

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, April 23, 2019

Members Present:

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

Others Present:

Bill Gronseth, Superintendent
Cathy Erickson, CFO
Jackie Dolentz, Secretary

Student Representatives:

Emma Natale (Denfeld)
Vanessa Farrell (East)

Members Absent:

Sally Trnka

➤ Chair Loeffler-Kemp called the Regular School Board meeting of April 23, 2019 to order at 6:34 p.m., and the pledge of allegiance to the American flag was given.

M-Lofald, S-Sandstad, to approve the agenda as presented.

M-Gorham, S-Kirby, to Definitely Postpone the following items from the Human Resource Committee to the May 2019 Regular School Board Meeting: Item 2.A. New Policy 404-Employment Background Checks, Item 2.B. New Regulation 404R-Employment Background Checks, Item 2.C. Delete Policy 4042-Employment Background Checks and Item 2.D. Delete Regulation 4042R-Employment Background Checks. Upon a vote, the same was approved - 6-0.

Upon a vote, the agenda was approved as amended – 6-0.

Chair Loeffler-Kemp asked school board members if there were any corrections or changes to the minutes of the Regular School Board Meeting of March 19, 2019.

M-Kirby, S-Sandstad, to approve the minutes of the March 19, 2019 Regular School Board Meeting as presented. Upon a vote, the same was approved – 6-0.

Chair Loeffler-Kemp asked school board members if there were any corrections or changes to the minutes of the Special School Board Meeting of April 1, 2019.

M-Lofald, S-Kirby, to approve the minutes of the April 1, 2019 Special School Board Meeting as presented. Upon a vote, the same was approved – 6-0.

School and Community Recognition
April 2019

Members of the Board, I'm pleased to introduce our Health Occupation students and their advisor, Kim Olson. Health Occupation students from Denfeld & Duluth East High Schools earned top honors at the 2019 State HOSA Leadership Conference. Congratulations to Adriana Birdseye, Arra Cora, Maddie Smith, Sophie Jezierski, Alyssa McCorison, Ise Lind, Elora Weiland, Rian Braun, Noelle Stellmaker, Shiena Sonaco, Ally Dahl, Trinity Alm, Alexandra Dahl, Mullen Johnson and Kaleb Rock. Students took top spots in Medical Terminology, Medical Spelling, Home Health Aide, Nursing Assistant, Veterinary Science, Medical Reserve Corps Partnership, Barbara James Service Award, MRC Volunteer Recognition and a service project for the National Pediatric Cancer Foundation, among others. Health Occupation courses and HOSA are part of our Career & Technical Education Program. Students can earn certification or college credit through some of these courses. Students explore and prepare for careers in the health field, working anywhere from hospitals, clinics and nursing homes to cruise ships, sports arenas, or within a patient's home. We're so proud of the work these students do and of their success. Congratulations, good job!

Public Comments
April 2019

Member Gorham read the Eleven Tools of Civility and the Community Vision and Priorities for the Duluth Public Schools.

Jane Jutue, 3588 Juteu Drive, spoke to the School Board about 9th grade math curriculum.

Stacey Achterhoff, 1419 East 18th Street, spoke to the School Board about the allocation of Compensatory funds.

Joanna Walters, 7282 Blackberry Lane, spoke to the School Board about the allocation of Compensatory funds.

Michelle Bowker, 1825 Wallace Avenue, spoke to the School Board about the allocation of Compensatory funds.

Anne Skwira-Brown, address not provided, spoke to the School Board about the budget process.

Betty Greene, 4015 Dodge Street, spoke to the School Board about equity.

Communications, Petitions, Etc.
April 2019

Superintendent Gronseth stated that no communications had been received.

Superintendent's Report

April 2019

This week is Administrative Assistant's Appreciation week. I would like to thank all of our Administrative Assistants, and especially Melinda and Jackie, for all they do to keep our district and our schools running smoothly! I don't know what we would do without you!

The Mayor recently held the State of the City address at Myers-Wilkins Elementary. We appreciate her support of our schools and the fact that our schools serve as community centers of activity! A big thank you to our World Beat Drummers who performed, and the Denfeld Clock Tower Cafe who made the refreshments. Thanks too to all of our staff who helped to make the event a success. I know there was a lot of preparation that happened quickly at the end of the school day.

The legislative session has continued. There is quite a difference between the omnibus bills in the House and Senate. If ever there was a time to contact State Legislators from across the State to encourage them to increase education funding and address the special education cross subsidy, this is it. We will be visiting the capitol again soon to advocate for changes in these areas. You heard during the public comments that several of our teachers are there today advocating for special education funding changes.

It has been a couple of weeks since we were asked to put our schools in lockdown in response to an unknown threat against schools. The events of April 5 serve as a reminder of the importance of having a crisis response plan and practicing that plan. We often say if you see or hear something to say something. We are thankful to the person who reported this possible threat to the Police Department. Their report that day was vital to the quick response. We are thankful for the efforts of the Duluth Police Department, our Staff, and our students for the way they responded to this situation. We will continue to review the events of the day and to work with the Police Department to learn more from this event and to continuously improve our crisis response plans.

I'd like to add another highlight for this month and invite everyone to see the Student Art Exhibit that is happening at the Miller Hill Mall. The big Opening Event is tomorrow evening from 5-7 p.m. near Barnes and Noble. We hope to see many of you there. And now let us hear from our student representatives:

Emma Natale, Student Representative from Denfeld, spoke about the many activities happening at Denfeld.

Vanessa Farrell, Student Representative from Duluth East, spoke about the many sports and activities happening at Duluth East.

Education Committee Report

April 2019

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 |
|--|--|---|---------------------|---|
| DSACF – Duluth Public Schools Endowment Fund | Various | Various – 2019 Duluth Public Schools Endowment Fund Applications | \$22,864 | Funds will be used to support various projects and initiatives throughout Duluth Public Schools. |
| Essentia Health | Jennifer Larva, Lowell Elementary School | Healthy Body Healthy Mind Nature Playscape | \$5,000 | Funds will be used to support the expansion of Lowell Elementary School’s nature playscape and to sustain the DNR certified school forest so that students may further benefit from outdoor play. |
| Wells Fargo | Leah Bangs, Denfeld High School | ISD709 Duluth Public Schools Culinary Program - Financial Education | \$1,000 | Funds will be used to purchase supplies for the Denfeld Catering Club, which will help open doors for more catering events and raise money to fund career based field trips for the students. |

| | | | | |
|----------------------|--|------------------------------------|---------|--|
| Northland Foundation | Jen Jaros, Duluth Early Childhood Family Education | Child Care Mentoring Program | \$5,000 | Funds will be used to support the Child Care Mentoring Program, an ongoing partnership with the Northland Foundation to promote school readiness and transition. |
|----------------------|--|------------------------------------|---------|--|

Resolution E-4-19-3636

April 23, 2019

M-Lofald, S-Gorham, to approve Resolution E-4-19-3636 – Acceptance of Grant Awards to the Duluth Public Schools. Upon a vote, the same was approved – 6-0.

