

Minutes of the Regular School Board Meeting

Of the School Board of Independent School District No. 709 held at the Historic Old Central High School, 215 North First Avenue East, Duluth, Minnesota 55802, on

Tuesday, July 19, 2016

Members Present:

Annie Harala
Art Johnston
David Kirby
Rosie Loeffler-Kemp
Alanna Oswald
Harry Welty

Others Present:

Bill Gronseth, Superintendent
Bill Hanson, Deputy Clerk
Jackie Dolentz, Secretary

Student Representatives:

Spencer Fredrickson

Members Absent:

Nora Sandstad

➤ Chair Harala called the regular school board meeting of July 19, 2016 to order at 6:30 p.m., and the pledge of allegiance to the American flag was given.

M-Kirby, S-Loeffler-Kemp, to approve the agenda as presented. Upon a vote on the agenda as presented, the same passed – 6-0.

Chair Harala asked school board members if there were any corrections or changes to the minutes of the Regular School Board Meeting of June 21, 2016.

Member Oswald asked for an explanation regarding the Probationary Non-Tenured Teacher Termination resolution from the June Human Resources Committee agenda.

M-Welty, S-Loeffler-Kemp, to approve the minutes of the June 21, 2016 Regular School Board Meeting as presented. Upon a vote, the same was approved as presented – 6-0.

School and Community Recognition

July 2016

Members of the Board, this month I'm pleased to present the Myers-Wilkins Community School Collaborative for recognition. A warm welcome to Jen Eddy, Executive Director, and Laura Engebretsen, Family Liaison. Studies indicate more secure living conditions and greater access to a wide range of enriching experiences and activities increase the likelihood a child will be successful in school. Developing Full-Service Community Schools is one way communities across the country are addressing the significant needs of children living in poverty and providing these opportunities. Over the years, the successful partnership between the Myers-Wilkins Community School Collaborative and Myers-Wilkins Elementary has become a Community School model for districts throughout Minnesota and the United States. Community Schools are created through strong partnerships between community organizations and school

districts. They help connect students and families with the academic, social and health services necessary to provide a more stable environment and result in improved educational outcomes. Through this important work, the Myers-Wilkins Collaborative plays a vital role in helping improve educational outcomes and the overall well-being of students and their families. Recent Minnesota legislation builds on the success of the Myers-Wilkins Collaborative and provides grants to expand this work throughout the state, including Lincoln Park Middle School here in Duluth. Many thanks to the Myers-Wilkins Community School Collaborative for their leadership, their partnership and their ongoing efforts to support achievement for all students.

Public Comments

July 2016

Member Loeffler-Kemp read the community vision statement.

Loren Martell, 623 East Seventh Street, spoke to the School Board about the transfer of money out of the General Fund to help balance the budget.

Karen Perry, address not provided, spoke to the School Board about parental concerns regarding lack of communication between parents and the school.

Communications, Petitions, Etc.

July 2016

Superintendent Gronseth stated no communications had been received.

Superintendent's Report

July 2016

I have noticed that area stores have begun to develop their back to school supply displays and we have received a few calls about school supply lists. We encourage people to check the school websites for these lists-- they may not all be available quite yet but hopefully they will be posted soon. I know some of the stores print them off and make them available but that is up to the store and not something we print for them. Coming up in August we will be partnering with CHUM once again to provide backpacks and school supplies for students who need them. The event will be held here in Historic Old Central High School on August 23. The gym where it has been held annually will still be undergoing some renovation so it will be held on the first floor. Even though we are talking about school supplies, there is still plenty of time left for enjoying the summer. There are many ways students and families can be active in the community and continue to learn and grow through a variety of activities. Public libraries, State and city parks, and many events throughout the community are available to help prevent the "summer slide". Reading with your children is actually one of the very best things you can do to help them keep their skills sharp over the summer. So Read, read, read! I want to remind everyone that the Summer Breakfast & Lunch Program run through August 26. Funded by the USDA, meals are

provided to children 18 years of age and under without charge, and adults who accompany their children can purchase a meal for \$3.80. Breakfast is served from 8:00AM to 10:30AM and lunch is served from 11:30AM – 1:00PM. Locations include: Lester Park, Lowell, Myers-Wilkins, Piedmont, Laura MacArthur, Stowe, Lincoln Park Middle School, Denfeld High School, and Brown Bag Lunches at Lincoln Park Boys & Girls Club. Information is posted on the District website, www.ISD709.org. Duluth East High School: Student Representative Spencer Fredrickson discussed tragedies that have happened over the summer to fellow students.

