



# ROCKFORD AREA SCHOOLS

INDEPENDENT SCHOOL DISTRICT 883  
BOARD OF EDUCATION

*A Tradition of Excellence, One Student at a Time*

Agenda for February 6, 2023

6:30 PM

District Board Room

6051 Ash Street

Rockford, MN 55373

1. **CALL MEETING TO ORDER**

A. Board Roll Call

2. **Facilities Update**

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3. **BOARD AND SUPERINTENDENT UPDATES AND ANNOUNCEMENTS**

A. Regular Meeting of the Board of Education: Wednesday, February 22, 2023 at 6:30 PM in the District Office Board Room

4. **ADJOURNMENT**

**Our Mission:** *In partnership with our communities and families, Rockford Area Schools provides challenging opportunities to engage, inspire, and educate globally-minded citizens.*

**Our Vision:** *Rockford Area Schools provides a supportive, rigorous, and relevant learning culture producing courageous learners prepared to enter a global society.*

### **Rockford Board of Education**

Jamie Hillstrom

Eric Gordee

Jenny Kneeland

Amy Edwards

Jessica Johnson

Beth Praska

Superintendent Rhonda Dean



## Memo

To: Rhonda Dean, Superintendent  
Mike McNulty, Director of Finance & Operations  
ISD 883, Rockford Area Schools

From: Michael Hart, Director, Public Finance  
PMA Securities, LLC

Date: February 6, 2023

Re: Capital Facilities Bond Information

The purpose of this memo is to further inform the District of the implications of issuing General Obligation Capital Facilities Bonds in relation to projects being presented to the board in detail at a work session on February 6, 2023. Our analysis is based on a total estimated project cost financed with the new bond issue of \$1,000,000.

Capital Facilities Bonds are paid from the District's operating capital within the restricted funds of the general fund. When a capital facilities bond is issued, the payment on the bonds reduces the operating capital funding available for other purposes in the general fund. Operating capital funding can be used for many items including but not limited to technology, curriculum, furniture or other improvements of buildings and sites. The issuance of capital facilities bonds does not increase taxes on any taxpayer as the bond payments are made with revenue the District is already receiving.

In February 2010, ISD 883 issued \$1,875,000 of General Obligation Capital Facilities bonds that were subsequently refinanced in 2021 to reduce the interest rate. Those current capital facilities bonds have two more payment years remaining and will be paid in full in FY 2025. The current payment on that issue is approximately \$148,000 annually.

Currently the District receives an annual allocation of \$390,000 in operating capital. This funding comes from a split of local taxpayers and state aid. With the current bond payment in place since Fiscal Year 2011, the District has had about \$240,000 operating capital revenue available each year for budgeting within the general fund after the bond payment. The District also currently has a fund balance of \$786,000 in operating capital as of June 30, 2022.

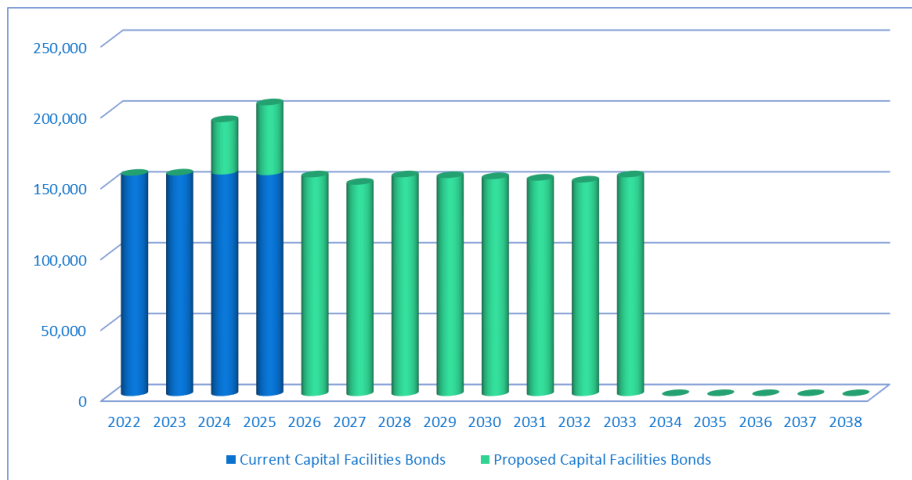


# PMA™

The chart below illustrates the estimated payments on a proposed new capital facilities bond funding \$1,000,000 of projects. We are assuming a structure where the bonds have interest only payments until the old capital facilities bonds are paid off. After the old bonds are paid off, we are able to maintain the same annual payment of about \$148,000. This pays off the new bonds with 8 principal payments from FY 2026 to FY 2033.

