Special School Board Meeting

Monday, August 17, 2026 6:30 PM
LS-H MS/HS Media Center, 901 Ferry St., Le Sueur, MN 56058

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **APPROVAL OF AGENDA**
4. **NEW BUSINESS**

4.1. Transportation Financing

5. **ADJOURN**

EXTRACT OF MINUTES OF A MEETING
OF THE SCHOOL BOARD OF
INDEPENDENT SCHOOL DISTRICT NO. 2397
(LE SUEUR-HENDERSON PUBLIC SCHOOLS)
LE SUEUR, NICOLLET, SCOTT AND SIBLEY COUNTIES, MINNESOTA

Pursuant to due call and notice thereof a special meeting of the School Board of Independent School District No. 2397 (Le Sueur-Henderson Public Schools), Le Sueur, Nicollet, Scott and Sibley Counties, Minnesota, was held in the School District on August 17, 2026 at 6:30 o'clock p.m.

The following members were present:

and the following were absent:

Member ______________________ introduced the following resolution and moved its adoption:

RESOLUTION STATING THE INTENTION OF THE SCHOOL BOARD TO ISSUE GENERAL OBLIGATION CAPITAL AND REFUNDING NOTES, SERIES 2026A, IN THE AGGREGATE PRINCIPAL AMOUNT OF APPROXIMATELY $1,915,000; AND TAKING OTHER ACTIONS WITH RESPECT THERETO

BE IT RESOLVED by the School Board (the "Board") of Independent School District No. 2397 (Le Sueur-Henderson Public Schools), Le Sueur, Nicollet, Scott and Sibley Counties, Minnesota (the "District"), as follows:

1. Background. The Board proposes to issue general obligation school building bonds and refunding bonds. In connection therewith, it is hereby determined that:

(a) Capital Notes.

(i) The District is authorized under the provisions of Minnesota Statutes, Chapter 475, as amended (the "Act"), and Minnesota Statutes, Section 123B.61, as amended ("Section 123B.61"), to issue general obligation capital notes for the purpose of financing capital equipment purchases.

(ii) The Board hereby finds and determines that it is necessary and expedient to the sound financial management of the affairs of the District to issue its general obligation capital notes (the "Capital Notes Portion"), in the aggregate principal amount not to exceed $1,070,000, pursuant to the Act and Section 123B.61, to finance the acquisition of school buses and other transportation vehicles (the "Equipment") and related financing costs. The Board further finds and determines that the capital equipment to be acquired will have an expected useful life at least equal to the term of the Capital Notes Portion, in accordance with Section 123B.61 and the Act.

(b) Refunding Notes.

(i) On the following dates, the District entered into lease-purchase agreements with the lenders hereinafter noted to finance the acquisition of vehicles for use in the District's school transportation operations: (1) Santander Bank, N.A., dated May 6, 2026, in the principal amount of $57,765.91; (2) Santander Bank, N.A., dated May 6, 2026, in the principal amount of $149,223.49; (3) First Farmers Bank & Trust, dated June 10, 2026 in the principal amount of $254,095.91; (4) First Farmers Bank & Trust, dated June 10, 2026 in the principal amount of $142,574.78; (5) First Farmers Bank & Trust, dated July 24, 2026 in the principal amount of $114,342.78; (6) Ally Financial, dated June 30, 2026 in the principal amount of $44,673.80; and (7) Ally Financial, dated June 30, 2026, in the principal amount $45,218.18 (collectively, the "Leases"). The Leases are subject to optional redemption and prepayment at any time.

(ii) The District is authorized by the Act, including Section 475.67 of the Act ("Section 475.67") to issue and sell general obligations to refund outstanding obligations when determined by the Board to be necessary and desirable for the reduction of debt service costs to the District.

