



Edina Public Schools – Regular Meeting September 9, 2024

Overview of Proposed Bond Issue & Long Term
Financing Plan for Debt and Capital Levies

Purposes of Proposed Bond Issue

- “Refunding” (refinancing) of existing
 - ✓ Alternative Facilities Bonds, Series 2014A
 - ✓ School Building Bonds, Series 2015A
- Facilities Maintenance Bonds
- Capital Notes

Overview of Refunding Bonds

- Opportunity to reduce future debt service payments and tax levies
- Similar to refinancing a mortgage, but subject to certain restrictions and requirements under state law and federal regulations
- Basic concept is to issue new refunding bonds at lower interest rates and use proceeds to pay off existing bonds

Existing Bonds

- Original Alternative Facilities bonds were issued in 2014
 - ✓ Par amount of \$6,050,000
 - ✓ Financed deferred maintenance projects
- Bonds were “callable” (eligible to be prepaid) on or after February 1, 2024
- Federal regulations allow a “current” refunding – closing on bonds 90 days prior to call date or anytime after call date

Existing Bonds

- Original School Building bonds were issued in 2015
 - ✓ Par amount of \$113,385,000
 - ✓ Result of successful election held May 5, 2015
 - ✓ Financed building security enhancements, infrastructure improvements, and next generation learning spaces
- \$93,475,000 Bonds are callable (eligible to be prepaid) on or after February 1, 2025
- Federal regulations allow a current refunding – closing on bonds 90 days prior to call date or anytime after call date

Proposed Refunding Bonds

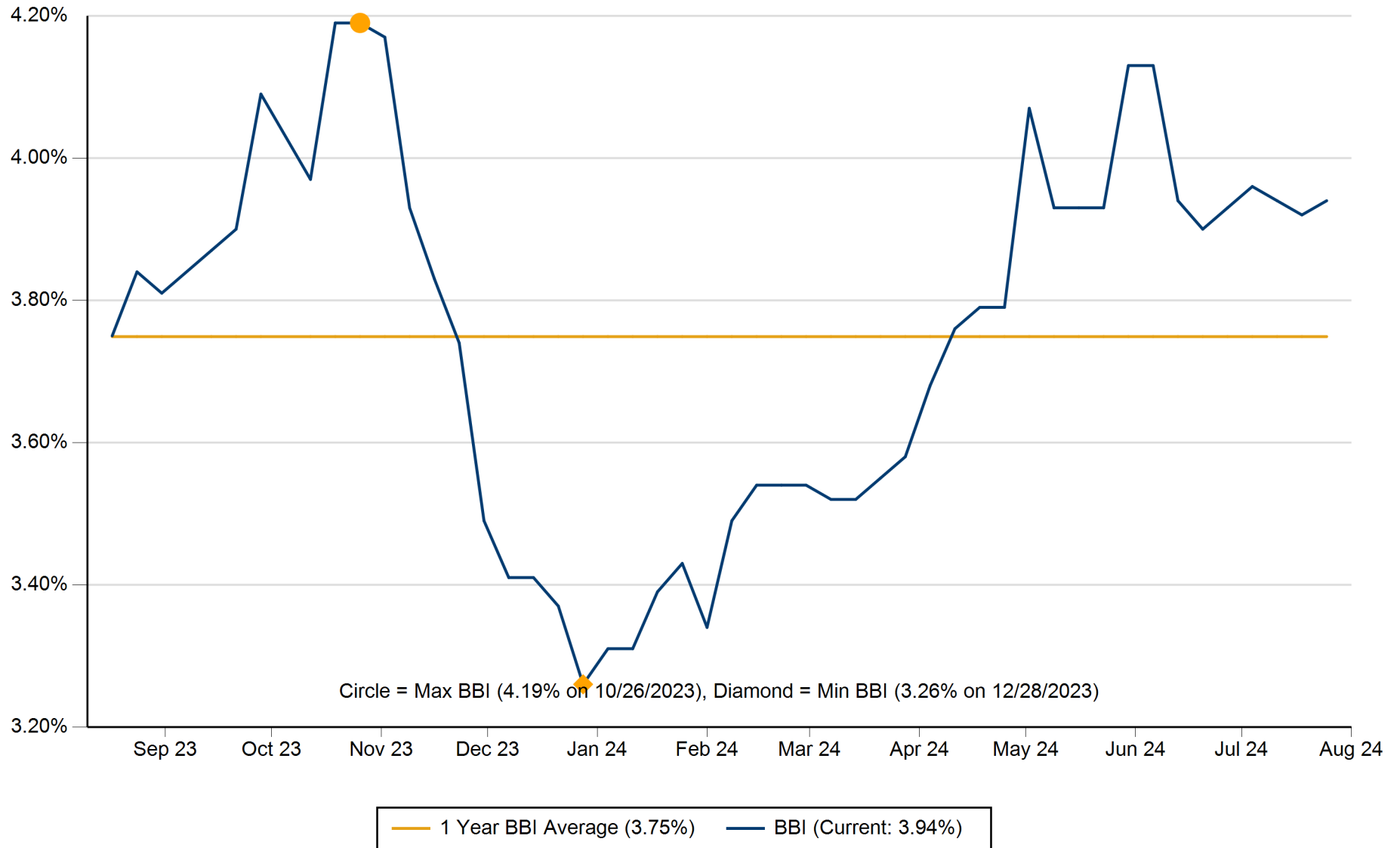
Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings
02/01/2025	-	4,429,950.00	4,428,032.04	4,429,950.00	1,917.96
02/01/2026	6,826,601.39	-	6,826,601.39	6,827,337.50	736.11
02/01/2027	10,675,700.00	-	10,675,700.00	11,154,337.50	478,637.50
02/01/2028	10,871,200.00	-	10,871,200.00	11,348,587.50	477,387.50
02/01/2029	10,870,950.00	-	10,870,950.00	11,350,587.50	479,637.50
02/01/2030	10,878,450.00	-	10,878,450.00	11,353,587.50	475,137.50
02/01/2031	10,742,450.00	-	10,742,450.00	11,386,587.50	644,137.50
02/01/2032	10,754,200.00	-	10,754,200.00	11,396,187.50	641,987.50
02/01/2033	10,765,700.00	-	10,765,700.00	11,407,187.50	641,487.50
02/01/2034	10,770,950.00	-	10,770,950.00	11,411,062.50	640,112.50
02/01/2035	10,779,200.00	-	10,779,200.00	11,420,275.00	641,075.00
02/01/2036	9,299,200.00	-	9,299,200.00	9,850,800.00	551,600.00
02/01/2037	9,235,200.00	-	9,235,200.00	9,786,400.00	551,200.00
Total	\$122,469,801.39	\$4,429,950.00	\$126,897,833.43	\$133,122,887.50	\$6,225,054.07

