

# Regular School Board Meeting

Tuesday, September 6, 2022 6:30 PM

LS-H MS/HS Media Center & Online (if unable to attend in person), 901 Ferry St., Le Sueur, MN 56058

## 1. CALL TO ORDER

## 2. PLEDGE OF ALLEGIANCE

## 3. MISSION AND VISION STATEMENTS

## 4. STRATEGIC PLAN REVIEW

## 5. APPROVAL OF AGENDA

## 6. OPEN FORUM

## 7. LE SUEUR-HENDERSON SCHOOL DISTRICT RECOGNIZES

### 7.1. Donations & Grants Received

## 8. REPORTS

### 8.1. Committee Reports

8.1.1. Finance **Presenter:** Director Matt Hathaway

8.1.2. Negotiations **Presenter:** Director Joe Roby

8.1.3. MVED **Presenter:** Director Steve Cross

8.1.4. Human Resource **Presenter:** Director Kelsey Schwartz

8.1.5. Policy **Presenter:** Director Gretchen Rehm

8.1.6. Facility Steering **Presenter:** Director Matt Hathaway

8.1.7. Community Ed Council **Presenter:** Director Brigid Tuck

8.1.7.1. 2022 Summer Reading Recap

### 8.2. Superintendent Report

#### 8.2.1. Curriculum Report

8.2.1.1. MCA Results for 2021-22 School Year/  
World's Best Workforce **Presenter:** Katie Maier

8.2.2. School Bond timeline

## 9. CONSENT AGENDA

### 9.1. Approval of District Office Consent Items

9.1.1. Minutes of Regular School Board Meeting  
8.1.2022

9.1.2. Minutes of Special School Board Meeting  
8.15.2022

9.2. Approval of Business Office Consent Items

9.3. Approval of Personnel Consent Items

9.3.1. Hirings

9.3.1.1. HS Student Council- Liz Denn

9.3.1.2. Target Advisor- Melissa Hollnagel

9.3.1.3. One Act Play - Mary Carson

9.3.1.4. Fall Play Director- Mary Carson

9.3.1.5. Assist. Football Coach- Colin Everson

9.3.1.6. B Team Boys Basketball Coach- Colin  
Everson

9.3.1.7. Special Ed. Para- Michele Sprague

9.3.2. Resignations

9.3.2.1. Night Custodian - Rebecca Eades

9.3.3. Requests

9.3.4. Retirements

10. **PURCHASES ABOVE \$5,000**

11. **OLD BUSINESS**

12. **NEW BUSINESS**

12.1. Approve First and Final reading on  
policies 501, 504, 507, 508, 509, 513, 515, 516,  
517, 519, 520, 520 Form, 521, 521 Form, and 523.

12.2. Approve First reading of three on  
policies 503 and 524.

12.3. Approve First and Final Reading of Post-  
Issuance Debt Compliance Policy

12.4. Resolution for School bond authorizing  
the issuance, providing for sale, and covenanting  
and obligating the district to be bound by and  
use the state credit enhancement program.

12.5. Approve the change in pay for Teacher  
Subs for the 2022-23 School year for the amounts  
of LSH Retired Teacher Subs \$150 and any other  
Teacher Subs \$140.

13. **BOARD MEMBER COMMUNICATIONS / IDEAS EXCHANGE**

14. **NEXT MEETING INFORMATION**

14.1. Schedule of Upcoming Meetings

15. **ADJOURN**

**RESOLUTION TO ACCEPT GRANTS AND DONATIONS  
TO THE LE SUEUR-HENDERSON SCHOOL DISTRICT**

**WHEREAS**, the Le Sueur-Henderson School District Board encourages the support of the district's educational programs through the funding and support of grant opportunities and donations that meet the goals and objectives of the school district;

**WHEREAS**, the school district will control and maintain all grants and donations to ensure that the interests of all students are met;

**WHEREAS**, the grants and donations listed below have been reviewed and approved by the administration of the Le Sueur-Henderson School District;

**THEREFORE, BE IT RESOLVED**, by the School Board of Independent School District No. 2397, to accept the following grants and donations for the purposes intended:

- United Fund of Le Sueur - \$600 for Community Education Senior Dinner,
- Le Sueur Lions Club - \$150 for Community Ed Book Buddies,
- United Fund of Le Sueur - \$875 for Community Ed Book Buddies,
- Corteva Agriscience - \$4,000 for a floral cooler for new Ag class,
- United Fund of Le Sueur - \$250 for Community Education Kindercamp,
- Southern Minnesota Initiative Foundation - \$10,000 for ECFE & School Readiness S.T.E.M. Stations.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Signed:

Attest:

\_\_\_\_\_  
School Board Chair

\_\_\_\_\_  
School Board Clerk

# SUMMER READING 2022 RECAP

**# Kids Events: 18**  
**# Teen Events: 4**  
**# Adult Events: 5**  
**# All Ages Events: 7**  
**Total Events: 34**



**# Kids Attended: 706**  
**# Teen Attended: 38**  
**# Adult Attended: 59**  
**# All Ages Attended:**  
**967**  
**Total: 1,770**

## TOP ATTENDED EVENTS

**Kickoff Party: 350 (estimated)**  
**Taiko Drumming: 216**  
**Sustainable Safari: 203**  
**Moana Party: 139**  
**Mermaid Party: 62**  
**I Survived A Shark Attack Party: 60**



## SUMMER READING SPONSORS:

**Friends of the Le Sueur Public Library,**  
**Treasures in Town, United Fund of Le**  
**Sueur, and Le Sueur Lions Club**



## SUMMER READING PROGRAM:

**3-9 registered: 200**  
**3-9 completed: 84**  
**10-12 registered: 77**  
**10-12 completed: 43**  
**Teens registered: 37**  
**Teens completed: 31**

**Minutes read by kids**  
**(ages 3-9): 50,400**  
**Tween Books Read: 509**  
**Tween Graphic Novels**  
**Read: 302**  
**Teen Books Read: 664**  
**Teen Graphic Novels Read: 104**

# SUMMER READING 2022 RECAP

**NEW LIBRARY CARDS: 73**

**Event Punch Cards (Kids):**

**2 Events (P.C. Prize): 7**

**3-5 Events (P.C. Prize + Book):  
25**

**6+ Events (All plus \$5 BN): 1**

**Event Punch Cards (Tweens):**

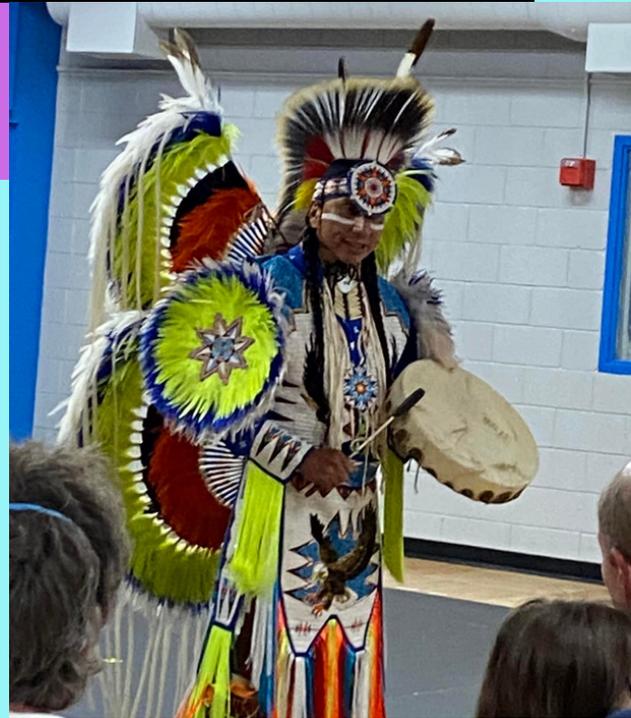
**2 Events (Free Book): 2**

**3+ Events (Book + Chance at  
\$30 Amazon GC): 12**

**Event Punch Cards (Teens):**

**2 Events (Free Book): 3**

**3+ Events (Book + Chance at  
\$30 Amazon GC): 6**



**FREE BOOKS  
GIVEN AWAY:**

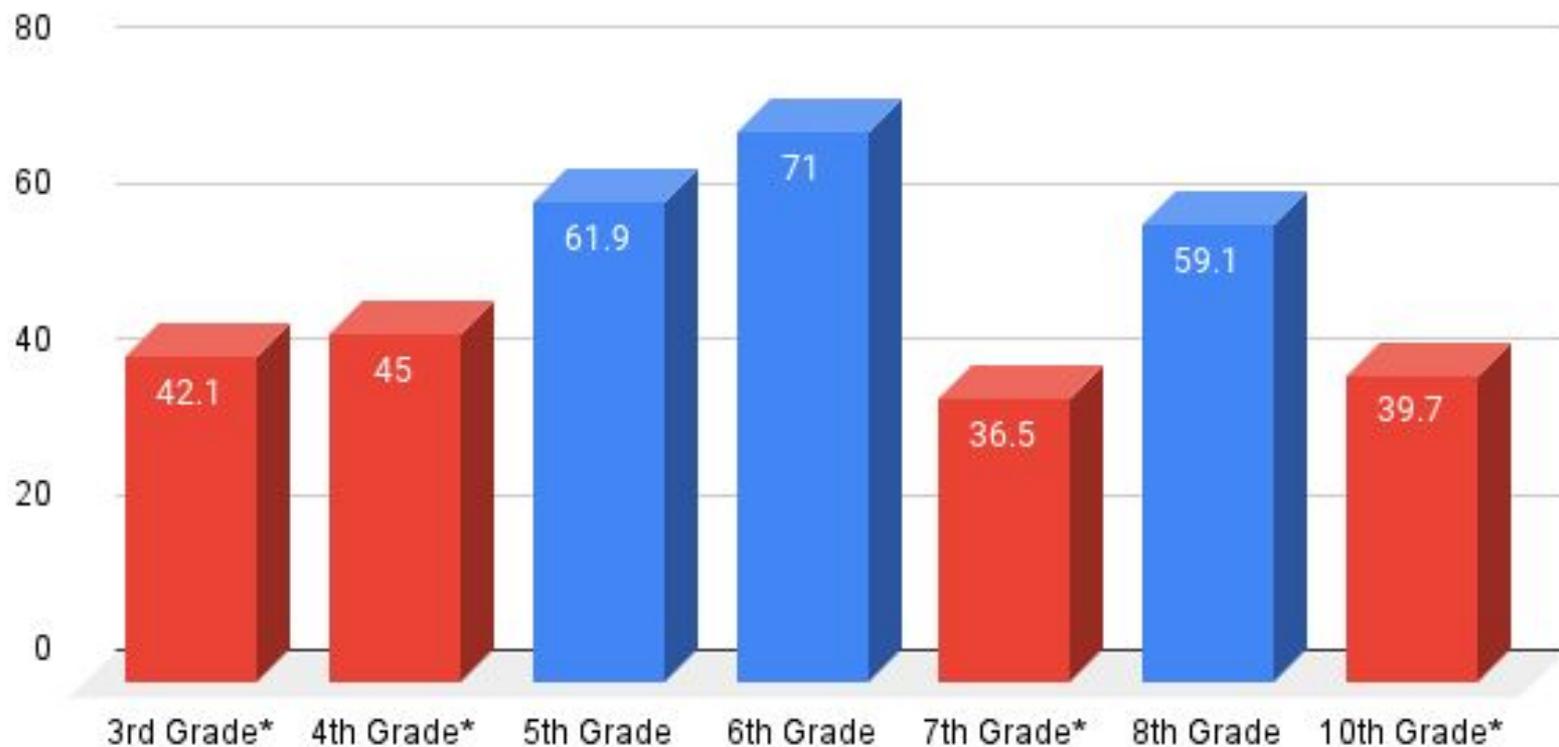
**207!**

# 2022 Le Sueur-Henderson Minnesota Comprehensive Assessment (MCA) Data



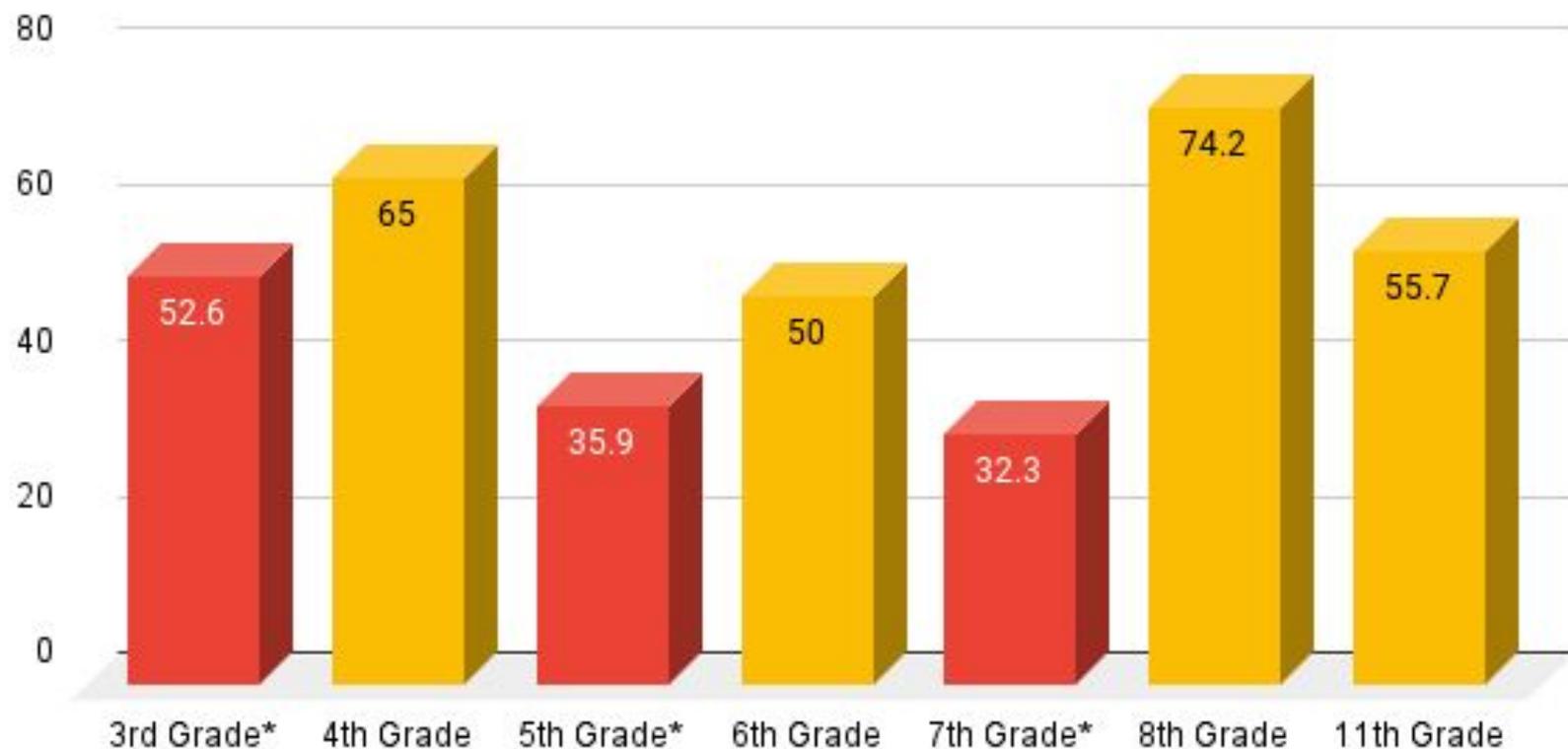
**Katie Maier**  
Director of Learning and Curriculum

