

June 26th, 2023

Willie Jett
Commissioner of Education
Minnesota Department of Education
1500 Highway 36 West
Roseville, Mn 55101

Subject: Proposal for Review and Comment

Dear Commissioner Jett:

In accordance with Minnesota Statute 123B.71, Buffalo Hanover Montrose School District, ISD #877, hereby submits this proposal for facility improvements throughout the District for your review and comment.

The School Board of ISD #877 has directed the District administration to prepare and submit to the Department of Education, this project proposal for review and comment, in preparation for bringing a bond referendum to the voters for approval on November 7th, 2023.

The proposed improvements will allow the District to upgrade aging building systems, improve existing mechanical infrastructure, provide security upgrades at each of their school buildings, upgrade educational spaces throughout the District and make needed deferred maintenance updates.

As detailed in the attached project proposal, it is the intent of the District to present a single question ballot. The building improvement question will be in the amount of \$41,500,000 to the voters for approval. Upon approval, the District intends to issue general obligation bonds to finance the improvements.

Specific details regarding the District, the facility needs, the project scope and cost, and the plan of finance, are included in the enclosed proposal for your review and comment.

For additional information or for any questions, please contact me at your earliest convenience. We thank you in advance for your consideration of this proposal, and we look forward to your response.

Sincerely,

Scott Thielman
Superintendent of Schools

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Introduction and Summary Description

In accordance with Minnesota Statute 123B.71, Independent School District No. 877 submits the following educational facilities proposal for your review and comment. Buffalo Hanover Montrose School District has studied numerous variations and alternatives and prioritized in an effort to arrive at the most responsible project scope for the District. The proposed facilities improvements will allow Buffalo Hanover Montrose School District to address current physical, safety and programmatic needs with our facilities. Major components of the proposed improvements include:

- Replace aging/failing steam heating with new hot water heating systems at multiple sites.
- Dehumidification will be added to the activity spaces at the High School.
- Replace aging ventilation systems serving the activity spaces at the Middle School.
- Dehumidification will be added to activity spaces at the Middle School.
- Expand and add secure entrances at the Middle and High Schools.
- Replace aging theatrical systems at the High School theater.
- Educational enhancements at all elementary schools.

District Contact:

Scott Thielman
Superintendent
Buffalo Hanover Montrose School District ISD #877
214 1st Avenue NE, Buffalo
MN 55313

School Board:

Melisa Brings – Chair
Adam Bjorklund – Clerk
Matt Hoffman – Director
Sheila Smude – Director

Bob Sansevere – Vice Chair
Amanda Lawrence – Treasurer
Sue Lee – Director

Total Project Cost:

General Obligation Bonds in the amount of \$41,500,000 which includes issuance and finance costs.

Project Team:

Architect

DeVetter Design Group
Contact: Michael DeVetter
PH: 612-805-8493

Engineer

Hallberg Engineering
Contact: Kyle Simonson
PH: 651-270-0805

Construction Manager

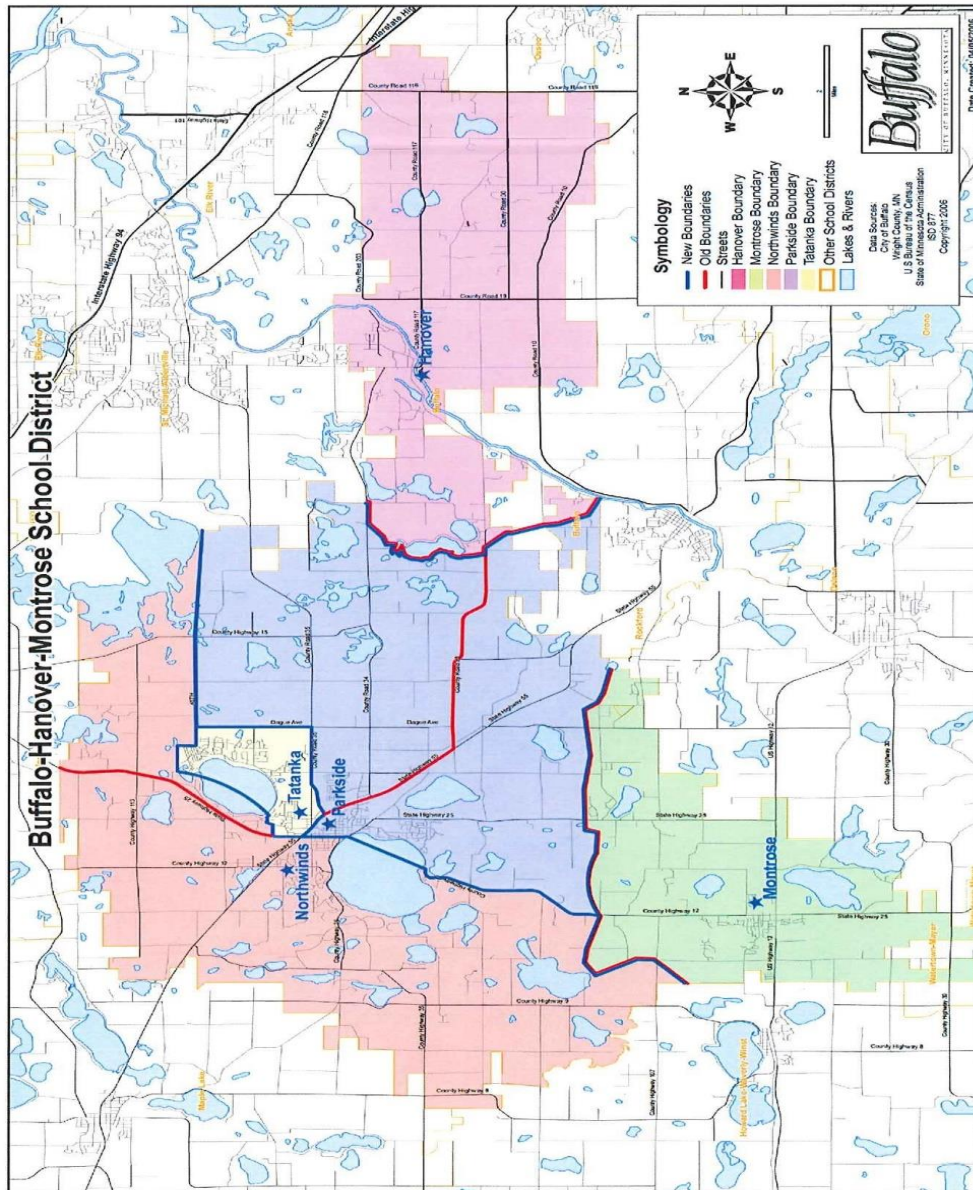
RA Morton Construction
Contact: Preston Euerle
PH: 320-223-6240

