



**FOREST LAKE AREA SCHOOLS
FOREST LAKE, MN 55025**

September 10, 2015

AGENDA ITEM: 4.2

**TOPIC: ADOPT RESOLUTION APPROVING THE SALE OF
REFUNDING BONDS**

BACKGROUND: Market conditions and municipal interest rates are aligned in a fashion that may make it possible for the school district to save money on interest expense for building bonds that are outstanding. If the refunding is successful, we could reduce the expense to our taxpayers. Springsted, Incorporated, has calculated the approximate savings to be almost one million dollars over the remaining life of the bonds. The savings, due to lower interest expense, would accrue to the debt service fund and result in lower property taxes.

PROCESS: The School Board reviewed this matter authorizing competitive bids on August 20th, 2015. The School Board is now approving the competitive negotiated sale of \$11,315,000 General Obligation Refunding Bonds that were solicited with a deadline of 10:30 a.m. this morning. If the required level of savings is met, the School Board can award the sale of the bonds at this regular board meeting.

RECOMMENDATION: Springsted, Incorporated will provide a resolution reflecting their recommendation for the sale of the refunding bonds. The resolution will be provided at the meeting, but will be in essentially the same form as the current attachment.