

Agenda
Regular School Board Meeting
March 22, 2022
6:30 PM

1. Call to Order, Roll Call

2. Agenda Adjustments

3. Announcements, Comments
 - a. New Director of Communications

4. Community Input

5. Consent Agenda
 - a. Minutes - Board Meeting of March 8, 2022 3

 - b. Payment of Bills 6

 - c. Personnel - Resignations, Appointments, Reductions 8

 - d. Gifts 12

 - e. Construction Fund Disbursement Request - Certificates of Participation 2021A 13

6. Reports and Non-Action Items	
a. Staffing Diversity Report	18
b. Monthly Financial Report	31
7. Action Items	
a. Resolution Ratifying Sale of General Obligation Long-Term Facilities Maintenance (LTFM) Bonds, Series 2022A	41
b. Cultural Liaison Contract 2021-2023	82
8. Study Session Report	
9. Board Reports	
10. Superintendent's Report	
11. Adjournment	

MINUTES OF THE REGULAR MEETING, SCHOOL BOARD, INDEPENDENT
SCHOOL DISTRICT NO. 623, 1251 West County Road B2, Roseville, MN 55113

March 8, 2022

Chair Curtis Johnson called the school board meeting to order at 6:30 p.m. Board members present: Todd Anderson, Mike Boguszewski, Rose Chu, Mannix Clark, Kitty Gogins, Curtis Johnson. Board members absent: none. Also present: Jenny Loeck, superintendent of schools, and approximately twenty-eight other visitors or staff who attended all or part of the meeting.

Chair Johnson called for a recess at 6:31 p.m. The meeting resumed at 6:42 p.m.

Community Input. Community members shared their thoughts about curriculum and instructional materials, proposed changes to the district's COVID-19 masking policy, the Minnesota Student Survey and equity in education.

- (54) Consent Agenda. Gogins moved, Chu seconded acceptance of the consent agenda including the minutes of the regular school board meeting on February 22, 2022; payment of bills; resignations, appointments, reductions, adjustments; and gifts. Ayes: Anderson, Boguszewski, Chu, Clark, Gogins, Johnson. Nays: none. Motion carried unanimously.
- (55) Retirements. Anderson moved, Boguszewski seconded the retirement of Frederick Bartling with appreciation. Ayes: Anderson, Boguszewski, Chu, Clark, Gogins, Johnson. Nays: none. Motion carried unanimously.

Issuance of \$13,250,000 General Obligation Facilities Maintenance Bonds, Series 2022A. Shari Thompson, director of business services, and representatives from Ehlers, Inc., the district's financial advisor, reviewed the presale report summarizing the intended sale of bonds and projected interest rates. The school board previously approved a resolution authorizing the issuance of the bonds on September 28, 2021. Funds from the bond sale will be used to complete long-term facilities maintenance projects at school buildings.

2022 Minnesota Student Survey. Roseville Area Schools will administer the 2022 Minnesota Student Survey (MSS) to students in grades 5, 8, 9 and 11 between March and May. Jake Von De Linde, director of student achievement, provided information about the survey.

Revised COVID Health and Safety Mitigation Strategies. Superintendent Jenny Loeck and Deb Legan, district COVID coordinator, presented an administrative recommendation to revise the district's COVID health and safety mitigation strategies, including the rescission of resolutions requiring mask wearing for all students, staff and visitors and a requirement for all staff to either be vaccinated against COVID-19 or to submit to regular COVID-19 testing. Administration also recommended that the school board delegate authority to the superintendent to impose a face covering requirement for all students, staff and visitors if necessary.

- (56) Anderson moved, Gogins seconded rescinding the Resolution Requiring the Use of Masks in All Roseville Area Schools Buildings effective March 14, 2022. Ayes:

Anderson, Boguszewski, Chu, Clark, Gogins, Johnson. Nays: none. Motion carried unanimously.

- (57) Boguszewski moved, Anderson seconded delegating authority to the Superintendent to impose a face covering requirement for staff, visitors and students at all of the district's schools and at events and at all activities held on school property. Ayes: Anderson, Boguszewski, Chu, Clark, Gogins, Johnson. Nays: none. Motion carried unanimously.
- (58) Chu moved, Clark seconded rescinding the Resolution Requiring All Roseville Area Schools Staff Either to be Vaccinated Against COVID-19 or to Submit to Regularly Scheduled COVID-19 Testing effective March 14, 2022. Ayes: Anderson, Boguszewski, Chu, Clark, Gogins, Johnson. Nays: none. Motion carried unanimously.
- (59) Approval of Final 2022-23 and Draft 2023-24 Calendars. Gogins moved, Anderson seconded approval of the final 2022-23 and draft 2023-24 school year calendars. Ayes: Anderson, Boguszewski, Chu, Clark, Gogins, Johnson. Nays: none. Motion carried unanimously.
- (60) Acceptance of 2020-21 Audit. Gogins moved, Anderson seconded acceptance of the 2020-21 Financial Statements and Supplemental Information for Fiscal Year ending June 30, 2021, as presented, assuming no significant modifications to the final audit report. Ayes: Anderson, Boguszewski, Chu, Clark, Gogins, Johnson. Nays: none. Motion carried unanimously.

Board Reports. Mike Boguszewski and other board members were guest judges for the Roseville Area Middle School AVID door decoration contest. Todd Anderson attended a District Curriculum Advisory Committee meeting and an Association of Metropolitan School Districts meeting. He also shared a reminder that March 8 is International Women's Day and March is Women's History Month. Kitty Gogins attended an AchieveMpls EDTalks event featuring a presentation by a Roseville Area High School student, a Roseville Optimist Club meeting, a PTA/town hall meeting at Emmet D. Williams Elementary, and a Native American Education winter storytelling series session. Rose Chu attended a Parkview Center School PTSA meeting. Mannix Clark provided an update from the Northeast Metro 916 board meeting and shared that he recently visited Central Park Elementary. Curtis Johnson attended musical performances at Roseville Area High School and the Native American Education winter storytelling series session. He was also Congresswoman Betty McCollum's virtual guest to President Biden's State of the Union Address.

The Chair declared the meeting adjourned at 9:47 p.m.

Signed _____
Clerk

Approved _____
Chair

March 8, 2022

Roseville Area Schools-- ISD #623

Meeting Date: March 22, 2022

PAYMENT OF BILLS:
- February 16 - February 28, 2022

That bills in the amount of: **\$4,991,384.83** by the following funds be approved:

GENERAL	\$4,282,339.82
FOOD SERVICE	\$222,039.88
COMMUNITY SERVICE	\$302,088.31
BUILDING FUND	\$115,075.00
DEBT FUND	\$0.00
READING RECOVERY	\$0.00
AMSD	\$12,350.90
OPEB DEBT	\$0.00
DENTAL INS FUND	\$37,635.64
NO SUBURBAN COLLABORATIVE	\$19,855.28
EXTRA CURRICULAR-STU ACTIVITY	\$14,420.58

RECOMMENDATION: That above payments are included in check numbers:

WIRE TRANSFERS	202100366	through	202100393
CHECKS	339342	through	339773
COMMERCE AP CHECKS	6852	through	6877
ACH A/P	212210785	through	212210856

PAYMENT DISTRIBUTION BY FUND:

	GENERAL	FOOD SERVICE	COMMUNITY SERVICE	BUILDING CONSTRUCT	DEBT FUND	Delta Dental Self Insured	28-RR Fiscal Agent	29-AMSD Fiscal Agent	OPEB	N SUB COLL/ SCHLSHP	EXTRA CURR-STU ACTIVITY	TOTAL DISBURSEMENTS
WIRE TRANSFERS	\$1,407,123.02	\$26,669.36	\$80,232.50			\$37,635.64		\$3,451.96			\$638.88	\$1,555,751.36
CHECKS	\$1,039,346.34	\$124,711.91	\$67,426.60	\$115,075.00				\$656.45		\$19,855.28	\$12,953.16	\$1,380,024.74
COMMERCE A/P	\$97,570.89	\$12,649.97	\$16,243.05								\$0.00	\$126,463.91
ACH A/P	\$26,882.29	\$541.50	\$2,603.70								\$828.54	\$30,856.03
TRANSFER TO P/R	\$1,713,511.23	\$57,480.19	\$135,582.46					\$8,242.49		\$0.00		\$1,914,816.37
VOID CHECKS	(\$2,093.95)	(\$13.05)	\$0.00							\$0.00	\$0.00	(\$2,107.00)
TOTAL	\$4,282,339.82	\$222,039.88	\$302,088.31	\$115,075.00	\$0.00	\$37,635.64	\$0.00	\$12,350.90	\$0.00	\$19,855.28	\$14,420.58	\$5,005,805.41

	February 1, 2022			
	Cash & Investments	Revenue	Disbursements	Balance
BOND CONSTRUCTION FUNDS	Balance	2/1 to 2/28	2/1 to 2/28	Remaining as of 2/28/22
	\$17,048,326.02	\$0.00	\$1,649,919.71	\$15,398,406.31

RECOMMENDATION: The above disbursements include check numbers:

CHECKS February 16 - February 28, 2022	102381	through	102427	\$845,987.40	
WIRES		through		\$0.00	*start with 202100164
VOID CHECKS				\$0.00	

RECOMMENDATION: That investments in the amount of: **\$0.00** be approved

INVESTMENT DETAIL:

Bank	Purchase Date	Type of Purchase	Interest Rate	Date of Maturity	Amount of Purchase	Record Number	Interest Earnings	Value at Maturity
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CP/CD: COMMERCIAL PAPER/CERTIFICATE OF DEPOSIT
CD: CERTIFICATE OF DEPOSIT
RP: REPURCHASE AGREEMENT

Total: **\$0.00** **\$** - **\$** -

Human Resources Information

School Board

3/22/22

Change in Continuing Contract

Cheolis , Libby Appétu Téça Education Center Speech Language Pathologist
Change of continuing contract from .80 FTE to 1.0 FTE effective March 1, 2022.

New Personnel-Licensed Long Term Sub

Brennan , Christopher Roseville Area Middle School Special Ed Teacher
Hired working 1.0 FTE effective March 9, 2022.

New Personnel-Non-Licensed Staff

Bullard - Green , Brianna Harambee Community School Paraprofessional
Hired working 6 hrs/day effective March 14, 2022.

Chaput , Melanie Roseville Area High School Media Tech Assistant
Hired working 8 hrs/day effective March 8, 2022.

Drake , Sarah Appétu Téça Education Center Comm Ed Manager O S T
Hired working 8 hrs/day effective March 14, 2022.

Goyat , Parul Parkview Center School Special Ed Paraprofessional
Hired working 6 hrs/day effective March 7, 2022.