Public Finance Advisor

Ehlers
Contact: Jody Zesbaugh
PH: 651-697-8526

1. Geographic Area and Population:

The Buffalo Hanover Montrose School District is located in Wright County and includes the communities of Buffalo, Hanover, and Montrose. It has a geographic Area of 149 Acres. See attached Boundary map.



District Boundary Map:

Per the current demographic information, the District has seen a slight decline in population in the last five years and is expected to see a minor decline in the next five years. See attached enrollment history.

Demographic Information:

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Pre-K	58	51	61	54	64	72	55	60	70	60	60
K	412	394	397	343	359	342	362	343	354	379	364
1	365	434	396	374	349	373	344	364	345	356	381
2	376	377	437	374	375	355	372	343	363	344	355
3	439	380	373	406	383	376	355	372	343	363	344
4	428	448	386	357	430	384	378	356	374	345	365
5	454	439	444	352	368	428	382	376	355	372	343
6	443	471	442	432	343	367	427	381	375	354	371
7	475	448	478	421	432	353	370	430	384	378	357
8	438	474	452	465	424	439	355	373	433	387	381
9	480	466	497	476	498	449	464	375	393	457	408
10	470	482	465	484	468	484	444	458	371	389	452
11	498	451	465	445	453	425	451	414	427	345	362
12	432	486	426	448	437	447	421	447	410	423	342
Total	5,768	5,801	5,719	5,431	5,383	5,294	5,180	5,092	4,997	4,952	4,885

2. List of facilities:

Buffalo Hanover Montrose Schools educational programs are housed in six elementary schools, one middle school and one high school. It also includes a transitions program building.

- **Montrose Elementary School**

Grades K-5

100 SE Second Street

Montrose, MN 55363

Constructed: 1975 – 30,620 SF

Additions: 1989 – 8,800 SF; 1996 – 2,280 SF; 2005 – 11,731 SF

Total Area: 53,431 SF

- **Hanover Elementary School**

Grades K-5

274 LeBreux Ave. NE

Hanover, MN 55341

Constructed: 1969 – 9,620 SF

Additions: 1975 – 37,300 SF; 1989 – 6,738 SF; 2005 – 13,995 SF; 2015 – 2,149 SF

Total Area: 69,802 SF

- **Parkside Elementary School**

Grades K-5

207 3rd Street NE

Buffalo, MN 55313

Constructed: 1956 – 34,369 SF

Additions: 1966 – 27,955 SF; 1988 – 18,700 SF

Total Area: 81,204 SF

- **Tatanka Elementary School**

Grades K-5

8th Street NE

Buffalo, MN 55313

Constructed: 1979 – 45,000 SF

Additions: 1988 – 16,900 SF; 1996 – 2,280 SF; 2016 – 16,075 SF

Total Area: 80,255 SF

- **Discovery Elementary School**

Grades K-5

301 NE 2nd Avenue NE

Buffalo, MN 55313

Constructed: 1936 – 46,664 SF

Additions: 1962 – 49,884 SF; 1979 – 34,599 SF

Total Area: 131,147 SF

- **Northwinds Elementary School**

- K-5**

- 1111 7th Avenue NW

- Buffalo, MN 55313

- Constructed:** 2006 – 103,204 SF

- Total Area:** 103,204 SF

- **Buffalo Community Middle School**

- Grades 6-8**

- 1300 Hwy 25 N

- Buffalo, MN 55313

- Constructed:** 1970 – 133,900 SF

- Additions:** 1980 – 26,300 SF; 1988 – 41,068 SF; 1997 – 2,352 SF; 2005 – 14,114 SF; 2017 – 3,350 SF

- Total Area:** 221,084 SF

- **Buffalo High School**

- Grades 9-12**

- 877 Bison Blvd

- Buffalo, MN 55313

- Constructed:** 1996 – 331,241 SF

- Additions:** 2015 – 97,553 SF; 2017 – 11,186 SF

- Total Area:** 439,980

- **Pride Transitions School**

- Transitions Program**

- 800 NE 8th Street

- Buffalo, MN 55313

- Constructed:** 1968 – 4,428 SF

- Additions:** 1968 – 1,288 SF; 2006 – 3,992 SF

- Total Area:** 9,708 SF

- **Montrose Education Center**

- Early Childhood Family Education**

- 115 2nd Street S

- Montrose, MN 55363

- Constructed:** 2010 – 9,000 SF

- Total Area:** 9,000 SF

3. List of Deficiencies

High School

Security: The high school was built before security was a focus of concern. The main public entrance to the building is across the corridor from the administration space, which makes securing the building from a threat difficult. The District has attempted to solve this by positioning a security desk in the corridor, but this allows a threat to enter the school before they can be stopped.