Education Committee Report

July 2016

Member Loeffler-Kemp presented the Education Committee report, a copy of same being in the hands of each school board member.

Member Loeffler-Kemp presented the resolution:

RESOLUTION

Acceptance of Grant Awards to Duluth Public Schools

WHEREAS, Minnesota Statute 465.03 requires a school district to accept grants by resolution expressed in the terms prescribed by the donor in full; and,

WHEREAS, acceptance of the grant in accordance with the donor’s terms is in the best interest of the Duluth Public Schools:

NOW, THEREFORE, BE IT RESOLVED that the Duluth Public Schools does accept the below-described grants from said organizations in accordance with the terms set forth herein.

BE IT FURTHER RESOLVED that the Duluth Public Schools wishes to extend its grateful appreciation to these various organizations.

Organization	Author/Contact	Project Title	Award Amount	Terms
Perpich Center for Arts Education (PCAE)	Teri Akervik	Perpich Center for Arts Education (PCAE) Grant	\$45,300	Funds from this grant award will be used for staff development of Arts educators (Music, Media Arts, Visual Arts, dance and Theater) in Duluth as well as the Arrowhead region. Duluth Public Schools will continue to serve as a Regional Center for PCAE in Northeastern Minnesota.

Northland Foundation Thrive Initiative	Jay Roesler	The First Year Program	\$5,000	Funds from this grant award will be used to support The First Year Program at the Washington Family Center, which is a collaborative partnership between Duluth Public School, St Louis County Health and Social Services and the University of Minnesota Extended Services.
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E-7-16-3382

July 19, 2016

M-Loeffler-Kemp, S-Welty, to approve Resolution E-7-16-3382 – Acceptance of Grant Awards to the Duluth Public Schools. Upon a vote, the same was approved – 6-0.

M-Loeffler-Kemp, S-Welty, to approve the remainder of the Education Committee Report.

Member Johnston withheld Item 1.B.1)
 Member Welty withheld 2.D.1)

Member Johnston withheld Item 1.B.1) 2015-16 Annual Bullying Report and PBIS Training Update to thank the administration for the more detailed reports.

Member Welty withheld 2.D.1) Purchase of Advanced Placement United States History Textbooks for a reminder on the use Chromebooks versus the use of textbooks. School Board continued discussions regarding use of Chromebooks.

Upon a vote on the remainder of the Education Committee, the same was approved – 6-0.

Human Resources Committee Report

July 2016

Member Kirby presented the Human Resources Committee report, a copy of same being in the hands of each school board member.

Member Welty withheld Item 2.A.

Member Welty withheld Item 2.A. Hourly Rate Sheet Minimum Wage Increase to discuss financial repercussions for wage increases and timelines. The School Board continued discussions regarding minimum wage increases.

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M-Johnston, S-Oswald, to amend the hourly rate sheet minimum wage increases so that the minimum wage increases offered by ISD 709 will be one dollar more than the minimum wage that is set by the state of Minnesota.

Discussion took place by board members regarding the proposed amendment.

M-Welty, S-Oswald, to table motion by Member Johnston until the August Regular School Board Meeting pending a little more information from administration about the consequences of this fiscally and contractually.

Discussion took place by board members regarding the motion to table.

Upon a vote to table the motion, the same was approved 6-0.

Member Oswald withheld Item 3.B.

Member Oswald withheld Item 3.B. Review of Superintendent Evaluation Process to inquire about timelines. School Board continued discussions regarding the Superintendent Evaluation Process.

M-Kirby, S-Oswald-Kemp, to approve the Human Resource Committee report. Upon a vote on the Human Resources Committee, the same was approved – 6-0.

Business Committee Report

July 2016

Member Kirby presented the Business Committee report, a copy of same being in the hands of each school board member.

