

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, January 20, 2015

Members Present:

Annie Harala
Art Johnston
Rosie Loeffler-Kemp
Mike Miernicki
Judy Seliga Punyko
Harry Welty
Bill Westholm

Others Present:

William Gronseth, Superintendent
Bill Hanson, Deputy Clerk
Melinda Thibault, Secretary

Student Representatives:

Jude Goossens
Thomas Olafson

➤ Chair Seliga Punyko called the regular school board meeting of January 20, 2015 to order at 6:30 p.m., and the pledge of allegiance to the American flag was given.

Member Loeffler-Kemp read the Duluth Schools mission statement.

Student Advisors Jude Goossens and Thomas Olafson introduced themselves and gave a brief description of activities they are involved in at their respective schools.

M-Miernicki, S-Harala, to approve the agenda as presented. Upon a vote on the agenda as presented, the same was approved - unanimously.

Chair Seliga Punyko asked school board members if there were any corrections or changes to the minutes of the Special School Board Meeting of December 16, 2014.

M-Miernicki, S-Welty, to approve the minutes of the December 16, 2014 Special School Board Meeting as presented. Upon a vote, the same was approved as presented - unanimously.

Chair Seliga Punyko asked school board members if there were any corrections or changes to the minutes of the Regular School Board Meeting of December 16, 2014.

M-Westholm, S-Miernicki, to approve the minutes of the December 16, 2014 Regular School Board Meeting as presented. Upon a vote, the same was approved as presented - unanimously.

Chair Seliga Punyko asked school board members if there were any corrections or changes to the minutes of the Special School Board Meeting of December 22, 2014.

M-Miernicki, S-Westholm, to approve the minutes of the December 22, 2014 Special School Board Meeting as presented. Upon a vote, the same was approved as presented - unanimously.

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Chair Seliga Punyko asked school board members if there were any corrections or changes to the minutes of the Organizational School Board Meeting of January 5, 2015.

M-Loeffler-Kemp, S-Harala, to approve the minutes of the January 5, 2015 Organizational School Board Meeting as presented. Upon a vote, the same was approved – unanimously.

School and Community Recognition
January 2015

Ed Crawford: Members of the Board, this month I'm pleased to present our Devin Johnson and Jackson Churchill from Duluth East High School for recognition. Devin and Jackson recently competed in the Physics Olympiad held at the University of Minnesota, Duluth. Physics Olympiads are competitions for high school students and involve solving theoretical and experimental problems. The mission of the event is to promote and demonstrate academic excellence and to provide intellectual stimulation for students interested in physical sciences. They are held regularly in many countries and are conducted at the city, regional, state, country and international levels. Close to 20 students competed in the Duluth event. Devin earned first place in the event and Jackson took third place, really outstanding results! Congratulations to Devin and Jackson for their accomplishment in the UMD Physics Olympiad!

Public Comments
January 2015

Tim Davis, no address provided, spoke to the school board regarding how the board will address the achievement gap for students of color and district spending.

Gordon Downs, 401 North 76th Avenue West, spoke to the school board regarding his concern with how some of the board members are being treated and lack of civility among board members.

Paul Manning, Branch Street, former Student Advisor, spoke to the school board regarding increasing rates of major depression and anxiety disorder among students and asked the board to dedicate more resources to helping students with these issues.

Loren Martell, 625 East 7th Street, spoke to the school board regarding his concern with the proposed additional long range facilities plan spending.

Rich Paulson, 524 Ideal Street, spoke to the school board to encourage them to arrange for a state audit as required by District policy.

Marcia Stromgren, no address provided, spoke to the school board regarding her concern with the District finances and loss of students from the District.

Communications, Petitions, Etc.

January 2015

Superintendent Gronseth stated that there no communications had been received.

Superintendent's Report

January 2015

Seems hard to believe that today is already the first day of second semester. In many ways, it's like the first day of school for our middle and high school students. They may have new schedules, new teachers, new classes, and because our classes are semesterized, they are beginning again with a new clean slate. So I encourage everybody to set high goals for themselves, and work towards those goals every day. It is just about time to start registering for next year! Students have received materials to look over with their families. There will be opportunities to register on-line in the coming weeks. I encourage families to go over the materials together and consider which classes meet the needs and interests of each student. We also have some changes on the school board this month--we have new student representatives. I'd like to introduce Tom Olafson from Denfeld and Jude Goossens from East. We are starting something new with our student reps. Each month we will be asking them to share a report from their school-- to share something about the activities and academic lessons their schools are involved in. I think it will be a great opportunity. So welcome Tom and Jude and we look forward to future reports!

Education Committee Report

January 2014

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

Member Harala 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
1	Second Harvest Heartland	Jerry Maki	Second Harvest Heartland Grant	\$2,500	Funds from this grant award will be used to enhance the Breakfast Program at Lowell Elementary.
2	Rotary Club #25	Albert Chepelnik	Stock Market Game Grant	\$392	Funds from this grant award will be used to recognize the most profitable Stock Market Game (SMG) teams in Futures/Independent Living Classes at Denfeld and East High Schools each semester.