## Reading Percent Proficient 2022



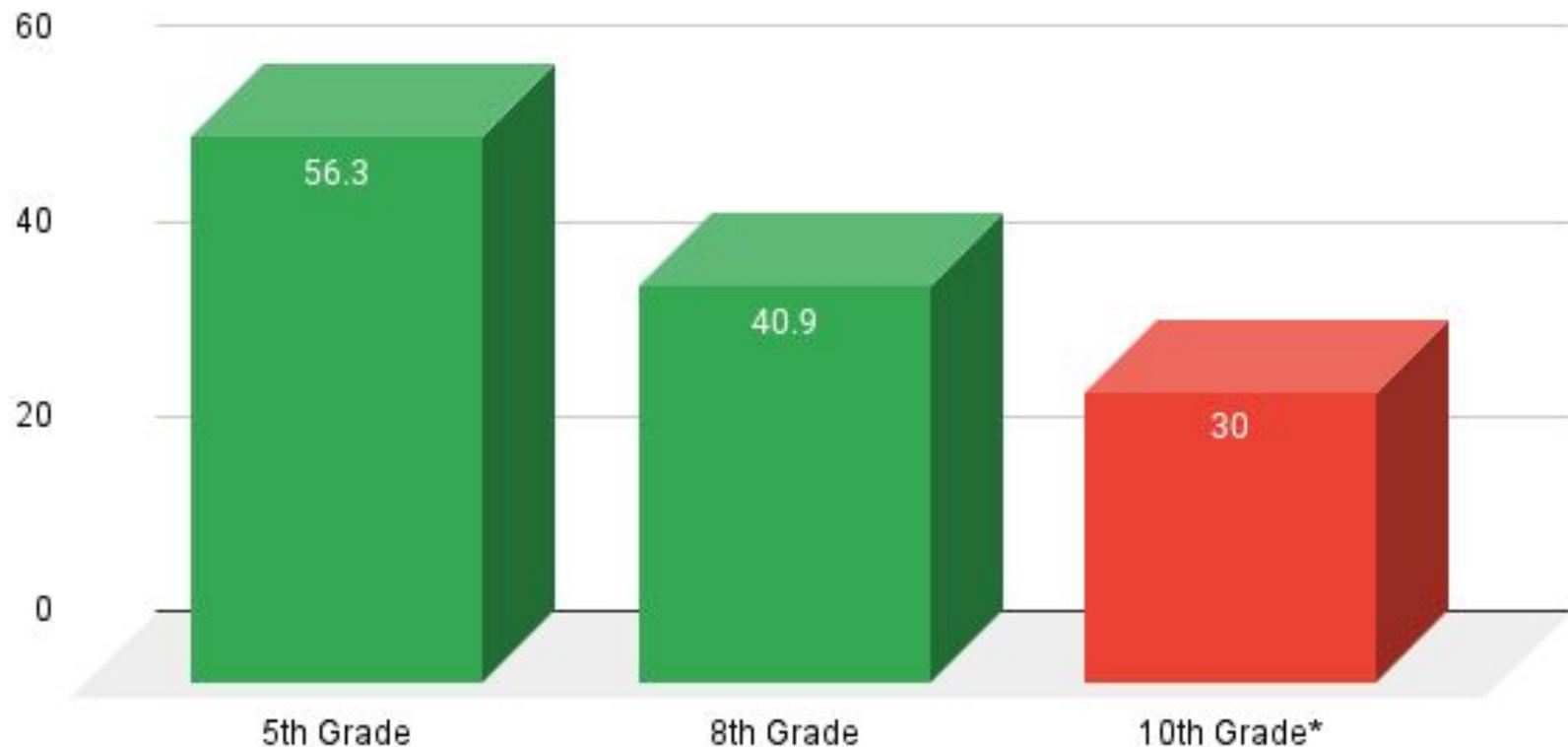
Reading \* = Below State Average

## Math Percent Proficient 2022



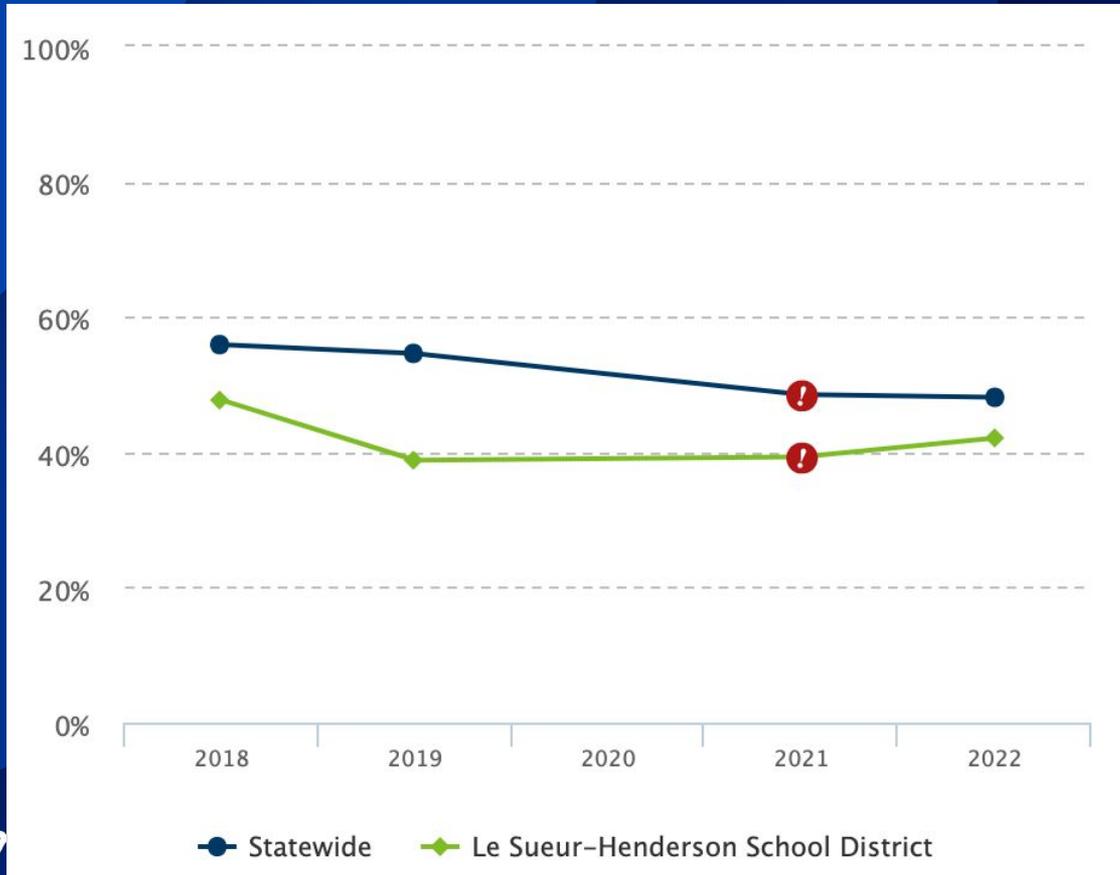
Math \* = Below State Average

## Science Percent Proficient 2022



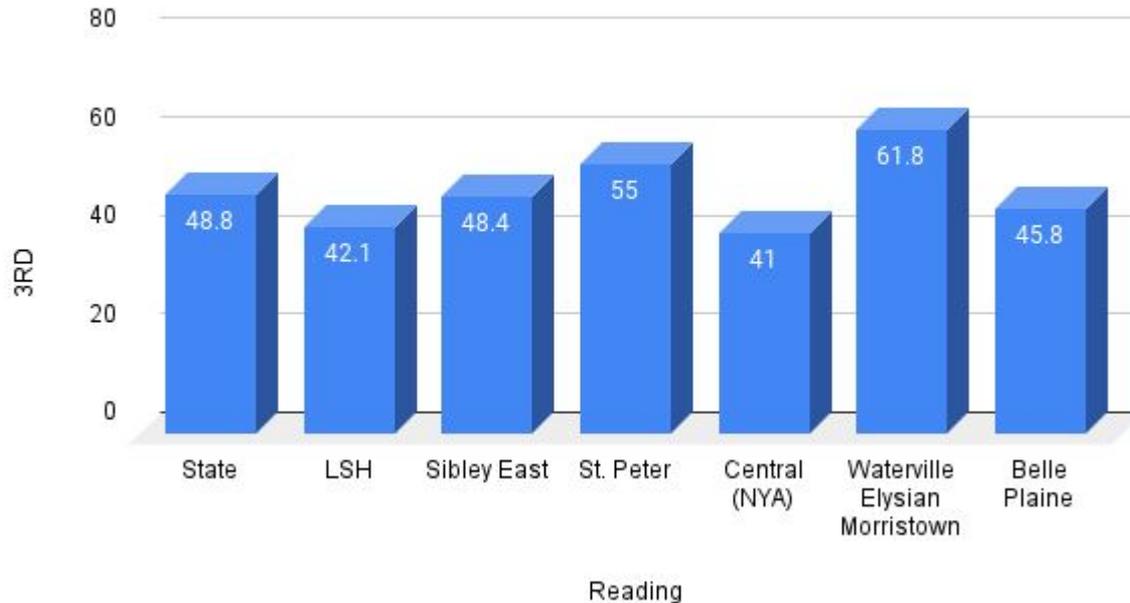
Science \* = Below State Average

# 3RD GRADE READING TREND DATA

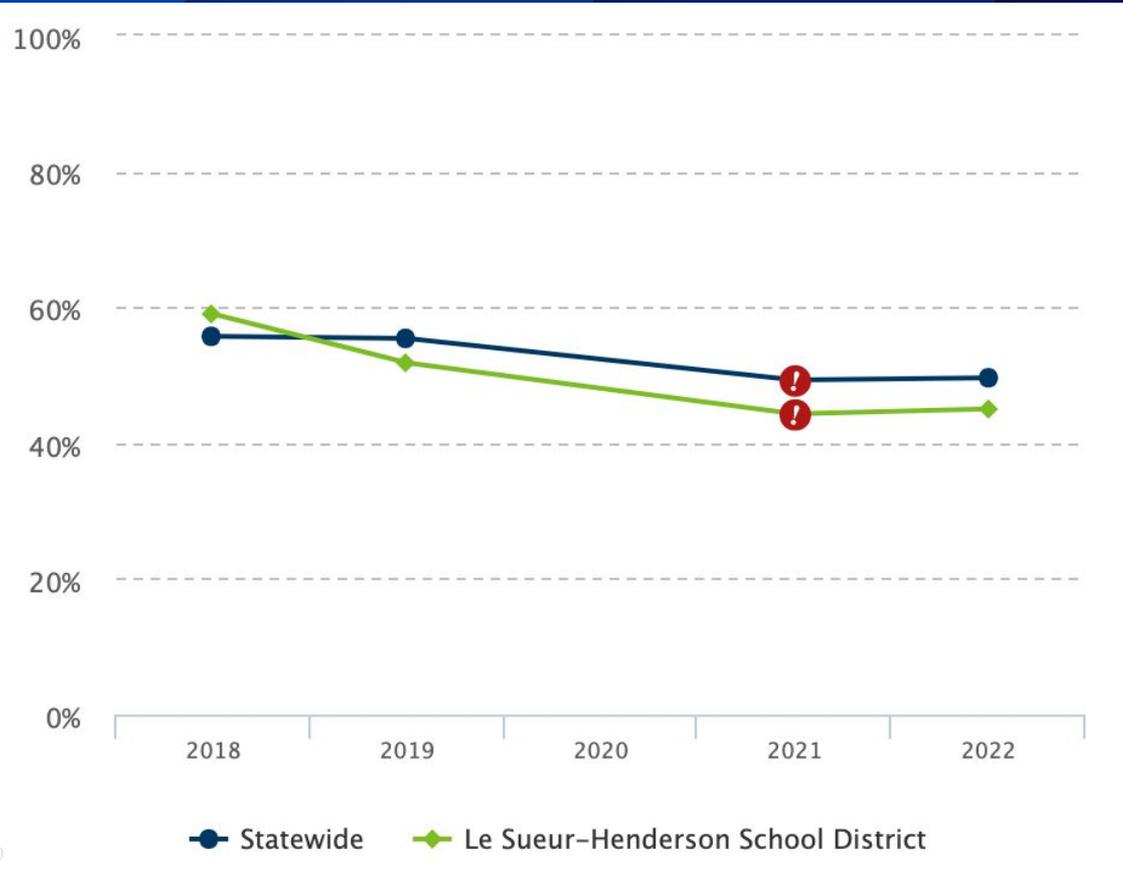


# 3RD GRADE READING COMPARISON DATA

3RD GRADE READING 2022

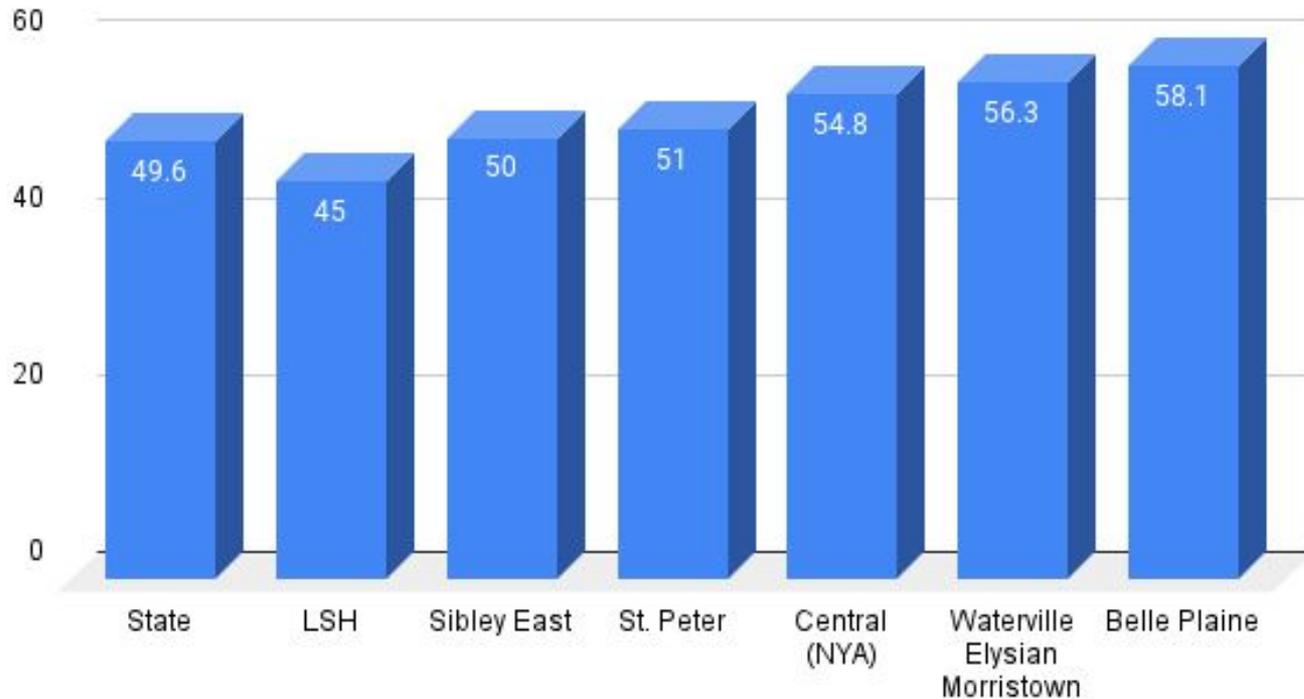


# 4TH GRADE READING TREND DATA

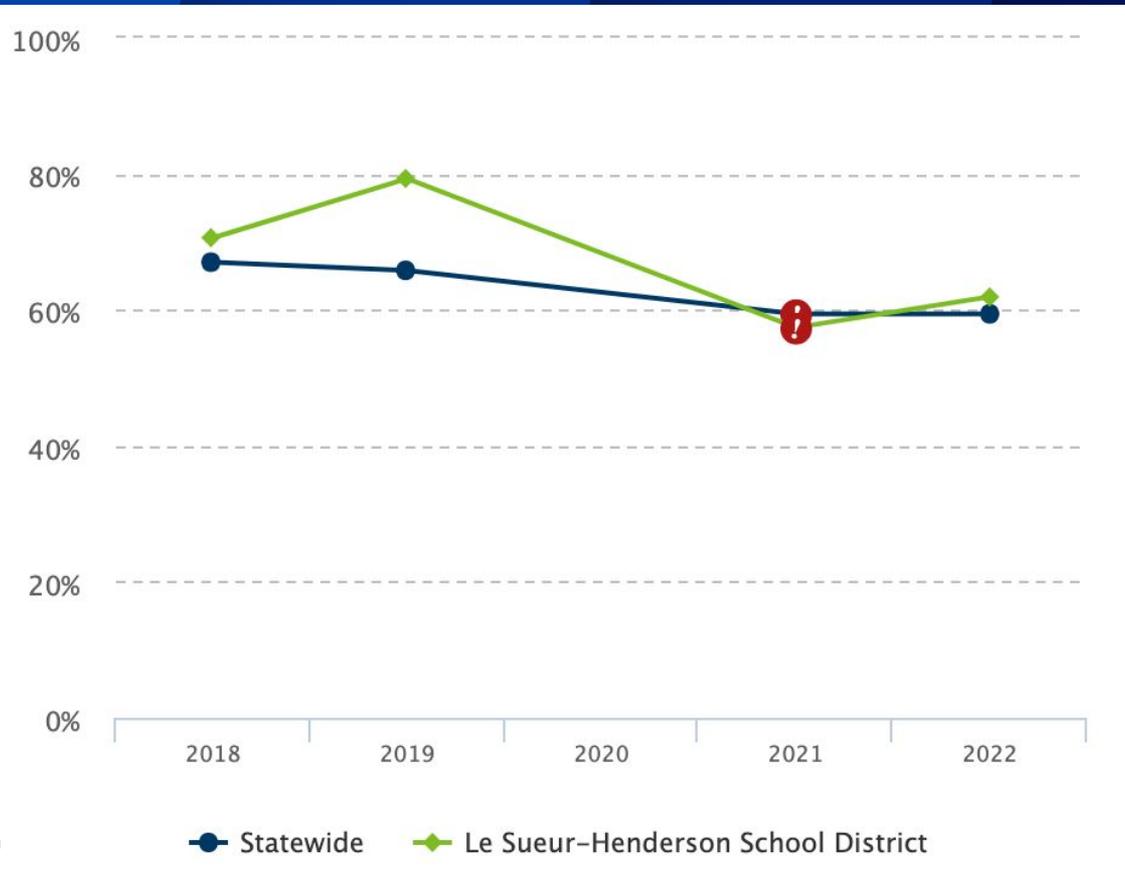


# 4TH GRADE READING COMPARISON DATA

4TH GRADE READING 2022



# 5TH GRADE READING TREND DATA

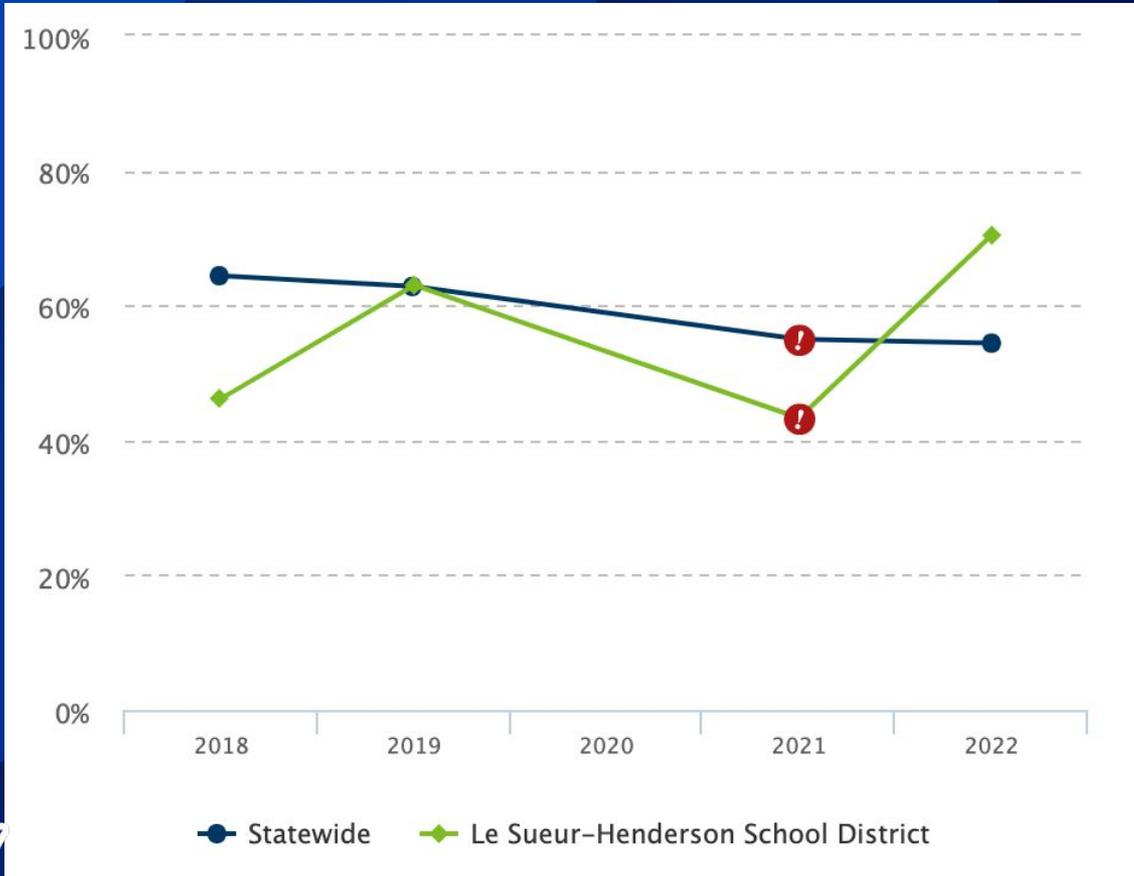


# 5TH GRADE READING COMPARISON DATA

5TH GRADE READING 2022



# 6TH GRADE READING TREND DATA

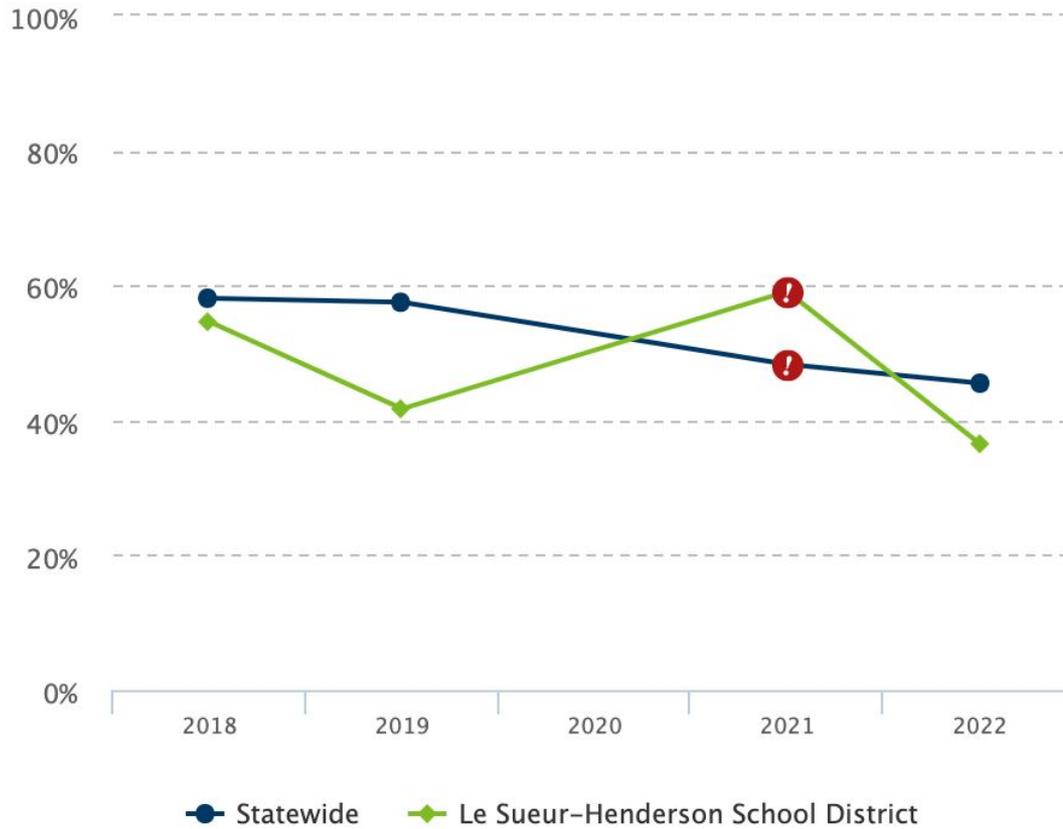


# 6TH GRADE READING COMPARISON DATA

6TH GRADE READING 2022



# 7TH GRADE READING TREND DATA

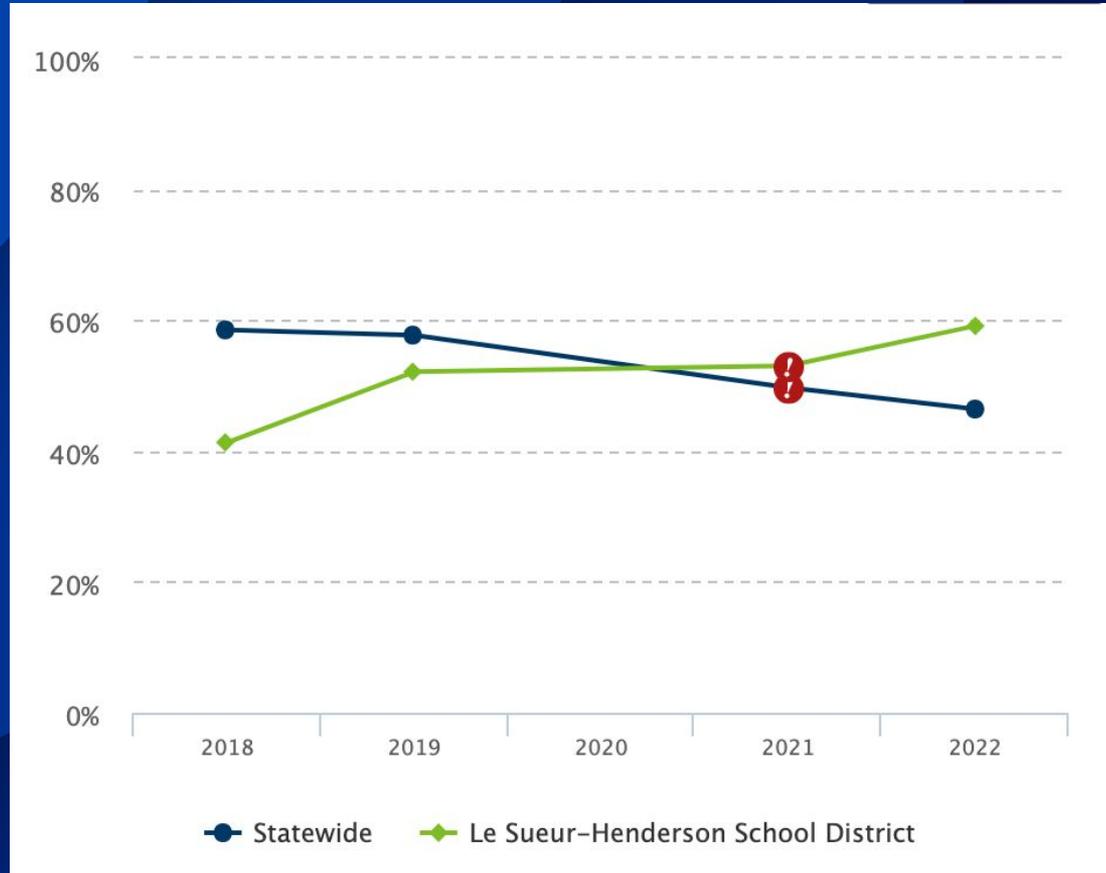


# 7TH GRADE READING COMPARISON DATA

7TH GRADE READING 2022



# 8TH GRADE READING TREND DATA

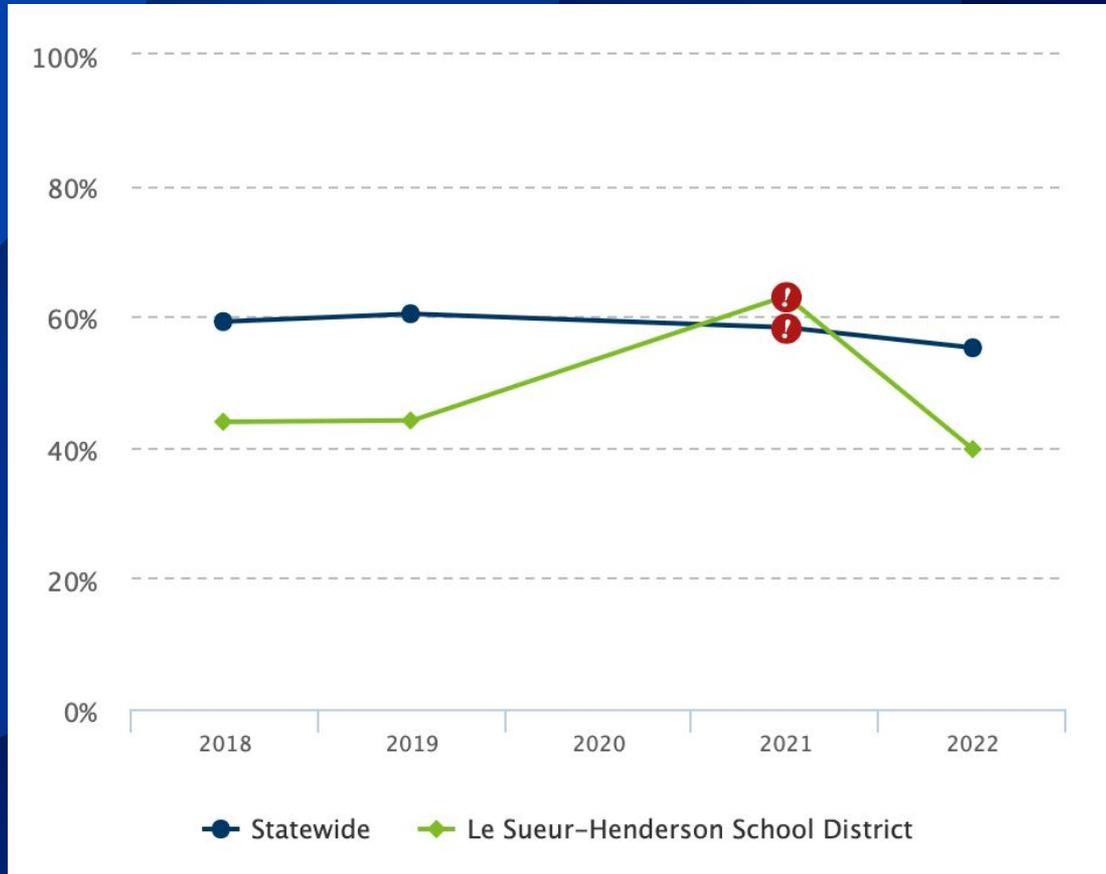


