

Ludington Board of Education
Public Meeting Notice

Please Post

Mission: The Ludington Area School District, in partnership with parents and community, will educate and empower students to adapt and succeed in their future.

Finance Committee Meeting

Date: May 16, 2019

Time: 5:30 p.m.

Place: Ludington Area School District Administration Office
809 East Tinkham Avenue, Ludington, Michigan

- 1) CALL TO ORDER & ROLL CALL
 Josh Snyder Steve Carlson Scott Foster
- 2) CITIZEN PARTICIPATION
- 3) AGENDA MODIFICATION
- 4) DISCUSSION ITEMS
 - a) Bond Rating Request - Standard and Poor's
 - b) Draft Preliminary Official Statement
 - c) Cash Flow Structure for Bond Proceeds
 - d) L-4029 Tax Levy for 2019-2020
 - e) Fund Transfer for Retired Bus Bond Debt
 - f) Updates from Other Committees
- 5) ADJOURNMENT

This is a meeting of the Board of Education in public for the purpose of conducting the School District's business and is not to be considered a public community meeting. Official minutes of the Ludington Board of Education are available for public inspection during normal business hours at the Board of Education's Central Business Office, 809 E. Tinkham Avenue, Ludington, Michigan, 231-845-7303. The Ludington Area School District is an equal opportunity employer and provider. If you are an individual with a disability who is in need of special accommodations to attend or participate in a public meeting please contact Superintendent Jason J. Kennedy at 231-845-7303 at least 24 hours prior to the meeting or as soon as possible.

Memorandum - Office of the Superintendent

TO: Board of Education ☒
FROM: Jason Kennedy, Superintendent
RE: Finance Committee Meeting ~ Agenda Notes

Bond Rating Request - Standard and Poor's

The District has applied for a school district underlying rating in conjunction with the District's estimated \$41,375,000 School Building and Site Bonds (General Obligation – Unlimited Tax). The request outlines that the bonds will be issued for school building and site purposes, and that the Bonds are qualified for the Michigan School Bond Qualification and Loan Program. As a result, the District has requested a program rating as well. These ratings have been requested from Standard and Poor's. The expected sale date of the bonds is Monday, June 10, 2019, and the District has requested a rating by no later than Tuesday June 4, 2019.

Draft Preliminary Official Statement

We will discuss the draft preliminary official statement with the committee. The District intends to finalize the Official Statement by May 22, 2019.

Cash Flow Structure for Bond Proceeds

Updates will be provided on the work that has gone into selecting Baker Tilly as the firm to work as Investment Advisor for the district when the bond proceeds are received. We have reviewed the scope of services and fees associated with four (4) different investment advisory firms, and have found the most reasonable proposal to be offered by Baker Tilly for the first bond issuance. Their fee structure matches one (1) other firm with the lowest overall cost, and also offers collaborative services with the *Michigan Cooperative Liquid Assets Securities System (CLASS)*. This is a high-yield depository banking pool that is completely liquid, and will be used to hold about 5% of the bond proceeds to make all payments for construction costs as the work is completed. The remaining approximately 95% of the bond proceeds will be invested in securities that align with projected cash flow needs based on draw schedules provided by Christman.

L-4029 Tax Levy for 2019-2020

We will discuss the L-4029 tax levy for 2019-2020.

Fund Transfer for Retired Bus Bond Debt

The district has made the final scheduled payment for the debt associated with the 2013 bus bond issuance. This debt fund has a remaining balance of \$74,916 from the debt levy proceeds collected in 2018. These funds can now be transferred to the 2016 bus debt fund in order to be used for the scheduled payments associated with that debt.

Updates from Other Committees

We will review updates from each of the other committees in preparation for the Board meeting on May 20, 2019.