

RESOLUTION NO. 22-07

A RESOLUTION OF THE BOARD OF DIRECTORS OF OAK HARBOR SCHOOL DISTRICT NO. 201, ISLAND COUNTY, WASHINGTON, DESCRIBING CERTAIN CAPITAL IMPROVEMENTS TO BE MADE TO THE DISTRICT'S EDUCATION FACILITIES; DECLARING THE ESTIMATED COST OF SUCH IMPROVEMENTS; PROVIDING FOR THE ISSUANCE OF \$121,000,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS PAYABLE FROM AD VALOREM TAXES LEVIED AGAINST ALL TAXABLE PROPERTY WITHIN THE DISTRICT; ANTICIPATING \$5,036,507 OF ADDITIONAL FUNDS FROM THE STATE OF WASHINGTON SCHOOL CONSTRUCTION FINANCING ASSISTANCE PROGRAM AND \$109,970,628 OF ADDITIONAL FUNDS FROM THE UNITED STATES DEPARTMENT OF DEFENSE; PROVIDING FOR THE SUBMISSION OF THE PROPOSITION OF INCURRING SUCH INDEBTEDNESS TO THE QUALIFIED ELECTORS WITHIN THE DISTRICT AT A SPECIAL ELECTION TO BE HELD ON TUESDAY, FEBRUARY 14, 2023; PROVIDING FOR THE NOTICE OF SUCH ELECTION; AUTHORIZING THE SUPERINTENDENT TO SUBMIT A REQUEST FOR ELIGIBILITY FOR THE STATE OF WASHINGTON'S SCHOOL BOND GUARANTEE PROGRAM; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

**OAK HARBOR SCHOOL DISTRICT NO. 201
Island County, Washington**

**UNLIMITED TAX GENERAL OBLIGATION BONDS
PRINCIPAL AMOUNT OF \$121,000,000**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF OAK HARBOR SCHOOL DISTRICT NO. 201, ISLAND COUNTY, WASHINGTON, as follows:

WHEREAS, Oak Harbor School District No. 201, Island County, Washington (the "District"), is a first-class school district duly organized and existing under and by virtue of the Constitution and the laws of the state of Washington (the "State");

WHEREAS, the Board of Directors of the District (the "Board") has determined that aging and educationally outdated infrastructure and school facilities, student safety and security needs and the need to improve educational opportunities require the District to: construct a new Crescent Harbor Elementary School; construct a new elementary school on the Fort Nugent site; construct a new Hand-in-Hand/HomeConnection facility; and make District-wide safety and security improvements, all as more particularly defined and described in Section 2 herein (collectively, the "Project");

WHEREAS, the District lacks sufficient money with which to pay costs of the Project;

WHEREAS, in order to pay costs of the Project, the Board hereby deems it necessary and advisable that the District issue and sell its unlimited tax general obligation bonds in the principal amount of \$121,000,000 (the "Bonds"), or such lesser maximum amount as may be legally issued under the laws governing the limitation of indebtedness or required to carry out and accomplish the Project, including chapters 28A.530 and 39.46 RCW;

WHEREAS, RCW 28A.530.020 requires that a special election be called for the submission of a proposition to the qualified electors within the District for their approval or rejection prior to incurring such bonded indebtedness;

WHEREAS, the District will notify the Island County Auditor, as ex officio Supervisor of Elections for the District, in compliance with chapter 29A.04 and 29A.40 RCW, of its intention to hold a special election on Tuesday, February 14, 2023, to submit the proposition of the issuance of the Bonds to the qualified electors of the District for their approval or rejection;

WHEREAS, chapter 39.98 RCW was enacted for the purpose of establishing a credit enhancement program (the "Program") for voter-approved school district general obligation bonds;

WHEREAS, RCW 39.98.040 authorizes the State Treasurer to make a determination that a school district is eligible for participation in the Program under rules adopted by the State Finance Committee;

WHEREAS, to the extent the Program demonstrates substantial savings to the taxpayers of the District, the District wishes to participate in the Program; and

WHEREAS, the best interests of the District's students and other inhabitants require the District to carry out and accomplish the Project as hereinafter provided;

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED AND ORDERED, as follows:

Section 1: The Board hereby determines that the best interest of the students and other inhabitants of the District requires the District to carry out and accomplish the Project, including the planning, acquisition, design, construction and installation of certain capital improvements and betterments to its education facilities, together with all necessary appurtenances, fixtures and furnishings therefor, including safety and technology improvements.

