



DATE: March 9, 2026

TITLE: Authorizing Resolution with Respect to the 2026A Bonds

TYPE: Action

PRESENTER: Todd Lechtenberg, Executive Director of Finance & Operations
Michael Hart, VP Managing Director at PTMA

Background:

Austin Public Schools has been working with ISG and PTMA since 2023 to review the district's critical facilities' needs. In November 2025, APS brought a building referendum to the community; however, the referendum was not successful.

Since November, the district has continued to reassess its most critical facilities priorities and align those needs with existing board-authorized funding mechanisms. This work has included reviewing deferred maintenance, safety and security needs, and infrastructure improvements to determine what can be addressed within current financial parameters.

Additionally, the APS Board was able to assign \$3 million to a facilities improvement fund as part of the 2024–2025 financial results, which came in at the board's target and plan. This assigned fund provides the district with a strategic opportunity to begin addressing high priority needs while continuing to evaluate long-term solutions.

Rationale:

PTMA and ISG worked closely with Austin Public Schools to refine the district's identified critical facilities' needs and develop funding strategies that fall within the Board's existing statutory authority.

Throughout January and February, PTMA and ISG provided detailed presentations at Board work sessions, Finance Committee meetings, Facilities Committee meetings, and special board sessions. These discussions focused on aligning the district's highest priority needs with responsible, sustainable funding options.

Based on that work, PTMA, ISG, and APS leadership are recommending the following funding mechanisms to maintain and improve district facilities:

1. **LTFM+ Funding (Long-Term Facilities Maintenance Plus)**
Targeted use of LTFM+ authority to address Indoor Air Quality (IAQ) improvements and related infrastructure needs.
2. **Capital Facilities Funding**
Utilization of capital facilities authority to address high-priority restroom renovations and electrical system upgrades.
3. **Tax Abatement Bonds**
Issuance of tax abatement bonds to fund parking lot reconstruction and related site improvements.

Recommendation:

Austin Public Schools, along with PTMA and ISG, recommend approving the following resolutions: 1) Intent to issue facilities maintenance bonds not to exceed \$19,200,000 2) Intent to issue capital facilities bonds not to exceed \$2,465,000 and 3) Intent to issue tax abatement bonds not to exceed principal amount of \$140,000.

CERTIFICATION OF MINUTES RELATING TO GENERAL OBLIGATION FACILITIES
MAINTENANCE, CAPITAL FACILITIES, AND TAX ABATEMENT BONDS

Issuer: Independent School District No. 492 (Austin), Minnesota

Governing Body: School Board

Kind, date, time and place of meeting: A regular meeting held on March 9, 2026, at 5:30 p.m. in
in the Annex Recital Hall.

Members present:

Members absent:

Documents attached:

Minutes of said meeting (including):

RESOLUTION RELATING TO GENERAL OBLIGATION FACILITIES MAINTENANCE,
CAPITAL FACILITIES, AND TAX ABATEMENT BONDS; OFFICIAL INTENT TO ISSUE;
APPROVING DISTRICT'S REVISED TEN-YEAR FACILITY PLAN FOR FISCAL YEAR
2027; CALLING PUBLIC HEARING ON PROPOSED PROPERTY TAX ABATEMENT; AND
ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS
UNDER THE INTERNAL REVENUE CODE

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer this 9th day of March, 2026.

School District Clerk

Member _____ introduced the following resolution and moved its adoption, which motion was seconded by Member _____:

RESOLUTION RELATING TO GENERAL OBLIGATION FACILITIES MAINTENANCE, CAPITAL FACILITIES, AND TAX ABATEMENT BONDS; OFFICIAL INTENT TO ISSUE; APPROVING DISTRICT'S REVISED TEN-YEAR FACILITY PLAN FOR FISCAL YEAR 2027; CALLING PUBLIC HEARING ON PROPOSED PROPERTY TAX ABATEMENT; AND ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

BE IT RESOLVED by the School Board (the Board) of Independent School District No. 492 (Austin), Minnesota (the District), as follows:

SECTION 1. AUTHORIZATION. This Board hereby determines it is in the best interests of the District to authorize the issuance and sale of its general obligation bonds, in one or more series (the Bonds), the proceeds of which will be used for the following purposes:

- (i) to finance certain indoor air quality projects at District facilities (the Facilities Maintenance Projects), as described in the District's revised ten-year facility plan for Fiscal Year 2027 (the Facility Plan) hereby approved by this Board;
- (ii) to finance certain capital facilities projects, including but not limited to bathroom remodeling projects at District facilities and electrical service upgrades at Austin High School (the Capital Facilities Projects); and
- (iii) contingent on the Proposed Abatement being approved (as further described herein under Section 5 herein), to finance parking lot construction projects districtwide (the Abatement Projects).

