

INDEPENDENT SCHOOL DISTRICT 763  
MEDFORD, MN 55049  
JULY 18, 2016

The regular meeting of the Medford Board of Education was called to order by Chair, Ms. Berg, at 7:04 p.m. in the Community Room at the Medford School. Roll was called and present were Mr. Sutherland, Ms. Berg, Ms. Jones, Ms. Hemann, Mr. Wiersma and Superintendent Dahman. Absent: Ms. Janke, Mr. Cronin

Motion by Ms. Berg, second by Ms. Jones, to approve the agenda as presented.

There was no public input.

Recognition was given to the Trapshooting Team who participated in the state tournament.

Motion by Ms. Berg, second by Ms. Hemann, to approve the Consent Agenda as follows:  
Motion carried

- 5. Consent Agenda
  - a. Correction & approval of minutes – June 20, 2016
  - b. Claims & Treasurers Reports – June 2016
  - c. Personnel
    - i. Resignations/Retirements
      - a. Joy Kubinski, Elementary Paraprofessional, July 1, 2016
      - b. Brent Yule, Elementary Physical Education, June 27, 2016
    - ii. Employment
      - a. Amber Kniefel, Elementary Paraprofessional
      - b. Katherine Vatsaas, Elementary Paraprofessional
      - c. Jackie Vagle, Preschool Screening & Census Coordinator
    - iii. Leave of Absence
  - d. Gifts and Donations
    - i. \$2,000 from Medford Volunteer Firemen's Relief Assoc. for Playground Equipment
  - e. Written Reports
    - i. Secondary Principal
    - ii. Elementary Principal
    - iii. Dashir Management
    - iv. Student Council

Mr. Ovrebo, Secondary Principal, reported on 2016-2017 school year preparations, math curriculum training and updated handbooks.

Mr. Ristau, Elementary Principal, reported on the playground project and math curriculum training.

Superintendent Dahman reported on the following:

- I. Enrollment -898
- II. Food Service Update
- III. Facilities Update

Mr. Greg Crowe, Ehlers & Associates, presented the Pre-Sale Report for the \$1,015,000 General Obligation Facilities Maintenance Bonds, Series 2016A.

Member Ms. Berg moved the adoption of the following resolution:

RESOLUTION ESTABLISHING PROCEDURES FOR  
REIMBURSEMENT OF CERTAIN EXPENDITURES  
FROM PROCEEDS OF FUTURE BOND ISSUES  
OR OTHER BORROWINGS

BE IT RESOLVED by the School Board of Independent School District No. 763, State of Minnesota, as follows:

1. Purpose. The Internal Revenue Service has issued Treasury Regulations Section 1.150-2 (the "Regulations") to provide rules governing Bonds issued after June 30, 1993, the proceeds of which are allocated to reimburse an Issuer for certain expenditures made prior to the date of issue of those Bonds. An allocation of the proceeds of a Bond issue to reimburse certain previously paid expenditures must comply with the Regulations to be an expenditure of Bond proceeds. If a Bond meets the requirements of the Regulations, the Bond proceeds are deemed to be spent when they are allocated to reimburse the prior expenditure. The Board of Independent School District No. 763 (the "District") desires to establish procedures necessary to comply with those Regulations. The terms used in this resolution shall be as defined in the Regulations.
2. Official Intent Requirement. The Regulations, in those situations in which they are applicable, require a District to declare a reasonable official intent (the "Official Intent Declaration") to reimburse itself for certain previously paid expenditures from the proceeds of subsequent Bonds or other borrowings of the District (the "Bonds"). The Board hereby authorizes the superintendent or the business manager to make the District's Official Intent Declarations or to delegate that responsibility from time to time to other appropriate District officers or employees. Each Official Intent Declaration shall comply with the requirements of the Regulations, including, without limitation, the following:
  - a) Each Official Intent Declaration shall be made not later than sixty (60) days after the date the District pays the applicable expenditure and shall state that the District reasonably intends to reimburse itself for those expenditures with the proceeds of a future borrowing;

b) Each Official Intent Declaration shall, at a minimum, contain a general functional description of the property, project or program for which the expenditure to be reimbursed is paid (for example, "acquisition and betterment of school facilities" or a specific identifiable project). In the alternative, a description is sufficient if it identifies the fund or account from which the expenditure is to be paid and a general functional description of that fund or account (for example: General Fund - general school district operations and maintenance; Capital Expenditure Fund - school district equipment and capital improvements);

c) Each Official Intent Declaration shall contain a statement of the maximum principal amount of debt to be issued for the purposes of the specified property, project or program;

d) Each Official Intent Declaration shall be considered public data and shall be made available for public inspection in compliance with the Minnesota Government Data Practices Act at the main administrative offices of the District within a reasonable period of time, but not to exceed 30 days, after the date of said declaration. An Official Intent Declaration shall remain available for public inspection until at least the day after the issuance of the Bonds from which the prior expenditures are to be reimbursed, and shall be made available to the Bond counsel for that issue.

