

Application for Final Qualification of Bonds for Participation in the Michigan School Bond Qualification and Loan Program

Issued under authority of Public Act 92 of 2005, as amended.

Legal Name of School District Centreville Public Schools	District Code Number 754030	Telephone Number 269-467-5220	
Address 190 Hogan Street	City Centreville	County St. Joseph	ZIP Code 49007
Name of Person Responsible for Preparation of this Application Chad Brady		Title Superintendent	

CERTIFICATION

I, the undersigned, Secretary of the Board of Education, do certify hereby that the following constitutes a true and complete copy of a resolution adopted by the Board of Education of this School District, at a

regular or special meeting held on the 10 day of March, 2025,

and that the meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with Act 267 of the Public Acts of 1976 (Open Meetings Act).

Name of Secretary (Print or Type) TJ Reed	Signature of Secretary	Date
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PARTICIPANTS

Secretary, Board of Education TJ Reed	Superintendent of Schools Chad Brady
Treasurer, Board of Education Larry Walton	Architectural Firm TowerPinkster
Bond Counsel Thrun Law Firm, P.C.	Construction Manager Triangle Associates, Inc.
Financial Advisor Baker Tilly Municipal Advisors, LLC	Paying Agent The Huntington National Bank
Senior Underwriter TBD	

SALE TYPE

Competitive Bid Negotiated Sale

RESOLUTION

A meeting was called to order by _____, President.

Present: Members _____

Absent: Member _____

The following preamble and resolution were offered by Member _____ and supported by Member _____.

BACKGROUND

1. Act 92 of the Public Acts of Michigan, 2005, as amended, ("Act 92") enacted pursuant to Article IX, Section 16, of the Michigan Constitution of 1963, provides the procedure, terms and conditions for the final qualification of bonds for participation in the School Bond Qualification and Loan Program.
2. This district has taken all necessary actions to comply with all legal and procedural requirements for final qualification of this bond issue.

ACTION OF THE BOARD

1. The district hereby applies for final qualification of bonds by the State Treasurer for the purpose of:
 - Financing the school construction **and/or**
 - Refinancing existing debt as described in this application.
2. The bonds of the district qualified by the State Treasurer will conform to all the requirements of law pertaining generally to school bonds and specifically to school bonds qualified under Section 16, Article IX of the 1963 Michigan Constitution, Act 92, and Act 112, Public Acts of 1961, as amended.
3. Any moneys obtained through the sale of the qualified bonds of the district as herein proposed will be used only for the purpose of:
 - Financing the projects described in the application including such limited changes allowed by statute, that have been submitted to the State Treasurer for preliminary qualification of bonds numbered SBL 75-030-4-K12-10-01 **/and/ or**
 - Refinancing existing qualified debt and for no other purpose unless such change of purpose is permitted by law and has the prior approval of the State Treasurer.
4. The district agrees to annually certify and levy its debt millage tax by filing an Annual Loan Activity Statement in accordance with the requirements of Act 92 and to determine the amounts, if any, to be borrowed from or repaid to the School Loan Revolving Fund ("SLRF"). The district agrees to deposit proceeds of debt millage upon receipt into an account established solely for debt service with the appointed banking institution as defined in Section 9. The district agrees to comply with the provisions of Act 92 governing the periodic recalculation of its millage, the adjustment of its millage levy when necessary, and the repayment of funds to the SLRF, where applicable.
5. The district agrees to enter into a loan agreement and file all necessary applications for qualified loans from the SLRF along with all supporting information for repayment to the SLRF within statutory application dates and in accordance with forms and procedures as prescribed by the State Treasurer. The (insert title of authorized school district official(s)) Superintendent/Business Manager are/is authorized and directed to execute and deliver the loan agreement and any other documents that may be required by the loan agreement on behalf of the district. The district covenants to comply with the terms of any applicable qualified loan agreement it is now or may be a party to, including the provisions related to its millage levy.
6. The district agrees to take actions and refrain from taking actions as necessary to maintain the tax-exempt status of tax-exempt debt issued by the State of Michigan or the Michigan Finance Authority for the purpose of financing the School Bond Loan Fund or the School Loan Revolving Fund as defined in P.A. 227 of 1985, as amended.
7. The district agrees that if these bonds are issued as tax exempt bonds, it will use the proceeds of these bonds only for the purposes that are allowed for tax exempt bonds and that none of such proceeds will be used for more than the first advance refunding of any original bond issued after 1985, nor more than the second advance refunding of any original bond issued before 1986, and the district further agrees that proceeds of bonds issued as Qualified Zone Academy Bonds, Qualified School Construction Bonds, Build America Bonds or Recovery Zone Economic Development Bonds[will only be used for the purposes that are allowed for such bonds.
8. The district agrees to use any funds borrowed from the SLRF only for the payment of principal and interest on qualified bonds that is immediately payable to bondholders and not to fund escrow or sinking funds.