Resolution E-1-15-3231

January 20, 2015

M-Harala, S-Welty, to approve Resolution E-1-15-3231 – Acceptance of Grant Awards to Duluth Public Schools. Upon a vote, the same was approved – unanimously.

M-Harala, S-Westholm, to approve the Education Committee Report.

Member Welty withheld Item 1.A.2)

Member Welty withheld Item 1.A.2) – ATOD Committee Update to make comments about the issue of depression and anxiety among students and to ask that the committee keep in mind how to deal with those issues as well.

Upon a vote on the Education Committee, the same was approved – unanimously.

Human Resources Committee Report

January 2015

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

Member Miernicki presented the resolution:

RESOLUTION

Paraprofessionals

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 Paraprofessionals, a summary of which is in the hands of all School Board members, be

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approved and adopted for the period July 1, 2013 to June 30, 2016, inclusive, and that the Chairperson and Clerk of the School Board be hereby authorized to execute said Agreement on behalf of the School District.

HR-1-15-3230

January 20, 2015

M-Miernicki, S-Loeffler-Kemp, to approve HR-1-15-3230 – Paraprofessionals Collective Bargaining Agreement 7/1/13-6/30/16.

Discussion took place regarding the contract.

Upon a vote, the same was approved – 6-0 as follows:

Yea: Harala, Loeffler-Kemp, Miernicki, Seliga Punyko, Welty, Westholm

Abstain: Johnston

M-Miernicki, S-Harala, to approve the remainder of the Human Resource Committee report.

Member Johnston withheld Item 2.B.

Member Johnston withheld Item 2.B. – Approval of Job Descriptions, to ask for information from Kerry Leider regarding the number of people in those positions.

Upon a vote, the same was approved - unanimously.

Business Committee Report

January 2014

Member Westholm asked that the Aid Anticipation Certificates resolution be moved up to allow for Steve Pumper to present the results of the bond sales.

Member Westholm presented the resolution:

RESOLUTION RELATING TO \$4,400,000 TAXABLE GENERAL OBLIGATION AID ANTICIPATION CERTIFICATES OF INDEBTEDNESS, SERIES 2015A; AUTHORIZING THE ISSUANCE AND ESTABLISHING THE TERMS THEREOF; AND AWARDING THE SALE THEREOF

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

Section 1. Certificates Purpose and Authorization.

1.01 Statutory Authority. Under and pursuant to the authority contained in Minnesota Statutes, Sections 126C.50 through 126C.56, as amended (the “Act”), and Minnesota Statutes, Chapter 475, the board of any school district may borrow money upon aid anticipation

certificates in anticipation of receipt of state aid for schools as defined by Minnesota State and federal school aids to be distributed by or through the Minnesota Department of Education (the “Department”).

1.02 Purpose of Borrowing. The School Board hereby determines that it is necessary to borrow, pursuant to the Act, upon aid anticipation certificates of indebtedness in the amount of \$4,400,000 in anticipation of receipt of state aids for schools and of federal school aids to be distributed by or through the Department during the July 1, 2014 to June 30, 2015 fiscal year (the “School Aids”), which are necessary for timely payments of anticipated expenditures from the District’s operating funds (the “Funds”). Such amount does not exceed 75% of the School Aids which are receivable by the District in such fiscal year as estimated by the Commissioner of the Department.

1.03 Certificates of Indebtedness. The School Board hereby determines that it is necessary and expedient that the District issue general obligation aid anticipation certificates of indebtedness as described in Section 1.02 above in a single issuance of \$4,400,000 Taxable General Obligation Aid Anticipation Certificates of Indebtedness, Series 2015A (the “Certificates”).

1.04 Notice of Sale to Bidders. PMA Securities, Inc., independent financial advisor to the District, has given notification to at least two firms determined by PMA Securities, Inc., to be prospective bidders on the Certificates at least two days (omitting Saturdays, Sundays and legal holidays) before the date set for receipt of bids on the Certificates. All actions of the Chair, the Clerk and PMA Securities, Inc. taken with regard to the sale of the Certificates are hereby ratified and approved.

Section 2. Award of Sale. Pursuant to such solicitation for bids for the sale of the Certificates, the School Board has received and considered all bids presented pursuant to the Notice of Sale and has determined that the most favorable bid is that of Jefferies, LLC, of New York, New York (the “Purchaser”), to purchase the Certificates at a cash price of \$4,400,220.00, plus accrued interest on the total principal amount from February 23, 2015, to the date of delivery and upon the condition that the Certificates bear interest at the annual rate of 1.00% per annum and mature at the time set forth in Section 4. The School Board, after due consideration, finds such offer reasonable and proper and the offer of the Purchaser is hereby accepted. The Chair and the Clerk are hereby authorized and directed to execute on the part of the District a contract for the sale of the Certificates in accordance with the Purchaser’s proposal.