Member Kirby presented the resolution:

RESOLUTION

Acceptance of Donations to Duluth Public Schools

WHEREAS, Minnesota Statute 465.03 requires a school district to accept donations by resolution expressed in the terms prescribed by the donor in full; and,

WHEREAS, acceptance of the donations in accordance with the donor's terms is in the best interest of the Duluth Public Schools:

NOW, THEREFORE, BE IT RESOLVED that the Duluth Public Schools does accept the below-described donations from said organizations in accordance with the terms set forth herein.

BE IT FURTHER RESOLVED that the Duluth Public Schools wishes to extend its grateful appreciation to these various organizations.

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SCHOOL	DONOR	AMOUNT	Restriction
Denfeld High	Rotary Club No 25 of Duluth	2,500.00	Speech
Denfeld High	David & Kelly Bolgrien	50.00	Robotics
Denfeld High	Target	1,100.00	General
Denfeld High	Dahlberg Law Office	75.00	Robotics
Denfeld High	Aaron Gelineau	20.00	Robotics
Denfeld High	Target	613.22	General
Denfeld High	Fred Friedman	500.00	Debate
Denfeld High	Irving Community Assn	1,000.00	Softball
East High	Edgewater resort	3,000.00	Robotics
East High	Martha Kragenbring	5,000.00	Robotics
East High	F. I. Salter	1,000.00	Robotics
East High	Centurylink Clarke M. Williams Foundation	500.00	Robotics
East High	MN Power Foundation	1,000.00	Robotics
East High	T.R. Martin	200.00	Robotics
East High	Wanda Rentz	200.00	Robotics
East High	Class of 1953 c/o Karen Storms	672.82	Senior Class
East High	Wallace & Marianne Goulet	250.00	Art Dept.
East High	St. Louis Co. Historical Society	200.00	Sterling Strings
East High	Maurices	1,250.00	None
Laura MacArthur	Your Cause Corporate Employee Giving Programs	10.00	None
Laura MacArthur	misc. community members	227.47	None
Laura MacArthur	BoxTops for Education General Mills	19.80	None
Laura MacArthur	Children's Discovery Museum	300.00	Bus for K field trip
Laura MacArthur	Target Take Charge of Education	184.01	None
Laura MacArthur	Miscellaneous community members	60.00	None
Laura MacArthur	United Health Foundation	500.00	Kellie Mulliner's class
Lester Park	Target	500.00	None
Lester Park	Wolf Ridge Trust Fund	258.00	Wolf Ridge
Homecroft	MN School Bus Operators Association	1,000.00	Outdoor Program
Homecroft	Lori Jackson	85.00	Field Trip
	TOTAL	22,275.32	

B-7-16-3383

July 19, 2016

M-Kirby, S-Welty, to approve Resolution B-7-16-3383 – Acceptance of Donations to Duluth Public Schools. Upon a vote, the same was approved – 6-0.

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Member Sandstad presented the resolution:

RESOLUTION
Authorized Bank Account Signer

RESOLVED, by the School Board of Independent School District No. 709, St. Louis County, Minnesota, that it hereby authorizes the following:

District	Banking	Account	Addition of	Removal of
<u>Building</u>	<u>Institution</u>	<u>Number</u>	<u>Authorized Signer</u>	<u>Authorized Signer</u>
Ordean East	DTCU	XXXX1	Irene Fridsma	Margaret Weber

Resolution B-7-16-3384

July 19, 2016

M-Kirby, S-Welty, to approve Resolution B-7-16-3384– Authorized Bank Account Signer.
Upon a vote, the same was approved – 6-0.

Member Kirby presented the resolution:

RESOLUTION

Resolution Authorizing The Execution And Delivery Of An Amendment To Installment Purchase Contract And A Supplement To Declaration Of Trust And Approving The Issuance, Sale And Delivery Of \$82,605,000 Full Term Refunding Certificates Of Participation, Series 2016a

BE IT RESOLVED, by the School Board (the “School Board”) of Independent School District No. 709, St. Louis County (Duluth), Minnesota (the “District”), as follows:

Section 1. Authority and Background.

A. Pursuant to the authority contained in Minnesota Statutes, Section 126C.40, Subd. 6 (the “Act”), the District is authorized to purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement upon application to, and approval by, the Minnesota Commissioner of Education.