M-Lofald, S-Sandstad, to approve the remainder of the Education Committee Report. Upon a vote, the remainder of the Education Committee Report was approved – 6-0.

Human Resources Committee Report

April 2019

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

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

Business Committee Report

April 2019

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

Member Oswald 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.

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| SCHOOL | DONOR | AMOUNT | RESTRICTION | COMMENTS |
|----------------------|--------------------------------|----------|--|--|
| Area Learning Center | Narcotics Anonymous | \$60.00 | ALC students | For use of gym for February/March 2019 |
| CTE (Denfeld East) | Brett Uchanski | In Kind | Manufacturing Program | To help support growing manufacturing program at ISD709. This equipment will help students learn about tolerances and calculations related to precision machining: 3 Digital Indicators and 3 Speed and Feed Calculators |
| Denfeld | John and Jan Holt | \$100.00 | Softball | |
| Denfeld | John and Jan Holt | \$150.00 | Softball | |
| Denfeld | Nancy Priolo and John Bradshaw | \$88.00 | Softball | |
| Denfeld | Thomas Meador, Jodi Berquist | In Kind | Students | 15 laptop computers |
| Headstart | Jane Killough | \$50.00 | None | |
| Lester Park | Ann Harrington, H&R Block | In Kind | Gwen Sorbo, 3rd grade | Yaheetech Plastic Stack Stool with Padded Seats Backless Kids Stool for Classroom |
| Lincoln Park | Concert Donations | \$285.00 | Orchestra | Donations given at Spring Orchestra Concert |
| Lowell | Sam's Club | In Kind | For use during Kindergarten Round Up for healthy snacks in the cafeteria | \$25 gift card |

Resolution B-4-19-3637

April 23, 2019

M-Oswald, S-Kirby, to approve Resolution B-4-19-3637 – Acceptance of Donations to Duluth Public Schools. Upon a vote, the same was approved – 6-0.

Discussion took place regarding the following three resolutions on authorizing the issuance of refunding certificates of participation.

Member Oswald presented the resolution:

RESOLUTION

Authorizing the Execution and Delivery of an Amendment to Lease Purchase Agreement and Supplement to Declaration of Trust and Approving the Issuance, Sale and Delivery of \$24,130,000 Refunding Certificates of Participation, Series 2019A

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

Section 1. A. Pursuant to the authority contained in Minnesota Statutes, Section 465.71, as amended (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.

B. The District has approved a Long-Range Facilities Plan (the “Plan”), and the Commissioner of Education has approved the District’s borrowing of \$35,404,371 under the Act to finance the purchase of real and personal property for the improvement of the school facilities; such improvements which constitute the Project being described in the Original Lease (as hereinafter defined).

C. By Resolution B-8-09-2680, 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 a lease purchase agreement pursuant to the Act to finance the costs of the Project, with the interest component of the rental payments being tax-exempt under the Internal Revenue Code of 1986, as amended, and issuing certificates of participation in the rental payments under the lease purchase agreement in the maximum principal amount of \$35,400,000 pursuant to a declaration of trust.

D. The District selected Associated Trust Company, National Association, Milwaukee, Wisconsin (the “Trustee”) to act as lessor and the trustee as follows: the Trustee, as lessor, entered into a Lease Purchase Agreement dated as of October 1, 2009 (the “Original Lease”) 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 “Original Declaration”), pursuant to which the Certificates of Participation, Series 2009B in the Rental Payments under the Original Lease in the principal amount of \$35,400,000 (the “2009 Certificates”), were executed and delivered by the Trustee.

E. By Resolution B-9-10-2820 adopted September 13, 2010, the School Board determined that it was necessary, expedient and in the best educational interests of the District’s pupils and residents that the District enter into an amendment to the Original Lease to provide additional funds to purchase the real and personal property described in the Plan, as amended, and issuing certificates of participation in the rental payments under a supplement to the Original Declaration in the maximum principal amount of \$1,605,000.

F. The Trustee, as lessor, and the District, as lessee, entered into an Amendment to Lease Purchase Agreement dated as of October 1, 2010 (the “First Amendment to Lease”), to

revise and restate the rental payments, such amendment shall modify the Original Lease. The District and the Trustee also entered into a Supplement to Declaration of Trust dated as of October 1, 2010 (the “First Supplement to Declaration”), pursuant to which the Certificates of Participation, Series 2010D in the rental payments under the Lease in the principal amount of \$1,605,000 (the “2010D Certificates”) were executed and delivered by the Trustee.

G. The District has approved an amendment to the Plan and modified the projects to be financed under the Original Lease, as amended, and the Commissioner of Education has approved the District’s borrowing of an additional \$6,430,000 under the Act to finance additional costs for Congdon Elementary and Grant Elementary (now Myers-Wilkins Elementary).

H. By Resolution B-4-12-3008 adopted April 24, 2012, as amended by Resolution B-6-12-3032 adopted June 11, 2012, the School Board determined that it was necessary, expedient and in the best educational interests of the District’s pupils and residents that the District enter into an amendment to the Original Lease, as amended, to provide additional funds to purchase the real and personal property for the items listed for Congdon Elementary and Grant Elementary (now Myers-Wilkins Elementary), which are a portion of the Project and issuing certificates of participation in rental payments under a supplement to the Original Declaration, as supplemented, in the maximum principal amount of \$6,340,000.

I. The Trustee, as lessor, and the District, as lessee, entered into an Amendment to Lease Purchase Agreement dated as of June 1, 2012 (the “Second Amendment to Lease”), to revise and restate the rental payments, modify the description of the original project and amend other related matters, such amendment modified the Original Lease, as amended. The District and the Trustee entered into a Supplement to Declaration of Trust dated as of June 1, 2012 (the “Second Supplement to Declaration”), pursuant to which the Certificates of Participation, Series 2012B, in the rental payments under the Original Lease, as amended, in the principal amount of \$6,340,000 (the “2012B Certificates”) were executed and delivered by the Trustee.

J. Under and pursuant to the Act and Minnesota Statutes, Section 475.67, Subdivisions 1 through 4, the District may, for the purpose of extension or adjustment of maturities in relation to resources available for their payment, refinance and restructure its outstanding obligations through the issuance and sale of refunding certificates of participation. The School Board hereby determines that restructuring the 2009 Certificates is necessary for the District to meet its general fund obligations. The School Board further determines that the District shall provide for the issuance of Refunding Certificates of Participation, Series 2019A, to provide for the prepayment and redemption of the 2009 Certificates maturing on and after March 1, 2020 (the “Refunded Certificates”). The Refunded Certificates are called for prepayment and redemption on May 29, 2019 (the “Redemption Date”).

