

SPECIAL BOARD MEETING MINUTES

September 1, 2021

Chair Ron Pagel called the Dover-Eyota Board of Education Special Meeting, District #533, to order at 6:02 PM in the Dover-Eyota High School Media Center. Other Board members present: Don Andring, Tamara DeMuth, Heather Duellman, James Johnson, Jessica McFarlan (6:12 pm), Shawna Seaquist, and Superintendent Mike Carolan. Absent: none. Also in attendance were Business Manager Gary Betcher, and Administrative Assistant Tara Dabelstein

The Pledge of Allegiance was recited.

Approve the Agenda

A motion was made by Member Johnson, seconded by Member Seaquist and carried unanimously to approve the amended agenda.

Reports/Discussion Items

Presentation by Ehlers Public Finance Advisors – Mr. Jeff Seeley, Senior Municipal Advisor with Ehlers Public Finance Advisors, presented on the district's abatement bonds, which could be used for parking lot improvements. He went over how the community's taxes would remain level, by selling these bonds, the taxes would not be going up or down. Mr. Seeley went through a PowerPoint discussing Statuary Authority for Tax Abatement, the scope of the parking lot projects which is construction and reconstruction of district parking lots, the tax abatement approval process, the districts next steps, and the estimated tax impact.

The school board members discussed at length and understand that they are able to change their mind if they later decided to not go through with the bond sale. Mr. Seeley recommended to withdraw before final levy in December. Mr. Seeley also shared that 28% would be paid for by the state due to an agriculture credit.

Superintendent Carolan will request and schedule a soil boring to be done to fully understand the full expanse of the project needed and to help define the cost of the project.

The school board will use September meeting to discuss future need and the scope of what a referendum may cover.

Public Comments – There were no public comments.

Resolution Approving Property Tax Abatement Related to Infrastructure Improvements Within the School District and Authorizing the Sale of General Obligation Abatement Bonds –

A motion was made by member Johnson, seconded by Member DeMuth, and carried unanimously to approve the Resolution Approving Property Tax Abatement Related to Infrastructure Improvements Within the School District and Authorizing the Sale of General Obligation Abatement Bonds (Attachment A). A roll call vote was taken with the following voting in favor: Andring, DeMuth, Duellman, Johnson, McFarlan, Seaquist, and Pagel. Those voting against the same: none. The motion carried unanimously.

ADJOURNMENT

A motion was made by Member Johnson, seconded by Member DeMuth, and carried unanimously to adjourn the meeting at 7:47 PM.

Heather Duellman, Clerk
TD

**INDEPENDENT SCHOOL DISTRICT NO. 533 (DOVER-
EYOTA PUBLIC SCHOOLS)
OLMSTED COUNTY, MINNESOTA**

Attachment A

**RESOLUTION APPROVING PROPERTY TAX ABATEMENT
RELATED TO INFRASTRUCTURE IMPROVEMENTS
WITHIN THE SCHOOL DISTRICT AND AUTHORIZING THE
SALE OF
GENERAL OBLIGATION ABATEMENT BONDS**

BE IT RESOLVED by the Board of Education (the "Board") of Independent School District No. 533 (Dover-Eyota Public Schools), Olmsted County, Minnesota (the "District"), as follows:

Section 1. Recitals.

1.01. The District has contemplated granting a property tax abatement in order to help finance infrastructure improvements primarily consisting of parking lot improvements at the high school/middle school building as well as additional parking at the elementary school (the "Project"), which will benefit certain property in the District, all pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815, as amended (the "Abatement Act").

1.02. Pursuant to Section 469.1813, subdivision 1 of the Abatement Act, the District may grant an abatement of all or a portion of the taxes imposed by the District on a parcel of property to pay for all or part of the cost of acquisition or improvement of public infrastructure, whether or not located on or adjacent to the parcel for which the tax is abated.

1.03. The District has identified two hundred ninety-eight (298) parcels located in the District, identified in EXHIBIT A attached hereto (the "Abatement Property"), which will be benefitted by the Project and from which the District proposes to abate a portion of the District's share of taxes to help finance the Project, subject to all the terms and conditions of this resolution.

1.04. The District is authorized under the Abatement Act and Minnesota Statutes, Chapter 475, as amended (collectively, the "Act"), to issue one or more series of general obligation bonds, all or a portion of which will be designated as tax abatement bonds, in the approximate aggregate principal amount of \$980,000

(the "Abatement Bonds"), which will be issued to pay the costs of the Project pursuant to the Abatement Act, and which are expected to be paid primarily through the collection of Abatement revenues (as defined herein).

1.05. On the date hereof, the Board conducted a duly noticed public hearing on the Abatement at which the views of all interested persons were heard.

Section 2. Findings.

2.01. It is hereby found and determined that the benefits to the District from the Abatement will be at least equal to the costs to the District of the Abatement, because (a) the Abatement will help finance the Project, which is necessary to provide improved transportation and safety in the District and to provide improved access to school facilities for the community as a whole; and (b) the increased District taxes collected from the Abatement Property upon termination of the Abatement are expected to far exceed the amount of the Abatement collected from the Abatement Property during the term of this resolution.

2.02. It is hereby found and determined that the Abatement is in the public interest for the reasons described in Section 2.01 hereof.

Section 3. Actions Ratified; Abatement Approved.

3.01. The Board hereby ratifies all actions of the District's staff and consultants in arranging for approval of this resolution in accordance with the Abatement Act.

3.02. Subject to the provisions of the Abatement Act, the Abatement is hereby approved and adopted subject to the following terms and conditions:

(a) The term "Abatement" means the District's share of the real property taxes generated from the Abatement Property, in the amounts described in this Section:

(i) The aggregate Abatement paid by the District during the term of this resolution will not exceed the amount necessary to pay the principal of and all or a portion of the interest on the Abatement Bonds, up to a maximum of \$1,232,000.