B. The District has approved a Long-Range Facilities Plan (the “Plan”) and the Commissioner of Education has approved the District’s borrowing of \$111,442,577 under the Act to finance the purchase of real and personal property for the projects set forth in the Plan as described in the Original Contract, as hereinafter defined (the “Original Project”).

C. By Resolution No. B-5-08-2541, adopted May 29, 2008, the School Board determined that it was necessary, expedient and in the best educational interests of the District’s pupils and residents that the District enter into an installment purchase contract pursuant to the Act to finance the costs of the Original Project and issuing full term certificates of participation

in the installment payments under the installment purchase contract in the maximum principal amount of \$111,440,000 pursuant to a declaration of trust.

D. Pursuant to the Act, the District applied to the Commissioner of Education for permission to make an additional levy for the installment payments under the Original Contract to finance the Original Project and the Commissioner authorized the Original Project and the levy.

E. The District selected U.S. Bank National Association, St. Paul, Minnesota (the “Trustee”) to act as vendor and the trustee as follows: the Trustee, as vendor, entered into an Installment Purchase Contract dated as of June 1, 2008 (the “Original Contract”), with the District regarding the acquisition, construction and equipping of the Original Project, and the District and the Trustee entered into a Declaration of Trust dated as of June 1, 2008 (the “Original Declaration”), pursuant to which Full Term Certificates of Participation, Series 2008B, in the installment payments under the Original Contract in the principal amount of \$111,440,000 (the “2008 Certificates”), were executed and delivered by the Trustee.

F. The District has approved an amendment to the Plan and modified the projects to be financed under the Original Contract and the Commissioner of Education approved the amendment to the Plan and the modification to the Original Project and has approved the District’s borrowing of an additional \$5,000,000 under the Act to finance the Original Project, as modified, and as described in the First Amendment to Contract, as hereinafter defined.

G. By Resolution No. B-9-10-2819 adopted September 13, 2010, the School Board determined that it was necessary, expedient and in the best educational interests of the District’s pupils and residents that the District enter into an amendment to the Original Contract to provide additional funds to purchase the real and personal property described in the Plan, as amended, and issuing full term certificates of participation in the installment payments under a supplement to the Original Declaration in the maximum principal amount of \$5,000,000.

H. The Trustee, as vendor, and the District, as vendee, entered into an Amendment to Installment Purchase Contract dated as of October 1, 2010 (the “First Amendment to Contract”) to revise and restate the installment payments, modify the description of the Original Project and amend other related matters, such amendment shall modify the Original Contract. The District and the Trustee entered into a Supplement to Declaration of Trust dated as of October 1, 2010 (the “First Supplement to Declaration”), pursuant to which the Full Term Certificates of Participation, Series 2010C, in the installment payments under the Contract in the principal amount of \$5,000,000 (the “2010C Certificates”) were executed and delivered by the Trustee.

I. Pursuant to the Act, the District applied to the Commissioner of Education for permission to make an additional levy for the Installment Payments under the Original Contract, as amended, to finance a portion of the costs of the acquisition and improvements to Congdon Elementary and Grant Elementary (now Myers-Wilkins Elementary).

J. By Resolution No. B-4-12-3007 adopted April 24, 2012, as amended by Resolution No. B-6-12-3031 adopted June 11, 2012, the School Board determined that it was necessary, expedient and in the best educational interests of the District's pupils and residents that the District enter into an amendment to the Original Contract, as amended, to provide additional funds to purchase real and personal property for Congdon Elementary and Grant Elementary (now Myers-Wilkins Elementary) which are a portion of the Project and issuing full term capital appreciation certificates of participation in the Installment Payments under a supplement to the Original Declaration, as supplemented.

K. The Trustee, as vendor, and the District, as vendee, entered into an Amendment to Installment Purchase Contract dated as of June 1, 2012 (the "Second Amendment to Contract"), to revise and restate the Installment Payments, modify the description of the Original Project, as amended (the "Project"), and amend other matters, such amendment shall modify the Original Contract, as amended. The District and the Trustee entered into a Supplement to Declaration of Trust dated as of June 1, 2012 (the "Second Supplement to Declaration"), pursuant to which Full Term Capital Appreciation Certificates of Participation, Series 2012A, in the Installment Payments under the Contract in the original principal amount of \$12,800,424.50 and a total accreted amount at maturity of \$21,700,000.00 (the "2012A Certificates"), were executed and delivered by the Trustee.

