

MEMORANDUM

TO: Members of the Mahtomedi School Board  
Ms. Barb Duffrin, Superintendent  
Mr. Jeff Priess, Dir. of Finance & Operations

FROM: Dr. Kelly D. Smith, Director  
Baker Tilly Municipal Advisors

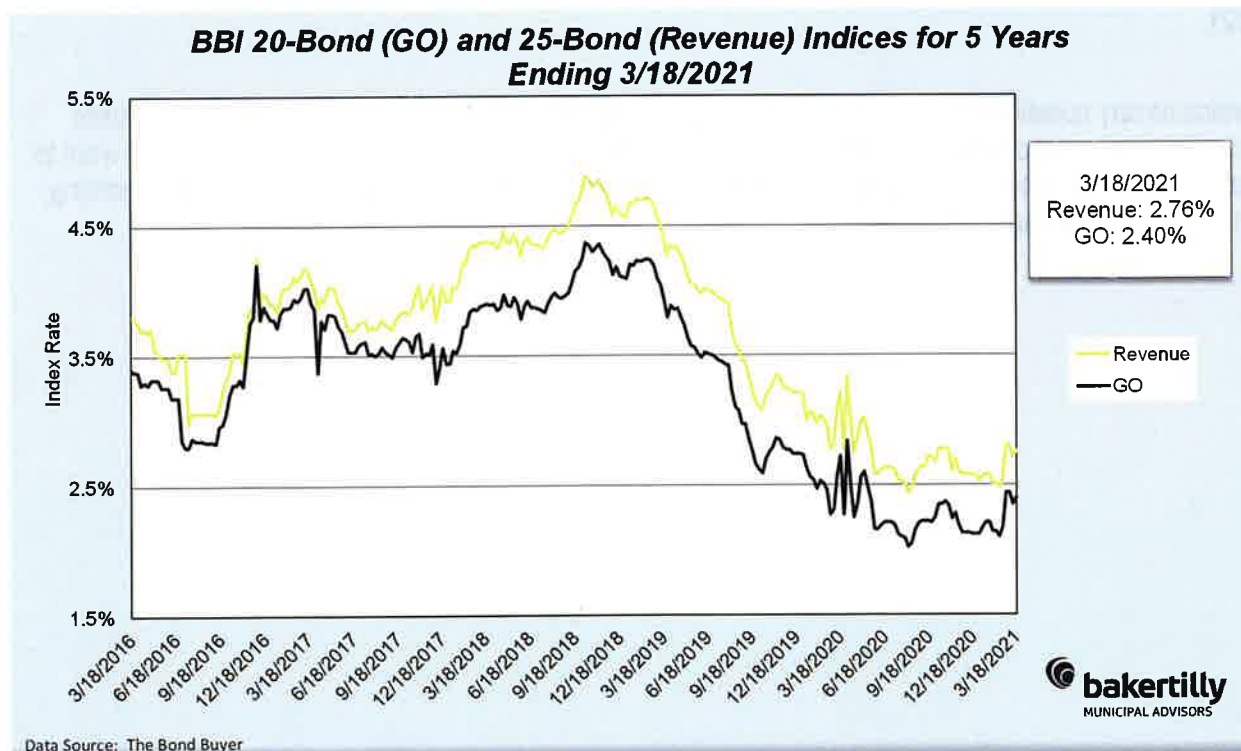
DATE: March 25, 2021

SUBJECT: \$610,000 General Obligation Facilities Maintenance Bonds, Series 2021A  
\$890,000 General Obligation OPEB Bonds, Series 2021B

Baker Tilly Municipal Advisors solicited bids on a competitive basis today on behalf of the Mahtomedi Public Schools for the two separate finance issues listed above.

**Tax-Exempt Market Rates**

Performance of the tax-exempt market is often measured by the Bond Buyer's Index ("BBI") which measures the yield of high-grade municipal bonds in the 20th year for general obligation bonds (the BBI 20 Bond Index) and the 25th year for revenue bonds (the BBI 25 Bond Index). The following chart illustrates these two indices over the past five years.



## Sale Results

Competitive proposals for the issues were solicited and three (3) bids were received this morning for the 2021A issue and two (2) bids for the 2021B issue. Bids are being awarded based on a true interest cost (TIC) basis to reflect the time value of money. Colliers Securities LLC submitted the lowest bid for the 2021A issue and Northland Securities, Inc. had the lowest bid for the 2021B issue. Total savings to district taxpayers achieved by the refunding sale was just under \$70,000 over the final two years of the bond issue. A comparison of actual results to the February recommendation is shown below.

	February Est.	Final
<b>2021A Fac Maint True Interest Cost (TIC)</b>	0.46%	0.74%
<b>2021B OPEB Ref True Interest Cost (TIC)</b>	0.81%	0.54%

## Credit Rating

S & P Global Ratings once again assigned an underlying rating of AA- and they did adjust the district's negative outlook to stable, reflecting improvement in the district's overall financial condition. S & P also affirmed an enhanced rating of AAA to the District's current debt issue. The enhanced rating reflects the security by the State of Minnesota's School District Enhancement Program.

Subject to action by the Board to accept the lowest bids from Colliers Securities LLC for the 2021A issue and Northland Securities, Inc. for the 2021B issue, Baker Tilly Municipal Advisors will coordinate the closings with District staff and expect proceeds from this issue to be delivered to the district on April 22, 2021.

I welcome any questions that you may have regarding the sale and congratulate the Mahtomedi Public Schools on completion of a successful sale process. On behalf of Baker Tilly Municipal Advisors, I want to thank you for the opportunity to assist the District on the sale of these bonds and look forward to working with you on future financing issues.