K. The Trustee, as lessor, and the District, as lessee, shall enter into an Amendment to Lease Purchase Agreement dated as of May 1, 2019 (the “Third Amendment to Lease”) to revise and restate the rental payments and amend other related matters, such amendment shall modify the Original Lease, as amended (the Original Lease, as amended by the First Amendment to Lease, the Second Amendment to Lease and the Third Amendment to Lease, is herein referred to as the “Lease”). The District and the Trustee shall enter into a Supplement to Declaration of

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Trust dated as of May 1, 2019 (the “Third Supplement to Declaration”), pursuant to which Refunding Certificates of Participation, Series 2019A, in the rental payments under the Lease in the principal amount of \$24,130,000 (the “2019A Certificates”) shall be executed and delivered by the Trustee (the Original Declaration, as supplemented by the First Supplement to Declaration, the Second Supplement to Declaration and the Third Supplement to Declaration, is hereby referred to as the “Declaration”).

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

(1) The Third Amendment to Lease proposed to be made and entered into between the District and the Trustee, as lessor; and

(2) The Third Supplement to Declaration proposed to be made and entered into between the District and the Trustee, as trustee.

Section 2. A. The School Board has determined to proceed with the sale of the 2019A Certificates by direct negotiation to Robert W. Baird & Co. in Milwaukee, Wisconsin (“Baird”), and has determined to retain David Drown Associates, Inc., in Minneapolis, Minnesota, an independent municipal advisor to provide pricing opinion services.

B. Baird has proposed and the School Board hereby accepts Baird’s proposal to purchase the 2019A Certificates at a cash price of \$24,190,343.60, plus accrued interest on the total principal amount from May 29, 2019, to the date of delivery and upon condition that the 2019A Certificates are payable at the times and on the terms set forth in the Contract and the Declaration. The School Board hereby authorizes the Superintendent or CFO/Executive Director of Business Services and an officer of the Board to execute and deliver the Certificate Purchase Agreement with Baird regarding the purchase and sale of the 2019A Certificates.

C. The 2019A Certificates to be issued shall mature on March 1 in the respective years and amounts stated and shall bear interest at the annual rates as follows:

| YEAR | AMOUNT | INTEREST RATE |
|-------------|---------------|----------------------|
| 2020 | \$1,350,000 | 3.00% |
| 2021 | 1,175,000 | 3.00% |
| 2022 | 1,220,000 | 3.00% |
| 2023 | 1,260,000 | 3.00% |
| 2024 | 1,300,000 | 3.25% |
| 2025 | 1,350,000 | 3.25% |
| 2026 | 1,400,000 | 4.00% |
| 2027 | 1,460,000 | 4.00% |
| 2028 | 1,525,000 | 4.00% |
| 2029 | 1,595,000 | 4.00% |
| 2032 | 5,430,000 | 4.00% |
| 2034 | 5,065,000 | 4.20% |

D. Redemption. (i) The 2019A Certificates maturing in the years 2020 through 2027 shall not be subject to redemption and prepayment before maturity, but those maturing, or subject to mandatory redemption, in the year 2028 and in subsequent years shall each be subject to redemption and prepayment at the option of the District on March 1, 2027, and on any date thereafter, in whole or in part, and if in part, at the option of the District and in such manner as the District shall determine at a price of par plus accrued interest to the date of redemption, as provided for in the Declaration.

(ii) In the event of damage to all or a portion of the Project and the District makes the certification and election at the times and in the manner as set forth in the Lease, the 2019A Certificates, or a portion thereof, shall be subject to prepayment on any date, at par plus accrued interest to the date of redemption, as provided for in the Declaration.

(iii) If the District shall certify to the Trustee to the effect that (a) that the District has sold excess real property owned by the District as of the date of the Third Supplement to Declaration; and (b) that the District has elected to utilize all or a portion of the net sales proceeds from such sale to prepay all or a portion of the 2019A Certificates, then the designated amount of such net sale proceeds for the prepayment shall be deposited in the Prepayment Account and used for the redemption of the 2019A Certificates on the next date for which due notice of redemption can be given, in accordance with provisions of the Lease and the Declaration, for an optional redemption of the outstanding 2019 Certificates; provided, however, such extraordinary redemption call may not be made prior to March 1, 2022, nor after March 1, 2027, shall be made not more than one time and shall be in an amount of not less than \$500,000.

(iv) The 2019A Certificates maturing on March 1 in the years 2032 and 2034 shall be subject to mandatory redemption prior to maturity pursuant to the requirements of the Declaration at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the Redemption Date, without premium. The Trustee shall select for redemption, by lot or other manner deemed fair, on March 1 in each of the following years the following stated principal amounts:

For the 2019A Certificates maturing on March 1, 2032:

| Year | Amount |
|-------------|---------------|
| 2030 | \$1,660,000 |
| 2031 | 1,850,000 |
| 2032* | 1,920,000 |

* Final Maturity

For the 2019A Certificates maturing on March 1, 2034:

| Year | Amount |
|-------------|---------------|
| 2033 | \$2,480,000 |
| 2034* | 2,585,000 |

* Final Maturity

E. The School Board, after due consideration, finds such offer reasonable and proper and the offer of Baird is hereby accepted. The Chair and the Clerk are authorized to execute on the part of the District a contract for the sale of the 2019A Certificates in accordance with Baird's proposal.

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

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

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

C. The Rental Payments under the Lease are subject to annual appropriation by the District, and the Lease is subject to termination at the end of each fiscal year of the District.

D. Based upon information from Baird, the proceeds of the 2019A Certificates and funds appropriated to the Prepayment Account created in the Declaration will be sufficient to pay the principal and interest due on the Refunded Certificates on May 29, 2019, the Redemption Date.

Section 4. There was created and shall be continued a separate Rental Payment Account (the "Account") for payment of the Rental Payments under the Lease, which shall be a separate segregated account within the District's general fund. The monies in the Account shall be used for no purpose other than the payment of the Rental Payments and the other payments under the Lease. The Chief Financial Officer/Executive Director of Business Services is authorized and directed to transfer monies of the District to the Account, as from time to time authorized by the District's budget, in the amounts so authorized to pay the Rental Payments and the other payments due under the Lease.

Section 5. The Third Amendment to Lease and the Third Supplement to Declaration are hereby approved. The Chair and the Clerk are hereby authorized and directed to execute and deliver the Third Amendment to Lease and the Third Supplement to Declaration substantially in the forms now on file with the Clerk, with such necessary and appropriate omissions, modifications, insertions and additions as do not materially affect the substance of the transaction, consistent with the Act, as the Chair in his discretion shall determine. The execution of the Third Amendment to Lease and the Third Supplement to Declaration by the Chair, with the advice of the Attorney for the District, shall be conclusive evidence of such determination. All of the provisions of the Third Amendment to Lease and the Third Supplement to Declaration, when executed and delivered as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated herein and shall be in full force and effect from

the date of execution and delivery thereof. The District approves the 2019A Certificates being registered as depository obligations with The Depository Trust Company, New York, New York, as set forth in the Declaration.

Section 6. The Chair and the Clerk are hereby authorized to execute and deliver, on behalf of the District, such other documents as are necessary or appropriate in connection with the Third Amendment to Lease and the Third Supplement to Declaration, and the issuance, sale and delivery of the 2019A Certificates.