The exterior doors to the school are manually locked. This requires additional staff time and allows for the possibility of human error causing a door or doors to be unlocked during the day.

Mechanical Systems: The mechanical systems are original to the building. The activity center areas current ventilation systems have no means to provide positive dehumidification to condition the spaces during the non-heating seasons.

Auditorium: The existing theatrical lighting, sound, curtains, seating and orchestra shell are original to the building and are in need of replacement.

Locker Room: The existing locker rooms have communal showers and changing areas which is not consistent with how high school locker rooms are used in the current educational environment.

Educational Spaces: The current classroom configuration is based upon classroom lecture and does not allow for current educational pedagogy of collaborative learning.

Middle School

Security: The middle school was built before security was a concern. The main public entrance to the building is across the corridor from the administration space, which makes securing the building from a threat difficult. The district has attempted to solve this by positioning a security desk in the corridor, but this allows a threat to be in the school before they can be stopped.

The exterior doors to the school are manually locked. This requires additional staff time and allows for the possibility of human error causing a doors or doors to be missed during secure times during the day.

Mechanical Systems: The existing mechanical systems are original to the facility and are fifty or more years old. Some of the system manufacturers are obsolete and the systems are failing and requiring extensive maintenance. The steam heating system is inefficient, has been failing as well, and requires extensive maintenance throughout the heating season in order to maintain operation. The activity center areas current ventilation systems have no means to provide positive dehumidification to condition the spaces during the non-heating seasons.

Educational Spaces: The current classroom configuration is based upon classroom lecture and does not allow for current educational pedagogy of collaborative learning.

Elementary Schools:

Mechanical Systems: At Hanover, Tatanka, Montrose and Discovery Elementary schools, the existing mechanical systems are original to the facility. The systems are fifty or more years old, the system manufacturers are obsolete and the systems have been failing. The steam heating system is inefficient and requires extensive maintenance. In addition, at Discovery Elementary School, the existing systems have no means to provide positive dehumidification to the spaces which they serve.

Security: At Parkside, Northwinds and Hanover Elementary Schools, the exterior doors to the school are manually locked. This requires additional staff time and allows for the possibility of human error causing a door or doors to be unlocked during the day.

Educational Spaces: At many of the elementary school sites, the original classrooms were constructed with demountable partitions which cause acoustic and maintenance issues. The classrooms were also constructed at a time when lecture was the predominate teaching pedagogy. The classroom designs do not allow for educational collaboration opportunities.

Safety: The playground entrance at Discovery Elementary School has a drainage/grade issue that causes it to ice up in the winter months, which is a safety concern.

List of Benefits:

The following proposed projects will allow the Buffalo Hanover Montrose School District the opportunity to continue to provide a high level of educational opportunities to its community for many years to come.

Security/Safety:

Th District is dedicated to providing a safe and secure environment for its students, staff and visitors. To enhance its current safety measures, the District is proposing to increase its security measures by adding electronic retraction hardware at all of the buildings. This will give the District better control of the perimeter security of the buildings by allowing them to electronically control the exterior doors. The addition of secure entrances at the High School and Middle School will give those schools the ability to engage visitors before they enter the buildings to not only stop a potential threat, but to help greet and orient visitors as they enter the schools.

Infrastructure Upgrades:

The infrastructure upgrades including mechanical systems, steam to hot water replacement, and HVAC replacement and adding dehumidification to activity areas will allow the District to become current with their deferred maintenance, improve the air quality of their educational spaces and have the ability to operate the hydronic heating systems with increased efficiency while improving occupant comfort. With the proposed projects, the District will extend the service life of their mechanical and HVAC systems for another twenty year life cycle expectancy.

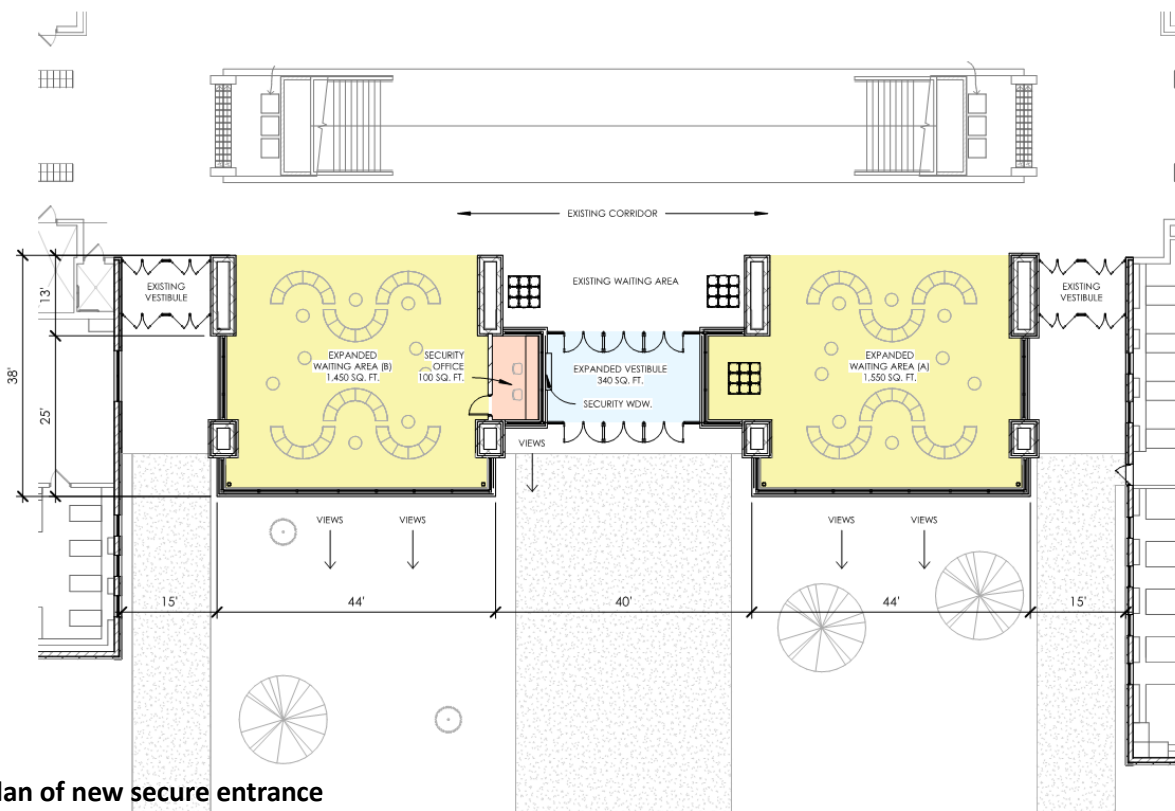
Educational Spaces:

The completion of the remodeling of the educational spaces will provide classrooms that are acoustically appropriate for instruction. They will give the instructional staff spaces that will provide educational environments that are consistent with current educational delivery methods and give the teachers instructional options that will allow them to tailor their instruction to meet each student's learning needs.

4. Project Description:

High School

Secure Entrance: The high school will receive an expansion at the main entrance to create a new secure entrance and add additional collaboration learning spaces. The entrance will have a dedicated security office to greet guests before they enter the school. The guests will need to sign in before they are allowed to enter the secure portion of the High School. The addition will also include waiting/collaboration space for students.



Electrified Retraction: The existing manual locks on the exterior of the school will be upgraded to electrified retraction to allow for better security control.

Ventilation/Dehumidification: Dehumidification will be added in the activity center areas to remove humidity (RH) and condition the spaces during the non-heating seasons. The new HVAC systems will meet ASHRAE ventilation guidelines and the new dehumidification systems will be controlled by both temperature and humidity sensors (humidistats). The humidistats will maintain the interior spaces below 55% relative humidity (RH). This control will be through the DDC control system.

Roofing: A section of the roof area that will be disrupted by the mechanical upgrades will be replaced.

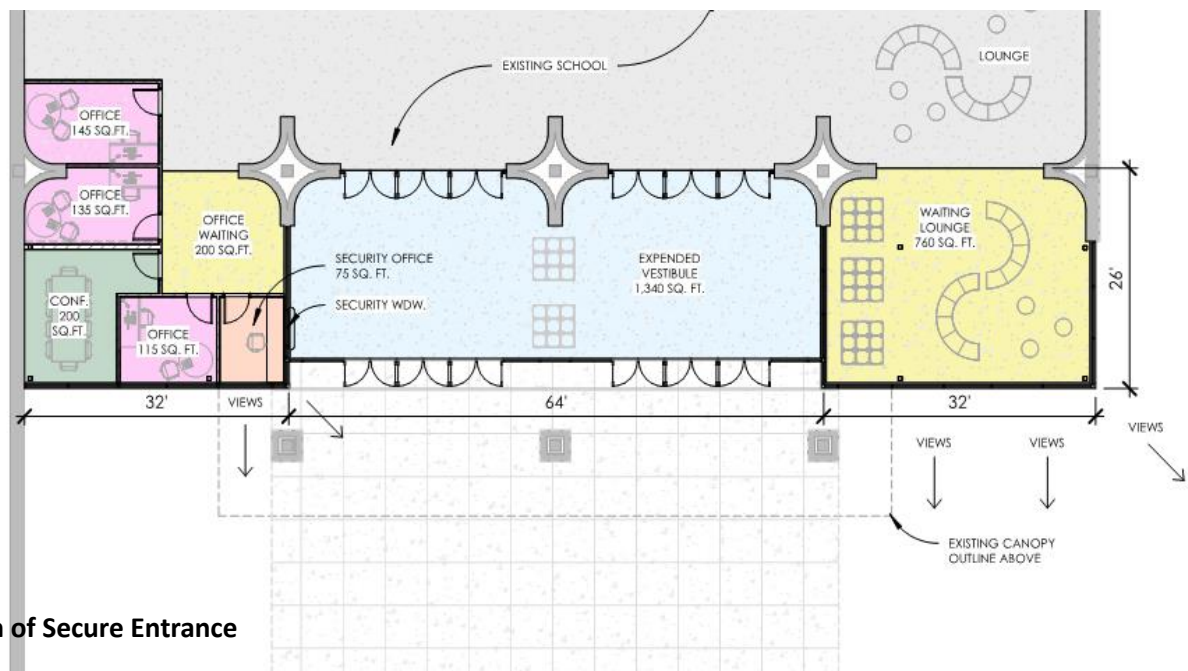
Auditorium Upgrades: The theatrical lighting, sound, curtains, seating and orchestra shell that were original to the building will be replaced.

Locker Room Updates: The current open showering areas will be remodeled to individual stalls which is consistent with current locker room design.

Classroom Updates: A portion of the project will be dedicated to updating existing educational spaces. This will include remodeling existing classrooms to provide areas for collaborative learning and instructional delivery choice.

Middle School

Secure Entrance: The high school will receive an expansion at the main entrance to create a new secure entrance and additional collaboration learning and office spaces. The entrance will have a dedicated security office to great guests before they enter the school. The guests will need to sign in before they are allowed to enter the secure portion of the High School. The addition will also include waiting/collaboration space for students.



Plan of Secure Entrance

Electrified Retraction: The existing manual locks on the exterior of the school will be upgraded to electrified retraction to allow for better security/control.

Steam to Hydronic: The existing steam system will be replaced and updated to hot water hydronic heating. The current steam boiler plant will be maintained and converted to hot water within the boiler room. A new hot water heating system will extend from the boiler room and distribute hot water throughout the building. Existing steam heating coils will be replaced with hot water coils utilizing existing air handling equipment.

