

WAYZATA PUBLIC SCHOOLS

Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION

Special Meeting - January 28, 2013 - 4:00 PM
District Administration Building, 210 County Rd. 101 N., Plymouth

AGENDA

- | | |
|--|----|
| 1. CALL TO ORDER AND ROLL CALL - Board Chair Droegemueller | 3 |
| 2. RESOLUTION RELATING TO A LEASE PURCHASE FINANCING AND PROVIDING FOR SALE OF CERTIFICATES OF PARTICIPATION, SERIES 2013a | 4 |
| 3. ADJOURN | 15 |

WAYZATA PUBLIC SCHOOLS
Independent School District 284
Wayzata, Minnesota

MISSION

Our Core Purpose;

The Mission of Wayzata Public Schools is to ensure a world-class education that prepares each and every student to thrive today and excel tomorrow in an ever-changing global society.

VISION

What We Intend to Create and Experience;

The Vision of Wayzata Public Schools is to be a model of excellence where all students discover their unique talents, develop a love and tenacity for learning and demonstrate confidence and capacity for success through:

Exceptional Student Learning, Experiences and Relationships:

- High achievement by each and every student – no exceptions, no excuses;
- Content-rich, rigorous and personalized education;
- Meaningful relationships with teachers, staff, mentors and peers in a welcoming, nurturing and safe environment.

Community Trust, Confidence and Partnership:

- Comprehensive learning opportunities meeting diverse learner needs and community aspirations;
- Committed to being the first choice for students and families;
- Maintaining the highest levels of satisfaction and pride by staff, parents and community.

Operational Excellence:

- Attraction, development and retention of exemplary, creative and valued employees;
- Effective and efficient use of time and human, financial and physical resources;
- Culture of continuous improvement and responsive innovation;
- High performing district governance, management and partnerships.

WAYZATA PUBLIC SCHOOLS
Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION

Special Meeting – January 28, 2013

AGENDA ITEM: 1. CALL TO ORDER/ROLL CALL

COMMENTS BY: Board Chair Droegemueller

John Moroz, Board Clerk, will call the roll:

	<u>PRESENT</u>	<u>ABSENT</u>
Ms. Linda A. Cohen	_____	_____
Ms. Susan Hayes Droegemueller	_____	_____
Ms. Susan Gaither	_____	_____
Mr. Jay A. Hesby	_____	_____
Mr. John A. Moroz	_____	_____
Ms. Carter G. Peterson	_____	_____
Ms. Cheryl Polzin	_____	_____
Dr. Chace B. Anderson, Ex Officio	_____	_____

WAYZATA PUBLIC SCHOOLS

Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION

Special Meeting – January 28, 2013

AGENDA ITEM: 2. RESOLUTION RELATING TO A LEASE PURCHASE
FINANCING AND PROVIDING FOR SALE OF
CERTIFICATES OF PARTICIPATION, SERIES 2013A.

COMMENTS BY: Mr. Westrum

As a part of the District's elementary rightsizing and middle school capacity plan from Phase I and II of the District's comprehensive facility study, the District has received a favorable review and comment from the Minnesota Commissioner of Education and will issue Certificates of Participation to fund a portion of the project costs.

The Certificates of Participation of the District are being issued pursuant to Minnesota Statutes, Section 465.71 and a Trust Agreement (the "Agreement") dated as of February 27, 2013 between the District and U.S. Bank National Association (the "Trustee").

The Certificates are being issued to finance a portion of the cost for construction of additions at Oakwood, Greenwood, and Sunset Hill Elementary Schools and the Central Services Facility (the "Project"). The Certificates will be special obligations of the District payable from and secured by a pledge of lease payments required to be made by the District to the Trustee pursuant to a Lease-Purchase Agreement (the "Lease") to be entered into between the District and the Trustee.

The Trustee and the District will enter into a Ground Lease Agreement (the "Ground Lease") dated as of February 27, 2013, under which the Trustee has agreed to lease certain real property (the "Sites") from the District.

The Project will be leased by the Trustee to the District, pursuant to a Lease-Purchase Agreement (the "Lease") dated as of February 27, 2013, between the District and the Trustee and under the statutory authority of Minnesota Statutes, Section 465.71. Pursuant to the Agreement, the District will assign to the Trustee its interest in the Lease and the Lease Payments to be made thereunder (except for the certain rights of the District to indemnification and payment of expenses) and will grant to the Trustee a security interest in the financed project. Rental payments are unconditional and subject to annual appropriations by the governing body of the District in each year sufficient to pay such rental payments as described herein.

Recommended Action: Approve the Resolution RELATING TO A LEASE PURCHASE FINANCING AND PROVIDING FOR SALE OF CERTIFICATES OF PARTICIPATION, SERIES 2013A.