# 8TH GRADE READING COMPARISON DATA

8TH GRADE READING 2022

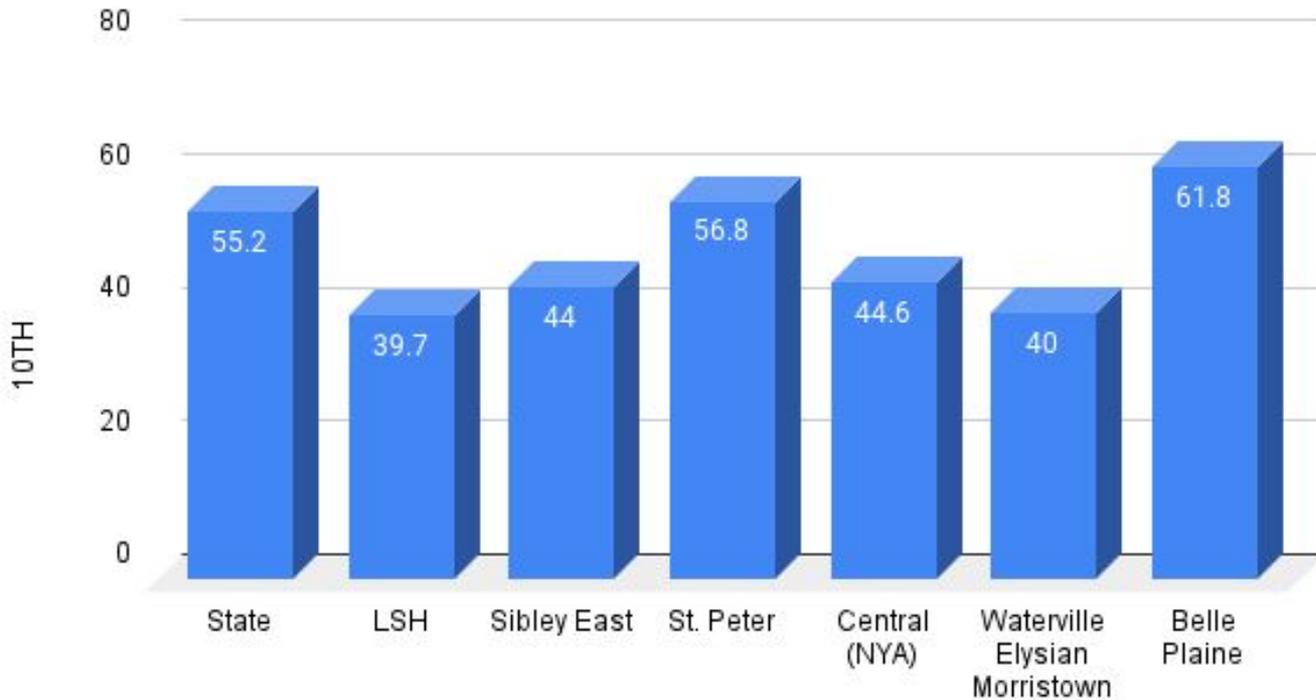


# 10TH GRADE READING TREND DATA

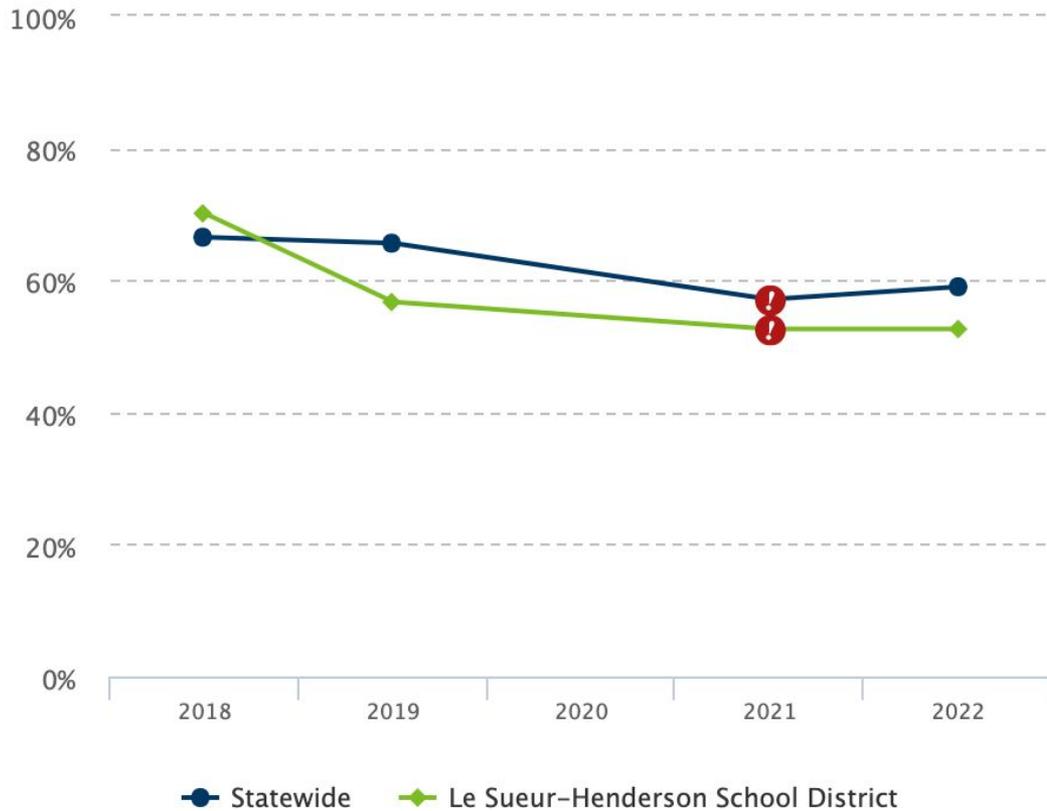


# 10TH GRADE READING COMPARISON DATA

10TH GRADE READING 2022

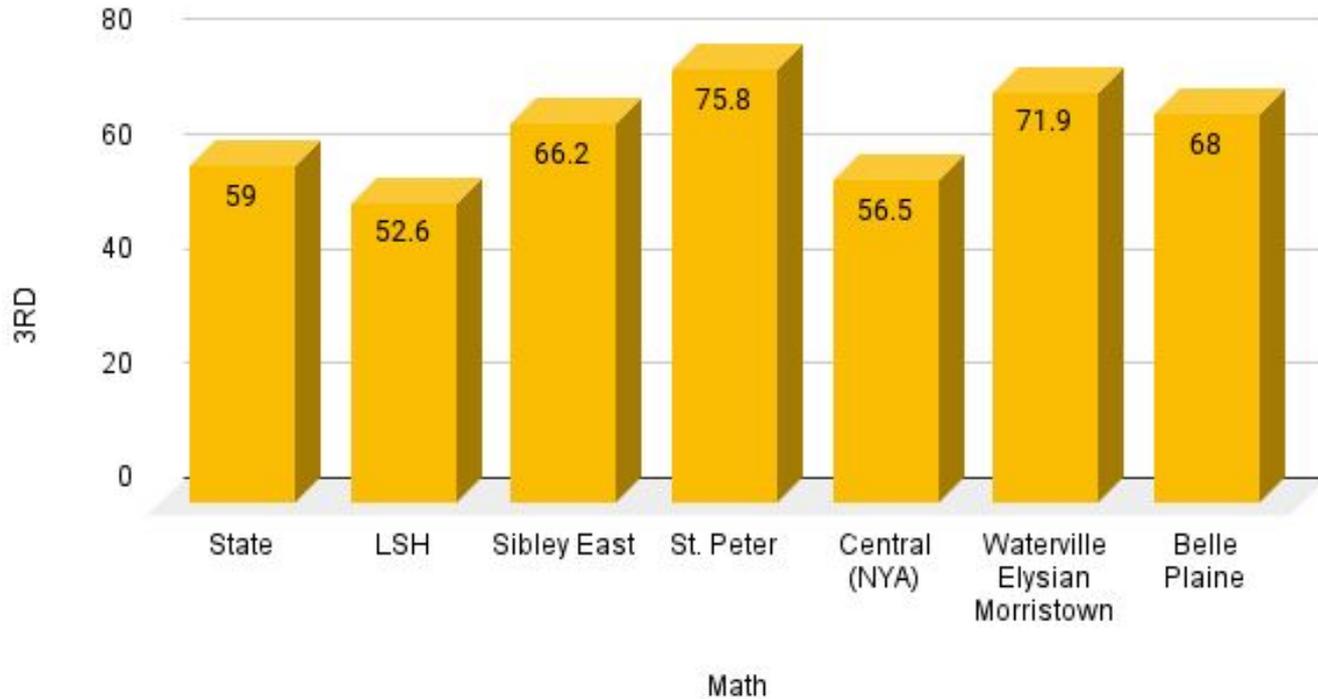


# 3RD GRADE MATH TREND DATA

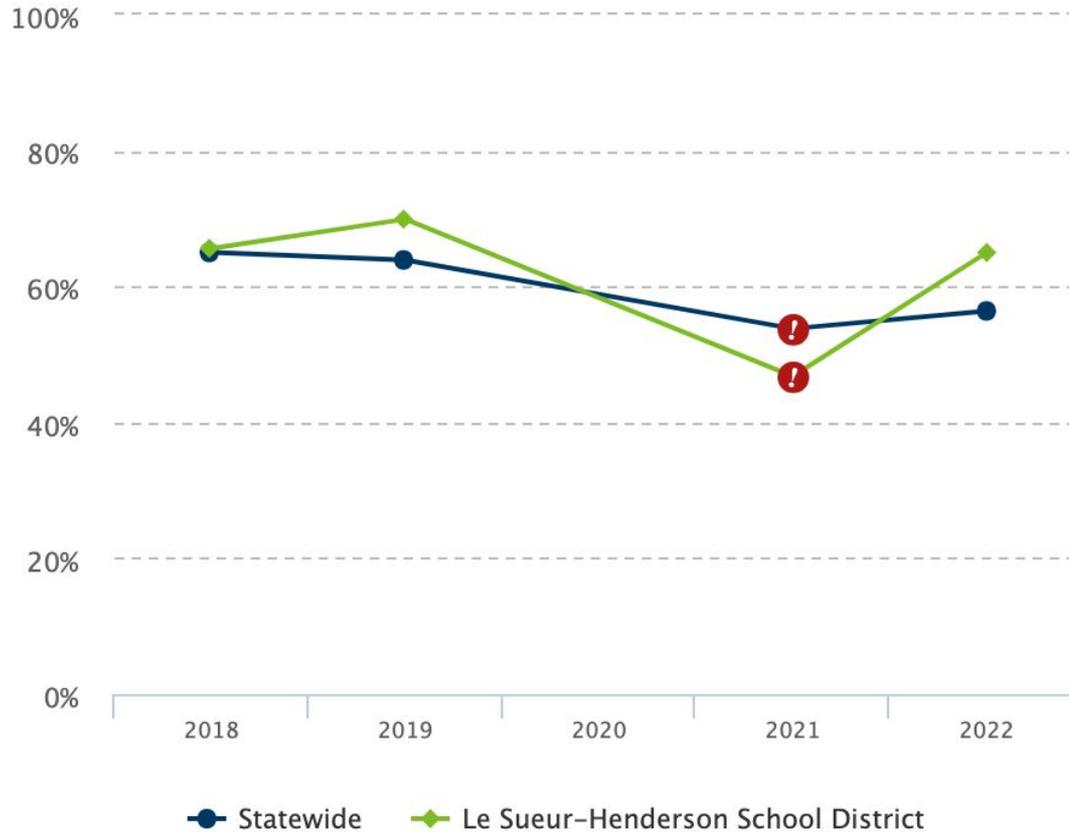


# 3RD MATH COMPARISON DATA

## 3RD GRADE MATH 2022

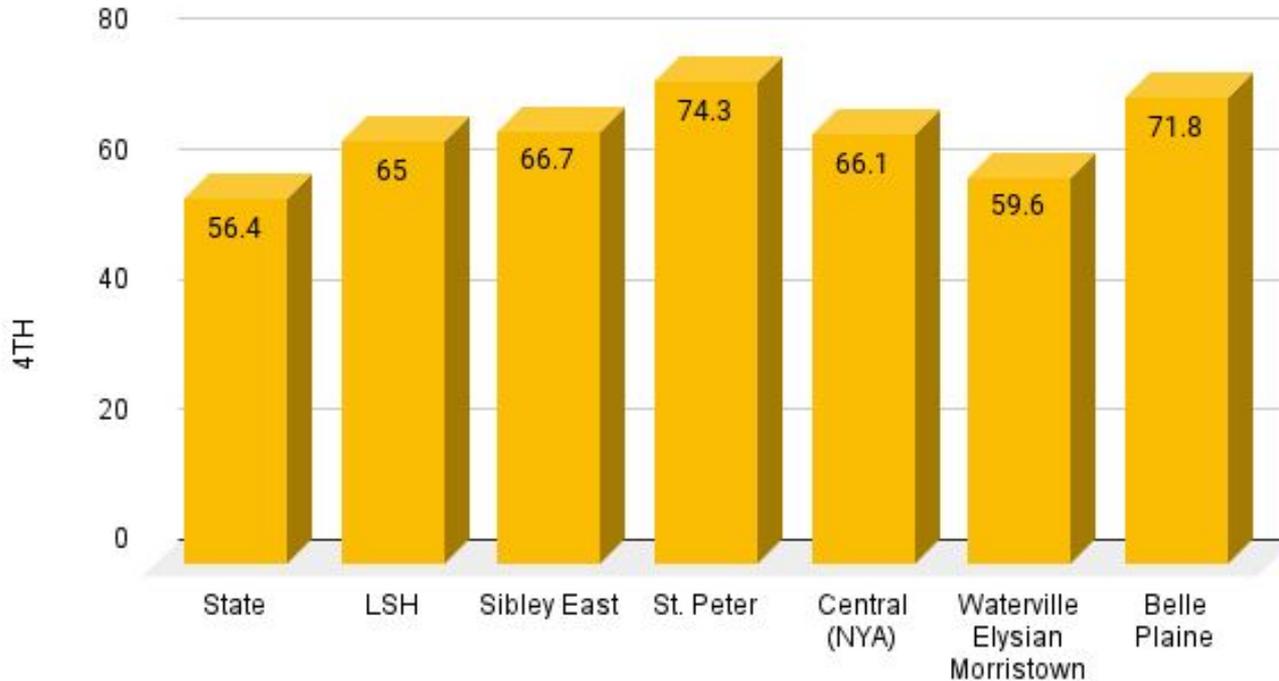


# 4TH GRADE MATH TREND DATA

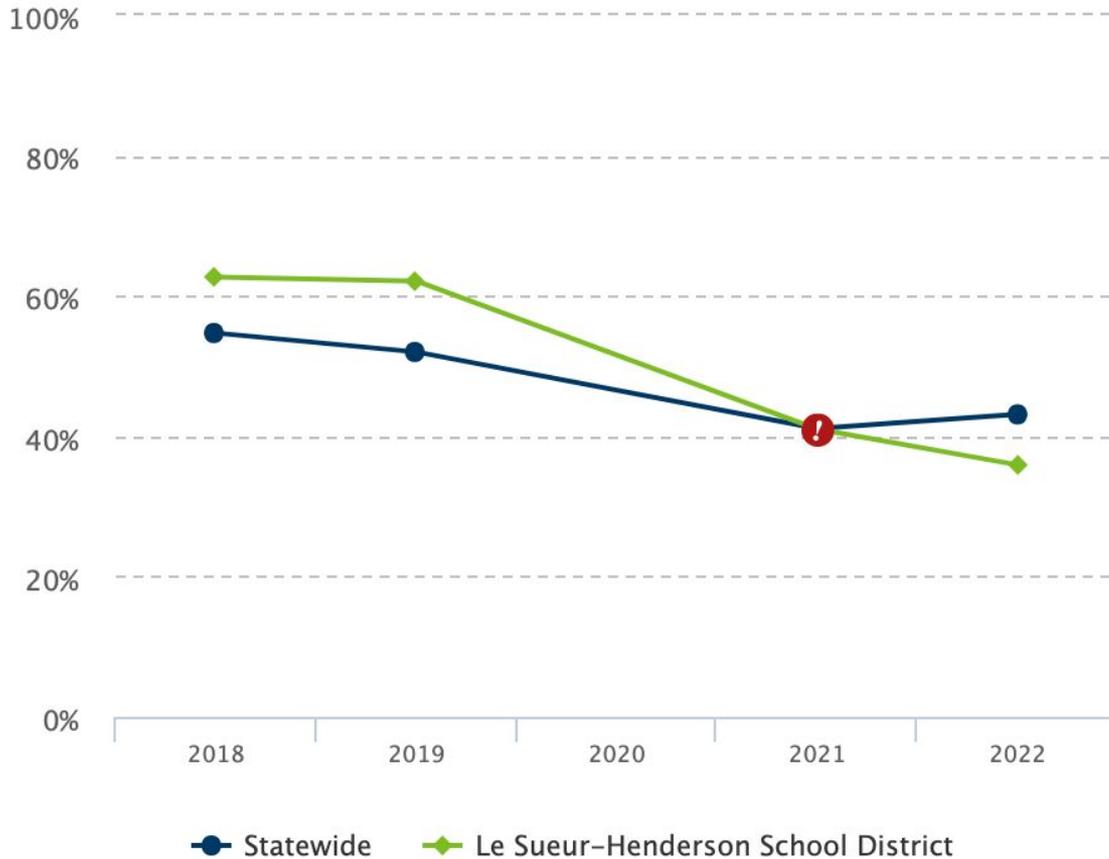


# 4TH GRADE MATH COMPARISON DATA

4TH GRADE MATH 2022

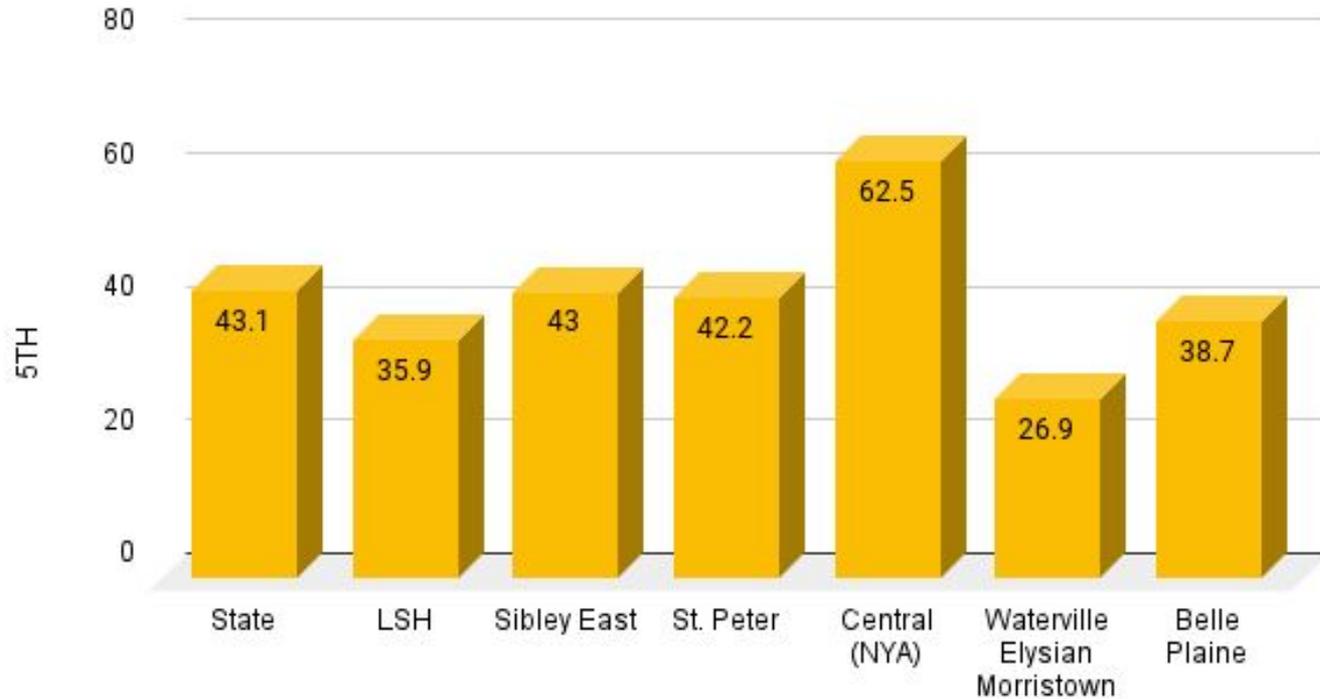


# 5TH GRADE MATH TREND DATA

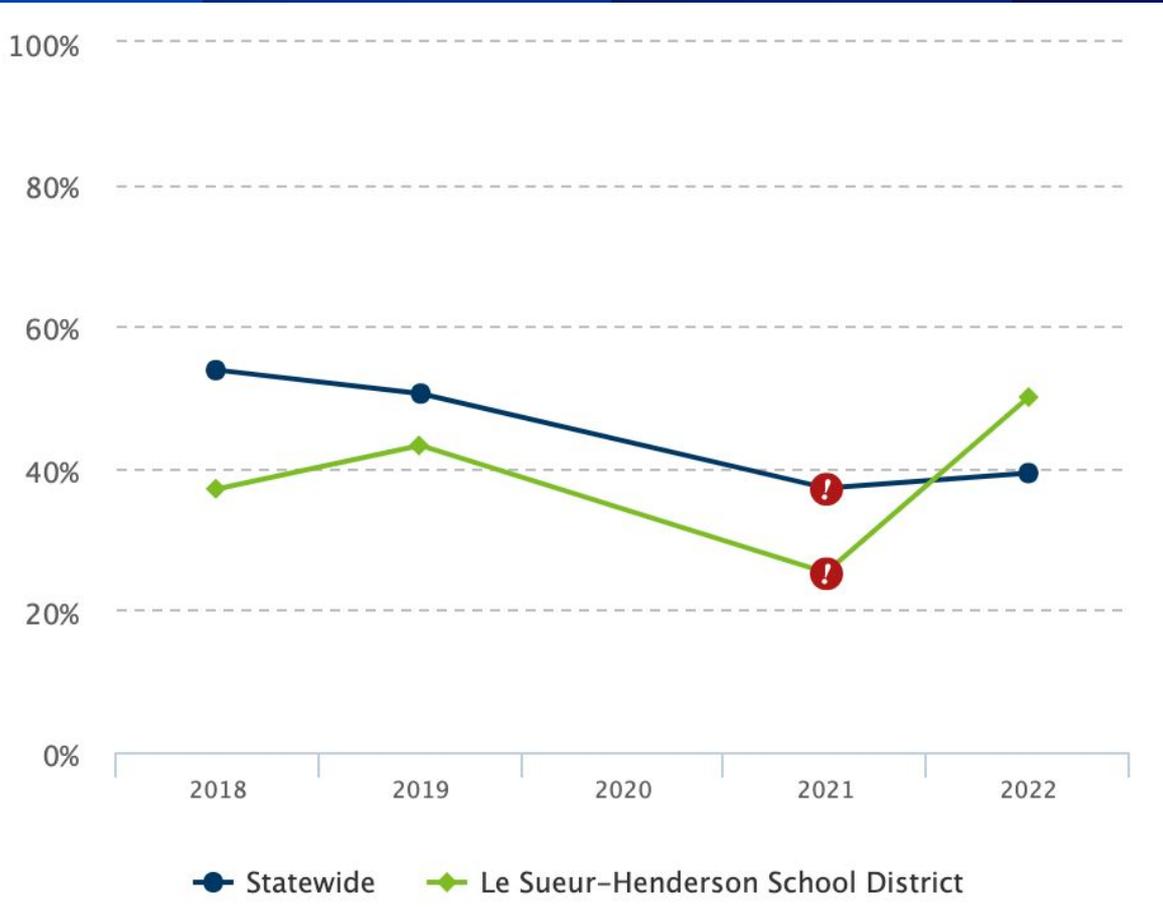


# 5TH GRADE MATH COMPARISON DATA

## 5TH GRADE MATH 2022

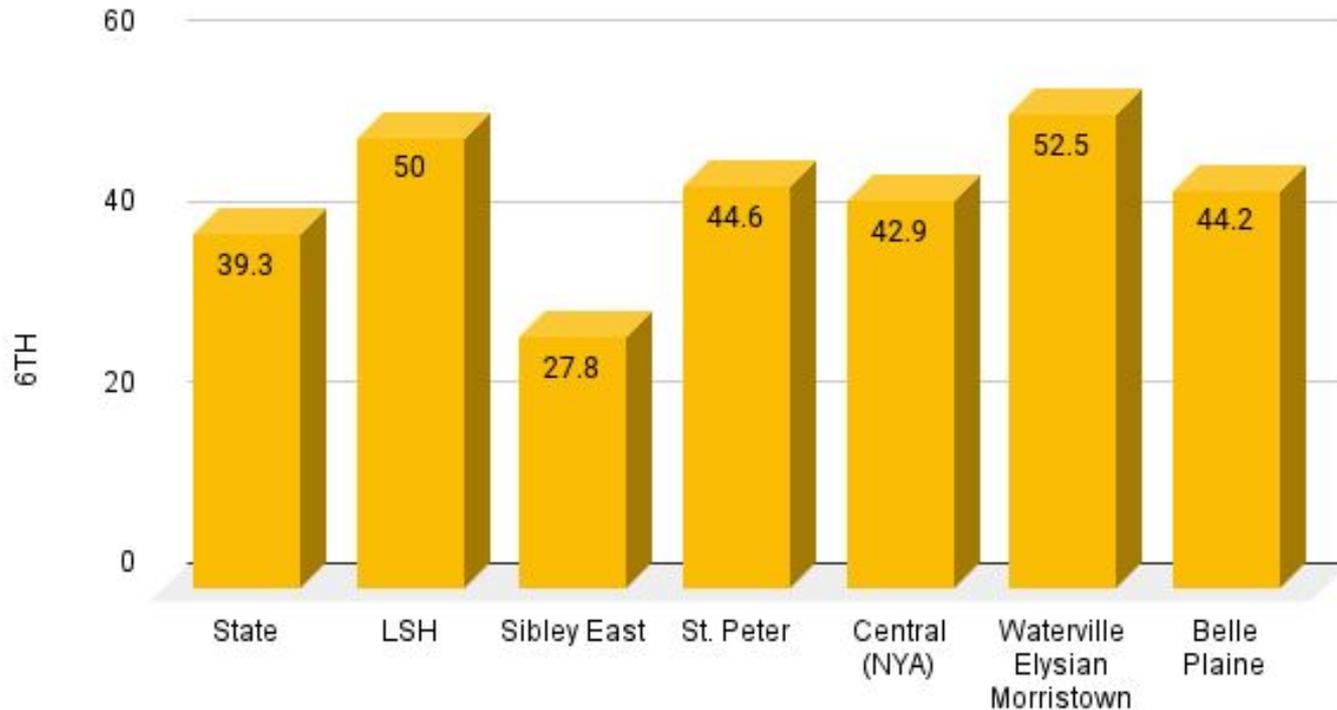


# 6TH GRADE MATH TREND DATA

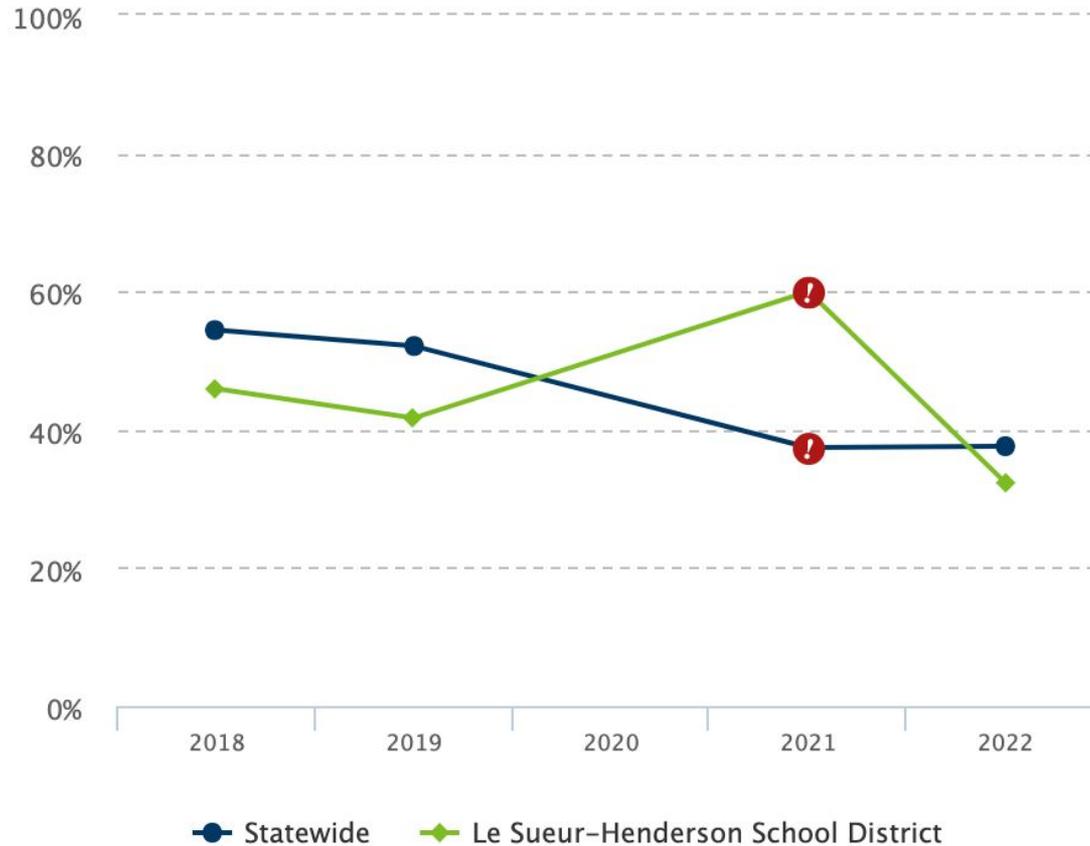


# 6TH GRADE MATH COMPARISON DATA

6TH GRADE MATH 2022



# 7TH GRADE MATH TREND DATA

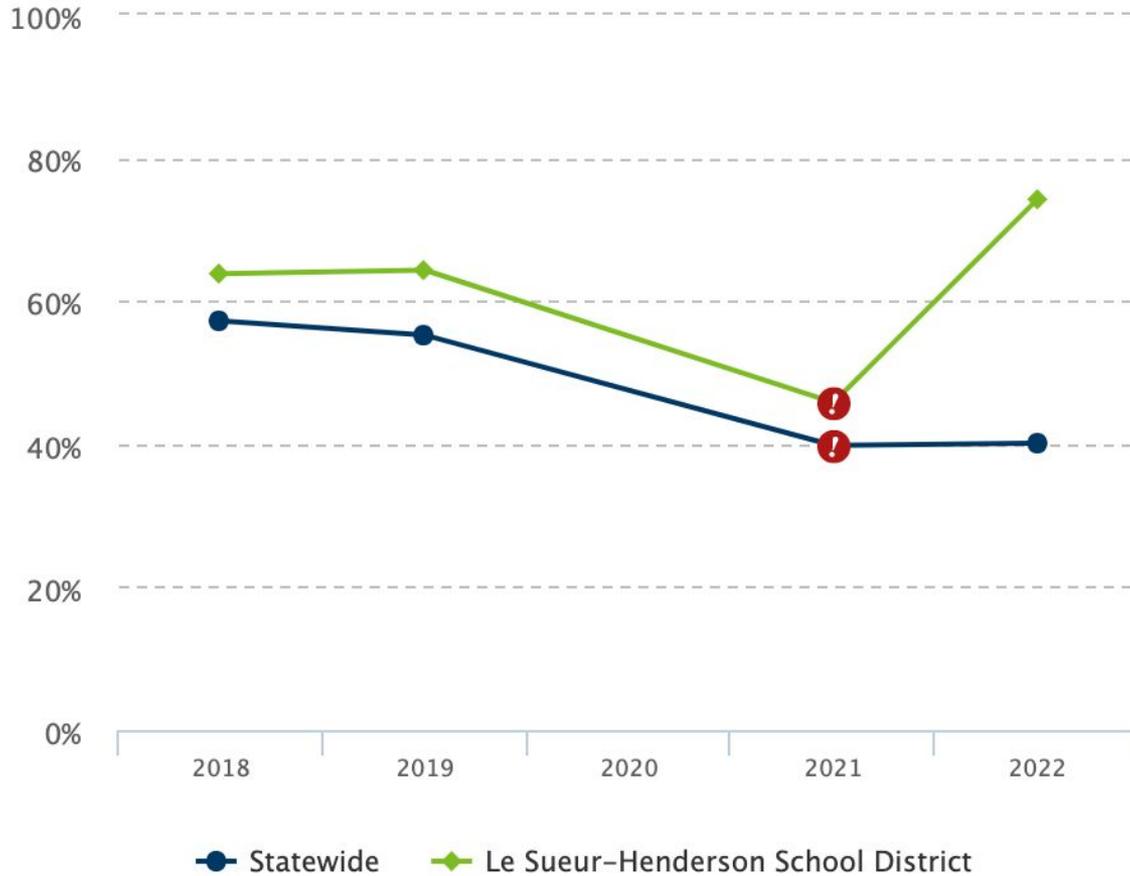


# 7TH GRADE MATH COMPARISON DATA

7TH GRADE MATH 2022



# 8TH GRADE MATH TREND DATA

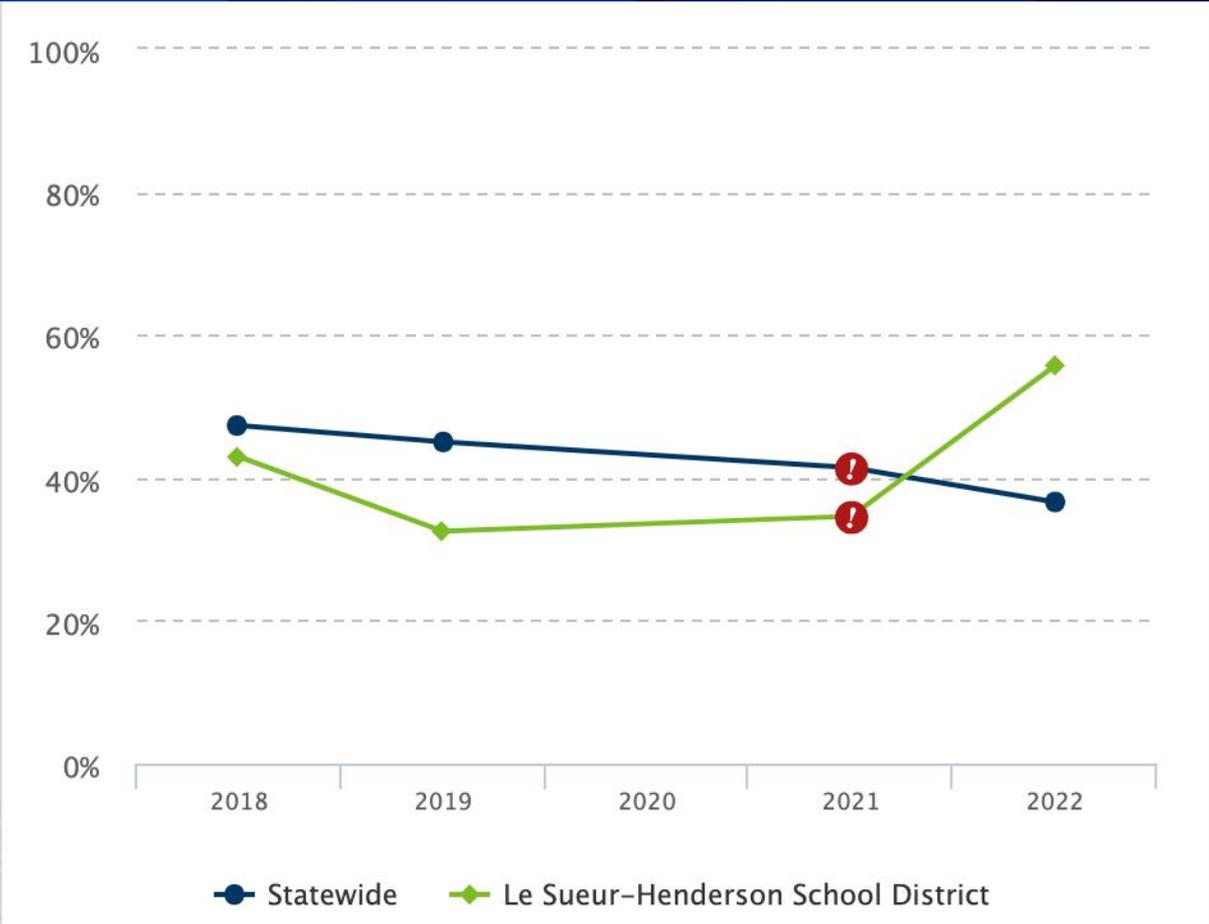


# 8TH GRADE MATH COMPARISON DATA

8TH GRADE MATH 2022