IAQ/Ventilation Replacement/Dehumidification: The ventilation infrastructure serving the gymnasium/activity areas will be replaced and a dehumidification system will be added to remove humidity (RH) and condition the spaces during the non-heating seasons. The new HVAC systems will meet ASHRAE ventilation guidelines and the new dehumidification systems will be controlled by both temperature and humidity sensors (humidistats). The humidistats will maintain the interior spaces below 55% relative humidity (RH). This control will be through the DDC control system.

Classroom Updates: A portion of the project will be dedicated to updating existing educational spaces. This will include removing existing demountable partitions and remodeling existing classrooms to be more conducive to current practices.

Elementary Schools

Electrified Retraction: The existing manual locks on the exterior of the school will be upgraded to electrified retraction to allow for better security at Northwinds, Parkside, and Hanover Elementary Schools.

Steam to Hydronic: The existing steam system will be replaced and updated to hydronic heating at both Hanover Elementary and Discovery Elementary Schools. At each facility, the current steam boiler plant will be maintained and converted to hot water within the boiler room and a new hot water heating system extended from the boiler room and distributed throughout the building. Existing steam heating coils will be replaced with hot water coils utilizing existing air handling equipment.

IAQ/Ventilation: The gymnasium/cafeteria at Discovery Elementary will receive dehumidification and the replacement of the ventilation infrastructure. The cafeterias at Hanover, Tatanka, and Montrose Elementary Schools will each receive dehumidification. The existing HVAC systems are planned to be replaced with new systems which will meet current Minnesota State Code/ASHRAE 62 ventilation guidelines meeting the 15 CFM/min per person ventilation requirements. Also, dehumidification will be included in the project in order to remove humidity (RH) along with the HVAC systems meeting ASHRAE ventilation guidelines. The new dehumidification systems will be controlled by both temperature and humidity sensors (humidistats) in order to control the interior spaces to not exceed 55% relative humidity (RH). This control will be through the proposed DDC control system.

Classroom Upgrades: The existing demountable partitions in the elementary schools will be replaced with permanent, acoustic walls. A portion of the project will be dedicated to updating existing educational spaces. This will include remodeling existing classrooms to provide areas for collaborative learning and instructional delivery choice.

Entrance Upgrades: A new entrance vestibule will be added at Discovery Elementary School to facilitate student traffic from the playground and to mitigate an existing unsafe water drainage issue that causes ice buildup in the winter.

Project Construction Cost Information:

**BUFFALO-HANOVER-MONTROSE PUBLIC SCHOOLS
PLANNING BUDGET - REVIEW AND COMMENT**

6/2/2023

BASE PROJECT	
Secure Entrance Additions at HS and MS	\$ 2,940,810
HVAC Upgrades	\$ 14,840,900
Roof Replacement	\$ 1,750,000
Auditorium Upgrades	\$ 1,855,000
School Renovations	\$ 4,854,984
Playground Surface Upgrades	\$ 1,019,200
FF&E / Technology	\$ 5,350,000
Fees, Permits & Testing	\$ 3,870,597
Construction Contingency	\$ 2,485,088
Escalation	\$ 1,049,668
Design Contingency	\$ 1,312,085
Total Deposited to Construction Fund	\$ 41,328,332
Other Costs	
Underwriter's Cost	\$ 415,000
Finance Costs	\$ 165,000
Rounding	\$ 868
Investment Earnings	\$ (409,200)
	\$ 171,668
Total Bond Amount	\$ 41,500,000

Operating Cost Information:

The district will realize budget efficiency gains from converting the existing steam systems to hot water hydronic systems at three facilities: the Middle School, Hanover Elementary School, and Discovery Elementary School.

After taking the gains at the three buildings receiving hot water heating replacements into consideration, the District utility costs will increase marginally to accommodate the addition of dehumidification systems to the cafeterias at Discovery, Hanover, Montrose and Tatanka Elementary schools, along with gymnasium/activity areas within the facilities at the High School, Middle School, and Discovery Elementary School.

As an overall result, the District will budget for an increase in electrical costs at six (6) buildings due to added dehumidification, which will be slightly reduced by decreases in the natural gas budgets due to hot water heating improvements at three (3) buildings.

Summary Schedule:

The proposed mechanical and HVAC upgrade projects will require major disruptions to each of the schools and will entail significant lead times for the equipment so we anticipate a three-summer construction schedule that will be complete in 2026. The remodeling of the educational spaces will require staff input and significant design time so we would anticipate a summer 2025 start for this work. There has been work completed on the entrance to Discovery Elementary and some of the playground and furnishing updates will occur in the first summer, 2024.

Bond referendum:	November 7, 2023
Design Phases:	November 2023 – October 2024
Initial projects bidding:	March 2024 -April 2024
First Summer Work:	June – August 2024
Bidding Major Work Portion:	November 2024 – January 2025
Construction Major Work Portion:	June 2025 – August 2026

5. Financing

Buffalo-Hanover-Montrose ISD #877 proposes to obtain financing from the sale of General Obligation Bonds. The School District will seek voter approval of one building bond ballot question on Tuesday, November 7, 2023, pursuant to Minnesota Statutes Chapter 475 which, if approved, would result in a \$41,500,000 bond issue. Costs of issuance and underwriter's discount are estimated at \$580,000. The difference between the amount requested to be authorized by the voters (plus estimated interest earnings in the construction fund of \$409,200) and estimated costs of issuing this debt equals \$41,329,200, the amount the District expects to need for construction projects.

