

Special School Board Meeting

Monday, June 5, 2023 7:00 PM

Conference Room 1148 MS/HS, 1401 7th St SW, Pipestone, MN 56164

1. **Call Meeting to Order**

2. **Pledge of Allegiance**

3. **Approval of Agenda**

4. **Resolution Filling School Board Vacancy by
Appointment**

5. **Approve 2023-2024 Resolution for Membership in
the Minnesota State High School League**

6. **Project Discussion**

7. **Adjournment**

RESOLUTION FILLING SCHOOL BOARD VACANCY BY APPOINTMENT

WHEREAS, a vacancy exists in the office of school board member with a term expiring the first Monday in January, 2025; and

WHEREAS, the vacancy occurred more than ninety (90) days prior to the first Tuesday after the first Monday in November in the year the vacancy occurred and prior to the fourth year of the vacant term;

NOW THEREFORE BE IT RESOLVED by the School Board of Independent School District No. 2689, (Pipestone Area Schools), State of Minnesota, as follows:

Pursuant to Minnesota Statutes, Section 123B.09, Subd. 5b, (name) is hereby appointed to fill the vacancy and to serve until a successor is elected and qualified. The appointment shall be effective thirty (30) days after the adoption of this resolution unless a valid petition to reject the appointee is filed with the school district clerk pursuant to Minnesota Statutes, Section 123B.09, Subd. 5b(b) within that thirty (30) day time period.



**2023-2024 RESOLUTION FOR MEMBERSHIP
IN THE MINNESOTA STATE HIGH SCHOOL LEAGUE
Membership Renewal Form**

This form must be completed once for each school in the district.

Must be completed and submitted to MSHSL NOT LATER THAN JULY 31, 2023. Retain one copy for the school files.

RESOLVED, that the Governing Board or Entity of Pipestone Area High School (Name of School) located in the State of Minnesota delegates the control, supervision and regulation of interscholastic activities and athletics (referred to in MN Statutes, Section 128C.01) to the Minnesota State High School League, and so hereby certifies to the State Commissioner of Education as provided for by Minnesota Statutes.

FURTHER RESOLVED, that the school listed is authorized by this, the Governing Board of said school district or school to renew its membership in the Minnesota State High School League; and. Participate in the approved interscholastic activities and athletics sponsored by said League and its various subdivisions.

FURTHER RESOLVED, that this Governing Board or Entity hereby adopts the Constitution, Bylaws, Policies, Rules and Regulations of said League and all amendments thereto as the same as are published in the latest edition of the League's *Official Handbook*, on file at the office of the school district or school, or as appears on the League's website, as the minimum standards governing participation in said League-sponsored activities and athletics. Further, the administration and responsibility for determining student eligibility and for the supervision of such activities and athletics are assigned to the official representatives identified by this Governing Board or Entity.

Signing this Resolution for Membership affirms that this Governing Board has reviewed all required membership materials provided by the League which defines the purpose and value of education-based activity and athletic and programs and defines each member school's responsibilities.

Member schools must develop and publicize administrative procedures to address eligibility suspensions related to Student Code of Responsibilities (Bylaw 206.2) violations for students participating in activity and athletic programs by member schools.

The above Resolution was adopted by the Governing Board or Entity of this school or district and is recorded in the official minutes of said Board and hereby is certified to the State Commissioner of Education as provided for by law.

The following is taken from the MSHSL Constitution:

208.00 LOCAL CONTROL

208.01 Designated School Representatives

At the beginning of the League's fiscal year, the governing board of each member school shall designate two (2) representatives who are authorized to vote for the member school at all district, region and section meetings and on mail ballots where member schools are called upon to vote, such as district meetings, region meetings, and mail ballots.

One of the designated representatives shall be a member of the school's governing board and the other shall be an administrator or full-time faculty member of the member school.

In school districts with multiple schools, the designated representative from the school district's governing body may represent more than one school and is entitled to one vote for each school they represent.

208.02 Designated Activity Representatives

At the beginning of the League's fiscal year, the governing board of each member school shall select individuals to represent its school in the following areas: (a) boys sports; (b) girls sports; (c) speech; and (d) music.

208.03 Local Advisory Committee

Each school is urged to form an advisory committee for League activities. Committee membership is not limited to but shall include a school board member, a student, a parent, and a faculty member, to advise the designated school representatives on all matters relating to the school's membership in the MSHSL.

