

To: Board of Education

From: Kyle Hayden, superintendent, ext. 4309
Kathy Johnson, director, finance, ext. 2376

Re: Approval of Resolution Authorizing & Providing for the Calling of a Bond Election

Date: January 5, 2017

Background:

At its December 19, 2016 meeting, the Board of Education directed administration to prepare a resolution for a May 2, 2017 bond election.

Attached is a resolution authorizing and providing for the calling of a bond election. The purpose of the bond issue is to construct additions to and renovate, improve, repair, equip and furnish Lawrence High School, the other existing secondary schools including Lawrence Free State High School, Liberty Memorial Central Middle School, South Middle School, Southwest Middle School, West Middle School, and the College and Career Center and to make technology improvements throughout the district at an estimated cost of \$87,000,000.

Recommendation:

Administration recommends board approval of Resolution No. 2017-01-09a.

Motion:

"I move the Board of Education approve Resolution No. 2017-01-09a, authorizing and providing for the calling of a bond election in Unified School District No. 497, Douglas County, Kansas (Lawrence) for the purpose of submitting to the qualified electors of the district the question of issuing General Obligation bonds of the district and providing for the giving of notice of said bond election."

**EXCERPT OF MINUTES OF A MEETING
OF THE BOARD OF EDUCATION OF
UNIFIED SCHOOL DISTRICT NO. 497,
DOUGLAS COUNTY, KANSAS (LAWRENCE)
HELD ON JANUARY 9, 2017**

The Board of Education (the "Board") met in regular session at 7:00 p.m. The President presided and the following members of the Board were present:

_____.

The following members of the Board were absent: _____.

Thereupon, and among other business, a Resolution was presented entitled:

A RESOLUTION AUTHORIZING AND PROVIDING FOR THE CALLING OF A BOND ELECTION IN UNIFIED SCHOOL DISTRICT NO. 497, DOUGLAS COUNTY, KANSAS (LAWRENCE) FOR THE PURPOSE OF SUBMITTING TO THE QUALIFIED ELECTORS OF THE DISTRICT THE QUESTION OF ISSUING GENERAL OBLIGATION BONDS OF THE DISTRICT; AUTHORIZING APPLICATION TO THE STATE BOARD OF EDUCATION FOR THE AUTHORITY TO CALL THE BOND ELECTION AND FOR CAPITAL IMPROVEMENT STATE AID; AND PROVIDING FOR THE GIVING OF NOTICE OF THE BOND ELECTION.

Member _____ moved that the Resolution be adopted. The motion was seconded by Member _____. The Resolution was read and considered, and upon being put, the motion for the adoption of the Resolution was carried by the vote of the Board as follows:

Yea: _____.

Nay: _____.

The President declared the Resolution duly adopted and the Resolution was then numbered Resolution No 2017-01-09a and was signed by the President and attested by the Clerk. The Clerk was further directed to take all action necessary to proceed with calling the bond election in the manner prescribed by law.

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CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the Board of Education of Unified School District No. 497, Douglas County, Kansas (Lawrence) held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

Clerk

RESOLUTION NO. 2017-01-09a

A RESOLUTION AUTHORIZING AND PROVIDING FOR THE CALLING OF A BOND ELECTION IN UNIFIED SCHOOL DISTRICT NO. 497, DOUGLAS COUNTY, KANSAS (LAWRENCE) FOR THE PURPOSE OF SUBMITTING TO THE QUALIFIED ELECTORS OF THE DISTRICT THE QUESTION OF ISSUING GENERAL OBLIGATION BONDS OF THE DISTRICT; AUTHORIZING APPLICATION TO THE STATE BOARD OF EDUCATION FOR THE AUTHORITY TO CALL THE BOND ELECTION AND FOR CAPITAL IMPROVEMENT STATE AID; AND PROVIDING FOR THE GIVING OF NOTICE OF THE BOND ELECTION.

WHEREAS, K.S.A. 72-6761 authorizes the board of education of any unified school district to determine it necessary to purchase or improve a site or sites, or to acquire, construct, equip, furnish, repair, remodel or make additions to any building or buildings used for school district purposes and to issue general obligation bonds of the district to pay the costs thereof provided that the question of issuing such general obligation bonds is submitted to the electors of the district and a majority of the electors voting on such proposition authorizes the issuance of the general obligation bonds; and

WHEREAS, the Board of Education (the "Board") of Unified School District No. 497, Douglas County, Kansas (Lawrence) (the "District"), deems it advisable to authorize and provide for the calling of a bond election in the District for the purpose of submitting to the qualified electors of the District the question of issuing general obligation bonds of the District to pay the costs of certain school building improvements; and

WHEREAS, it is deemed advisable to hold such election in accordance with the mail ballot election law (K.S.A. 25-431 *et seq.*); and

WHEREAS, K.S.A. 75-2315 *et seq.*, as amended, provides in substance that the District may apply to the State Board of Education for authority to call and hold an election to authorize the issuance of bonds of the District in excess of the amount which the District may issue under the provisions of K.S.A. 72-6761, for the purposes set forth therein; and