(iii) The Board hereby finds and determines that it is necessary and desirable for the reduction of debt service costs to the District that the District issue and sell its general obligation refunding notes in the aggregate principal amount of approximately

$845,000 (the "Refunding Portion"), pursuant to Section 123B.61 and the Act, including Section 475.67, to optionally redeem and prepay the Leases.

(c) The Board hereby determines that the Capital Notes Portion and the Refunding Notes Portion shall be issued together in a single series in the original aggregate principal amount of approximately $1,915,000 (the "Notes"). The Board hereby designates the Notes as the "General Obligation Capital and Refunding Notes, Series 2026A."

2. Covenant as to State Credit Enhancement.

(a) The District hereby covenants and obligates itself to notify the Commissioner of Education (the "Commissioner") of a potential default in the payment of principal and interest on the Notes and to use the provisions of Minnesota Statutes, Section 126C.55 (the "Credit Enhancement Act") to guarantee payment of the principal and interest on the Notes when due. The District further covenants to deposit with the paying agent for the Notes (the "Paying Agent"), or any successor paying agent, three (3) days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Commissioner that it will be unable to make all or a portion of that payment. The Paying Agent is authorized and directed to notify the Commissioner if it becomes aware of a potential default in the payment of principal or interest on the Notes or if, on the day two (2) business days prior to the date a payment is due on the Notes, there are insufficient funds on deposit with the Paying Agent to make that payment. The District understands that as a result of its covenant to be bound by the provisions of the Credit Enhancement Act, the provisions of that section shall be binding as long as any Notes of this issue remain outstanding.

(b) The District further covenants to comply with all procedures now and hereafter established by the Minnesota Departments of Management and Budget and Education pursuant to subdivision 2(c) of the Credit Enhancement Act and otherwise to take such actions as necessary to comply with that section. The Board Chair, Clerk, Treasurer, Superintendent, or Business Manager of the District are authorized to execute any applicable Minnesota Department of Education forms.

3. Sale of Notes; Method of Sale. The Board has retained Ehlers and Associates, Inc. (the "Municipal Advisor"), to serve as the District's independent municipal advisor with respect to the offer and sale of the Notes. The Notes may be sold by either a competitive sale or through a request for proposals, as determined by the Superintendent in consultation with the Municipal Advisor.

4. Acceptance of Proposal. The Board shall meet at the time specified in the Preliminary Term Sheet or Preliminary Official Statement, or at such other time designated by the Board, to receive and consider proposals for the purchase of the Notes and take any other appropriate action with respect to the Notes.

5. Authority of Municipal Advisor. The Municipal Advisor is authorized and directed to assist the District in the preparation and dissemination of a Preliminary Term Sheet or Preliminary Official Statement to be distributed to potential purchasers of the Notes and to open, read, and tabulate the proposals for the purchase of the Notes for presentation to the Board. The Municipal Advisor is further authorized and directed to assist the District in the award and sale of the Notes on behalf of the District after receipt of written proposals and to assist the District in the preparation and dissemination of a final Term Sheet or final Official Statement with respect to the Notes.

6. Authority of Bond Counsel. The law firm of Kennedy & Graven, Chartered, is authorized to act as bond counsel for the District ("Bond Counsel"), and to assist in the preparation and review of necessary documents, certificates, and instruments related to the Notes. The officers, employees, and agents of the District are hereby authorized to assist Bond Counsel in the preparation of such documents, certificates, and instruments.

7. Reimbursement from Capital Notes Portion. The District may incur certain expenditures that may be financed temporarily from sources other than the Capital Notes Portion and reimbursed from the proceeds of the Capital Notes Portion. Treasury Regulation § 1.150-2 (the "Reimbursement Regulations") provides that proceeds of tax-exempt bonds allocated to reimburse expenditures originally paid from a source other than the tax-exempt bonds will not be deemed expended unless certain requirements are met. In order to preserve its ability to reimburse certain costs from proceeds of the Capital Notes Portion in accordance with the Reimbursement Regulations, the District hereby makes its declaration of official intent (the "Declaration") described below to reimburse certain costs

(a) Declaration of Intent. The District proposes to issue the Capital Notes Portion to finance the costs of the Equipment. The District may reimburse original expenditures made for certain costs of the Equipment from the proceeds of the Capital Notes Portion in an estimated maximum principal amount of $1,070,000. All reimbursed expenditures will be capital expenditures, costs of issuance of the Capital Notes Portion, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Reimbursement Regulations.

