



#### **Agenda Item Details**

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Meeting	Feb 24, 2015 - Board Action Session; February, 24, 2015 - 7:00 P.M.
Category	6. General Superintendent's Recommendations - Business & Finance - General Resolutions
Subject	6.02 Resolution No. 3006-15: Refinancing of 2006 and 2006B Bond Series ***MODIFIED 2/24/2015***
Type	Action
Recommended Action	I recommend approval of Resolution No. 3006-15 to proceed with the refinancing of the 2006 and 2006B series bonds and to proceed with Fifth Third Securities, Inc. as underwriters.

Presented By:	Paul Carpenter–Wilson
Strategic Plan:	Priority Strategies for Providing Safe, Clean Learning Environments

#### **Background Information:**

Resolution No. 3006–15 – February, 2015

We have been advised by H.J. Umbaugh & Associates about the availability to refinance our 2006 and 2006B series bonds. The near term call date of these bonds and current interest rates present a financially viable opportunity to refinance.

#### **Administrative Consideration:**

A request for proposal was conducted by H.J. Umbaugh & Associates for underwriters in this refinancing process. Several responses were received. Fifth Third Securities, Inc. submitted a proposal with significant financial savings. Fifth Third has a strong presence in Indianapolis including a regional headquarters and more than 600 employees.

#### **\*\*\*SUPERINTENDENT'S RECOMMENDATION**

I recommend approval of Resolution No. 3006–15 to proceed with the refinancing of

the 2006 and 2006B series bonds and to proceed with Fifth Third Securities, Inc. as underwriters.

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RESOLUTION NO. 3006-15 – FEBRUARY, 2015

RESOLUTION OF THE BOARD OF SCHOOL COMMISSIONERS OF THE CITY OF INDIANAPOLIS REGARDING APPROVAL OF THE REFUNDING OF THE OUTSTANDING IPS MULTI-SCHOOL BUILDING CORPORATION, THE EXECUTION OF A LEASE ADDENDUM AND CERTAIN MATTERS RELATED THERETO

WHEREAS, the Board of School Commissioners of the City of Indianapolis (the “Board”), the governing body of Indianapolis Public Schools (the “School Corporation”), previously approved, and entered into amended and restated leases dated as of February 28, 2006 and September 26, 2006 (the “Leases”), with the IPS Multi-School Building Corporation (“Building Corporation”) in connection with the issuance and sale of first mortgage bonds by the Building Corporation (the “Prior Bonds”),

WHEREAS, the Prior Bonds are currently outstanding in the aggregate principal amount of \$158,990,000.00; and

WHEREAS, the School Corporation desires to have the Building Corporation proceed with the issuance of refunding bonds (the “Refunding Bonds”) for the purpose of refunding all or a portion of the Prior Bonds to effect a savings to the Building Corporation and to permit the rentals payable by the School Corporation under the Lease to be reduced; and

WHEREAS, the School Corporation desires to enter into an addendum to the Lease (the “Addendum”) with the Building Corporation following the issuance of the Refunding Bonds to reduce the rentals paid by the School Corporation to the Building Corporation under the Lease, which will result in a tax levy reduction for the School Corporation; and

WHEREAS, an official statement (the “Official Statement”) relating to the Refunding Bonds to be issued by the Building Corporation will be prepared by H.J. Umbaugh & Associates, LLP (the “Financial Advisor”), financial advisor to the School Corporation and Building Corporation, in or to effectuate the sale of Refunding Bonds; and

WHEREAS, the Board desires to authorize and direct the President and Secretary to enter into a continuing disclosure undertaking agreement (the “Undertaking Agreement”) for the purpose of complying with the provisions of Rule 15c2-12 of the Securities and Exchange Commission (the “SEC Rule”).

NOW, THEREFORE, IT IS RESOLVED BY THE BOARD OF SCHOOL COMMISSIONERS OF THE CITY OF INDIANAPOLIS, AS FOLLOWS:

1. The Board hereby approves of the issuance, sale and delivery by the Building Corporation of the Refunding Bonds by negotiated sale in an aggregate principal amount sufficient to refund and redeem all or a portion of the currently outstanding Prior Bonds and to pay all costs incidental to the issuance of the Refunding Bonds.
2. The Board hereby approves of the preparation of the Addendum as necessary or appropriate to reflect the sale of the Refunding Bonds approved hereby and to reduce the amounts payable by the School Corporation under the Lease, and the Board hereby authorizes and directs the President and Secretary of the Board to execute and attest the Addendum, respectively.
3. The Board hereby approves of The Bank of New York Mellon Trust Company, N.A., continuing to serve as bond trustee under the Mortgage and Trust Indenture, as the same may be amended or supplemented, pursuant to which the Refunding Bonds approved hereby will be issued and secured.
4. The Board hereby authorizes the Financial Advisor to prepare an Official Statement in conjunction with the sale of the Refunding Bonds and further authorizes and directs the President of the Board to deem “final” the Official Statement, as of its date, in accordance with the provisions of the SEC Rule, subject to completion as permitted by the SEC Rule, and the Board further authorizes the distribution of the deemed final Official Statement.
5. The Board hereby authorizes and directs the President of the Board to place into final for, distribute and deliver the final Official Statement following the sale of the Refunding Bonds in accordance with the SEC Rule, and further authorizes and directs the President or Vice-President of the Board to execute the final Official Statement.
6. The Board hereby authorizes and directs the President and Secretary of the Board to execute and deliver the Undertaking Agreement in accordance with the SEC Rule.

7. The Board hereby authorizes and directs the President or Vice-President and the Secretary of the Board and the administrative personnel of the School Corporation to take any and all necessary actions and to execute, attest and deliver any and all necessary documents and agreements as, in their judgment, they deem necessary or appropriate to carry out the purposes of the foregoing resolutions.

#### **Motion & Voting**

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I recommend approval of Resolution No. 3006-15 to proceed with the refinancing of the 2006 and 2006B series bonds and to proceed with Fifth Third Securities, Inc. as underwriters.

Motion by Sam Odle, second by Caitlin Hannon.

Final Resolution: Motion Carries

Yea: W Diane Arnold, Kelly Bentley, Gayle Cosby, Lanier Echols, Caitlin Hannon, Sam Odle, Mary Ann Sullivan