

School District U-46
Elgin, Illinois
June 21, 2021

The Finance Committee of the Board of Education met at 4:15 p.m. via Zoom and made available to the public in Room 140 of the Educational Services Center, 355 East Chicago Street, Elgin, Illinois, to present and discuss the Fiscal Year 2022 Tentative Budget and to present and discuss refunding. In attendance were Board members John Devereux, and Melissa Owens. Also in attendance were Board Members Sue Kerr, and Dawn Martin as well as Tony Sanders, Superintendent, Dale Burnidge, Director of Financial Operations, Dr. Jeff King, Deputy Superintendent of Operations/Chief School Business Official, and Mr. Robert Lewis, III, Senior Vice President, Managing Director for PMA Securities, LLC.

1. Open Meeting and Introduction

Ms. Owens opened the meeting and stated everyone present.

2. Presentation and Discussion of School District U-46 Refunding

Mr. Burnidge began the presentation by stating the district is looking into the potential of saving money on interest payments by refunding some of the older bond issues and introduced Mr. Lewis of PMA Securities. Mr. Lewis went on to present and discuss the refunding and stated he reviewed the refunding opportunities with five of the district's bond sales. Mr. Lewis recommended proceeding with the tax exempt refunding of the 2009 series and the 2012b series given their proximity to their call dates. Mr. Lewis stated the 2009 series has already reached its call date and the 2012b series will be called January 1, 2022. Mr. Lewis stated under the tax code, the district can close as early as October 1, 2021, which means in standard delivery, after sale, the district can sell the bond in late August 2021. Mr. Lewis stated the plan is to sell a refunding of those bonds tentatively on August 23, 2021, do a competitive sale in which the district would receive bids from multiple underwriting funds, and the firm that has the lowest true interest cost rate would win the bid. Mr. Lewis stated the Board of Education has for its consideration tonight the resolution that would permit the refinancing of the 2009 series and the 2012b series bonds with no extension of the terms for either series.

In response to Mr. Devereux, Mr. Lewis stated the numbers are estimated savings and he believes are good and realistic best estimates. In response to Mr. Devereux, Mr. Lewis stated when they estimate the savings to present to the Board of Education they are a bit conservative. Mr. Lewis stated he anticipates the market will stay pretty close to where it is today, which would make the savings the same if not a little bit better than what was presented at the May Finance Committee Meeting. Mr. Lewis stated as the date nears in August, he will provide updates to administration that will be shared with the Board of Education advising where they believe the savings will be. Mr. Lewis stated at that point the delegates can always chose whether to proceed or not with the sale of the refunding bonds, if they are not at a level administration believes is consistent enough with what the Board of Education has approved. In response to Mr. Devereux, Mr. Lewis stated the district is under no obligation to proceed should the delegates decide the refunding is not in the best interests of the district.

In response to Ms. Kerr, Mr. Lewis stated there would have to be a substantial increase in interest rates of a ½ percent or more before he would recommend the district pause on the refunding of the bonds. Mr. Lewis stated a substantial increase in interest rates of a ½ percent or more at this point is unlikely.

In response to Ms. Owens, Mr. Lewis stated the approval of the sale would be at the end of August 2021.

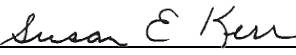
3. Public Participation

There were no public comments.

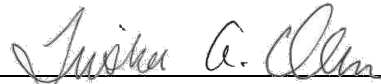
4. Adjournment

Ms. Owens adjourned the meeting.

Approved this 19th day of July 2021.



President



Secretary