Section 3. Full Faith and Credit Pledge. The School Board hereby declares that the full faith and credit and taxing power of the District and the receipts of the School Aids, to the extent necessary to repay the Certificates, shall be and are hereby at all times irrevocably pledged for the payment of principal and interest on the Certificates when due.

Section 4. Certificates; Terms. The Certificates to be issued hereunder shall be dated February 23, 2015, shall be issued in the denomination of \$5,000 each, or any integral multiple thereof, in fully registered form, lettered and numbered R-1 and upward. The Certificates shall mature on June 1, 2015 (the “Maturity Date”).

The Certificates shall not be subject to redemption prior to the Maturity Date. The interest on the Certificates shall be payable on the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The Bond Registrar designated below shall make the interest payments with respect to the Certificates by check or draft mailed to the registered owners of the Certificates shown on the bond registration records maintained by the Bond

Registrar at the close of business on the 15th day prior to the Maturity Date, whether or not a business day, at such owners' addresses shown on such bond registration records. Principal of each Certificate shall be payable in accordance with and on presentation and surrender of the Certificate to the Bond Registrar.

Section 5. Bond Registrar; Registration of Certificates.

5.01 Appointment of Bond Registrar. A. School Board hereby appoints U.S. Bank National Association of St. Paul, Minnesota, as registrar, authenticating agent, paying agent and transfer agent for the Certificates (such bank or its successor thereof is herein referred to as the "Bond Registrar"). No Certificate shall be valid or obligatory for any purpose unless or until the Bond Registrar's authentication certificate on such Certificate, substantially as set forth in Section 6 hereof, shall have been duly executed by an authorized representative of the Bond Registrar. Authentication certificates on different Certificates need not be signed by the same representative. The executed authentication certificate on each Certificate shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

B. The District shall cause to be kept at the principal corporate office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the District shall provide for the registration of the Certificates and the registration of transfers of the Certificates entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Bond Registrar or its incapability of acting as such, the bond registration records shall be maintained at the office of the successor Bond Registrar as may be appointed by the School Board.

C. At the option of the registered owners, the Certificates may be exchanged for other Certificates of any authorized denomination, of a like aggregate principal amount, maturing upon the same date, upon surrender of the Certificates to be exchanged at the principal corporate office of the Bond Registrar. Whenever any Certificates are so surrendered for exchange, the District shall execute and the Bond Registrar shall authenticate, if required by law or this Resolution, and deliver the Certificates which the registered owner making the exchange is entitled to receive. Upon surrender for transfer of any Certificate at the principal corporate office of the Bond Registrar, the District shall execute and the Bond Registrar shall authenticate, if required by law or this Resolution, and deliver, in the names(s) of the designated transferee(s), one or more new certificates of a like aggregate principal amount, as requested by the transferor. All Certificates surrendered upon the exchange provided for in this Resolution shall be promptly cancelled by the Bond Registrar and thereafter disposed of as directed by the School Board. All Certificates issued in exchange for or upon transfer of the Certificates shall be valid obligations of the District evidencing the same debt and entitled to the same benefits under this Resolution as the Certificates surrendered for such exchange or transfer. Every Certificate presented for a transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the District and the Bond Registrar, duly executed by the registered owner thereof or the owner's attorney duly authorized in writing. The District or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of the Certificates, other than exchange expressly provided in this Resolution to be made, without expense or without charge to the registered owner.

D. Each Certificate delivered upon transfer of or in exchange for or in lieu of any other Certificate shall carry all of the rights to interest, accrued and unpaid and to accrue, which are carried by such other Certificate. Each Certificate shall be dated by the Bond Registrar as of

the date of its authentication or manual execution, as the case may be. The District and the Bond Registrar shall not be required to make any transfer or exchange during the 15 days next preceding the Maturity Date.

5.02 Book-Entry System.

A. In order to make the Certificates eligible for the services provided by the Depository Trust Company (“DTC”), the District has previously agreed to the applicable provisions set forth in the Blanket Issuer Letter of Representations which has been executed by the District and DTC (the “Representation Letter”).

B. Notwithstanding any provision herein to the contrary, so long as the Certificates shall be in Book-Entry Form, the provisions of this Section 5.02 shall govern.

C. All of the Certificates shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest on and principal of any Certificate registered in the name of Cede & Co. shall be made by wire transfer or New York Clearing House or equivalent same day funds by 10:00 a.m. CT or as soon as possible thereafter following the Bond Registrar’s receipt of funds from the District on the Maturity Date to the account of Cede & Co. at the address indicated in or pursuant to the Representation Letter.

