post-employment benefits (OPEB) obligations do not represent a material credit risk for the district. Both the district's reported net OPEB liability and our adjusted net OPEB liability for the district, based on the use of a different discount rate, total about \$18 million.

ESG considerations**Environmental**

Environmental considerations are not material to the district's credit profile. According to data from Moody's affiliate Four Twenty Seven, Hennepin County's environmental hazard scores range from no risk to medium risk for the five environmental factors considered including heat stress, water stress, extreme rainfall, sea level rise and exposure to hurricanes and typhoons.

Social

Social considerations are a factor in the district's credit profile. The median age of district residents (40) is slightly above the state (38) and national (38) medians. The district's school-age population (19%) is also slightly above the state's rate (17%) and the national rate (17%). The district's population has seen strong growth for several decades, increasing to 72,000 residents in 2019 from 30,000 in

1980. Before the unexpected enrollment decline during the pandemic, the district's enrollment had been gradually growing for more than 20 years. The adjusted median household income is very strong, equal to 184% of the national median.

Governance

Wayzata ISD 284 is governed by a school board that is elected by the voters of the district. The school board adopts an annual budget for all governmental funds prepared on the same basis of accounting as the fund financial statements. The district's adopted fund balance policy for the general fund establishes a year-end minimum unassigned fund balance of between 5% and 7% of the previous year's expenditures.

Minnesota school districts have an Institutional Framework score ¹ of A. The state controls the bulk of school district revenue through a per-pupil funding formula. The state has provided for regular annual increases in the funding formula for several years but has delayed disbursements in the past. Districts can generate a moderate amount of additional locally determined revenue with the ability to access up to \$724 per pupil of local optional revenue, with most districts accessing the full amount. Districts can also go to voters for an additional operating referendum authority up to the standard referendum cap, which is about \$1,800 per pupil and increases with inflation.

Rating methodology and scorecard factors

The US K-12 Public School Districts Methodology includes a scorecard, a tool providing a composite score of a school district's credit profile based on the weighted factors we consider most important, universal and measurable, as well as possible notching factors dependent on individual credit strengths and weaknesses. Its purpose is not to determine the final rating, but rather to provide a standard platform from which to analyze and compare school district credits.

Wayzata's Aaa issuer rating is two notches above the Aa3 scorecard indicated outcome because of the district's consistently strong academic performance compared to the state as well as the consistently strong support voter support for operating levies and bond referendums, with the most recent referendums receiving nearly 80% approval rates.

Exhibit 4

Wayzata Independent School District 284, MN

	Measure	Weight	Score
Economy			
Resident Income (MHI Adjusted for RPP / US MHI)	184.4%	10.0%	Aaa
Full value per capita (full valuation of the tax base / population)	231,644	10.0%	Aaa
Enrollment trend (three-year CAGR in enrollment)	0.9%	10.0%	Aa
Financial performance			
Available fund balance ratio (available fund balance / operating revenue)	16.9%	20.0%	A
Net cash ratio (net cash / operating revenue)	34.6%	10.0%	Aaa
Institutional framework			
Institutional Framework	A	10.0%	A
Leverage			
Long-term liabilities ratio ((debt + ANPL + adjusted net OPEB) / operating revenue)	358.9%	20.0%	A
Fixed-costs ratio (adjusted fixed costs / operating revenue)	14.1%	10.0%	Aaa
Notching factors			
No notchings applied			
Scorecard-Indicated Outcome			Aa3
Assigned Rating			Aaa

Sources: US Census Bureau, Wayzata Independent School District 284, MN's financial statements and Moody's Investors Service

