



To: Board of Education  
Dr. Jon Bartelt  
From: Mr. John T. Reiniche *John Reiniche*  
Re: Debt – Reimbursement Resolution  
Date: April 15, 2019

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**Background:**

Currently, the District has two types of outstanding bond debt. One series of debt is in the form of DESB (Debt Extension Service Base). This type of debt allows the District to levy without voter approval, as determined by the tax cap legislation. The second type of debt the district maintains is referendum debt. In 1991, the voters approved \$8.5 million debt issuances. Both series (2009A and 2009B) were refinanced in 2009 and are callable on November 1, 2019. Most debt certificates cannot be refinanced or paid off within 10 years of being issued.

**Situation:**

As we have discussed, it is advantageous for the District to refund the Series 2009A and Series 2009B Bonds for savings this October of 2019 to coincide with the current redemption date of the bonds. At the same time the District will issue new money working cash fund bonds for expenditure on capital projects. Due to the fact that the District will be spending the funds in Spring/Summer of 2019 and the financing will not be completed until October of 2019, the District will consider a Reimbursement Resolution. The Reimbursement Resolution allows the District to pay itself back for capital expenditures once bonds are issued. The estimated amount of the working cash fund bond proceeds is \$1.1M Working cash fund bond proceeds will be deposited to the working cash fund in October of 2019 then transferred by resolution to the appropriate fund to reimburse project expenditures. For your convenience, I have attached the reimbursement resolution and memo from our underwriter with key dates for this transaction.

**Recommendation:**

There is no recommendation at this time. Formal approval will be sought at the May 2019 Board of Education meeting.

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School District 13  
164 Euclid Avenue  
Bloomington, Illinois  
60108-2604**

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regular public meeting of the Board of Education of School District Number 13, DuPage County, Illinois, held at the District Administrative Office, 164 South Euclid Avenue, Bloomingdale, Illinois, in said School District at 7:00 o'clock P.M., on the 20th day of May, 2019.

\* \* \*

The meeting was called to order by the President, and upon the roll being called \_\_\_\_\_, the President, and the following members were physically present at said location: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

The following members were allowed by a majority of the members of the Board of Education in accordance with and to the extent allowed by rules adopted by the Board of Education to attend the meeting by video or audio conference: \_\_\_\_\_

\_\_\_\_\_

No member was not permitted to attend the meeting by video or audio conference.

The following members were absent and did not participate in the meeting in any manner or to any extent whatsoever: \_\_\_\_\_

\_\_\_\_\_

The President announced that the District has developed a list of capital projects for which it reasonably expects to reimburse itself for the expenditures related thereto with the proceeds of an obligation and that the Board of Education would consider the adoption of a resolution expressing its official intent with regard to such expenditures.

Whereupon Member \_\_\_\_\_ presented and the Secretary read by title a resolution as follows, a copy of which was provided to each member of the Board of Education prior to said meeting and to everyone in attendance at said meeting who requested a copy:

RESOLUTION expressing official intent regarding certain capital expenditures to be reimbursed from proceeds of an obligation to be issued by School District Number 13, DuPage County, Illinois.

\* \* \*

WHEREAS, the Board of Education (the “*Board*”) of School District Number 13, DuPage County, Illinois (the “*District*”), has developed a list of capital projects described in *Exhibit A* hereto (the “*Projects*”); and

WHEREAS, all or a portion of the expenditures relating to the Projects (the “*Expenditures*”) (i) have been paid within the 60 days prior to the passage of this Resolution or (ii) will be paid on or after the passage of this Resolution; and

WHEREAS, the District reasonably expects to reimburse itself for the Expenditures with the proceeds of an obligation:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of Education of School District Number 13, DuPage County, Illinois, as follows:

*Section 1. Incorporation of Preambles.* The Board hereby finds that all of the recitals contained in the preambles to this Resolution are full, true and correct and does incorporate them into this Resolution by this reference.

*Section 2. Intent to Reimburse.* The District reasonably expects to reimburse the Expenditures with proceeds of an obligation.

*Section 3. Maximum Amount.* The maximum principal amount of the obligation expected to be issued to reimburse the Expenditures is \$1,100,000.

*Section 4. Ratification.* All actions of the officers, agents and employees of the District that are in conformity with the purposes and intent of this Resolution, whether taken before or after the adoption hereof, are hereby ratified, confirmed and approved.