Ehlers has prepared the following schedules which have been included in the **Appendix** of this document:

- 1) Estimated sources and uses of funds for the proposed bond issue
- 2) Estimated debt payment structure for the anticipated bond issue and estimated annual debt service property tax levies after accounting for the 105% levy requirement (the District does not qualify for debt service equalization aid under current law)
- 3) An analysis of the estimated tax impact on various values of residential homestead, residential non-homestead, multi-unit and apartments, and commercial/industrial properties for the proposed bond issue.

6. Attachment #1

**Attachment 1
Review and Comment
Section #6 Documentation
(as amended by the 2014 Legislature)**

Documentation obligating the school district and contractors to comply with items (i) to (vii) in planning and executing the project:

- (i) The school district will be in compliance with Minnesota Statutes, section 471.345, governing municipal contracts issued for this project.
- (ii) The school district and the architects will include elements of sustainable design for this project.
- (iii) If the project installs or modifies facility mechanical systems, the school district, architect/engineers and contractors will be in compliance with school facility commissioning under Minnesota Statutes, section 123B.72, certifying the plans and designs for the heating, ventilating, air conditioning and air filtration for an extensively renovated or new facility meet or exceed current code standards, including the ASHRAE air filtration standard 52.1.
- (iv) If the project creates or modifies interior spaces, the district, architects/engineers and relevant contractors have considered the *American National Standards Institute Acoustical Performance Criteria, Design Requirements and Guidelines for Schools* on maximum background noise level and reverberation times.
- (v) The project will be in compliance with Minnesota State Fire Code.
- (vi) The project will be in compliance with Minnesota Statutes, chapter 326B, governing building codes.
- (vii) The school district and the architects/engineers have been in consultation with affected government units about the impact of the project on utilities, roads, sewers, sidewalks, retention ponds, school bus and automobile traffic, access to mass transit and safe access for pedestrians and cyclists.

The school district and architect/engineers will maintain documentation showing compliance with these items upon, and subsequent to, project completion.

Superintendent signature	Date
Board chair signature	Date
Architect/engineer signature <i>M. Michael D. ... C.F.O.</i>	Date 06-26-2023

Appendix

Appendix A - Estimated Sources and Uses of Funds

PRELIMINARY INFORMATION - FOR REVIEW AND COMMENT

Buffalo-Hanover-Montrose Schools ISD #87

June 12, 2023

Estimated Sources and Uses of Funds

November 7, 2023 Election

Bond Amount Number of Levies Closing Date	Voter Approved School Building Bonds
	\$41,500,000
	20 2/1/2024
Sources of Funds Par Amount Investment Earnings ¹ <hr/> Total Sources	 \$41,500,000 409,200 <hr/> \$41,909,200
Uses of Funds Underwriter's Discount ² Legal and Fiscal Costs ³ Net Available for Project Costs <hr/> Total Uses	 \$415,000 165,000 41,329,200 <hr/> \$41,909,200
Initial Deposit to Construction Fund	\$40,920,000

- 1 Estimated investment earnings are based on an average interest rate of 0.75%, and an average life of 16 months (project duration of 32 months).
- 2 The allowance for discount bidding is an estimate of the compensation taken by the underwriter who provides the lowest true interest cost as part of the competitive bidding process and purchases the bonds. Ehlers provides independent municipal advisory services as part of the bond sale process and is not an underwriting firm.
- 3 Includes fees for municipal advisor, bond counsel, rating agency, paying agent and county certificates.

PRELIMINARY INFORMATION - FOR REVIEW AND COMMENT

Buffalo-Hanover-Montrose Schools ISD No. 877
Analysis of Possible Structure for Capital and Debt Levies

\$41,500,000 Bond Issue
20 Tax Levies
Wrapped Around Existing Debt

Type of Bond	Principal Amount	Dated Date	Interest Rate
Voter-Approved Building	\$41,500,000	02/01/24	5.00%

