

RESOLUTION NO. 201718-3

CALLING A MEASURE ELECTION TO SUBMIT TO THE ELECTORS OF THE DISTRICT THE QUESTION OF CONTRACTING GENERAL OBLIGATION BONDED INDEBTEDNESS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$619,700,000 TO FINANCE CAPITAL COSTS; AND RELATED MATTERS

Background/Discussion

Resolution 201718-3, including Exhibit A, was crafted in collaboration with the district's bond counsel, financial underwriter, general counsel, and polling consultant. The resolution and accompanying exhibit are in full compliance with all applicable Oregon Revised Statutes and Administrative Rules governing the calling of a measure election to submit to the electors of the district. This resolution was presented for first reading at the January 9, 2018, board meeting.

The district is on schedule to meet all filing deadlines for the May 15, 2018, election.

Recommendation/Board Action

Staff recommends the Board approve Resolution No. 201718-3: Calling a Measure Election to Submit to the Electors of the District the Question of Contracting General Obligation Bonded Indebtedness in an Aggregate Principal Amount Not to Exceed \$619,700,000 to Finance Capital Costs; and Related Matters.

RESOLUTION NO. 201718-3

A RESOLUTION OF SALEM-KEIZER SCHOOL DISTRICT NO. 24J, MARION AND POLK COUNTIES, OREGON, CALLING A MEASURE ELECTION TO SUBMIT TO THE ELECTORS OF THE DISTRICT THE QUESTION OF CONTRACTING GENERAL OBLIGATION BONDED INDEBTEDNESS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$619,700,000 TO FINANCE CAPITAL COSTS; AND RELATED MATTERS.

WHEREAS, the Board of Directors (the "Board") of Salem-Keizer School District No. 24J, located in Marion and Polk Counties, Oregon, (the "District") has determined that a need exists for the District to finance capital costs, as more fully described in the ballot title attached hereto as Exhibit A (the "Project") and pay bond issuance costs; and

WHEREAS, in connection with the Project, the District has evaluated the need for safety improvements, including the joint funding of safety improvements with other public and private entities and the funding of safety improvements in accordance with ORS 332.176; and

WHEREAS, the District applied for the Oregon School Capital Improvement Match (the "Match Program") under Senate Bill 447 and was awarded a grant of \$8 million assuming voter approval of a General Obligation bond for at least that amount; and

WHEREAS, the costs of the Project and issuance costs are estimated to be not more than \$619,700,000 from bond funds; and

WHEREAS, the District anticipates incurring expenditures (the "Expenditures") to finance the costs of the Project and wishes to declare its official intent to reimburse itself for any Expenditures it may make from its general funds on the Project from the proceeds of voter-approved general obligation bonds which may be issued as tax-exempt obligations; and

WHEREAS, ORS 328.205, as amended, subject to voter approval, authorizes the District to contract bonded indebtedness to provide funds to finance the costs of the Project and to pay bond issuance costs;

NOW, THEREFORE, the Board of Directors of Salem-Keizer School District No. 24J, located in Marion and Polk Counties, Oregon, resolves as follows:

1. The measure election is hereby called for the purpose of submitting to the electors of the District the question of contracting general obligation bonded indebtedness in the name of the District in an amount not to exceed \$619,700,000 (the "Bonds"). Bond proceeds will be used to finance the Project and pay all Bond issuance costs. The Bonds shall mature over a period of not more than thirty (30) years from the date of issue and may be issued in one or more series.
2. The measure election hereby called shall be held in the District on the 15th day of May, 2018. As authorized by the County Clerks of Marion and Polk Counties, Oregon, and the Oregon Secretary of State, the election shall be conducted by mail pursuant to ORS 254.465 and 254.470.
3. The District authorizes the Chair, Superintendent, Chief Operations Officer (each an "Authorized Representative") or his/her designee to submit the final ballot title and explanatory statement and to take such further action as is necessary to carry out the intent and purposes herein in compliance with the applicable provisions of law.

4. The Authorized Representative shall cause to be delivered to the Election Officer of Marion County, Oregon (the "Election Officer") a ballot title in substantially the form attached hereto as Exhibit A (the "Ballot Title"), which shall be approved and filed by the Authorized Representative of the District on Form SEL 805, not later than February 23, 2018 (not later than eighty (80) days prior to the election date). The Authorized Representative shall also cause to be delivered to the Election Officer Form SEL 803, not later than March 15, 2018 (sixty-one (61) days prior to the election date).
5. The District hereby declares its official intent pursuant to Treasury Regulation Section 1.150-2 to reimburse itself with the proceeds of the Bonds for any of the Expenditures incurred by it prior to the issuance of the Bonds.
6. The Authorized Representative is hereby authorized to execute all documents necessary in conjunction with the Match Program.
7. The law firm of Hawkins Delafield & Wood LLP, is hereby appointed to serve as Bond Counsel and Piper Jaffray & Co., is hereby appointed to serve as Underwriter or Placement Agent with respect to the issuance of the Bonds. The District will pay the fees and expenses of Bond Counsel, Underwriter or Placement Agent from Bond proceeds.

ADOPTED by the Board of Directors of Salem-Keizer School District No. 24J, located in Marion and Polk Counties, Oregon this 13th day of February, 2018.

**SALEM-KEIZER SCHOOL DISTRICT NO. 24J, MARION AND
POLK COUNTIES, OREGON**

By: _____
Chair, Board of Directors

ATTEST:

By: _____
Superintendent/District Clerk

EXHIBIT A

CAPTION: (10 WORD LIMIT)

Bonds for School Construction, Renovations, Expansions to Address Overcrowding/Safety

QUESTION: (20 WORD LIMIT)

Shall Salem-Keizer School District construct, upgrade, renovate, expand schools to address overcrowding, safety by issuing \$619,700,000 general obligation bonds?

If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of sections 11 and 11b, Article XI of the Oregon Constitution.

SUMMARY: (175 WORD LIMIT)

This bond would benefit all schools. Specifically, funds are expected to:

- Construct additional space to alleviate overcrowding at elementary, middle, and high schools, addressing current and future enrollment; increase capacity for vocational/technical/science programs.
- Make seismic upgrades and related preventative measures to improve safety.
- Construct gymnasiums, libraries, theaters, and cafeterias at elementary, middle, and high schools.
- Make safety and security upgrades such as electronic badge access systems, entrances, parking and sidewalk improvements, and ADA access.
- Upgrade facilities, including painting and sealing walls; replacing roofs, floors, windows, mechanical, HVAC, and plumbing systems; addressing other maintenance issues.
- Make technology infrastructure upgrades; relocate data center, fields, tennis courts; make related improvements.
- Pay bond issuance costs; purchase land, portable classrooms, furnishings, fixtures, and equipment; demolition and other related site and building costs.

An \$8,000,000 state grant was awarded provided the bonds are approved.

Bonds mature in 30 years or less from issuance and may be issued in series. The estimated increase in tax rate is \$1.24 per \$1,000 of assessed property value.