

INDEPENDENT SCHOOL DISTRICT 271
Bloomington, Minnesota

REQUEST FOR SCHOOL BOARD ACTION

DATE OF BOARD MEETING: January 23, 2017

SUBJECT: Resolution stating the intention of the School Board to issue General Obligation Refunding Taxable OPEB Bonds, Series 2017B to Refund General Obligation Taxable OPEB Bonds 2009A

ORIGINATING DEPARTMENT: Business Office


APPROVAL OF ADMINISTRATIVE CABINET MEMBER: Rod Y. Zivkovich, Executive Director of Finance and Support Services

RESOLUTION FOR BOARD TO ADOPT:

RESOLVED, that the School Board of Independent School District 271 has determined that it is necessary and expedient to issue General Obligation taxable OPEB Bonds, Series 2017B, to refund certain maturities of the District's \$12,585,000 General Obligation Taxable OPEB Bonds, Series 2009A.

The sale of bonds will be conducted in accordance with the Bond Sale Guidelines attached.

RECOMMENDATION OF SUPERINTENDENT:

Approve. 

DETAILED BACKGROUND:

The primary reason for this refunding is to reduce our annual school debt service levy beginning in Pay 18.

BOND SALE GUIDELINES

- 1) Sale.** The District has retained Ehlers & Associates, Inc. (Ehlers) in Roseville, Minnesota, as its independent financial advisor for the Bonds. Ehlers is authorized to solicit proposals in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9). If the issuance of the Bonds is approved, the School Board shall meet at the time and place specified in the Official Statement to receive and consider proposals for the purchase of the Bonds.
- 2) Official Statement; Negotiation of Sale.** Ehlers is authorized to prepare and distribute an Official Statement and to open, read and tabulate the proposals for presentation to the School Board.
- 3) Minnesota School District Credit Enhancement Program.** (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 Finance 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.

**EXTRACT OF MINUTES OF A MEETING
OF THE SCHOOL BOARD OF
INDEPENDENT SCHOOL DISTRICT NO. 271 (BLOOMINGTON)
STATE OF MINNESOTA**

Pursuant to due call and notice thereof, a regular meeting of the School Board of Independent School District No. 271 (Bloomington), Minnesota, was duly held on January 23, 2017 at 7:00 PM.

MEMBERS PRESENT:

MEMBERS ABSENT:

Member _____ introduced the following resolution and moved its adoption:

**RESOLUTION PROVIDING FOR THE SALE OF GENERAL OBLIGATION TAXABLE
OPEB REFUNDING BONDS, SERIES 2017B; AND 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 THESE BONDS**

BE IT RESOLVED by the School Board of Independent School District No. 271 (Bloomington), Minnesota, as follows:

1. Bond Authorization. The School Board has determined that it is necessary and expedient to issue \$ _____ General Obligation Taxable OPEB Refunding Bonds, Series 2017B.

2. Sale. The District has retained Ehlers & Associates, Inc. (Ehlers) in Roseville, Minnesota, as its independent municipal advisor for the Bonds. Ehlers is authorized to solicit proposals in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9). If the issuance of the Bonds is approved, the School Board shall meet at the time and place specified in the Official Statement to receive and consider proposals for the purchase of the Bonds.

3. Official Statement; Negotiation of Sale. Ehlers is authorized to prepare and distribute an Official Statement and to open, read and tabulate the proposals for presentation to the Board.

4. Minnesota School District Credit Enhancement Program. (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 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.

The motion for 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 the resolution was declared duly passed and adopted.