June 12, 2023

Levy Payable Year	Fiscal Year	Tax Capacity Value ¹		Existing Commitments							Other Levies		Proposed New School Building Bonds				Combined Totals				
		(\$000s)	% Chg	Building Bonds ²	Alt Fac/Fac Maint H&S Bonds ²	OPEB Bonds ²	Est. Debt Excess ³	State Debt Aid	Net Levy	Tax Rate	Lease Levy	Existing Tax Rate	Principal	Interest	Add'l. Debt Excess ³	Net Levy	Initial Debt Levy	State Aid	Net Levy	Tax Rate	
2022	2023	43,730	4.7%	5,748,673	215,355	2,044,256	(116,241)	-	7,892,042	18.05	267,425	18.66	-	-	-	-	8,159,467	-	8,159,467	18.66	
2023	2024	52,506	20.1%	5,348,619	2,265,165	-	(201,178)	-	7,412,606	14.66	285,705	14.66	-	-	-	-	7,698,312	-	7,698,312	14.66	
2024	2025	57,757	10.0%	6,291,519	-	-	(337,790)	-	5,953,728	10.31	230,087	10.71	-	2,075,000	108,937	2,287,687	8,471,502	-	8,471,502	14.67	
2025	2026	58,335	1.0%	6,311,416	-	-	(251,661)	-	6,059,755	10.39	79,882	10.52	220,000	2,075,000	-	2,409,750	8,549,387	-	8,549,387	14.66	
2026	2027	58,335	0.0%	6,315,459	-	-	(252,457)	-	6,063,002	10.39	79,882	10.53	230,000	2,064,000	-	2,408,700	8,551,584	-	8,551,584	14.66	
2027	2028	58,335	0.0%	6,312,794	-	-	(252,618)	-	6,060,176	10.39	79,882	10.53	335,000	2,052,500	(96,348)	2,410,527	8,550,585	-	8,550,585	14.66	
2028	2029	58,335	0.0%	6,310,658	-	-	(252,512)	-	6,058,146	10.39	79,882	10.52	350,000	2,035,750	(96,421)	2,408,616	8,546,644	-	8,546,644	14.65	
2029	2030	58,335	0.0%	6,315,960	-	-	(252,426)	-	6,063,534	10.39	79,882	10.53	365,000	2,018,250	(96,345)	2,406,068	8,549,484	-	8,549,484	14.66	
2030	2031	58,335	0.0%	-	-	-	-	-	-	-	79,882	0.14	6,390,000	2,000,000	(338,784)	8,470,716	8,550,598	-	8,550,598	14.66	
2031	2032	58,335	0.0%	-	-	-	-	-	-	-	79,882	0.14	6,710,000	1,680,500	(338,829)	8,471,196	8,551,078	-	8,551,078	14.66	
2032	2033	58,335	0.0%	-	-	-	-	-	-	-	-	-	1,875,000	1,345,000	(338,848)	3,042,152	3,042,152	-	3,042,152	5.22	
2033	2034	58,335	0.0%	-	-	-	-	-	-	-	-	-	1,780,000	1,251,250	(121,686)	3,040,126	3,040,126	-	3,040,126	5.21	
2034	2035	58,335	0.0%	-	-	-	-	-	-	-	-	-	1,850,000	1,163,250	(121,605)	3,042,307	3,042,307	-	3,042,307	5.22	
2035	2036	58,335	0.0%	-	-	-	-	-	-	-	-	-	1,945,000	1,070,750	(121,692)	3,044,845	3,044,845	-	3,044,845	5.22	
2036	2037	58,335	0.0%	-	-	-	-	-	-	-	-	-	2,040,000	973,500	(121,794)	3,042,381	3,042,381	-	3,042,381	5.22	
2037	2038	58,335	0.0%	-	-	-	-	-	-	-	-	-	2,140,000	871,500	(121,695)	3,040,380	3,040,380	-	3,040,380	5.21	
2038	2039	58,335	0.0%	-	-	-	-	-	-	-	-	-	2,250,000	764,500	(121,615)	3,043,610	3,043,610	-	3,043,610	5.22	
2039	2040	58,335	0.0%	-	-	-	-	-	-	-	-	-	2,360,000	652,000	(121,744)	3,040,856	3,040,856	-	3,040,856	5.21	
2040	2041	58,335	0.0%	-	-	-	-	-	-	-	-	-	2,480,000	534,000	(121,634)	3,043,066	3,043,066	-	3,043,066	5.22	
2041	2042	58,335	0.0%	-	-	-	-	-	-	-	-	-	2,605,000	410,000	(121,723)	3,044,027	3,044,027	-	3,044,027	5.22	
2042	2043	58,335	0.0%	-	-	-	-	-	-	-	-	-	2,735,000	279,750	(121,761)	3,043,726	3,043,726	-	3,043,726	5.22	
2043	2044	58,335	0.0%	-	-	-	-	-	-	-	-	-	2,860,000	143,000	(121,749)	3,031,401	3,031,401	-	3,031,401	5.20	
2044	2045	58,335	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2045	2046	58,335	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2046	2047	58,335	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2047	2048	58,335	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2048	2049	58,335	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2049	2050	58,335	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2050	2051	58,335	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2051	2052	58,335	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals				48,955,097	2,480,520	2,044,256	(1,916,883)	-	51,562,990		1,342,391		41,500,000	25,459,500	(2,535,336)	67,772,139	120,677,519	-	120,677,519		

1 Tax capacity value for taxes payable in 2022 and 2023 is the actual value. 2024 is an estimate based on preliminary data from Department of Revenue. Estimates for future years are based on the percentage changes as shown above.
2 Initial debt service levies (prior to subtracting debt equalization aid) are set at 105 percent of the principal and interest payments during the next fiscal year.
3 Debt excess adjustment for taxes payable in 2022 and 2023 are the actual amounts. The adjustment for taxes payable in 2024 is an estimate based on the June 30, 2022 debt service fund balance. Debt excess for future years is estimated at 4% of the prior year's initial debt service levy.