Motion by: _____ ROLL CALL Passed _____

Second by: _____ VOTE Failed _____

CERTIFICATION OF MINUTES
RELATING TO
CERTIFICATES OF PARTICIPATION, SERIES 2013A

ISSUER: INDEPENDENT SCHOOL DISTRICT NO. 284 (WAYZATA)
WAYZATA, MINNESOTA

GOVERNING BODY: SCHOOL BOARD

KIND, DATE, TIME AND PLACE OF MEETING:

A special meeting, held January 28, 2013, at four o'clock p.m., at the District Administration Building, 210 County Rd. 101 N., Plymouth, MN.

MEMBERS PRESENT:

MEMBERS ABSENT:

Documents Attached: Extract of Minutes of said meeting.

**RESOLUTION RELATING TO A LEASE PURCHASE FINANCING AND
PROVIDING FOR SALE OF CERTIFICATES OF PARTICIPATION, SERIES 2013A**

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

WITNESS MY HAND officially as such recording officer this ____ day of January, 2013.

School District Clerk

EXTRACT OF MINUTES OF A MEETING
OF THE SCHOOL BOARD OF
INDEPENDENT SCHOOL DISTRICT NO. 284
(WAYZATA)
STATE OF MINNESOTA

HELD: JANUARY 28, 2013

Pursuant to due call and notice thereof, a special meeting of the School Board of Independent School District No. 284, State of Minnesota, was duly held on January 28, 2013, at four o'clock p.m.

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION RELATING TO A LEASE PURCHASE FINANCING AND PROVIDING FOR SALE OF CERTIFICATES OF PARTICIPATION, SERIES 2013A

BE IT RESOLVED by the School Board of Independent School District No. 284, State of Minnesota, as follows:

1. Authorization. The Board hereby finds and declares that it is necessary and expedient for Independent School District No. 284 (the "District") to enter into a Ground Lease, a Lease Purchase Agreement and a Trust Agreement and to sell and issue its certificates of participation, evidencing the proportionate interest of the registered owners thereof in lease payments to be made by the District pursuant to a Lease Purchase Agreement (the "Certificates") in the total aggregate principal amount of not to exceed \$9,980,000. The purpose of the financing is to construct and equip additions to four schools in the District and to pay the costs of issuing the Certificates.

2. Review and Comment. Any actions of the administration in consulting with the Minnesota Department of Education, causing a proposal to be prepared for submission on behalf of the School Board to the Commissioner of Education for the Commissioner's Review and Comment, are hereby ratified and approved in all respects.

3. Sale. The Board, having been advised by Ehlers & Associates, Inc., its independent financial advisor, hereby determines that this issue shall be privately sold after receipt of written proposals, as authorized pursuant to Minnesota Statutes, Section 475.60, Subdivision 2.

4. Approval of Sale of the Bonds. The Chair and the Executive Director of Finance and Business are authorized to receive and consider all proposal for the purchase of the Certificates presented in conformity with the Terms of Proposal contained in the Official Statement, the terms of which are ratified and confirmed in all respects. If the True Interest Cost of the most favorable of such proposals does not exceed 2.50%, the purchase price is not less than \$9,880,200, and a favorable recommendation to accept the proposal is received from Ehlers & Associates, Inc., the Chair and the Executive Director of Finance and Business are authorized and directed to accept the same, and the provisions of the most favorable proposal are incorporated by reference as though fully stated herein. The Chair and the Superintendent or the Executive Director of Finance and Business are authorized and directed to endorse an acceptance on both copies of the most favorable proposal and to send one copy to the party submitting the most favorable proposal (the “Purchaser”).

5. Adoption of Approving Resolutions. Upon approval of the sale of the Certificates by the Chair and the Executive Director of Finance and Business, the Board will take action at its next regularly scheduled meeting thereafter to adopt the necessary approving resolution as prepared by the District's Bond Counsel.

6. Official Statement. Ehlers & Associates, Inc., is authorized to prepare and distribute an Official Statement related to the sale of the Certificates.

The motion for the adoption of the foregoing resolution was duly seconded by Member _____, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

January 15, 2013

Pre-Sale Report for

\$9,980,000 Certificates of Participation,
Series 2013A

Wayzata School District No. 284, Minnesota



Prepared and Presented by:

Joel Sutter, CIPFA
Sr. Financial Advisor, Principal

And

Jeff Seeley
Financial Advisor

Executive Summary of Proposed Debt

Proposed Issue:	\$9,980,000 Certificates of Participation, Series 2013A
Authority:	<p>The Certificates are being issued pursuant to Minnesota Statutes, Section 465.71 (Lease Purchase). The Certificates will provide evidence of proportionate ownership in lease payments to be made by the District, pursuant to a Lease Purchase Agreement.</p> <p>The Certificates will not be general obligations of the District. Payments will be subject to annual appropriation of funds by the School Board, as required by statutes.</p>
Purposes/Funding Sources:	The proposed issue will finance a portion of the cost of construction of additions to Oakwood, Greenwood, and Sunset Hill Elementary Schools and the Central Services Facility.
Term/Call Feature	The Certificates are being issued for period of 14 years, 7 months. Principal on the Certificates will be due on October 1 in the years 2013 through 2027. Interest is payable each six months beginning October 1, 2013. The Certificates maturing October 1, 2023, and thereafter will be subject to prepayment at the discretion of the District on October 1, 2022 or any date thereafter.
Bank Qualification	Because the District does not expect to issue more than \$10,000,000 in tax-exempt debt in the calendar year, the District will be able to designate the Certificates as “bank qualified” obligations. Bank qualified status broadens the market for the Certificates, which can result in lower interest rates.
Rating:	The District’s existing general obligation bonds are rated AAA by Standard and Poor’s. The District will request a rating from Standard and Poor’s on the Certificates. Because the Certificates are not general obligation bonds, Ehlers expects that the rating on the Certificates will be slightly lower than AAA.
Issuing Process:	In order to obtain the lowest interest cost to the District, Ehlers will prepare an Official Statement, distribute it to underwriting firms, and solicit competitive proposals to purchase the Certificates.
Other Considerations:	The District’s bond attorney has prepared a resolution for the January 28 meeting. The resolution would authorize the administration and Ehlers to proceed with sale of the Certificates, and would further authorize the Chair and Executive Director of Finance and Business to accept the most favorable proposal if the True Interest Cost does not exceed a maximum that will be set by the Board on January 28. Ehlers is planning to accept proposals for the Certificates on February 6. At its next regular meeting on February 11, the Board would then be required to approve a resolution ratifying the sale of the Certificates and determining the form and details.



<p>Other Considerations, cont.:</p>	<p>To obtain financing for the additions, the District will enter into a Lease Purchase Agreement, a Ground Lease, and a Trust Agreement. All agreements will be prepared by the District's bond counsel, Knutson Flynn Deans. U.S. Bank, National Association will serve as paying agent and trustee.</p> <p>Payments on the Certificates will be financed through the lease levy, supplemented in some years by other general fund revenues.</p>
<p>Review of Existing Debt:</p>	<p>We have reviewed all outstanding indebtedness for the District and find there are no refunding opportunities at this time. We will continue to monitor the market and the call dates for the District's outstanding debt and will alert you to any future refunding opportunities.</p>
<p>Continuing Disclosure:</p>	<p>The District will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain "material events" to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC). The District is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.</p>
<p>Arbitrage Monitoring:</p>	<p>Because the Certificates are tax-exempt, the Issuer must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction and debt service funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be detailed in the Nonarbitrage Certificate prepared by your Bond Attorney and provided at closing. We recommend that you regularly monitor compliance with these rules and/or retain the services of a qualified firm to assist you.</p>
<p>Risk Factors:</p>	<p>The agreements between the district and the trustee will include an "annual appropriation" clause, as required by state law. This clause will give the district the option to terminate the agreement and stop payments if, at any time in the future, the school board does not appropriate the funds to make the payments.</p> <p>If this clause is exercised, District would be required to surrender possession of the additions to the Trustee. This action could impair the ability of the district to obtain financing for similar projects in the future. It could also have a negative impact on the district's credit rating, which could increase future borrowing costs and/or impair access to credit in the market.</p>



Proposed Debt Issuance Schedule

Pre-Sale Review by School Board:	January 28, 2013
Board Approves Resolution Providing for Sale of Certificates of Participation	January 28
Distribute Official Statement:	Week of January 24
Conference with Rating Agency:	Week of January 28
Bids on Certificates Received, and Board Chair and Exec. Dir. Of Finance and Business Accept Proposal:	February 6
School Board Meeting to Ratify Sale of the Bonds:	February 11
Estimated Closing Date:	February 27

Attachments

Sources and Uses of Funds
Estimated Debt Service Schedule

Resolution Providing for the Sale of Certificates of Participation (provided separately)

Ehlers Contacts:

Financial Advisors:	Joel Sutter Jeff Seeley	(651) 697-8514 (651) 697-8585
Disclosure Coordinator:	Wendy Lundberg	(651) 697-8540
Bond Sale Coordinator:	Alicia Baldwin	(651) 697-8523
Financial Analyst:	Brian Shannon	(651) 697-8515

The Official Statement for this financing will be mailed to the School Board members at their home addresses or e-mailed for review prior to the sale date.