(ii) Notwithstanding anything to the contrary herein, the Abatement payable on any August 1 and subsequent February 1, combined, will not exceed the amount produced by extending the District's total tax rate for the applicable year against the tax capacity of the Abatement Property, as of January 2 in the prior year.

(iii) In accordance with Section 469.1813, subdivision 8 of the Abatement Act, in no year shall the Abatement, together with all other abatements approved by the District under the Abatement Act and paid in that year, exceed the greater of ten percent (10%) of the District's net tax capacity for that year or \$200,000 (the "Abatement Volume Cap"). The District may grant any other abatements permitted under the Abatement Act after the date of this resolution, provided that to the extent the total abatements in any year exceed the Abatement Cap, the allocation of Abatement Cap to such other abatements is subordinate to the Abatements under this Agreement.

(b) The District will pay the Abatement in semiannual installments each February 1 and August 1, commencing August 1, 2022, and continuing through February 1, 2024. The District will pay the Abatement solely to finance the cost of the Project, through application of Abatement amounts toward debt service payments on the Abatement Bonds (including any bonds issued to refund the initial Abatement Bonds).

(c) This resolution may be modified only with the prior written approval of the District, and any modification is subject to Section 469.1813, subdivision 7 of the Abatement Act.

(d) In accordance with Section 469.1815 of the Abatement Act, the District will add to its levy in each year during the term of the Abatement the total estimated amount of current year Abatement granted under this resolution.

Section 4. Sale of Abatement Bonds Authorized.

4.01. The Board finds it necessary and expedient to the sound financial management of the affairs of the District to issue one or more series of Abatement Bonds, in the proposed principal amount of \$980,000, pursuant to the Act, to provide financing for the Project.

4.02. The District is authorized by Section 475.60, subdivision 2(9) of the Act to negotiate the sale of the Abatement Bonds because the District has retained an independent municipal advisor in connection with the sale of the Abatement Bonds. The actions of the District staff and its municipal advisor in negotiating the sale of the Abatement Bonds are ratified and confirmed in all aspects.

4.03. Ehlers and Associates, Inc., as municipal advisor to the District (the "Municipal Advisor"), is authorized and directed to negotiate the sale of the Abatement Bonds. The Board intends to meet on January 10, 2022, or another date selected by the Superintendent of the District, to consider proposals on the Abatement Bonds and take any other appropriate action with respect to the Abatement Bonds.

4.04. 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 relating to the Abatement Bonds. The officers, employees and agents of the District are hereby authorized to assist Bond Counsel and the Municipal Advisor in the preparation of such documents, certificates, and instruments.

4.05. In the resolution awarding the sale of the Abatement Bonds, the Board will set forth the covenants and undertakings required by the Act.

4.06. In connection with the sale of the Abatement Bonds, the officers or employees of the District are authorized and directed to cooperate with the Municipal Advisor to participate in the preparation of an official statement for the Abatement Bonds and to deliver it on behalf of the District upon its completion.

4.07. The District hereby covenants and obligates itself to notify the Commissioner of a potential default in the payment of principal and interest on the Abatement Bonds and to use the provisions of Minnesota Statutes, Section 126C.55, as amended (the "State Credit

Enhancement Act”), to guarantee payment of the principal and interest on the Abatement Bonds when due. The District further covenants to deposit with the registrar and paying agent for the Abatement Bonds (the “Registrar”) 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 Registrar 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 Abatement Bonds or if, on the day two (2) business days prior to the date a payment is due on the Abatement Bonds, there are insufficient funds to make that payment on deposit with the Registrar. The District understands that as a result of its covenant to be bound by the provision of the State Credit Enhancement Act, the provisions of that section shall be binding as long as any Abatement Bonds of this issue remain outstanding.

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 State Credit Enhancement Act and otherwise to take such actions as necessary to comply with that section. The Chair, Clerk, or Superintendent of the District is authorized to execute any applicable Department of Education forms.

4.08. The District has or may have incurred certain expenditures with respect to the Projects that were financed temporarily from other sources but are expected to be reimbursed with proceeds of the Abatement Bonds. The District hereby declares its intent to reimburse certain costs of the Projects from proceeds of the Abatement Bonds (the “Declaration”). This Declaration is intended to constitute a declaration of official intent for purposes of the Section 1.150-2 of the Treasury Regulations promulgated under the Internal Revenue Code of 1986, as amended.

4.09. The Chair and District Clerk are authorized and directed to execute and deliver any agreements, certificates or other documents that the District determines are necessary to implement this resolution.

Section 5. Effective Date. This resolution shall be in full force and effect from and after its approval.

Adopted by the Board of Education of Independent School District No. 533 (Dover-Eyota Public Schools), Olmsted County, Minnesota, this 1st day of September, 2021.

_____ Chair

ATTEST:

_____ District Clerk

EXHIBIT A

ABATEMENT PROPERTY

Parcel Identification Numbers:

612232084506	621042081714	612844032204	621544079178	613111032236	620334032609	613334082329
621042068164	612132032129	623423064643	610911032019	631433079411	621421028346	611523032062
622614070937	722844044571	623232049393	712934041524	722344071720	510312032310	621413028296
621042076425	620433032618	632423081895	622511032787	620312085164	713442068426	721541071225
622312053303	510612054418	622533050102	712844080413	722334071721	613121032238	621042076427
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612232084507	613221032248	621711032729	622914056207	510411032317	713113041533	621421077309
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610443031982	621221082696	623611032885	723321044613	611732061803	622932050110	
623433032879	722614044550	721912044494	520344051964	621922032747	620744084690	
613411080341	622444070926	722932058896	612811032203	611713032085	611033032031	

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