

ROBERT W. BAIRD & Co. Incorporated

Business Committee Presentation on March 12, 2019 to:



Summary of Potential Refunding / Restructuring Options

Presented by: Matt Rantapaa

Senior Vice President

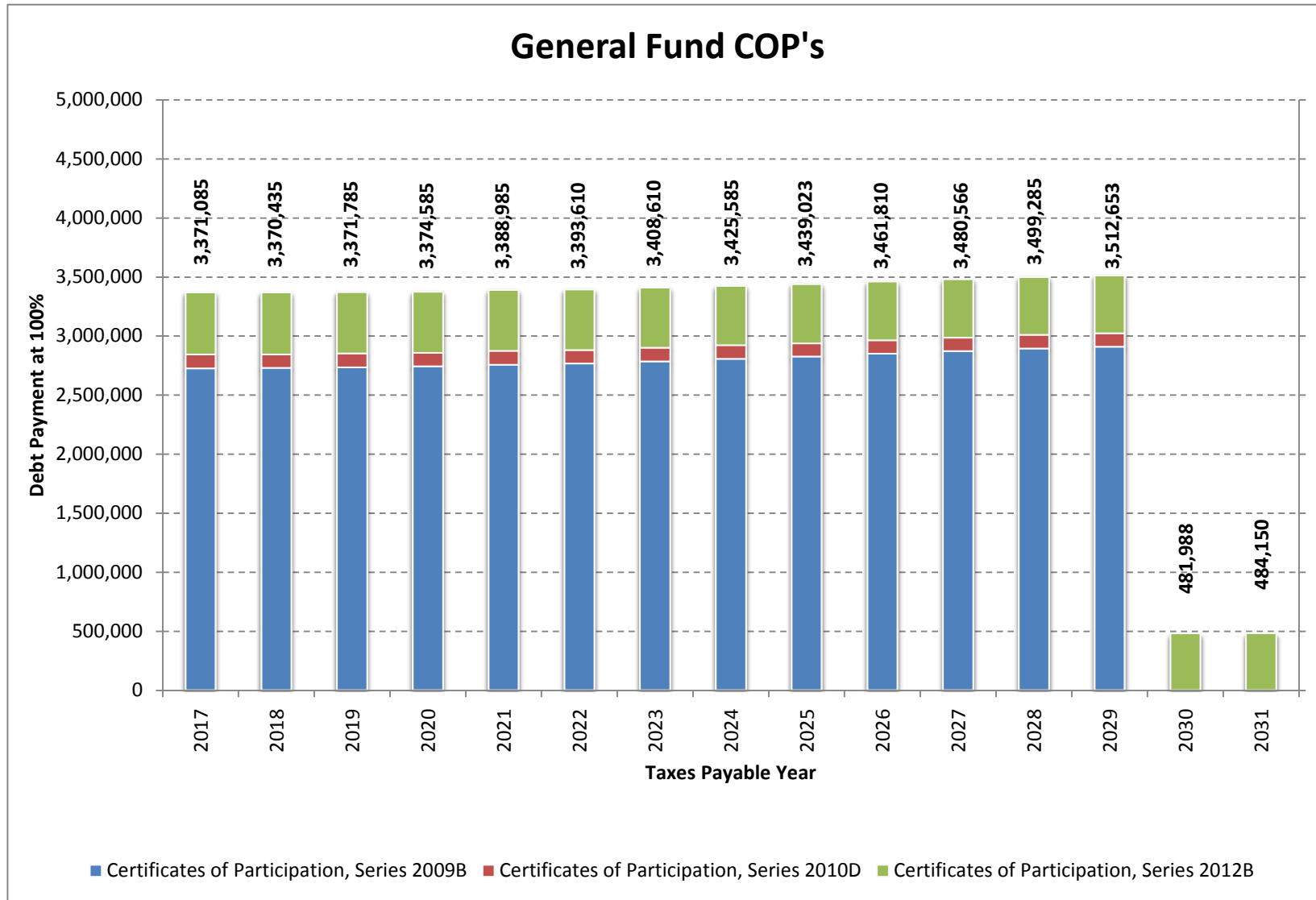
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ISD 709 - Duluth Public Schools, MN