Each change of 10 basis points (0.10%) in the overall True Interest Cost (TIC) rate results in a ~\$600,000 change in the total savings amount.

1 YEAR TREND IN MUNICIPAL BOND INDICES

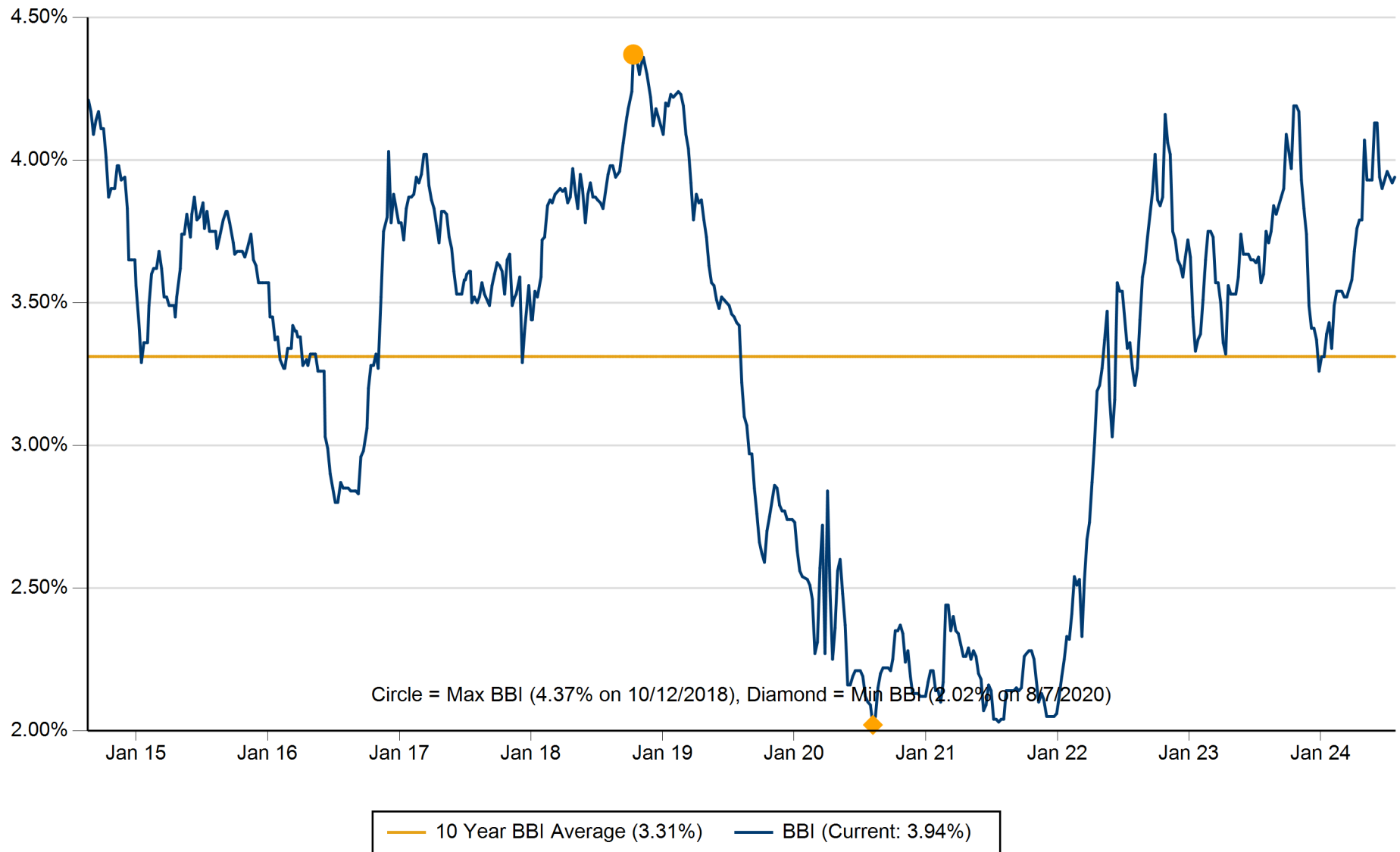
Weekly Rates August, 2023 - August, 2024