9. The district agrees to appoint a banking institution that performs paying agent services in general, and to execute a signed agreement that provides, at a minimum, the following procedures:
 - a. If the district has not established an irrevocable escrow account with a qualified escrow agent, the district agrees to submit debt service payments for its qualified bonds in immediately available funds to its banking institution no less than five business days prior to the debt service due date, and agrees not to withdraw, or cause a debit to be drawn against, such funds except to pay debt service.
 - b. The district agrees to use an existing or establish a new interest bearing, money market or investment account with the banking institution that performs paying agent services for the subject bonds, that allows the district to provide written investment instructions for the investment of collected funds on hand preceding the debt service due date.
 - c. The paying agent will implement notification procedures that provide that if sufficient funds for full payment of debt service do not reach the banking institution five business days prior to the debt service payment due date, the paying agent will notify the district of the amount of insufficient funds four business days prior to the debt service payment due date. In the event that the district does not immediately resolve the insufficient funds situation, the paying agent will notify the Michigan Department of Treasury of the delinquency three business days before the payment due date.
 - d. The district agrees to furnish written notification to the paying agent and the Department of Treasury of any bonds that have been refunded.
10. The district agrees to deposit all federal interest credits received with respect to its qualified bonds issued as direct credit type bonds into the debt retirement fund payable for such bonds.
11. The district requests that the State Treasurer increase its computed millage if at any time the full amount of any tax credit related to direct credit type bonds is not received or the amount of debt service on its qualified bonds increases for any reason and the current computed millage is not sufficient to repay all outstanding qualified loans by the final mandatory repayment date.
12. The district agrees that if Treasury determines that the district will not be able to make all or part of the debt service payment, Treasury will process an emergency loan from the SLRF. If the district incurs an emergency loan it shall be a legal debt of the district and the State Treasurer shall bill the school district for the amount paid and the school district shall remit the amount to the state.
13. The board directs the school district administration to report any failure to perform as a result of this application. In the event that the district fails to perform any actions as identified in this application or required by law, the district will submit to the State Treasurer a board approved resolution which indicates the actions taken and procedures implemented to assure future compliance.
14. The district board members have read this application, approved all statements and representations contained herein as true to the best knowledge and belief of said board, and authorized the Secretary of the Board of Education to sign this Final Application and submit same to the State Treasurer for his or her review and approval.

Ayes: Members _____

Nays: Members _____

BOND DETAIL

1. PURPOSE: Specify the purpose of bond issue exactly as stated on the ballot and as it is to be cited in the Order Qualifying Bonds (or attach an official copy).

For the purpose of: erecting, furnishing, and equipping additions to and remodeling, furnishing and refurbishing, and equipping and re-equipping the elementary school and the junior/senior high school; acquiring and installing instructional technology in the elementary school and the junior/senior high school; purchasing school buses; and preparing, developing, improving, and equipping the athletic stadium and sites.

2. ELECTION DATA:

- a. Date of election: 5/2/2023
- b. Attach a copy of the Certified Official Canvass of Election (if not already on file).

3. FINAL MATURITY SCHEDULE:

- a. Total amount of this issue \$ 6,620,000
- b. Due date annually for principal payments: May 1st
- c. Due date semi-annually for interest payments: May 1st/Nov 1st
- d. Attach a copy of the bond amortization and millage impact schedules.