# 11TH GRADE MATH TREND DATA

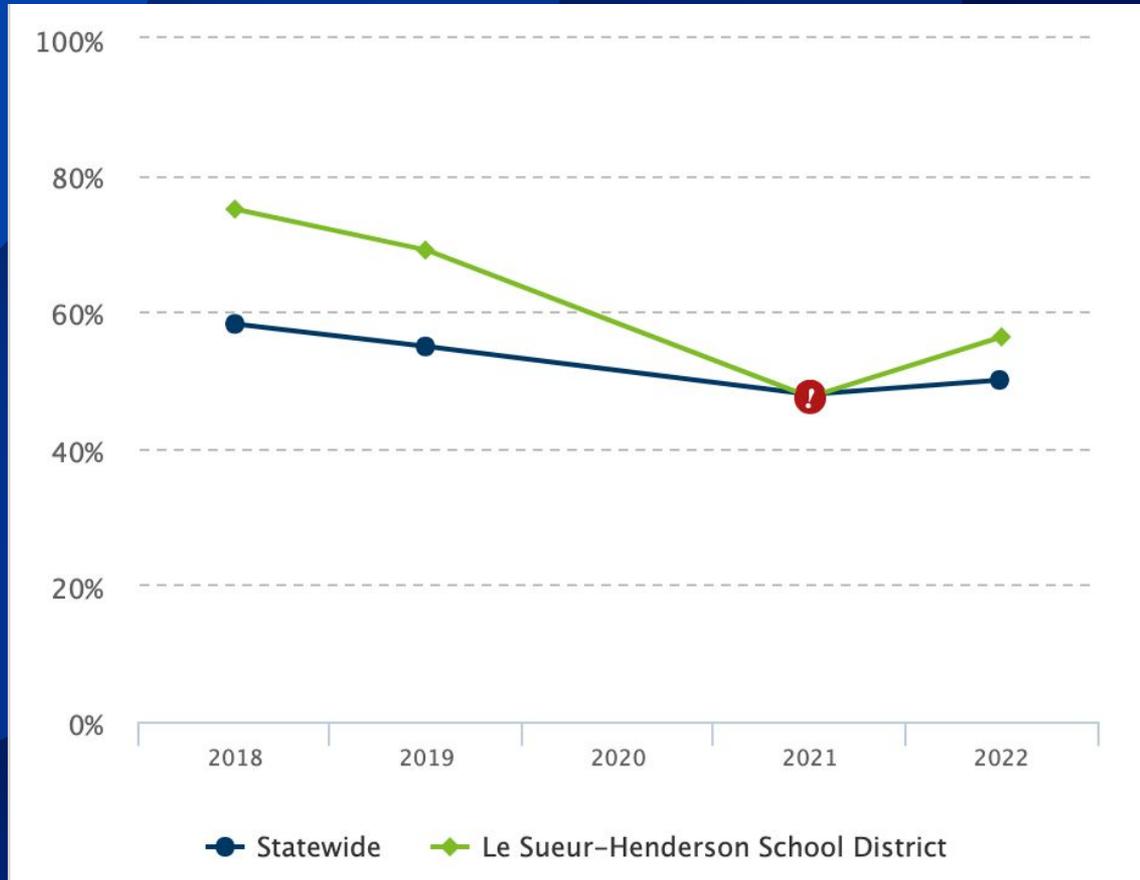


# 11TH GRADE MATH COMPARISON DATA

## 11TH GRADE MATH 2022



# 5TH GRADE SCIENCE TREND DATA

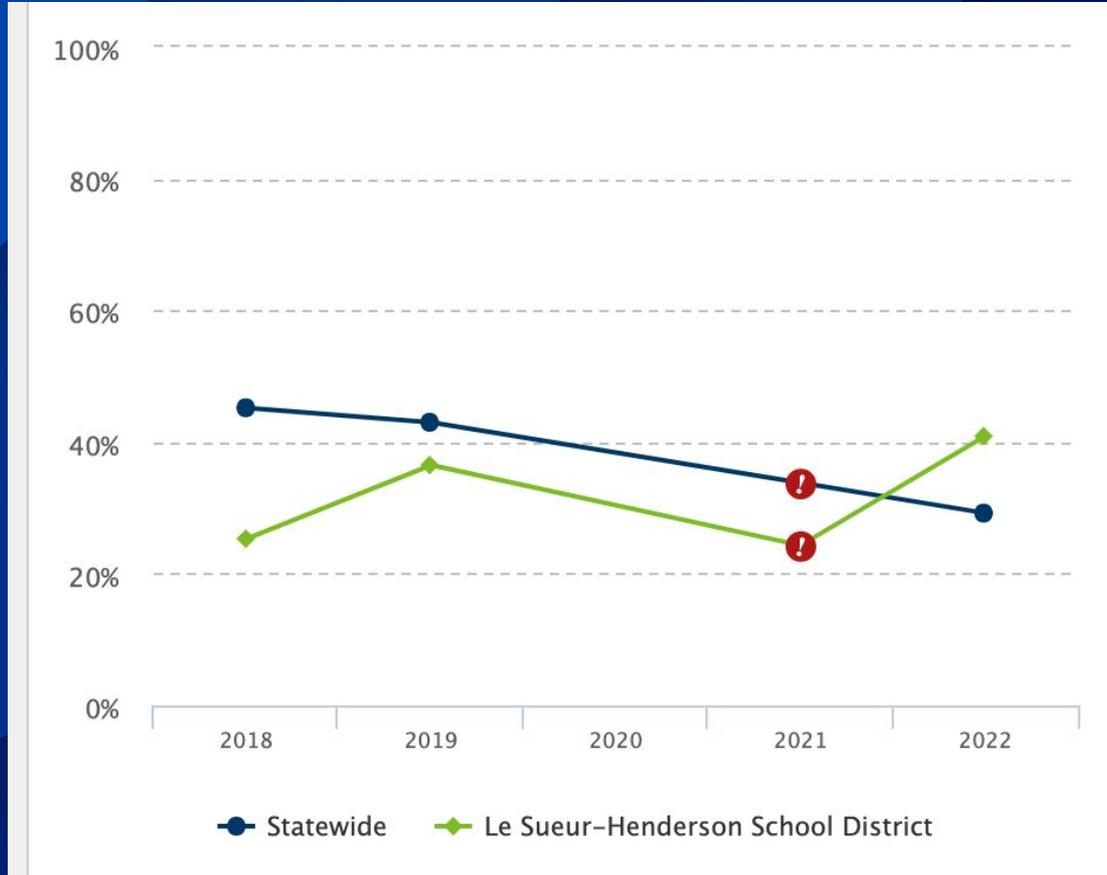


# 5TH GRADE SCIENCE COMPARISON DATA

5TH GRADE SCIENCE 2022



# 8TH GRADE SCIENCE TREND DATA

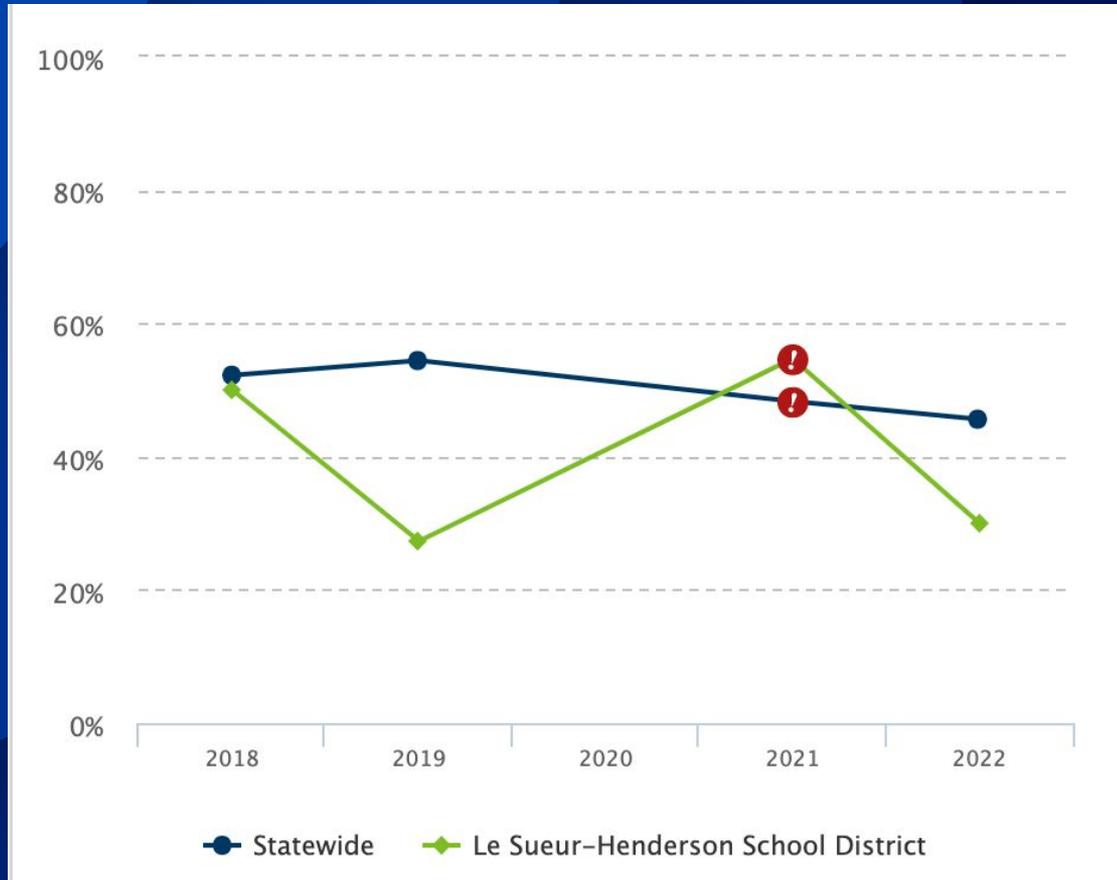


# 8TH GRADE SCIENCE COMPARISON DATA

8TH GRADE SCIENCE 2022



# 10TH GRADE SCIENCE TREND DATA



# 10TH GRADE SCIENCE COMPARISON DATA

## 10TH GRADE SCIENCE 2022





**Infrastructure for  
Continuous  
Improvement**



**Family and  
Community  
Engagement**



**Multi-Layered  
Practices and  
Support**



**Assessment**



**Data-Based  
Decision  
Making**



# Tier 1: School-Wide, Universal

## Elementary:

- ⊙ FastBridge K-8
- ⊙ Year 2 Scholastic Literacy
- ⊙ Mystery Science K-5, aligned with new standards
- ⊙ Reading & Math assessments to match rigor of MCA tests and show accurate proficiency on report cards

## Middle School/High School:

- ⊙ FastBridge K-8
- ⊙ OpenSciEd 6-8, aligned with new standards
- ⊙ PLC Goals aligned to MCA Goals
- ⊙ CharacterStrong

