

**School Board Meeting:**

**December 11, 2023**

**Subject:**

Intention to Issue General Obligation School Building Bonds Series 2024A, Use of the Credit Enhancement Program, and Taking Other Action

**Presenter:**

**Ryan Tangen, Director  
Finance & Operations**

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**SUGGESTED SCHOOL BOARD ACTION:**

Recommend board approval

**DESCRIPTION:**

Passage of the building bond Resolution in November gave the school board authorization to issue \$41,500,000 of bonded debt to fund specified building and site projects. The attached resolution is the next step in the process. It authorizes the District to call for the sale of general obligation bonds in the amount of \$41,500,000, allows the school district to participate in the State of Minnesota's Credit Enhancement Program, and to take other actions necessary to complete the issue. The Credit Enhancement program allows the district to issue the bonds with the State's guarantee of payment on the bonds and credit rating. This most often allows the district to get lower interest rates than if we were to issue simply using our credit rating.

The resolution also authorizes Ehlers, the District's financial advisor, to facilitate the sale of the bond through a public sale process including the development of an official statement. Due to the length of the project and the current interest environment, it may be advantageous to issue the bonds in one or more series or issues. Ehlers will continue to monitor the market and will attend the January 22<sup>nd</sup> board meeting to discuss options and present a presale report. The bond issue sale is tentatively set to be sold at the February 26<sup>th</sup> board meeting.

A representative from Ehlers will be present at the January pre-sale meeting and the February award meeting to review the financial information with you and provide an overview of the sale process.

**ATTACHMENT**

- ISD 77 Buffalo-Hanover-Montrose 2024A Intent Resolution 12-11-2023