The interest payments in FY 2024 and FY 2025 will cause the combined bond payments to be above the historical payment for two years. We are estimating the interest to be \$35,250 in FY 2024 and \$47,000 in FY 2025. This is based on current market interest rates plus a .50% cushion for market risk. These interest payments can be made by either reducing planned expenditures from the operating capital or spending down the District’s operating capital fund balance.

Available Project Amount	\$ 1,000,000
Proposed Bond Term	10
Est. All Inclusive Cost	3.83%



The District could consider lengthening the proposed term of the bonds to a maximum of 15 years to reduce the annual bond payment leaving more funding available each year within the operating capital general fund allocation. A shorter bond term would have the opposite impact drawing a larger share of the operating capital but also reducing the total interest cost.

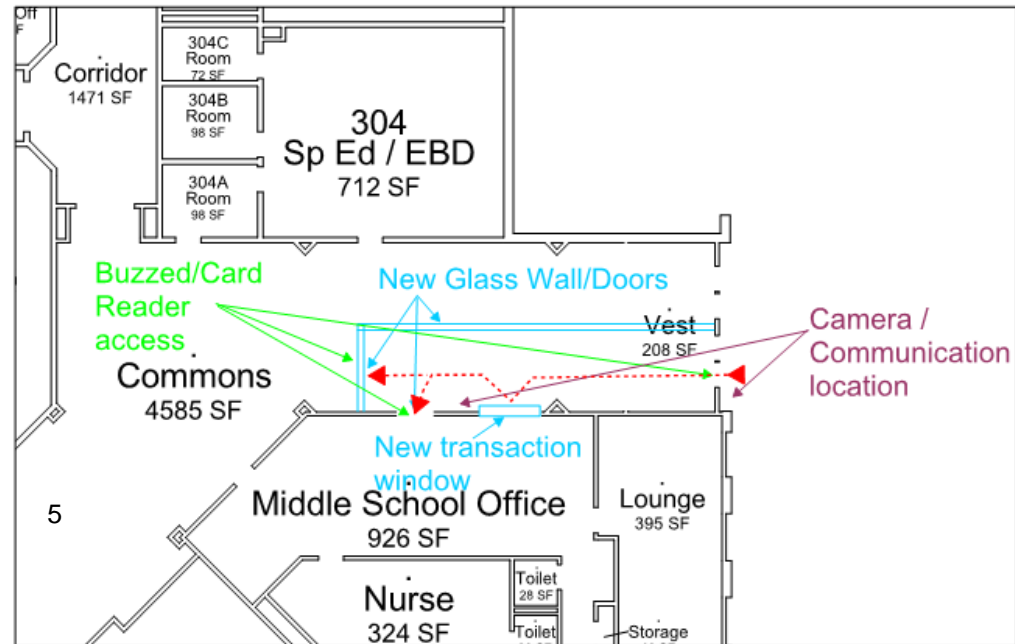
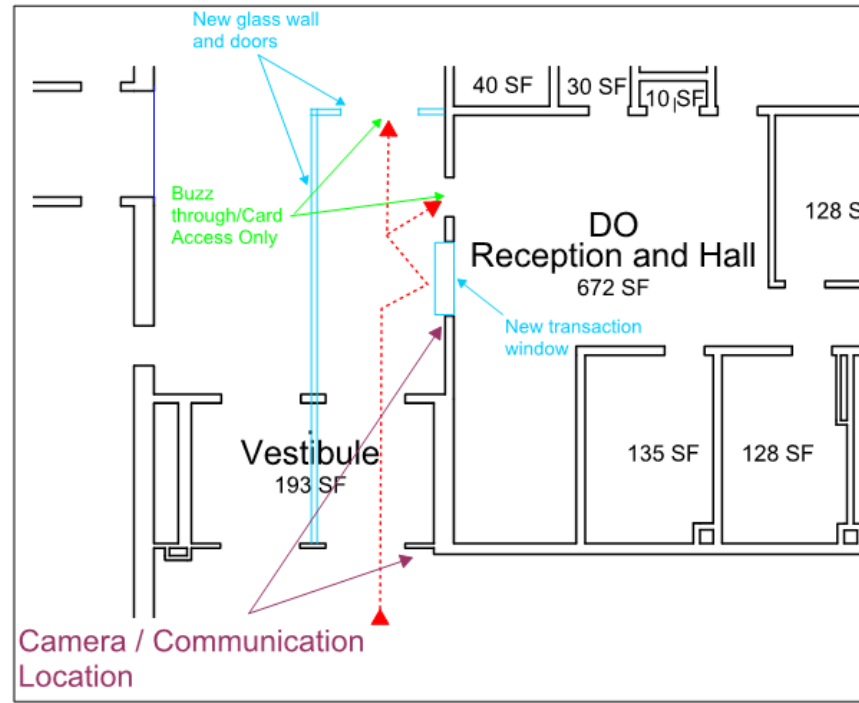
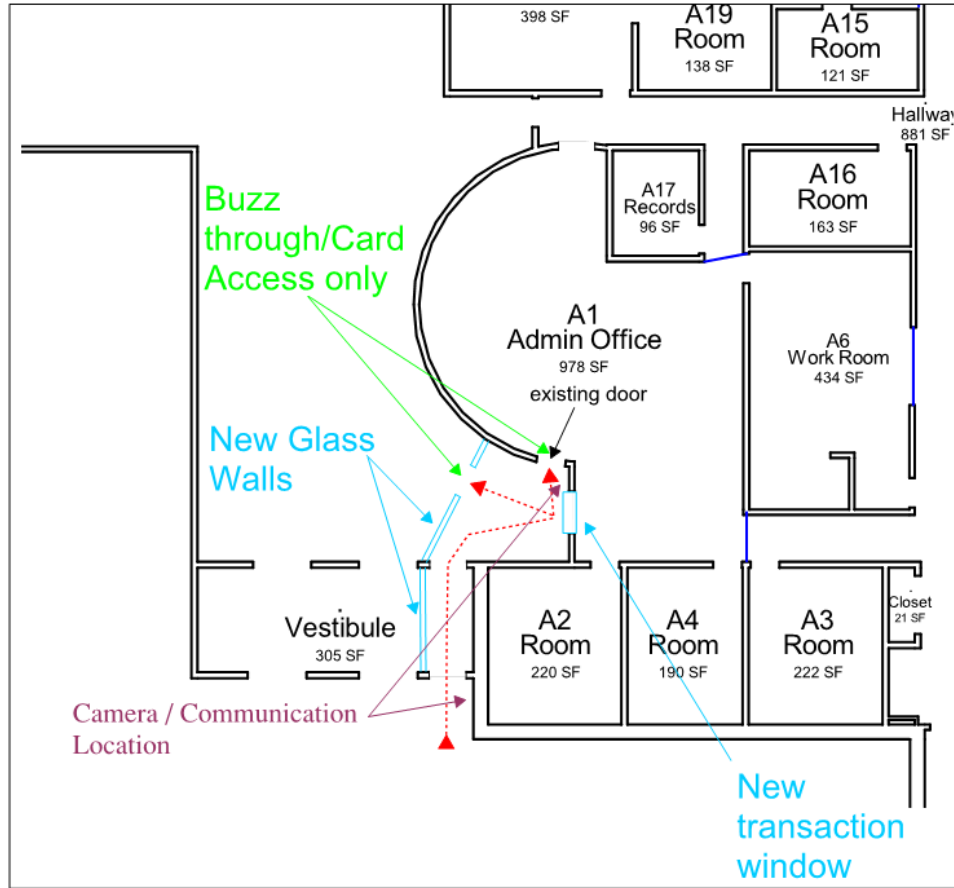
We look forward to continuing the discussion with the District as you consider options to fund the proposed projects.



