

From: Julie Lundgren jlundgren@mylila.org
Subject: Re: meeting of the LILA Building Company
Date: January 12, 2022 at 10:11 AM
To: Dwayne Green dgreen@mylila.org, Jeffrey Schipper jschipper@mylila.org
Cc: Amanda Bruzer abruzer@mylila.org
Bcc: jeffrey.s.schipper@gmail.com, d_green123@yahoo.com

JL

Thank you, Jeff. I will also alert you to the fact we are having Dick Ward make a presentation to the board next Monday, Jan 17 at 6 pm. He will be joining by Zoom. I will have school board secretary Jessie Sheldon send you the agenda with joining instructions so you can tune in as you wish.

On Jan 12, 2022, at 10:02 AM, Jeff Schipper jeffrey.s.schipper@gmail.com wrote:

- I agree to waive the 5 day meeting notice.
- I am OK with the email style meeting in place of a meeting
- Should anyone prefer a virtual meeting, I can be available Monday, Tuesday or Wednesday anytime after 4:30.
- Later today I will dive deeper into the content

Thanks,
Jeff Schipper
651-755-9128

On Tue, Jan 11, 2022 at 4:18 PM Julie Lundgren jlundgren@mylila.org wrote:

Hello, LBC board members,

This email and its replies constitute a meeting of the LILA Building Company, providing members agree to waive the 5-day meeting notice. Please indicate your waiver in your response.

This meeting is to simply supply information and allow discussion about the likelihood of proceeding with a refinancing of the 2014 facility bonds. Our first call date to refinance is Aug 1, 2022. Today Shannon Peterson and I met with Dick Ward (formerly of Dougherty, now part of Colliers), our underwriter on all bond transactions to date for LILA and LBC. With interest rates very low right now (3.27%), even with a 2% premium on the re-fi, it makes a great deal of financial sense to proceed. Dick presented the attached 3 documents, giving us an idea of the savings to capture. If we go forward, we would work on getting everything in place and wrapped up in early March, with a sale 90 days before the call date (May 1). Early March would allow us to capture rates before any rate increases that may occur in spring or summer. Our current interest rates on the 2014 bonds are well over 5% (closer to 5.5%).

Upshot is a savings to the school of about \$200,000/year for the next 22 years and just under \$4.8M over the 22 year span. The 2019 bonds are not callable for 5 years, and are not part of this refinance proposal.

The first attachment is an overview, the second provides savings calculations and schedules, with certain rate assumptions. The third is a look at estimated savings by year, and an analysis of Present Value (PV) and cashflow savings.

The 2% premium is approx. \$300K. If we waited a year, it is a 1% premium and waiting 2 years to refinance is 0% premium. However, it is likely we would lose the best interest rates by waiting, and miss out on \$400K saved by doing it this year.

Once the process starts, activities become increasingly fast-paced. I want to get you in the loop right away, so you are able to be informed and be ready. Please review and comment over the next week. I'll be the point person for the school and building company, with Amanda Bruzer assisting. She is cc'd above.

If you would like to do a virtual meeting, please let me know your availability early next week and I'll set it up. I'm assuming after 5 pm due to your work schedules.

Julie Lundgren
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