

CERTIFICATION OF MINUTES
RELATING TO
GENERAL OBLIGATION TAXABLE OPEB REFUNDING BONDS

ISSUER: INDEPENDENT SCHOOL DISTRICT NO. 877
(BUFFALO-HANOVER-MONTROSE)
STATE OF MINNESOTA

GOVERNING BODY: SCHOOL BOARD

KIND, DATE, TIME AND PLACE OF MEETING:

A regular meeting held April 24, 2017, at 7:00 o'clock p.m., in the District.

MEMBERS PRESENT:

MEMBERS ABSENT:

Documents Attached: Extract of Minutes of said meeting.

**RESOLUTION AUTHORIZING THE APPROVAL OF THE SALE OF
GENERAL OBLIGATION TAXABLE OPEB REFUNDING BONDS;
COVENANTING AND OBLIGATING THE DISTRICT TO BE BOUND
BY AND TO USE THE PROVISIONS OF MINNESOTA STATUTES,
SECTION 126C.55 TO GUARANTEE THE PAYMENT OF THE
PRINCIPAL AND INTEREST ON THE BONDS**

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 April, 2017.

School District Clerk

EXTRACT OF MINUTES OF A MEETING
OF THE SCHOOL BOARD OF
INDEPENDENT SCHOOL DISTRICT NO. 877
(BUFFALO-HANOVER-MONTROSE)
STATE OF MINNESOTA

HELD: APRIL 24, 2017

Pursuant to due call and notice thereof, a regular meeting of the School Board of Independent School District No. 877, State of Minnesota, was duly held on April 24, 2017, at 7:00 o'clock p.m.

Member _____ introduced the following resolution and moved its adoption:

**RESOLUTION AUTHORIZING THE APPROVAL OF THE SALE OF
GENERAL OBLIGATION TAXABLE OPEB REFUNDING BONDS;
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PRINCIPAL AND INTEREST ON THE BONDS**

BE IT RESOLVED by the School Board of Independent School District No. 877, State of Minnesota, as follows:

1. (a) The Board hereby finds and determines that it is necessary and expedient to sell and issue approximately \$9,625,000 principal amount of general obligation taxable OPEB refunding bonds of Independent School District No. 877 (the "Issuer" or the "District"). Said bonds shall hereinafter be referred to as the "Bonds" or the "Refunding Bonds." The Refunding Bonds, together with other available funds of the Issuer, shall provide funds to refund in advance of their stated maturities, through a partial net cash advance refunding, all of the bonds maturing in the years 2019 to 2023, aggregating approximately \$9,230,000 in principal amount, of the District's General Obligation Taxable OPEB Bonds, Series 2009A, bearing a date of original issue of September 15, 2009 (the "Refunded Bonds") and shall provide funds to pay when due the interest payments on the Refunded Bonds from the date of closing to and including February 1, 2018 and to pay the principal amounts of the Refunded Bonds when called for redemption and prior payment on February 1, 2018.

(b) The Refunded Bonds were originally issued in order to fund the District's actuarially determined liabilities to pay postemployment benefits to its employees or officers after their termination of service, as authorized pursuant to Minnesota Statutes, Section 475.52, Subdivision 6. The Board determines that the issuance of the Refunding Bonds is necessary and desirable for the reasons specified in Minnesota Statutes, Section 475.67, Subd. 3(b)(2), Subparagraph (i). The Refunded Bonds have not previously been refunded.

2. 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.

3. The Board Chair and the Superintendent or Director of Finance and Operations are authorized and directed to receive all proposals presented in conformity with the Terms of Proposal contained in the Official Statement, the terms of which are ratified and confirmed in all respects, and to approve on behalf of the District the sale of the Refunding Bonds to the party submitting the most favorable proposal (the "Purchaser"), provided that the total present value savings included in the most favorable proposal is at least \$405,000, the present value benefit as a percentage of the present value of the refunded debt service is at least 4.00% and a favorable recommendation to accept the proposal is received from Ehlers & Associates, Inc. In the Terms of Proposal, the District may reserve the right, after proposals are open and prior to award, to increase or decrease the specified principal amount of the Refunding Bonds offered for sale or the amount of any individual maturity, with the increase or decrease to occur in multiples of \$5,000 in any of the maturities. The Board Chair and the Superintendent or Director of Finance and Operations are authorized and directed to endorse an acceptance on both copies of the most favorable proposal and to send one copy to the Purchaser.

4. Upon approval of the sale of the Bonds by the Board Chair and the Superintendent or Director of Finance and Operations, the Board will meet at a subsequent meeting to adopt the necessary approving resolution as drafted by the District's Bond Counsel.

5. (a) The District hereby covenants and obligates itself to notify the Commissioner of Education of a potential default in the payment of principal and interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee payment of the principal and interest on the Bonds when due. The District further covenants to deposit with the Bond Registrar or any successor paying agent three (3) days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Commissioner of Education that it will be unable to make all or a portion of that payment. The Bond Registrar for the Bonds is authorized and directed to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal or interest on the Bonds or if, on the day two (2) business days prior to the date a payment is due on the Bonds, there are insufficient funds to make that payment on deposit with the Bond Registrar. The District understands that as a result

of its covenant to be bound by the provisions of Minnesota Statutes, Section 126C.55, the provisions of that section shall be binding as long as any Bonds of this issue remain outstanding.

(b) The District further covenants to comply with all procedures now or hereafter established by the Departments of Management and Budget and Education of the State of Minnesota pursuant to Minnesota Statutes, Section 126C.55, subdivision 2(c) and otherwise to take such actions as necessary to comply with that section. The chair, clerk, superintendent or director of finance and operations is authorized to execute any applicable Minnesota Department of Education forms.

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.