

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, September 18, 2018

Members Present:

Josh Gorham
David Kirby
Rosie Loeffler-Kemp
Jill Lofald
Alanna Oswald
Nora Sandstad
Sally Trnka

Others Present:

Bill Gronseth, Superintendent
Jackie Dolentz, Secretary

Student Representatives:

Maggie Carlos (Denfeld)
Finnegan White (Duluth East)

➤ Chair Kirby called the Regular School Board meeting of September 18, 2018 to order at 6:43 p.m., and the pledge of allegiance to the American flag was given.

M-Loeffler-Kemp, S-Oswald, to approve the agenda as presented. Upon a vote, the agenda was approved as presented – unanimously.

Chair Kirby asked school board members if there were any corrections or changes to the minutes of the Regular School Board Meeting of August 21, 2018.

M-Sandstad, S-Oswald, to approve the minutes of the August 21, 2018 Regular School Board Meeting as presented. Upon a vote, the same was approved – unanimously.

School and Community Recognition **September 2018**

Members of the Board, this month we're recognizing a community partnership that's helping Duluth students have a positive start to the school year. Please welcome Scott Van Daele, Director of Distributive Services for CHUM. On the first day of school, students need school supplies and backpacks. Last year, nearly 44% of our students qualified for free or reduced price lunch and about 2% were identified as homeless. That can make access to school supplies tough for some families. Each year CHUM partners with our school district to help set the tone and start kids off right. For sixteen years, CHUM and their community partners have worked together to ensure backpacks and school supplies are available for at-risk children. Donations come from community members and organizations. This year alone, over 1,100 backpacks were distributed to local families. Since 2002, CHUM has provided over 8,000 backpacks to children and families in need. Their amazing work and their partnership are enhancing opportunities for Duluth's children and helping all students have a great start to the school year. Thanks for all you do!

Public Comments
September 2018

Kathi Tolo, 2224 Minnesota Avenue, spoke to the School Board about her role as a trauma specialist and teaching mindfulness to students.

Communications, Petitions, Etc.
September 2018

Superintendent Gronseth stated that no communications had been received.

Superintendent's Report
September 2018

We are in the third week of school! It has been a wonderful start to the school year. A big thank you goes out to all of the maintenance staff who had the buildings at their best for the start of the year, the preparation by principals, teachers, and staff to be sure we were ready for students, and for the many volunteers and parents who help everything to run smoothly. We are really lucky to have so many dedicated people working in our schools. Speaking of which, we still have a few employment opportunities available; check our website if you are interested!

Beginning in October, there will be a change in School Board Committee schedules. The Education Committee will be on Monday and the HR and Business Committees will be on Tuesday. The new schedules are always available on our website and also on BoardBook as well.

The United Way Chili Cook-off is on Thursday of this week. Last year students from our culinary program won first place overall and was first for the people's choice award as well! They are participating again this year. Stop by the DECC on Thursday from 5-7 p.m. to try their chili (and many others!).

We will be taking the next step in our ALICE training this week. There will be 50 people trained as trainers and includes school leaders, district staff, school resource officers, and representatives of the county sheriff's department. Throughout the year we will continue our training and implementation. Elements of enhanced lockdown procedures will continue to be added throughout the school year.

Another note on safety. Across the city there are students waiting for buses in the morning or being dropped off in the afternoon. We ask that motorists be especially mindful around our school buses and bus stops. Please do not text and drive and be watching for the flashing lights and stop arms on the buses. We have had reports of people driving around or past the bus when it is stopped. Please, for the safety of our students, follow the rules of the road.

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We have been sharing information on the levy referendum with staff and community members. We are visiting each site and sharing information, mailings will soon be sent to all households as required by the State. We are also visiting with organizations throughout the community to share information. If you would like us to come to your organization, please contact the Superintendent's office and we will be happy to schedule a time to do so.

Denfeld High School: Student Representative Maggie Carlos spoke to the School Board about the current fall sports, an upcoming musical, and the successful open house which had 800 attendees. Freshmen Orientation had 200 freshmen attending; freshmen were also honored at the freshman assembly. Homecoming events are right around the corner in the beginning of October and will include the annual bonfire.

Duluth East High School: Student Representative Finn White spoke to the School Board about activities going on at the school including Key Club, Kennel Club, the welcome back assembly, fall sports, and upcoming homecoming activities.

Education Committee Report
September 2018

Member Lofald presented the Education Committee report which was available electronically to each school board member.

Member Lofald 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 organizations.

Organization	Author / Contact	Project Title	Award Amount	Terms
Minnesota State Arts Board	Marcia Nelson	Acting Out Loud Project at Denfeld High School	\$59,100	Funds will be used to support the Acting Out Loud Project at Denfeld High School.