D. DTC (or its nominees) shall be and remain recorded on the Bond Register as the holder of all Certificates which are in Book-Entry Form. No transfer of any Certificate in Book-Entry Form shall be made, except from DTC to another depository (or its nominee) or except to terminate the Book-Entry Form. All Certificates of such stated maturity of any Certificates in Book-Entry Form shall be issued and remain in a single Certificate registered in the name of DTC (or its nominee); provided, however, that upon termination of the Book-Entry Form pursuant to the Representation Letter, the District shall, upon delivery of all Certificates of such series from DTC, promptly execute, and the Bond Registrar shall thereupon authenticate and deliver, Certificates of such series to all persons who were beneficial owners thereof immediately prior to such termination; and the Bond Registrar shall register such beneficial owners as holders of the applicable Certificates.

The Bond Registrar shall maintain accurate books and records of the principal balance, if any, of each such outstanding Certificate in Book-Entry Form, which shall be conclusive for all purposes whatsoever. Upon the authentication of any new Certificate in Book-Entry Form in exchange for a previous Certificate, the Bond Registrar shall designate thereon the principal balance remaining on such Certificate according to the Bond Registrar’s books and records.

No beneficial owner (other than DTC) shall be registered as the holder on the Bond Register for any Certificate in Book-Entry Form or entitled to receive any bond certificate. The beneficial ownership interest in any Certificate in Book-Entry Form shall be recorded, evidenced and transferred solely in accordance with the Book-Entry System.

Except as expressly provided to the contrary herein, the District and the Bond Registrar may treat and deem DTC to be the absolute owner of all Certificates of each series which are in Book-Entry Form (i) for the purpose of payment of the principal of and interest on such Certificate, (ii) for the purpose of giving notices hereunder, and (iii) for all other purposes whatsoever.

E. The District and the Bond Registrar shall each give notices to DTC of such matters and at such times as are required by the Representation Letter, including with respect to any notice required or permitted under this Bond Resolution to be given to any holder of a Certificate.

All notices of any nature required or permitted hereunder to be delivered to a holder of a

Certificate in Book-Entry Form shall be transmitted to beneficial owners of such Certificates at such times and in such manners as shall be determined by DTC, the participants and indirect participants in accordance with the Book-Entry System and the Representation Letter.

F. All payments of principal, redemption price of and interest on any Certificates in Book-Entry Form shall be paid to DTC (or Cede & Co.) in accordance with the Book-Entry System and the Representation Letter in same day funds by wire transfer.

5.03 Lost or Damaged Certificates. If a Certificate becomes mutilated or is destroyed, stolen or lost, the Bond Registrar will deliver a new Certificate of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Certificate or in lieu of and in substitution for any Certificate destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Bond Registrar and the District in connection therewith, including the cost of printing new Certificates; and, in the case of a Certificate destroyed, stolen or lost, upon filing with the Bond Registrar and the District of evidence satisfactory to them that the Certificate was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Bond Registrar and the District of an appropriate bond or indemnity in form, substance and amount satisfactory to them and as provided by law, in which both the District and the Bond Registrar must be named as obligees. Certificates so surrendered to the Bond Registrar will be canceled by the Bond Registrar and evidence of such cancellation must be given to the District. If the mutilated, destroyed, stolen or lost Certificate has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Certificate prior to payment.

5.04 Payment of Certificates.

A. The District and the Bond Registrar may treat the person in whose name any Certificate is registered as the owner of such Certificate for the purpose of receiving payment of principal of and interest on such Certificate and for all other purposes whatsoever, whether or not such Certificate be overdue, and neither the District nor the Bond Registrar shall be affected by notice to the contrary.

B. The principal of and interest on the Certificates shall be payable by the Bond Registrar in such funds as are legal tender for the payment of debts due the United States of America. The District shall pay the reasonable and customary charges of the Bond Registrar for the disbursement of principal and interest.

5.05 Delivery. Delivery of the Certificates and payment of the purchase price shall be made at a place mutually satisfactory to the District and the Purchaser. Printed or typewritten and executed Certificates shall be furnished by the District without cost to the Purchaser. The Certificates, when prepared in accordance with this Resolution and executed, shall be delivered by or under the direction of the Clerk to the Purchaser upon receipt of the purchase price plus accrued interest.

Section 6. Form of Certificate. The Certificates to be issued hereunder shall be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF ST. LOUIS

INDEPENDENT SCHOOL DISTRICT NO. 709
(DULUTH)

TAXABLE GENERAL OBLIGATION AID ANTICIPATION CERTIFICATE
 OF INDEBTEDNESS, SERIES 2015A

R-1

\$4,400,000

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
1.00%	June 1, 2015	February 23, 2015	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FOUR MILLION FOUR HUNDRED THOUSAND
 DOLLARS