WHEREAS, K.S.A. 75-2319(b)(4) provides that prior to such bond election the District shall apply to the State Board of Education in order to be eligible for future potential capital improvement state aid payments on such bonds, and the Board deems it advisable to make such application; and

WHEREAS, in order to authorize such general obligation bonds, it is deemed advisable to call a bond election in the District to be held on May 2, 2017.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF EDUCATION OF UNIFIED SCHOOL DISTRICT NO. 497, DOUGLAS COUNTY, KANSAS (LAWRENCE):

Section 1. It is hereby deemed necessary and advisable purchase and improve sites, to demolish certain existing facilities, and to acquire, construct, equip, furnish, repair, remodel and make additions to buildings used for school purposes in the District and make all other necessary improvements appurtenant thereto (the "Project") at an estimated cost of \$87,000,000.

Section 2. In order to pay costs of the Project, it is necessary to issue general obligation bonds (the “Bonds”) of the District, in an amount not to exceed \$87,000,000. The Bonds shall be issued if a majority of the qualified electors of the District voting on the proposition shall vote in favor thereof at a bond election to be held in the District for that purpose.

Section 3. It is hereby authorized, ordered and directed that a bond election shall be and is hereby called to be held in the District on May 2, 2017 and will be established by action of the Board after approval thereof by the State Board of Education (the “Election”), at which time there shall be submitted to the qualified electors of the District the following proposition:

Shall the following be adopted?

Shall Unified School District No. 497, Douglas County, Kansas (Lawrence), issue general obligation bonds in an amount not to exceed \$87,000,000, to pay the costs to: construct additions to and renovate, improve, repair, equip and furnish Lawrence High School, the other existing secondary schools including Lawrence Free State High School, Liberty Memorial Central Middle School, South Middle School, Southwest Middle School, West Middle School, and the College and Career Center; to make technology improvements throughout the District; to undertake all other necessary improvements related thereto; and to pay fees and expenses related thereto; all pursuant to the provisions of K.S.A. 10-101 *et seq.*, K.S.A. 25-431 *et seq.*, K.S.A. 25-2018(f), K.S.A. 72-6761 and K.S.A. 75-2315 *et seq.*?

Section 4. The vote at the Election, if approved by the State Board of Education, shall be by mail ballot, and the proposition stated above shall be printed on the ballot, together with voting instructions as provided by law. The Bonds authorized by the Election may be issued to reimburse expenditures made on or after the date which is 60 days before the date of this Resolution, pursuant to Treasury Regulation §1.150-2.

Section 5. The County Clerk shall give notice of the Election as provided by law by publishing a Notice of Bond Election in substantially the form attached hereto as *Exhibit A* once each week for two (2) consecutive weeks in a newspaper of general circulation in the District, with the first publication to be not less than twenty-one (21) days prior to the date of the bond election, and the last publication being not more than forty-five (45) days prior to the date of the Election.

Section 6. Prior to submitting the proposition to the electors of the District, the Board shall apply to the State Board of Education for authority to issue the Bonds in excess of the statutory limitation on bonded debt applicable to the District (the “Debt Limit”) and to call and hold an election to issue the Bonds in excess of the Debt Limit. The Board shall also apply to the State Board of Education for future potential capital improvement state aid payments on the Bonds. Notice of filing the application with the State Board of Education shall be given to the electors of the District by publication one time in a newspaper of general circulation in the District as provided by law.

Section 7. The Board hereby elects to omit the mandatory contract provisions prescribed by the Kansas Department of Administration in form DA-146a, as amended, from any contract relating to services rendered in connection with the authorization and issuance of the Bonds, from any contract for the sale of any of the Bonds, and from any contracts for or related to the investment of the proceeds of the Bonds, provided, however that this election does not authorize the omission from any such contract the provisions of K.S.A. 72-8201a or 72-8201b, as amended.

Section 8. This Resolution shall take effect and be in full force from and after its adoption by the Board.

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ADOPTED AND APPROVED by the Board of Education of Unified School District No. 497,
Douglas County, Kansas (Lawrence), on January 9, 2017.

(Seal)

President

ATTEST:

Clerk

EXHIBIT A

(First published in the *Lawrence Journal-World* on March 24, 2017,
And subsequently on March 31, 2017)

**NOTICE OF BOND ELECTION
UNIFIED SCHOOL DISTRICT NO. 497,
DOUGLAS COUNTY, KANSAS (LAWRENCE)**

The Board of Education of Unified School District No. 497, Douglas County, Kansas (Lawrence) (the “District”), has adopted a resolution declaring it advisable to pay the costs to: construct additions to and renovate, improve, repair, equip and furnish Lawrence High School, the other existing secondary schools including Lawrence Free State High School, Liberty Memorial Central Middle School, South Middle School, Southwest Middle School, West Middle School, and the College and Career Center; to make technology improvements throughout the District; to undertake all other necessary improvements related thereto; and to pay fees and expenses related thereto (the “Project”) at an estimated cost of \$87,000,000. Notice is hereby given to the qualified electors of the District that a bond election has been called and will be held on May 2, 2017, for the purpose of submitting to the qualified electors of the District the following proposition:

Shall the following be adopted?