Northland Foundation	Jennifer Jaros	Child Care Mentoring Program	\$5,000	Funds will be used to support the Early Childhood Family Education (ECFE) Child Care Mentoring Program.
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Resolution E-9-18-3585

September 18, 2018

M-Lofald, S-Sandstad, to approve Resolution E-9-18-3585 – Acceptance of Grant Awards to the Duluth Public Schools. Upon a vote, the same was approved - unanimously.

M-Lofald, S-Loeffler-Kemp, to approve the remainder of the Education Committee Report. Upon a vote, the remainder of the Education Committee Report was approved – unanimously.

Human Resources Committee Report
September 2018

Member Gorham presented the Human Resources Committee report which was available electronically to each school board member.

Member Gorham presented the resolution:

RESOLUTION

Education Minnesota Integration Specialist (ISPEC) St. Paul, Minnesota

RESOLVED, By the School Board of Independent School District #709, St. Louis County, Minnesota, that the Collective Bargaining Agreement between Independent School District #709 and the Education Minnesota Integration Specialist (ISPEC) St. Paul, Minnesota, a summary of which has been provided electronically to all School Board members, be approved and adopted for the period of July 1, 2018 to June 30, 2020, inclusive, and that the Chairperson and Clerk of the School Board be hereby authorized to execute said Agreement on behalf of the School District.

Resolution HR-9-18-3584

September 18, 2018

M-Gorham, S-Loeffler-Kemp, to approve Resolution HR-9-18-3584 – Education Minnesota Integration Specialist (ISPEC) St. Paul, Minnesota. Upon a vote, the same was approved – unanimously.

M-Gorham, S-Loeffler-Kemp, to approve the contract for the Public Relations Coordinator. Upon a vote, the same was approved – unanimously.

M-Gorham, S-Trnka, to approve the contract for the CFO/Executive Director of Business Services. Upon a vote, the same was approved – unanimously.

M-Gorham, S-Lofald, to approve the Human Resource Committee report.

Member Loeffler-Kemp expressed her thanks to the Human Resources department for bargaining in good faith with the Integration Specialist group and for their efforts on the other two contracts this month.

Upon a vote, the remainder of the Human Resources Committee report was approved – unanimously.

Business Committee Report
September 2018

M-Trnka, S-Gorham, to Postpone Definitely Items 5.C. and 5.D. (Bond Refunding Resolutions for 2018A and 2018B) until the November 2018 Business Committee meeting. Upon a vote, the same was approved – unanimously.

Member Trnka presented the Business Committee report which was available electronically to each school board member.

Member Trnka 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 individuals and organizations.

SCHOOL	DONOR	AMOUNT	RESTRICTION
Congdon	Renee Willemsen	In Kind	None (time & effort donation for work in the school garden by PTA and helpers)
Denfeld	Marlys Burns	In Kind	Automotive department (1998 Buick)
District-wide	Duluth Lions Club	In Kind	None (3 all-touch tympanometers for school nurses)
Homecroft	Wells Fargo Your Cause	\$35.00	None
Homecroft	Wells Fargo Community Support Campaign	\$35.00	None
Homecroft	Wells Fargo Community Support Program	\$13.00	None

Lincoln Park	Paul Fjone	In Kind	Orchestra department (donated a cello)
Lincoln Park	William Ralph	In Kind	Social studies/history classroom (set of 12 small flags on stands)
Lincoln Park	Richard L Makowsky	In Kind	None (3 large rolls of white paper and 3 packages of white poster size paper)
Lowell	Duluth Grill	\$50	None

Resolution B-9-18-3586

September 18, 2018

M-Trnka, S-Sandstad, to approve Resolution B-9-18-3586 – Acceptance of Donations to Duluth Public Schools.

Discussion took place regarding this item.

Upon a vote, the same was approved – unanimously.

Member Trnka presented the resolution:

RESOLUTION
Maximum Levy Certification

WHEREAS, the School Board of Independent School District No. 709, St. Louis County, Minnesota, will hold a regular school board meeting on December 18, 2018 at 6:30 PM in the Board Room of the Historic Old Central High School, and will receive input from the public on the proposed certified levy for 2018 payable in 2019.

THEREFORE BE IT RESOLVED, that the School Board propose the ceiling for the tax levy for Independent School District No. 709 for 2018 payable 2019 at the maximum amount.

Resolution B-9-18-3587

September 18, 2018

M-Trnka, S-Sandstad, to approve Resolution B-9-18-3587 - Maximum Levy Certification. Upon a vote, the same was approved – unanimously.

Member Trnka presented the resolution:

RESOLUTION

Authorizing the Issuance of Full Term Refunding Certificates of Participation, Series 2018A

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

Section 1. Authority and Background.

1.01 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.