Human Resources Information

School Board

3/22/22

<p>Kharel , Indira Hired working 5 hrs/day effective March 4, 2022.</p>	<p>Districtwide</p>	<p>Cultural Liaison</p>
<p>Oreschnick , Holly Hired working 8 hrs/day effective February 28, 2022.</p>	<p>Roseville Area Middle School</p>	<p>Technology Specialist</p>
<p>Phillips , David Hired working 8 hrs/day effective March 16, 2022.</p>	<p>Districtwide</p>	<p>Custodian Cleaner</p>
<p>Rainer , Matthew Hired working 7 hrs/day effective February 28, 2022.</p>	<p>Roseville Area High School</p>	<p>Special Ed Paraprofessional</p>
<p>Webb , Megan Hired working 8 hrs/day effective March 9, 2022.</p>	<p>Anpétu Téča Education Center</p>	<p>Comm Ed Marketing Mgr</p>
<p>Xiong , Kou Hired working 8 hrs/day effective March 7, 2022.</p>	<p>Anpétu Téča Education Center</p>	<p>Comm Ed Manager O S T</p>

Human Resources Information

School Board
3/22/22

Johnson , Cheryl Roseville Area Middle School Special Ed Paraprofessional
Resigned effective January 14, 2022.

Xiong , Pahoua Little Canada Elementary School O S T Site Coordinator
Resigned effective January 30, 2022.

Retired-Licensed

Liadova , Marina Brimhall Elementary Music Teacher
Retirement effective June 10, 2022. Ms. Liadova worked in the District for 23 years.

Tillberry , Tom Roseville Area High School Teacher
Retirement effective June 11, 2022. Mr. Tillberry worked in the District for 26 years.

**GIFTS TO SCHOOLS
2021/22**

SCHOOL BUILDING	NAME/ADDRESS OF DONOR	GIFT	USE
Parkview Center School	Jamie Menier Nexstar Network 101 5th Street E, Suite 2100 St. Paul, MN 55101	Folders	Second grade classroom supplies
Roseville Area High School	Columbia Heights Lions Club 530 Mill St NE Columbia Heights, MN 55421	\$208.90	Food shelf
Roseville Area High School	Raymond & Delores Sopcinski 5808 Tennison Dr NE Fridley, MN 55432	\$390.00	Raider auto shop



Roseville Area Schools

Quality Teaching & Learning for All...Equity in All We Do

Agenda Item: 5e

Agenda Topic: Approve Construction Fund Disbursement Request – Certificates of Participation 2021A

Meeting Date: March 22, 2022

Contact Person: Shari Thompson

Background:

The proceeds generated by the sale of Certificates of Participation for completion of the construction of the new Anpétu Téča Education Center are being held in escrow with Zion Bank. Each month the district will make a request to disburse the funds required to reimburse the payment applications paid out to contractors.

The total application amount for February is \$685,537.33, which is the sum of disbursements for February 2022.

Recommendation:

It is recommended that the board approve the disbursement request to Zion Bank from the Construction Fund \$685,537.33, the amounts shown on attached Schedule A.

XX

Action Required

Informational – No Board Action Requested

EXHIBIT C

DISBURSEMENT REQUEST

\$17,510,000

CERTIFICATES OF PARTICIPATION, SERIES 2021A

**Evidencing the Proportional Interests of the Registered Owners thereof in
Lease Payments under a Lease-Purchase Agreement, dated as of March 1, 2021
between INDEPENDENT SCHOOL DISTRICT NO. 623 (ROSEVILLE AREA SCHOOLS),
RAMSEY COUNTY, MINNESOTA, as Lessee, and
ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Lessor**

**DISTRICT REQUEST NO. 8
FOR DISBURSEMENT FROM CONSTRUCTION FUND**

March 22, 2022

Zions Bancorporation, National Association
111 West Washington Street, Suite 1860
Chicago, IL 60602
Attention: Robert Cafarelli

The undersigned does hereby certify pursuant to Section 3.03 of the Indenture of Trust, dated as of March 1, 2021 (the "Indenture"), by Zions Bancorporation, National Association, a national banking association (the "Trustee"), and joined in by Independent School District No. 623 (Roseville Area Schools), Ramsey County, Minnesota, a public school district and political subdivision of the State of Minnesota (the "District"), as follows:

(1) I have read said Section 3.03 and the definitions in the Indenture relating thereto. All capitalized terms used in this District Request have the meaning given to them in the Indenture. This Request is being delivered to the Trustee in accordance with said Section 3.03.

(2) The amount and nature and the name and address of the payee of each item of Project Costs paid by and requested to be reimbursed to the District is attached hereto as SCHEDULE A, together with a cancelled check or receipt for such payment.

(3) The amount and nature and the name and address of the payee of each item of Project Costs due and payable by the District, and requested to be paid to a person other than the District is attached hereto as SCHEDULE B.

(4) The documents required by Section 3.03 of the Indenture are attached.

(5) Each item of cost for which payment or reimbursement is requested is or was necessary in connection with the Certificate-Financed Project and qualifies as a Project Cost under the Indenture.

(6) There has not been filed with or served upon the District any notice of any lien, right to a lien or attachment upon or claim affecting the right of any such Person to receive payment of the amount stated in this Request that has not been released or will not be released simultaneously with the payment

of such obligation, except for liens arising from indebtedness then being diligently contested in good faith by the District.

(7) No item of cost requested to be paid or reimbursed by this Request has formed the basis for any previous payment from the Construction Fund.

(8) The balance remaining in the Construction Fund, after disbursement of money therefrom in accordance with this Request, together with any other money available to the District for such purpose, will be sufficient to pay the remaining Project Costs.

(9) No default by the District under the Indenture has occurred that has not been cured.

(10) All representations and warranties made by the District in the Indenture and in the Lease-Purchase Agreement, dated as of March 1, 2021, between the District, as lessee, and the Trustee, as lessor, are true and correct on and as of the date of this Request with the same effect as if made on this date.

You are hereby requested to disburse from the Construction Fund the amounts shown on SCHEDULE A and SCHEDULE B and to make payment to the Persons entitled to receipt thereof as shown on said schedules as of the date and year first written above.

**INDEPENDENT SCHOOL DISTRICT NO. 623
(ROSEVILLE AREA SCHOOLS), RAMSEY
COUNTY, MINNESOTA**

By _____
Its Chair

By _____
Its District Clerk

SCHEDULE A

Project Costs to be reimbursed to the District are set forth below. Attached to this District Request are canceled checks, invoices marked "paid," or other evidence of payment of such Project Costs. All such Project Costs are eligible for payment pursuant to the terms of Treasury Regulations, Section 1.150-2.

<u>Amount</u>	<u>Payee</u>	<u>Description of Expense</u>
242,017.77	Independent School Dist 623	Reimbursement of Feb. 1 expenses paid
357,628.42	Independent School Dist 623	Reimbursement of Feb. 24 expenses paid
85,891.14	Independent School Dist 623	Reimbursement of Feb. 28 expenses paid
\$685,537.33	Total Reimbursement	

TOTAL

SCHEDULE B

Project Costs to be paid to third parties are set forth below. Attached to this District Request are invoices or other evidence that such Project Costs have been incurred and are due and payable.

<u>Amount</u>	<u>Payee*</u>	<u>Description of Expense</u>
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TOTAL

*See attached page for addresses



Roseville Area Schools

Quality Teaching & Learning for All...Equity in All We Do

Agenda Item: 6a

Agenda Topic: Staffing Diversity Report
Meeting Date: March 22, 2022
Contact Person: Lisa Chang

Background:

Lisa Chang, director of human resources, will provide information on the diversity of district staff.

Recommendation:

_____ Action Required XX Informational – No Board Action Requested



Roseville Area Schools

Quality Teaching & Learning for All...Equity in All We Do

Staffing Diversity

Lisa Chang, HR

Yvonne Tollman, HR

Areas to Review

- **Strategic Plan: Focus Area 1**
- **Licensed Staff of Color**
- **Other Employee Groups**
- **Partnerships**
- **Grow Your Own**
- **Other Areas of Focus**

Strategic Plan

- **Focus Area I: Improve learning for students of color, American Indian students, English learners, students receiving special education services, and pre-kindergarten learners**
- **Strategy: Prepare all staff to be culturally responsive and competent and hire, recruit and retain teachers of color**

Licensed Staff of Color

District	2018-19	2019-20	2020-21	2021-22
Bloomington	5.3%	4.3%	5.0%	%
Burnsville-Savage-Eagan	4.5%	**	4.0%	%
North St Paul- Maplewood	8.0%	**	**	%
Osseo	7.6%	8.3%	9.31%	13.8%*
Robbinsdale	7.1%	6.7%	**	%
Roseville	11.1%	10.9%	12.0%	14%
Shakopee	2.6%	**	**	%
South St Paul	2.9%	4.0%	3.4%	%
Spring Lake Park	9.0%	12.0%	13.0%	%
West St Paul- Mendota	4.9%	**	5.0%	%

Staff Retention

Data from April 2021 - March 2022

- Total number of licensed staff: 635
- Total number of licensed staff of color: 90
- Total licensed staff departures, YTD: 50
- Total licensed staff of color departures, YTD: 13

Job Applicants

% of BIPOC

Highlights from April 2021-March 2022:

- Total Job Requisitions = 406
- Total applicants = 1132
- Total applicants of color = 270
- Total ppl of color hired = 142

Other Employee Groups

Group	% Employees of Color 2019-2020	% Employees of Color 2020-2021	% Employees of Color 2021-2022
Administration	33%	34%	33%
Clerical	13%	11%	20%
Custodians	23%	33%	37%
Meet & Confer	38%	37%	39%
Nutrition Services	22%	21%	30%
Paraprofessionals	14%	27%	24%
TOTAL	23%	21%	30%

Partnerships

Internal Partnership with FOCUS Program

Areas of focus

- Recruitment and retention of racially and ethnically diverse teachers and administrators.
- The FOCUS program will attract and retain teachers of color by providing opportunities to build relationships and increase collaboration amongst all staff.
- PELSB grant has been able to fund and support representative from FOCUS group to develop strategies to engage and recruit in collaboration with District leadership.

Partnerships

Metro State Teacher Collaborative

Areas of focus (Delayed)

- Recruitment and retention of racially and ethnically diverse teachers and administrators.
- Continued partnership with EMID as an integration collaborative for principal/staff development opportunities and student activities.

Partnerships

North Suburban Post-Secondary Success Consortium

Areas of focus (Delayed)

- Recruiting students from high schools into education
- Recruiting anyone interested into education (Grow Your Own)
- Look at increasing partnerships with colleges/universities with more diverse student populations
 - E.g., Augsburg, Metro State, St. Thomas CUE program

Grow Your Own Programs

Programs

- Grow Your Own Adult Pathway
 - Partnership with Metro State and St. Thomas
- Grow Your Own Student Pathway – Grant
 - Roseville Area High School (RAHS): “Introduction to Urban Education” in partnership with Minneapolis Community & Technical College (MCTC) as a concurrent enrollment opportunity for students
- TNTP- Teach MN
 - Develop graduating college seniors, recent graduates, and career changers without teaching certification into exceptional teachers

Other Areas of Focus

Retention Efforts:

- Continue to pair new teachers of color with tenure teacher of color – received a grant
- Partner with Black Men Teach on programs to retain teachers of color – opportunities
- Achievement and Integration Plan
- Review of the District's own retention process
 - Recruiting & Retention Coordinator position
- Creating a welcoming district and school climate (Delayed)
- Retention studies/data collection - Exit interviews (Delayed)

Recruiting Efforts:

- Partner with universities to hold recruiting informational sessions focusing on students of color in education **(Delayed)**
- Target substitute teachers



Roseville Area Schools

Quality Teaching & Learning for All...Equity in All We Do

Agenda Item: 6b

Agenda Topic: Monthly Financial Report
Meeting Date: March 22, 2022
Contact Person: Shari Thompson

Background:

Shari Thompson, director of business services, will provide an update on the fiscal year 2022 budget.