Pipestone Area High School

Name of School (Please Print)

208.01 VOTE ON BEHALF OF THE HIGH SCHOOL

Brad Carson

(Designated School Board Member – please print)

Rick Zollner

(Designated School Representative – please print)

brad.carson@pas.k12-mn.us

Email Address

rick.zollner@pas.k12-

Email Address

mn.us

208.02 ACTIVITY REPRESENTATIVES

Rick Zollner

(Boys Sports – please print)

Rick Zollner

(Girls Sports – please print)

Rick Zollner

(Speech – please print)

Rick Zollner

(Music – please print)

208.03 LOCAL ADVISORY COMMITTEE MEMBERS

(Board Member—please print)

(Student—please print)

(Parent—please print)

(Faculty Member—please print)

Rick Zollner

(Mailing Representative—please print)

The Mailing Representative is the person to whom mailings go. This is usually the Activity Director.

Print Name: Katie Wiese
(Clerk/Secretary - Local Governing Board)

Print Name: Kevin Enerson
(Superintendent or Head of School)

Signed: _____
(Clerk/Secretary - Local Governing Board)

Signed: _____
(Superintendent or Head of School)

Date: 6-5-23

Date: 6-5-23

Pipestone Area School Board Special Meeting

June 5, 2023

Opportunity to review rationale of each item being considered, hear presentations from staff, and ask clarifying questions.

Agenda Items:

1. Daycare Facility-Estimated Budget \$455,098
 - a. This will provide staff a stable child care program.
 - b. 12-15 children is estimated number to be served.
 - c. Rooms need to be remodeled to fit daycare needs and an outdoor play area.
 - d. Staff of 3 would be needed. A Director and two support staff. Annual cost estimated at \$80,000.
 - e. Maintenance and Food Service are already in place.
 - f. This is a science room and if in the future, returning the space to a science classroom would be costly.

2. FACS Room Upgrade-Estimated Budget \$454,381
 - a. Dr. Strasser and Ms. Peters will present

3. Industrial Technology Relocation-Estimated Budget \$237,824
 - a. Dr. Strasser and Mr. Dethlefs will present

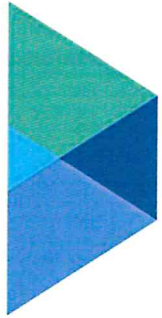
4. Greenhouse Expansion-Estimated Budget \$455,339
 - a. Dr. Strasser and Ms. Resch will present

5. Turf Field-Estimated Budget \$2,340,784
 - a. Mr. Zollner will present

6. Concession Building Addition-Estimated Budget \$524,286
 - a. Mr. Zollner will present

7. Tax Impacts
 - a. 10 year bond
 - i. Average home \$19 per year; Ag Homestead .13 to .18 per acre; Non Homestead .27 to .36 an acre.
 - ii. Ag2School equals 50% of total project.
 - iii. Tax Impact voters approved was estimated to be \$36 per year increase on the average home, actual is \$15 and this would bring up to \$34 per year.

8. Funding Available
 - a. General Obligation Bonds = \$2,457,096.20
 - b. Brown/Hill Proceeds Remaining = \$320,000
 - c. LTFM Funds for Track Resurface = \$110,000



PMA[™]
SECURITIES

June 26, 2023

ISD 2689 Pipestone Area Schools

General Obligation School Building Bonds, Series 2023A

Michael Hart

Director, Public Finance

mhart@pmanetwork.com

612-509-2569

Steve Pumper

Vice President

spumper@pmanetwork.com

612-509-2565



School Building Bonds Additional Authority

- ▶ April 2019 Referendum Ballot Questions = \$27,730,000
- ▶ Total Bonds Sold \$25,415,000 plus bond premium
 - ▶ Old statute limited principal plus premium to 102% of ballot amount
- ▶ Change in statute in 2021 removes 102% limitation allowing District to capture remaining \$2,315,000 of authority

Funds can only be used on projects originally contemplated when bond was put to voters