1.02 The School Board has approved a Long-Range Facilities Plan (the “Plan”), and

the Commissioner of Education has approved the District's borrowing under the Act to finance the purchase of real and personal property for the projects set forth in the Plan as described in the Contract, as hereinafter defined (the "Project").

1.03 By Resolution No. B-9-09-2679, adopted September 17, 2009, 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 Project and issuing full term certificates of participation in the installment payments under the installment purchase contract in the principal amount of \$71,170,000 pursuant to a declaration of trust.

1.04 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 Contract to finance the Project, and the Commissioner authorized the Project and the levy.

1.05 The District selected Associated Trust Company, National Association, Milwaukee, Wisconsin (the "Trustee") to act as vendor and the trustee as follows: the Trustee, as vendor, entered into an Installment Purchase Contract dated as of October 1, 2009 (the "Contract"), with the District regarding the acquisition, construction and equipping of the Project, and the District and the Trustee entered into a Declaration of Trust dated as of October 1, 2009 (the "Declaration"), pursuant to which Taxable Full Term Certificates of Participation, Series 2009A (Build America Bonds-Direct Pay), in the installment payments under the Contract in the principal amount of \$71,170,000 (the "2009A Certificates"), were executed and delivered by the Trustee.

1.06 Under and pursuant to the Act and Minnesota Statutes, Section 475, Subdivision 1 through 4, the District hereby determines that it is necessary, in order to reduce debt service costs, to refinance the outstanding 2009A Certificates through the issuance of Full Term Refunding Certificates of Participation, Series 2018A (the "2018A Certificates").

Section 2. Sale of 2018 Certificates.

2.01 The District has retained PMA Securities, Inc., in Albertville, Minnesota ("PMA"), as independent financial advisor in connection with the sale of the 2018A Certificates. The School Board desires to proceed with the sale of the 2018A Certificates by direct negotiation to Northland Securities, Inc., in Minneapolis, Minnesota ("Northland"), as underwriter.

2.02 Any officer of the School District and the Superintendent (the "Pricing Committee"), are hereby authorized to approve the sale of the 2018A Certificates and to execute a bond purchase agreement for the sale and purchase of the 2018A Certificates with Northland.

2.03 Upon approval of the sale of the 2018A Certificates by the Pricing Committee, the School Board will take action at a regular or special meeting to adopt the necessary approving resolution prepared by the District's bond counsel.

2.04 PMA is authorized to prepare and Northland is authorized to distribute an official statement related to the sale of the 2018A Certificates.

2.05 If the Pricing Committee has not approved the sale of the 2018A Certificates to Northland and executed the related bond purchase agreement by December 31, 2018, this resolution shall expire.

Section 3. 2018A Certificates Documents. The form, specifications and provisions for the issuance and repayment of the 2018A Certificates shall be set forth in a subsequent resolution of the School Board, in an amendment to the Contract and in a supplement to the Declaration.

Section 4. Minnesota School District Credit Enhancement Program.

4.01 The District hereby covenants and obligates itself to notify the Commissioner of Education of a potential default in the payment of principal and interest on the 2018A Certificates and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee payment of the principal and interest on the 2018A Certificates when due. The District further covenants to deposit with the Trustee, as bond registrar and paying agent for the 2018A Certificates, or any successor paying agent (the “Bond Registrar”) three days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Commissioner of Education that it will be unable to make all or a portion of that payment. The Bond Registrar for the 2018A Certificates is authorized and directed to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal or interest on the 2018A Certificates or if, on the day two business days prior to the date a payment is due on the 2018A Certificates, there are insufficient funds to make that payment on deposit with the Bond Registrar. The District understands that as a result of its covenant to be bound by the provisions of Minnesota Statutes, Section 126C.55, the provisions of that section shall be binding as long as any 2018A Certificates of this issue remain outstanding.

4.02 The District further covenants to comply with all procedures now or hereafter established pursuant to Minnesota Statutes, Section 126C.55, Subdivision 2(c) by the Minnesota Department of Management and Budget and the Minnesota Department of Education and otherwise to take such actions as necessary to comply with that section. The Chair, Clerk and Superintendent is authorized to execute any applicable Minnesota Department of Education forms.

Resolution B-9-18-3588

September 18, 2018

This item was Postponed Definitely until the November 2018 Business Committee meeting.

Member Trnka presented the resolution:

RESOLUTION

Authorizing the Issuance of Full Term Refunding Certificates of Participation, Series 2018B

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

Section 1. Authority and Background.

1.01 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.

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

1.03 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 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.

1.04 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 Contract to finance the Project, and the Commissioner authorized the Project and the levy.

1.05 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 “Contract”), with the District regarding the acquisition, construction and equipping of the Project, and the District and the Trustee entered into a Declaration of Trust dated as of June 1, 2008 (the “Declaration”), pursuant to which Full Term Certificates of Participation, Series 2008B, in the installment payments under the Contract in the principal amount of \$111,440,000 (the “2008 Certificates”), were executed and delivered by the Trustee.