L. Pursuant to the Act, the District applied to the Commissioner of Education for permission to make an additional levy for the additional installment payments under the Second Amendment to Contract to finance a portion of the Congdon Elementary and Grant Elementary (now Myers-Wilkins Elementary), which is a portion of the Project, and the Commissioner authorized the modified Original Project and the levy.

M. Under and pursuant to the Act and Minnesota Statutes, Section 475.67, Subdivisions 1 through 12, the District may, in order to reduce debt service costs, refinance its outstanding obligations through the issuance and sale of refunding certificates of participation. The School Board has determined that the District shall provide for the issuance of Full Term Refunding Certificates of Participation, Series 2016A (the "2016 Certificates") to provide for the defeasance, payment and redemption of the 2008 Certificates maturing on and after February 1, 2017 (the "Refunded Certificates"). The Refunded Certificates maturing on and after February 1, 2020, are called for prepayment and redemption on February 1, 2019 (February 1, 2019 is herein referred to as the "Redemption Date").

N. The Trustee, as vendor, and the District, as vendee, shall enter into an Amendment to Installment Purchase Contract dated as of August 1, 2016 (the "Third Amendment to Contract") to revise and restate the installment payments and amend other related matters, such amendment shall modify the Original Contract, as amended (the Original Contract, as amended, and amended by the Third Amendment to Contract, is herein referred to as the "Contract"). The District and the Trustee shall enter into a Supplement to Declaration of Trust dated as of August 1, 2016 (the "Third Supplement to Declaration"), pursuant to which the Full Term Refunding Certificates of Participation, Series 2016A, in the installment payments under the Contract in the principal amount of \$82,605,000 (the "2016 Certificates") shall be executed

and delivered by the Trustee (the Original Declaration, as supplemented, and as supplemented by the Third Supplement to Declaration is herein referred to as the “Declaration”).

O. Forms of the following documents relating to the financing have been prepared and submitted to the School Board:

(1) the Third Amendment to Contract proposed to be made and entered into between the District and the Trustee;

(2) the Third Supplement to Declaration proposed to be made and entered into between the District and the Trustee; and

(3) the Escrow Agreement proposed to be made and entered into between the District and the Trustee (escrow agent), which provides for the payment of the principal and interest on the Refunded Certificates commencing on February 1, 2017, and continuing on each installment payment date through February 1, 2019, and the prepayment and redemption of the Refunded Certificates maturing on and after February 1, 2020, on the Redemption Date.

Section 2. A. PMA Securities, Inc., independent municipal advisor to the District, has been retained by the District to assist in the negotiated sale of the 2016 Certificates. The School Board has determined to proceed with the sale of the 2016 Certificates by direct negotiation to Northland Securities, Inc. of Minneapolis, Minnesota (“Northland”).

B. Northland has proposed and the pricing committee of the District has accepted Northland’s proposal to purchase the 2016 Certificates at a cash price of \$94,126,782.05, plus accrued interest on the total principal amount from August 17, 2016, to the date of delivery and upon condition that the 2016 Certificates are payable at the times and on the terms set forth in the Contract and the Declaration. PMA Securities, Inc. has determined that the net present value savings of the refunding of the 2008 Certificates, calculated in accordance with Minnesota Statutes, Section 475.67, Subd. 12, is \$6,001,101.35, which exceeds the three percent savings test.

C. The 2016 Certificates to be issued shall mature on February 1 in the respective years and amounts stated and shall bear interest at the annual rates as follows:

YEAR	AMOUNT	INTEREST RATE
2017	\$4,470,000	3.00%
2018	4,860,000	3.00%
2019	5,200,000	3.00%
2020	5,560,000	3.00%
2021	5,935,000	3.00%
2022	6,330,000	5.00%
2023	6,865,000	5.00%

YEAR	AMOUNT	INTEREST RATE
2024	7,440,000	5.00%
2025	8,065,000	5.00%
2026	8,665,000	5.00%
2027	9,315,000	4.00%
2028	8,900,000	4.00%
2028	1,000,000	2.50%

D. Redemption. (i) The 2016 Certificates maturing in the years 2017 through 2026 shall not be subject to redemption and prepayment before maturity, but those maturing in the years 2027 and 2028 shall each be subject to redemption and prepayment at the option of the District on February 1, 2026, and on any date thereafter, in whole or in part, and if in part, at the option of the District and in such manner as the District shall determine at a price of par plus accrued interest to the date of redemption, as provided for in the Declaration.