Date prepared: 03/12/19



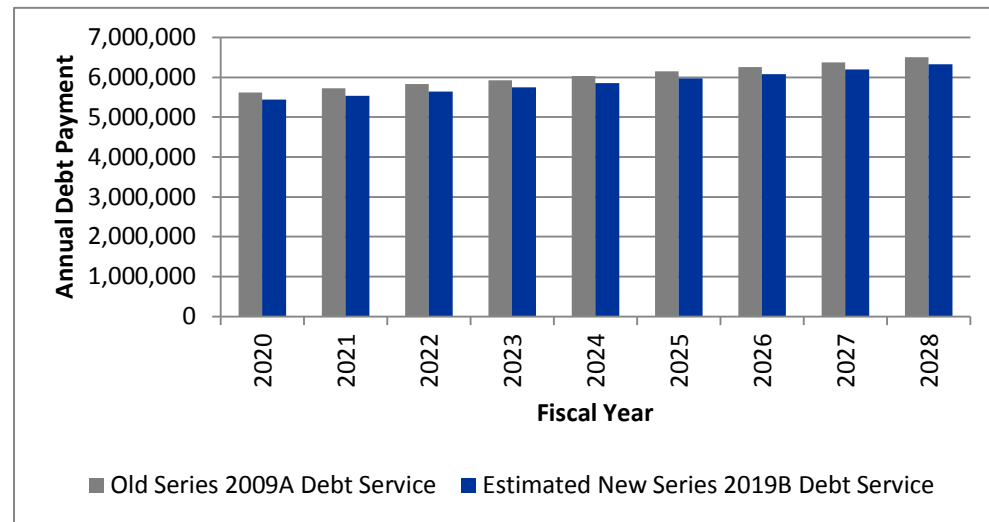
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ASSUMPTIONS

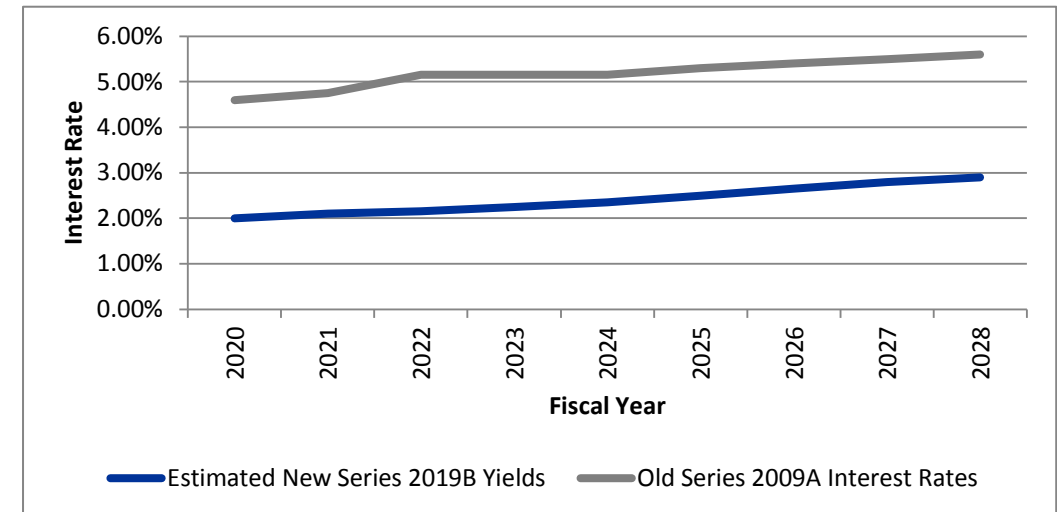
- (1) Hypothetical Series 2019B certificates would current refund Taxable Full Term Certificates of Participation, Series 2009A; Assumed Dated Date of June 1, 2019.
- (2) Series 2009A 2020-2028 maturities were callable on March 1, 2019 and would be current refunded with the 2019B Certificates.
- (3) Hypothetical illustration assumes non - bank qualified, Moody's Ba1 and Aa2 MN School Credit Enhancement rating.