4. DEBT AMOUNTS:

- a. Amount of this bond issue \$ 6,620,000
- b. Total amount of bonded debt prior to this issue \$ 13,930,000
- c. Total amount of bonds being refunded \$ _____
- d. Total amount of proposed and existing debt (4a + b - c) \$ 20,550,000

5. PROPERTY VALUATION: Taxable valuation as of this date \$ 229,368,570

6. CHANGES IN FINANCIAL STRUCTURE: Specify any changes in financial structure since Preliminary Qualification or original Order Qualifying Bonds was approved:

7. Bond Type(s) (Check all that apply):

- Fixed Rate
- Variable Rate
- Tax Exempt
- Taxable
- Qualified Zone Academy Bond

Instructions for Form 3451, Application for Final Qualification of Bonds for Participation in the Michigan School Bond Qualification and Loan Program

PREPARATION

The following options are available to complete the Final Application:

1. *Application for Final Qualification of Bonds*, Form 3451, available on the School Bond Loan Program Web site at www.michigan.gov/sblf.
2. Hard copies of Form 3451 may be obtained by contacting the School Bond Loan Program at (517) 335-0994.

PROCESSING

The following instructions provide a brief recap of the general requirements for bond qualification required by the State Treasurer.

1. To receive qualification, a bond issue must conform to the provisions of Act No. 92, Public Acts of 2005, as amended. Further information on this act and other information pertaining to the qualification of bonds are contained in *Bulletin No. 3160, Michigan School Bond Qualification and Loan Program, Bond Qualification Process*. Copies of this bulletin may be obtained at www.michigan.gov/sblf.
2. Complete the application using the following instructions as well as any further clarifications that have been issued by the Department of Treasury. Attach to the application any additional statements and information that will help to explain any part of the application. Refer to the *Procedural* section on page 7 for a list of forms and attachments required for final qualification of bonds.
3. The district's professional consultants and/or administration should complete all information items contained on the official *Application for Final Qualification of Bonds* prior to considering the application at a public school board meeting.
4. The local board of education should conduct a careful final review of the information contained in the application and the requirements being agreed upon before voting on a resolution to apply for final qualification.
5. After approval, the board member attendance and voting record should be recorded and the board secretary should certify the application.
6. Send a completed original application packet to the school district's bond counsel for their review and submission to the Michigan Department of Treasury.
7. Refer questions regarding the completion of this application to the Department of Treasury, School Bond Qualification and Loan Program at 517-335-0994. Submit the original application to:

USPS Mail
Michigan Department of Treasury
School Bond Qualification and Loan Program
Lansing MI 48922

Hand Delivery
School Bond Qualification and Loan Program
Richard H. Austin Building
430 W. Allegan
Lansing MI 48922

8. Allow at least 15 business days from the time the application is delivered to the Department of Treasury for processing of routine final qualification requests. Allow additional processing time for special circumstances such as variable interest rate bonds, a high volume of contemporaneously submitted applications and other unique circumstances.
9. If qualified bonds are not issued within 180 days after the approval date, the school district may reapply for qualification by filing an application and information necessary to update the contents of the original application.

COMPLETION

Page 1: Application Number: Obtain from Department of Treasury. If unavailable, leave blank.

School District: Enter the legal name of the school district, the county in which the district is located for reporting purposes, and the mailing address of the Board of Education office.

Person Responsible for Preparation: Enter the administrator responsible for coordinating the preparation of the application. Ordinarily the superintendent of schools is the administrator; however, it may be another staff member.

Certificate: Check the appropriate box ("regular" or "special") to indicate the type of school board meeting held and strike out meeting type that does not apply. Enter date of meeting.

Participants: Enter names of required board members, superintendent, and the professional consultant firms participating in this qualified bond issue.

Signature of Secretary: Sign after resolution is passed by the Board of Education.

Sale Type: Indicate if bond sale will be competitive bid or negotiated sale.

Resolution: Enter in requested information.

Page 2: Type of Bond Issue: Check appropriate box for Sections (1) and (3).

Page 3: Board Member Vote: Enter board member names next to appropriate designation (Ayes/Nays).

Page 4: Purpose: Specify the purpose of the bond issue. For building and site bonds, the purpose should be stated exactly as on the ballot. For refunding bonds, the purpose should clearly describe the bonds being refunded.

Election Data: Self-explanatory.

Final Maturity Schedule: Complete summary information. Attach necessary tables to support financial information requirements. For a list of supporting documents, refer to the *Procedural* section on page 7.

Debt Amounts: Self-explanatory.

Property Valuation: Self-explanatory.

Any Changes: Document any significant changes in the financial structure that have occurred since preliminary qualification such as bond maturity amounts, interest rates, taxable valuation, bond term length, school bond loan borrowing, etc.