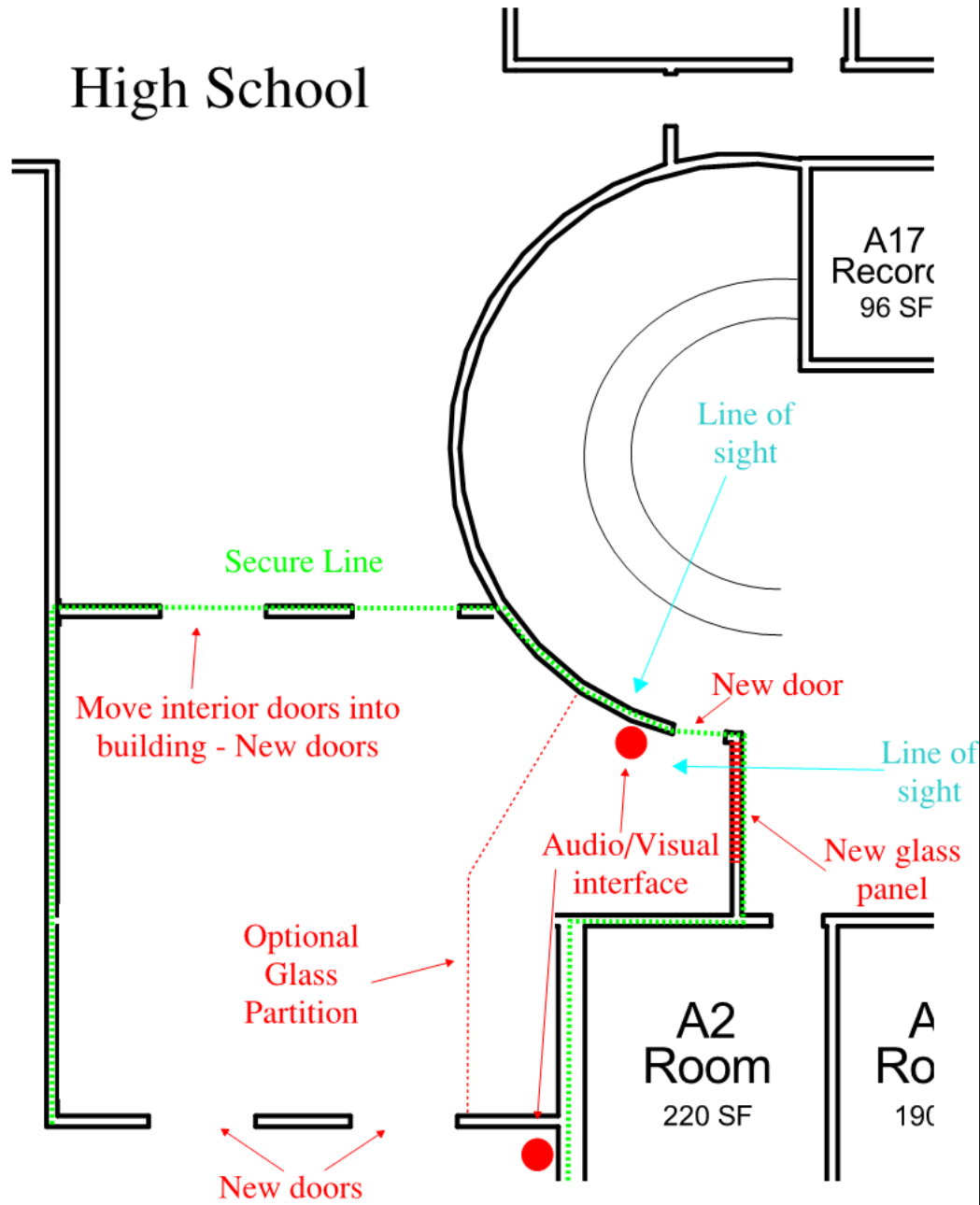
# Rockford Area School District 883

Work-session – February 6, 2023

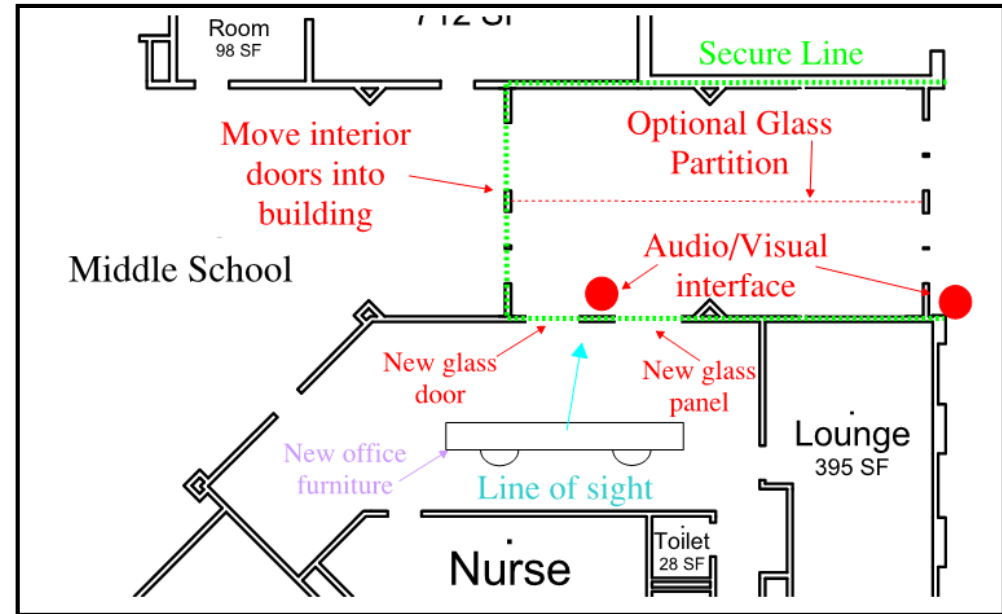
- Capital Facility Bonds – Existing Revenue Source, not a new tax impact
  - Secure Entry Systems and Construction
  - Signage
  - Landscaping
  - Storage systems
  - Physical Education Equipment