Recommendation:

_____ Action Required XX Informational – No Board Action Requested

CREDIT OPINION

18 March 2022



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Asia Pacific 852-3551-3077

Japan 81-3-5408-4100

EMEA 44-20-7772-5454

Roseville Independent School District 623, MN

Update to credit analysis following upgrade to A3 positive

Summary

[Roseville Independent School District](#), MN's (A3 positive) financial position will strengthen following voter approval for an operating levy that will boost annual district revenue by around \$7 million. Enrollment in the district had been slipping, but turnover in the housing market and easing of pandemic pressures have the potential to stabilize student counts. The district benefits from its location within the economically strong [Minnesota](#) (Aa1 positive) Twin Cities ([Minneapolis](#), Aa1 stable; [St. Paul](#), Aa1 stable) metropolitan area. Leverage is somewhat elevated.

On March 17 we upgraded the district's Issuer Rating and rating on general obligation debt to A3, and lease appropriation debt issued for more essential purposes to Baa1. The outlook is positive.

Credit strengths

- » Revenue being boosted as a result of voter approved operating levies
- » Strong full value per capita and resident income for the rating category

Credit challenges

- » Somewhat elevated leverage
- » While likely to strengthen, reserves recently dipped to limited levels due to negative variances

Rating outlook

The positive outlook is based on the expectation that a substantial infusion of revenues from a voter approved operating levy will drive strengthening of the district's financial position. Given a strong economic base, if reserves grow to healthier levels it would likely drive upward movement in the rating.

Factors that could lead to an upgrade

- » Material and sustained increase in operating reserves
- » Improved enrollment trend

Factors that could lead to a downgrade

- » Decline in fund balance or cash ratios
- » Substantial increase in leverage

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

Key indicators

Exhibit 1

Roseville Independent School District 623, MN

	2017	2018	2019	2020	Baa Medians
Economy					
Resident income	107.2%	103.1%	105.6%	N/A	87.4%
Full value (\$000)	\$5,980,884	\$6,626,094	\$6,714,920	\$7,137,825	\$935,939
Population	57,443	57,325	57,474	N/A	12,952
Full value per capita	\$104,119	\$115,588	\$116,834	N/A	\$74,159
Enrollment	7,684	7,768	7,655	7,684	1,859
Enrollment trend	N/A	N/A	0.2%	0.0%	-1.2%
Financial performance					
Operating revenue (\$000)	\$104,555	\$107,502	\$116,247	\$120,473	\$24,809
Available fund balance (\$000)	\$4,868	\$4,435	\$5,433	\$9,925	\$1,612
Net cash (\$000)	\$3,286	\$27,586	\$10,191	\$13,883	\$2,355
Available fund balance ratio	4.7%	4.1%	4.7%	8.2%	8.9%
Net cash ratio	3.1%	25.7%	8.8%	11.5%	9.9%
Leverage					
Debt (\$000)	\$34,980	\$190,680	\$169,100	\$185,987	\$20,235
ANPL (\$000)	\$329,191	\$296,378	\$221,920	\$261,370	\$52,716
OPEB (\$000)	N/A	-\$219	\$153	\$625	\$6,139
Long-term liabilities ratio	N/A	452.9%	336.5%	371.9%	345.2%
Implied debt service (\$000)	\$2,785	\$2,598	\$14,050	\$12,329	\$1,545
Pension tread water (\$000)	\$7,345	\$6,647	\$5,922	\$5,942	\$1,844
OPEB contributions (\$000)	N/A	\$0	\$0	\$68	\$298
Fixed-costs ratio	N/A	8.6%	17.2%	15.2%	16.5%

For definitions of the metrics in the table above please refer to the [US K-12 Public School Districts Methodology](#) or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published [K12 Median Report](#).

Sources: US Census Bureau, Roseville Independent School District 623, MN's financial statements and Moody's Investors Service

Profile

Roseville Independent School District 623 is located, north of the Twin Cities in [Ramsey County](#) (Aaa stable) and has a population of over 57,000. The district is comprised of the Cities of [Roseville](#) (Aaa stable), [Shoreview](#) (Aa1), [Maplewood](#) (Aa2), Little Canada, Falcon Heights, Lauderdale, and Arden Hills.

Detailed credit considerations

Economy: inner ring Twin city suburb with stabilizing enrollment

The district's favorable location in the Twin Cities metro area will continue to support solid property tax wealth and resident income levels. Roseville is a bedroom community with residential property comprising a little under two-thirds of net tax capacity. Like much of the nation, a booming housing market is lifting valuations. The district is largely built out, but is experiencing infill development including several senior housing projects. The remainder of the tax base is primarily commercial property. Median family income and full value per capita are both strong relative to peers in the rating category.

The district's enrollment was stagnant to slightly declining prior to the pandemic as entering class sizes were smaller than graduating. Like many schools, the district's enrollment took a hit in fiscal 2021 and fiscal 2022 amid the pandemic with families holding back entering kindergarten students, transferring to charter schools and home schooling. The district is a net winner from open enrollment with about 500 more students enrolling in than out. Officials view strong prospects for growth moving forward driven by turnover in existing housing to younger families.

Financial operations: new revenue will drive improved financial position

The district's financial position is likely to rapidly improve because of voter approval for an operating levy that is boosting district revenue. The district historically had a narrow financial position, but finances improved in recent years because of expenditure cuts. Draft financial statements for fiscal 2021, indicate that revenue exceeded expenditures by over \$2 million, but the general fund balance declined by a substantial \$4 million because of a restatement and capital expenditures. The decline in fund balance reduced

available general fund balance to under \$3 million, a narrow 2.5% of revenue. The district's fiscal 2022 amended budget includes a \$1.2 million operating deficit, but operations are likely to be balanced or better because federal aid will be used for some budgeted expenditures. Prospects are strong for fiscal 2023 when the district will begin receiving \$7 million in additional revenue from an operating referendum. Officials plan to use about half of the increase to improve services including lowering class sizes. For at least the next few years, the other half will be used to strengthen reserves. If executed as planned, the district's reserves would double in fiscal 2023 and quadruple by fiscal 2025.

State aid comprises nearly two-thirds of operating revenue. The Minnesota state aid formula is primarily calculated on a per pupil basis. The state's biennium budget increased per pupil funding 2.45% for the current year and 2% for next year. Most of the remainder of operating revenue is generated from property tax receipts. In November 2021, voters approved an operating referendum renewal of \$972 per pupil and an increase of \$905 per pupil for ten years beginning in fiscal 2023. The district was awarded a substantial \$13.4 million from the American Recovery Act, which it has not yet allocated.

Liquidity

The district's liquidity is slightly lower than its fund balance due to the recognition of property tax receipts, but sufficient so that it does not need to cash flow borrow during the year.

Leverage: somewhat elevated leverage

The district's leverage is unlikely to change materially for the next several years given the majority of liabilities are related to unfunded pension liabilities and bond plans are moderate. The district's fixed costs are moderate. The district is on a cycle of issuing bonds every other year of between \$10 million and \$15 million, and have an upcoming issuance of \$13.3 million. The district has no borrowing plans or major projects on the horizon.

Legal security

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

The district's outstanding COPs are backed by an annual appropriation pledge to make rental payments to the trustee under an annually renewable lease purchase agreement.

Debt structure

All of the district's bonds are fixed rate and long term. Principal and interest payments are level. Amortization is a bit slow with slightly under 60% of debt retired within ten years.

Debt-related derivatives

The district is not a party to any derivative agreements.

Pensions and OPEB

The bulk of Minnesota school districts' pension exposure is associated with the Teachers Retirement Association (MN TRA), and districts typically report their pension information with a lag. The district's fiscal 2021 reporting reflects its share of MN TRA's liabilities as of June 2020. Based on the MN TRA in aggregate, will expect liabilities to fall by around 15% in fiscal 2022 due to exceptional investment performance.

ESG considerations

Environmental

Environmental considerations are not material to the district's credit profile. According to data from Moody's ESG Solutions Ramsey County's environmental hazard scores range from no risk to medium risk for the five environmental factors considered for water stress, cyclone exposure, heat stress and sea level rise. The county is at high risk for extreme rainfall. There have been no flooding issues at district facilities and water management is in the service purview of overlapping governments.

Social

Social considerations such as income levels, labor force, and education are material considerations that factor in the district's credit profile. We regard the coronavirus outbreak as a social risk under our ESG framework, given the substantial implications for public health and safety. School districts have been impacted by the coronavirus through fluctuations in enrollment and staffing challenges.

Governance

The district has a low fund balance policy of 3%. It intends to revise the policy and build up fund balance that is far higher than what the current policy outlines. The finance director presents a financial update to the school board monthly. Often those reports include year to date financial results such as how revenues and expenses are tracking to budget and prior years. The district's substantial decline in fund balance in fiscal 2021 was not anticipated in our prior credit analysis. We view the unexpected results as credit negative. Finances are very likely to improve going forward because of the substantial inflow of revenues from the recently passed operating referendum.

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

Rating methodology and scorecard factors

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

Exhibit 2

Roseville Independent School District 623, MN

	Measure	Weight	Score
Economy			
Resident Income (MHI Adjusted for RPP / US MHI)	105.6%	10.0%	Aa
Full value per capita (full valuation of the tax base / population)	132,388	10.0%	Aa
Enrollment trend (three-year CAGR in enrollment)	-1.3%	10.0%	A
Financial performance			
Available fund balance ratio (available fund balance / operating revenue)	8.2%	20.0%	Baa
Net cash ratio (net cash / operating revenue)	11.5%	10.0%	A
Institutional framework			
Institutional Framework	A	10.0%	A
Leverage			
Long-term liabilities ratio ((debt + ANPL + adjusted net OPEB) / operating revenue)	386.3%	20.0%	A
Fixed-costs ratio (adjusted fixed costs / operating revenue)	15.2%	10.0%	Aa
Notching factors			
No notchings applied			
Scorecard-Indicated Outcome			A2
Assigned Rating			A3

Sources: US Census Bureau, Roseville Independent School District 623, MN's financial statements and Moody's Investors Service

Appendix

Exhibit 3

Key Indicators Glossary

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

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

Source: Moody's Investors Service

Endnotes

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

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Roseville Area Schools

Quality Teaching & Learning for All...Equity in All We Do

Agenda Item: 7a

Agenda Topic: Resolution Ratifying Sale of General Obligation Long-Term Facilities
Maintenance (LTFM) Bonds, Series 2022A
Meeting Date: March 22, 2022
Contact Person: Shari Thompson

Background:

On February 24, the board authorized the sale of 2022 LTFM bonds for completion of deferred maintenance work at Brimhall Elementary School in summer 2022 and Falcon Heights Elementary School in summer 2023, as approved under the board-adopted LTFM plan.