It is the intention of the Board that an Official Intent Declaration shall be made only if, as of the date of the declaration, the District reasonably expects that it will reimburse the expenditure with Bond or borrowing proceeds. The Board understands that the determination as to whether the expectation to reimburse is reasonable is based on all relevant facts and circumstances, including the purpose for the declaration, the history of actual reimbursement of other expenditures for which official intent was declared and which were actually paid, and the District's actions taken toward reimbursement of the expenditures.

3. Reimbursement Period Requirement. The administration shall advise the Board from time to time on timing issues relating to reimbursements for which Official Intent Declarations have been made, including recommendations on the timing of the issuance of Bonds so that the reimbursement allocations occur not earlier than the dates on which the expenditures are paid and not later than eighteen (18) months after the later of (a) the date on which the expenditure is paid or (b) the date on which the property is placed in service or abandoned (but in no event more than three (3) years after the original expenditure, except as provided in Treas. Reg. 1.150-2(2)(d)(ii) and (iii). The officials designated above to make the Official Intent Declarations shall also be responsible for making the appropriate reimbursement allocations to reimburse the source of temporary financing used by the District to make the payments for the prior expenditures. Each allocation shall be evidenced by an entry on the official books, records or

accounts of the District maintained for such reimbursement Bonds; shall specifically identify the actual prior expenditure being reimbursed or, in the case of a reimbursement of a particular fund or account, the fund or account from which the expenditure was previously paid. This allocation shall be effective to relieve the Bond proceeds involved from any restrictions under the Bond resolution or other relevant legal documents for those Bonds and under any other state statute applicable to unspent proceeds of that Bond issue.

4. Capital Expenditure Requirement.

a) General. An original expenditure to be reimbursed from Bond proceeds must be a capital expenditure, a cost of issuance for a Bond or an expenditure defined in the applicable Treasury Regulation.

b) Capital Expenditures. The term "capital expenditure" as used in the Regulations means any cost of a type that is properly chargeable to a capital account. Whether an expenditure is a capital expenditure is determined at the time the expenditure is paid. Capital expenditures do not include expenditures for items of current operating expense that are not properly chargeable to a capital account. Costs incurred to acquire, construct or improve land, buildings, and equipment generally are capital expenditures. Under the Regulations, the issuance costs of issuing reimbursement Bonds are also treated as capital expenditures.

c) Preliminary Expenditures. The Official Intent Requirement does not apply to preliminary expenditures that are reimbursed with proceeds of a Bond that finances all or a portion of the property, project or program with respect to which the preliminary expenditures were incurred. The term "preliminary expenditures" includes architectural, engineering, surveying, soil testing, reimbursement Bond issuance, and similar costs that are incurred prior to commencement, rehabilitation or acquisition of a property, project or program, but does not include land acquisition, site preparation and similar costs incident to commencement of construction. Preliminary expenditures include only amounts that do not exceed in the aggregate twenty percent (20%) of the issue price of that portion of a Bond issue or Bond issues that finance the property, project or program with respect to which the preliminary expenditures were incurred.

d) Transition Rule Expenditures. The Official Intent Requirement also does not apply to certain expenditures paid by the Issuer if the expenditures comply with the transition rule provisions of the Regulations.

The motion for the adoption of the foregoing resolution was duly seconded by Member Ms. Jones, and upon vote being taken thereon, the following voted in favor thereof: Mr. Sutherland, Ms. Hemann, Ms. Berg, Ms. Jones and Mr. Wiersma and the following voted against the same: None

whereupon said resolution was declared duly passed and adopted.

Pursuant to due call and notice thereof, a regular meeting of the School Board of Independent School District No. 763 (Medford Public Schools), State of Minnesota, was held on July 18, 2016 at 7:00 o'clock p.m.