(ii) In the event of damage to all or a portion of the Project and the District makes the certification and election at the times and in the manner set forth in the Contract, the 2016 Certificates, or a portion thereof, shall be subject to prepayment on any date, at par plus accrued interest to the date of redemption, as provided for in the Declaration.

E. For purposes of complying with Minnesota Statutes, Section 475.54, Subd. 1, the maturity schedule for the 2016 Certificates shall be combined with the other full term certificates of participation of the District issued and outstanding.

Section 3. It is hereby found, determined and declared by the School Board that:

A. It is desirable and in the best interests of the District to enter into the Third Amendment to Contract, the Third Supplement to Declaration and the Escrow Agreement;

B. The terms of the Third Amendment to Contract and the Third Supplement to Declaration are found to be advantageous to the District and are hereby approved; and

C. The Installment Payments under the Contract are absolute and unconditional as provided for in Article III of the Contract and are not subject to annual appropriation of the District.

D. Based upon information from PMA Securities, Inc., the proceeds of the 2016 Certificates and the funds available and appropriated to the escrow account in the Escrow Agreement will be sufficient, together with earnings on the investments on deposit in the escrow account in the Escrow Agreement, to pay the principal and interest on the Refunded Certificates commencing on February 1, 2017, and continuing on each installment payment date through February 1, 2019, and the prepayment and redemption of the Refunded Certificates maturing on and after February 1, 2020, on the Redemption Date.

Section 4. A. For the prompt and full payment of the installment payments under the Contract when due, there is hereby levied a direct, annual, ad valorem tax, as an additional levy pursuant to Minnesota Statutes, Section 126C.40, and other laws, upon all taxable property within the District which shall be extended upon the tax rolls and collected with and as part of the other general property taxes in the District for the years and in the amounts set forth on Exhibit A hereto.

B. The District maintains a Debt Service Fund on its books and records. A separate account was created within the Debt Service Fund and is designated as the “Installment Purchase Contract Account” (the “Contract Account”). The tax levies provided for in this Section 4 are hereby pledged to, and shall be used for no purpose other than, the payment of Installment Payments under the Contract; provided, however, that if any such Installment Payment shall become due when there is not sufficient money in the Contract Account, the Treasurer may pay the same from any other funds of the District and said funds shall be reimbursed for such advance out of the proceeds of the taxes herein levied or appropriated.

C. Except as permitted by Minnesota Statutes, Section 475.61, Subd. 3, such tax levies shall be irrevocable as long as the Contract remains in effect.

Section 5. The Chair and the Clerk are hereby authorized and directed to execute and deliver the Third Amendment to Contract, the Third Supplement to Declaration and the Escrow Agreement substantially in the forms now on file with the Clerk, with such necessary and appropriate omissions, modifications, insertions and additions as do not materially affect the substance of the transaction, consistent with the Act, as the Chair in his discretion shall determine. The execution of the Third Amendment to Contract, the Third Supplement to Declaration and the Escrow Agreement by the Chair, with the advice of the Attorney for the District, shall be conclusive evidence of such determination. All of the provisions of the Third Amendment to Contract, the Third Supplement to Declaration and the Escrow Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated herein and shall be in full force and effect from the date of execution and delivery thereof. The District approves the 2016 Certificates being registered as depository obligations with The Depository Trust Company, New York, New York, as set forth in the Declaration.

Section 6. The Chair and the Clerk are hereby authorized to execute and deliver, on behalf of the District, such other documents as are necessary or appropriate in connection with the Third Amendment to Contract, the Third Supplement to Declaration and the Escrow Agreement, and the issuance, sale and delivery of the 2016 Certificates.

