

ITEMS TO INCLUDE ON AGENDA

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Approximately \$15,600,000 School Infrastructure Sales, Services and Use Tax Revenue Refunding Bonds, Series 2016

- Consideration of Financing Proposals Opened and Reviewed by the Superintendent of Schools, Board Secretary, and the Placement Agent.
- Resolution Directing Sale.

**NOTICE MUST BE GIVEN PURSUANT TO IOWA CODE
CHAPTER 21 AND THE LOCAL RULES OF THE SCHOOL
DISTRICT.**

October 24, 2016

The Board of Directors of the Cedar Falls Community School District, State of Iowa, met in _____ session, in the City of Cedar Falls City Hall, 220 Clay Street, Cedar Falls, Iowa, at 7:00 P.M., on the above date. There were present President _____, in the chair, and the following named Board Members:

Absent: _____

* * * * *

Board Member _____ introduced the following Resolution entitled "RESOLUTION DIRECTING THE SALE OF APPROXIMATELY \$15,600,000 SCHOOL INFRASTRUCTURE SALES, SERVICES AND USE TAX REVENUE REFUNDING BONDS, SERIES 2016," and moved its adoption. Board Member _____ seconded the motion to adopt. The roll was called and the vote was:

AYES: _____

NAYS: _____

The President declared the Resolution adopted.

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RESOLUTION DIRECTING THE SALE OF APPROXIMATELY \$15,600,000 SCHOOL INFRASTRUCTURE SALES, SERVICES AND USE TAX REVENUE REFUNDING BONDS, SERIES 2016

This is the time and place for the sale of School Infrastructure Sales, Services and Use Tax Revenue Refunding Bonds, Series 2016 (the "Bonds");

WHEREAS, the School District has received proposals for the sale of the Bonds and has arranged for the sale of these Bonds to _____, at a purchase price of par, plus accrued interest to date of delivery:

NOW, THEREFORE, IT IS RESOLVED BY THE BOARD OF DIRECTORS OF THE CEDAR FALLS COMMUNITY SCHOOL DISTRICT IN THE COUNTY OF BLACK HAWK, STATE OF IOWA:

Section 1. The sale of approximately \$15,600,000 School Infrastructure, Sales, Services and Use Tax Revenue Refunding Bonds, Series 2016, to be dated the date of delivery, for the purpose of refunding outstanding School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2011, dated May 10, 2011, upon the following terms, is approved and confirmed.

Section 2. That the President and Secretary are authorized and directed to issue and deliver approximately \$15,600,000 School Infrastructure Sales, Services and Use Tax Revenue Refunding Bonds, in the aggregate principal amount of approximately \$15,600,000, each in the denomination of \$100,000 or integral multiples of \$5,000 in excess thereof, bearing interest and maturing as follows:

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
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See attached

Section 3. That all acts of the Superintendent of Schools and Board Secretary done in furtherance of the sale of the Bonds are ratified and approved.

PASSED AND APPROVED this 24th day of October, 2016.

President of the Board of Directors

ATTEST:

Secretary of the Board of Directors

KEVIN
McCANNA
Chairman

DANIEL
FORBES
President

DAVID
PHILLIPS
Executive VP

RAPHALIATA
McKENZIE
Senior VP

MAGGIE
BURGER
Senior VP

ANTHONY
MICELI
Senior VP

LARRY
BURGER
Vice President

BARBARA
CHEVALIER
Vice President

MARK
JERETINA
Vice President

October 24, 2016

Ms. Joyce Coil, President
Cedar Falls Community School District
1002 West First Street
Cedar Falls, IA 50613

**RE: CEDAR FALLS COMMUNITY SCHOOL DISTRICT, IOWA
\$15,600,000 School Infrastructure Sales, Services and Use Tax Revenue Refunding Bonds,
Series 2016**

Dear President Coil and Member of the School Board:

Key Government Finance, Inc., Superior, Colorado, in association with DA Davidson & Co., Des Moines, Iowa, acting as Placement Agent, has provided a proposal for the purchase of \$15,600,000 School Infrastructure Sales, Services and Use Tax Revenue Refunding Bonds, Series 2016 being sold by Cedar Falls Community School District, Iowa.

Upon examination, it is our opinion that the proposal is favorable to the District and should be accepted. **We therefore recommend that the Bonds be awarded to the proposer at a price of \$15,600,000, being at a true interest cost of 2.0999%. By the District choosing to currently refund the Series 2011 School Infrastructure Sales, Services and Use Tax Revenue Bonds, the District will realize a Net Present Value Savings of \$1,455,088 which is a savings of 9.041% of the Refunded Bonds.**

The amounts and rates for each year are as follows:

<u>Year</u>	<u>Principal</u>	<u>Rates</u>
2017	\$1,225,000	2.100%
2018	1,085,000	2.100%
2019	1,100,000	2.100%
2020	1,125,000	2.100%
2021	1,140,000	2.100%
2022	1,160,000	2.100%
2023	1,180,000	2.100%
2024	1,205,000	2.100%
2025	1,225,000	2.100%
2026	1,250,000	2.100%
2027	1,275,000	2.100%
2028	1,300,000	2.100%
2029	1,330,000	2.100%

Sincerely,

SPEER FINANCIAL, INC.

Maggie Burger
Sr. Vice President

**CEDAR FALLS COMMUNITY SCHOOL DISTRICT, IOWA
SERIES 2016 SAVE REFUNDING (OF SERIES 2011 SAVE BONDS)**

PROPOSER	INTEREST RATE	OPTIONAL REDEMPTION	OTHER COSTS FEES	COVERAGE*	ADDITIONAL NOTES
Key Government Finance Superior, CO <i>(Recommended Proposal)</i>	2.10%	1-24 months @102% of Par 25-60 months @101% of Par Month 61 to Maturity at Par	\$8,500-10,000 Bank Counsel Costs	1.20x	Minimal Continuing Disclosure Move Closing up to Nov 21, 2016 (this date is fine with Bond Counsel)
Regions Bank St. Louis, MO	2.10%	Anytime with 30 days written notice at Par	n/a	1.20x	Minimal Continuing Disclosure Step-up DSRF requirement = 1/3 of 6/1/2029 debt service in FY 2026, 2027, 2028. Require Regions own Registrar Services at \$750 per year
BB & T Charlotte, NC	2.24%	June 1, 2023 at Par	\$5,000 Bank Counsel Costs	1.15x**	Minimal Continuing Disclosure
Wells Fargo, n.a. Denver, CO	2.04%	June 1, 2019 @102% of Par June 1, 2020 @101% of Par June 1, 2021 @ Par	\$10,000 Bank Counsel Costs Plus Closing Fee = 0.10% of Par	1.10x**	Requires a 6/1/2027 final maturity Includes stipulations like Default Rate

*The District's Current Coverage requirement on the outstanding SISSUT Revenue Bonds, Series 2011 and 2013 is 1.20x

**The 1.20x coverage on parity debt (Series 2013) remains in effect until 2013 bonds are matured, called or paid in full, then 1.10x or 1.15x thereafter.