Section 7. All covenants, stipulations, obligations and agreements of the District contained in this Resolution and the Lease and the Declaration shall be deemed to be the covenants, stipulations, obligations and agreements of the District to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the District upon execution and delivery of the Third Amendment to Lease and the Third Supplement to Declaration. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the District or its officers by the provisions of this Resolution or of the aforementioned documents to be executed and delivered by the District shall be executed or performed by the District or by such officers of the District, or such board, body, authority or agency thereof as may be required by law to exercise such powers and to perform such duties.

Section 8. Except as herein otherwise expressly provided, nothing in this Resolution or in the Lease and the Declaration, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation, other than the District, the Trustee, Baird or any holder of the 2019A Certificates issued under the provisions of this Resolution, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof, that the aforementioned documents and all of their provisions being intended to be and being for the sole and exclusive benefit of the District, the Trustee, Baird and any holder from time to time of the 2019A Certificates issued under the provisions of this Resolution.

Section 9. The officers and other agents or employees of the District are hereby authorized to do all acts and things required of them by or in connection with this Resolution, the refunding of the 2019A Certificates, the Third Amendment to Lease and the Third Supplement to Declaration, and the 2019A Certificates, without further action of the Board, for the full, punctual and complete performance of all the terms, covenants and agreements contained in the 2019A Certificates, the aforementioned documents and this Resolution.

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

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

Section 12. A. The Clerk of the District is directed to file in the office of the County Auditor of St. Louis County a certified copy of this Resolution and such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the 2019A Certificates herein authorized have been duly entered on her register.

B. The Chair, the Clerk, the Treasurer and other officers of the District are authorized and directed to prepare and furnish, with regard to the issuance of the 2019A Certificates, certified copies of all proceedings and records of the District relating to the 2019A Certificates and such other affidavits, certificates and opinions as may be required to show the facts relating to the legality, tax-exempt status and marketability of the 2019A Certificates as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; that all such certified copies, certificates, affidavits and opinions, including those heretofore furnished, shall constitute representations of the District as to the truth of all statements made by the District and contained herein.

Section 13. The District hereby authorizes the circulation of the final Official Statement in connection with the sale and delivery of the 2019A Certificates.

Section 14. Tax Covenants.

A. The District covenants and agrees with the holders of the 2019A Certificates that the District will (i) take all action on its part necessary to cause the interest on the 2019A Certificates to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the 2019A Certificates and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the 2019A Certificates to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the 2019A Certificates and investment earnings thereon on certain specified purposes.

B. No portion of the proceeds of the 2019A Certificates shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the 2019A Certificates were issued, and (ii) in addition to the above, in an amount not greater than the lesser of five percent of the proceeds of the 2019A Certificates or \$100,000. To this effect, any proceeds of the 2019A Certificates and any sums from time to time held in the Lease Revenue Account or the Prepayment Account by the Trustee (or any other District funds or accounts which will be used to pay principal and interest to become due on the 2019A Certificates) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable temporary periods of minor portion made available under the federal arbitrage regulations. In addition, the proceeds of the 2019A Certificates and money in the Lease Revenue Account shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the

2019A Certificates to be federally guaranteed within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the “Code”).

C. The School Board covenants and certifies to and for the benefit of the owners of the 2019A Certificates that no use will be made of the proceeds of the 2019A Certificates which will cause the 2019A Certificates to be arbitrage bonds within the meaning of Section 148(a) of the Code and the Treasury Regulations promulgated thereunder. Pursuant to such covenant, the School Board hereby agrees to comply throughout the term of the issue of the 2019A Certificates with the requirements of Section 148 of the Code and any Treasury Regulations promulgated thereunder and Section 5.01 of the Declaration.

Section 15. Continuing Disclosure. The District acknowledges that the 2019A 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 obligations 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 2019A Certificates and the security therefor and to permit underwriters of the 2019A Certificates to comply with the Rule, which will enhance the marketability of the 2019A 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 16. Post-Issuance Compliance Policy and Procedures. The School Board has previously approved a Post-Issuance Debt Compliance Policy and Post-Issuance Debt Compliance Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the “Policy and Procedures”). The School Board hereby approves the Policy and Procedures for the 2019A Certificates. The Chief Financial Officer/Executive Director of Business Services continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

Adopted this 23rd day of April, 2019.

Resolution B-4-19-3638

April 23, 2019

M-Oswald, S-Kirby, to approve Resolution B-4-19-3638 – Authorizing the Execution and Delivery of an Amendment to Lease Purchase Agreement and Supplement to Declaration of Trust and Approving the Issuance, Sale and Delivery of \$24,130,000 Refunding Certificates of Participation, Series 2019A Upon a vote, the same was approved – 5-1 as follows:

Yea: Gorham, Loeffler-Kemp, Lofald, Kirby, Oswald
Nay: Sandstad

Member Oswald presented the resolution:

RESOLUTION

Authorizing the Execution and Delivery of an Amendment to Installment Purchase Contract and a Supplement to Declaration of Trust and Approving the Issuance, Sale and Delivery of \$41,715,000 Full Term Refunding Certificates of Participation, Series 2019B

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

Section 1. Authority and Background.

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

B. The District has approved a Long-Range Facilities Plan (the “Plan”) and the Commissioner of Education has approved the District’s borrowing of \$71,170,000 under the Act to finance the purchase of real and personal property for the new Lincoln Park/Piedmont Elementary School and the new West Middle School (the “Project”).

C. By Resolution 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 maximum principal amount of \$71,170,000 pursuant to a declaration of trust.

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

E. The District selected Associated Trust Company, National Association, Green Bay, 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 “Original 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 “Original Declaration”), pursuant to which Taxable Full Term Certificates of Participation, Series 2009A (Build America Bonds – Direct Pay), in the installment payments under the Original Contract in the principal amount of \$71,170,000 (the “2009A Certificates”), were executed and delivered by the Trustee.

F. By Resolution B-9-10-2821 adopted September 13, 2010, the School Board determined that it was necessary, expedient and in the best educational interests of the District’s

pupils and residents that the District enter into an amendment to the Original Contract to modify the description of the Project eligible to be financed with the proceeds of the 2009A Certificates.

G. Under and pursuant to the Act and Minnesota Statutes, Section 475.67, Subdivisions 1 through 4, the District may, in order to reduce debt service costs, refinance its outstanding obligations through the issuance and sale of refunding certificates of participation. The School Board has determined that the District shall provide for the issuance of Full Term Refunding Certificates of Participation, Series 2019B (the “2019B Certificates”) to provide for the prepayment and redemption of the 2009A Certificates maturing on and after February 1, 2020 (the “Refunded Certificates”). The Refunded Certificates maturing on and after February 1, 2020, are called for prepayment and redemption on May 29, 2019 (May 29, 2019 is herein referred to as the “Redemption Date”).

H. The Trustee, as vendor, and the District, as vendee, shall enter into an Amendment to Installment Purchase Contract dated as of May 1, 2019 (the “Second Amendment to Contract”) to revise and restate the installment payments and amend other related matters, such amendment shall modify the Original Contract, as amended (the Original Contract, as amended, and amended by the Second Amendment to Contract, is herein referred to as the “Contract”). The District and the Trustee shall enter into a Supplement to Declaration of Trust dated as of May 1, 2019 (the “Supplement to Declaration”), pursuant to which the Full Term Refunding Certificates of Participation, Series 2019B, in the installment payments under the Contract in the principal amount of \$41,715,000 (the “2019B Certificates”) shall be executed and delivered by the Trustee (the Original Declaration, as supplemented by the Supplement to Declaration, is herein referred to as the “Declaration”).