The Bonds issued to finance the Facilities Maintenance Projects are being issued pursuant to Minnesota Statutes, Sections 123B.595 and Chapter 475 (the Facilities Maintenance Bonds) in a principal amount not to exceed \$19,200,000.

The Bonds issued to finance the Capital Facilities Projects are being issued pursuant to Minnesota Statutes, Section 123B.62 and Chapter 475 (the Capital Facilities Bonds) in a principal amount not to exceed \$2,465,000. The Capital Facilities Bonds are permitted to be issued in a principal amount that, when combined with interest thereon, may be paid from tax levies that, in combination with tax levies made pursuant to Minnesota Statutes, Section 123B.61, do not exceed in each year the lesser of (a) the amount of the District's total operating capital revenue, or (b) the sum of the District's levy in the general and community service funds excluding the adjustments under Minnesota Statutes, Section 123B.61 for the year preceding the year the initial debt service levies are certified.

Contingent on the Proposed Abatement being approved, the Bonds issued to finance the Abatement Projects are being issued pursuant to Minnesota Statutes, Sections 469.1812 to

469.1815, as amended, and Chapter 475 (the Abatement Bonds) in a principal amount not to exceed \$140,000.

Pursuant to the provisions of Minnesota Statutes, Section 123B.595, subdivision 5 and Section 123B.62(b), it is hereby determined that the total amount of District indebtedness as of March 1, 2026, will be \$30,861,000.

SECTION 2. APPROVAL BY COMMISSIONER OF THE DEPARTMENT OF EDUCATION OF THE STATE OF MINNESOTA OF FACILITY PLAN AND CAPITAL FACILITIES PROJECTS.

- (i) The Facility Plan has been or will be submitted to and approved by the Commissioner of the Department of Education of the State of Minnesota (the Commissioner) as required by Minnesota Statutes, Section 123B.595, subdivision 5.
- (ii) A list of the proposed Capital Facilities Projects and the issuance of the Capital Facilities Bonds has been or will be submitted to the Commissioner for approval as provided in Minnesota Statutes, Section 123B.62(a) and such approval will be received prior to the date on which the Capital Facilities Bonds are issued.

SECTION 3. OFFICIAL INTENT AND NOTICE PUBLICATION. In accordance with the provisions of Minnesota Statutes, Sections 123B.595, subdivision 5 and 123B.62(c), this resolution shall be considered the District's official intent to issue the Facilities Maintenance Bonds and Capital Facilities Bonds.

The Clerk will cause notice of the intended Facilities Maintenance Projects and Capital Facilities Projects, the amount of Bonds to be issued to finance such projects, and the total amount of the District's indebtedness to be published in a legal newspaper of general circulation in the District, in substantially the form attached hereto as Exhibit A.

SECTION 4. REIMBURSEMENT. (a) (i) The Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the Regulations) dealing with the issuance of tax-exempt obligations all or a portion of the proceeds of which are to be used to reimburse the District for project expenditures made by the District prior to the date of issuance (the Reimbursement Obligations).

- (ii) The Regulations generally require that the District make a declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued series of tax-exempt obligations within 60 days after payment of the expenditures, that such obligations be issued and the reimbursement allocation be made from the proceeds of such obligations within the reimbursement period (as defined in the Regulations), and that the expenditures reimbursed be capital expenditures or costs of issuance of the obligations.

(iii) The District desires to comply with requirements of the Regulations with respect to the projects.

(b) (i) The District proposes to undertake projects and to make original expenditures with respect thereto prior to the issuance of Reimbursement Obligations, and reasonably expects to issue Reimbursement Obligations for such projects in the maximum principal amounts shown below:

Projects	Maximum Amount of Obligations Expected to be Issued for Projects
Indoor air quality projects at District facilities.	\$19,200,000
Capital facilities projects, including but not limited to bathroom remodeling projects at district facilities and electrical service upgrades at Austin High School.	\$2,465,000
Parking lot construction projects districtwide	\$140,000

(ii) Other than (i) de minimis amounts permitted to be reimbursed pursuant to Section 1.150-2(f)(1) of the Regulations or (ii) expenditures constituting preliminary expenditures as defined in Section 1.150-2(f)(2) of the Regulations, the District will not seek reimbursement for any original expenditures with respect to the foregoing projects paid more than 60 days prior to the date of adoption of this resolution. All original expenditures for which reimbursement is sought will be capital expenditures or costs of issuance of the Reimbursement Obligations.

(c) As of the date hereof, there are no District funds reserved, pledged, allocated on a long term basis or otherwise set aside (or reasonably expected to be reserved, pledged, allocated on a long term basis or otherwise set aside) to provide permanent financing for the original expenditures related to the projects other than pursuant to the issuance of the Reimbursement Obligations. Consequently, it is not expected that the issuance of the Reimbursement Obligations will result in the creation of any replacement proceeds.