(b) Declaration Made Not Later Than 60 Days. This Declaration has been made not later than sixty (60) days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of the Capital Notes Portion, except for the following expenditures: (a) costs of issuance of the Capital Notes Portion; (b) costs in an amount not in excess of $100,000 or five percent (5%) of the proceeds of the Capital Notes Portion; or (c) "preliminary expenditures" up to an amount not in excess of twenty (20) percent of the aggregate issue price of the Capital Notes Portion that finance or are reasonably expected by the District to finance the Equipment for which the preliminary expenditures were incurred. The term "preliminary expenditures" includes architectural, engineering, surveying, note issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of the Equipment, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

(c) Reasonable Expectations; Official Intent. This Declaration is an expression of the reasonable expectations of the District based on the facts and circumstances known to the District as of the date hereof. The anticipated original expenditures for the Equipment and the principal amount of the Capital Notes Portion described in Section 7(a), above, are consistent with the District's budgetary and financial circumstances. No sources other than proceeds of the Capital Notes Portion to be issued by the District are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside pursuant to the District's budget or financial policies to pay such original expenditures. This Resolution is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

(The remainder of this page is intentionally left blank.)

The motion for the adoption of the foregoing resolution was duly seconded by __________________, and upon vote being taken thereon, the following voted in favor of the motion:

and the following voted against:

whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
)
COUNTIES OF LE SUEUR,)
SCOTT, NICOLLET & SIBLEY) ss.
)
INDEPENDENT SCHOOL)
DISTRICT NO. 2397)

I, the undersigned, being the duly qualified and acting Clerk of Independent School District No. 2397 (Le Sueur-Henderson Public Schools), Le Sueur, Nicollet, Scott and Sibley Counties, Minnesota (the "District"), hereby certify that I have carefully compared the attached and foregoing extract of minutes of a special meeting of the School Board of the District held on the date specified above, with the original minutes on file in my office and the extract is a full, true, and correct copy of the minutes, insofar as they relate to authorizing the issuance of the District's General Obligation Capital and Refunding Notes, Series 2026A, in the aggregate principal amount of approximately $1,915,000.

WITNESS My hand as such Clerk this ____ day of August, 2026.

____

Clerk of the School Board
Independent School District No. 2397 (Le Sueur-Henderson Public Schools), Le Sueur, Nicollet, Scott and Sibley Counties, Minnesota

Le Sueur - Henderson Public Schools, ISD #2397
Capital Notes

	Keep Existing	Refinance All
Existing Loans		
Principal	1,824,922.53	
Interest	414,852.24	
Subtotal	2,239,774.77	
Capital Notes		
Principal		1,915,000.00
Estimated Interest		560,933.00
Subtotal		2,475,933.00
Estimated Ag2School Credit		- 693,093.24
Subtotal		1,782,239.76
TOTAL	2,239,774.77	1,782,239.76
Estimated Difference		-457,535.01

Le Sueur-Henderson Public Schools, ISD 2397

August 12, 2026

Estimated Sources and Uses for Capital Notes Issue

Authorized Amount	**$1,915,000**
Estimated Project Costs	**$1,824,860**
Number of Years	
Dated Date of Bonds	**10/1/2026**
Sources of Funds	
Par Amount	$1,915,000
Reoffering Premium [1]	0
Investment Earnings [2]	0
Total Sources	$1,915,000
Uses of Funds	
Underwriter's Discount [3]	$28,725
Legal and Fiscal Costs [4]	61,415
Net Available for Project Costs	**1,824,860**
Total Uses	$1,915,000
Initial Deposit to Construction Fund	**$1,824,860**

1 The underwriter of the bonds may receive a reoffering premium in the sale of the bonds. They will retain a portion of the premium as their compensation, or underwriter's discount. The remainder of the premium will be either be used to reduce the par amount of the bonds, pay a portion of the first year's interest on the bonds, or deposited in the construction fund and used to fund a portion of the project costs.