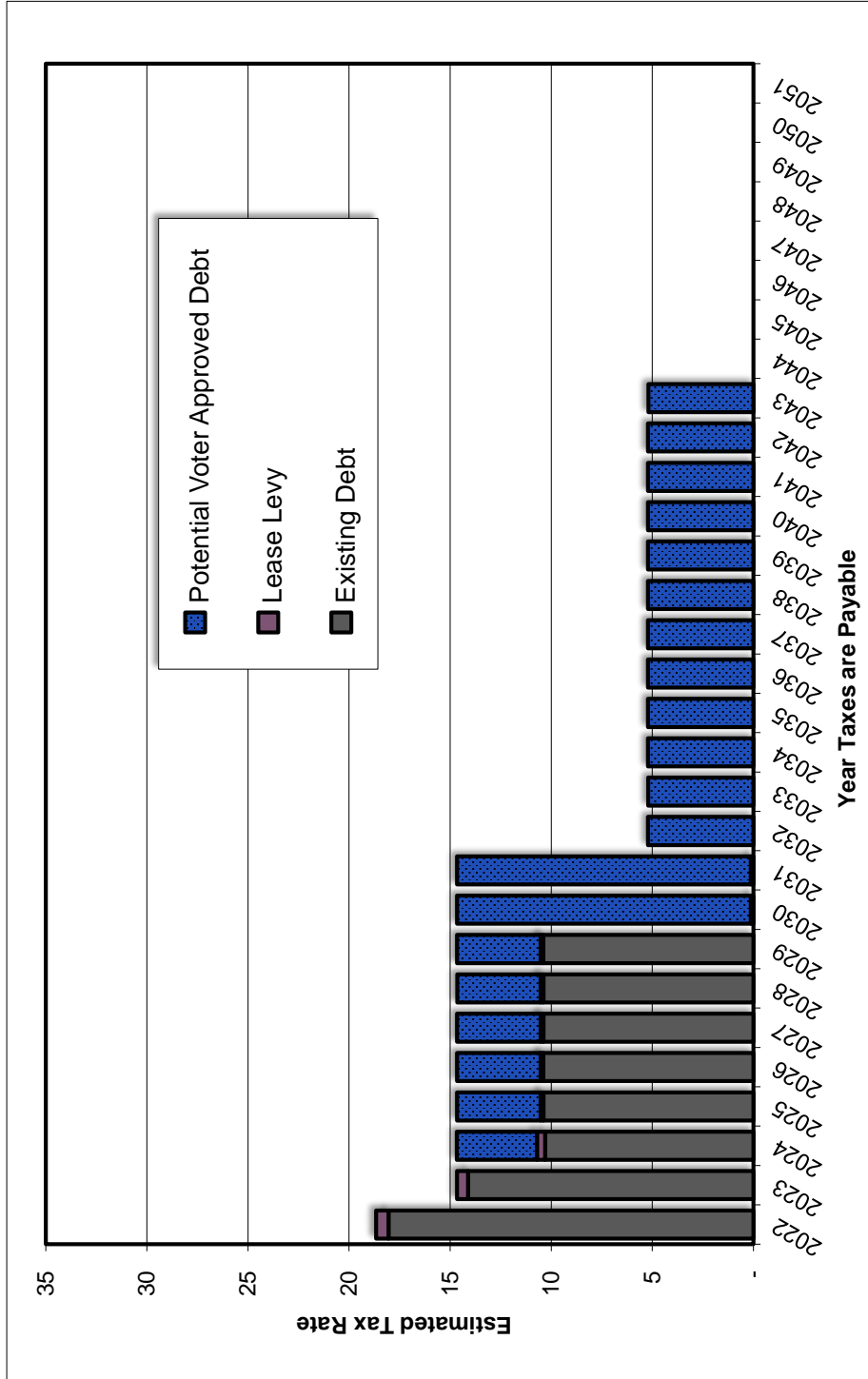
Appendix C - Estimated Tax Rates for Capital and Debt Service Levies

PRELIMINARY INFORMATION - FOR REVIEW AND COMMENT

Buffalo-Hanover-Montrose Schools ISD No. 877
Estimated Tax Rates for Capital and Debt Service Levies
Existing Commitments and Proposed New Debt

\$41,500,000 Bond Issue
20 Tax Levies
Wrapped Around Existing Debt

Date Prepared: June 12, 2023



Debt Plan 23c R&C

Appendix D - Analysis of Tax Impact for Potential Bond Issue

PRELIMINARY INFORMATION - FOR REVIEW AND COMMENT

Buffalo-Hanover-Montrose Schools ISD #877
 Analysis of Tax Impact for Potential Bond Issue
 November 7, 2023 Election

June 12, 2023

Bond Issue Amount	\$41,500,000
Average Interest Rate	5.00%
Dated Date	2/1/2024
Number of Years	20

Type of Property	Estimated Market Value	Estimated Change in Annual Taxes from 2023 to 2024*
Residential Homestead	\$100,000	\$0
	150,000	0
	200,000	0
	250,000	0
	300,000	0
	350,000	0
	400,000	0
	500,000	0
Residential Non-Homestead Multi Unit and Apartments	750,000	0
	\$100,000	\$0
	250,000	0
	500,000	0
	1,000,000	0
Commercial/Industrial #	2,500,000	0
	\$100,000	\$0
	250,000	0
	500,000	0
	1,000,000	0
	2,500,000	0

* The amounts in the table are based on school district taxes for bonded debt levies only, and do not include tax levies for other purposes. Debt from existing bonds that financed a health & safety (indoor air quality) project at Parkview Elementary School will be paid off on February 1, 2024. The payment due on February 1, 2024 is being financed with property tax levies in calendar year 2023, along with payments on other outstanding bonds. The property tax levy for the payment on the new bonds would begin with taxes payable in 2024 (at a tax rate that would be level with taxes payable in 2023, along with the District's existing debt). The tax levies would remain in place for 20 years, although there is another planned reduction in the tax rate after 9 years when other existing debt is paid off. Tax impact shown above does not include the impact of the homeowner's Homestead Credit Refund ("Circuit Breaker") program. Owners of homestead property may qualify for a refund, based on their income and total property taxes. This may change the net effect of the proposed bond issue for those property owners.

For commercial-industrial property, the estimates above are for property in Wright County. The tax impact for commercial-industrial property in Hennepin County will be lower, due to the impact of the Twin Cities Fiscal Disparities program.


Appendix E – Ballot Question

Special Election Ballot

Independent School District No. 877 (Buffalo-Hanover-Montrose)

November 7, 2023

Instructions to Voters:

To vote, completely fill in the oval(s) next to your choice(s) like this: .

To vote for a question, fill in the oval next to the word "Yes" on that question.
To vote against a question, fill in the oval next to the word "No" on that question.

School District Question 1
Approval of School District Bond Issue

Yes

Shall the school board of Independent School District No. 877 (Buffalo-Hanover-Montrose) be authorized to issue its general obligation school building bonds in an amount not to exceed \$41,500,000 to provide funds for the acquisition and betterment of school sites and facilities, including the construction of secure entrances to the high school and middle school; the construction and installation of HVAC improvements at school sites and facilities; the acquisition of furniture, fixtures, technology and equipment; renovations and remodeling of classrooms at school sites and facilities; remodeling and enhancements to the auditorium; improvements and upgrades to playgrounds; and roof replacements at school sites and facilities.

No

**BY VOTING "YES" ON THIS BALLOT QUESTION, YOU
ARE VOTING FOR A PROPERTY TAX INCREASE**