## Tier 2: Targeted, Small Group Interventions

### Elementary:

- ⦿ FastBridge Interventions
- ⦿ Americorps: Reading Corps (K-3) & Math Corps (4-5)
- ⦿ RISE: Scholastic Intervention Program

### Middle School/High School:

- ⦿ iReady
- ⦿ SpringMath
- ⦿ Responsive Advisory Schedule
- ⦿ Lunch Workshop for behaviors

# Tier 3: Individual Intensive Interventions

## Elementary:

- ⦿ Leveled Literacy Intervention
- ⦿ Reading Corps

## Middle School/High School:

- ⦿ Learning Lab
- ⦿ MTSS Support
- ⦿ STRIVE

BOARD OF EDUCATION  
INDEPENDENT SCHOOL DISTRICT 2397  
LE SUEUR-HENDERSON PUBLIC SCHOOLS  
MINUTES OF REGULAR SCHOOL BOARD MEETING  
MS/HS MEDIA CENTER / ZOOM  
August 01, 2022

Item 1.0     **Call to Order:** The regular meeting of the Le Sueur-Henderson Board of Education was called to order a 630 PM. Board members in attendance were Brigid Tuck via Zoom, Jennifer Burns, Gretchen Rehm, Brian Sorenson, Steve Cross, Bella Hollaway, Matt Hathaway

Members Absent: Kelsey Schwartz

Also in attendance: Superintendent Jim Wagner; Administrative Assistant, Juanita Flores; Le Sueur County News; Henderson Independent

Item 2.0     **Pledge of Allegiance-** The pledge was recited.

