

Independent School District 507 Special
School Board Meeting
Friday, September 25, 2020 9:00 AM

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Meeting ID: 865 897 1046
Passcode: 136511

Agenda

{{Name: Agenda Item Name}}
{{Speaker: Agenda Item Speakers}}
{{Description: Agenda Item Description}} {{AgendaItemEnd}}

A. CALL TO ORDER

B. ROLL CALL

C. APPROVAL OF AGENDA

D. RESOLUTION STATING THE INTENTION OF THE SCHOOL BOARD TO ISSUE GENERAL OBLIGATION BONDS CONSISTING OF ONE COMPONENT TO FINANCE PROJECTS INCLUDED IN THE DISTRICT'S APPROVED TEN-YEAR FACILITY PLAN AND ANOTHER COMPONENT TO FINANCE CERTAIN OTHER CAPITAL PROJECTS; COVENANTING AND OBLIGATING THE DISTRICT TO BE BOUND BY AND TO USE THE PROVISIONS OF MINNESOTA STATUTES, SECTION 126C.55 TO GUARANTEE THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BONDS

This resolution is in support of the facilities improvement plan authorized by the school board on August 12th. The resolution for the sale of bonds approved at that meeting approved the sale of bonds for the portion of the project affiliated with indoor air quality improvements. This resolution approves the sale of bonds for the portions of the project not affiliated with indoor air quality improvements.

LTFM revenue will pay for General Obligation Capital Facilities Bonds. Capital Appreciation Bonding (CAB) would extend the bond debt scheduled to expire in 2026 by 6 years. The funding strategy would use the Ag2School Credit. As a result, taxes will decrease for non-homestead agricultural property (65% of our district) and be cost neutral

for other property.

The superintendent recommends approving the attached resolution.
E. ADJOURNMENT

**CERTIFICATION OF MINUTES
RELATING TO
GENERAL OBLIGATION BONDS, SERIES 2020B**

ISSUER: INDEPENDENT SCHOOL DISTRICT NO. 507
(NICOLLET)
NICOLLET, MINNESOTA

GOVERNING BODY: SCHOOL BOARD

DATE, TIME AND PLACE OF MEETING:

A meeting held September 25, 2020, at 9:00 o'clock a.m., in the School District.

MEMBERS PRESENT:

MEMBERS ABSENT:

Documents Attached: Extract of Minutes of said meeting.

**RESOLUTION STATING THE INTENTION OF THE SCHOOL BOARD
TO ISSUE GENERAL OBLIGATION BONDS CONSISTING OF ONE
COMPONENT TO FINANCE PROJECTS INCLUDED IN THE
DISTRICT'S APPROVED TEN-YEAR FACILITY PLAN AND ANOTHER
COMPONENT TO FINANCE CERTAIN OTHER CAPITAL PROJECTS;
COVENANTING AND OBLIGATING THE DISTRICT TO BE BOUND BY
AND TO USE THE PROVISIONS OF MINNESOTA STATUTES, SECTION
126C.55 TO GUARANTEE THE PAYMENT OF THE PRINCIPAL AND
INTEREST ON THE BONDS**

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the obligations 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 obligations; 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 ___ day of September, 2020.

School District Clerk

**EXTRACT OF MINUTES OF A MEETING
OF THE SCHOOL BOARD OF
INDEPENDENT SCHOOL DISTRICT NO. 507
(NICOLLET)
STATE OF MINNESOTA**

HELD: SEPTEMBER 25, 2020

Pursuant to due call and notice thereof, a regular scheduled meeting of the School Board of Independent School District No. 507 (Nicollet), State of Minnesota, was held on September 25, 2020 at 9:00 o'clock a.m.

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION STATING THE INTENTION OF THE SCHOOL BOARD TO ISSUE GENERAL OBLIGATION BONDS CONSISTING OF ONE COMPONENT TO FINANCE PROJECTS INCLUDED IN THE DISTRICT'S APPROVED TEN-YEAR FACILITY PLAN AND ANOTHER COMPONENT TO FINANCE CERTAIN OTHER CAPITAL PROJECTS; COVENANTING AND OBLIGATING THE DISTRICT TO BE BOUND BY AND TO USE THE PROVISIONS OF MINNESOTA STATUTES, SECTION 126C.55 TO GUARANTEE THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BONDS

BE IT RESOLVED by the School Board of Independent School District No. 507, State of Minnesota, as follows:

1. The Board hereby finds and declares that it is necessary and expedient for Independent School District No. 507 (the "District") to issue its fully registered general obligation consisting of two components:

a) up to \$860,000 general obligation facilities maintenance bonds (the "Facilities Maintenance Bonds") pursuant to Minnesota Statutes, Section 123B.595, subdivision 5 and Chapter 475, as amended, to fund the costs of the following projects at District facilities included in its ten-year facility plan approved by the Board and the Commissioner of Education, and related financing costs:

- Replacement of heat pumps
- Upgrade of pneumatic controls

b) with the approval of the Commissioner of Education, up to \$375,000 general obligation capital facilities bonds (the “Capital Facilities Bonds”) pursuant to Minnesota Statutes, Section 123B.62 and Chapter 475, as amended, to fund the costs of the following projects and related financing costs:

- Installation of a backup generator
- Public address system upgrades
- Repair of building exteriors
- Upgrade interior lighting fixtures

The Facilities Maintenance Bonds and Capital Facilities Bonds (together the “Bonds”) would be issued as current interest bonds in the aggregate principal amount of not to exceed \$1,235,000. The issuance of the Bonds is hereby authorized and the School Board hereby states its intent to issue the Bonds. A portion of the proceeds of the Bonds shall be applied to the costs of issuance of the Bonds.