For refunding bonds, summarize the overall changes in maturity structure.

Bond Type(s): Check all that apply.

REQUIREMENTS FOR FINAL QUALIFICATION

General

1. Qualified bonds may be issued for a maximum period of 30 years.
2. Annual principal maturity date must be May 1 or November 1. Semi-annual interest payment dates must be May 1 and November 1.
3. Debt amortization schedule must provide for repayment to the School Loan Revolving Fund within 72 months of final bond maturity and project no more than a 13 mills local debt service levy in any one-year.
4. The project costs are reasonable based on economic conditions applicable to the geographic area where the school district is located.
5. The need for the project is based on current and projected future enrollment.
6. The weighted average maturity of the qualified bond issue does not exceed 120% of the average reasonably expected useful life of the facilities.
7. If the bond issue requires an election, the issue must be given preliminary qualification prior to the official action of a local board of education calling for the election on the bond proposal.
8. For refunding bonds: Among other requirements provided for by State law, the net present value of the principal and interest to be paid on the refunding bonds, excluding the cost of issuance, must be less than the net present value of the principal and interest to be paid on the bonds being refunded.

Procedural

1. Completion of an *Application for Final Qualification of Bonds*

To apply for final qualification of bonds, all information requested, except for attendance and resolution voting record, should be completed prior to the board resolution. After the board resolution has been passed, attendance and voting information should be completed, and the application certificate should be dated and signed by the Secretary of the Board of Education.

2. Submission of supporting documentation:
 - a. Cover letter from legal counsel indicating requested approval date and delivery date (if known)
 - b. Certificate of Determination of Election Results and vote count (for building and site bonds)
 - c. Updated financial table(s) for each bond issue indicating:
 - Debt service schedule showing rates, taxable value and growth assumptions
 - Estimated annual millage requirements
 - Estimated annual SLRF borrowing, repayment and balance for each applicable bond issue.
 - Weighted average maturity of the qualified bond issue does not exceed 120% of the expected useful life of the facilities.
 - d. Authorizing resolution and sales resolution (if available)
 - e. Qualifying status from Department of Treasury approving issuance of municipal bonds.
3. Additional information for refunding bond issues:
 - a. Additional financial schedules that document net present value savings of the refunding bond issue
 - b. Draft verification report of mathematical accuracy of the refunding tables, prepared by an independent source.

QUALIFICATION FEE SCHEDULE

Act No. 92 of the Public Acts of 2005, as amended (MCL 388.1936) provides that school districts whose bonds are qualified by the State Treasurer shall pay a fee for such qualification. The fee is based on the amount of the qualified bond issue. A \$4,000 base fee shall be charged on each qualified school bond issue plus an additional \$150 for each \$1 million increment in bond principal over \$5,000,000. The Department of Treasury will provide an invoice to the school district. Fees become due within 30 days of the sale of bonds that have received qualification.

Michigan School Bond Loan Program Qualification Fee Schedule Effective January 1, 2011