Item 3.0     **Mission and Vision Statements**

Item 4.0     **Strategic Plan Review**

Item 5.0     **Approval of Agenda:** Motion by Sorenson, second by Cross, carried 6-0, to approve the meeting agenda with the addition of item 9.3.1.5 and item 12.9.

Item 6.0     **Open Forum:**

Item 7.0     **Le Sueur-Henderson School District Recognizes:**

Item 7.1 A resolution was presented to accept grants and donations to the Le Sueur - Henderson Public School District. Said resolution is attached hereto and made a part of these minutes. Motion made by Board Member Rehm and upon being seconded by Board Member Hathaway said the resolution was duly adopted by the following roll call vote, carried 26-0.

Rehm:	Yes	Sorenson:	Yes
Cross:	Yes	Tuck:	Yes
Burns:	Yes	Hathaway:	Yes

Item 8.0     **Reports:**

Item 8.1 Committee Reports

Item 8.1.1 Finance

Item 8.1.2 Negotiations

- Item 8.1.3 MVED
- Item 8.1.4 Human Resources
- Item 8.1.5 Policy
- Item 8.1.6 Facility Steering
- Item 8.1.7 Community Ed Council
- Item 8.2 Superintendent Report
  - Item 8.2.1 Discussion Meal Prices and Application for Benefits
  - Item 8.2.2 Honeywell Presentation
  
- Item 9.0 **Consent Agenda:** Motion by Cross, second by Burns, carried 6-0, to approve the following consent items:
  - Item 9.1 District Office Consent Items:
    - Item 9.1.1 Minutes of Regular School Board meeting held on 7.18.22.
    - Item 9.1.2 Minutes of Special School Board meeting held on 7.5.22.
  - Item 9.2 Business Office Consent Items:
    - Item 9.2.1 Treasurer's Report- September 2021
      - Item 9.2.1.1 Receipts for September 2021 in the amount \$1,308,556.03 subject to annual audit.
      - Item 9.2.1.2 Bills and claims for September 2021 in the amount of \$854,921.91 subject to annual audit.
      - Item 9.2.1.3 Student Activity Summary-September 2021
    - Item 9.2.2 Treasurer's Report- October 2021
      - Item 9.2.2.1 Receipts for October 2021 in the amount of \$1,415,668.86 subject to annual audit.
      - Item 9.2.2.2 Bills and claims for October 2021 in the amount of \$783,867.34 subject to annual audit.
      - Item 9.2.2.3 Student Activity Summary-October 2021
    - Item 9.2.3 Treasurer's Report- November 2021
      - Item 9.2.3.1 Receipts for November 2021 in the amount of \$448,973.42 subject to annual audit.
      - Item 9.2.3.2 Bills and claims for November 2021 in the amount of \$718,226.76 subject to annual audit.
      - Item 9.2.3.3 Student Activity Summary-November 2021
  - Item 9.3 Personnel Consent Items:
    - Item 9.3.1 Hirings
      - Item 9.3.1.1 Assistant Wrestling Coach- Ben Wilson
      - Item 9.3.1.2 MSHS Language Arts- Diana Jennings
      - Item 9.3.1.3 Child Life Specialist- Cassie Wilke
      - Item 9.3.1.4 MS Social Studies- Tia Lerud
      - Item 9.3.1.5 MSHS PE Teacher- Jack Schultz
    - Item 9.3.2 Resignations
      - Item 9.3.2.1 7th Grade Volleyball Coach- Melissa Hollnagel
      - Item 9.3.2.2 HS Special Ed. Teacher- Casie Wiebe
      - Item 9.3.2.3 Hilltop & Park Elem. Assist. Principal- Jody Rittmiller
      - Item 9.3.2.4 One Act Play- Mikhayla Clausen

Added

Item 9.3.3 Requests  
Item 9.3.4 Retirements

Item 10.0     **Purchases Above \$5,000**  
Motion by Hathaway, second by Sorenson, carried 6-0 to approve Honeywell Option 1, if the referendum passes, option 2 if it does not pass.

Item 11.0     **Old Business**

Item 12.0     **New Business**

- Item 12.1 Motion by Tuck, second by Rehm, carried 6-0 to approve 2021-23 Paraprofessional Master Agreement.
- Item 12.2 Motion by Sorenson, second by Burns, carried 6-0 to approve 2021-23 Administrative Support and Secretary Contract.
- Item 12.3 Motion by Tuck, second by Cross, carried 6-0, to approve the Handbooks.
  - Item 12.3.1 MSHS Student Handbook for 2022-23.
  - Item 12.3.2 Park & Hilltop Elementary Student Handbook 2022-23.
  - Item 12.3.3 Student Activity Handbook 2022-23.
  - Item 12.3.4 Student Device Handbook 2022-23.
- Item 12.4 Motion by Rehm, second by Burns, carried 6-0 to approve the FY23 Contract for Community Ed & ABE Director, Nathan Warden.
- Item 12.5 Motion by Rehm, second by Tuck, carried 6-0 to approve the FY23 Contract for Kids Club Coordinator, Cheri Youngren.
- Item 12.6 Motion by Hathaway, second by Sorenson, carried 6-0 to approve the FY23 Contract
  - for Early Childhood Contract, Catherine Goettl.
- Item 12.7 Motion by Burns, second by Rehm, carried 6-0 to approve the ABE Teacher contract for Valerie Danielson.
- Item 12.8 Motion by Rehm, second by Tuck, carried 6-0 to approve the 2022-23 School Year Meal prices. Breakfast \$1.80, K-5 Lunch \$3.20, 6-12 Lunch \$3.35, Extra Milk \$0.50 will be reviewed every month.

Item 13.0     **Board Member Communications/Ideas Exchange:**

Item 14.0     **Next Meeting Information:**  
Item 14.1 Schedule of Upcoming Meetings

Item 15.0     **Adjourn:** Motion by Rehm, second by Burns, carried 6-0, to adjourn the meeting at 7:56 PM.

BOARD OF EDUCATION  
INDEPENDENT SCHOOL DISTRICT 2397  
LE SUEUR-HENDERSON PUBLIC SCHOOLS  
MINUTES OF SPECIAL SCHOOL BOARD MEETING  
MSHS MEDIA CENTER/ ZOOM  
August 15, 2022

Item 1.0      **Call to Order:** The special meeting of the Le Sueur-Henderson Board of Education was called to order at 6:32 PM. Board members in attendance were Brigid Tuck, Matt Hathaway, Steve Cross, Jennifer Burns, Kelsey Schwartz, Brian Sorenson

Members Absent: Gretchen Rehm, Bella Hollaway

Also in attendance: Superintendent Jim Wagner; Administrative Assistant, Juanita Flores; Henderson Independent;

Item 2.0      **Pledge of Allegiance:**

Item 3.0      **Approval of Agenda:** Motion by Schwartz, second by Burns, carried 6-0, to approve the meeting agenda.

Item 4.0      **Consent Agenda:** Motion by Schwartz, second by Tuck, carried 6-0, to approve the meeting agenda.

Item 4.1 Hirings:

Item 4.1.1 Special Ed. Para- Samantha Jones

Item 4.1.2 MS Tennis Coach- Cassie Wilke

Item 4.1.3 Assist. FB 9th/B Team- Nathan Wentzlaff

Item 4.1.4 Assist. FB Varsity- Ben Johnson

Item 4.1.5 Special Ed. Para- Michelle Nolte

Item 4.1.6 Elementary Dean of Students- Christa Luna

Item 4.1.7 Interim MSHS Principal- Cynthia Schmidt

Item 4.1.8 Director of Learning & Curriculum- Katie Maier

Item 4.1.9 Assist. Varsity Tennis Coach- Jenny Miller

Item 4.1.10 Head FB Coach- Jim Wagner & Eric Lewis

Item 4.2 Resignation:

Item 4.2.1 Fall Play Director- Jen Weick

Item 4.2.2 Elementary School Counselor- Kristan Pfarr

Item 4.2.3 Paraprofessional Park Elem.- Nicole Seaver

Item 4.2.4 Special Ed. Para- Kristian Brandt

Item 4.2.5 HT Paraprofessional Preschool- Renee Berger

Item 5.0      **New Business**

Item 5.1 A Resolution Canvassing Returns of Votes of School District Special Election was presented. Said Resolution is attached hereto and made a part of these minutes. Motion made by Board Member Tuck and upon being seconded by Board Member Sorenson, said the following roll call vote duly adopted resolution:6-0

Tuck	Yes	Hathaway	Yes
Burns	Yes	Cross	Yes
Sorenson	Yes	Schwartz	Yes

Item 5.2 A Resolution for the Performance Agreement with Honeywells was presented. Said Resolution is attached hereto and made a part of these minutes. Motion made by Board Member Cross and upon being seconded by Board Member Hathaway, said the following roll call vote duly adopted resolution: 6-0

Tuck	Yes	Hathaway	Yes
Burns	Yes	Cross	Yes
Sorenson	Yes	Schwartz	Yes

Item 8.0 **Adjourn:** Motion by Schwartz, second by Sorenson, carried 6-0, to adjourn the meeting at 6:36 PM.



## Coach/Advisor Recommendation Le Sueur - Henderson School District

Position: Student Council

Recommended Candidate: Liz Denn

Recommended by: Eric Lewis

To be completed by administrator:

Candidate has current & appropriate certification (if applicable):

X

Reference checks completed:

X

Years of experience (Step Placement):

1

X

NEW

EXISTING

**Additional Information:** Liz, has been a part of the LSH district for years in our SPED department. Liz will be great at building relationships with kids and working with student council.

Approval of Activities Director:

*Eric F. Lewis*

8/15/2022

Electronic Signature

Date



## Coach/Advisor Recommendation Le Sueur - Henderson School District

Position: Target Advisor

Recommended Candidate: **Melissa Hollnagel**

Recommended by: Eric Lewis

To be completed by administrator:

Candidate has current & appropriate certification (if applicable):

X

Reference checks completed:

X

Years of experience (Step Placement):

1

X

NEW

EXISTING

**Additional Information:** Melissa has been a huge part of the LSH staff/culture for years. She is a great example for students and will do very well serving in the role of Target Advisor.

Approval of Activities Director:

*Eric F. Lewis*

*8/15/2022*

Electronic Signature

Date



## Coach/Advisor Recommendation Le Sueur - Henderson School District

Position: One Act Play

Recommended Candidate: Mary Carson

Recommended by: Eric Lewis

To be completed by administrator:

Candidate has current & appropriate certification (if applicable):

X

Reference checks completed:

X

Years of experience (Step Placement):

1

X

NEW

EXISTING

**Additional Information:** Mary has had experience in participating in the One Act Play as a student and is very excited about the opportunity to be directing here at LSH.

Approval of Activities Director:

*Eric F. Lewis*

8/16/2022

Electronic Signature

Date



## Coach/Advisor Recommendation Le Sueur - Henderson School District

Position: Fall Play Director

Recommended Candidate: Mary Carson

Recommended by: Eric Lewis

To be completed by administrator:

Candidate has current & appropriate certification (if applicable):

X

Reference checks completed:

X

Years of experience (Step Placement):

1

X

NEW

EXISTING

**Additional Information:** Mary has had experience in participating in the fall play as a student and is very excited about the opportunity to be directing here at LSH.

Approval of Activities Director:

*Eric F. Lewis*

8/16/2022

Electronic Signature

Date





---

Electronic Signature

Date

**Share with District Office (Alisha, Jim, Juanita) & Technology (Bruce) via Google Drive**

08/29/2022

Mr. Vrklan

LeSueur Henderson Public Schools

115 N 5th St, Le Sueur, MN 56058

Dear Mr. Vrklan

Please accept this letter as formal notification of my resignation from Le Sueur Henderson Public Schools. My last day with the company will be 09/16/2022.

Thank you,

*Rebecca Eades*

**Rebecca Eades**

August 25, 2022

POST-ISSUANCE DEBT PROCEDURES FOR:

# Independent School District No. 2397 (Le Sueur-Henderson), Minnesota



**Prepared by:**

---

Ehlers  
3060 Centre Pointe Drive  
Roseville, Minnesota 55113

---

BUILDING COMMUNITIES. IT'S WHAT WE DO.



## **Independent School District No. 2397 (Le Sueur-Henderson), Minnesota Post-Issuance Debt Compliance Procedures**

The School Board (the “Board”) of Independent School District No. 2397 (Le Sueur-Henderson), Minnesota (the “District”) has adopted the attached Post-Issuance Debt Compliance Policy dated \_\_\_\_\_. The Post-Issuance Debt Compliance Policy applies to qualifying debt obligations issued by the District. As directed by the adoption of the Post-Issuance Debt Compliance Policy, the Business Manager of the District will perform the following Post-Issuance Debt Compliance Procedures for all of the District’s outstanding debt.

### **1. General Post-Issuance Compliance**

- a. Ensure written procedures and/or guidelines have been established for individuals to follow when more than one person is responsible for ensuring compliance with Post-Issuance Debt Compliance Procedures.
- b. Ensure training and/or educational resources related to post-issuance compliance have been approved and obtained.
- c. The Business Manager understands that there are options for voluntarily correcting failures to comply with post-issuance compliance requirements (e.g. as remedial actions under Section 1.141-12 of the Treasury Regulations and the ability to enter into a closing agreement under the Tax-Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31 (the “VCAP Program”).

### **2. General Recordkeeping**

- a. Retain records and documents for the obligation and all obligations issued to refund the obligation for a period of at least seven years following the final payment of the obligation. If an obligation is refunded, then the final payment of the refunding obligation becomes the beginning of the period unless otherwise directed by the District’s bond counsel.
- b. Retain electronic (preferred) and/or paper versions of records and documents for the obligation.
- c. General records and documentation to be assembled and retained:
  - i. Description of the purpose of the obligation (i.e. the project or projects) and the state statute authorizing the project.
  - ii. Record of tax-exempt status or revocation of tax-exempt status, if applicable.
  - iii. Any correspondence between the District and the Internal Revenue Service (“IRS”) and SEC.
  - iv. Audited financial statements.
  - v. All accounting audits of property financed by the obligation.
  - vi. Obligation transcripts, official statements, and other offering documents of the obligation.
  - vii. Minutes and resolutions authorizing the issuance of the obligation.
  - viii. Certifications of the issue price of the obligation.
  - ix. Any formal elections for the obligation (i.e. an election to employ an accounting methodology other than the specific tracing method).
  - x. Appraisals, demand surveys, or feasibility studies for property financed by the obligation.
  - xi. All information reports filed for the obligations.
  - xii. All management contracts and other service agreements, research contracts, and naming rights contracts.

- xiii. Documents related to governmental grants associated with construction, renovation or purchase of property financed by the obligations.
- xiv. Reports of any prior IRS examinations of the District or the District's obligations.
- xv. All correspondence related to the above (faxes, emails, or letters).

### 3. Arbitrage Yield Restriction and Rebate Recordkeeping

- a. Investment and arbitrage documentation to be assembled and retained:
  - i. An accounting of all deposits, expenditures, interest income and asset balances associated with each fund established in connection with the obligations. This includes an accounting of all monies deposited to the debt service fund to make debt service payments on the obligations, regardless of the source derived. Accounting for expenditures and assets is described in further detail in Section 4.
  - ii. Statements prepared by Trustee and/or Investment Provider.
  - iii. Documentation of at least quarterly allocations of investments and investment earnings to each obligation.
  - iv. Documentation for investments made with obligation proceeds such as:
    - 1. investment contracts (i.e. guaranteed investment contracts),
    - 2. credit enhancement transactions (i.e. obligation insurance contracts),
    - 3. financial derivatives (e.g. swaps, caps, and collars), and
    - 4. bidding of financial products:
      - a. Investments acquired with obligation proceeds are purchased at fair market value (e.g. three bid safe harbor rule for open market securities needed in advance refunding escrows).
- b. Computations of the arbitrage yield.
- c. Computations of yield restriction and rebate amounts including but not limited to:
  - i. Compliance in meeting the "Temporary Period from Yield Restriction Exception" and limiting the investment of funds after the temporary period expires.
  - ii. Compliance in meeting the "Rebate Exception."
    - 1. qualifying for the "Small Issuer Exception,"
    - 2. qualifying for a "Spending Exception,"
      - a. 6-Month Spending Exception
      - b. 18-Month Spending Exception
      - c. 24-Month Spending Exception
    - 3. qualifying for the "Bona Fide Debt Service Fund Exception," and
    - 4. quantifying arbitrage on all funds established in connection with the obligation in lieu of satisfying arbitrage exceptions including reserve funds and debt service funds.
- d. Computations of yield restriction and rebate payments.
- e. Timely Tax Form 8038-T filing, if applicable.
  - i. Remit any arbitrage liability associated with the obligations to the IRS at each five-year anniversary date of the obligations, and the date in which the obligations are no longer outstanding (redemption or maturity date), whichever comes sooner, within 60 days of said date.
- f. Timely Tax Form 8038-R filing, if applicable.
  - i. Remit the form after the date in which the obligations are no longer outstanding (redemption or maturity date), whichever comes sooner, within 2 years of said date.

- g. Procedures or guidelines for monitoring instances where compliance with applicable yield restriction requirements depends on subsequent reinvestment of obligation proceeds in lower yielding investments (e.g. reinvestment in zero coupon SLGS).