Appendix

Exhibit 5

Key Indicators Glossary

	Definition	Typical Source*
Economy		
Resident income	Median Household Income (MHI), adjusted for Regional Price Parity (RPP), as a % of the US	MHI: American Community Survey (US Census Bureau) RPP: US Bureau of Economic Analysis
Full value (\$000)	Estimated market value of taxable property accessible to the district	State repositories, district's audited financial reports, offering documents or continuing disclosure
Population	Population of school district	American Community Survey (US Census Bureau)
Full value per capita	Full value / population of school district	
Enrollment	Student enrollment of school district	State data publications
Enrollment trend	3-year Compound Annual Growth Rate (CAGR) of Enrollment	State data publications; Moody's Investors Service
Financial performance		
Operating revenue (\$000)	Total annual operating revenue in what we consider to be the district's operating funds	Audited financial statements
Available fund balance (\$000)	Committed, assigned and unassigned fund balances in what we consider to be the district's operating funds	Audited financial statements
Net cash (\$000)	Net cash (cash and liquid investments minus short-term debt) in what we consider to be the district's operating funds	Audited financial statements
Available fund balance ratio	Available fund balance / Operating Revenue	Audited financial statements
Net cash ratio	Net Cash / Operating Revenue	Audited financial statements
Leverage		
Debt (\$000)	District's direct gross debt outstanding	Audited financial statements; official statements
ANPL (\$000)	District's pension liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Investors Service
OPEB (\$000)	District's net other post-employment benefit (OPEB) liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Investors Service
Long-term liabilities ratio	Debt, ANPL and OPEB liabilities as % of operating revenue	Audited financial statements, official statements; Moody's Investors Service
Implied debt service (\$000)	Annual cost to amortize district's long-term debt over 20 years with level payments	Audited financial statements; official statements; Moody's Investors Service
Pension tread water (\$000)	Pension contribution necessary to prevent reported unfunded pension liabilities from growing, year over year, in nominal dollars, if all actuarial assumptions are met	Audited financial statements; Moody's Investors Service
OPEB contributions (\$000s)	District's actual contribution in a given period, typically the fiscal year	Audited financial statements; official statements
Fixed-costs ratio	Implied debt service, pension tread water and OPEB contributions as % of operating revenue	Audited financial statements, official statements, pension system financial statements

*Note: If typical data source is not available then alternative sources or proxy data may be considered. For more detailed definitions of the metrics listed above please refer to the [US K-12 Public School Districts Methodology](#).

Source: Moody's Investors Service

Endnotes

- The institutional framework score categorically assesses whether a district has the legal ability to raise the bulk of its operating revenue at the local level or if the state determines the bulk of its operating revenue. Beyond the local versus state categorization, the strength of the institutional framework score is a measure of the district's flexibility in raising additional locally determined operating revenue. See [US K-12 Public School Districts Methodology](#) for more details.

PROPOSAL FORM

**The School Board
Independent School District No. 284 (Wayzata Public Schools), Minnesota (the "District")**

June 28, 2021

RE: \$135,755,000* Taxable General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A (the "Bonds")

DATED: July 22, 2021

For all or none of the above Bonds, in accordance with the Terms of Proposal and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$140,346,989.95 (not less than \$135,211,980) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

3.00	%	due	2022	3.00	%	due	2027	1.90	%	due	2032
3.00	%	due	2023	3.00	%	due	2028	2.00	%	due	2033
3.00	%	due	2024	3.00	%	due	2029	2.10	%	due	2034
3.00	%	due	2025	1.65	%	due	2030	2.20	%	due	2035
3.00	%	due	2026	1.75	%	due	2031	2.30	%	due	2036

* The District reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2022 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$2,715,100 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The District reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the District may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the District as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Terms of Proposal. This proposal is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Terms of Proposal. Delivery is anticipated to be on or about July 22, 2021.

This proposal is subject to the District's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the District with the reoffering price of the Bonds within 24 hours of the proposal acceptance.

This proposal is a firm offer for the purchase of the Bonds identified in the Terms of Proposal, on the terms set forth in this proposal form and the Terms of Proposal, and is not subject to any conditions, except as permitted by the Terms of Proposal.

By submitting this proposal, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: NO: .

Account Manager: Robert W. Baird & Co., Inc.

Account Members: Syndicate members

By: 

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from July 22, 2021 of the above proposal is \$21,150,126.49 and the true interest cost (TIC) is 1.821523 %.

The foregoing offer is hereby accepted by and on behalf of the School Board of Independent School District No. 284 (Wayzata Public Schools), Minnesota, on June 28, 2021.

By: _____

Title: _____

By: _____

Title: _____



BOARD OF EDUCATION
Special Meeting – June 28, 2021

AGENDA SECTION: Administrative Reports and Recommendations

ITEM: Finance and Business Services Recommendations

COMMENTS BY: Jim Westrum, Executive Director of Finance and Business

Central Middle School Track Rehabilitation Project

The bid opening for the Central Middle School Track Rehabilitation project was held at the Wayzata Public Schools Welcome Center on Thursday, June 3, 2021, at 2:00 P.M. The scope of the project includes removing the existing asphalt, treating existing souls beneath the asphalt, and repaving the surface. The project is being financed by Long-Term Facilities Maintenance funding.

The enclosed document lists the lowest responsible bidders and their respective base bid amounts for the purposes of contract awards. Also enclosed is a detailed bid tabulation and recommendation from INSPEC.

At the June 14, 2021 Regular Meeting, the lowest responsible bidder, Northland Paving, was awarded construction contracts for the project. Northland Paving has since withdrawn their bid. The recommendation is to award to the remaining lowest responsible bidder, Park Construction Company, construction contracts for the project.

