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June 4, 2018

Sale Day Report for

Independent School District No. 318
(Itasca County), Minnesota

\$65,440,000 General Obligation School Building Bonds,
Series 2018A

Independent School District 318

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Sale Day Report – June 4, 2018

Independent School District No. 318 (Itasca County), Minnesota
 \$65,440,000 General Obligation School Building Bonds, Series 2018A

Purpose: To finance the acquisition of land for and the construction and equipping of two new elementary school facilities in Grand Rapids and the remodeling, upgrading and construction and equipping of an addition to the Cohasset Elementary School site and facility, as approved by voters in a special election held on April 10, 2018.

Rating: **MN Credit Enhancement Rating:** S&P Global Ratings "AA+"
Underlying Rating: S&P Global Ratings "A+"

Number of Bids: 8

Low Bidder: Citigroup Global Markets Inc., New York, New York

Comparison from Lowest to Highest Bid: (TIC as bid)	Low Bid	High Bid	Interest Difference
	3.3749%*	3.4449%	\$675,299

Summary of Results:	Results of Sale
Principal Amount*:	\$65,440,000
Underwriter's Discount:	\$213,989
Reoffering Premium:	\$5,469,551
True Interest Cost*:	3.3791%
Capitalized Interest:	\$1,785,562
Costs of Issuance:	\$180,604
Yield:	2.49% - 3.58%
Total Net P&I	\$101,575,508

* *The winning bidder submitted a bid with a premium price (a price greater than the par amount of the bonds) that was larger than the estimates in the Pre-Sale Report. Most of the net premium (reoffering premium minus underwriter's discount) will be used to reduce the par amount of the bond issue. A portion of the balance will be used to pay the first year's interest payment and part of the second year's interest payment, and the remaining amount will be deposited in the construction fund. The maturity schedule of the bonds was also adjusted. The reduction in the bond size and change in the maturity schedule caused a slight change in the True Interest Cost.*

Notes: The True Interest Cost of 3.38% is lower than the estimate of 3.68% used for the Pre-Sale Report which was presented to the board on May 7th, and significantly lower than the estimate of 4.25% used for the Pre-Election estimates. Total principal and interest over the life of the bond issue will be approximately \$5.4 million less than the Pre-Sale and Pre-Election estimates, while an additional \$75,000 is available to finance project costs.



Closing Date: June 28, 2018

School Board Action: Adopt the resolution awarding the sale of \$65,440,000 General Obligation School Building Bonds, Series 2018A.

- Attachments:**
- Bid Tabulation
 - Updated Sources and Uses of Funds
 - Debt Service Schedule, 2018A Issue
 - Updated Long-Term Debt Plan, Including Sale Results
 - Updated Tax Impact Schedule
 - S & P Rating Report
 - Bond Resolution (Distributed in School Board Packets)