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

- (1) the Second Amendment to Contract proposed to be made and entered into between the District and the Trustee; and
- (2) the Supplement to Declaration proposed to be made and entered into between the District and the Trustee.

Section 2. A. The School Board has determined to proceed with the sale of the 2019B Certificates by direct negotiation to Robert W. Baird & Co. in Milwaukee, Wisconsin (“Baird”), and has determined to retain David Drown Associates, Inc., in Minneapolis, Minnesota, an independent municipal advisor to provide pricing opinion services.

B. Baird has proposed and the pricing committee of the District has accepted Baird’s proposal to purchase the 2019B Certificates at a cash price of \$46,433,899.35, plus accrued interest on the total principal amount from May 29, 2019, to the date of delivery and upon condition that the 2019B Certificates are payable at the times and on the terms set forth in the Contract and the Declaration. The School Board hereby ratifies and approves the Certificate Purchase Agreement, dated April 17, 2019, with Baird regarding the purchase and sale of the 2019B Certificates.

C. The 2019B Certificates to be issued shall mature on February 1 in the respective years and amounts stated and shall bear interest at the annual rates as follows:

| Year | Amount | Interest Rate |
|-------------|---------------|----------------------|
| 2020 | \$4,215,000 | 5.00% |
| 2021 | 3,575,000 | 5.00% |
| 2022 | 3,860,000 | 5.00% |
| 2023 | 4,155,000 | 5.00% |
| 2024 | 4,470,000 | 5.00% |
| 2025 | 4,810,000 | 5.00% |
| 2026 | 5,160,000 | 5.00% |
| 2027 | 5,535,000 | 5.00% |
| 2028 | 5,935,000 | 5.00% |

D. Redemption. (i) The 2019B Certificates shall not be subject to optional redemption and prepayment before maturity.

(ii) In the event of damage to all or a portion of the Project and the District makes the certification and election at the times and in the manner set forth in the Contract, the 2019B Certificates, or a portion thereof, shall be subject to prepayment on any date, at par plus accrued interest to the date of redemption, as provided for in the Declaration.

E. For purposes of complying with Minnesota Statutes, Section 475.54, Subd. 1, the maturity schedule for the 2019B Certificates shall be combined with the other full term certificates of participation of the District issued and outstanding.

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

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

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

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

D. Based upon information from Baird, the proceeds of the 2019B Certificates and the funds available and appropriated to the Prepayment Fund created in the Declaration will be sufficient to pay the principal and interest due on the Refunded Certificates on May 29, 2019, the Redemption Date.

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

the other general property taxes in the District for the years and in the amounts set forth on Exhibit A hereto.

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

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

Section 5. The Chair and the Clerk are hereby authorized and directed to execute and deliver the Second Amendment to Contract and the Supplement to Declaration substantially in the forms now on file with the Clerk, with such necessary and appropriate omissions, modifications, insertions and additions as do not materially affect the substance of the transaction, consistent with the Act, as the Chair in his discretion shall determine. The execution of the Second Amendment to Contract and the Supplement to Declaration by the Chair, with the advice of the Attorney for the District, shall be conclusive evidence of such determination. All of the provisions of the Second Amendment to Contract and the Supplement to Declaration, when executed and delivered as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated herein and shall be in full force and effect from the date of execution and delivery thereof. The District approves the 2019B Certificates being registered as depository obligations with The Depository Trust Company, New York, New York, as set forth in the Declaration.

Section 6. The Chair and the Clerk are hereby authorized to execute and deliver, on behalf of the District, such other documents as are necessary or appropriate in connection with the Second Amendment to Contract and the Supplement to Declaration, and the issuance, sale and delivery of the 2019B Certificates.

Section 7. All covenants, stipulations, obligations and agreements of the District contained in this Resolution and the Contract and the Declaration shall be deemed to be the covenants, stipulations, obligations and agreements of the District to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the District upon execution and delivery of the Second Amendment to Contract and the Supplement to Declaration. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the District or its officers by the provisions of this Resolution or of the aforementioned documents to be executed and delivered by the District shall be executed or performed by the District or by such officers of the District, or such board, body, authority or agency thereof as may be required by law to exercise such powers and to perform such duties.

Section 8. Except as herein otherwise expressly provided, nothing in this Resolution

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or in the Contract and the Declaration, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation, other than the District, the Trustee, Baird, or any holder of the 2019B Certificates issued under the provisions of this Resolution, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof, that the aforementioned documents and all of their provisions being intended to be and being for the sole and exclusive benefit of the District, the Trustee, Baird, and any holder from time to time of the 2019B Certificates issued under the provisions of this Resolution.

Section 9. The officers and other agents or employees of the District are hereby authorized to do all acts and things required of them by or in connection with this Resolution, the refunding of the Refunded Certificates, the Second Amendment to Contract and the Supplement to Declaration, and the 2019B Certificates, without further action of the Board, for the full, punctual and complete performance of all the terms, covenants and agreements contained in the 2019B Certificates, the aforementioned documents and this Resolution.

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

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

Section 12. A. The Clerk of the District is directed to file in the office of the County Auditor of St. Louis County a certified copy of this Resolution and such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the 2019B Certificates herein authorized have been duly entered on her register.

B. The Chair, the Clerk, the Treasurer and other officers of the District are authorized and directed to prepare and furnish, with regard to the issuance of the 2019B Certificates, certified copies of all proceedings and records of the District relating to the 2019B Certificates and such other affidavits, certificates and opinions as may be required to show the facts relating to the legality, tax exemption and marketability of the 2019B Certificates as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; that all such certified copies, certificates, affidavits and opinions, including and heretofore furnished, shall constitute representations of the District as to the truth of all statements made by the District and contained herein.

Section 13. The School Board has covenanted and has obligated itself in Resolution B-3-19-3634, adopted March 19, 2019, to be bound by the provisions of Minnesota Statutes, Section 126C.55. The School Board hereby reaffirms such covenants and obligations.

Section 14. The District hereby authorizes the circulation of the final Official Statement in connection with the sale and delivery of the 2019B Certificates.

Section 15. Tax Covenants.

A. The District covenants and agrees with the holders of the 2019B Certificates that the District will (i) take all action on its part necessary to cause the interest on the 2019B Certificates to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the 2019B Certificates and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the 2019B Certificates to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the 2019B Certificates and investment earnings thereon on certain specified purposes.

B. No portion of the proceeds of the 2019B Certificates shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the 2019B Certificates were issued, and (ii) in addition to the above, in an amount not greater than the lesser of five percent of the proceeds of the Certificates or \$100,000. To this effect, any proceeds of the 2019B Certificates and any sums from time to time held in the Contract Revenue Fund or the Prepayment Fund by the Trustee (or any other District fund or account which will be used to pay principal and interest to become due on the 2019B Certificates) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable temporary periods of minor portion made available under the federal arbitrage regulations. In addition, the proceeds of the 2019B Certificates and money in the Contract Revenue Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the 2019B Certificates to be federally guaranteed within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the “Code”).

