



Burnsville-Eagan-Savage School District 191
March 27, 2025

Overview of Proposed Bond Refunding

Overview/Purpose of Refunding Bond Issues

- 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
- “Current Refunding” (refinancing) of existing debt
 - ✓ Federal regulations allow a current refunding – closing on bonds no earlier than 90 days prior to call date (11/03/2024)
 - ✓ Tax-exempt interest rates
 - ✓ Opportunity to reduce future debt service payments and tax levies

GO School Building Bonds, Series 2015A

- Par amount of \$64,485,000
- Result of successful election held February 24, 2015
 - ✓ Financed acquisition and betterment of school sites and facilities
 - including the construction and equipping of additions and improvements to the Burnsville High School site and facility to allow that facility to serve grades 9 to 12 and to construct an activity center at that site; the renovation of various portions of the Diamondhead Education Center and the Administrative Services Center; the construction of additional space at various elementary school sites and facilities and the remodeling of existing elementary classrooms; and the acquisition and construction of safety and security upgrades to various district sites and facilities and the construction of secure controlled entries to various schools

GO School Building Bonds, Series 2015A

- Annual principal payments (maturities) on February 1, 2017 – 2036
- \$51,605,000 of callable principal (eligible to be prepaid)
- Call date of February 1, 2025 (can refund 2026 – 2036 maturities)
- Existing rates range from 3.00% to 4.00%
- School Board approved Intent Resolution on October 10, 2024 meeting
- Put refunding on hold due to change in interest rates

GO Alt. Fac. Refunding Bonds, Series 2016A

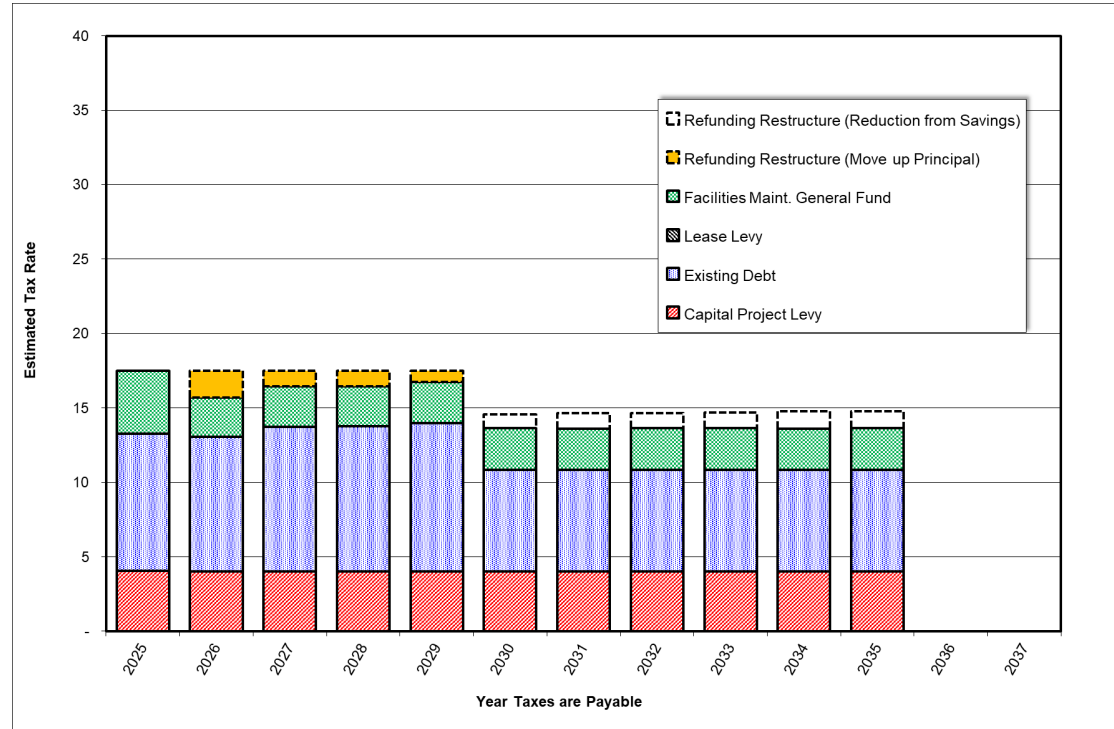
- Par amount of \$36,715,000
- Refunded GO Alternative Facilities Bonds, Series 2007A and GO Alternative Facilities Bonds, Series 2008A
 - ✓ Both issues financed various deferred maintenance and repairs, health and safety projects and handicapped accessibility projects

GO Alt. Fac. Refunding Bonds, Series 2016A

- Annual principal payments (maturities) on February 1, 2018 – 2033
- \$22,815,000 of callable principal (eligible to be prepaid)
- Call date of February 1, 2025 (can refund 2026 – 2033 maturities)
- Existing rates range from 3.00% to 4.00%
- School Board has not taken action to refund 2016A bonds

Refunding Bonds Series 2025A

- Refund Certain Maturities 2015A & 2016A Issues
- Restructure to manage levies
- Estimated Savings: \$1.5m to \$2m based on current market conditions



Proposed Bond Issuance Timeline

- March 27, 2025: School Board Meeting
 - ✓ Board adopts Revised Authorizing Resolution – authorizes the sale of 2025A Refunding Bonds to Refund 2015A and 2016A bonds
- May 8, 2025: Sale Day / School Board Meeting
 - ✓ Ehlers accepts bids on behalf of district
 - ✓ Board adopts Award Resolution – awards the sale of the Refunding Bonds to the lowest bidder
- May 28, 2025: Bond closing
 - ✓ Bond proceeds transferred to escrow account
- July 3, 2025: Redemption date on old bonds
 - ✓ 2015A and 2016A bonds are refunded