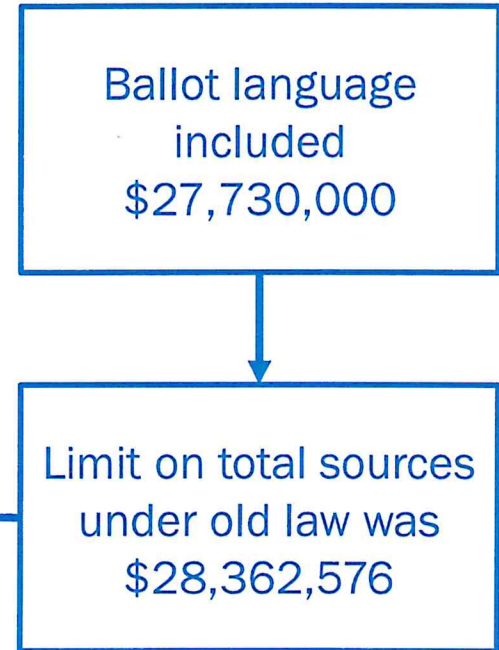


Series 2019A Bonds

SOURCES AND USES OF FUNDS

The composition of the Bonds is as follows:

Sources of Funds:	
Principal Amount	\$25,415,000.00
Reoffering Premium	<u>2,944,938.75</u>
Total Sources of Funds	\$28,359,938.75
Uses of Funds:	
Deposit to Project Fund	\$28,175,006.69
Costs of Issuance	106,956.50
Underwriter's Compensation	<u>77,975.56</u>
Total Uses of Funds	\$28,359,938.75





Estimated Sources and Uses of Funds

Sources Of Funds

Par Amount of Bonds	\$2,315,000.00
Reoffering Premium	142,096.20
Total Sources	\$2,457,096.20