Independent School District No. 709, St. Louis County, State of Minnesota (the “District”), acknowledges itself to be indebted and for value received hereby promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above on the maturity date specified above, together with interest thereon from the date of original issue specified above until paid at the annual interest rate specified above. The interest shall be payable on the Maturity Date specified above, at the rate per annum specified above, calculated on the basis of a 360-day year of twelve 30-day months, until the principal amount is paid or has been provided for. This Certificate is not subject to redemption prior to maturity. Both principal and interest are payable at U.S. Bank National Association, in St. Paul, Minnesota, as registrar, paying agent, authenticating agent and transfer agent (the “Bond Registrar”), or at the office of such successor Bond Registrar as may be designated by the School Board, in coin or currency of the United States of America, which on the date of payment is legal tender for payment of public and private debts. The Bond Registrar shall make the interest payment with respect to this Certificate directly to the registered owner hereof shown on the bond registration records maintained on behalf of the District by the Bond Registrar at the close of business on the 15th day of the month next preceding the Maturity Date (whether or not a business day) at such owner’s address shown on said bond registration records, without, except for the payment of principal of the Certificate, the presentation and surrender of this Certificate, and all such payments shall discharge the obligation of the District to the extent of the payments so made. Payment of principal of the Certificates shall be made to the registered owner upon presentation and surrender of this Certificate to the Bond Registrar when due.

This Certificate is one of a series issued by the District in the aggregate amount of \$4,400,000, pursuant to the authority contained in Minnesota Statutes, Sections 126C.50 through 126C.56, as amended, and Chapter 475, and all other

laws and pursuant to an authorizing resolution adopted by the School Board of the District on January 20, 2015 (the “Resolution”).

It is hereby certified and recited that the amount of School Aids as defined in the Resolution to be received by the District in the July 1, 2014 to June 30, 2015 fiscal year, for deposit in the District’s operating funds (the “Funds”) is in the amount of \$56,460,303 as estimated by the State of Minnesota Commissioner of Education; that heretofore no aid anticipation certificates have been issued against said School Aids; and that the Certificates are issued in anticipation of collection of said School Aids.

This Certificate constitutes a general obligation of the District, and the full faith and credit and taxing powers of the District have been and are hereby irrevocably pledged to provide monies for the prompt and full payment of principal and interest when due. This Certificate is payable from a special debt service fund of the District established for payment of the Certificates by the Resolution.

The District has qualified the Certificates for participation in the State of Minnesota program to preclude default of school district debt, pursuant to Minnesota Statutes, Section 126C.55, as amended. If the District is unable to make any portion of the principal or interest payments on the Certificates on or before the date due, the State of Minnesota has agreed to make such payment in the District’s place.

The Certificates of this series are issued as fully registered certificates without coupons, in the denomination of \$5,000 each, or any integral multiple thereof. Subject to limitations set forth in the Resolution, the District will, at the request of the registered owner, issue one or more new fully registered certificates in the name of the registered owner in the aggregate principal amount equal to the unpaid principal balance of this Certificate, and of like tenor except as to number and principal amount. Subject to the limitations set forth in the Resolution, this Certificate is transferable by the registered owner hereof upon surrender of this Certificate for transfer at the principal corporate office of the Bond Registrar, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Bond Registrar and executed by the registered owner hereof or the owner’s attorney duly authorized in writing. Thereupon the District shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Certificate, one or more new fully registered certificates in the name of the transferee, of an authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of this Certificate. No service charge shall be made for any transfer or exchange hereinbefore referred to but the District may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

IT IS FURTHER CERTIFIED AND RECITED that all acts and conditions required by the Constitution and laws of the State of Minnesota to be done, and to exist precedent to and in the issuance of this Certificate in order to make it a valid and binding general obligation of the District in accordance with its terms, have been done and do exist in form, time, and manner as so required; and this Certificate, together with all other debts of the District outstanding on the

date hereof and the date of its actual issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness; that all taxable property within the boundaries of the District is subject to the levy of ad valorem taxes to the extent needed to pay the principal hereof and the interest hereon when due, without limitation as to rate or amount.

This Certificate shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Bond Registrar's Authentication Certificate hereon shall have been executed by the Bond Registrar by one of its authorized representatives.

IN WITNESS WHEREOF, Independent School District No. 709, by its School Board, has caused this Certificate to be executed in its name by the signatures of the Chair and the Clerk of the School Board; and the District has caused this Certificate to be dated the date of original issue set forth above.

Attest:

(form – no signature required)
Clerk

(form – no signature required)
Chair

Date of Authentication: _____

BOND REGISTRAR'S AUTHENTICATION CERTIFICATE

The Bond Registrar confirms that the books reflect the ownership of a Certificate registered in the name of the owner named above in the principal amount stated above and this Certificate is one of the Certificates of the series issued pursuant to the Resolution hereinabove described.

U.S. BANK NATIONAL ASSOCIATION
St. Paul, Minnesota

By _____
Authorized Representative

REGISTRATION CERTIFICATE

This Certificate must be registered as to both principal and interest in the name of the owner on the books to be kept by U.S. Bank National Association of St. Paul, Minnesota, as Bond Registrar. No transfer of this Certificate shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The ownership of the unpaid principal balance of this Certificate and the interest accruing thereon is registered on the books of U.S. Bank National Association in the name of the registered owner last noted below.