(d) The District's Director of Finance and Operations shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Reimbursement Obligations to reimburse the source of temporary financing used by the District to make payment of the original expenditures relating to the projects. Each reimbursement allocation shall be made not later than (i) eighteen (18) months after the date of the original expenditure or (ii) eighteen (18) months after the date the respective project is placed in service or abandoned (but in no event later than three (3) years after the original expenditure is paid) and shall be evidenced by an entry on the official books and records of the District maintained for the Reimbursement Obligations and shall specifically identify the original expenditures being reimbursed.

SECTION 5. ABATEMENT; PUBLIC HEARING.

(i) The District, pursuant to Minnesota Statutes, Sections 469.1812 to 469.1815, as amended, is authorized to grant an abatement of the property taxes imposed by the District on all properties within the District boundaries (collectively, the Property), if certain conditions are met, through the adoption of a resolution specifying the terms of the abatement. It has been proposed that the District undertake parking lot construction projects districtwide, which will enable District residents to continue to conveniently and safely access adjacent District facilities, and benefiting the Property (the Improvements). In order to finance the Improvements, it has been proposed that the Board grant a property tax abatement on the Property in an amount not to exceed \$160,000 over three (3) years (the Proposed Abatement), and that this Board hold a public hearing on the Proposed Abatement as required by Minnesota Statutes, Section 469.1813, subdivision 5.

(ii) A public hearing is hereby scheduled to be held on the Proposed Abatement on Monday, April 13, 2026, at 5:30 p.m. in in the Annex Recital Hall located at 205 4th St NW, Austin, Minnesota 55912. The School District Clerk is hereby authorized and directed to cause notice of such public hearing in substantially the form of Exhibit B hereto to be published in the official newspaper of the District more than ten (10) days but less than thirty (30) days prior to the date of the hearing.

Upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted.

Exhibit A

**NOTICE RELATING TO
GENERAL OBLIGATION FACILITIES MAINTENANCE BONDS
AND
GENERAL OBLIGATION CAPITAL FACILITIES BONDS
OF
INDEPENDENT SCHOOL DISTRICT NO. 492 (AUSTIN), MINNESOTA**

NOTICE IS HEREBY GIVEN that Independent School District No. 492 (Austin), Minnesota (the District) intends to issue, in one or more series, its:

- (i) General Obligation Facilities Maintenance Bonds in a principal amount not to exceed \$19,200,000, pursuant to Minnesota Statutes, Sections 123B.595 and Chapter 475, to finance certain indoor air quality projects at District facilities (the Facilities Maintenance Projects), as described in the District's revised ten-year facility plan for Fiscal Year 2027 (the Facility Plan), and pay bond issuance costs; and
- (ii) General Obligation Capital Facilities Bonds (the Bonds) in a principal amount not to exceed \$2,465,000, pursuant to Minnesota Statutes, Section 123B.62 and Chapter 475, to finance certain capital facilities projects, including but not limited to bathroom remodeling projects at District facilities and electrical service upgrades at Austin High School, as described in the list of proposed projects submitted to the Commissioner of Department of Education of the State of Minnesota (Capital Facilities Projects), and pay bond issuance costs. A copy of the list of proposed Capital Facilities Projects is on file with the District and is available for public inspection at the District offices during regular business hours.

A copy of the Facility Plan and the list of proposed Capital Facilities Projects are on file with the District and available for public inspection at the District offices during regular business hours.

The total amount of outstanding indebtedness of the District as of March 1, 2026, will be \$30,861,000.

Any interested person may submit written comments relating to the bonds or the projects to the District.

BY ORDER OF THE SCHOOL BOARD OF
INDEPENDENT SCHOOL DISTRICT NO. 492
(AUSTIN), MINNESOTA

Exhibit B

**NOTICE OF PUBLIC HEARING ON CONSIDERATION
AND APPROVAL OF PROPERTY TAX ABATEMENT**

NOTICE IS HEREBY GIVEN that the School Board of Independent School District No. 492 (Austin), Minnesota (the District) will hold a public hearing on Monday, April 13, 2026, at 5:30 p.m. in in the Annex Recital Hall located at 205 4th St NW, Austin, Minnesota 55912, to consider granting an abatement of the property taxes imposed by the District (the Proposed Abatement) on all properties within the District boundaries.

The purpose of granting the Proposed Abatement is to provide funds to finance parking lot construction projects districtwide which will enable District residents to continue to conveniently and safely access adjacent District facilities. The total estimated amount of the Proposed Abatement by the District is \$160,000 over three (3) years.

All who wish to be heard as to the Proposed Abatement will be given an opportunity to express their views at the time of the public hearing or may file written comments with the Director of Finance and Operations prior to the public hearing.

BY ORDER OF THE SCHOOL BOARD OF
INDEPENDENT SCHOOL DISTRICT NO. 492
(AUSTIN), MINNESOTA