Shall Unified School District No. 497, Douglas County, Kansas (Lawrence), issue general obligation bonds in an amount not to exceed \$87,000,000, to pay the costs to: construct additions to and renovate, improve, repair, equip and furnish Lawrence High School, the other existing secondary schools including Lawrence Free State High School, Liberty Memorial Central Middle School, South Middle School, Southwest Middle School, West Middle School, and the College and Career Center; to make technology improvements throughout the District; to undertake all other necessary improvements related thereto; and to pay fees and expenses related thereto; all pursuant to the provisions of K.S.A. 10-101 *et seq.*, K.S.A. 25-431 *et seq.*, K.S.A. 25-2018(f), K.S.A. 72-6761 and K.S.A. 75-2315 *et seq.*?

This election will be conducted in accordance with K.S.A. 25-431 *et seq.* (the “Mail Ballot Election Act”). The County Clerk shall conduct the election by mailing an official ballot to each qualified elector in the District, such qualified elector being registered at least thirty (30) days prior to the date of election. The official ballot will be mailed not sooner than the 20th day before the date of the election and not later than the 10th day before the election. The County Clerk anticipates mailing ballots for this bond election to all qualified voters on or about _____. Instructions on how to mark the ballot to vote either for or against the proposition submitted thereon will accompany the ballots, together with a stamped, addressed return identification envelope in which the marked ballot must be placed.

IT IS IMPORTANT FOR EACH QUALIFIED VOTER TO NOTE THAT YOUR BALLOT CANNOT BE COUNTED UNLESS YOU TAKE THE APPROPRIATE STEPS:

(1) You must personally sign and place your correct address on the return identification envelope;

(2) If you choose to mail your ballot, you must put it in the identification envelope and place it in the United States mail early enough so that it will be received by the County Clerk not later than May 2, 2017;

(3) If you elect not to mail your ballot, you must PERSONALLY deliver it in the return identification envelope to the office of the County Clerk, 1100 Massachusetts Street, Lawrence, KS 66044 (First Floor), at any time during regular business hours from 8:00 A.M. to 4:30 P.M., Monday through Friday, but before 12:00 Noon on May 2, 2017.

If the ballot of a qualified elector is destroyed, spoiled, lost or not received in the mail by the qualified elector, or if an elector registers within thirty (30) days of the election, a ballot or replacement ballot may be obtained from the County Clerk. Persons qualified to receive a replacement ballot may do so by signing an application prepared by the County Clerk and submitting the application by mail or in person at the office of the County Clerk at the above address.

The authority to conduct this bond election called by the District under the provisions of the Mail Ballot Election Act, does not authorize the use of voting machines or written ballots located at the usual polling places for the District. Consequently, all qualified electors of the District are hereby notified that no polling places will be open during the bond election, and all ballots must be cast in the manner specified herein and in accordance with the voting instructions which will be sent to all qualified electors with the official mail ballot.

Telephone inquiries from qualified electors having additional questions about the procedure to follow in order to vote in this election may be made by calling (785) 832-5267.

ADDITIONAL INFORMATION

The following additional information is provided by the District with respect to compliance with the provisions of K.S.A. 10-120a and K.S.A. 12-6,122. This information has been obtained from sources deemed reliable by the District. Certain portions of this information are based upon projections. No assurances can be given that these projections will be accurate as of the date of issuance of the bonds due to changing market conditions, any changes in assessed valuation of the District, changes in the amount of state financial aid received by the District and other matters unknown or unavailable at this time. The projected rates of property taxation to be used to pay the principal of and interest on the Bonds are based upon the current assessed valuation of the District, the assumed principal repayment schedule and the average interest rates from recent bond issues for similar types of financings and the current level of state financial aid the District would receive with respect to the bonds, all as shown below.

Projected Summary of Project Costs

<i>Sources of Funds</i>		<i>Uses of Funds</i>	
Bonds to be Issued	\$87,000,000	Project Costs (including architectural/engineering services)	\$_____
		[Interest During Construction	_____]
[Interest Earnings _____]		Issuance Expenses (including attorney fees, printing costs, rating agency fees, financial advisor fees, underwriting fees and other miscellaneous expenses)	_____
Total	\$	Total	\$

Projected Summary of Bond Issue Repayments

Principal payments over _____ years	Average Interest Rate	_____ %
Total Interest Cost to Maturity \$_____	Assessed Valuation (2016)	\$_____
Average Annual Principal and Interest Payments		\$
Portion of average annual principal and interest payments from State aid		\$
Portion of average annual principal and interest payments from District funds		\$

Average Annual Property Tax Mill Levy Rate for Principal and Interest Payments

Total (without any State financial Aid)	_____ Mills
District Portion (with current level of State financial aid)	_____ Mills

The election officer conducting the election will be the County Clerk of Douglas County, Kansas, whose address is 1100 Massachusetts Street, Lawrence, KS 66044.

DATED: March ____, 2017.

(Seal)

Jamie Shew
County Clerk
Douglas County, Kansas