<u>Date</u>	<u>Registered Owner</u>	<u>Signature of Bond Registrar</u>
6/01/2015	Cede & Co. c/o The Depository Trust Company 570 Washington Bldg. Jersey City, NJ 07310 Federal Taxpayer I.D. No.: 13-2555119	_____

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____

(Name and Address of Assignee)

_____ Social Security or other

_____ Identifying Number of Assignee

the within Certificate and all rights thereunder and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Certificate on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____.

NOTICE: The signature of this assignment must correspond with the name of the registered owner as it appears upon the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

(Bank, Trust Company, member of
National Securities Exchange)

Unless this Certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the District or its agent for registration of transfer, exchange, or payment, and any certificate

issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Section 7. Funds; Deposits.

A. The Treasurer shall credit the proceeds of the sale of the Certificates to the Funds, except for the deposit to the Debt Service Fund, and shall be used solely to pay claims duly approved and allowed with respect to current operating expenses of the kinds and within the amounts provided in the official budget of the District. Such proceeds shall be recorded as liabilities of the Funds, pursuant to Minnesota Statutes, Section 123B.78 and the proceeds shall be used for the purposes for which the School Aids may be utilized and to pay the costs of issuance of the Certificates.

B. A separate debt service fund for the Certificates is hereby created, to be designated as the “Series 2015A General Obligation Aid Anticipation Certificates of Indebtedness Fund” (the “Debt Service Fund”), to be used solely for the payment of interest on and the principal of the Certificates when due. The Treasurer shall credit to the Debt Service Fund all proceeds of the Certificates in excess of \$4,400,000. At such time as State Aids distributable to the District for the current school year, receipts of which are to be recorded as assets of the Funds pursuant to the Uniform Financial Accounting and Reporting System for Minnesota school districts, and which remain to be received, are in the amount of 105% of the principal and interest due on the Certificates issued to fund the deposit to the Funds, on the Maturity Date, there shall be deposited in the Debt Service Fund all subsequent receipts of State Aids or other monies of the District legally available therefor, until the balance in the Debt Service Fund is sufficient to pay all principal and interest due on the Certificates at maturity.

C. The School Board hereby certifies that the School Aids for the July 1, 2014 to June 30, 2015 fiscal year to be received are in the amount of \$56,460,303.

D. The full faith and credit of the District are pledged to pay the Certificates. If the School Aids are insufficient to pay all principal and interest on the Certificates when due, the Treasurer shall, nevertheless, provide sufficient monies from other funds of the District which are available for that purpose, and such other funds shall be reimbursed from the Funds when the balance therein is sufficient. It is recognized that the District’s liability on the Certificates is not limited to the collection of the School Aids, and the School Board covenants and agrees that it will levy upon all taxable property within the boundaries of the District and cause to be extended, assessed, and collected any additional taxes found necessary for full payment of the principal of and interest on the Certificates, without limitation as to rate or amount. The School Board hereby covenants and obligates itself to be bound by the provisions of Minnesota Statutes, Section 126C.55, as amended.

E. The School Board authorizes and directs the Board Chair, the Superintendent or the Chief Financial Officer/Executive Director of Business Services to submit a Minnesota School District Credit Enhancement Program Application for Default Preclusion to the Minnesota Department of Education, as provided by Minnesota Statutes, Section 126C.55. All actions by such officers taken with regard to such application prior to the date of this resolution are ratified

and approved. The School Board hereby covenants and obligates itself to notify the Commissioner of Education of a potential default in the payment of principal and interest on the Certificates and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee, to the extent provided therein, payment of the principal and interest on the Certificates when due. The School Board further covenants to deposit with the Bond Registrar or any successor paying agent three (3) 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 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 Certificates, or if, on the day two (2) business days prior to the date a payment is due on the 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 Certificates of this issue remain outstanding.

F. The District further covenants to comply with all procedures now or hereafter established by the Department of Management and Budget and the Department of Education of the State of Minnesota pursuant to Minnesota Statutes, Section 126C.55, subdivision 2(c) and otherwise to take such actions as necessary to comply with that section. The Chair, Clerk, Superintendent or Chief Financial Officer/Executive Director of Business Services are authorized to execute any applicable Minnesota Department of Education forms regarding such program.

G. The School Board acknowledges, represents and covenants that it must include a provision in its agreement with the Bond Registrar, as paying agent for the Certificates, that requires the Bond Registrar to inform the Commissioner of Education if it becomes aware of a potential default in the payment of principal or interest on the Certificates or if, on the day two business days prior to the date a payment is due on the Certificates, there are insufficient funds to make the payment on deposit with the Bond Registrar.

Section 8. Filing with County Auditor. The Clerk of the District is directed to file with the County Auditor 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 Certificates herein authorized have been duly entered on his register.

