

DATE: April 13, 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, Austin Public Schools 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 School 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.

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.

In reviewing the financing options, PTMA is recommending that APS split the funding into two bond issuances for the following primary reasons:

1. Savings on interest expense as some of the funds are not needed until 2028.
2. We can more accurately size the final bond funding based on construction bids instead of current estimates.
3. The capital facilities bonds need to be sold after February 1, 2027, when we pay off the previous capital facilities bonds.

Recommendation:

Austin Public Schools, along with PTMA, recommend approval of resolution relating to General Obligation Facilities Maintenance and Tax Abatement Bonds, Series 2026A.

CERTIFICATION OF MINUTES RELATING GENERAL OBLIGATION FACILITIES
MAINTENANCE AND TAX ABATEMENT BONDS, SERIES 2026A

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

Governing Body: School Board

Kind, date, time and place of meeting: A regular meeting held on April 13, 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 PROPOSED PROPERTY TAX ABATEMENT FOR
GENERAL PARKING LOT IMPROVEMENTS AND GRANTING THE ABATEMENT;
RELATING TO GENERAL OBLIGATION FACILITIES MAINTENANCE AND TAX
ABATEMENT BONDS, SERIES 2026A; AUTHORIZING THE ISSUANCE AND
AUTHORIZING THE SUPERINTENDENT OR DIRECTOR OF FINANCE AND
OPERATIONS AND ANY BOARD OFFICER TO AWARD THE SALE THEREOF AND TO
TAKE SUCH ACTION AND EXECUTE ALL DOCUMENTS NECESSARY TO
ACCOMPLISH SAID AWARD AND SALE

I, the undersigned, being the duly qualified and acting recording officer of the
public corporation approving the abatement 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 abatement; 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 13th day of April, 2026.

School District Clerk

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

RESOLUTION RELATING TO PROPOSED PROPERTY TAX ABATEMENT FOR GENERAL PARKING LOT IMPROVEMENTS AND GRANTING THE ABATEMENT; RELATING TO GENERAL OBLIGATION FACILITIES MAINTENANCE AND TAX ABATEMENT BONDS, SERIES 2026A; AUTHORIZING THE ISSUANCE AND AUTHORIZING THE SUPERINTENDENT OR DIRECTOR OF FINANCE AND OPERATIONS AND ANY BOARD OFFICER TO AWARD THE SALE THEREOF AND TO TAKE SUCH ACTION AND EXECUTE ALL DOCUMENTS NECESSARY TO ACCOMPLISH SAID AWARD AND SALE

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

Section 1. Tax Abatement Authorization and Recitals.

1.01. The District, pursuant to Minnesota Statutes, Sections 469.1812 to 469.1815, as amended (the Act), is authorized to grant an abatement of the property taxes imposed by the District on certain parcels of property identified on **Exhibit A** attached hereto (the Abated Parcels) by the adoption of a resolution specifying the terms of the abatement.

1.02. The District intends to undertake parking lot construction projects districtwide (the Improvements), which Improvements benefit certain properties within the District boundaries (collectively, the Property).

1.03. The District has proposed to finance the Improvements by granting an abatement of the property taxes imposed by the District on the Abated Parcels (the Abatement).

1.04. Pursuant to the Act, this Board, conducted a public hearing on the date hereof on the desirability of granting the Abatement. Notice of the public hearing was duly published as required by law in the *Austin Herald*, the official newspaper of the District, on March 21, 2026.

Section 2. Abatement Findings. On the basis of the information compiled by the District and elicited at the public hearing referred to in Section 1.04, it is hereby found, determined and declared:

2.01. The District expects that the benefits to the District associated with granting the Abatement are at least equal to or exceed the associated costs to the District.

2.02. The granting of the Abatement is in the public interest because it will finance and provide public infrastructure and help provide access to services for District residents.

2.03. The nature and extent of the public benefits which the District expects to result from the Abatement are the Improvements, which will enable District residents to continue to

conveniently and safely access these District facilities that are regularly utilized by the public for community events.

2.04. The Abated Parcels are not located in a tax increment financing district.

2.05. The granting of the Abatement will not cause the aggregate amount of abatements granted by the District under the Act to exceed, in any year, the greater of (i) ten percent (10%) of the District's net tax capacity for the taxes payable year to which the abatement applies, or (ii) \$200,000.

2.06. It is in the best interests of the District to grant the Abatement authorized in this resolution.

2.07. Under Section 469.1813, subdivision 9 of the Act, it is not necessary for the District to obtain the consent of any owner of the Abated Parcels to grant an abatement.

Section 3. Granting of Tax Abatement.

3.01. The Abatement is hereby granted in respect of property taxes levied by the District on the Abated Parcels for three (3) years, commencing with taxes payable in 2027 and concluding with taxes payable in 2029. The total Abatement amount shall not exceed \$160,000 over three (3) years.