Recommended Action: Award to the second lowest responsible bidder listed in the enclosed document, Park Construction Company, in the total amount of \$175,944.00, construction contracts for the project.

Motion by: _____

ROLL CALL

Passed: _____

Second by: _____

Failed: _____

Abstentions: _____ 59 _____



Smart engineering of
roofs, walls, windows,
pavements
and waterproofing

June 21, 2021

Mr. Rod Peterson
Wayzata Public Schools
17305 – 19th Avenue North
Plymouth, MN 55447

RE: 2021 Athletic Track Rehabilitation at Wayzata Central Middle School

Dear Mr. Peterson:

Following the School Board's award of the above-referenced project, Inspec prepared and distributed construction contracts to the apparent low bidder, Northland Paving. On Friday, June 18, 2021, our office was contacted by representatives with Northland Paving requesting withdrawal of their bid. Subsequently, we received the attached letter confirming Northland Paving's desire to be released from the project.

Following receipt of this information, our personnel contacted Park Construction Company, who submitted the second lowest bid for the project in the amount of \$175,944. Park Construction had an opportunity to review their bid and indicated that they would be able to perform the work as specified for the submitted bid amount. We have personal experience working with Park Construction and feel they are competent and qualified to perform the specified work.

Based on the above information, we would recommend acceptance of Park Construction's bid, in the amount of \$175,944. If you have any questions or comments regarding the above information, please feel free to contact our office.

Sincerely,

INSPEC

A handwritten signature in blue ink, appearing to read "Brent Boelter".

Brent Boelter, P.E.
Project Manager

BB/nmm

Enclosure

5801 Duluth Street
Minneapolis, MN 55422
Ph. 763-546-3434
Fax 763-546-8669

Chicago

Milwaukee

Minneapolis

Rochester



June 21, 2021

Mr. Rodney Peterson
Construction Project Coordinator
Wayzata Public Schools
17305-19th Avenue North
Plymouth, MN 55447

Re: Wayzata Track bid

Dear Mr. Peterson,

On May 17th I hired a new estimator to assist me who came highly recommended by several of my suppliers. When he asked if he could bid this project I told him we do not work on school tracks and tennis courts. I explained to him that our portfolio was primarily new commercial and private parking lots. We work extensively with General Contractors all over the Twin Cities. He assured me that he had extensive experience bidding these types of projects and asked for me to make an exception. Since he was new I agreed that he could bid the project.

After receiving the bid results I was alarmed with his bid and asked him to explain how he arrived at the number he had on the job. His reaction was less than professional. That conversation occurred on Thursday, June 17th. Friday morning, June 18th, I received an email of resignation with no notice and no explanation. I do not have any paperwork, plans, information of any kind on this project to try to determine what he bid on it. I have not received a contract as it was sent to his email of which there is no correspondence in his email since we took it back from him.

I realize that I signed the bid bond in good faith that this highly recommended estimator had a solid bid. Unfortunately, I have been blindsided by the behavior of this man and now feel we will struggle with this project under the circumstances and without any knowledge of how it was bid. I ask that you take this into consideration when you make the decision to allow us out of this contract.

Sincerely,

A handwritten signature in black ink that reads "Dan Dauffenbach". The signature is written in a cursive style with a large, prominent "D" and "B".

Dan Dauffenbach
President



INSPEC

Smart engineering of
roofs, walls, windows,
pavements
and waterproofing

June 8, 2021

Mr. Rod Peterson
Wayzata Public Schools
17305 – 19th Avenue North
Plymouth, MN 55447

RE: 2021 Athletic Track Rehabilitation at Wayzata Central Middle School

Dear Mr. Peterson:

On June 3, 2021, competitive bids were received for the above-referenced project. Northland Paving submitted the lowest Base Bid in the amount of \$159,333.

Our personnel contacted Mr. Ryan Lake from Northland Paving regarding the bid results. Northland Paving had an opportunity to review their bid and indicated that they would be able to perform the work as specified for the submitted bid amount. We also reviewed references provided by Northland Paving for several past projects and found that they would be considered qualified for this project.

Based on the above information, we would recommend acceptance of Northland Paving's bid, in the amount of \$159,333. If you have any questions or comments regarding the above information, please feel free to contact our office.

Sincerely,

INSPEC

Brent Boelter, P.E.
Project Manager

BB/bap

Enclosure

5801 Duluth Street
Minneapolis, MN 55422
Ph. 763-546-3434
Fax 763-546-8669

Chicago

Milwaukee

Minneapolis

Rochester