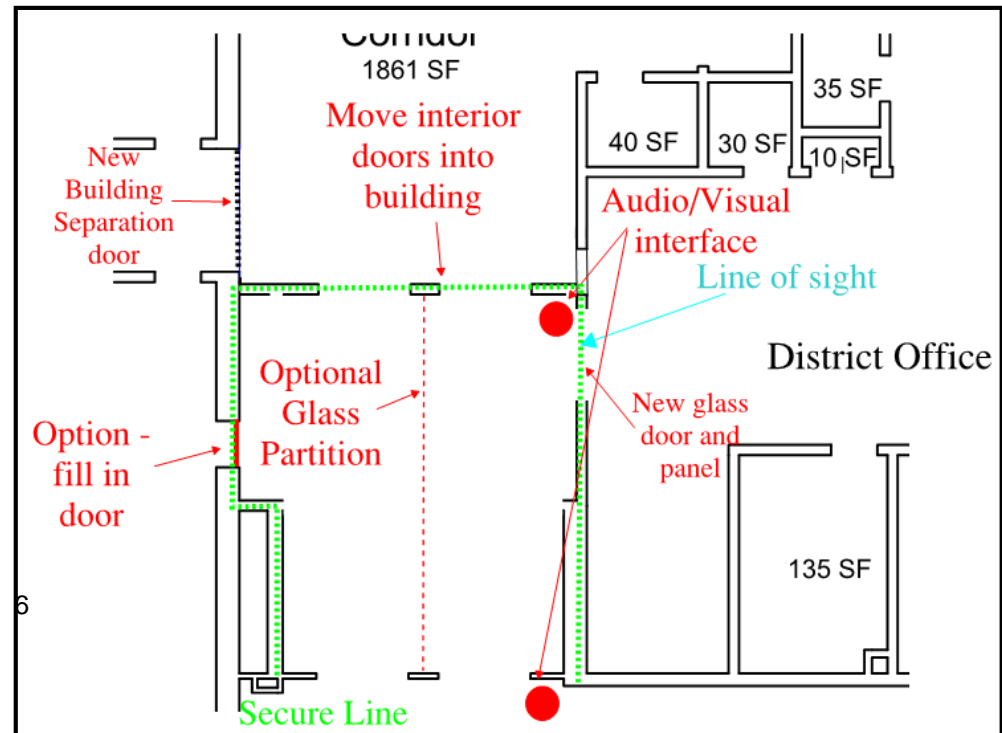
# High School



# Middle School



# District Office









 **GEARBOSS**  
by Wenger



# ACCESSORIES/OPTIONS

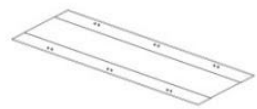
SOFT CART DIVIDERS



SELVES



SHELF LINER



SHELF LIPS



DOUBLE TRUSS



FULL GARMENT BAR



HALF LENGTH GARMENT BAR

HANGING BRACKET



CLOSURES AND DOORS



- Capital Facility Bonds

- Secure Entry Systems and Construction - \$600,000
  - Optional vestibule separations - \$130,000
- Signage - \$50,000
- Landscaping - \$100,000
- Storage systems - \$100,000
- Physical Education Equipment - \$25,000
- Contingency, Designs, Cost of Financing - \$65,000
- TBD – 3M Film on glass
- Total approximately - \$1.05M