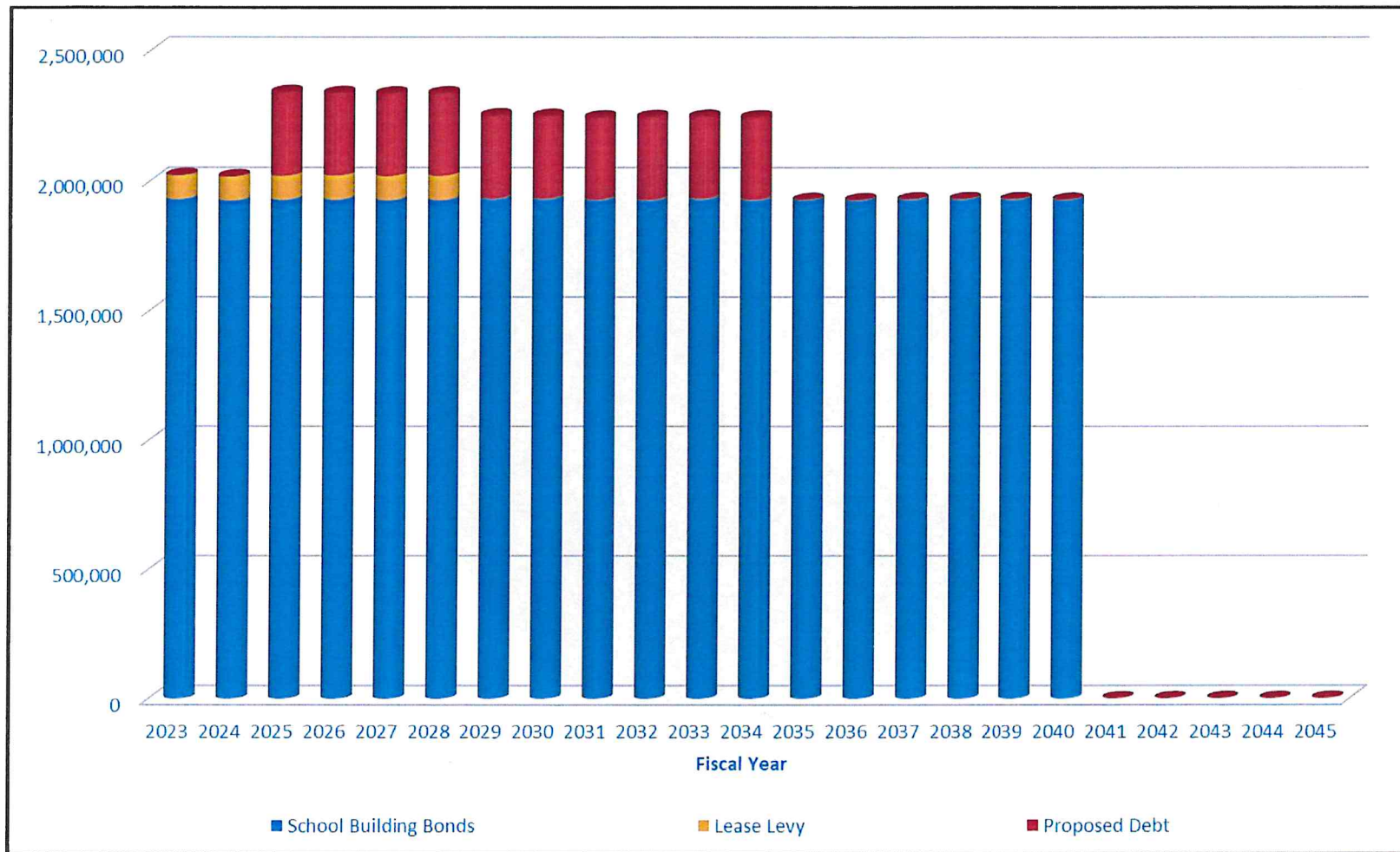
Uses Of Funds

Deposit to Project Construction Fund	2,374,508.86
Total Underwriter's Discount (1.250%)	28,937.50
Financial Advisor	23,599.84
Bond Counsel	15,000.00
Rating Agency Fee	13,050.00
Miscellaneous	2,000.00
Total Uses	\$2,457,096.20

- ▶ Reoffering premium will vary based on the bid received on sale day. This may increase or decrease the deposit to the construction fund.



Bond Structure – 10 years level





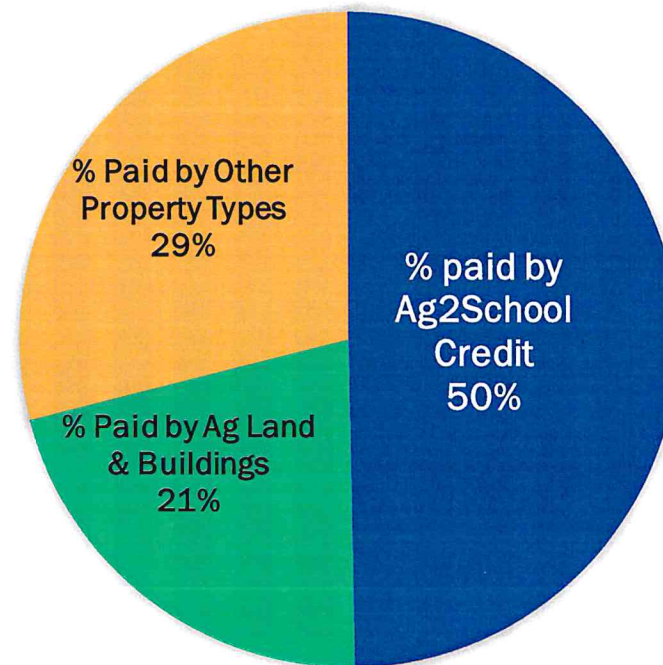
Ag2School Credit Impact

ISD No. 2689, Pipestone Area

Source of Debt Service Payments

(Assuming 70% Ag2School Credit beginning in taxes payable 2023)

(Based on Valuations for taxes payable in 2022)



Notes:

1. The Ag2School credit applies to agricultural land and buildings. The house, garage and first acre of land do not benefit from the Ag2School credit.
2. The Ag2School credit does not increase or decrease the tax impact on all other property types.



Estimated Tax Impact for \$2,315,000 Bond – 10 year

Closing Date	09/20/23
Bond Amount	\$2,315,000
Term of Bond	10
Assumed TIC	4.08%

Property Type	Est. Market Value	Estimated Annual Tax Increase
Residential Homestead	\$50,000	\$4
	100,000	11
	150,000	19
	200,000	27
	300,000	43

	\$/acre	
Agricultural Homestead*	\$6,000	\$0.13
	7,000	0.16
	8,000	0.18

* Homestead land limited to first \$1,890,000 in value. All additional land taxed like Ag non-homestead land.