*Section 5. Severability.* If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

*Section 6. Repeal.* All resolutions or parts thereof in conflict herewith be and the same are hereby repealed and this Resolution shall be in full force and effect forthwith upon its adoption.

Adopted May 20, 2019.

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President, Board of Education

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Secretary, Board of Education

**EXHIBIT A**

**DESCRIPTION OF CAPITAL PROJECTS**

Improve the sites of and alter, repair and equip school buildings and facilities of the District.

Member \_\_\_\_\_ moved and Member \_\_\_\_\_  
seconded the motion that said resolution as presented and read by title be adopted.

After a full discussion thereof, the President directed that the roll be called for a vote upon the motion to adopt said resolution.

Upon the roll being called, the following members voted AYE: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The following members voted NAY: \_\_\_\_\_

Whereupon the President declared the motion carried and said resolution adopted, approved and signed the same in open meeting and directed the Secretary to record the same in the records of the Board of Education of School District Number 13, DuPage County, Illinois, which was done.

Other business not pertinent to the adoption of said resolution was duly transacted at the meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.

\_\_\_\_\_  
Secretary, Board of Education

STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF DUPAGE        )

**CERTIFICATION OF MINUTES AND RESOLUTION**

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Education of School District Number 13, DuPage County, Illinois (the “Board”), and as such official I am the keeper of the records and files of the Board.

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Board held on the 20th day of May, 2019, insofar as same relates to the adoption of a resolution entitled:

RESOLUTION expressing official intent regarding certain capital expenditures to be reimbursed from proceeds of an obligation to be issued by School District Number 13, DuPage County, Illinois.

a true, correct and complete copy of which said resolution as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Board on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was called and held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 72 hours in advance of the holding of said meeting, that at least one copy of said agenda was continuously available for public review during the entire 72-hour period preceding said meeting, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the School Code of the State of Illinois, as amended, and that the Board has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Board.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 20th day of May, 2019.

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Secretary, Board of Education

# RAYMOND JAMES®

**TO: Mr. John Reiniche, Director of Finance**

**FROM: Ms. Elizabeth Hennessy, Raymond James & Associates**

**DATE: April 9, 2019**

**RE: Reimbursement Resolution and Refunding and New Money Financing Plan Timing**

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As we have discussed, it is advantageous for the District to refund the Series 2009A and Series 2009B Bonds for savings this October of 2019 to coincide with the current redemption date of the bonds. At the same time the District will issue new money working cash fund bonds for expenditure on capital projects. Due to the fact that the District will be spending the funds in Spring/Summer of 2019 and the financing won't be completed until October of 2019, the District will consider a Reimbursement Resolution. The Reimbursement Resolution allows the District to pay itself back for capital expenditures once bonds are issued. Working cash fund bond proceeds will be deposited to the working cash fund in October of 2019 then transferred by resolution to the O&M Fund to reimburse project expenditures.

Over the last month, interest rates have continued to fall making savings on the refunding greater and the amount of new working cash fund bond proceeds higher, closer to \$1.02M. In order to issue the additional bonds, the District needs to follow certain statutorily prescribed procedures including a petition period and a public hearing on the new money working cash fund bonds. In order to issue the new money bonds in October 2019 in conjunction with the refunding, the Board should proceed with the authorization beginning with its June 24th Board Meeting by approving the Resolution of Intent. We suggest authorizing an amount of not to exceed \$1.1M in the Notice of Intent in order to capture any additional proceeds from further declines in interest rates. Once approved, the Notice will be published in the local newspaper beginning the 30 day petition period (June 26-July 24). If within 30 days 10% of the registered voters in the District submit a petition to the District, then a referendum would be required in order to complete the issuance.

State law also requires a public hearing on the bonds prior to issuance. The public hearing would be scheduled for the following meeting on August 26th. Notice of the public hearing would be published in the local newspaper and posted on the website with the Board agenda prior to the meeting.

At its September Board meeting the District would consider the approval of a parameters bond resolution authorizing both the refunding and new money issues subject to maximum parameters. In the meantime District staff and the financing team would prepare the official statement, which is the offering document for bond investors, present and renew the District's bond rating, perform due diligence on the offering and sell the bonds in mid-September. The final bond sale would be subject to the approval of the Board delegates as identified in the parameters bond resolution, typically the Board President and Director of Finance. The final terms would be consistent with the parameters set forth in the parameters bond resolution. The bond issue would close in late-October refunding the outstanding Series 2009AB Bonds for savings and issuing the \$1.1M new money working cash fund bonds.