Section 7. All covenants, stipulations, obligations and agreements of the District contained in this Resolution and the Contract and the Declaration shall be deemed to be the covenants, stipulations, obligations and agreements of the District to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the District upon execution and delivery of the Third Amendment to Contract, the Third Supplement to Declaration and the Escrow Agreement. Except as otherwise provided in

this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the District or its officers by the provisions of this Resolution or of the aforementioned documents to be executed and delivered by the District shall be executed or performed by the District or by such officers of the District, or such board, body, authority or agency thereof as may be required by law to exercise such powers and to perform such duties.

Section 8. Except as herein otherwise expressly provided, nothing in this Resolution or in the Contract and the Declaration, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation, other than the District, the Trustee, Northland, or any holder of the 2016 Certificates issued under the provisions of this Resolution, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof, that the aforementioned documents and all of their provisions being intended to be and being for the sole and exclusive benefit of the District, the Trustee, Northland, and any holder from time to time of the 2016 Certificates issued under the provisions of this Resolution.

Section 9. The officers and other agents or employees of the District are hereby authorized to do all acts and things required of them by or in connection with this Resolution, the Third Amendment to Contract, the Third Supplement to Declaration and the Escrow Agreement, and the 2016 Certificates, without further action of the Board, for the full, punctual and complete performance of all the terms, covenants and agreements contained in the 2016 Certificates, the aforementioned documents and this Resolution.

Section 10. In the event any of the officers of the District authorized to execute the documents on behalf of the District under this Resolution shall for any reason be unable to do so, any other officer of the District authorized to act for such designated officer is hereby directed and authorized to do so on behalf of the District with the same effect as if executed by the officer authorized to do so in this Resolution.

Section 11. All actions of the members, officers, employees and staff of the District heretofore taken and in furtherance of this financing are hereby approved, ratified and confirmed.

Section 12. A. The Clerk of the District is directed to file in the office of the County Auditor of St. Louis County a certified copy of this Resolution and such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the 2016 Certificates herein authorized have been duly entered on his register.

B. The Chair, the Clerk, the Treasurer and other officers of the District are authorized and directed to prepare and furnish, with regard to the issuance of the 2016 Certificates, certified copies of all proceedings and records of the District relating to the 2016 Certificates and such other affidavits, certificates and opinions as may be required to show the facts relating to the legality, tax exemption and marketability of the 2016 Certificates as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; that all such certified copies, certificates, affidavits and opinions, including and heretofore furnished, shall constitute representations of the District as to the truth of all

statements made by the District and contained herein. The District officers are authorized and directed to pay or cause to be paid the costs of issuance for the 2016 Certificates.

Section 13. The School Board has covenanted and has obligated itself in Resolution No. B-6-16-3378 adopted June 21, 2016, to be bound by the provisions of Minnesota Statutes, Section 126C.55. The School Board hereby reaffirms such covenants and obligations.

Section 14. The District hereby authorizes the circulation of the final Official Statement in connection with the sale and delivery of the 2016 Certificates.

Section 15. Tax Covenants.

A. The District covenants and agrees with the holders of the 2016 Certificates that the District will (i) take all action on its part necessary to cause the interest on the 2016 Certificates to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the 2016 Certificates and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the 2016 Certificates to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the 2016 Certificates and investment earnings thereon on certain specified purposes.

B. No portion of the proceeds of the 2016 Certificates shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the 2016 Certificates were issued, and (ii) in addition to the above, in an amount not greater than the lesser of five percent of the proceeds of the Certificates or \$100,000. To this effect, any proceeds of the 2016 Certificates and any sums from time to time held in the Contract Revenue Fund or the Prepayment Fund by the Trustee (or any other District fund or account which will be used to pay principal and interest to become due on the 2016 Certificates) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable temporary periods of minor portion made available under the federal arbitrage regulations. In addition, the proceeds of the 2016 Certificates and money in the Contract Revenue Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the 2016 Certificates to be federally guaranteed within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

C. The School Board covenants and certifies to and for the benefit of the owners of the 2016 Certificates that no use will be made of the proceeds of the Certificates, which will cause the 2016 Certificates to be arbitrage bonds within the meaning of Section 148(a) of the Code and the Treasury Regulations promulgated thereunder. Pursuant to such covenant, the

School Board hereby agrees to comply throughout the term of the issue of the 2016 Certificates with the requirements of Section 148 of the Code and any Treasury Regulations promulgated thereunder and Article V of the Declaration.