C. The School Board covenants and certifies to and for the benefit of the owners of the 2019B Certificates that no use will be made of the proceeds of the Certificates, which will cause the 2019B Certificates to be arbitrage bonds within the meaning of Section 148(a) of the Code and the Treasury Regulations promulgated thereunder. Pursuant to such covenant, the School Board hereby agrees to comply throughout the term of the issue of the 2019B Certificates with the requirements of Section 148 of the Code and any Treasury Regulations promulgated thereunder and Article V of the Declaration.

Section 16. Continuing Disclosure. The District acknowledges that the 2019B Certificates are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the “Rule”). The Rule governs the obligations of certain underwriters to require that issuers of municipal bonds enter into agreements for the benefit of the bondholders to provide continuing disclosure with respect to the bonds. To provide for the public availability of certain information relating to the 2019B Certificates and the security therefor and to permit underwriters of the 2019B Certificates to comply with the Rule, which will enhance the

marketability of the 2019B Certificates, the Chair and the Clerk are hereby authorized and directed to execute a Continuing Disclosure Certificate substantially in the form of the Certificate currently on file in the office of the District.

Section 17. Post-Issuance Compliance Policy and Procedures. The School Board has previously approved a Post-Issuance Debt Compliance Policy and Post-Issuance Debt Compliance Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the “Policy and Procedures”). The School Board hereby approves the Policy and Procedures for the 2019B Certificates. The Chief Financial Officer/Executive Director of Business Services continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

EXHIBIT A

Tax Levy Schedule

| Levy Year | Collection Year | Tax Levy |
|-----------|-----------------|-----------------|
| 2018 | 2019 | \$6,399,657.50* |
| 2019 | 2020 | 5,450,000.00** |
| 2020 | 2021 | 5,556,250.00 |
| 2021 | 2022 | 5,658,250.00 |
| 2022 | 2023 | 5,765,500.00 |
| 2023 | 2024 | 5,882,000.00 |
| 2024 | 2025 | 5,991,500.00 |
| 2025 | 2026 | 6,108,500.00 |
| 2026 | 2027 | 6,231,750.00 |

* 2018/2019 tax levy for the 2009A Certificates shall pay principal and interest due on February 1, 2020, on the 2019B Certificates

** Such amount shall be reduced by \$244.57, the rounding amount.

Resolution B-4-19-3639

April 23, 2019

M-Oswald, S-Loeffler-Kemp, to approve Resolution B-4-19-3639 – Authorizing the Execution and Delivery of an Amendment to Installment Purchase Contract and a Supplement to Declaration of Trust and Approving the Issuance, Sale and Delivery of \$41,715,000 Full Term Refunding Certificates of Participation, Series 2019B.

Discussion took place regarding this item.

Upon a vote, the same was approved – 6-0.

Member Oswald presented the resolution:

RESOLUTION

Authorizing the Execution and Delivery of an Amendment to Installment Purchase Contract and a Supplement to Declaration of Trust and Approving the Issuance, Sale and Delivery of \$2,710,000 Full Term Refunding Certificates of Participation, Series 2019C

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

Section 1. Authority and Background.

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

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

C. By Resolution B-5-08-2541, adopted May 29, 2008, the School Board determined that it was necessary, expedient and in the best educational interests of the District’s pupils and residents that the District enter into an installment purchase contract pursuant to the Act to finance the costs of the Original Project and issuing full term certificates of participation in the installment payments under the installment purchase contract in the maximum principal amount of \$111,440,000 pursuant to a declaration of trust.

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

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

F. The District has approved an amendment to the Plan and modified the projects to be financed under the Original Contract and the Commissioner of Education approved the amendment to the Plan and the modification to the Original Project and has approved the

District's borrowing of an additional \$5,000,000 under the Act to finance the Original Project, as modified, and as described in the First Amendment to Contract, as hereinafter defined.

G. By Resolution B-9-10-2819 adopted September 13, 2010, the School Board determined that it was necessary, expedient and in the best educational interests of the District's pupils and residents that the District enter into an amendment to the Original Contract to provide additional funds to purchase the real and personal property described in the Plan, as amended, and issuing full term certificates of participation in the installment payments under a supplement to the Original Declaration in the maximum principal amount of \$5,000,000.

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

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

J. By Resolution B-4-12-3007 adopted April 24, 2012, as amended by Resolution B-6-12-3031 adopted June 11, 2012, the School Board determined that it was necessary, expedient and in the best educational interests of the District's pupils and residents that the District enter into an amendment to the Original Contract, as amended, to provide additional funds to purchase real and personal property for Congdon Elementary and Grant Elementary (now Myers-Wilkins Elementary) which are a portion of the Project and issuing full term capital appreciation certificates of participation in the Installment Payments under a supplement to the Original Declaration, as supplemented.

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

L. Pursuant to the Act, the District applied to the Commissioner of Education for permission to make an additional levy for the additional installment payments under the Second Amendment to Contract to finance a portion of the Congdon Elementary and Grant Elementary

(now Myers-Wilkins Elementary), which is a portion of the Project, and the Commissioner authorized the modified Original Project and the levy.

M. Under and pursuant to the Act and Minnesota Statutes, Section 475.67, Subdivisions 1 through 12 and Resolution B-7-16-3385, the District in order to reduce debt service costs provided for the issuance of Full Term Refunding Certificates of Participation, Series 2016A (the “2016 Certificates”) in the principal amount of \$82,605,000 to refund the outstanding principal of the 2008 Certificates.

N. The Trustee, as vendor, and the District, as vendee, entered into an Amendment to Installment Purchase Contract dated as of August 1, 2016 (the “Third Amendment to Contract”), to revise and restate the installment payments and amend other related matters. The District and the Trustee also entered into a Supplement to Declaration of Trust dated as of August 1, 2016 (the “Third Supplement to Declaration”), pursuant to which the 2016 Certificates were executed and delivered by the Trustee.

O. Under and pursuant to the Act and Minnesota Statutes, Section 475.67, Subdivisions 1 through 4, the District may, in order to reduce debt service costs, refinance its outstanding obligations through the issuance and sale of refunding certificates of participation. The School Board has determined that the District shall provide for the issuance of Full Term Refunding Certificates of Participation, Series 2019C, to provide for the prepayment and redemption of the 2010C Certificates maturing on and after February 1, 2020 (the “Refunded Certificates”). The Refunded Certificates are called for prepayment and redemption on May 29, 2019 (May 29, 2019 is herein referred to as the “Redemption Date”).

