

# STIFEL

To: Weber School District Superintendent and Board Members

From: Matt Dugdale and Elizabeth Read, Stifel Nicolaus & Company (Financial Advisor)

Date: Thursday, September 28, 2023

Re: Bond Parameters Resolution

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Respected Superintendent and Board Members,

On Tuesday, October 4, 2023, the Board will consider the adoption of a *Resolution Authorizing the Issuance of and Sale of General Obligation School Building and Refunding Bonds* for the purpose of raising money for constructing buildings, acquiring land and furnishings and remodeling and updating existing school property and refunding (restructuring) the District's Series 2013 Bonds and Series 2014 Bonds (the "Bond Resolution"). While adopting the Bond Resolution does not require the District to issue bonds, it is the first step that must legally be taken to start the issuance process. Along with authorizing the issuance of the bonds, the Bond Resolution sets forth following:

- 1) **Bond Parameters/Terms** (see pages 6-7) – The Bond Resolution authorizes the following maximum parameters within which the bonds must be issued:
  - a. Maximum par amount – \$118,000,000.
    - i. New Money - \$78,500,000
    - ii. Series 2013 Refunding - \$21,000,000
    - iii. Series 2014 Refunding - \$18,500,000
  - b. Maximum term – 21 years.
  - c. Maximum interest rate – 6.50% per year.
  - d. Maximum Discount – 2% of the par amount.
- 2) **Designated Officers** (see pages 4, 14) – The Bond Resolution delegates authority to the Business Administrator, Superintendent, Board President or a board member to determine the following:
  - a. Method of sale for the bonds;
  - b. Selection of an underwriter in a negotiated sale (if utilized);
  - c. Winning bidder in a competitive sale if the winning bid is compliant with the Bond Parameters described above.
- 3) **Structure, Redemption, and Sale of Bonds** (see pages 8-15) – The Bond Resolution authorizes the District to determine the structure, redemption features, and sale of bonds according to industry practices.

- 4) **Execution and Delivery of Bonds** (see pages 16-21) – The Bond Resolution authorizes the District to execute the bond transaction, deliver bond proceeds, and utilize the State of Utah Guaranty under the School Bond Guaranty Act pursuant to State Statute.
- 5) **Covenants and Undertakings** (see pages 19-22) – The Bond Resolution authorizes the District to enter into all requisite covenants, agreements, and undertakings as required for the bond transaction(s), including levying sufficient property taxes to pay bond debt service.
- 6) **Form of Bonds** (see pages 23-26) – The Bonds will take the certificate form as outlined in these pages per industry standards.
- 7) **Miscellaneous** (see pages 30-32 – Exhibits) – The Bond Resolution approves, in substantially final form, certain required bond documents including a Preliminary Official Statement (used in marketing bonds to investors) and a public notice required by State Statute.

If the Board approves the Bond Resolution, the anticipated issuance calendar for the Bonds is as follows:

Month of November	Finance team prepares documents and legal structure for the bonds
Month of December	Discussions with rating analysts at Moody's and Fitch
Month of December	Receive bond ratings
Month of January	Publish bond offering document and Notice of Bond sale to the market
Month of January	Bond pricing (accept bids for the District's bonds)
Month of February	Bond closing (monies delivered for refunding escrow)

The Series 2013 Bonds and Series 2014 Bonds are callable anytime on or after June 15, 2023. Currently, Internal Revenue Code does not allow tax-exempt refundings to close more than 90 days before the call date, however, there are no concerns given the District is beyond this period. The District could close on the refunding bonds at any time.

These dates and timing considerations may vary depending on market conditions and other factors.

I invite any questions from the District on these and other matters related to the issuance of the District's bonds. I appreciate the opportunity to work with the District and its professional staff as financial advisor.

***BOARD MOTION***

***Motion to adopt the Bond resolution located on Board Docs.***