

DRAFT

RESOLUTION AUTHORIZING TRANSFER OF FUNDS FROM THE
GENERAL FUND RESERVED FOR OPERATING CAPITAL ACCOUNT
TO THE DEBT SERVICE FUND AND MODIFYING A PRIOR RESOLUTION
REGARDING FINANCING OF THE LONG-RANGE FACILITIES PLAN

BE IT RESOLVED, by the School Board (the “Board”) of Independent School District No. 709, St. Louis County, Minnesota (the “District”), as follows:

Section 1. A. The Board approved on June 19, 2007, a Long-Range Facilities Plan (the “Facilities Plan”), which calls for renewal and remodeling of existing school facilities, additions to existing facilities and construction of new schools.

B. The District has submitted the Facilities Plan to the Minnesota Department of Education (i) for approval of the Facilities Plan; (ii) for approval of the financing of the Facilities Plan, and (iii) for review and comment on the Facilities Plan. The Commissioner of Education has approved the Facilities Plan and the financing for the Facilities Plan.

C. The District has issued four series of obligations to finance the Facilities Plan, including the \$71,170,000 Taxable Full Term Certificates of Participation, Series 2009A (Build America Bonds – Direct Pay), dated October 1, 2009 (the “Series 2009A COPs”).

D. The financing plan for the Facilities Plan anticipates canceling all or a portion of tax levies for the Series 2009A COPs each year from certain general fund monies available for that purpose.

E. The Board adopted Resolution B12-09-2707 dated December 15, 2009 (the “2009 Resolution”), authorizing the transfer of certain funds to the District’s debt service fund to cancel a debt service levy for the Series 2009A COPs for Levy Year 2009/Collection Year 2010.

F. The purpose of this Resolution is to clarify the funds and statutory authority by which such debt service levy is cancelled.

Section 2. The Board hereby authorizes, pursuant to Minnesota Statutes Section 126C.10, subd. 14(16), the transfer of operating capital revenues from the general fund (Fund 01) reserved for operating capital account to the debt service fund (Fund 07) in the amount of \$2,283,686.81 for the purpose of the cancellation of the tax levy for Levy Year 2009/Collection Year 2010 and for payment of a portion of the interest on the Series 2009A COPs on August 1, 2010 and February 1, 2011.

Section 3. The 2009 Resolution is hereby modified and clarified by this Resolution.