A financing schedule reviewing these steps is shown on the next page.





**Bloomingdale School District Number 13**  
**\$2,230,000\* General Obligation Limited Tax Refunding School Bonds, Series 2019**  
**(\$1.13\*M Refunding and \$1.1\*M Working Cash Fund Bonds)**  
**PROPOSED FINANCING SCHEDULE**

April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019
S M T W Th F S	S M T W Th F S	S M T W Th F S	S M T W Th F S	S M T W Th F S	S M T W Th F S	S M T W Th F S
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

DATE	ACTIVITY	RESPONSIBLE PARTY	BOARD ACTION	STATUS
Thursday, April 11, 2019	Receive draft Reimbursement Resolution	C&C		
<b>Regular Meeting</b> Monday, April 22, 2019	Discuss refunding and new money plan and Reimbursement Resolution	District	Review	
Monday, May 13, 2019	Receive Resolution of Intent authorizing the issue of \$1.1M working cash fund bonds and Order Calling Public Hearing for Board packets	C&C		
<b>Regular Meeting</b> Monday, May 20, 2019	Approve Reimbursement Resolution allowing any capital expenditures in summer of 2019 to be reimbursed with bond proceeds	District/RJ	Action Item; Roll Call Vote	
	Review Resolution Intent authorizing the issue of \$1.1M working cash bonds and the Order calling the Public Hearing	District	Review	
<b>Regular Meeting</b> Monday, June 24, 2019	Approve Resolution of Intent to issue \$1.1M working cash fund bonds and direct publication in local newspaper beginning 30 day petition period	District	Action Item; Roll Call Vote	
	Board President signs Order Calling Public Hearing on the Bonds for August 26th meeting	District		
Monday, July 29, 2019	Publication of Notice of Intent in Local Newspaper	RJ		
Monday, July 29, 2019	Publication of Notice of Public Hearing	RJ		
Friday, August 16, 2019	Receive Draft Parameters Bond Resolution for review	C&C		
Thursday, August 22, 2019	District Posts Notice of Public Hearing on website and at District Office	District		
<b>Regular Meeting</b> Monday, August 26, 2019	Hold Public Hearing on issuance of \$1.1M working cash fund bonds Review Parameters Bond Resolution	District/RJ	Action Item; Roll Call Vote	
Tuesday, August 27, 2019	Distribute Draft Preliminary Official Statement	C&C/RJ		
Wednesday, August 28, 2019	Petition Period ends	District		
Tuesday, September 10, 2019	Review Rating Agency Presentation	District/RJ		
Wednesday, September 11, 2019	Receive comments on Preliminary Official Statement	ALL		
Thursday, September 12, 2019	Rating Agency Meeting/Conference Call S&P Rating Agency	District/RJ		
Friday, September 13, 2019	Receive draft Resolution Transferring Funds from Working Cash to O&M Fund	C&C		
Friday, September 20, 2019	Receive Bond Rating/Due Diligence Call on Preliminary Official Statement	ALL		
<b>Regular Meeting</b> Monday, September 23, 2019	Approve Parameters Bond Resolution authorizing the sale of bonds with final approval from Board Delegates	District/RJ	Action Item; Roll Call Vote	
	Review Resolution Transferring Funds from Working Cash to O&M Fund	District	Review	
Tuesday, September 24, 2019	Mail final Preliminary Official Statement to investors	RJ		
<b>Tuesday, October 1, 2019</b>	Sale of bonds with approval of Board Delegates assuming appropriate market conditions	District/RJ		
Ongoing	Process Documents	ALL		
<b>Tuesday, October 15, 2019</b>	<b>Close bond issue</b>	ALL		
<b>Regular Meeting</b> Monday, October 28, 2019	Approve Resolution Transferring Funds from Working Cash to O&M Fund to reimburse capital expenditures	District	Action Item; Roll Call Vote	

RESPONSIBLE PARTIES	
Chapman and Cutler, Bond/Disclosure Counsel	C&C
Bloomingdale School District 13, Issuer	District
Raymond James, Underwriter	RJ

\*Preliminary, subject to change.