3.02. The District shall retain the Abatement and apply it to payment of all or a portion of the costs of acquiring or constructing the Improvements or to the payment of bonds of the District issued to finance costs of acquiring or constructing the Improvements, whether such bonds are issued pursuant to the Act, or other law, as authorized by Section 469.1815, subdivision 2 of the Act.

3.03. The Abatement may be modified or terminated at any time by the Board in accordance with the Act.

Section 4. Bond Authorization. The District is authorized, pursuant to the Act and Minnesota Statutes, Section 123B.595, subdivision 5, and Chapter 475, to borrow money by the issuance of its general obligation facilities maintenance and tax abatement bonds.

By resolution adopted on March 9, 2026, this Board determined it necessary and desirable and in the best interest of the District to issue its General Obligation Facilities Maintenance and Tax Abatement Bonds (the "Bonds"). The Bonds will be issued in one or more series in a principal amount not to exceed \$10,000,000, the proceeds of which will be used to finance:

- (i) the Improvements, including every item of cost of the kinds authorized in Minnesota Statutes, Section 469.1814, subdivision 5, benefiting the Property;
- (ii) 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) approved by this Board and the Commissioner of the Department of Education of the State of Minnesota; and

- (iii) pay costs of issuance of the Bonds.

The Bonds shall be designated Series 2026A, or such other series designation as is deemed appropriate.

Section 5. Solicitation of Proposals; Approval of the Sale of the Bonds. The District has retained PMA Securities, LLC, in Albertville, Minnesota (PMA), as its independent municipal advisor with respect to the sale of the Bonds. PMA is authorized to solicit proposals for the Bonds on behalf of the District on a competitive basis without requirement of published notice, in accordance with Minnesota Statutes, Section 475.60, subdivision 2, paragraph (9). In consultation with PMA, the Superintendent or Director of Finance and Operations and any Board officer (the Authorized Officers), are hereby authorized to approve the sale of the Bonds and directed to execute a contract on the part of the District for the sale of the Bonds to a purchaser to be selected by such officers; provided that the aggregate principal amount of the Bonds shall not exceed \$10,000,000 and the true interest cost shall not exceed 5.00%.

Section 6. Board Ratification of Sale. Upon approval of the sales of the Bonds by the Superintendent or Director of Finance and Operations and any Board officer, the Board will take action at a regularly scheduled or special meeting thereafter to adopt bond resolutions prepared by the District's bond counsel ratifying the sale of the Bonds and incorporating the terms and conditions with respect thereto.

Section 7. State Credit Enhancement Program. (a) The District hereby covenants and obligates itself to notify the Commissioner of Education of a potential default in the payment of principal and interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee payment of the principal and interest on the Bonds when due. The District further covenants to deposit with the Registrar or any successor paying agent three (3) days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Commissioner of Education that it will be unable to make all or a portion of that payment. The Registrar for the Bonds is authorized and directed to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal or interest on the Bonds or if, on the day two (2) business days prior to the date a payment is due on the Bonds, there are insufficient funds to make that payment on deposit with the Registrar. The District understands that as a result of its covenant to be bound by the provision of Minnesota Statutes, Section 126C.55, the provisions of that section shall be binding as long as any Bonds of this issue remain outstanding.

(b) The District further covenants to comply with all procedures now and hereafter established by the Departments of Management and Budget and Education of the State of Minnesota pursuant to Minnesota Statutes, Section 126C.55, subdivision 2(c) and otherwise to take such actions as necessary to comply with that section. The chair, clerk, Superintendent or Director of Finance and Operations is authorized to execute any applicable Minnesota Department of Education forms.

Section 8. Official Statement. PMA is authorized to prepare and distribute, for the District, a preliminary Official Statement and an Official Statement relating to the sale of the Bonds, and PMA and the purchaser/underwriter are each hereby authorized to use a final Official Statement substantially in the form of said Preliminary Official Statement but with such changes therein as are required to conform the same to the terms of the Bonds, and the Superintendent or Director of Finance and Operations and any Board officer, in consultation with and upon the advice of representatives of PMA and bond counsel, are hereby authorized and directed to finalize and approve such Official Statement and execute and deliver such certifications and to take such steps as are necessary to comply with SEC Rule 15c2-12.

Section. 9. Expiration. The authorization provided in Section 5 hereof shall expire on December 31, 2026.

Exhibit A

ABATED PARCELS

34.194.0050	34.508.0030	34.174.0070	34.175.0200
34.918.0040	34.918.0030	34.011.0515	34.822.0111
34.880.0250	34.523.0090	34.523.0080	34.558.0391
34.876.0101	34.175.0051	34.918.0020	34.173.0040
34.011.0400	34.324.0011	34.870.0085	34.663.0080
34.822.0020	34.510.0050	34.825.0460	34.175.0210
34.139.0040	34.917.0010	34.467.0010	34.837.0061
34.194.0010	34.174.0360	34.880.0060	34.139.0020
34.493.0040	34.139.0050	34.436.0010	34.172.0080