Section 9. Certified Proceedings. The officers of the District and the County Auditor are authorized and directed to prepare and furnish to the Purchaser of the Certificates and to bond counsel certified copies of all proceedings and records of the District pertaining to the authorization, issuance, and sale of the Certificates and such other affidavits and certificates as may reasonably be required to show the facts relating to the legality and marketability of the Certificates as such facts appear from the official books and records of the officers' custody or are otherwise known. All such certified copies, certificates, and affidavits, including any heretofore furnished, constitute representations of the District as to the correctness of facts recited therein and the actions stated therein to have been taken.

Section 10. Absent or Disabled Officers. In the event of the absence or disability of the Chair, the Clerk or the Treasurer, such officers or members of the School Board as in the opinion of the District's attorney may act in their behalf shall, without further act or authorization, execute and deliver the Certificates, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

Section 11. Continuing Disclosure. The School Board of the District acknowledges that the 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 obligations. To provide for the public availability of certain information relating to the Certificates and the security therefor and to permit underwriters of the Certificates to comply with the Rule, which will enhance the marketability of the 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 12. Official Statement. The Chair and the Clerk are hereby authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Certificates and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date thereof.

B-1-15-3235

January 20, 2015

M-Westholm, S-Miernicki, to approve B-1-15-3235 – Resolution Of Independent School District No. 709 Approving The Terms Of Offering Of General Obligation Aid Anticipation Certificates Of Indebtedness, Series 2015A, In The Approximate Amount Of \$4,400,000

Steve Pumper, PMA Securities, reviewed the results of the sale. Discussion took place regarding the resolution.

Upon a vote the same passed – unanimously.

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

M-Harala, S-Westholm, to table Item 3.B. – New Policy #1098 – Gifts to Employees and School Board Members.

Discussion took place regarding the policy.

Upon a vote, the same was approved – unanimously.

Member Westholm 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.

INDEPENDENT SCHOOL DISTRICT NO. 709				
DONATIONS				
SCHOOL	FIRST NAME	LAST NAME/ORG.	RESTRICTION	AMOUNT
Lester Park	Andrew/Amy	Likar	Classroom Projects	10.00
Lester Park	Lester Park Students		Giving Tree Projects	1,149.39
Lester Park	Lester Park Students		Giving Tree Projects	62.92
Piedmont		Anonymous	Wolf Ridge	2,000.00
Academic Excellence Online	Jerry & Carolyn	Zanko	Fish Tank	In Kind
Academic Excellence Online	Essentia Duluth		Office Furniture	In Kind
OEMS	Kristina	Solen-Boe	Art Club	20.00
OEMS	James & Susan	Rovano	Art Club	20.00
OEMS	Guy & Janet	Deyer Stedt	Art Club	10.00
OEMS	Jason & Amy	Dons	Art Club	15.00
OEMS	Sarah	Ziering	Art Club	10.00
OEMS	Dawn	Anderson	Art Club	10.00
			TOTAL	3,307.31

Resolution B-1-15-3232

January 20, 2015

M-Westholm, S-Miernicki, to approve Resolution B-1-15-3232 – Acceptance of Donations to Duluth Public Schools. Upon a vote, the same was approved - unanimously.

LEGISLATIVE PLATFORM 2015
DRAFT

State or Federal Mandates

State or Federal mandates imposed on local schools must be suspended or accompanied with sufficient resources to enable public schools to meet those mandates such as special education underfunding and charter school lack of funding for resident students.

Integration Revenue

The State of Minnesota should continue funding of both inter-district and intra-district integration revenue. Any further redistribution of integration aid should be tied to a specific consensus on the proper use of integration funding. The MDE should continue to cooperate with districts to further develop programs that provide choice, reduce segregation, close the learning gap, and promote integrated learning experiences for all students.

Permanent Structural Change

Permanent structural change in Minnesota's tax system must be combined with school finance reform efforts being considered. Tax reform should include replacing school district reliance on property tax increases with other state taxes, greater equalization of the operating referendum, and continuing to restore the original level of debt service equalization.

Mandate Reform and Reduction

Mandates that have negative, unintended consequences should be considered for repeal or revision. Included would be system-wide technology infrastructure investments that would result in enhanced efficiency, eliminating mandated newspaper publishing that could be more effectively done via websites and provide funding to implement staff evaluation systems.

The Duluth Public Schools serve the City of Duluth and certain outlying areas beyond the city limits. This area constitutes 328 square miles. The majority of the schools serving the district lie within the city limits. These schools are located within or near a ribbon of land two miles wide and seventeen miles long which follows the shoreline of Lake Superior and the St. Louis River.

The Duluth School System currently provides service to 8,800 students in the city of Duluth and outlying townships, including PreK and ECFE programs and education at the Area Learning Center and Secondary Vocational Programs.

Independent School District 709 is committed to ensure that all requirements in hiring, training, promotion, personnel management practices and collective bargaining agreements are structured and administered in a manner which furthers equal employment principles.

B-1-15-3233

January 20, 2015

M-Westholm, S-Miernicki, to approve B-1-15-3233 – Legislative Platform.

Discussion took place regarding the resolution.