The Bond Buyer "20 Bond Index" (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody's Aa2 and S&P's AA.

10 YEAR TREND IN MUNICIPAL BOND INDICES

Weekly Rates August, 2014 - August, 2024



The Bond Buyer "20 Bond Index" (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody's Aa2 and S&P's AA.

Proposed Facilities Maintenance Bonds

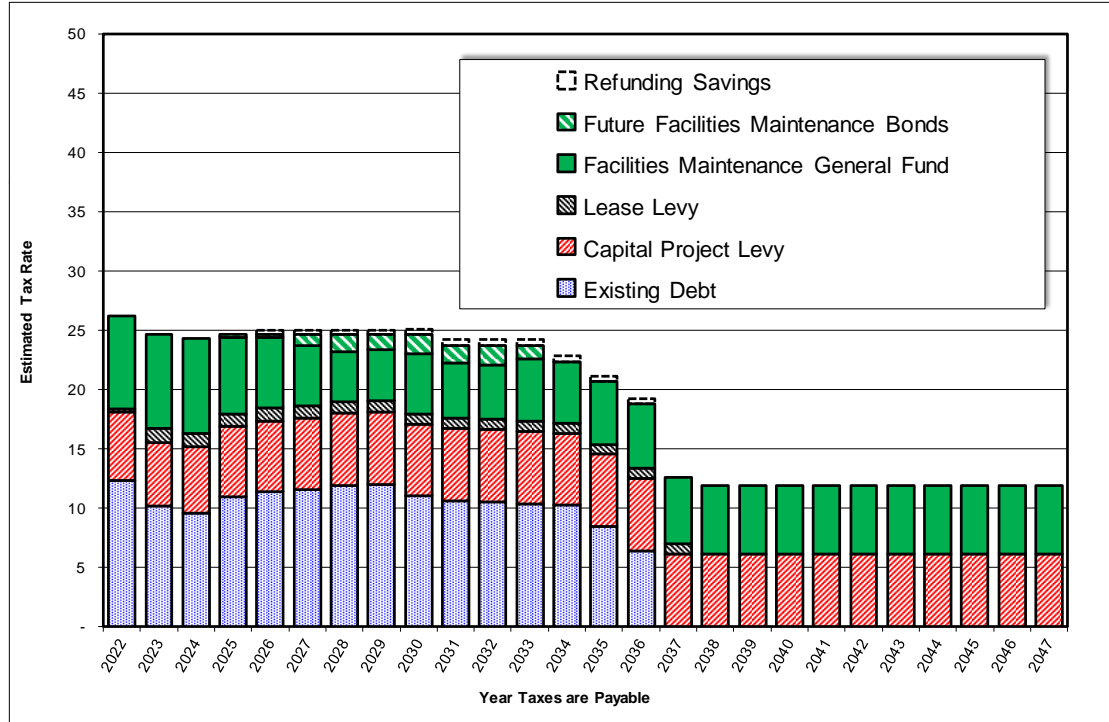
- Projects included in Ten Year Long Term Facilities Maintenance Plan are financed with
 - ✓ Bond proceeds (issued every other year)
 - ✓ Annual pay-go levies
- Proposed authorized amount of \$5,930,000

Long Term Financing Plan – Debt & Capital Levies

Edina Public Schools, ISD 273
 Estimated Tax Rates for Capital and Debt Service Levies