P. The Trustee, as vendor, and the District, as vendee, shall enter into an Amendment to Installment Purchase Contract dated as of May 1, 2019 (the “Fourth Amendment to Contract”) to revise and restate the installment payments and amend other related matters, such amendment shall modify the Original Contract, as amended (the Original Contract, as amended, and amended by the Fourth Amendment to Contract, is herein referred to as the “Contract”). The District and the Trustee shall enter into a Supplement to Declaration of Trust dated as of May 1, 2019 (the “Fourth Supplement to Declaration”), pursuant to which the Full Term Refunding Certificates of Participation, Series 2019C, in the installment payments under the Contract in the principal amount of \$2,710,000 (the “2019C Certificates”) shall be executed and delivered by the Trustee (the Original Declaration, as supplemented, and as supplemented by the Fourth Supplement to Declaration is herein referred to as the “Declaration”).

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

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

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

Section 2. A. The School Board has determined to proceed with the sale of the

2019C Certificates by direct negotiation to Robert W. Baird & Co. in Milwaukee, Wisconsin (“Baird”), and has determined to retain David Drown Associates, Inc., in Minneapolis, Minnesota, an independent municipal advisor to provide pricing opinion services.

B. Baird has proposed and the pricing committee of the District has accepted Baird’s proposal to purchase the 2019C Certificates at a cash price of \$2,994,870.00, plus accrued interest on the total principal amount from May 29, 2019, to the date of delivery and upon condition that the 2019C Certificates are payable at the times and on the terms set forth in the Contract and the Declaration. The School Board hereby ratifies and approves the Certificate Purchase Agreement, dated April 17, 2019, with Baird regarding the purchase and sale of the 2019C Certificates.

C. The 2019C Certificates to be issued shall mature on February 1 in the respective years and amounts stated and shall bear interest at the annual rates as follows:

| Year | Amount | Interest Rate |
|-------------|---------------|----------------------|
| 2020 | \$295,000 | 5.00% |
| 2021 | 255,000 | 5.00% |
| 2022 | 265,000 | 5.00% |
| 2023 | 280,000 | 5.00% |
| 2024 | 295,000 | 5.00% |
| 2025 | 310,000 | 5.00% |
| 2026 | 320,000 | 5.00% |
| 2027 | 340,000 | 5.00% |
| 2028 | 350,000 | 5.00% |

D. Redemption. (i) The 2019C Certificates shall not be subject to optional redemption and prepayment before maturity.

(ii) In the event of damage to all or a portion of the Project and the District makes the certification and election at the times and in the manner set forth in the Contract, the 2019C Certificates, or a portion thereof, shall be subject to prepayment on any date, at par plus accrued interest to the date of redemption, as provided for in the Declaration.

E. For purposes of complying with Minnesota Statutes, Section 475.54, Subd. 1, the maturity schedule for the 2019C Certificates shall be combined with the other full term certificates of participation of the District issued and outstanding.

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

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

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

C. The Installment Payments under the Contract are absolute and unconditional as

provided for in Article III of the Contract and are not subject to annual appropriation of the District; and

D. Based upon information from Baird, the proceeds of the 2019C Certificates and the funds available and appropriated to the Prepayment Fund created in the Declaration will be sufficient to pay the principal and interest due on the Refunded Certificates on May 29, 2019, the Redemption Date.

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

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

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

Section 5. The Chair and the Clerk are hereby authorized and directed to execute and deliver the Fourth Amendment to Contract and the Fourth Supplement to Declaration substantially in the forms now on file with the Clerk, with such necessary and appropriate omissions, modifications, insertions and additions as do not materially affect the substance of the transaction, consistent with the Act, as the Chair in his discretion shall determine. The execution of the Fourth Amendment to Contract and the Fourth Supplement to Declaration by the Chair, with the advice of the Attorney for the District, shall be conclusive evidence of such determination. All of the provisions of the Fourth Amendment to Contract and the Fourth Supplement to Declaration, when executed and delivered as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated herein and shall be in full force and effect from the date of execution and delivery thereof. The District approves the 2019C Certificates being registered as depository obligations with The Depository Trust Company, New York, New York, as set forth in the Declaration.

Section 6. The Chair and the Clerk are hereby authorized to execute and deliver, on behalf of the District, such other documents as are necessary or appropriate in connection with the Fourth Amendment to Contract and the Fourth Supplement to Declaration, and the issuance, sale and delivery of the 2019C Certificates.

Section 7. All covenants, stipulations, obligations and agreements of the District

contained in this Resolution and the Contract and the Declaration shall be deemed to be the covenants, stipulations, obligations and agreements of the District to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the District upon execution and delivery of the Fourth Amendment to Contract and the Fourth Supplement to Declaration. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the District or its officers by the provisions of this Resolution or of the aforementioned documents to be executed and delivered by the District shall be executed or performed by the District or by such officers of the District, or such board, body, authority or agency thereof as may be required by law to exercise such powers and to perform such duties.

Section 8. Except as herein otherwise expressly provided, nothing in this Resolution or in the Contract and the Declaration, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation, other than the District, the Trustee, Baird, or any holder of the 2019C Certificates issued under the provisions of this Resolution, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof, that the aforementioned documents and all of their provisions being intended to be and being for the sole and exclusive benefit of the District, the Trustee, Baird, and any holder from time to time of the 2019C Certificates issued under the provisions of this Resolution.

Section 9. The officers and other agents or employees of the District are hereby authorized to do all acts and things required of them by or in connection with this Resolution, the refunding of the Refunded Certificates, the Fourth Amendment to Contract and the Fourth Supplement to Declaration, and the 2019C Certificates, without further action of the Board, for the full, punctual and complete performance of all the terms, covenants and agreements contained in the 2019C Certificates, the aforementioned documents and this Resolution.

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

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

Section 12. A. The Clerk of the District is directed to file in the office of the County Auditor of St. Louis County a certified copy of this Resolution and such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the 2019C Certificates herein authorized have been duly entered on her register.

B. The Chair, the Clerk, the Treasurer and other officers of the District are authorized and directed to prepare and furnish, with regard to the issuance of the 2019C Certificates, certified copies of all proceedings and records of the District relating to the 2019C Certificates and such other affidavits, certificates and opinions as may be required to show the facts relating to the legality, tax exemption and marketability of the 2019C Certificates as such facts appear from the books and records in the officers' custody and control or as otherwise

known to them; that all such certified copies, certificates, affidavits and opinions, including and heretofore furnished, shall constitute representations of the District as to the truth of all statements made by the District and contained herein.

Section 13. The School Board has covenanted and has obligated itself in Resolution B-3-19-3634, adopted March 19, 2019, to be bound by the provisions of Minnesota Statutes, Section 126C.55. The School Board hereby reaffirms such covenants and obligations.

Section 14. The District hereby authorizes the circulation of the final Official Statement in connection with the sale and delivery of the 2019C Certificates.

Section 15. Tax Covenants.

A. The District covenants and agrees with the holders of the 2019C Certificates that the District will (i) take all action on its part necessary to cause the interest on the 2019C Certificates to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the 2019C Certificates and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the 2019C Certificates to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the 2019C Certificates and investment earnings thereon on certain specified purposes.