Upon a vote the same - unanimously.

Member Westholm presented the resolution:

RESOLUTION CONFIRMING REMAINING WORK SCOPE OF THE DISTRICT LONG-RANGE FACILITIES PLAN, THEREFOR

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

WHEREAS, The Board approved on June 19, 2007, a Long-Range Facilities Plan (the “Facilities Plan”), which calls for renewal and remodeling of existing school facilities, additions to existing facilities and construction of new schools; and

WHEREAS, The District submitted the Facilities Plan to the Minnesota Department of Education (i) for approval of the Facilities Plan; (ii) for approval of the financing of the Facilities Plan; and (iii) for review and comment on the Facilities Plan. The Commissioner of Education approved the Facilities Plan and the financing and submitted its review and comment dated November 2007, although approval of the new Piedmont/Lincoln Elementary and the new West Middle School were delayed, but later approved pursuant to its review and comment dated July 2009; and

WHEREAS, The board approved on June 24, 2010, an amended Long-Range Facilities Plan. The Commissioner of Education approved the amendments to the Facilities Plan and the associated financing plan; and

WHEREAS, The board approved on June 27, 2011, a second amendment to its Long-Range Facilities Plan; and the Commissioner of Education approved the amendments to the Facilities Plan and the associated financing plan.

NOW THEREFORE, BE IT RESOLVED, that the Board hereby confirms its approval and direction to the Administration to complete project work scope as summarized on “Remaining Work Scope” Exhibit dated January 20, 2015 (Exhibit (A) attached to this resolution). By approving the Board authorizes the Administration to take all necessary action to retain necessary professional services to design, manage and complete construction associated with this work scope. Implementation is to be completed in accordance with, and subject to all requirements of, all applicable Minnesota Statutes, District’s Policies, School Board Resolutions and other applicable requirements. The Board will be kept apprised of the status of completion of these remaining work scopes and understand all of the listed work may not be completed depending on actual cost of progress as it is made.

BE IT FURTHER RESOLVED, the Board directs the Administration to develop work scope necessary to further improve the educational adequacy of secondary career and technical education spaces and equipment in the high schools with any remaining funds as it is consistent with previous actions authorizing the transfer of these programs from the STC buildings to East and Denfeld high

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schools; and authorizes the Administration to take all necessary action to retain necessary professional services to design, manage and complete construction associated with the career and technical education program facilities work scope determined. Resolution #B-1-15-3234 January 20, 2015

EXHIBIT A

School Construction and Repair Projects Scope Remaining:

Congdon Park Elementary School \$8,000
Denfeld High School \$698,880
East High School \$635,940
Denfeld & East (Career & Technical Education) \$1,200,000
Historic Old Central High School \$1,484,379
Homecroft Elementary School \$50,440
Lakewood Elementary School \$198,940
Laura MacArthur Elementary School \$109,640
Lester Park Elementary School \$74,460
Lowell Elementary School \$41,640
Myers-Wilkins Elementary School \$8,000
Ordean East Middle School \$837,940
Stowe Elementary School \$25,520
Total Remaining Estimated Cost **\$5,373,779**

Funding for Lincoln and Piedmont have been exhausted, any remaining project scope will be addressed by use of annual funding sources.

B-1-15-3234

January 20, 2015

M-Westholm, S-Miernicki, to approve Resolution B-1-15-3224 - Resolution Confirming Remaining Work Scope Of The District Long-Range Facilities Plan, Therefor.

Discussion took place regarding the resolution.

M-Johnston, S-Welty, to table the resolution.

Discussion took place.

Upon a vote to table the resolution the same failed 3-4 as follows:

Yea: Johnston, Welty, Westholm

Nay: Harala, Loeffler-Kemp, Miernicki, Seliga Punyko

Upon a vote on the resolution as presented, the same was approved 5-2 as follows:

Yea: Harala, Loeffler-Kemp, Miernicki, Seliga Punyko, Westholm

Nay: Johnston, Welty

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

Member Johnston withheld Item 1.F.

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Member Johnston withheld Item 1.F. – WADM Projections to note his concerns with the loss of students in the District.

Upon a vote on the remainder of the Business Committee, the same was approved – 6-1 as follows:

Yea: Harala, Loeffler-Kemp, Miernicki, Seliga Punyko, Westholm, Welty
Nay: Johnston

Special Resolutions

January 2015

M-Miernicki, S-Harala, that the Duluth School District approve the appointment of Carol Hubert and JoAnn Luhtala as nominee's for the Duluth Public Schools Foundation.

M-Miernicki, S-Harala, to add the Item to the agenda. Upon a vote, the same was approved – unanimously.

Upon a vote to add the names to the Duluth Public Schools Foundation, the same was approved – unanimously.

Other

January 2015

M-Miernicki, S-Welty to adjourn, upon a vote the same was approved – unanimously.

- Chair Seliga Punyko adjourned the Regular School Board Meeting of January 20, 2015 at 9:12 p.m.