SERIES 2019B: CURRENT REFUNDING OF 2009A FULL TERM COPs



How do we achieve the savings shown on the left?

By exchanging old interest rates with new interest rates shown to the right.



Fiscal Year	Old Series 2009A Debt Service	Estimated New Series 2019B Debt Service	Estimated Gross Savings (net of all costs)
2020	5,618,416	5,438,333	180,083
2021	5,719,205	5,538,250	180,955
2022	5,823,765	5,641,500	182,265
2023	5,923,618	5,745,500	178,118
2024	6,034,649	5,854,500	180,149
2025	6,146,167	5,967,500	178,667
2026	6,257,487	6,078,500	178,987
2027	6,374,365	6,196,750	177,615
2028	6,500,659	6,321,000	179,659
Totals	54,398,331	52,781,833	1,616,498
Available funds due to \$5,000 Rounding			138
Total Gross Savings			1,616,636

Maturity	Estimated New Series 2019B Yields	Old Series 2009A Interest Rates
2020	2.00%	4.60%
2021	2.10%	4.75%
2022	2.15%	5.15%
2023	2.25%	5.15%
2024	2.35%	5.15%
2025	2.50%	5.30%
2026	2.65%	5.40%
2027	2.80%	5.50%
2028	2.90%	5.60%

Additional Facts	
42,100,000	Potential Par Amount of Refunding Certificates
274,700	Potential Costs of Issuing Debt*
2.97%	Potential NPV Benefit of Refunded Debt Savings

* Illustration uses estimated fees at this point

Sensitivity Analysis		
Coupon Change	Net PV Savings	Estimated Change
0.20%	1,004,123	(425,188)
0.10%	1,216,060	(213,251)
0.00%	1,429,311	-
-0.10%	1,644,309	214,997
-0.20%	1,860,358	431,046

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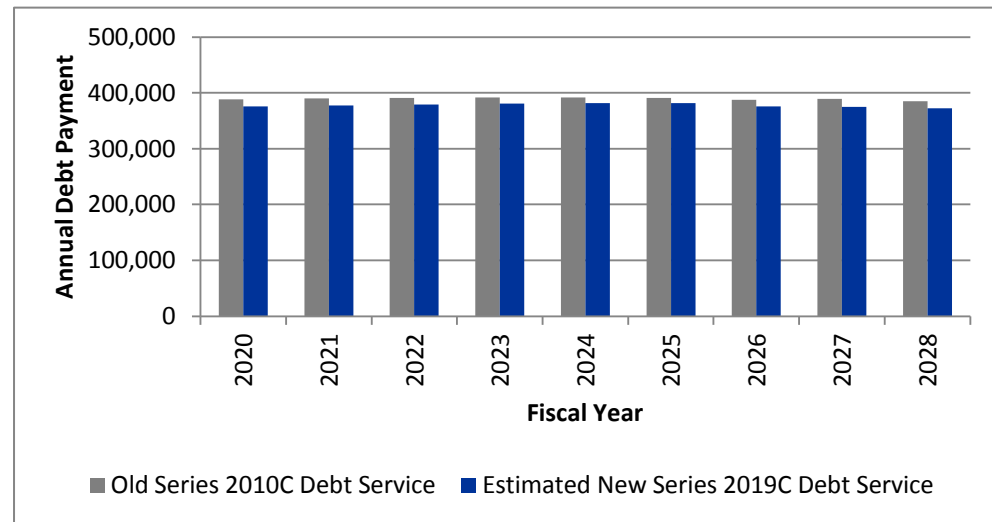