The bond sale is being conducted on March 22, 2022. The pre-sale report was reviewed at the March 8, 2022 board meeting. Jodie Zesbaugh and Aaron Bushberger from Ehlers, Inc. will be present at the meeting to share the sale results.

Recommendation (roll-call vote):

It is recommended that the board adopts the Resolution Ratifying the Sale of General Obligation Facilities Maintenance Bonds, Series 2022A in the Original Aggregate Principal Amount of \$13,250,000.

XX

Action Required

Informational – No Board Action Requested

EXTRACT OF MINUTES OF MEETING
OF THE SCHOOL BOARD OF
INDEPENDENT SCHOOL DISTRICT NO. 623
(ROSEVILLE AREA SCHOOLS)
RAMSEY COUNTY, MINNESOTA

Pursuant to due call and notice thereof, a regular meeting of the School Board of Independent School District No. 623 (Roseville Area Schools), Ramsey County, Minnesota, was duly held in the School District on March 22, 2022, commencing at 6:30 o'clock p.m.

The following members were present:

and the following were absent:

* * *

* * *

* * *

Member _____ introduced the following resolution and moved its adoption:

**RESOLUTION AWARDING THE SALE OF GENERAL
OBLIGATION FACILITIES MAINTENANCE BONDS,
SERIES 2022A, IN THE ORIGINAL AGGREGATE PRINCIPAL
AMOUNT OF \$13,250,000; FIXING THEIR FORM AND
SPECIFICATIONS; DIRECTING THEIR EXECUTION AND
DELIVERY; AND PROVIDING FOR THEIR PAYMENT**

BE IT RESOLVED by the School Board (the “Board”) of Independent School District No. 623 (Roseville Area Schools), Ramsey County, Minnesota (the “District”), as follows:

Section 1. Findings, Determinations; Sale of Bonds.

1.01 Background. It is hereby determined that:

(a) On September 28, 2021, the Board approved a resolution (the “Intent Resolution”) stating the intention of the Board to issue and sell its General Obligation Facilities Maintenance Bonds, Series 2022A (the “Bonds”), in the approximate aggregate principal amount of \$13,250,000, pursuant to Minnesota Statutes, Chapter 475, as amended (the “Act”), and Minnesota Statutes, Section 123B.595, as amended (“Section 123B.595”), to fund the costs of certain facilities and site maintenance projects included in the District’s ten-year facility plan approved by the Commissioner of Education, as well as related financing costs (the “Project”).

(b) Pursuant to the Intent Resolution, the District covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55, as amended, which provides for payment by the State of Minnesota of the debt service on the Bonds in the event the District notifies the State of Minnesota of a potential default by the District in the timely payment of the debt service on the Bonds. The District understands that as a result of its covenant to be bound by said provisions, these provisions shall be binding as long as the Bonds remain outstanding.

(c) The District is authorized by Section 475.60, subdivision 2(9), of the Act to sell the Bonds other than pursuant to a competitive sale because the District has retained Ehlers and Associates, Inc. (the “Municipal Advisor”) as its independent municipal advisor in connection with the sale of the Bonds. The actions of the District staff and the Municipal Advisor in negotiating the sale of the Bonds are ratified and confirmed in all aspects.

1.02. Award to the Purchaser and Interest Rates. The proposal of KeyBanc Capital Markets Incorporated (the “Purchaser”), to purchase the Bonds of the District is hereby found and determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of \$13,394,078.75 (par amount of the Bonds of \$13,250,000, plus original issue premium of \$508,430.40, less original issue discount of \$99,351.65, less an underwriter’s discount of \$265,000.00), plus accrued interest, if any, to date of delivery for Bonds bearing interest as follows:

<u>Year</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Interest Rate</u>
2023	4.000%	2037	4.000%
2033	4.000%	2038	3.125%
2034	4.000%	2039	3.125%
2035	4.000%	2040	3.250%
2036	4.000%		

True interest cost: 3.3337705%

1.03. Purchase Contract. The execution and delivery of a Proposal Form, dated as of March 22, 2022 (the “Purchase Agreement”), between the District and the Purchaser, is hereby ratified and confirmed in the form set forth in EXHIBIT A to this resolution (the “Resolution”). The Bonds shall be issued and delivered in accordance with the terms and conditions of the Purchase Agreement and this Resolution. The amount proposed by the Purchaser in excess of the minimum bid shall be credited to the Debt Service Fund hereinafter created or deposited in the Construction Fund hereinafter created, as determined by the Treasurer in consultation with the Municipal Advisor. The Treasurer is directed to receive and retain the good faith payment of the Purchaser, pending completion of the sale of the Bonds.

1.04. Terms and Principal Amounts of the Bonds. The District shall forthwith issue and sell the Bonds pursuant to the Act and Section 123B.595, in the total principal amount of \$13,250,000, originally dated April 14, 2022, in the denomination of \$5,000 each or any integral multiple thereof, numbered No. R-1 upward, bearing interest as above set forth, and maturing serially on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2023	\$ 30,000	2037	\$2,150,000
2033	\$ 600,000	2038	\$2,390,000
2034	\$ 610,000	2039	\$3,800,000
2035	\$ 640,000	2040	\$2,365,000
2036	\$ 665,000		

1.05. Schedule of Maturities. In order to satisfy the requirements of Section 475.54, subdivisions 1 and 2, of the Act, the Director of Business Services has combined the maturities of the Bonds with the outstanding maturities of one or more designated general obligation bond issues of the District.

1.06. Optional Redemption. The District may elect on February 1, 2031, and on any day thereafter to prepay Bonds due on or after February 1, 2033. Redemption may be in whole or in part and if in part, at the option of the District and in such manner as the District shall determine. If less than all Bonds of a maturity are called for optional redemption, the District shall notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be prepaid. DTC shall determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments shall be at a price of par plus accrued interest to the date of optional redemption.

Section 2. Registration and Payment.

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

2.02. Dates; Interest Payment Dates. Each Bond shall be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond shall be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond shall be dated as of the date of original issue. The interest on the Bonds is payable on February 1 and August 1 of each year, commencing February 1, 2023, to the registered owners of record thereof as of the close of business on the fifteenth day immediately preceding each interest payment date, whether or not such day is a business day.

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

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

(b) Transfer of Bonds. Upon surrender for transfer of a Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.

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

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

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

(f) Persons Deemed Owners. The District and the Registrar may treat the person in whose name a Bond is registered in the Bond Register as the absolute owner of the Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of

and interest on the Bond and for all other purposes, and payments so made to a registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

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

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

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

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

2.05. Execution, Authentication, and Delivery. The Bonds shall be prepared under the direction of the Clerk and executed on behalf of the District by the signatures of the Board Chair and the Clerk, provided that those signatures may be printed, engraved, or lithographed facsimiles of the originals. If an

officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of a Bond, that signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond shall not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Authenticating Agent. Certificates of authentication on different Bonds need not be signed by the same representative of the Authenticating Agent. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so prepared, executed, and authenticated the Clerk shall deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

Section 3. Form of Bond.

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

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

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

4.01. Debt Service Fund. The Bonds shall be payable from the General Obligation Facilities Maintenance Bonds, Series 2022A Debt Service Fund (the “Debt Service Fund”) hereby created, and the proceeds of ad valorem taxes hereinafter levied to pay the debt service on the Bonds are hereby pledged to the Debt Service Fund. The amounts to be applied to pay the principal of and interest on the Bonds shall be deposited in the Debt Service Fund at least three (3) days prior to each respective interest payment date and principal payment date. There is appropriated to the Debt Service Fund amounts over the minimum purchase price of the Bonds paid by the Purchaser to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03 hereof.

4.02. Construction Fund. The District hereby creates the General Obligation Facilities Maintenance Bonds, Series 2022A Construction Fund (the “Construction Fund”). Proceeds of the Bonds (reduced by the appropriation made in accordance with Section 5.04 to pay costs of issuance and the appropriation, if any, of any portion of the Bonds made in accordance with Section 4.01 hereof) shall be deposited in the Construction Fund and used solely to pay costs of the Project. Any balance remaining in the Construction Fund after completion of the Project may be used for any other public use authorized by law and approved by resolution adopted or vote taken in the manner required to authorize the application of the proceeds of the Bonds for such new use and purpose, or credited to the Debt Service Fund or other District debt service fund, all in accordance with Section 475.65 of the Act.

4.03. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bonds, as the same respectively become due, the full faith and credit and taxing powers of the District are hereby irrevocably pledged. If a payment of principal of or interest on the Bonds becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the Treasurer must pay such principal or interest from the general fund of the District, and the general fund shall be reimbursed for those advances out of the proceeds of the Taxes (as hereinafter defined) levied herein, when collected.

4.04. Pledge of Taxes. For the purpose of paying the principal of and interest on the Bonds, there are levied direct, annual, irrevocable, ad valorem taxes upon all of the taxable property in the District (the “Taxes”), to be spread upon the tax rolls and collected with and as part of other general taxes of the District. The Taxes shall be credited to the Debt Service Fund above provided and shall be levied in the years and amounts set forth in EXHIBIT C attached to this Resolution and, in the event the Taxes so levied are ever insufficient to pay the principal of and interest on the Bonds, additional Taxes are hereby authorized to be levied without limitation as to rate or amount. Said tax levies shall be irrevocable as long as any of the Bonds are outstanding and unpaid, provided that the District reserves the right and power to reduce the levies in the manner and to the extent permitted by the Act (specifically, Section 475.61 of the Act).

4.05. Debt Service Coverage. It is determined that the estimated collection of Taxes levied in accordance with Section 4.04 hereof shall produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levies herein provided shall be irrevocable until all of the Bonds are paid, provided that at the time the District makes its annual tax levies the Treasurer may certify to the County Auditor of Ramsey County, Minnesota (the “County Auditor”) that the District made an irrevocable appropriation of a specified amount to the Debt Service Fund of money actually on hand or if there is on hand any excess amount in the Debt Service Fund and the County Auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

4.06. Registration of Resolution. The Clerk is authorized and directed to file a certified copy of this Resolution with the County Auditor and to obtain the certificate required by Section 475.63 of the Act.

Section 5. Authentication of Transcript.

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

5.02. Certification as to Official Statement. The Board Chair, the Clerk, and the Treasurer, or any of their authorized designees, are authorized and directed to certify that they have examined the final Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the final Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the final Official Statement and further that said final Official Statement did not (as of the date of the final Official Statement) and does not contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the final Official Statement is to be used, or which is necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading.

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

5.04. Payment of Costs of Issuance. The District authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to Wells Fargo Bank, National Association on the closing date for further distribution as directed by the Municipal Advisor.

Section 6. Tax Covenants.

6.01. Tax-Exempt Bonds. The District shall comply with all the necessary requirements and take all necessary actions (or decline to take prohibited actions) to ensure that interest on the Bonds shall not be includable in gross income for federal income tax purposes under Section 103 and Sections 141 through 150 of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable Treasury Regulations promulgated thereunder (the “Regulations”). The District covenants and agrees with the holders from time to time of the Bonds that it shall not take or permit to be taken by any of its officers, employees, or agents any action which would cause the interest on the Bonds to become subject to federal income taxation under the Code and the Regulations, in effect at the time of such actions, and that it shall take or cause its officers, employees, or agents to take all affirmative action within their powers that may be necessary to ensure that such interest shall not become includable in gross income for federal income tax purposes under the Code and applicable Regulations, as presently existing or as hereafter amended and made applicable to the Bonds.