Agricultural Non Homestead	\$6,000	\$0.27
	7,000	0.31
	8,000	0.36

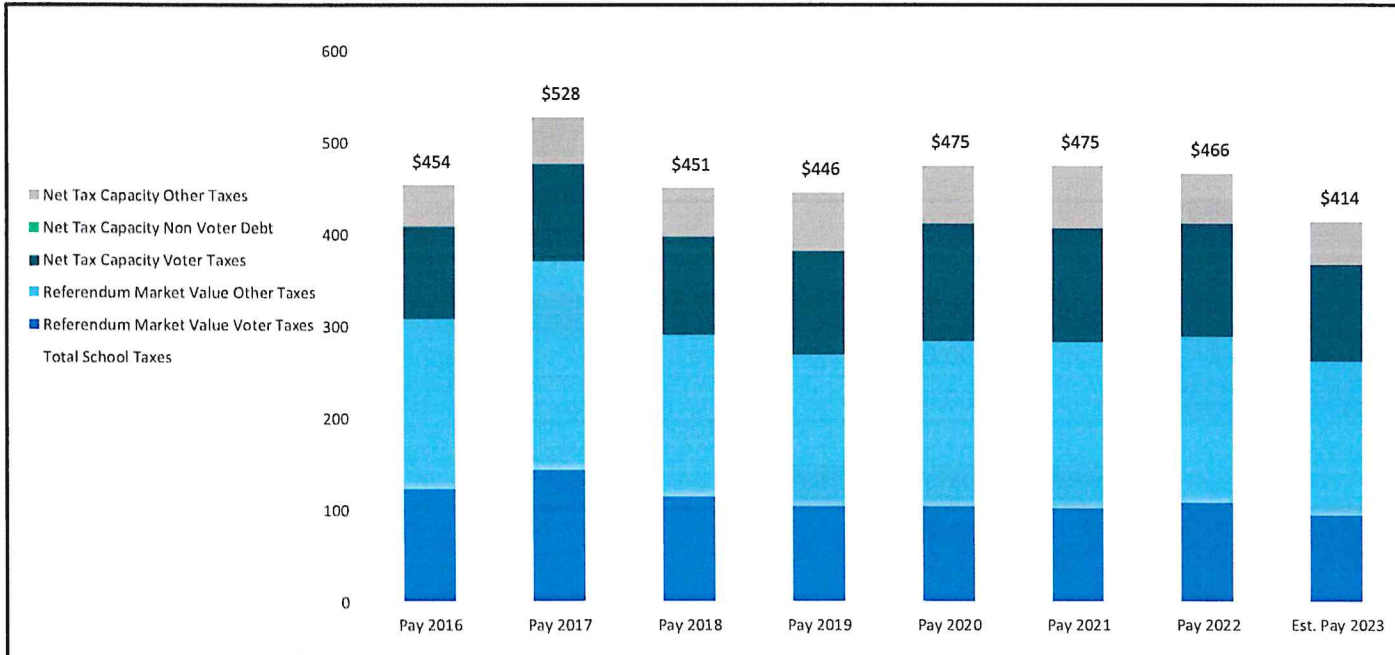
Assumptions

1. Assumes interest rates as of May 24, 2023 + 0.50%.
2. No growth assumed in district net tax capacity



ISD 2689 Levy - Residential Homestead Property

Residential Homestead School Tax Trend



Tax Impact as estimated to voters pre referendum was \$36.

Actual increase was \$15 with constant home value.