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ASSUMPTIONS

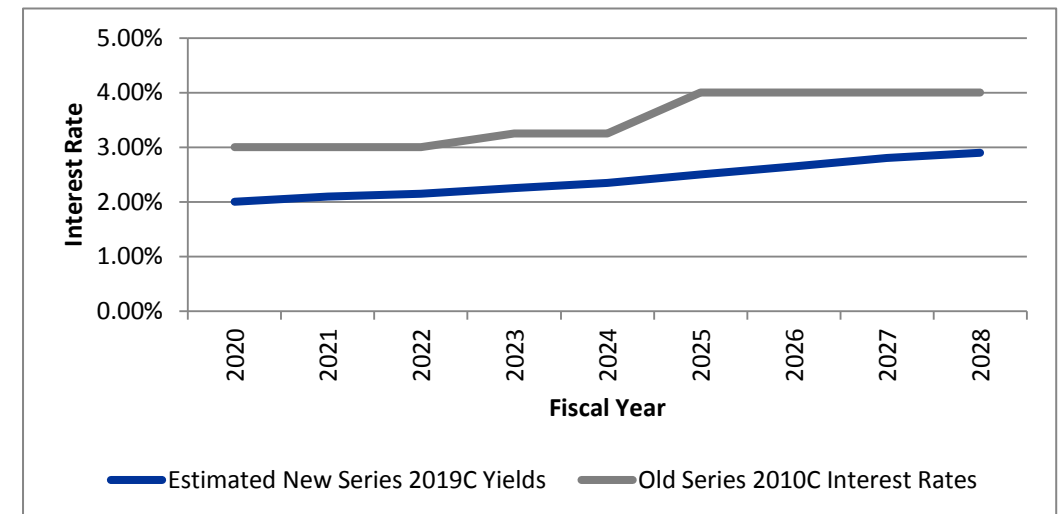
- (1) Hypothetical Series 2019C certificates would current refund Full Term Certificates of Participation, Series 2010C; Assumed Dated Date of June 1, 2019.
- (2) Series 2010C 2020-2028 maturities were callable on February 1, 2019 and would be current refunded with the 2019C Certificates.
- (3) Hypothetical illustration assumes non - bank qualified, Moody's Ba1 and Aa2 MN School Credit Enhancement rating.

SERIES 2019C: CURRENT REFUNDING OF 2010C FULL TERM COPs



How do we achieve the savings shown on the left?

By exchanging old interest rates with new interest rates shown to the right.



Fiscal Year	Old Series 2010C Debt Service	Estimated New Series 2019C Debt Service	Estimated Gross Savings (net of all costs)
2020	388,750	376,000	12,750
2021	390,200	377,250	12,950
2022	391,350	379,500	11,850
2023	392,200	381,000	11,200
2024	391,963	381,750	10,213
2025	391,400	381,750	9,650
2026	388,000	376,000	12,000
2027	389,200	374,750	14,450
2028	384,800	372,750	12,050
Totals	3,507,863	3,400,750	107,113
Available funds due to \$5,000 Rounding			1,023
Total Gross Savings			108,135

Maturity	Estimated New Series 2019C Yields	Old Series 2010C Interest Rates
2020	2.00%	3.00%
2021	2.10%	3.00%
2022	2.15%	3.00%
2023	2.25%	3.25%
2024	2.35%	3.25%
2025	2.50%	4.00%
2026	2.65%	4.00%
2027	2.80%	4.00%
2028	2.90%	4.00%

Additional Facts	
2,730,000	Potential Par Amount of Refunding Certificates
52,100	Potential Costs of Issuing Debt*
3.07%	Potential NPV Benefit of Refunded Debt Savings