1.06 Pursuant to an approval from the Commissioner of Education, the District has entered into an Amendment to Installment Purchase Contract dated as of October 1, 2010, with the Trustee which amended the Contract and a Supplement to Declaration of Trust dated as of October 1, 2010 with the Trustee, which supplemented the Declaration, in connection with the \$5,000,000 Full Term Certificates of Participation, Series 2010C dated October 1, 2010 (the “2010C Certificates”), the proceeds of which financed the Project, as amended.

1.07 Pursuant to an approval from the Commissioner of Education, the District has entered into an Amendment to Installment Purchase Contract dated as of June 1, 2012, with the Trustee which amended the Contract, as amended, and a Supplement to Declaration of Trust, dated as of June 1, 2012, which supplemented the Declaration, as supplemented, in connection with the \$12,800,424.50 Full Term Capital Appreciation Certificates of Participation, Series 2012A, dated June 27, 2012, the proceeds of which financed the Project, as amended.

1.08 Under and pursuant to the Act and Minnesota Statutes 475, Subdivision 1 through 12, the District refinanced the outstanding 2008 Certificates through the issuance of \$82,605,000 Full Term Refunding Certificates of Participation, Series 2016A, dated as of August 17, 2016.

1.09 Under and pursuant to the Act and Minnesota Statutes, Section 475, Subdivision 1 through 4, the District hereby determines that it is necessary, in order to reduce debt service costs, to refinance the outstanding 2010C Certificates through the issuance of Full Term Refunding Certificates of Participation, Series 2018B (the “2018B Certificates”).

Section 2. Sale of 2018B Certificates.

2.01 The District has retained PMA Securities, Inc., in Albertville, Minnesota (“PMA”), as independent financial advisor in connection with the sale of the 2018B Certificates. The School Board desires to proceed with the sale of the 2018B Certificates by direct negotiation to Northland Securities, Inc., in Minneapolis, Minnesota (“Northland”), as underwriter.

2.02 Any officer of the School Board and the Superintendent (the “Pricing Committee”), are hereby authorized to approve the sale of the 2018B Certificates and to execute a bond purchase agreement for the purchase of the 2018B Certificates with Northland.

2.03 Upon approval of the sale of the 2018B Certificates by the Pricing Committee, the School Board will take action at a regular or special meeting to adopt the necessary approving resolution prepared by the District’s bond counsel.

2.04 PMA is authorized to prepare and Northland is authorized to distribute an official statement related to the sale of the 2018B Certificates.

2.05 If the Pricing Committee has not approved the sale of the 2018B Certificates to Northland and executed the related bond purchase agreement by December 31, 2018, this resolution shall expire.

Section 3. 2018B Certificates Documents. The form, specifications and provisions for the issuance and repayment of the 2018B Certificates shall be set forth in a subsequent resolution of the School Board, in an amendment to the Contract and in a supplement to the Declaration.

Section 4. Minnesota School District Credit Enhancement Program.

4.01 The District hereby covenants and obligates itself to notify the Commissioner of Education of a potential default in the payment of principal and interest on the 2018B Certificates and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee payment of the principal and interest on the 2018B Certificates when due. The District further covenants to deposit with the Trustee, as bond registrar and paying agent for the 2018B Certificates, or any successor paying agent (the “Bond Registrar”) three days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Commissioner of Education that it will be unable to make all or a portion of that payment. The Bond Registrar for the 2018B Certificates is authorized and directed to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal or interest on the 2018B Certificates or if, on the day two business days prior to the date a payment is due on the 2018B Certificates, there are insufficient funds to make that payment on deposit with the Bond Registrar. The District understands that as a result of its covenant to be bound by the provisions of Minnesota Statutes, Section 126C.55, the provisions of that section shall be binding as long as any 2018B Certificates of this issue remain outstanding.

4.02 The District further covenants to comply with all procedures now or hereafter established pursuant to Minnesota Statutes, Section 126C.55, Subdivision 2(c) by the Minnesota Department of Management and Budget and the Minnesota Department of Education and otherwise to take such actions as necessary to comply with that section. The Chair, Clerk or Superintendent is authorized to execute any applicable Minnesota Department of Education forms.

Resolution B-9-18-3589

September 18, 2018

This item was Postponed Definitely until the November 2018 Business Committee meeting.

M-Trnka, S-Gorham, to approve the remainder of the Business Committee report. Upon a vote, the remainder of the Business Committee report was approved – unanimously.

M-Oswald, S-Gorham, to adjourn the meeting. Upon a vote, the same was approved – unanimously.

➤ Chair Kirby adjourned the Regular School Board Meeting of September 18, 2018 at 7:42 p.m.