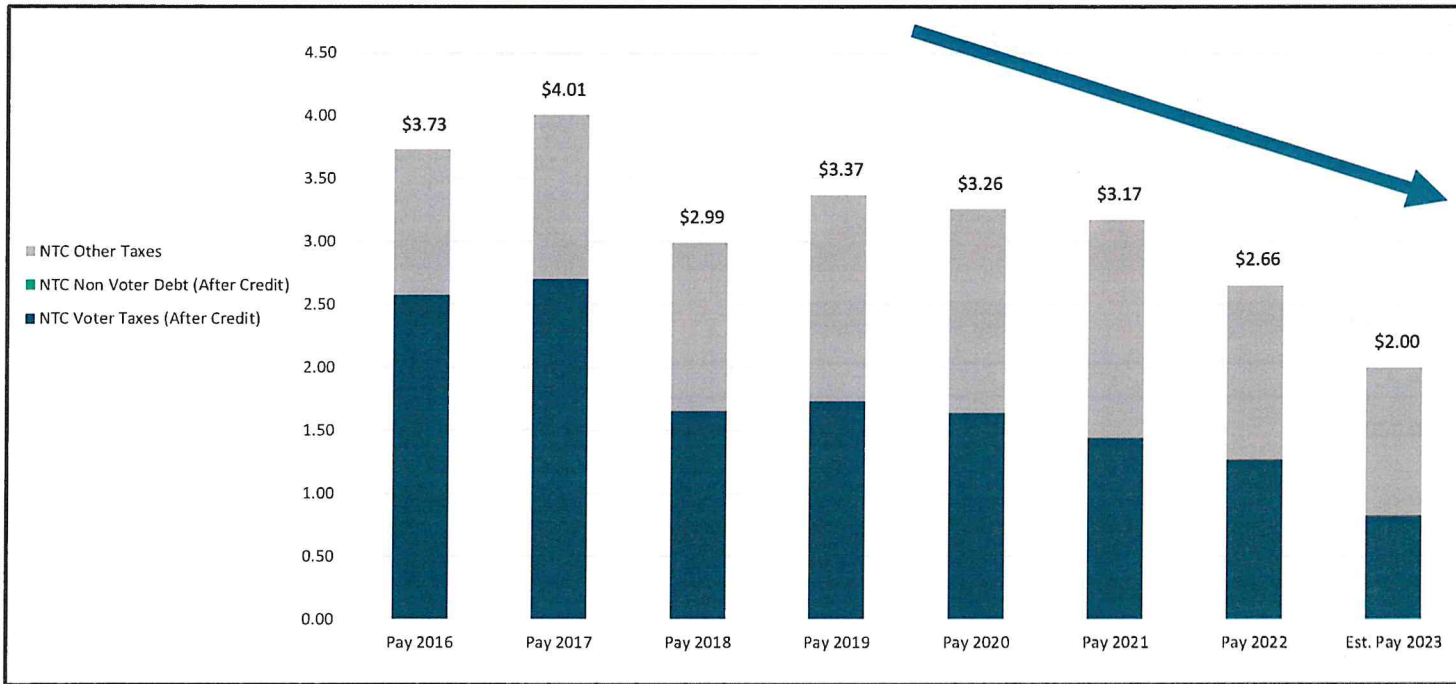
	Pay 2016	Pay 2017	Pay 2018	Pay 2019	Pay 2020	Pay 2021	Pay 2022	Est. Pay 2023
Home Value*	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Referendum Market Value Voter Taxes	123	144	114	105	104	103	109	95
Referendum Market Value Other Taxes	186	228	177	166	181	180	181	167
Net Tax Capacity Voter Taxes	100	105	107	112	127	124	123	106
Net Tax Capacity Non Voter Debt	0	0	0	0	0	0	0	0
Net Tax Capacity Other Taxes	45	51	52	64	63	67	54	46
Total School Taxes	\$ 454	\$ 528	\$ 451	\$ 446	\$ 475	\$ 475	\$ 466	\$ 414



ISD 2689 School Tax Rate Trends

Tax Impact as estimated to voters pre referendum was \$0.56 per \$6,500 acre.
Actual change was \$0.09 decrease.

Agricultural Homestead Land School Tax Trend



	Pay 2016	Pay 2017	Pay 2018	Pay 2019	Pay 2020	Pay 2021	Pay 2022	Est. Pay 2023
Value per Acre	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
NTC Voter Taxes (After Credit)	2.58	2.70	1.65	1.73	1.64	1.44	1.27	0.82
NTC Non Voter Debt (After Credit)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NTC Other Taxes	1.15	1.31	1.34	1.64	1.62	1.73	1.39	1.18
Total School Taxes	\$ 3.73	\$ 4.01	\$ 2.99	\$ 3.37	\$ 3.26	\$ 3.17	\$ 2.66	\$ 2.00



Preliminary Calendar

June 2023						
S	M	T	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July 2023						
S	M	T	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August 2023						
S	M	T	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

September 2023						
S	M	T	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Board Action Dates

Est. Bond Pricing Date

Bond Closing

Date	Action Item
June 2023	Board Resolution provided to District
June 26, 2023	Board Considers Parameters Resolution
Mid-July 2023	Rating Call
By August 10, 2023	Rating Received & POS released to Market
August 23, 2023	Bond Pricing(Interest Rates locked)
August 28, 2023	Board Considers Ratifying Resolution
September 20, 2023	Bond Closing

Scenarios where a greater portion of the overall debt is issued in advance of the expenditures of the proceeds will likely result in higher fees earned by the investment manager of the debt proceeds.