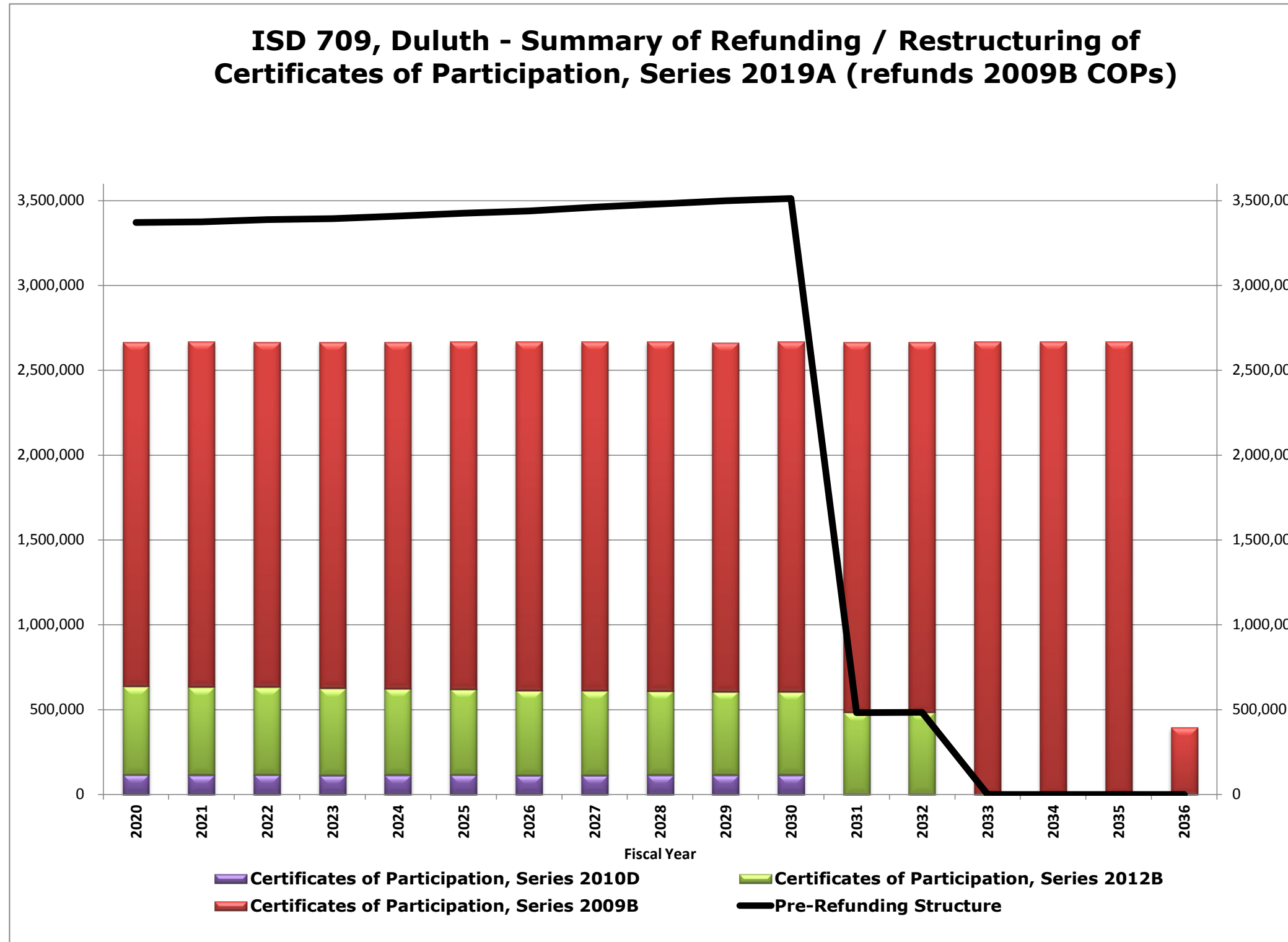
* Illustration uses estimated fees at this point

Sensitivity Analysis		
Coupon Change	Net PV Savings	Estimated Change
0.20%	69,174	(26,678)
0.10%	82,440	(13,411)
0.00%	95,851	-
-0.10%	109,361	13,509
-0.20%	122,909	27,058

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Date Prepared: March 12, 2019

Summary of 2019A Refunding / Restructuring



Additional Facts	Refunding / Restructuring Goal
23,745,000 Potential Par Amount of Refunding Certificates	- Free up \$700K annually in District's General Fund
264,050 Potential Costs of Issuing Debt*	- Extend final maturity on 2009B Certificates by 5 to 6 years
-2.02% Potential NPV % of Refunded / Restructured Debt	
(493,291.26) Potential NPV % of Refunded / Restructured Debt	

* Illustration uses estimated fees at this point