Section 2: The Project to be paid for with the proceeds of the Bonds, including interest earnings thereon, are more particularly defined and described as follows:

(a) Construct a new Crescent Harbor Elementary School, all as deemed necessary and advisable by the Board;

(b) Construct a new elementary school on the Fort Nugent site, all as deemed necessary and advisable by the Board;

(c) Construct a new Hand-in-Hand/HomeConnection facility, all as deemed necessary and advisable by the Board;

(d) Make District-wide safety and security improvements, all as deemed necessary and advisable by the Board; and

(e) Acquire and install all necessary appurtenances, equipment, fixtures and furnishings of the foregoing, including technology improvements, as deemed necessary by the Board;

(f) Acquire, construct and install all such other capital improvements deemed necessary by the Board; and

(g) Ancillary costs of planning, engineering, architectural, construction management, attorneys' fees, costs of bond issuance, permits, accounting costs, easements and any other expenses or consultant fees incidental thereto, together with all necessary appurtenances, fixtures and furnishings thereto.

Such capital improvements and betterments described in this Section 2 above, which do not include the replacement of equipment, are to be more fully described in the plans and specifications to be prepared by the District's architects and engineers and to be filed with the District. The District will consider and may, if it is more cost effective resulting in a savings to the taxpayers of the District, construct new capital improvements to the education facilities of the District in lieu of renovations to such facilities.

The District anticipates the receipt of State school construction financing assistance under chapter 28A.525 RCW in the estimated amount of \$5,036,507. In addition, the District anticipates receiving \$109,970,628 from the United States Department of Defense ("Department of Defense"). The District also intends to continue seeking additional sources of financial assistance to pay costs of the Project. The financing assistance shall be utilized by the Board to pay for a portion of the costs of the Project.

Section 3: If, in the opinion of the Board, the needs of the District change in a manner that results in a circumstance wherein any portion of the above-referenced capital improvements is not required or in the best interests of the District, the Board retains the right not to acquire, construct and install such capital improvements and to reallocate the money originally contemplated therefor to other capital improvements to the District's education facilities deemed more necessary by the Board, or to deposit such money into the District's Debt Service Fund to make debt service payments on the Bonds outstanding or to call and redeem a portion of the Bonds prior to maturity; provided, any change in use of Bond proceeds shall be in the form and manner required by law.

Section 4: The total estimated cost of the capital improvements program adopted by the Board is hereby declared to be approximately \$236,007,135, which shall be paid, in part, if authorized and empowered by the three-fifths (3/5) majority approving vote of the qualified electors of the District, by the issuance and sale of unlimited tax general obligation bonds in the

aggregate principal amount of no more than \$121,000,000, and the balance of which is estimated to be paid from the State school construction financing assistance program in the anticipated amount of \$5,036,507 and an additional \$109,970,628 from the Department of Defense to be used for the costs of the Project.

Section 5: In the event the District has other legally available money or there are Bond proceeds (or interest earnings thereon), State school construction financing assistance or funds from the Department of Defense remaining after the capital improvements set forth in Section 2 above have been completed or duly provided for, the Board retains the right to make additional capital improvements to the education facilities of the District as are deemed necessary and desirable by the Board, or to deposit such money into the District's Debt Service Fund to make debt service payments on the Bonds outstanding or to call and redeem a portion of the Bonds prior to their maturity.

Section 6: In the event the Bond proceeds, State school construction financing assistance and funds from the Department of Defense are insufficient to make all of the capital improvements set forth in Section 2 above, the District shall use the available money to pay the cost of such improvements set forth in Section 2 above deemed most necessary and to be in the best interest of the District by the Board.

Section 7: The Bonds authorized may be issued as a single issue, as a part of a combined issue with other authorized bonds, or in more than one series, all as deemed necessary and advisable by the Board and as permitted by law. Further, the Bonds may be issued, as deemed necessary and advisable by the Board, as taxable bonds, tax-exempt bonds and/or any other type of bonds that are now or in the future may be authorized under applicable state and federal law.

Each series of the Bonds shall be issued as fully registered bonds; shall bear interest payable as permitted by law; shall mature within 20 years from the date of issuance of such series of the Bonds (but may mature at an earlier date or dates as fixed by the Board); shall be paid by annual property tax levies sufficient in amount to pay both principal and interest when due, which annual property tax levies shall be made in excess of regular property tax levies without limitation as to rate or amount but only in amounts sufficient to meet such payments of principal and interest as they come due; and shall be issued and sold in such manner, at such times and in such amounts as shall be required for the purpose for which each series of the Bonds are to be issued, all as deemed necessary and advisable by the Board and as permitted by law. The life of the Project to be financed with the Bond proceeds shall exceed the term of the respective series of Bonds that finance such Project. The Board hereby authorizes and directs the Secretary to the Board (the "Secretary") to determine for each series of Bonds whether such series should be sold by negotiated or competitive sale, and with respect to such series of Bonds that are to be sold by competitive sale, to: (a) specify a date and time of sale of such Bonds; (b) give notice of that sale; (c) determine any bid requirements and criteria for determining the award of the bid; (d) provide for the use of an electronic bidding mechanism if the Secretary deems electronic bidding to be beneficial to the District; and (e) specify other matters in his or her determination necessary, appropriate or desirable to carry out the sale of the Bonds. Notwithstanding the foregoing, the amount, date, denominations, interest rates, payment dates, final maturity, redemption rights,

price, and other terms and conditions of the Bonds (or parameters with respect thereto) shall be hereafter fixed by one or more resolutions of the Board authorizing the issuance, sale and delivery of such series of Bonds, which resolutions may delegate to a District officer or employee the authority to fix any of the foregoing, all as deemed necessary and advisable by the Board and as permitted by law.