#### 4. Expenditure and Asset Documentation to be Assembled and Retained

- a. Documentation of allocations of obligation proceeds to expenditures (e.g. allocation of proceeds to expenditures for the construction, renovation or purchase of facilities owned and used in the performance of exempt purposes).
  - i. Such allocation will be done not later than the earlier of:
    - 1. eighteen (18) months after the later of the date the expenditures are paid, or the date the projects, if any, that are financed by the obligations are placed in service; or
    - 2. the date sixty (60) days after the earlier of the fifth anniversary of the issue date of the obligations, or the date sixty (60) days after the retirement of the obligations.
- b. Documentation of allocations of obligation proceeds to issuance costs.
- c. Copies of requisitions, draw schedules, draw requests, invoices, bills, and cancelled checks related to obligation proceed expenditures during the construction period.
- d. Copies of all contracts entered into for the construction, renovation or purchase of facilities financed with obligation proceeds.
- e. Records of expenditure reimbursements incurred prior to issuing obligations for projects financed with obligation proceeds (declaration of official intent/reimbursement resolutions including all modifications).
- f. List of all facilities and equipment financed with obligation proceeds.
- g. Depreciation schedules for depreciable property financed with obligation proceeds.
- h. Documentation that tracks the purchase and sale of assets financed with obligation proceeds.
- i. Documentation of timely payment of principal and interest payments on the obligations.
- j. Tracking of all issue proceeds and the transfer of proceeds into the debt service fund as appropriate.
- k. Documentation that excess earnings from a Reserve Fund are transferred to the Debt Service Fund on an annual basis. Excess earnings are balances in a Reserve Fund that exceed the Reserve Fund requirement.

#### 5. Miscellaneous Documentation to be Assembled and Retained

- a. Ensure that the projects, while the obligations are outstanding, will avoid IRS private activity concerns.
- b. The Business Manager shall monitor the use of all obligation-financed facilities in order to:
  - i. Determine whether private business uses of obligation-financed facilities have exceeded the de minimus limits set forth in Section 141(b) of the Code as a result of:
    - 1. sale of the facilities;
    - 2. sale of District capacity rights;
    - 3. leases and subleases of facilities including easements or use arrangements for areas outside the four walls (e.g. hosting of cell phone towers);
    - 4. leasehold improvement contracts, licenses, management contracts in which the District authorizes a third party to operate a facility (e.g. cafeteria);
    - 5. research contracts;

6. preference arrangements in which the District permits a third-party preference (e.g. parking in a public parking lot, joint ventures, limited liability companies or partnership arrangements);
  7. output contracts or other contracts for use of utility facilities including contracts with large utility users;
  8. development agreements which provide for guaranteed payments or property values from a developer;
  9. grants or loans made to private entities including special assessment agreements;
  10. naming rights agreements; and
  11. any other arrangements that provide special legal entitlements to nongovernmental persons.
- ii. Determine whether private security or payments that exceed the de minimus limits set forth in Section 141(b) of the Code have been provided by nongovernmental persons with respect to such obligation-financed facilities.
- c. The Business Manager shall provide training and educational resources to any District staff that have the primary responsibility for the operation, maintenance, or inspection of obligation-financed facilities with regard to the limitations on the private business use of obligation-financed facilities and as to the limitations on the private security or payments with respect to obligation-financed facilities.
  - d. The District shall undertake the following with respect to the obligations:
    - i. An annual review of the books and records maintained by the District with respect to such obligations.
    - ii. An annual physical inspection of the facilities financed with the proceeds of such obligations, conducted by the Business Manager with the assistance of any District staff who have the primary responsibility for the operation, maintenance, or inspection of such obligation-financed facilities.
  - e. Changes in the project that impact the terms or commitments of the obligation are properly documented and necessary certificates or opinions are on file.

## 6. Additional Undertakings and Activities that Support Sections 1 through 5 above:

- a. The Business Manager will notify the District's bond counsel, trustee, financial advisor and arbitrage provider of any survey or inquiry by the IRS immediately upon receipt. Usually responses to IRS inquiries are due within 21 days of receipt. Such IRS responses require the review of the above-mentioned data and must be in writing. As much time as possible is helpful in preparing the response.
- b. The Business Manager will consult with the District's bond counsel, financial advisor and arbitrage provider before engaging in post-issuance credit enhancement transactions (e.g. obligation insurance, letter of credit, or hedging transaction).
- c. The Business Manager will monitor all "qualified tax-exempt debt obligations" (often referred to as "bank qualified" obligations) within the first calendar year to determine if the limit is exceeded, and if exceeded, will address accordingly. For obligations issued during years 2009 and 2010 the limit was \$30,000,000. During this period, the limit also applied to pooled financings of the governing body and provides a separate \$30,000,000 for each 501 (c)(3) conduit borrower. In 2011 and thereafter it is \$10,000,000 unless changed by Congress.
- d. Identify any post-issuance change to terms of obligations which could be treated as a current refunding of "old" obligations by "new" obligations, often referred to as a "reissuance."

- e. The Business Manager will consult with the District's bond counsel prior to any sale, transfer, change in use or change in users of obligation-financed property which may require "remedial action" under applicable Treasury Regulations or resolution pursuant to the VCAP Program.
  - i. A remedial action has the effect of curing a deliberate action taken by the District which results in satisfaction of the private business test or private loan test. Remedial actions under Section 1.141-12(d)(e) and (f) include the redemption of non-qualified obligations and/or the alternative uses of proceeds or the facility (i.e. to be used for another qualified purpose).
- f. The Business Manager will ensure that the appropriate tax form for federal subsidy payments is prepared and filed in a timely fashion for applicable obligations (e.g. direct pay or other tax credit bonds).

## 7. Continuing Disclosure Obligations

- a. Identify personnel at the District to be responsible for compliance with continuing disclosure obligations as defined by the Rule, and any covenants of outstanding obligations, and any policies of the District.
- b. The personnel responsible for compliance may have the ability to assign responsibilities, delegate where appropriate or engage a dissemination agent or third-party service providers to perform all or some of the duties described in this section. The District cannot delegate its compliance responsibilities.
- c. The District should specify how providers or delegated authorities will be monitored and supervised.
- d. The District should identify the documents that set forth the respective requirements being monitored at the time of closing of each obligation.
- e. The District should catalog all outstanding Continuing Disclosure Agreements and other reporting requirements and establish consolidated filing requirements.
- f. The District should identify the frequency of the actions to be undertaken to ensure compliance, establish a system or filing alerts or reminders to administer the filing and reporting requirements.
- g. The Business Manager for compliance must be made aware of any new outstanding debt, changes to obligation or loan covenants, events of acceleration or default that would materially affect investors.
- h. The District should review a compliance checklist to verify compliance with CDA and other reporting requirements, at least annually, although it may be advisable to provide more frequent reviews in connection to specific material events.
- i. The District should monitor for mandatory material events specifically identified in accordance with the Rule and file required notices within 10 days of occurrence.
  - i. Principal and interest payment delinquencies.
  - ii. Non-payment related defaults, if material.
  - iii. Unscheduled draws on debt service reserves reflecting financial difficulties.
  - iv. Unscheduled draws on credit enhancements reflecting financial difficulties.
  - v. Substitution of credit or liquidity providers or their failure to perform.
  - vi. Adverse tax opinion, IRS notices or material events affecting the tax status of the obligation.
  - vii. Modifications to rights of security holders, if material.
  - viii. Obligation calls, if material.

- ix. Defeasances.
  - x. Release, substitution or sale of property securing repayment of the obligations, if material.
  - xi. Rating Changes.
  - xii. Bankruptcy, insolvency, receivership, or similar event of the obligated person(s).
  - xiii. Merger, consolidation, or acquisition of the obligated person, if material.
  - xiv. Appointment of a successor or additional trustee, or change of name of a trustee, if material.
  - xv. Incurrence of financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.
  - xvi. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District, any of which reflect financial difficulties.
- j. In addition to the mandatory material events, the District should review and file any additional or voluntary event notices.
  - k. The District should maintain a catalog of all outstanding obligations whether publicly offered or privately placed, and the terms and conditions that govern default or acceleration provisions, if any.
  - l. Any missed filing requirement should be remedied with a failure to file notice as soon as possible once the late filing is identified and the required information is available to file.
  - m. Sensitive information such as bank accounts and wire information should be redacted from documents prior to posting on EMMA.
  - n. The District needs to monitor for changes in law and regulations that effect continuing disclosure obligations and review disclosure policies and procedures periodically to ensure compliance and consistency with regulations and market expectations.

## 8. Compliance with Future Requirements

- a. Take measures to comply with any future requirements issued beyond the date of these Post-Issuance Debt Compliance Procedures which are essential to ensuring compliance with applicable state and federal regulations.

August 25, 2022

POST-ISSUANCE COMPLIANCE POLICY FOR:

# Independent School District No. 2397 (Le Sueur-Henderson), Minnesota



Prepared by:

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Ehlers  
3060 Centre Pointe Drive  
Roseville, Minnesota 55113

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BUILDING COMMUNITIES. IT'S WHAT WE DO.

# **Independent School District No. 2397 (Le Sueur-Henderson), Minnesota Post-Issuance Debt Compliance Policy**

The School Board (the “Board”) of Independent School District No. 2397 (Le Sueur-Henderson), Minnesota (the “District”) has chosen, by policy, to take steps to help ensure that all obligations will be in compliance with all applicable federal regulations. This policy may be amended, as necessary, in the future.

## **IRS Background**

The Internal Revenue Service (“IRS”) is responsible for enforcing compliance with the Internal Revenue Code (the “Code”) and regulations promulgated thereunder (“Treasury Regulations”) governing certain obligations (for example: tax-exempt obligations, Build America Bonds, Recovery Zone Development Bonds and various “Tax Credit” Bonds). The IRS encourages issuers and beneficiaries of such obligations to adopt and implement a post-issuance debt compliance policy and procedures to safeguard against post-issuance violations.

## **SEC Background**

The Securities and Exchange Commission (“SEC”) is responsible for enforcing compliance with its Rule 15c2-12 (the “Rule”) of the securities act. Issuers and borrowers of municipal securities (referred to as “obligated persons”) generally have a requirement to meet specific continuing disclosure standards set forth in continuing disclosure agreements (“CDA”). Unless the issuer, obligated person, or a specific obligation is exempt from compliance with CDAs, these agreements are entered into at the time of issuance to enable underwriter(s) to comply with the Rule. The Rule sets forth certain obligations of (i) underwriters to receive, review and disseminate official statements of most primary offerings of municipal securities, (ii) underwriters to obtain CDAs from issuers and other obligated persons to provide material event disclosures and annual financial information on a continuing basis, and (iii) broker-dealers to have access to such continuing disclosures in order to make recommendations of municipal securities transactions in the secondary market. The SEC encourages issuers and obligated persons adopt and implement a post-issuance debt compliance policy and procedures to safeguard against Rule violations.

When obligations are issued, the CDA commits the issuer or obligated person to provide certain financial and statistical information and material event notices to the public. Issuers and other obligated persons may also choose to provide periodic, voluntary financial information and filings to investors in addition to fulfilling the specific responsibilities delineated in CDAs. It is important to note that issuers and other obligated persons should not give any one investor certain information that is not readily available to all market participants by disseminating information to the marketplace, at large. Issuers and other obligated persons should be aware that any disclosure activities determined to be “communicating to the market” can be subject to regulatory scrutiny.

## **Post-Issuance Debt Compliance Policy Objective**

The District desires to monitor these obligations to ensure compliance with the IRS Code, Treasury Regulations and the SEC Rule. To help ensure compliance, the District has developed the following policy (the “Post-Issuance Debt Compliance Policy”). The Post-Issuance Debt Compliance Policy shall apply to all obligations, including bonds, notes, loans, lease purchase contracts, lines of credit, commercial paper or any other form of debt that is subject to compliance.

## **Post-Issuance Debt Compliance Policy**

The Business Manager of the District is designated as the District's agent who is responsible for post-issuance compliance obligations.

The Business Manager shall assemble all relevant documentation, records and activities required to ensure post-issuance debt compliance as further detailed in corresponding procedures (the "Post-Issuance Debt Compliance Procedures"). At a minimum, the Post-Issuance Debt Compliance Procedures for each qualifying obligation will address the following:

1. General Post-Issuance Compliance
2. General Recordkeeping
3. Arbitrage Yield Restriction and Rebate Recordkeeping
4. Expenditure and Asset Documentation to be Assembled and Retained
5. Miscellaneous Documentation to be Assembled and Retained
6. Additional Undertakings and Activities that Support Sections 1 through 5 above
7. Continuing Disclosure Obligations
8. Compliance with Future Requirements

The Business Manager shall apply the Post-Issuance Debt Compliance Procedures to each qualifying obligation and maintain a record of the results. Further, the Business Manager will ensure that the Post-Issuance Debt Compliance Policy and Procedures are updated on a regular and as needed basis.

The Business Manager or any other individuals responsible for assisting the Business Manager in maintaining records needed to ensure post-issuance debt compliance, are authorized to expend funds as needed to attend training or secure use of other educational resources for ensuring compliance such as consulting, publications, and compliance assistance.

Most of the provisions of this Post-Issuance Debt Compliance Policy are not applicable to taxable governmental obligations unless there is a reasonable possibility that the District may refund their taxable governmental obligation, in whole or in part, with the proceeds of a tax-exempt governmental obligation. If this refunding possibility exists, then the District shall treat the taxable governmental obligation as if such issue were an issue of tax-exempt governmental obligations and comply with the requirements of this Post-Issuance Debt Compliance Policy.

## **Private Activity Bonds**

The District may issue tax-exempt obligations that are "private activity" bonds because either (1) the bonds finance a facility that is owned by the District but used by one or more qualified 501(c)(3) organizations, or (2) the bonds are so-called "conduit bonds", where the proceeds are loaned to a qualified 501(c)(3) organization or another private entity that finances activities eligible for tax-exempt financing under federal law (such as certain manufacturing projects and certain affordable housing projects). Prior to the issuance of either of these types of bonds, the Business Manager shall take steps necessary to ensure that such obligations will remain in compliance with the requirements of this Post-Issuance Debt Compliance Policy.

In a case where compliance activities are reasonably within the control of a private party (i.e., a 501(c)(3) organization or conduit borrower), the Business Manager may determine that all or some portion of compliance responsibilities described in this Post-Issuance Debt Compliance Policy shall be assigned to the relevant party.

In the case of conduit bonds, the conduit borrower will be assigned all compliance responsibilities other than those required to be undertaken by the District under federal law. In a case where the Business Manager is concerned about the compliance ability of a private party, the Business Manager may require that a trustee or other independent third party be retained to assist with record keeping for the obligation and/or that the trustee or such third party be responsible for all or some portion of the compliance responsibilities.

The Business Manager is additionally authorized to seek the advice, as necessary, of bond counsel, disclosure counsel, and/or its financial advisor to ensure the District is in compliance with this Post-Issuance Debt Compliance Policy.

Adopted this date \_\_\_\_\_ by Independent School District No. 2397 (Le Sueur-Henderson),  
Minnesota

CERTIFICATION OF MINUTES RELATING TO  
\$39,900,000 GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2022A

Issuer: Independent School District No. 2397 (Le Sueur-Henderson), Minnesota

Governing Body: School Board

Kind, date, time and place of meeting: A regular meeting held on September 6, 2022 at 6:30 p.m. in the MS/HS Media Center.

Members present:

Members absent:

Documents attached:

Minutes of said meeting (including):

RESOLUTION RELATING TO \$39,900,000 GENERAL OBLIGATION  
SCHOOL BUILDING BONDS, SERIES 2022A; AUTHORIZING ISSUANCE,  
PROVIDING FOR SALE, AND COVENANTING AND OBLIGATING THE  
DISTRICT TO BE BOUND BY AND USE THE STATE CREDIT  
ENHANCEMENT PROGRAM

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

WITNESS my hand officially as such recording officer this 6<sup>th</sup> day of September, 2022.

\_\_\_\_\_  
School District Clerk

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

RESOLUTION RELATING TO \$39,900,000 GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2022A; AUTHORIZING ISSUANCE, PROVIDING FOR SALE, AND COVENANTING AND OBLIGATING THE DISTRICT TO BE BOUND BY AND USE THE STATE CREDIT ENHANCEMENT PROGRAM

BE IT RESOLVED by the School Board (the Board) of Independent School District No. 2397 (Le Sueur-Henderson), Minnesota (the District), as follows:

SECTION 1. AUTHORIZATION AND ELECTION. This Board hereby determines it is in the best interests of the District to authorize the issuance and sale of its General Obligation School Building Bonds, Series 2022A in an aggregate amount not to exceed \$39,900,000 (the Bonds), the proceeds to be used to provide funds for the acquisition and betterment of school sites and facilities including, but not limited to, a PreK-5 elementary addition at the Middle/High School campus and demolition of Park Elementary, as approved by the electors at a special election held on August 9, 2022 (collectively, the Projects), pursuant to Minnesota Statutes, Chapter 475.

SECTION 2. SALE. The District has retained Ehlers & Associates, Inc., in Roseville, Minnesota (Ehlers), as its independent municipal advisor in connection with the sale of the Bonds. Ehlers is authorized to solicit proposals for the purchase of the Bonds in accordance with Minnesota Statutes, Section 475.60, subdivision 2, paragraph (9). The Board shall meet at the time and place specified in the Official Statement for the Bonds to receive and consider such proposals for the purchase of the Bonds.

SECTION 3. OFFICIAL STATEMENT; PROPOSALS. Ehlers is authorized to prepare and distribute an Official Statement for the Bonds and to open, read, and tabulate the proposals for presentation to the Board.

SECTION 4. STATE CREDIT ENHANCEMENT PROGRAM. (a) The District hereby covenants and obligates itself to notify the Commissioner of the Department of Education of the State of Minnesota (the Commissioner of Education) of a potential default in the payment of principal and interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee payment of the principal and interest on the Bonds when due. The District further covenants to deposit with the Registrar or any successor paying agent three (3) days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Commissioner of Education that it will be unable to make all or a portion of that payment. The Registrar for the Bonds is authorized and directed to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal or interest on the Bonds or if, on the day two (2) business days prior to the date a payment is due on the Bonds, there are insufficient funds to make that payment on deposit with the Registrar. The District understands that as a result of its covenant to be bound by the provision of Minnesota Statutes, Section 126C.55, the provisions of that section shall be binding as long as any Bonds of this issue remain outstanding.

(b) The District further covenants to comply with all procedures now and hereafter established by the Departments of Management and Budget and Education of the State of Minnesota pursuant to Minnesota Statutes, Section 126C.55, subdivision 2(c) and otherwise to take such actions as necessary to comply with that section. The chair, clerk, superintendent or business manager is authorized to execute any applicable Minnesota Department of Education forms.

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

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted.