6.02. Continuing Requirements. The District shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code including, without limitation, requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds, and the rebate of excess investment earnings to the United States. The Board Chair, the Clerk, and the Treasurer, being officers of the District charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code and applicable Regulations stating the facts, estimates, and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the “gross proceeds” of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of the Code and the Regulations. The District covenants and agrees to retain such records, make such determinations, file such reports and documents, and pay such amounts at such times as are required under Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for an exception from the rebate requirement in accordance with one of the spending exceptions set forth in Section 1.148-7 of the Regulations. The District shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

6.03. Not Private Activity Bonds. The District further covenants not to use the proceeds of the Bonds or to cause or permit them or any of them to be used, in such a manner as to cause the Bonds to be determined to constitute “private activity bonds,” within the meaning of Sections 103 and 141 through 150 of the Code and the applicable Regulations promulgated thereunder.

6.04. Not Qualified Tax-Exempt Obligations. The District shall not designate the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

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

7.01. DTC. The Bonds shall be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 1.04 hereof. Upon initial issuance, the ownership of each Bond shall be registered in the registration books kept by the Registrar in the name of

Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns (“DTC”). Except as provided in this section, all of the outstanding Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

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

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

7.04. Transfers Outside Book-Entry System. In the event the District, by resolution of the Board, determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the District shall notify DTC, whereupon DTC shall notify the Participants, of the availability through DTC of Bond certificates. In such event the District shall issue, transfer, and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the District shall issue and the Registrar shall authenticate Bond certificates in accordance with this resolution and the provisions hereof shall apply to the transfer, exchange, and method of payment thereof.

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

Section 8. Continuing Disclosure.

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

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

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

The motion for the adoption of the foregoing resolution was duly seconded by _____ 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.

EXHIBIT A
PURCHASE AGREEMENT

PROPOSAL FORM

The School Board
Independent School District No. 623 (Roseville Area Schools), Minnesota (the "District")

March 22, 2022

RE: \$13,250,000* General Obligation Facilities Maintenance Bonds, Series 2022A (the "Bonds")
DATED: April 14, 2022

For all or none of the above Bonds, in accordance with the Terms of Proposal and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$ 13,394,828.45 (not less than \$13,250,000 and not more than \$13,912,500) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

<u>4.00</u>	% due	2023	<u>-</u>	% due	2029	<u>4.00</u>	% due	2035
<u>-</u>	% due	2024	<u>-</u>	% due	2030	<u>4.00</u>	% due	2036
<u>-</u>	% due	2025	<u>-</u>	% due	2031	<u>4.00</u>	% due	2037
<u>-</u>	% due	2026	<u>-</u>	% due	2032	<u>3.125</u>	% due	2038
<u>-</u>	% due	2027	<u>4.00</u>	% due	2033	<u>3.125</u>	% due	2039
<u>-</u>	% due	2028	<u>4.00</u>	% due	2034	<u>3.25</u>	% due	2040

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

The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2023 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$265,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The District reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the District may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the District as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Terms of Proposal. This proposal is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Terms of Proposal. Delivery is anticipated to be on or about April 14, 2022.

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

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

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

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

If the competitive sale requirements are not met, we elect to use either the: 10% test, or the hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: KeyBanc Capital Markets By: Lori Capron

Account Members: Alone

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from April 14, 2022 of the above proposal is \$6,898,900.82 and the true interest cost (TIC) is 3.333877 %.

The foregoing offer is hereby accepted by and on behalf of the School Board of Independent School District No. 623 (Roseville Area Schools), Minnesota, on March 22, 2022.

By: _____ By: _____
Title: _____ Title: _____

* Subsequent to bid opening the individual maturity amounts were adjusted.
Adjusted Price - \$13,394,078.75 Adjusted Net Interest Cost - \$6,913,503.75 Adjusted TIC - 3.3337%

EXHIBIT B
FORM OF BOND

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF RAMSEY
INDEPENDENT SCHOOL DISTRICT NO. 623
(ROSEVILLE AREA SCHOOLS)

GENERAL OBLIGATION FACILITIES MAINTENANCE BONDS
SERIES 2022A

No. R-_____ \$_____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
0.000%	February 1, 20__	April ____, 2022	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Independent School District No. 623 (Roseville Area Schools), a duly organized and existing school district in Ramsey County, Minnesota (the “District”), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the Principal Amount specified above, on the Maturity Date specified above, with interest thereon from the date hereof at the annual rate specified above (calculated on the basis of a 360-day year of twelve 30-day months), payable February 1 and August 1 in each year, commencing February 1, 2023, to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by Bond Trust Services Corporation, Roseville, Minnesota, as Registrar, Paying Agent, and Authenticating Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the District have been and are hereby irrevocably pledged.

The District may elect on February 1, 2031, and on any date thereafter to prepay Bonds due on or after February 1, 2033. Redemption may be in whole or in part and if in part, at the option of the District and in such order as the District shall determine. If less than all Bonds of a maturity are called for redemption, the District shall notify The Depository Trust Company (“DTC”) of the particular amount of such maturity to be prepaid. DTC shall determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant shall then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments shall be at a price of par plus accrued interest to the optional redemption date.

This Bond is one of an issue in the aggregate principal amount of \$13,250,000 all of like original issue date and tenor, except as to number, maturity date, redemption privilege, and interest rate, all issued pursuant to a resolution adopted by the School Board of the District (the "Board") on March 22, 2022 (the "Resolution"), for the purpose of providing money to aid in financing certain facilities and site maintenance projects which are included in the District's ten-year facilities maintenance plan, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapter 475, as amended, and Minnesota Statutes, Section 123B.595, as amended. The principal hereof and interest hereon are payable from ad valorem taxes, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the District are irrevocably pledged for payment of this Bond and the Board has obligated itself to levy additional ad valorem taxes on all taxable property in the District in the event of any deficiency of ad valorem taxes pledged, which additional taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

The Board has not designated the issue of Bonds of which this Bond forms a part as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), relating to the disallowance of interest expense for financial institutions and within the \$10 million limit allowed by the Code for the calendar year of issue.

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

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

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

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

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

IN WITNESS WHEREOF, Independent School District No. 623 (Roseville Area Schools), Ramsey County, Minnesota, by its School Board, has caused this Bond to be executed on its behalf by the facsimile or manual signatures of the Board Chair and Clerk and has caused this Bond to be dated as of the date set forth below.

Dated: April __, 2022

**INDEPENDENT SCHOOL DISTRICT NO. 623
(ROSEVILLE AREA SCHOOLS), RAMSEY
COUNTY, MINNESOTA**

(Facsimile)
Board Chair

(Facsimile)
Clerk

CERTIFICATE OF AUTHENTICATION

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

BOND TRUST SERVICES CORPORATION

By _____
Its Authorized Representative

ASSIGNMENT

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

Dated: _____

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

Signature Guaranteed:

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

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

Name and Address: _____

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

Please insert federal identification or other identifying number of assignee

PROVISIONS AS TO REGISTRATION

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

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of Officer of Registrar</u>
April _____, 2022	Cede & Co. Federal ID #13-2555119	_____

EXHIBIT C

TAX LEVY SCHEDULE

TAX LEVY CALCULATION

Issue ID# 340617

Independent School District No. 623 (Roseville Area Schools), MN

Dated Date: 4/14/2022

\$13,250,000 General Obligation Facilities Maintenance Bonds, Series 2022A

Call Date: 2/1/2031

Tax Collect					
Tax Levy Year	Year	Bond Pay Year	Total P & I	P & I @ 105%	Net Levy
2021	/	2022 / 2023	395,207.50	414,967.88	414,967.88 *
2022	/	2023 / 2024	456,900.00	479,745.00	479,745.00
2023	/	2024 / 2025	456,900.00	479,745.00	479,745.00
2024	/	2025 / 2026	456,900.00	479,745.00	479,745.00
2025	/	2026 / 2027	456,900.00	479,745.00	479,745.00
2026	/	2027 / 2028	456,900.00	479,745.00	479,745.00
2027	/	2028 / 2029	456,900.00	479,745.00	479,745.00
2028	/	2029 / 2030	456,900.00	479,745.00	479,745.00
2029	/	2030 / 2031	456,900.00	479,745.00	479,745.00
2030	/	2031 / 2032	456,900.00	479,745.00	479,745.00
2031	/	2032 / 2033	1,056,900.00	1,109,745.00	1,109,745.00
2032	/	2033 / 2034	1,042,900.00	1,095,045.00	1,095,045.00
2033	/	2034 / 2035	1,048,500.00	1,100,925.00	1,100,925.00
2034	/	2035 / 2036	1,047,900.00	1,100,295.00	1,100,295.00
2035	/	2036 / 2037	2,506,300.00	2,631,615.00	2,631,615.00
2036	/	2037 / 2038	2,660,300.00	2,793,315.00	2,793,315.00
2037	/	2038 / 2039	3,995,612.50	4,195,393.13	4,195,393.13
2038	/	2039 / 2040	2,441,862.50	2,563,955.63	2,563,955.63
Totals			20,307,582.50	21,322,961.63	21,322,961.63

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



STATE OF MINNESOTA)
)
)
COUNTY OF RAMSEY)
) ss.
)
INDEPENDENT SCHOOL)
DISTRICT NO. 623)

I, the undersigned, being the duly qualified Clerk of Independent School District No. 623 (Roseville Area Schools), Ramsey County, Minnesota (the “District”), do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the School Board of the District held on the date specified above, with the original minutes on file in my office, and the extract is a full, true, and correct copy of the minutes insofar as they relate to the issuance and sale of the District’s General Obligation Facilities Maintenance Bonds, Series 2022A, in the original aggregate principal amount of \$13,250,000.

WITNESS My hand officially as such Clerk this _____ day of March, 2022.

Clerk
Independent School District No. 623
(Roseville Area Schools), Ramsey County, Minnesota

March 22, 2022

SALE DAY REPORT FOR:

Independent School District No. 623 (Roseville Area Schools), Minnesota

**\$13,250,000 General Obligation Facilities
Maintenance Bonds, Series 2022A**



Prepared by:

Ehlers
3060 Centre Pointe Drive
Roseville, MN 55113

Jodie Zesbaugh,
Senior Municipal Advisor

Shelby McQuay,
Senior Municipal Advisor

Aaron Bushberger,
Municipal Advisor

BUILDING COMMUNITIES. IT'S WHAT WE DO.

Competitive Sale Results

PURPOSE: To finance deferred maintenance projects included in the ten-year facility plan of the District and approved by the Commissioner of Education.