Member Mr. Sutherland introduced the following resolution and moved its adoption:

RESOLUTION STATING THE INTENTION OF THE SCHOOL BOARD TO ISSUE GENERAL OBLIGATION BONDS TO FINANCE PROJECTS INCLUDED IN THE DISTRICT'S APPROVED TEN-YEAR FACILITY PLAN; COVENANTING AND OBLIGATING THE DISTRICT TO BE BOUND BY AND TO USE THE PROVISIONS OF MINNESOTA STATUTES, SECTION 126C.55 TO GUARANTEE THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BONDS

BE IT RESOLVED by the School Board of Independent School District No. 763, State of Minnesota, as follows:

1. The Board hereby finds and declares that it is necessary and expedient for Independent School District No. 763 (the "District") to issue its fully registered general obligation facilities maintenance bonds (the "Bonds") pursuant to Minnesota Statutes, Section 123B.595, subdivision 5 and Chapter 475, as amended, to fund the costs of the following projects included in its approved ten-year facility plan and related financing costs:

- deferred maintenance projects included in the District's ten-year facility plan approved by the Commissioner of Education, including replacement of roof top heating, ventilation and air conditioning units, repair and replacement of parking lot surfaces, and maintenance of the athletic field.

The Bonds would be issued in the total aggregate principal amount of not to exceed \$1,040,000. The issuance of the Bonds is hereby authorized.

2. The ten-year facility plan is approved by the Board and is incorporated in this resolution as though fully specified herein. The administration is authorized and directed to submit to the Commissioner such additional information as may be necessary to secure the approval of the Commissioner for the ten-year facility plan and this bond issuance, as required by Minnesota Statutes, Section 123B.595. The submission of a proposed plan and a request for approval prior to the date of this resolution is ratified and approved in all respects.

3. The District further covenants to comply with all procedures now or hereafter established by the Minnesota Department of Education pursuant to

Minnesota Statutes, Section 123B.595 and otherwise to take such actions as necessary to comply with that statute. The chair, clerk, superintendent or business manager is authorized to execute any applicable Minnesota Department of Education forms.

4. The clerk is hereby authorized and directed to cause a notice substantially in the form of the Notice attached hereto as EXHIBIT A and incorporated herein by reference to be published as a legal notice one (1) time in the official newspaper of the District as soon as reasonably practicable after the date of adoption of this resolution, but at least twenty (20) days before the earliest of the solicitation of bids, the issuance of bonds or the final certification of levies. Any publication of said notice prior to the date of adoption of this resolution is hereby ratified and approved in all respects.

5. The Board, having been advised by Ehlers & Associates, Inc., its independent financial advisor, hereby determines that the Bonds shall be privately sold after receipt of written proposals, as authorized pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, as amended.

6. If the issuance of the Bonds is approved, the Board shall meet at the time and place specified in the Official Statement to receive and consider proposals for the purchase of the Bonds. The terms and provisions specified in the Official Statement are hereby adopted as the terms and conditions of the Bonds and of the sale thereof, and shall be made available to all prospective purchasers of the Bonds. Ehlers & Associates, Inc., is authorized to prepare an Official Statement and to open, read and tabulate the proposals for presentation to the Board.

7. (a) 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 Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee payment of the principal and interest on the Bonds when due. The District 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 for the Bonds 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 Bonds or if, on the day two (2) business days prior to the date a payment is due on the Bonds, 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 Bonds of this issue remain outstanding.

(b) The District further covenants to comply with all procedures now or hereafter established by the Departments of Management and Budget and 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 business manager is authorized to execute any applicable Minnesota Department of Education forms.

The motion for the adoption of the foregoing resolution was duly seconded by Member Ms. Hemann and, upon vote being taken thereon, the following voted in favor thereof: Mr. Sutherland, Ms. Hemann, Ms. Berg, Ms. Jones and Mr. Wiersma

and the following voted against the same: None

whereupon said resolution was declared duly passed and adopted.

Motion by Ms. Berg, second by Mr. Wiersma, to approve the 10 Year Long Term Facilities Maintenance Plan – FY 2017-2026, as presented. Motion carried

Motion by Ms. Hemann, second by Ms. Berg, to approve the 2016-2017 High School Student Handbook as presented. Motion carried

Motion by Ms. Jones, second by Mr. Sutherland, to approve the 2016-2017 High School Faculty Handbook as presented. Motion carried

Motion by Ms. Berg, second by Mr. Wiersma, to approve the 2016-2017 iPad Handbook as presented. Motion carried

Motion by Mr. Sutherland, second by Mr. Wiersma, to approve the 2016-2017 Coach and Advisor Handbook as presented. Motion carried

Motion by Ms. Berg, second by Mr. Wiersma, to approve the 2016-2017 Special Education Contract with Waseca Schools for Medical Assistance Billing Services as presented. Motion carried.

School Board Election Filing Dates are August 2-16, 2016. Official Notice of Filing Dates will be published and posted.

Motion by Ms. Berg, second by Ms. Hemann, to adjourn the meeting at 8:26 p.m. Motion carried

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Jackie Berg, Chair  
August 15, 2016

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Jennifer Jones, Clerk  
August 15, 2016