2. The ten-year facility plan is approved by the Board and is incorporated in this resolution as though fully specified herein. The administration is authorized and directed to submit to the Commissioner such additional information as may be necessary to secure the approval of the Commissioner for the ten-year facility plan and issuance of the Facilities Maintenance Bonds, as required by Minnesota Statutes, Section 123B.595. The submission of a proposed plan and a request for approval prior to the date of this resolution is ratified and approved in all respects. The issuance of the Capital Facilities Bonds is subject to the approval of the Commissioner of Education as required by Minnesota Statutes, Section 123B.62.

3. The District further covenants to comply with all procedures now or hereafter established by the Minnesota Department of Education pursuant to Minnesota Statutes, Section 123B.595 and otherwise to take such actions as necessary to comply with that statute. The chair, clerk or superintendent is authorized to execute any applicable Minnesota Department of Education forms.

4. The clerk is hereby authorized and directed to cause a notice substantially in the form of the Notice attached hereto as EXHIBIT A and incorporated herein by reference to be published as a legal notice one (1) time in the official newspaper of the District as soon as reasonably practicable after the date of adoption of this resolution, but at least twenty (20) days before the earliest of the issuance of bonds or the final certification of levies.

5. The Board, desires to proceed with the sale of the Bonds by direct negotiation to Robert W. Baird & Co. (herein “Baird”). Baird will purchase the Bonds in an arms-length commercial transaction with the District. The Board will obtain fee quotes for an independent municipal advisor to provide bond pricing opinion services for the purposes set forth in Minnesota Statutes, Section 475.60, Subdivision 2(9), as amended. The

Superintendent or Business Manager is hereby authorized to approve an independent municipal advisor.

6. Baird is authorized to prepare an Official Statement related to the sale of the Bonds.

7. Unless within 30 days of the date hereof a petition is filed by more than 15 percent of the registered voters of the District calling for a referendum on the question of whether to issue the Capital Facilities Bonds, the Superintendent or the Business Manager and a School Board officer are hereby authorized to approve the sale of the Bonds in an aggregate original principal amount not to exceed \$1,235,000 and to execute a Bond Purchase Agreement with Baird for the purchase of the Bonds, provided that the True Interest Rate of this issue does not exceed 2.50%.

8. Upon approval of the sale of the Bonds by the Superintendent or Business Manager and a School Board officer, the Board will meet at its next regularly scheduled meeting to adopt the necessary approving resolution as drafted by the District's Bond Counsel.

9. (a) The District hereby covenants and obligates itself to notify 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 Bond 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 Bond 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 Bond Registrar. The District understands that as a result of its covenant to be bound by the provisions 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 or 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, business manager or superintendent is authorized to execute any applicable Minnesota Department of Education forms.

10. The School Board intends to designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Code.

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

NOTICE OF INTENT TO ISSUE FACILITIES MAINTENANCE BONDS TO FINANCE CERTAIN PROJECTS INCLUDED IN THE DISTRICT'S TEN-YEAR FACILITY PLAN AND CAPITAL FACILITIES BONDS TO FINANCE CERTAIN OTHER PROJECTS

INDEPENDENT SCHOOL DISTRICT NO. 507 (NICOLLET) STATE OF MINNESOTA

NOTICE IS HEREBY GIVEN that the School Board of Independent School District No. 507 (Nicollet), State of Minnesota (the "District"), adopted a resolution (the "Resolution") on September 25, 2020, stating the intention of the School Board to issue general obligation bonds (the "Bonds") in the aggregate principal amount of not to exceed \$1,235,000. The Bonds are comprised of two components:

a) Up to \$860,000 principal amount of facilities maintenance bonds (the "Facilities Maintenance Bonds") pursuant to Minnesota Statutes, Section 123B.595 and Chapter 475, as amended, the proceeds of which will be used to fund the costs of the following projects at District facilities as included in the District's approved ten-year facility plan approved by the School Board and the Commissioner of Education, and related financing costs:

- Replacement of heat pumps
- Upgrade of pneumatic controls

b) With the approval of the Commissioner of Education, up to \$375,000 principal amount of capital facilities bonds (the "Capital Facilities Bonds") pursuant to Minnesota Statutes, Section 123B.62 and Chapter 475, as amended, the proceeds of which will be used to fund the costs of the following projects and related financing costs:

- Installation of a backup generator
- Public address system upgrades
- Repair of building exteriors
- Upgrade of interior lighting fixtures

The School Board is authorized to issue the Capital Facilities Bonds unless a petition signed by more than 15 percent of the registered voters of the District calling for a referendum on the question of whether to issue the Capital Facilities Bonds is filed with the School Board within 30 days of the date of adoption of the Resolution. The School Board is authorized to issue the Facilities Maintenance Bonds after 20 days from the publication of this Notice.

The total amount of District indebtedness as of September 25, 2020 is \$3,575,000 and the

School Board has adopted a resolution of intent to issue additional obligations in an amount not to exceed \$2,900,000. If these proposed Bonds and such additional obligations were issued after that date, the total indebtedness of the District at that time would be \$7,710,000.

Dated: September ___, 2020

BY ORDER OF THE SCHOOL BOARD

/s/

School District Clerk
Independent School District No. 507
(Nicollet)
State of Minnesota