Pending the issuance of any series of the Bonds, the District may issue short-term obligations pursuant to chapter 39.50 RCW to pay for any portion of the costs of the Project. Such obligations may be paid or refunded with the Bond proceeds.

If the District receives voter approval to issue the Bonds in the manner described in this resolution, the Board authorizes and directs the Secretary to: (a) review and “deem final” (within the meaning of Rule 15c2-12 of the Securities and Exchange Commission), if necessary and upon such official’s satisfaction, any preliminary official statement prepared in connection with the sale of each series of the Bonds by the District; (b) authorize the “deemed final” preliminary official statement to be distributed prior to the date any underwriter or purchaser bids for, purchases, offers or sells each series of the Bonds; and (c) acknowledge in writing any action taken pursuant to clauses (a) and (b) of this paragraph.

Section 8: A special election is hereby requested to be called, conducted and held within the District on Tuesday, February 14, 2023, for the purpose of submitting to the qualified electors of the District, for their approval or rejection, the District’s proposal to make the capital improvements specified in Section 2 above; to incur indebtedness; to issue the Bonds to finance such capital improvements; and to levy taxes in excess of the regular property tax levies to pay the principal of and interest on the Bonds.

Section 9: The Island County Auditor is hereby authorized and directed to call and conduct the February 14, 2023, election pursuant to applicable law as now codified, or as may be hereafter amended.

Section 10: Pursuant to RCW 29A.36.071, as amended, the Island County Prosecuting Attorney is requested to prepare the concise description of the proposition for the ballot title substantially in the following form:

PROPOSITION NO. 1
OAK HARBOR SCHOOL DISTRICT NO. 201
CAPITAL IMPROVEMENT AND SCHOOL CONSTRUCTION GENERAL
OBLIGATION BONDS - \$121,000,000

Board of Directors of Oak Harbor School District No. 201 adopted Resolution No. 22-07 concerning a proposition to finance capital improvements for student safety and educational facilities. This proposition would authorize the District to: replace existing facilities by constructing a new Crescent Harbor Elementary School, a new elementary school at Fort Nugent, and a new Hand-in-Hand/HomeConnection facility; make District-wide safety and security improvements; issue no more than \$121,000,000 of general obligation bonds maturing within 20 years; and levy annual excess property tax levies to pay such bonds, as provided in Resolution No. 22-07. Should this proposition be approved:

YES:

NO:

Section 11: Such election will be conducted by mail ballot. The procedures and forms to conduct such election by mail ballot shall be prescribed by the Island County Auditor in accordance with chapter 29A.40 RCW and chapter 434-250 WAC.

Section 12: In the event the Project is approved at such special election, pursuant to RCW 39.36.020 and Article VII, Section 2(b) of the State Constitution, there shall be levied and collected annual tax levies in an amount sufficient in each such year during the life of the Bonds, and until the full payment of both principal thereof and interest thereon, as will provide levy proceeds sufficient in amount to fully pay currently maturing installments of principal of and interest on the Bonds as such becomes due. Such tax levies will be in excess of the regular annual tax levies permitted by law.

Section 13: The Island County Auditor shall prepare the notice of special election which shall be published at least once, which publication shall take place not more than fifteen days nor less than five days prior to the mail-in registration deadline. Such publication shall be in a newspaper of general circulation within the District and in accordance with RCW 29A.52.355.

Section 14: The Secretary is hereby directed to deliver a certified copy of this resolution to the Island County Auditor, as ex officio Supervisor of Elections for the District, no later than December 16, 2022, which is at least 60 days prior to February 14, 2023.

Section 15. For purposes of receiving notice of the exact language of the ballot title required by RCW 29A.36.080, the Board hereby designates: (a) the Executive Director of Business Services (Vicki A. Williams) telephone: 360-279-5009; email: vwilliams@ohsd.net; and (b) bond counsel, Kutak Rock LLP (Tanya L. Lawless) telephone: 509-252-2692; email: tanya.lawless@kutakrock.com as the individuals to whom the Auditor shall provide such notice.

The Executive Director of Business Services is authorized to approve changes to the ballot title, if any, determined necessary by the Auditor or the Island County Prosecuting Attorney.