4 Facilities Maintenance Bond Issues (\$2M to \$6M)
 Wrapped Around Existing Debt
 LTFM Project Costs:
 \$8 million to \$13 million Annual Projects thru FY 2034

Date Prepared: August 16, 2024



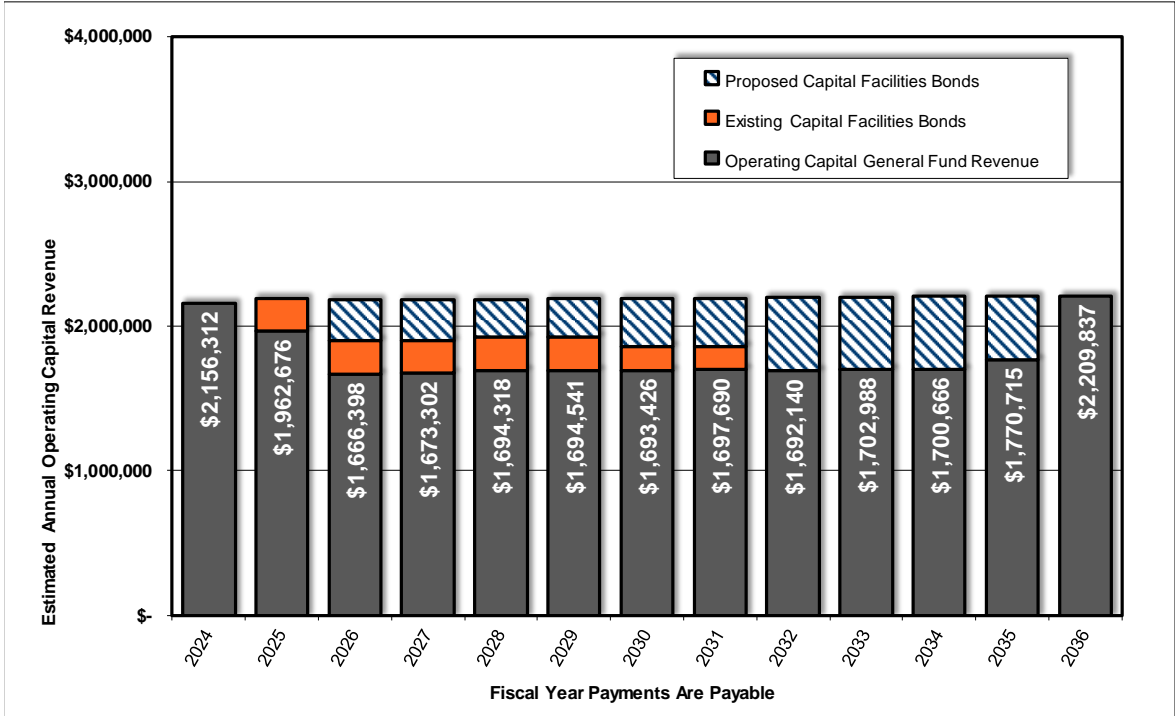
Capital Notes

- To finance bus purchases
 - ✓ Debt payments made with operating capital revenue or other General Fund Revenue
 - ✓ Tax neutral, since debt service levy is offset with corresponding General Fund levy reduction
- Proposed authorized amount of \$1,525,000

Debt Plan for Existing, Proposed & Future Capital Notes

Edina Public School District
 Estimates of Operating Capital Revenue and Debt Payments

\$2,915,000 Two Capital Notes Issues
 8 Year Terms; Payments Limited to
 21% of Op. Cap. Revenue



Possible Timeline – School Board

- September 9, 2024 Regular School Board Meeting
 - ✓ School Board approves Resolution of Intent to issue bonds
- September 9, 2024 School Board Work Session
 - ✓ Ehlers provides Pre-Sale Report (informational item; no action required)
- Week of October 7, 2024
 - ✓ Ehlers accepts bids on behalf of district; designated officials award sale of bonds
- October 22, 2024 Special School Board Meeting
 - ✓ School Board approves ratifying resolution

Possible Timeline – Administration

- Mid-September
 - ✓ District staff completes General Certificate with information needed for Ehlers to prepare Preliminary Official Statement (POS)
- Week of September 23, 2024
 - ✓ Due diligence call with Ehlers to review POS
 - ✓ Rating call with Moody's and Ehlers
- Week of November 4, 2024
 - ✓ Closing on bonds (within 90 days of February 1, 2025 call date on 2015A issue)

Intent Resolution with Parameter

- Approval of resolution
 - ✓ Allows Ehlers to move forward with refunding bond process
 - ✓ Ensure debt service levies are included on MDE's proposed levy report for taxes payable in 2025
- Parameter in resolution sets maximum True Interest Cost (TIC) rate the School Board will approve
 - ✓ Provides flexibility in scheduling bond sale
 - ✓ If no bids meet established parameter, all bids are rejected