RATING: MN Credit Enhancement Rating: Moody's Investor's Service "Aa2"
Underlying Rating: Moody's Investor's Service "A3" (Upgrade from "Baa1")

NUMBER OF BIDS: 1

LOW BIDDER: KeyBanc Capital Markets Incorporated, Cleveland, Ohio

Summary of Sale Results:	
Principal Amount:	\$13,250,000
Underwriter's Discount:	\$265,000
Reoffering Premium:	\$409,079
True Interest Cost*:	3.3337%
Costs of Issuance:	\$81,281
Yield:	2.00%-3.30%
Total Net P&I:	\$20,307,583

** After receipt of bids, certain maturities were adjusted. This caused a slight change in the True Interest Cost.*

NOTES: Interest rates have increased since estimates were prepared for the Pre-Sale Report that was presented to the School Board on March 8. The True Interest Cost of 3.33% is higher than the 3.16% estimate in the Pre-Sale Report. The Bonds maturing February 1, 2033 and thereafter are callable February 1, 2031 or any date thereafter.

CLOSING DATE: April 14, 2022

SUPPLEMENTARY ATTACHMENTS

- Bid Tabulation
- Updated Sources and Uses of Funds
- Updated Debt Service Schedule
- Updated Long-Term Financing Plan for Debt and Capital Payments and Levies
- Rating Reports
- Bond Resolution (Distributed Separately)

BID TABULATION

\$13,250,000 General Obligation Facilities Maintenance Bonds, Series 2022A

Independent School District No. 623 (Roseville Area Schools), Minnesota

SALE: March 22, 2022

AWARD: KEYBANC CAPITAL MARKETS INCORPORATED

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

Underlying Rating: Moody's Investor's Service "A3"

Tax Exempt - Non-Bank Qualified

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
KEYBANC CAPITAL MARKETS INCORPORATED Cleveland, Ohio	2023	4.000%	2.000%	\$13,394,828.45	\$6,898,900.82	3.3338%
	2033	4.000%	2.450%			
	2034	4.000%	2.500%			
	2035	4.000%	2.550%			
	2036	4.000%	2.600%			
	2037	4.000%	2.700%			
	2038	3.125%	3.200%			
	2039	3.125%	3.250%			
	2040	3.250%	3.300%			

* Subsequent to bid opening the individual maturity amounts were adjusted.

Adjusted Price - \$13,394,078.75 Adjusted Net Interest Cost - \$6,913,503.75 Adjusted TIC - 3.3337%

Roseville School District No. 623

\$13,250,000 General Obligation Facilities Maintenance Bonds, Series 2022A

Dated: April 14, 2022

Sources & Uses

Dated 04/14/2022 | Delivered 04/14/2022

Sources Of Funds

Par Amount of Bonds	\$13,250,000.00
Reoffering Premium	409,078.75

Total Sources **\$13,659,078.75**

Uses Of Funds

Total Underwriter's Discount (2.000%)	265,000.00
Costs of Issuance	81,281.00
Deposit to Project Construction Fund	13,312,797.75

Total Uses **\$13,659,078.75**

Roseville School District No. 623

\$13,250,000 General Obligation Facilities Maintenance Bonds, Series 2022A

Dated: April 14, 2022

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/14/2022	-	-	-	-	-
02/01/2023	30,000.00	4.000%	365,207.50	395,207.50	395,207.50
08/01/2023	-	-	228,450.00	228,450.00	-
02/01/2024	-	-	228,450.00	228,450.00	456,900.00
08/01/2024	-	-	228,450.00	228,450.00	-
02/01/2025	-	-	228,450.00	228,450.00	456,900.00
08/01/2025	-	-	228,450.00	228,450.00	-
02/01/2026	-	-	228,450.00	228,450.00	456,900.00
08/01/2026	-	-	228,450.00	228,450.00	-
02/01/2027	-	-	228,450.00	228,450.00	456,900.00
08/01/2027	-	-	228,450.00	228,450.00	-
02/01/2028	-	-	228,450.00	228,450.00	456,900.00
08/01/2028	-	-	228,450.00	228,450.00	-
02/01/2029	-	-	228,450.00	228,450.00	456,900.00
08/01/2029	-	-	228,450.00	228,450.00	-
02/01/2030	-	-	228,450.00	228,450.00	456,900.00
08/01/2030	-	-	228,450.00	228,450.00	-
02/01/2031	-	-	228,450.00	228,450.00	456,900.00
08/01/2031	-	-	228,450.00	228,450.00	-
02/01/2032	-	-	228,450.00	228,450.00	456,900.00
08/01/2032	-	-	228,450.00	228,450.00	-
02/01/2033	600,000.00	4.000%	228,450.00	828,450.00	1,056,900.00
08/01/2033	-	-	216,450.00	216,450.00	-
02/01/2034	610,000.00	4.000%	216,450.00	826,450.00	1,042,900.00
08/01/2034	-	-	204,250.00	204,250.00	-
02/01/2035	640,000.00	4.000%	204,250.00	844,250.00	1,048,500.00
08/01/2035	-	-	191,450.00	191,450.00	-
02/01/2036	665,000.00	4.000%	191,450.00	856,450.00	1,047,900.00
08/01/2036	-	-	178,150.00	178,150.00	-
02/01/2037	2,150,000.00	4.000%	178,150.00	2,328,150.00	2,506,300.00
08/01/2037	-	-	135,150.00	135,150.00	-
02/01/2038	2,390,000.00	3.125%	135,150.00	2,525,150.00	2,660,300.00
08/01/2038	-	-	97,806.25	97,806.25	-
02/01/2039	3,800,000.00	3.125%	97,806.25	3,897,806.25	3,995,612.50
08/01/2039	-	-	38,431.25	38,431.25	-
02/01/2040	2,365,000.00	3.250%	38,431.25	2,403,431.25	2,441,862.50
Total	\$13,250,000.00	-	\$7,057,582.50	\$20,307,582.50	-

Yield Statistics

Bond Year Dollars	\$206,553.19
Average Life	15.589 Years
Average Coupon	3.4168353%
Net Interest Cost (NIC)	3.3470815%
True Interest Cost (TIC)	3.3337705%
Bond Yield for Arbitrage Purposes	3.0856764%
All Inclusive Cost (AIC)	3.3846754%

IRS Form 8038

Net Interest Cost	3.1408122%
Weighted Average Maturity	15.497 Years

RESULTS OF BOND SALE

Roseville School District No. 623
Financing Plan for Debt Service and Capital Levies, Including Future Projects

Updated Debt Plan for Fiscal Year 2022 and Beyond
5 Facilities Maintenance Bond Issues in
2022, 2024, 2026, 2028 and 2030

Future Bond Issues

Type of Bond	Amount	Dated	Int. Rate
Facilities Maintenance	\$13,250,000	4/14/2022	3.33%
Facilities Maintenance	\$10,840,000	2/1/2024	4.00%
Facilities Maintenance	\$11,865,000	2/1/2026	4.00%
Facilities Maintenance	\$11,100,000	2/1/2028	4.00%
Facilities Maintenance	\$7,235,000	2/1/2030	4.00%

March 22, 2022

Levy		Tax		Debt Service Levies - Existing Bonds ²							Other	Facilities Maintenance Funding					Combined Totals	
Payable Year	Fiscal Year	Capacity Value ¹	% Chg	Building Bonds	Alt. Fac./FM Bonds	OPEB Bonds	Est. Debt Excess ³	Net Levy	Tax Rate	Lease Levy ⁴	General Fund Revenue	Principal	Interest	Addl. Debt Excess ³	Est. LTFM Aid	Debt Levy ⁵	Total Levy	Tax Rate
2019	2020	67,192	6.8%	11,443,058	419,790	949,949	(129,024)	12,683,772	18.88	682,204	6,850,785	-	-	-	(230,148)	-	19,986,613	29.75
2020	2021	70,847	5.4%	11,368,013	763,560	957,508	(159,518)	12,929,564	18.25	565,936	7,359,191	-	-	-	(375,532)	-	20,479,159	28.91
2021	2022	77,203	9.0%	12,340,913	854,561	901,754	(439,139)	13,658,089	17.69	2,185,987	5,383,654	-	-	-	(379,526)	-	20,848,204	27.00
2022	2023	77,854	0.8%	12,057,256	782,951	1,240,221	(408,189)	13,672,238	17.56	2,133,624	5,178,196	30,000	365,208	-	(222,218)	417,375	21,179,215	27.20
2023	2024	79,022	1.5%	11,637,518	797,861	1,805,764	(577,567)	13,663,575	17.29	2,133,624	5,330,006	-	456,900	-	(112,965)	479,745	21,493,985	27.20
2024	2025	80,208	1.5%	10,709,003	748,931	2,439,833	(640,851)	13,256,914	16.53	2,133,624	5,721,981	-	890,500	-	(226,755)	935,025	21,820,789	27.21
2025	2026	81,010	1.0%	10,979,063	743,681	3,409,613	(625,399)	14,506,956	17.91	2,133,624	4,727,006	-	890,500	(42,076)	(219,633)	892,949	22,040,902	27.21
2026	2027	81,820	1.0%	8,864,625	2,339,681	4,243,523	(680,956)	14,766,872	18.05	2,133,624	4,188,006	-	1,365,100	(40,183)	(219,633)	1,393,172	22,262,041	27.21
2027	2028	82,229	0.5%	8,945,475	2,343,881	4,241,213	(695,152)	14,835,416	18.04	2,133,624	4,232,006	-	1,365,100	(62,693)	(205,015)	1,370,662	22,366,694	27.20
2028	2029	82,640	0.5%	10,276,350	2,350,391	2,555,438	(698,876)	14,483,303	17.53	2,133,624	4,213,006	-	1,809,100	(61,680)	(190,323)	1,837,875	22,477,485	27.20
2029	2030	83,053	0.5%	12,163,988	2,357,216	-	(683,198)	13,838,005	16.66	2,133,624	4,973,996	-	1,809,100	(82,704)	(175,558)	1,816,851	22,586,918	27.20
2030	2031	83,053	0.0%	12,240,375	2,355,851	-	(653,454)	13,942,772	16.79	2,133,624	4,567,425	-	2,098,500	(81,758)	(175,558)	2,121,667	22,589,930	27.20
2031	2032	83,053	0.0%	12,207,563	2,351,546	-	(656,830)	13,902,278	16.74	2,133,624	4,622,006	-	2,098,500	(95,475)	(175,558)	2,107,950	22,590,301	27.20
2032	2033	83,053	0.0%	12,201,525	559,301	-	(655,160)	12,105,666	14.58	2,133,624	5,512,006	860,000	2,098,500	(94,858)	(175,558)	3,011,567	22,587,306	27.20
2033	2034	83,053	0.0%	12,166,140	551,121	-	(574,237)	12,143,024	14.62	2,133,624	5,512,006	900,000	2,064,100	(135,521)	(175,558)	2,976,784	22,589,881	27.20
2034	2035	83,053	0.0%	12,133,170	568,992	-	(572,277)	12,129,886	14.60	2,133,624	5,512,006	945,000	2,028,100	(133,955)	(175,558)	2,987,800	22,587,758	27.20
2035	2036	83,053	0.0%	12,111,750	586,100	-	(571,597)	12,126,252	14.60	2,133,624	5,512,006	985,000	1,990,300	(134,451)	(175,558)	2,989,614	22,585,939	27.19
2036	2037	83,053	0.0%	12,116,580	591,691	-	(571,403)	12,136,868	14.61	584,924	5,512,006	2,490,000	1,950,900	(134,533)	(175,558)	4,528,412	22,586,652	27.20
2037	2038	83,053	0.0%	11,946,480	675,210	-	(571,872)	12,049,818	14.51	584,924	5,512,006	2,740,000	1,851,300	(203,779)	(175,558)	4,617,086	22,588,277	27.20
2038	2039	83,053	0.0%	-	2,451,698	-	(567,976)	1,883,721	2.27	584,924	5,512,006	3,800,000	1,762,613	(207,769)	(175,558)	5,632,974	13,438,068	16.18
2039	2040	83,053	0.0%	-	1,567,472	-	(110,326)	1,457,145	1.75	584,924	5,512,006	4,065,000	1,643,863	(253,484)	(175,558)	5,740,822	13,119,339	15.80
2040	2041	83,053	0.0%	-	-	-	-	-	-	584,924	5,512,006	5,605,000	1,499,000	(258,337)	(175,558)	7,200,863	13,122,235	15.80
2041	2042	83,053	0.0%	-	-	-	-	-	-	584,924	5,512,006	5,890,000	1,274,800	(324,039)	(175,558)	7,199,001	13,120,374	15.80
2042	2043	83,053	0.0%	-	-	-	-	-	-	584,924	5,512,006	6,125,000	1,039,200	(323,955)	(175,558)	7,198,455	13,119,827	15.80
2043	2044	83,053	0.0%	-	-	-	-	-	-	584,924	5,512,006	6,370,000	794,200	(323,930)	(175,558)	7,198,480	13,119,852	15.80
2044	2045	83,053	0.0%	-	-	-	-	-	-	584,924	5,512,006	6,625,000	539,400	(323,932)	(175,558)	7,198,688	13,120,061	15.80
2045	2046	83,053	0.0%	-	-	-	-	-	-	584,924	5,512,006	6,860,000	274,400	(323,941)	(175,558)	7,167,179	13,088,551	15.76
2046	2047	83,053	0.0%	-	-	-	-	-	-	584,924	5,512,006	-	-	-	(175,558)	-	5,921,372	7.13
2047	2048	83,053	0.0%	-	-	-	-	-	-	584,924	5,512,006	-	-	-	(175,558)	-	5,921,372	7.13
Totals				217,908,842	26,761,484	22,744,813	(11,243,003)	256,172,136		40,323,951	155,539,360	54,290,000	33,959,183	(3,643,051)	(5,717,341)	89,020,997	535,339,103	