Section 16: The Board hereby requests that the State Treasurer issue a certificate of eligibility in favor of the District for participation by the District in the Program with respect to the Bonds. The Secretary is hereby authorized and directed to submit such applications, resolutions and certifications as shall be required by the State Treasurer in reviewing the District's request for participation.

Section 17. The Secretary, Executive Director of Business Services, the President of the Board, other appropriate officers of the District and bond counsel, Kutak Rock LLP, are severally authorized and directed to take such actions and to execute such documents as in their judgment may be necessary or desirable to effectuate the provisions of this Resolution. All actions taken prior to the effective date of this Resolution in furtherance of and not inconsistent with the provision of this Resolution are hereby ratified and confirmed in all respects.

Section 18: This resolution shall take effect immediately upon adoption.

ADOPTED by the Board of Directors of Oak Harbor School District No. 201, Island County, Washington, at a regular meeting thereof, held on October 10, 2022.

OAK HARBOR SCHOOL DISTRICT NO. 201
Island County, Washington

Jessica Aws, President



Erik Mann, Vice President



Bob Hallahan, Director



Nicole Tesch, Director

Lynn Goebel, Director

ATTEST: 

Michelle Kuss-Cybula
Secretary to the Board of Directors

(S E A L)

CERTIFICATE

I, Michelle Kuss-Cybula, Secretary to the Board of Directors of Oak Harbor School District No. 201, Island County, Washington, hereby certify that the foregoing resolution is a full, true and correct copy of a resolution duly passed and adopted at a regular meeting of the Board of Directors of such District, duly held at the regular meeting place thereof on October 10, 2022, of which meeting all members of such Board had due notice, and at which a majority thereof was present; and that at such meeting such resolution was adopted by the following vote:

AYES, and in favor thereof, Directors:

NAYS, Directors:

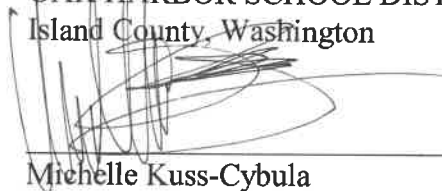
ABSENT, Directors:

ABSTAIN, Directors:

I further certify that I have carefully compared the same with the original resolution on file and of record in my office; that such resolution is a full, true and correct copy of the original resolution adopted at such meeting; and that such resolution has not been amended, modified, or rescinded since the date of its adoption and is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of October, 2022.

OAK HARBOR SCHOOL DISTRICT NO. 201
Island County, Washington



Michelle Kuss-Cybula
Secretary to the Board of Directors

(S E A L)

TO: The Island County Auditor, as ex officio Supervisor of Elections for Oak Harbor School District No. 201, Island County, Washington

Pursuant to Resolution No. 22-07, adopted by the Board of Directors of Oak Harbor School District No. 201, Island County, Washington (the "Board"), at a regular meeting of the Board held on October 10, 2022, a copy of which resolution is attached hereto and by this reference made a part hereof, you are respectfully requested to submit the following proposition to the qualified electors of Oak Harbor School District No. 201, Island County, Washington (the "District") for their approval or rejection, at a special election to be held on Tuesday, February 14, 2023.

The proposition shall be in substantially the following form:

PROPOSITION NO. 1

OAK HARBOR SCHOOL DISTRICT NO. 201

**CAPITAL IMPROVEMENT AND SCHOOL CONSTRUCTION GENERAL
OBLIGATION BONDS - \$121,000,000**

Board of Directors of Oak Harbor School District No. 201 adopted Resolution No. 22-07 concerning a proposition to finance capital improvements for student safety and educational facilities. This proposition would authorize the District to: replace existing facilities by constructing a new Crescent Harbor Elementary School, a new elementary school at Fort Nugent, and a new Hand-in-Hand/HomeConnection facility; make District-wide safety and security improvements; issue no more than \$121,000,000 of general obligation bonds maturing within 20 years; and levy annual excess property tax levies to pay such bonds, as provided in Resolution No. 22-07. Should this proposition be approved:

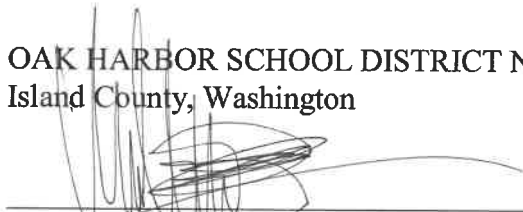
YES:

NO:

The special election shall be conducted by mail ballot; and the procedures and forms to conduct the special election by mail ballot shall be prescribed by the Island County Auditor in accordance with chapter 29A.40 RCW and chapter 434-250 WAC.

DATED as of October 10, 2022.

OAK HARBOR SCHOOL DISTRICT NO. 201
Island County, Washington


Secretary to the Board of Directors