Wayzata School District No. 284

Est. Sources & Uses of Funds - Certificates of Participation for School Additions
January 9, 2013

Principal Amount	\$9,980,000
No. of Years	15
Sources of Funds	
Par Amount of Certificates or Lease	\$9,980,000
Estimated Investment Earnings	0
<u>Total Sources</u>	<u>\$9,980,000</u>
Uses of Funds	
Allowance for Discount Bidding (1.0%)	\$99,800
Capitalized Interest	0
Debt Service Reserve	0
Legal and Fiscal Costs#	65,000
Net Available for Project Costs	9,815,200
<u>Total Uses</u>	<u>\$9,980,000</u>
Estimated Breakdown of Project Costs	
Lease Purchase/COPs	\$9,815,194
Operating Capital/Other District Funds	2,207,631
<u>Rounding Amount</u>	<u>6</u>
<u>Total</u>	<u>\$12,022,831</u>

Includes fees for financial advisor, bond counsel, rating agency, paying agent, trustee, and county certificates.

Summary of Project Costs

	Certificates of Participation	Operating Capital or Other Funds
Oakwood	\$2,743,987	\$952,813
Greenwood	\$3,896,107	\$675,893
Sunset Hill	2,425,742	193,758
Admin Space at CSF	749,358	385,167
<u>Totals</u>	<u>\$9,815,194</u>	<u>\$2,207,631</u>



EHLERS
LEADERS IN PUBLIC FINANCE

SourcesUses 2013 PreSale

Wayzata School District No. 284

\$9,980,000 Certificates of Participation, Series 2013A

Debt Service Schedule - Estimates Prior to Sale

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/27/2013	-	-	-	-	-
10/01/2013	585,000.00	0.550%	102,440.61	687,440.61	-
04/01/2014	-	-	84,556.25	84,556.25	771,996.86
10/01/2014	610,000.00	0.750%	84,556.25	694,556.25	-
04/01/2015	-	-	82,268.75	82,268.75	776,825.00
10/01/2015	615,000.00	0.950%	82,268.75	697,268.75	-
04/01/2016	-	-	79,347.50	79,347.50	776,616.25
10/01/2016	620,000.00	1.100%	79,347.50	699,347.50	-
04/01/2017	-	-	75,937.50	75,937.50	775,285.00
10/01/2017	630,000.00	1.300%	75,937.50	705,937.50	-
04/01/2018	-	-	71,842.50	71,842.50	777,780.00
10/01/2018	635,000.00	1.400%	71,842.50	706,842.50	-
04/01/2019	-	-	67,397.50	67,397.50	774,240.00
10/01/2019	645,000.00	1.550%	67,397.50	712,397.50	-
04/01/2020	-	-	62,398.75	62,398.75	774,796.25
10/01/2020	655,000.00	1.700%	62,398.75	717,398.75	-
04/01/2021	-	-	56,831.25	56,831.25	774,230.00
10/01/2021	670,000.00	1.900%	56,831.25	726,831.25	-
04/01/2022	-	-	50,466.25	50,466.25	777,297.50
10/01/2022	680,000.00	2.100%	50,466.25	730,466.25	-
04/01/2023	-	-	43,326.25	43,326.25	773,792.50
10/01/2023	695,000.00	2.200%	43,326.25	738,326.25	-
04/01/2024	-	-	35,681.25	35,681.25	774,007.50
10/01/2024	710,000.00	2.300%	35,681.25	745,681.25	-
04/01/2025	-	-	27,516.25	27,516.25	773,197.50
10/01/2025	725,000.00	2.400%	27,516.25	752,516.25	-
04/01/2026	-	-	18,816.25	18,816.25	771,332.50
10/01/2026	745,000.00	2.450%	18,816.25	763,816.25	-
04/01/2027	-	-	9,690.00	9,690.00	773,506.25
10/01/2027	760,000.00	2.550%	9,690.00	769,690.00	-
04/01/2028	-	-	-	-	769,690.00
Total	\$9,980,000.00	-	\$1,634,593.11	\$11,614,593.11	-

Yield Statistics

Bond Year Dollars	\$79,047.56
Average Life	7.921 Years
Average Coupon	2.0678604%
Net Interest Cost (NIC)	2.1941135%
True Interest Cost (TIC)	2.1919018%
Bond Yield for Arbitrage Purposes	2.0514260%
All Inclusive Cost (AIC)	2.2844843%



WAYZATA PUBLIC SCHOOLS
Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION

Special Meeting – January 28, 2012

AGENDA ITEM: 3. ADJOURN

COMMENTS BY: Board Chair Droegemueller

If there is no additional business before the School Board, the Chair will call for a motion to adjourn the meeting.

Motion by: _____ Yes _____ Passed _____

Second by: _____ No _____ Failed _____

Abstentions _____