September 6, 2022

PRE-SALE REPORT FOR

# Independent School District No. 2397 (Le Sueur-Henderson), Minnesota

**\$39,900,000 General Obligation School Building  
Bonds, Series 2022A**



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**Prepared by:**

Ehlers  
3060 Centre Pointe Drive  
Roseville, MN 55113

**Advisors:**

Jodie Zesbaugh, Senior Municipal Advisor  
Shelby McQuay, Senior Municipal Advisor  
Aaron Bushberger, Municipal Advisor

---

**BUILDING COMMUNITIES. IT'S WHAT WE DO.**

# EXECUTIVE SUMMARY OF PROPOSED DEBT

## Proposed Issue:

\$39,900,000 General Obligation School Building Bonds, Series 2022A

## Purposes:

The proposed issue will finance the acquisition and betterment of school sites and facilities as authorized by the district's voters in a referendum on August 9, 2022.

## Authority:

The Bonds are being issued pursuant to Minnesota Statutes, Chapter 475. The Bonds will be general obligations of the District for which its full faith, credit and taxing powers are pledged. Debt service for the bonds will be paid from the District's annual debt service property tax levy.

## Term/Call Feature:

The Bonds are being issued for a term of 20 years and 3 months. Principal on the Bonds will be due on February 1 of 2025 through 2043. Interest will be due every six months beginning August 1, 2023.

The Bonds maturing on February 1, 2032 and later will be subject to prepayment at the discretion of the District on February 1, 2031 or any date thereafter.

## Bank Qualification:

Because the District is issuing more than \$10,000,000 in tax-exempt obligations during the calendar year, the District will be not able to designate the Bonds as "bank qualified" obligations.

## State Credit Enhancement:

By resolution the District will covenant and obligate itself to be bound by the provisions of Minnesota Statutes, Section 126C.55, which provides for payment by the State of Minnesota in the event of a potential default of a school district obligation.

To qualify for the credit enhancement, the District must submit an application to the State. Ehlers will coordinate the application process to the State on your behalf.

## **Rating:**

Under current bond ratings, the state credit enhancement would bring a Standard & Poor's "AAA" rating. The District's most recent bond issue was rated "AAA" (credit enhanced rating) and "A-" (underlying rating) by S&P Global Ratings. The District will request a new rating for the Bonds.

If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the District's bond rating in the event that the bond rating of the insurer is higher than that of the District.

## **Basis for Recommendation:**

Based on your objectives, financial situation and need, risk tolerance, liquidity needs, experience with the issuance of Bonds and long-term financial capacity, as well as the tax status considerations related to the Bonds and the structure, timing and other similar matters related to the Bonds, we are recommending the issuance of Bonds as a suitable option.

## **Method of Sale/Placement:**

We are recommending the Bonds be issued as municipal securities and offered through a competitive underwriting process. We will solicit competitive bids for the purchase of the Bonds from underwriters and banks.

We will include an allowance for discount bidding in the terms of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.

If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to reduce your borrowing amount.

## **Premium Pricing:**

In some cases, investors in municipal bonds prefer "premium" pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered "reoffering premium." The underwriter of the bonds will retain a portion of this reoffering premium as their compensation (or "discount") but will pay the remainder of the premium to the District. Any net premium received may be used to reduce the principal amount of the Bonds, increase the net proceeds for the project, or to fund a portion of the interest on the Bonds.

## **Review of Existing Debt:**

We have reviewed all outstanding indebtedness for the District and find that there are no refunding opportunities at this time.

We will continue to monitor the market and the call dates for the District's outstanding debt and will alert you to any future refunding opportunities.

## **Continuing Disclosure:**

The District will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC). The District is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.

## **Arbitrage Monitoring:**

The District must ensure compliance with certain sections of the Internal Revenue Code and Treasury Regulations (“Arbitrage Rules”) throughout the life of the issue to maintain the tax-exempt status of the Bonds. These Arbitrage Rules apply to amounts held in construction, escrow, reserve, debt service account(s), etc., along with related investment income on each fund/account.

IRS audits will verify compliance with rebate, yield restriction and records retention requirements within the Arbitrage Rules. The District’s specific arbitrage responsibilities will be detailed in the Signature, No-Litigation, Arbitrage Certificate and Purchase Price Receipt (the “Tax Compliance Document”) prepared by your Bond Attorney and provided at closing.

The Bonds may qualify for one or more exception(s) to the Arbitrage Rules by meeting 1) small issuer exception, 2) spend down requirements, 3) bona fide debt service fund limits, 4) reasonable reserve requirements, 5) expenditure within an available period limitations, 6) investments yield restrictions, 7) de minimis rules, or; 8) borrower limited requirements.

We recommend that the District review its specific responsibilities related to the Bonds with an arbitrage expert in order to utilize one or more of the exceptions listed above. We also recommend that you establish written procedures regarding compliance with IRS rules.

## **Investment of Bond Proceeds:**

Ehlers can assist the District in developing a strategy to invest your Bond proceeds until the funds are needed to pay project costs.

## Other Service Providers:

This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.

**Bond Counsel:** Dorsey & Whitney LLP

**Paying Agent:** Bond Trust Services Corporation

**Rating Agency:** Standard & Poor's Global Ratings (S&P)

*This presale report summarizes our understanding of the District's objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the District's objectives.*

## PROPOSED DEBT ISSUANCE SCHEDULE

Ehlers Presents Pre-Sale Report to School Board, School Board Approves Resolution Authorizing Sale of the Bonds:	September 6, 2022
Due Diligence Call to Review Official Statement:	Week of September 19, 2022
Conference with Rating Agency:	September 21, 2022
Distribute Official Statement:	September 22, 2022
Ehlers Receives and Evaluates Proposals for Purchase of Bonds:	October 3, 2022
School Board Meeting to Award Sale of Bonds:	October 3, 2022
Estimated Closing Date:	October 27, 2022

### Attachments

- Estimated Sources and Uses of Funds
- Estimated Proposed Net Debt Service Schedule
- Updated Long-Term Financing Plan for Debt and Capital Payments and Levies
- Resolution Authorizing Ehlers to Proceed with Bond Sale/Credit Enhancement
- Resolution (provided separately)

## EHLERS' CONTACTS

Jodie Zesbaugh, Senior Municipal Advisor	(651) 697-8526
Shelby McQuay, Senior Municipal Advisor	(651) 697-8548
Aaron Bushberger, Municipal Advisor	(651) 697-8532
Rose Xiong, Public Finance Analyst	(651) 697-8589
Brian Shannon, Manager, Senior Financial Analyst	(651) 697-8515

**ESTIMATES PRIOR TO BOND SALE**

**Le Sueur-Henderson Public Schools, ISD 2397**

**August 25, 2022**

Estimated Sources and Uses of Funds  
 General Obligation School Building Bonds  
 August 9, 2022 Election

<b>Authorized Bond Amount</b>	<b>\$39,900,000</b>
<b>Dated</b>	<b>10/27/2022</b>
<b>Number of Years</b>	<b>20</b>
<b>Sources of Funds</b>	
Par Amount of Bonds	\$39,900,000
Reoffering Premium <sup>1</sup>	\$988,879
Estimated Investment Earnings <sup>2</sup>	39,357
<b>Total Sources</b>	<b>\$40,928,235</b>
<b>Uses of Funds</b>	
Allowance for Discount Bidding <sup>3</sup>	\$319,200
Capitalized Interest <sup>4</sup>	54,000
Legal and Fiscal Costs <sup>5</sup>	170,165
<b>Net Available for Project Costs</b>	<b>40,384,870</b>
<b>Total Uses</b>	<b>\$40,928,235</b>
<b>Deposit to the Construction Fund</b>	<b>\$40,345,514</b>

- 1 The underwriter of the bonds may receive a reoffering premium in the sale of the bonds. They will retain a portion of the premium as their compensation, or underwriter's discount. The remainder of the premium will be either be used to reduce the par amount of the bonds, pay a portion of the first year's interest on the bonds, or deposited in the construction fund and used to fund a portion of the project costs.
- 2 Estimated investment earnings are based on an average interest rate of 0.10%, and an average life of 12 months for investments.
- 3 The allowance for discount bidding is an estimate of the compensation taken by the underwriter who provides the lowest true interest cost as part of the competitive bidding process and purchases the bonds. Ehlers provides independent municipal advisory services as part of the bond sale process and is not an underwriting firm.
- 4 To maintain the levy payable in 2023 consistent with later years, a portion of the payments due during fiscal year 2024 will be made from bond proceeds.
- 5 Includes fees for municipal advisor, bond counsel, rating agency, paying agent and county certificates.

# I.S.D. No. 2397 (Le Sueur-Henderson)

\$39,900,000 General Obligation School Building Bonds, Series 2022A

Dated: October 27, 2022

## Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
10/27/2022	-	-	-	-	-	-	-
08/01/2023	-	-	1,232,695.56	1,232,695.56	(54,000.00)	1,178,695.56	-
02/01/2024	-	-	809,800.00	809,800.00	-	809,800.00	1,988,495.56
08/01/2024	-	-	809,800.00	809,800.00	-	809,800.00	-
02/01/2025	420,000.00	5.000%	809,800.00	1,229,800.00	-	1,229,800.00	2,039,600.00
08/01/2025	-	-	799,300.00	799,300.00	-	799,300.00	-
02/01/2026	445,000.00	5.000%	799,300.00	1,244,300.00	-	1,244,300.00	2,043,600.00
08/01/2026	-	-	788,175.00	788,175.00	-	788,175.00	-
02/01/2027	1,800,000.00	5.000%	788,175.00	2,588,175.00	-	2,588,175.00	3,376,350.00
08/01/2027	-	-	743,175.00	743,175.00	-	743,175.00	-
02/01/2028	1,890,000.00	5.000%	743,175.00	2,633,175.00	-	2,633,175.00	3,376,350.00
08/01/2028	-	-	695,925.00	695,925.00	-	695,925.00	-
02/01/2029	1,985,000.00	5.000%	695,925.00	2,680,925.00	-	2,680,925.00	3,376,850.00
08/01/2029	-	-	646,300.00	646,300.00	-	646,300.00	-
02/01/2030	2,085,000.00	5.000%	646,300.00	2,731,300.00	-	2,731,300.00	3,377,600.00
08/01/2030	-	-	594,175.00	594,175.00	-	594,175.00	-
02/01/2031	2,190,000.00	5.000%	594,175.00	2,784,175.00	-	2,784,175.00	3,378,350.00
08/01/2031	-	-	539,425.00	539,425.00	-	539,425.00	-
02/01/2032	2,295,000.00	3.100%	539,425.00	2,834,425.00	-	2,834,425.00	3,373,850.00
08/01/2032	-	-	503,852.50	503,852.50	-	503,852.50	-
02/01/2033	2,045,000.00	3.250%	503,852.50	2,548,852.50	-	2,548,852.50	3,052,705.00
08/01/2033	-	-	470,621.25	470,621.25	-	470,621.25	-
02/01/2034	2,105,000.00	3.250%	470,621.25	2,575,621.25	-	2,575,621.25	3,046,242.50
08/01/2034	-	-	436,415.00	436,415.00	-	436,415.00	-
02/01/2035	2,170,000.00	3.250%	436,415.00	2,606,415.00	-	2,606,415.00	3,042,830.00
08/01/2035	-	-	401,152.50	401,152.50	-	401,152.50	-
02/01/2036	2,240,000.00	3.500%	401,152.50	2,641,152.50	-	2,641,152.50	3,042,305.00
08/01/2036	-	-	361,952.50	361,952.50	-	361,952.50	-
02/01/2037	2,320,000.00	3.750%	361,952.50	2,681,952.50	-	2,681,952.50	3,043,905.00
08/01/2037	-	-	318,452.50	318,452.50	-	318,452.50	-
02/01/2038	2,405,000.00	3.750%	318,452.50	2,723,452.50	-	2,723,452.50	3,041,905.00
08/01/2038	-	-	273,358.75	273,358.75	-	273,358.75	-
02/01/2039	2,495,000.00	3.800%	273,358.75	2,768,358.75	-	2,768,358.75	3,041,717.50
08/01/2039	-	-	225,953.75	225,953.75	-	225,953.75	-
02/01/2040	2,590,000.00	4.000%	225,953.75	2,815,953.75	-	2,815,953.75	3,041,907.50
08/01/2040	-	-	174,153.75	174,153.75	-	174,153.75	-
02/01/2041	2,695,000.00	4.000%	174,153.75	2,869,153.75	-	2,869,153.75	3,043,307.50
08/01/2041	-	-	120,253.75	120,253.75	-	120,253.75	-
02/01/2042	2,805,000.00	4.150%	120,253.75	2,925,253.75	-	2,925,253.75	3,045,507.50
08/01/2042	-	-	62,050.00	62,050.00	-	62,050.00	-
02/01/2043	2,920,000.00	4.250%	62,050.00	2,982,050.00	-	2,982,050.00	3,044,100.00
<b>Total</b>	<b>\$39,900,000.00</b>	<b>-</b>	<b>\$19,971,478.06</b>	<b>\$59,871,478.06</b>	<b>(54,000.00)</b>	<b>\$59,817,478.06</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$505,398.33
Average Life	12.667 Years
Average Coupon	3.9516312%
Net Interest Cost (NIC)	3.8191261%
True Interest Cost (TIC)	3.7829702%
Bond Yield for Arbitrage Purposes	3.7016472%
All Inclusive Cost (AIC)	3.8266822%

## IRS Form 8038

Net Interest Cost	3.7220313%
Weighted Average Maturity	12.473 Years

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**ESTIMATES PRIOR TO BOND SALE**

**Le Sueur-Henderson Public Schools, ISD 2397**  
**Analysis of Possible Structure for Capital and Debt Levies**

**\$39,900,000 Bond Issue**  
**20 Years**  
**Wrapped Around Existing Debt**

Type of Bond	Principal Amount	Dated Date	Interest Rate
Voter-Approved Building	\$39,900,000	10/27/22	3.78%

August 25, 2022

Levy Payable Year	Fiscal Year	Tax Capacity Value <sup>1</sup>		Existing Commitments				Proposed New School Building Bonds				Combined Totals		
		(\$000s)	% Chg	Building Bonds <sup>2</sup>	Est. Debt Excess <sup>3</sup>	Net Levy	Tax Rate	Principal	Interest	Add'l. Debt Excess <sup>3</sup>	Net Levy	Initial Debt Levy	Net Levy	Tax Rate
2021	2022	11,086	0.8%	1,296,223	(83,261)	1,212,961	10.94	-	-	-	-	1,212,961	1,212,961	10.94
2022	2023	11,461	3.4%	1,325,625	(79,115)	1,246,510	10.88	-	-	-	-	1,246,510	1,246,510	10.88
2023	2024	12,378	8.0%	1,321,425	(70,571)	1,250,854	10.11	-	2,042,496	70,571	2,158,491	3,409,345	3,409,345	27.54
2024	2025	12,378	0.0%	1,319,850	(52,857)	1,266,993	10.24	420,000	1,619,600	-	2,141,580	3,408,573	3,408,573	27.54
2025	2026	12,378	0.0%	1,317,330	(52,794)	1,264,536	10.22	445,000	1,598,600	-	2,145,780	3,410,316	3,410,316	27.55
2026	2027	12,378	0.0%	-	-	-	-	1,800,000	1,576,350	(136,413)	3,408,755	3,408,755	3,408,755	27.54
2027	2028	12,378	0.0%	-	-	-	-	1,890,000	1,486,350	(136,350)	3,408,817	3,408,817	3,408,817	27.54
2028	2029	12,378	0.0%	-	-	-	-	1,985,000	1,391,850	(136,353)	3,409,340	3,409,340	3,409,340	27.54
2029	2030	12,378	0.0%	-	-	-	-	2,085,000	1,292,600	(136,374)	3,410,106	3,410,106	3,410,106	27.55
2030	2031	12,378	0.0%	-	-	-	-	2,190,000	1,188,350	(136,404)	3,410,863	3,410,863	3,410,863	27.56
2031	2032	12,378	0.0%	-	-	-	-	2,295,000	1,078,850	(136,435)	3,406,108	3,406,108	3,406,108	27.52
2032	2033	12,378	0.0%	-	-	-	-	2,045,000	1,007,705	(136,244)	3,069,096	3,069,096	3,069,096	24.80
2033	2034	12,378	0.0%	-	-	-	-	2,105,000	941,243	(122,764)	3,075,791	3,075,791	3,075,791	24.85
2034	2035	12,378	0.0%	-	-	-	-	2,170,000	872,830	(123,032)	3,071,940	3,071,940	3,071,940	24.82
2035	2036	12,378	0.0%	-	-	-	-	2,240,000	802,305	(122,878)	3,071,543	3,071,543	3,071,543	24.81
2036	2037	12,378	0.0%	-	-	-	-	2,320,000	723,905	(122,862)	3,073,239	3,073,239	3,073,239	24.83
2037	2038	12,378	0.0%	-	-	-	-	2,405,000	636,905	(122,930)	3,071,071	3,071,071	3,071,071	24.81
2038	2039	12,378	0.0%	-	-	-	-	2,495,000	546,718	(122,843)	3,070,961	3,070,961	3,070,961	24.81
2039	2040	12,378	0.0%	-	-	-	-	2,590,000	451,908	(122,838)	3,071,164	3,071,164	3,071,164	24.81
2040	2041	12,378	0.0%	-	-	-	-	2,695,000	348,308	(122,847)	3,072,626	3,072,626	3,072,626	24.82
2041	2042	12,378	0.0%	-	-	-	-	2,805,000	240,508	(122,905)	3,074,878	3,074,878	3,074,878	24.84
2042	2043	12,378	0.0%	-	-	-	-	2,920,000	124,100	(122,995)	3,073,310	3,073,310	3,073,310	24.83
2043	2044	12,378	0.0%	-	-	-	-	-	-	-	-	-	-	-
2044	2045	12,378	0.0%	-	-	-	-	-	-	-	-	-	-	-
2045	2046	12,378	0.0%	-	-	-	-	-	-	-	-	-	-	-
<b>Totals</b>				<b>6,580,453</b>	<b>(338,599)</b>	<b>6,241,854</b>		<b>39,900,000</b>	<b>19,971,478</b>	<b>(2,112,894)</b>	<b>60,695,458</b>	<b>66,937,312</b>	<b>66,937,312</b>	

- 1 Tax capacity values for taxes payable in 2021 and 2022 are the final values from Le Sueur County. Estimates for future years are based on the percentage changes as shown above.
- 2 Initial debt service levies (prior to subtracting debt equalization aid) are set at 105 percent of the principal and interest payments during the next fiscal year.
- 3 Debt excess adjustments for taxes payable in 2021 and 2022 are the actual amounts and for taxes payable in 2023 is based on the audited debt service fund balance as of June 30, 2021. Debt excess for future years is estimated at 4% of the prior year's initial debt service levy.



# ESTIMATES PRIOR TO BOND SALE

**Le Sueur-Henderson Public Schools, ISD 2397**  
**Estimated Tax Rates for Capital and Debt Service Levies**  
**Existing Commitments and Proposed New Debt**

*Question 1*

**\$39,900,000 Bond Issue**  
**20 Years**  
**Wrapped Around Existing Debt**

Date Prepared: August 25, 2022