2 Estimated investment earnings are expected to be negligible.

3 The underwriter's discount is an estimate of the compensation taken by the underwriter who provides the lowest true interest cost as part of the competitive bidding process and purchases the bonds. Ehlers provides independent municipal advisory services as part of the bond sale process and is not an underwriting firm.

4 Includes fees for municipal advisor, bond counsel, rating agency, paying agent, and county certificates.

Le Sueur-Henderson School District

Estimates of Operating Capital Revenue and Bond Payments

$1,915,000 Capital Facilities Bond Issue

13 Years; Payments Limited to

98% of Operating Cap. Revenue

	Proposed Bond Issue
Principal Amount:	$1,915,000
Dated Date:	10/1/2026
Average Interest Rate:	4.00%

August 12, 2026

Levy Pay Year	Fiscal Year	Adjusted Pupil Units	Building Age	Revenue/ Pupil	Est. Total Op Cap Revenue	Op Cap Aid	Op Cap Levy	Potential New Capital Facilities Bonds: Principal	Interest	Est. Debt Excess [2]	Total Debt Service [1]	Total Debt Service	Operating Cap. Revenue Remaining
2026	2027	947	42.95	234.82	222,468	50,872	171,596	-	25,533	-	26,810 [3]	26,810	195,658
2027	2028	947	27.33	217.79	206,334	47,183	159,151	130,000	76,600	(16,400)	200,530	200,530	5,804
2028	2029	947	27.88	218.39	206,903	47,313	159,590	130,000	71,400	(8,021)	203,449	203,449	3,454
2029	2030	947	28.43	218.99	207,471	47,443	160,028	135,000	66,200	(8,138)	203,122	203,122	4,349
2030	2031	947	28.98	219.59	208,040	47,573	160,467	140,000	60,800	(8,125)	202,715	202,715	5,324
2031	2032	947	29.53	220.19	208,608	47,703	160,905	150,000	55,200	(8,109)	207,351	207,351	1,257
2032	2033	947	30.08	220.79	209,176	47,833	161,343	155,000	49,200	(8,294)	206,116	206,116	3,061
2033	2034	947	30.63	221.39	209,745	47,963	161,782	160,000	43,000	(8,245)	204,905	204,905	4,840
2034	2035	947	31.18	221.99	210,313	48,093	162,220	170,000	36,600	(8,196)	208,734	208,734	1,580
2035	2036	947	31.73	222.59	210,882	48,223	162,659	175,000	29,800	(8,349)	206,691	206,691	4,191
2036	2037	947	32.28	223.19	211,450	48,353	163,097	185,000	22,800	(8,268)	209,922	209,922	1,528
2037	2038	947	32.83	223.78	212,009	48,481	163,528	190,000	15,400	(8,397)	207,273	207,273	4,736
2038	2039	947	33.38	224.38	212,578	48,611	163,967	195,000	7,800	(8,291)	204,649	204,649	7,929
2039	2040	947	33.93	224.98	213,146	48,741	164,405	-	-	-	-	0	213,146
Totals					**5,118,989**	**1,167,544**	**3,951,444**	**1,915,000**	**560,333**	**(106,832)**	**2,492,268**	**2,570,607**	**2,548,382**

1 Debt service levies are set at 105 percent of the principal and interest payments during the next fiscal year.
2 Debt excess adjustment is estimated at 4% of the prior year's initial debt service levy.
3 First year's interest payments on Capital Facilities bond will be paid from funds on hand in the debt service fund.

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