B. No portion of the proceeds of the 2019C Certificates shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the 2019C Certificates were issued, and (ii) in addition to the above, in an amount not greater than the lesser of five percent of the proceeds of the Certificates or \$100,000. To this effect, any proceeds of the 2019C Certificates and any sums from time to time held in the Contract Revenue Fund or the Prepayment Fund by the Trustee (or any other District fund or account which will be used to pay principal and interest to become due on the 2019C Certificates) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable temporary periods of minor portion made available under the federal arbitrage regulations. In addition, the proceeds of the 2019C Certificates and money in the Contract Revenue Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the 2019C Certificates to be federally guaranteed within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

C. The School Board covenants and certifies to and for the benefit of the owners of the 2019C Certificates that no use will be made of the proceeds of the Certificates, which will cause the 2019C Certificates to be arbitrage bonds within the meaning of Section 148(a) of the Code and the Treasury Regulations promulgated thereunder. Pursuant to such covenant, the School Board hereby agrees to comply throughout the term of the issue of the 2019C Certificates

with the requirements of Section 148 of the Code and any Treasury Regulations promulgated thereunder and Article V of the Declaration.

Section 16. Continuing Disclosure. The District acknowledges that the 2019C Certificates are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the “Rule”). The Rule governs the obligations of certain underwriters to require that issuers of municipal bonds enter into agreements for the benefit of the bondholders to provide continuing disclosure with respect to the bonds. To provide for the public availability of certain information relating to the 2019C Certificates and the security therefor and to permit underwriters of the 2019C Certificates to comply with the Rule, which will enhance the marketability of the 2019C Certificates, the Chair and the Clerk are hereby authorized and directed to execute a Continuing Disclosure Certificate substantially in the form of the Certificate currently on file in the office of the District.

Section 17. Post-Issuance Compliance Policy and Procedures. The School Board has previously approved a Post-Issuance Debt Compliance Policy and Post-Issuance Debt Compliance Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the “Policy and Procedures”). The School Board hereby approves the Policy and Procedures for the 2019C Certificates. The Chief Financial Officer/Executive Director of Business Services continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

Adopted this 23rd day of April, 2019.

EXHIBIT A

Tax Levy Schedule

| Levy Year | Collection Year | 2012A Certificates Tax Levy | 2016 Certificates Tax Levy | 2019C Certificates Tax Levy | Total Tax Levy |
|-----------|-----------------|-----------------------------|----------------------------|-----------------------------|----------------|
| 2018 | 2019 | -- | \$ 8,526,700 | \$388,750* | \$ 8,915,450 |
| 2019 | 2020 | \$ 735,000 | 8,734,900 | 375,750 | 9,845,650** |
| 2020 | 2021 | 1,785,000 | 8,951,850 | 373,000 | 11,109,850 |
| 2021 | 2022 | 2,000,000 | 9,170,350 | 374,750 | 11,545,100 |
| 2022 | 2023 | 2,000,000 | 9,402,100 | 375,750 | 11,777,850 |
| 2023 | 2024 | 2,485,000 | 9,655,100 | 376,000 | 12,516,100 |
| 2024 | 2025 | 4,020,000 | 9,851,850 | 370,500 | 14,242,350 |
| 2025 | 2026 | 4,235,000 | 10,068,600 | 374,500 | 14,678,100 |
| 2026 | 2027 | 4,440,000 | 10,281,000 | 367,500 | 15,088,500 |

* 2018/2019 tax levy for 2010C Certificates shall pay principal and interest due on February 1, 2020, on the 2019C Certificates

** Such amount shall be reduced by the rounding amount of \$997.80.

30 – Minutes of the Regular School Board Meeting
April 23, 2019

M-Oswald, S-Lofald, to approve Resolution B-4-19-3640 – Authorizing the Execution and Delivery of an Amendment to Installment Purchase Contract and a Supplement to Declaration of Trust and Approving the Issuance, Sale and Delivery of \$2,710,000 Full Term Refunding Certificates of Participation, Series 2019C.

Discussion took place regarding this item.

Upon a vote, the same was approved – 6-0.

M-Oswald, S-Sandstad, to approve the remainder of the Business Committee report.

Superintendent Gronseth withheld Item 2.A.2)
Member Lofald withheld Item 2.B.1)
Chair Loeffler-Kemp withheld Item 6.F.

Superintendent Gronseth pulled Item 2.A.2 Bid #1272-District-Wide Snow Plowing Services to clarify that services must be performed for the contract to be paid so if doesn't snow, then there are no costs under this contract.

Member Lofald withheld Item 2.B.1) Boundary Studies to ask about the history of past boundary studies.

Discussion took place regarding this item.

Chair Loeffler-Kemp withheld Item 6.F. Facilities Management & Capital Project Status Report to ask some questions on the Safe School Grants and to state her appreciation for all the testing and training that is being completed by the Facilities department.

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

Special Resolutions
April 2019

Member Kiby presented the resolution:

RESOLUTION

Authorizing School Board Members' Attendance at the MSBA Phase III Workshop

RESOLVED, That Independent School District 709, St. Louis County, Minnesota, pay costs incurred, as per District policy, for school board members to attend the MSBA Phase III Workshop held in April 2019.

Resolution SP-4-19-3641

April 23, 2019

M-Kirby, S-Oswald, to approve Resolution SP-4-19-3641 – Authorizing School Board Members' Attendance at the MSBA Phase III Workshop. Upon a vote, the same was approved – 6-0.

Member Gorham presented the resolution:

RESOLUTION

of Support to Recognize May as Mental Health Awareness Month at ISD 709
Mental Health Awareness Month Proclamation for May 2019

WHEREAS, mental health is a key component of every individual's overall physical health and emotional well-being; and

Whereas mental health helps to sustain our thought processes, relationships, productivity and ability to adapt to change or face adversity; and

Whereas mental illness adversely affects our abilities; and

Whereas long delays—sometimes decades—often occur between the time symptoms first appear and when we get help; and

Whereas early identification and treatment can make a profound difference in successful management of mental illness and recovery; and

Whereas, every citizen and community can make a difference in helping end the silence and stigma that for too long has surrounded mental illness and discouraged people from getting help; and

Whereas Northland Healthy Minds is working to promote public education and community activities which can reduce stigma, encourage mental health and help improve the lives of all affected by mental illness;

NOW, THEREFORE BE IT RESOLVED, Independent School District 709, St. Louis County, MN do hereby proclaim the month of May 2019 as Mental Health Awareness Month in Duluth Public Schools to increase public understanding of the importance of mental health and to promote identification and treatment of mental illnesses.

Resolution SP-4-19-3642

April 23, 2019

M-Gorham, S-Loeffler-Kemp, to approve Resolution SP-4-19-3642 – Support to Recognize May as Mental Health Awareness Month at ISD 709 Mental Health Awareness Month Proclamation for May 2019.

Discussion took place regarding this item.

Upon a vote, the same was approved – 6-0.

Other
April 2019

Member Lofald encouraged the School Board and administration to pursue a Board retreat to discuss many items to include the setting of visions, goals, etc.

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

➤ Chair Loeffler-Kemp adjourned the Regular School Board Meeting of April 23, 2019 at 8:43 p.m.