

Browning Public Schools
Board Agenda Request
Meeting To Be Held: 07/10/18



Recognition: Students Staff Parents
Information: Building Report Old Business Superintendent's Report
Action: Resignation Hiring Contract Service Agreements
 Travel Out-of-State Travel In State Approvals
 Termination Legal Matters Other:
 This action request pertains to Elementary (only) High School/District Wide

Date: 07/02/17

To: **Corrina Guardipee-Hall**
 Browning Public Schools

From: Stacy Edwards
Title: Director of Finance

Subject: **Approval of the Resolution relating to general obligation refunding bonds, series 2018; authorizing the issuance and private negotiated sale thereof.**

Description: The general obligation bonds for both the elementary and high school will be refunded to reduce the interest costs and reduce the taxes necessary to pay the principal of and interest on the bonds.

Financial Impact: refund \$2,745,000.00 for EL and refund \$1,840,000.00 for HS

Funding Source (Budget/grant, etc.):

Attachment(s): See attached resolutions

Approval: Superintendent's Office/Finance/Personnel as applicable (Initial) _____

Comments: _____

Board Action: N/A (Info) Approved Denied Tabled to: _____

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of School District No. 9 (Browning), Glacier County, Montana (the "District"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "RESOLUTION RELATING TO GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018; AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF" (the "Resolution"), on file in the original records of the District in my legal custody; that the Resolution was duly adopted by the Board of Trustees of the District at a meeting on July 10, 2018, and that the meeting was duly held by the Board of Trustees and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Trustees voted in favor thereof: _____
_____; voted against the
same: _____; abstained from
voting thereon: _____; or were
absent: _____.

WITNESS my hand officially this ____ day of July, 2018.

District Clerk

RESOLUTION RELATING TO GENERAL OBLIGATION
REFUNDING BONDS, SERIES 2018; AUTHORIZING THE
ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF

BE IT RESOLVED by the Board of Trustees (the "Board") of School District No. 9 (Browning), Glacier County, Montana (the "District"), as follows:

Section 1. Recitals. At an election duly called and held on December 15, 2005, the electors of the District authorized the issuance and sale of school building bonds in the principal amount of \$5,000,000. Pursuant to such authorization, this Board issued and sold General Obligation School Building Bonds, Series 2007, of the District in the total principal amount of \$5,000,000 (the "Series 2007 Bonds"). It is proposed that some or all of the outstanding Series 2007 Bonds with stated maturities in 2019 and thereafter and outstanding the aggregate principal amount of \$2,745,000 (the "Refunded Bonds") will be refunded and redeemed in one series of bonds to be issued by the District.

Section 2. Authorization. For the purposes of reducing the interest cost on the bonds authorized at the election referred to in Section 1 and reducing the taxes necessary to pay the principal of and interest on the Refunded Bonds, it is hereby determined that it is in the best interests of the District and the owners of taxable property therein for the District to pursue the sale of general obligation refunding bonds, pursuant to Montana Code Annotated, Section 20-9-412, to refund all or a portion of the Refunded Bonds. Such refunding bonds shall be denominated "General Obligation Refunding Bonds, Series 2018" (the "Bonds"), and shall be issued in the aggregate principal amount necessary to provide funds, with other available funds of the District, if any, to pay the interest on and principal of all or a portion of the Refunded Bonds, as determined by the officers of the District identified pursuant to Section 3 and within the limitations therein established so as to maximize debt service savings, assuming that the Refunded Bonds are called for redemption at a redemption price equal to the principal amount thereof plus interest accrued to the date of redemption, without premium.

Section 3. Sale of Bonds; Bond Purchase Agreement. Pursuant to Montana Code Annotated, Section 20-9-412(2), this Board hereby determines that it would be in the best interests of the District to sell the Bonds through a private negotiated sale to D.A. Davidson & Co., of Great Falls, Montana (the "Purchaser"). The Bonds will be sold to the Purchaser on terms and at a purchase price within the following limitations:

- (1) the underwriter's discount shall not exceed 1.50% of the principal amount of the Bonds, exclusive of original issue premium or discount;
 - (2) the aggregate principal amount of the Bonds shall be in an amount necessary to accomplish the refunding of the Refunded Bonds;
 - (3) the debt service payable on the Bonds is such that the net present value of debt service savings to be achieved by the refunding is not less than 3.00% of the principal amount of the Refunded Bonds, using the yield of the Bonds as the discount factor, calculated over the term of the Refunded Bonds;
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(4) the average annual interest rate on the Bonds is at least fifty-hundredths percent (0.50%) less than the average annual interest rate on the Refunded Bonds; and

(5) the final maturity date of the Bonds is not later than the final maturity date of the Refunded Bonds.

All costs of issuing the Bonds (including, without limitation, and as applicable, underwriter's compensation, the fees and expenses of bond counsel, the fees of the paying agent and registrar, the fees of the escrow agent, rating agency fees, verification agent fees, the Preliminary and final Official Statement costs, the Continuing Disclosure Report, Depository Trust Company fees, CUSIP costs, printing costs, and miscellaneous expenses) shall be paid by the District.

The Board Chair, the Superintendent, the Business Manager/District Clerk, and one member of the Board designated by the Board are hereby authorized and directed to approve the maturities and portions of maturities of the bonds being refunded, principal amounts, purchase price, maturity dates (provided that the final maturity date is not later than the final maturity date of the Refunded Bonds), basic and additional interest rates, original issue discount and premium (if any), optional redemption terms, and other provisions relating to the Bonds, subject to the limitations contained in the initial paragraph of this Section 3. Upon approving such terms, the Board Chair, the Superintendent, the Business Manager/District Clerk, and the designated Board member are hereby authorized and directed to approve, execute and deliver to the Purchaser a bond purchase agreement (the "Bond Purchase Agreement"), containing the agreement of the District to sell, and the agreement of the Purchaser to purchase, the Bonds on the terms so approved, and containing such other provisions as such officers shall deem necessary and appropriate. In the event of the absence or disability of any of the Board Chair, the Superintendent, the Business Manager/District Clerk, or the designated Board member, another member of this Board shall make such approvals and execute and deliver the Bond Purchase Agreement. The execution and delivery by not less than two appropriate officers of the District of the Bond Purchase Agreement shall be conclusive as to the approval of such officers of the terms of the Bonds and the agreement of the District to sell the Bonds on such terms in accordance with the provisions thereof.

The form of the Bonds and the security therefor shall be prescribed by a subsequent resolution to be adopted by this Board.

Section 4. Preliminary Official Statement. The Board Chair, the Superintendent, the Business Manager/District Clerk, and the designated Board member and other officers of the District, in cooperation with D.A. Davidson & Co., as underwriter, and Dorsey & Whitney LLP, as Bond Counsel, are hereby authorized and directed to prepare a Preliminary Official Statement to be distributed by the Purchaser to potential purchasers of the Bonds. Each of the Board Chair, the Superintendent, the Business Manager/District Clerk, and the designated Board member (or in the event of the absence or disability of any of the Board Chair, the Superintendent, the Business Manager/District Clerk, or the designated Board member, another member of this Board) is hereby authorized and directed on behalf of the District to approve the Preliminary Official Statement, and to deem it a "final" official statement as of its date in accordance with Rule 15c2-12(b)(1) promulgated by the Securities and Exchange Commission under the

Securities and Exchange Act of 1934, and to authorize the distribution of the Preliminary Official Statement.

Adopted this 10th day of July, 2018.

Chair of the Board of Trustees

Attest: _____
District Clerk