Amount of Issue		Fee	Amount of Issue		Fee
\$0	- \$5,999,999	\$5,000	\$54,000,000	- \$54,999,999	\$14,800
\$6,000,000	- \$6,999,999	\$5,200	\$55,000,000	- \$55,999,999	\$15,000
\$7,000,000	- \$7,999,999	\$5,400	\$56,000,000	- \$56,999,999	\$15,200
\$8,000,000	- \$8,999,999	\$5,600	\$57,000,000	- \$57,999,999	\$15,400
\$9,000,000	- \$9,999,999	\$5,800	\$58,000,000	- \$58,999,999	\$15,600
\$10,000,000	- \$10,999,999	\$6,000	\$59,000,000	- \$59,999,999	\$15,800
\$11,000,000	- \$11,999,999	\$6,200	\$60,000,000	- \$60,999,999	\$16,000
\$12,000,000	- \$12,999,999	\$6,400	\$61,000,000	- \$61,999,999	\$16,200
\$13,000,000	- \$13,999,999	\$6,600	\$62,000,000	- \$62,999,999	\$16,400
\$14,000,000	- \$14,999,999	\$6,800	\$63,000,000	- \$63,999,999	\$16,600
\$15,000,000	- \$15,999,999	\$7,000	\$64,000,000	- \$64,999,999	\$16,800
\$16,000,000	- \$16,999,999	\$7,200	\$65,000,000	- \$65,999,999	\$17,000
\$17,000,000	- \$17,999,999	\$7,400	\$66,000,000	- \$66,999,999	\$17,200
\$18,000,000	- \$18,999,999	\$7,600	\$67,000,000	- \$67,999,999	\$17,400
\$19,000,000	- \$19,999,999	\$7,800	\$68,000,000	- \$68,999,999	\$17,600
\$20,000,000	- \$20,999,999	\$8,000	\$69,000,000	- \$69,999,999	\$17,800
\$21,000,000	- \$21,999,999	\$8,200	\$70,000,000	- \$70,999,999	\$18,000
\$22,000,000	- \$22,999,999	\$8,400	\$71,000,000	- \$71,999,999	\$18,200
\$23,000,000	- \$23,999,999	\$8,600	\$72,000,000	- \$72,999,999	\$18,400
\$24,000,000	- \$24,999,999	\$8,800	\$73,000,000	- \$73,999,999	\$18,600
\$25,000,000	- \$25,999,999	\$9,000	\$74,000,000	- \$74,999,999	\$18,800
\$26,000,000	- \$26,999,999	\$9,200	\$75,000,000	- \$75,999,999	\$19,000
\$27,000,000	- \$27,999,999	\$9,400	\$76,000,000	- \$76,999,999	\$19,200
\$28,000,000	- \$28,999,999	\$9,600	\$77,000,000	- \$77,999,999	\$19,400
\$29,000,000	- \$29,999,999	\$9,800	\$78,000,000	- \$78,999,999	\$19,600
\$30,000,000	- \$30,999,999	\$10,000	\$79,000,000	- \$79,999,999	\$19,800
\$31,000,000	- \$31,999,999	\$10,200	\$80,000,000	- \$80,999,999	\$20,000
\$32,000,000	- \$32,999,999	\$10,400	\$81,000,000	- \$81,999,999	\$20,200
\$33,000,000	- \$33,999,999	\$10,600	\$82,000,000	- \$82,999,999	\$20,400
\$34,000,000	- \$34,999,999	\$10,800	\$83,000,000	- \$83,999,999	\$20,600
\$35,000,000	- \$35,999,999	\$11,000	\$84,000,000	- \$84,999,999	\$20,800
\$36,000,000	- \$36,999,999	\$11,200	\$85,000,000	- \$85,999,999	\$21,000
\$37,000,000	- \$37,999,999	\$11,400	\$86,000,000	- \$86,999,999	\$21,200
\$38,000,000	- \$38,999,999	\$11,600	\$87,000,000	- \$87,999,999	\$21,400
\$39,000,000	- \$39,999,999	\$11,800	\$88,000,000	- \$88,999,999	\$21,600
\$40,000,000	- \$40,999,999	\$12,000	\$89,000,000	- \$89,999,999	\$21,800
\$41,000,000	- \$41,999,999	\$12,200	\$90,000,000	- \$90,999,999	\$22,000
\$42,000,000	- \$42,999,999	\$12,400	\$91,000,000	- \$91,999,999	\$22,200
\$43,000,000	- \$43,999,999	\$12,600	\$92,000,000	- \$92,999,999	\$22,400
\$44,000,000	- \$44,999,999	\$12,800	\$93,000,000	- \$93,999,999	\$22,600
\$45,000,000	- \$45,999,999	\$13,000	\$94,000,000	- \$94,999,999	\$22,800
\$46,000,000	- \$46,999,999	\$13,200	\$95,000,000	- \$95,999,999	\$23,000
\$47,000,000	- \$47,999,999	\$13,400	\$96,000,000	- \$96,999,999	\$23,200
\$48,000,000	- \$48,999,999	\$13,600	\$97,000,000	- \$97,999,999	\$23,400
\$49,000,000	- \$49,999,999	\$13,800	\$98,000,000	- \$98,999,999	\$23,600
\$50,000,000	- \$50,999,999	\$14,000	\$99,000,000	- \$99,999,999	\$23,800
\$51,000,000	- \$51,999,999	\$14,200	\$100,000,000	- \$100,999,999	\$24,000
\$52,000,000	- \$52,999,999	\$14,400			
\$53,000,000	- \$53,999,999	\$14,600			

A qualification fee shall be paid within 30 days after money obtained through the sale of qualified bonds has been received by the school district. Authority: Act 92 of 2005