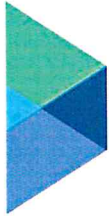
Board Action 6-26-2023

General Obligation School Building Bonds, Series 2023A

- ▶ Projects: acquisition and betterment of school facilities as approved by the electors on April 9, 2019
- ▶ Application to State Credit Enhancement Program
- ▶ Reimbursement Language
- ▶ Establishes parameters for sale of Bonds

Bond Parameters:

- ▶ Authority given to the Superintendent or Business Manager AND a School Board Officer to execute the documents to complete the bond sale if:
 - ▶ Establishes a maximum true interest cost of 5.00%
 - ▶ Establishes a maximum par amount of \$2,315,000
- ▶ Full Board ratifies the sale at its next Board Meeting
- ▶ Expires 12/31/2023



Contact Us



Steve Pumper

Vice President

612-509-2565

spumper@pmanetwork.com



Michael Hart

Director, Public Finance

612-509-2569

mhart@pmanetwork.com

Website:

www.pmanetwork.com



Disclosure

The information contained herein is solely intended to suggest/discuss potentially applicable financing applications and is not intended to be a specific buy/sell recommendation, nor is it an official confirmation of terms. Any terms discussed herein are preliminary until confirmed in a definitive written agreement.

The analysis or information presented herein is based upon hypothetical projections and/or past performance that have certain limitations. No representation is made that it is accurate or complete or that any results indicated will be achieved. In no way is past performance indicative of future results. Changes to any prices, levels, or assumptions contained herein may have a material impact on results. Any estimates or assumptions contained herein represent our best judgment as of the date indicated and are subject to change without notice. Examples are merely representative and are not meant to be all-inclusive. The information set forth herein was gathered from sources which we believe, but do not guarantee, to be accurate. Neither the information, nor any options expressed, constitute a solicitation by us for purposes of sale or purchase of any securities or commodities. Investment/financing decisions by market participants should not be based on this information.

You should consider certain economic risks (and other legal, tax, and accounting consequences) prior to entering into any type of transaction with PMA Securities, LLC or PMA Financial Network, LLC. It is imperative that any prospective client perform its own research and due diligence, independent of us or our affiliates, to determine suitability of the proposed transaction with respect to the aforementioned potential economic risks and legal, tax, and accounting consequences. Our analyses are not and do not purport to be appraisals of the assets, or business of the Issuer or any other entity. PMA makes no representations as to the actual value which may be received in connection with a transaction nor the legal, tax, or accounting effects of consummating a transaction. PMA cannot be relied upon to provide legal, tax, or accounting advice. You should seek out independent and qualified legal, tax, and accounting advice from outside sources. This information has been prepared for informational and educational purposes and does not constitute a solicitation to purchase or sell securities, which may be done only after client suitability is reviewed and determined.

Securities, public finance and institutional brokerage services are offered through PMA Securities, LLC. PMA Securities, LLC is a broker-dealer and municipal advisor registered with the SEC and MSRB, and is a member of FINRA and SIPC. PMA Asset Management, LLC, an SEC registered investment adviser, provides investment advisory services to local government investment pools. All other products and services are provided by PMA Financial Network, LLC. PMA Financial Network, LLC, PMA Securities, LLC, and PMA Asset Management, LLC (collectively "PMA") are under common ownership. Securities and public finance services offered through PMA Securities, LLC are available in CA, CO, FL, IL, IN, IA, MI, MN, MO, NE, NY, OH, OK, PA, SD, TX and WI. This document is not an offer of services available in any state other than those listed above, has been prepared for informational and educational purposes only and does not constitute a solicitation to purchase or sell securities, which may be done only after client suitability is reviewed and determined. All investments mentioned herein may have varying levels of risk, and may not be suitable for every investor. For more information, please visit us at www.pmanetwork.com. For institutional use only.