1 Tax capacity values include the actual values for taxes payable thru 2022 are from the County and estimated percentage changes for later years are as shown above.
 2 Initial debt service levies are set at 105 percent of the principal and interest payments during the next fiscal year.
 3 The debt excess adjustments for taxes payable in 2019 through 2022 are the actual amounts. Taxes payable 2023 is an estimate based on audited amounts and estimates for future years are based on 4.5% of the prior years' total debt service levy.
 4 Lease levy amounts for future years are based on the best available estimates of future payments for all current and planned future leases.
 5 The district certified a final Pay 2022 levy in December of 2021, including an estimate of \$417,375 for the 2022A bonds.

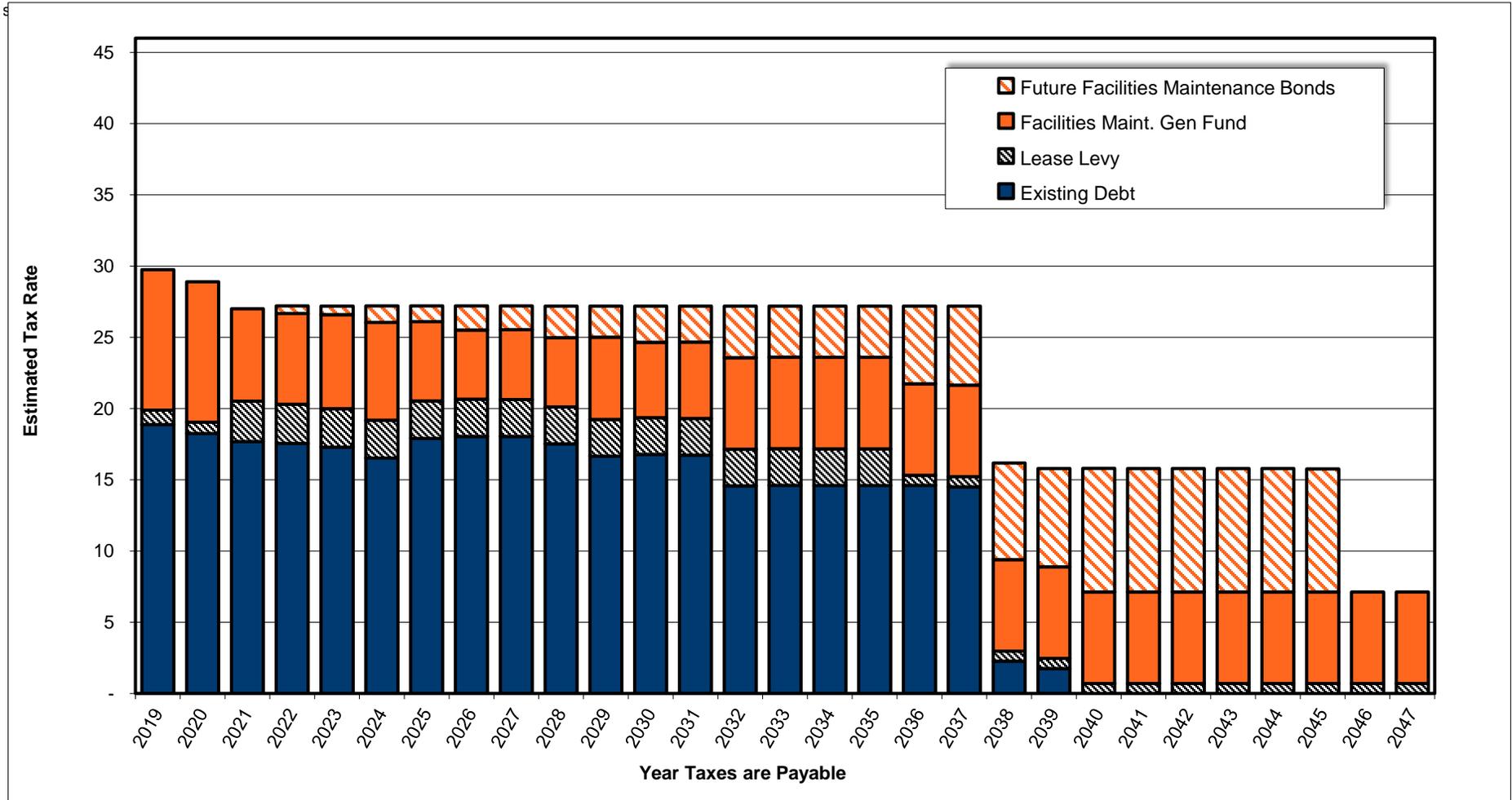


RESULTS OF BOND SALE

Roseville School District No. 623
 Estimated Tax Rates for Capital and Debt Service Levies

Updated Debt Plan for Fiscal Year 2022 and Beyond
 5 Facilities Maintenance Bond Issues in
 2022, 2024, 2026, 2028 and 2030

Date Prepared: March 22, 2022



Rating Action: Moody's upgrades Roseville ISD 623, MN's issuer rating to A3; assigns A3 UND & Aa2 ENH to its GO bonds

17 Mar 2022

New York, March 17, 2022 -- Moody's Investors Service has upgraded Roseville Independent School District 623, MN's issuer rating to A3 from Baa1. Concurrently, Moody's has upgraded the rating on the district's outstanding general obligation unlimited tax (GOULT) bonds to A3 from Baa1 and upgraded the rating on outstanding certificates of participation (COPS) to Baa1 from Baa2. The outlook for the underlying ratings remains positive. Moody's also assigns an A3 underlying rating and Aa2 enhanced rating to the district's \$13.3 million General Obligation Facilities Maintenance Bonds, Series 2022A. The issuer rating reflects the district's ability to repay debt and debt-like obligations without consideration of any pledge, security, or structural features. Following the upcoming sale, the district will have about \$189 million in debt outstanding.

RATINGS RATIONALE

The upgrade of the issuer rating to A3 incorporates the expectation that the district's reserves will improve to solid levels following a voter approved increase to the operating levy. Also considered is its favorable location near the Twin Cities with a strong local economy, stagnant to declining enrollment with some disruption related to the coronavirus, and a moderate fixed cost and long-term liability burden.

The A3 rating on the district's general obligation unlimited tax (GOULT) bonds is equivalent to the A3 issuer rating given the district's full faith and credit pledge with authority to raise ad valorem property taxes unlimited as to rate or amount.

The Baa1 rating on COPs is one notch below the district's issuer rating due to the risk of non-appropriation and the more essential nature of the pledged assets, which are primarily educational facilities.

The enhanced rating on the current GOULT bonds reflects the additional security provided by the State of Minnesota's School District Credit Enhancement (MSDCE) Program. The Aa2 enhanced programmatic rating is notched once from the State of Minnesota's Aa1 rating on the state's GOULT bonds. The enhanced rating reflects sound program mechanics and the State of Minnesota's pledge of an unlimited appropriation from its general fund should the district be unable to meet debt service requirements. The program's mechanics include a provision for third party notification of pending deficiency. If the school district does not transfer funds necessary to pay debt to the paying agent at least three days prior to the payment due date, the state will appropriate the payment to the paying agent directly. Moody's has received a copy of the signed program application.

RATING OUTLOOK

The positive outlook for the underlying ratings is based on the expectation that a substantial infusion of revenues from a voter approved operating levy will drive strengthening of the district's financial position. Given a strong economic base, if reserves grow to healthier levels it would likely drive upward movement in the rating.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Material and sustained increase in operating reserves
- Improved enrollment trend

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Decline in fund balance or cash ratios
- Substantial increase in leverage

LEGAL SECURITY

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

The district's outstanding COPs are backed by an annual appropriation pledge to make rental payments to the trustee under an annually renewable lease purchase agreement.

USE OF PROCEEDS

The 2022A bonds are being issued to finance deferred facility maintenance projects at school district facilities.

PROFILE

Roseville Independent School District 623 is located, north of the Twin Cities in Ramsey County (Aaa stable) and has a population of over 57,000. The district is comprised of the Cities of Roseville (Aaa stable), Shoreview (Aa1), Maplewood (Aa2), Little Canada, Falcon Heights, Lauderdale, and Arden Hills. The district provides kindergarten through the twelfth grade education.

METHODOLOGY

The principal methodology used in underlying ratings was US K-12 Public School Districts Methodology published in January 2021 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1202421. The principal methodology used in the enhanced rating was State Aid Intercept Programs and Financings published in December 2017 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1067422. Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of these methodologies.