Section 16. Continuing Disclosure. The District acknowledges that the 2016 Certificates are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the “Rule”). The Rule governs the obligations of certain underwriters to require that issuers of municipal bonds enter into agreements for the benefit of the bondholders to provide continuing disclosure with respect to the bonds. To provide for the public availability of certain information relating to the 2016 Certificates and the security therefor and to permit underwriters of the 2016 Certificates to comply with the Rule, which will enhance the marketability of the 2016 Certificates, the Chair and the Clerk are hereby authorized and directed to execute a Continuing Disclosure Certificate substantially in the form of the Certificate currently on file in the office of the District.

Section 17. Post-Issuance Compliance Policy and Procedures. The School Board has previously approved a Post-Issuance Debt Compliance Policy and Post-Issuance Debt Compliance Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the “Policy and Procedures”). The School Board hereby approves the Policy and procedures for the 2016 Certificates. The Chief Financial Officer/Executive Director of Business Services continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

B-7-16-3385

July 19, 2016

M-Kirby, S-Loeffler Kemp, to approve for Resolution B-7-16-3385 Resolution Authorizing The Execution And Delivery Of An Amendment To Installment Purchase Contract And A Supplement To Declaration Of Trust And Approving The Issuance, Sale And Delivery Of \$82,605,000 Full Term Refunding Certificates Of Participation, Series 2016A

Discussion took place regarding the resolution.

Upon a vote, the same was approved – 5-1.

Yea: Harala, Kirby, Loeffler-Kemp, Oswald, Welty

Nay: Johnston

M-Kirby, S-Loeffler-Kemp to approve the remainder of the Business Committee report.

Member Oswald withheld Items 4.C.1., 6.A., and 6.F.

Member Johnston withheld Items 1.A. and 4.A.2)

Member Welty withheld Item 4.B.1)

16 – Minutes of the Regular School Board Meeting
July 19, 2016

Member Johnston withheld Item 1.A) Financial Report to discuss the legal bills.

Member Johnston withheld Item 4.A.2) Worker's Compensation and Property/Liability Insurance Policies and Premium Designation to state he was pleased that the District is going with Liberty for property/liability insurance. School Board discussion continued regarding this subject.

Member Welty withheld Item 4.B.1) Change Order related to Facilities Project – Bid #1245 to discuss the window replacement at Myers-Wilkins. School Board discussion continued regarding the subject.

Member Oswald withheld Item 4.C.1) Northwood Children's Services – Merritt Creek Academy to clarify the schedule attached to the agreement was different than the one given during the Business Committee meeting.

Member Oswald withheld Item 6.A. Expenditure Contracts to ask a question about the Myers-Wilkins Collaborative Memorandum of Understanding. School Board discussion continued regarding this subject.

Member Oswald withheld Item 6.F. Broadcasting the Committee Meetings to make a motion to broadcast the committee meetings.

M-Oswald, S-Welty, to start broadcasting our committee meetings ASAP for the 2016-17 school year and then reevaluate.

Discussion took place regarding the motion to broadcast committee meetings.

M-Welty, S-Johnston, to withdraw his second for Member Oswald's motion.

Member Oswald – withdrew her motion.

Upon a vote on the remainder of the Business Committee, the same was approved – 6-0.

Special Resolutions

July 2016

RESOLUTION

Board Member Attendance at MSBA Summer Seminar

RESOLVED, That Independent School District 709, St. Louis County, Minnesota, pay costs incurred, as per District policy, for school board members to attend the Minnesota School Boards Association 2016 Summer Seminar in Minneapolis, Minnesota on August 7 – 9, 2016.

Resolution SP-7-16-3386

July 19, 2016

M-Oswald, S-Welty, to approve Resolution SP-7-16-3386 – Board Member Attendance at MSBA Summer Seminar. Upon a vote, the same was approved – 6-0.

Other

July 2016

Member Johnston inquired on information regarding a possible pending lawsuit. Superintendent Gronseth stated that the District hasn't received anything yet.

Member Oswald asked about public use of the tennis courts at Laura MacArthur. School Board discussion continued regarding this subject.

Chair Harala adjourned the Regular School Board Meeting of July 19, 2016 at 9:21 p.m.