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CREDIT OPINION

18 March 2022

 Rate this Research

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Roseville Independent School District 623, MN

Update to credit analysis following upgrade to A3 positive

Summary

[Roseville Independent School District](#), MN's (A3 positive) financial position will strengthen following voter approval for an operating levy that will boost annual district revenue by around \$7 million. Enrollment in the district had been slipping, but turnover in the housing market and easing of pandemic pressures have the potential to stabilize student counts. The district benefits from its location within the economically strong [Minnesota](#) (Aa1 positive) Twin Cities ([Minneapolis](#), Aa1 stable; [St. Paul](#), Aa1 stable) metropolitan area. Leverage is somewhat elevated.

On March 17 we upgraded the district's Issuer Rating and rating on general obligation debt to A3, and lease appropriation debt issued for more essential purposes to Baa1. The outlook is positive.

Credit strengths

- » Revenue being boosted as a result of voter approved operating levies
- » Strong full value per capita and resident income for the rating category

Credit challenges

- » Somewhat elevated leverage
- » While likely to strengthen, reserves recently dipped to limited levels due to negative variances

Rating outlook

The positive outlook is based on the expectation that a substantial infusion of revenues from a voter approved operating levy will drive strengthening of the district's financial position. Given a strong economic base, if reserves grow to healthier levels it would likely drive upward movement in the rating.

Factors that could lead to an upgrade

- » Material and sustained increase in operating reserves
- » Improved enrollment trend

Factors that could lead to a downgrade

- » Decline in fund balance or cash ratios
- » Substantial increase in leverage

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

Key indicators

Exhibit 1

Roseville Independent School District 623, MN

	2017	2018	2019	2020	Baa Medians
Economy					
Resident income	107.2%	103.1%	105.6%	N/A	87.4%
Full value (\$000)	\$5,980,884	\$6,626,094	\$6,714,920	\$7,137,825	\$935,939
Population	57,443	57,325	57,474	N/A	12,952
Full value per capita	\$104,119	\$115,588	\$116,834	N/A	\$74,159
Enrollment	7,684	7,768	7,655	7,684	1,859
Enrollment trend	N/A	N/A	0.2%	0.0%	-1.2%
Financial performance					
Operating revenue (\$000)	\$104,555	\$107,502	\$116,247	\$120,473	\$24,809
Available fund balance (\$000)	\$4,868	\$4,435	\$5,433	\$9,925	\$1,612
Net cash (\$000)	\$3,286	\$27,586	\$10,191	\$13,883	\$2,355
Available fund balance ratio	4.7%	4.1%	4.7%	8.2%	8.9%
Net cash ratio	3.1%	25.7%	8.8%	11.5%	9.9%
Leverage					
Debt (\$000)	\$34,980	\$190,680	\$169,100	\$185,987	\$20,235
ANPL (\$000)	\$329,191	\$296,378	\$221,920	\$261,370	\$52,716
OPEB (\$000)	N/A	-\$219	\$153	\$625	\$6,139
Long-term liabilities ratio	N/A	452.9%	336.5%	371.9%	345.2%
Implied debt service (\$000)	\$2,785	\$2,598	\$14,050	\$12,329	\$1,545
Pension tread water (\$000)	\$7,345	\$6,647	\$5,922	\$5,942	\$1,844
OPEB contributions (\$000)	N/A	\$0	\$0	\$68	\$298
Fixed-costs ratio	N/A	8.6%	17.2%	15.2%	16.5%

For definitions of the metrics in the table above please refer to the [US K-12 Public School Districts Methodology](#) or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published [K12 Median Report](#).

Sources: US Census Bureau, Roseville Independent School District 623, MN's financial statements and Moody's Investors Service

Profile

Roseville Independent School District 623 is located, north of the Twin Cities in [Ramsey County](#) (Aaa stable) and has a population of over 57,000. The district is comprised of the Cities of [Roseville](#) (Aaa stable), [Shoreview](#) (Aa1), [Maplewood](#) (Aa2), Little Canada, Falcon Heights, Lauderdale, and Arden Hills.

Detailed credit considerations

Economy: inner ring Twin city suburb with stabilizing enrollment

The district's favorable location in the Twin Cities metro area will continue to support solid property tax wealth and resident income levels. Roseville is a bedroom community with residential property comprising a little under two-thirds of net tax capacity. Like much of the nation, a booming housing market is lifting valuations. The district is largely built out, but is experiencing infill development including several senior housing projects. The remainder of the tax base is primarily commercial property. Median family income and full value per capita are both strong relative to peers in the rating category.

The district's enrollment was stagnant to slightly declining prior to the pandemic as entering class sizes were smaller than graduating. Like many schools, the district's enrollment took a hit in fiscal 2021 and fiscal 2022 amid the pandemic with families holding back entering kindergarten students, transferring to charter schools and home schooling. The district is a net winner from open enrollment with about 500 more students enrolling in than out. Officials view strong prospects for growth moving forward driven by turnover in existing housing to younger families.

Financial operations: new revenue will drive improved financial position

The district's financial position is likely to rapidly improve because of voter approval for an operating levy that is boosting district revenue. The district historically had a narrow financial position, but finances improved in recent years because of expenditure cuts. Draft financial statements for fiscal 2021, indicate that revenue exceeded expenditures by over \$2 million, but the general fund balance declined by a substantial \$4 million because of a restatement and capital expenditures. The decline in fund balance reduced

available general fund balance to under \$3 million, a narrow 2.5% of revenue. The district's fiscal 2022 amended budget includes a \$1.2 million operating deficit, but operations are likely to be balanced or better because federal aid will be used for some budgeted expenditures. Prospects are strong for fiscal 2023 when the district will begin receiving \$7 million in additional revenue from an operating referendum. Officials plan to use about half of the increase to improve services including lowering class sizes. For at least the next few years, the other half will be used to strengthen reserves. If executed as planned, the district's reserves would double in fiscal 2023 and quadruple by fiscal 2025.

State aid comprises nearly two-thirds of operating revenue. The Minnesota state aid formula is primarily calculated on a per pupil basis. The state's biennium budget increased per pupil funding 2.45% for the current year and 2% for next year. Most of the remainder of operating revenue is generated from property tax receipts. In November 2021, voters approved an operating referendum renewal of \$972 per pupil and an increase of \$905 per pupil for ten years beginning in fiscal 2023. The district was awarded a substantial \$13.4 million from the American Recovery Act, which it has not yet allocated.

Liquidity

The district's liquidity is slightly lower than its fund balance due to the recognition of property tax receipts, but sufficient so that it does not need to cash flow borrow during the year.

Leverage: somewhat elevated leverage

The district's leverage is unlikely to change materially for the next several years given the majority of liabilities are related to unfunded pension liabilities and bond plans are moderate. The district's fixed costs are moderate. The district is on a cycle of issuing bonds every other year of between \$10 million and \$15 million, and have an upcoming issuance of \$13.3 million. The district has no borrowing plans or major projects on the horizon.

Legal security

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

The district's outstanding COPs are backed by an annual appropriation pledge to make rental payments to the trustee under an annually renewable lease purchase agreement.

Debt structure

All of the district's bonds are fixed rate and long term. Principal and interest payments are level. Amortization is a bit slow with slightly under 60% of debt retired within ten years.

Debt-related derivatives

The district is not a party to any derivative agreements.

Pensions and OPEB

The bulk of Minnesota school districts' pension exposure is associated with the Teachers Retirement Association (MN TRA), and districts typically report their pension information with a lag. The district's fiscal 2021 reporting reflects its share of MN TRA's liabilities as of June 2020. Based on the MN TRA in aggregate, will expect liabilities to fall by around 15% in fiscal 2022 due to exceptional investment performance.

ESG considerations

Environmental

Environmental considerations are not material to the district's credit profile. According to data from Moody's ESG Solutions Ramsey County's environmental hazard scores range from no risk to medium risk for the five environmental factors considered for water stress, cyclone exposure, heat stress and sea level rise. The county is at high risk for extreme rainfall. There have been no flooding issues at district facilities and water management is in the service purview of overlapping governments.

Social

Social considerations such as income levels, labor force, and education are material considerations that factor in the district's credit profile. We regard the coronavirus outbreak as a social risk under our ESG framework, given the substantial implications for public health and safety. School districts have been impacted by the coronavirus through fluctuations in enrollment and staffing challenges.

Governance

The district has a low fund balance policy of 3%. It intends to revise the policy and build up fund balance that is far higher than what the current policy outlines. The finance director presents a financial update to the school board monthly. Often those reports include year to date financial results such as how revenues and expenses are tracking to budget and prior years. The district's substantial decline in fund balance in fiscal 2021 was not anticipated in our prior credit analysis. We view the unexpected results as credit negative. Finances are very likely to improve going forward because of the substantial inflow of revenues from the recently passed operating referendum.

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

Rating methodology and scorecard factors

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

Exhibit 2

Roseville Independent School District 623, MN

	Measure	Weight	Score
Economy			
Resident Income (MHI Adjusted for RPP / US MHI)	105.6%	10.0%	Aa
Full value per capita (full valuation of the tax base / population)	132,388	10.0%	Aa
Enrollment trend (three-year CAGR in enrollment)	-1.3%	10.0%	A
Financial performance			
Available fund balance ratio (available fund balance / operating revenue)	8.2%	20.0%	Baa
Net cash ratio (net cash / operating revenue)	11.5%	10.0%	A
Institutional framework			
Institutional Framework	A	10.0%	A
Leverage			
Long-term liabilities ratio ((debt + ANPL + adjusted net OPEB) / operating revenue)	386.3%	20.0%	A
Fixed-costs ratio (adjusted fixed costs / operating revenue)	15.2%	10.0%	Aa
Notching factors			
No notchings applied			
Scorecard-Indicated Outcome			A2
Assigned Rating			A3

Sources: US Census Bureau, Roseville Independent School District 623, MN's financial statements and Moody's Investors Service

Appendix

Exhibit 3

Key Indicators Glossary

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

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

Source: Moody's Investors Service

Endnotes

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

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Agenda Topic: Conditions of Employment – Cultural Liaisons
Meeting Date: March 22, 2022
Contact People: Lisa Chang and Shari Thompson

Background:

Contract negotiations with Cultural Liaisons, who are represented by AFSCME, began in September 2021 and concluded in February 2022. Shari Thompson, Lisa Chang, Kristina Robertson and Yvonne Tollman represented the district during negotiations.

Here is a brief summary of the contract:

1. Standard work calendars
2. New competitive salary schedules for 2021-2023
 - a. Placement of new employees
3. Health insurance:
 - a. District contribution to single & family insurance
4. Longevity language
5. Staff reduction language to include specialty area
6. Vacation leave
7. Other standard language was included in contract to reflect current practice and mirroring other contracts

The tentative agreement falls within the budget parameters included in the adopted budget.

Roseville Cultural Liaisons ratified the contract on March 9, 2022. The district wishes to express its thanks to the Cultural Liaison Team represented by Cecilia Martino, Anthony Anderson, and AFSCME Field Agents Suzanne Kocurek and Lynee Tate-Baker for their collaborative work to reach a fair settlement.

Recommendation:

It is recommended that the school board approve the contract for 2021-2023 negotiated and ratified by the Cultural Liaison Team, who are represented by AFSCME.

XX Action Required _____ Informational – No Board Action Requested