

Regular Business and Truth-in-Taxation  
Meeting  
Tuesday, December 14, 2021 6:00 PM

Board Assembly Room  
1250 West Broadway Avenue  
Minneapolis, Minnesota 55411

## **Agenda**

- 1) Call to Order and Roll Call
- 2) Adoption of the Agenda
- 3) Acceptance of Minutes
  - a. November 9, 2021, Minutes
- 4) Public Comments on the Property Tax Levy (Truth-in-Taxation Hearing)
- 5) Public Comments
- 6) Recess
- 7) Fiscal Year 2020-2021 Financial Audit
- 8) Reports and Recommendations from the Superintendent of Schools
  - a. Current Year Budget Update and Proposed Property Tax Levy (Taxes Payable Year 2022)
  - b. Budget Pro-Forma
  - c. 2022 State Legislative Agenda
- 9) Action Items by the Board of Education
  - a. Approval of the Consent Agenda
    1. Personnel Items
      - a. Approval of List A personnel matters (2021-12-ER-A)
      - b. Approval of List B personnel matters (2021-12-ER-B)
    2. Contracts
      - a. Amendment to contract 2021-4400001038 with Al-Maa'uun Career Services
      - b. Contract with EAI Education (2021-4400001243)
      - c. Amendment to contract 2021-4400000973 with Indrotec
      - d. Amendment to contract 2021-13374 with Maertens-Brenny Construction Co
      - e. Amendment to contract 2021-13380 with Minnehaha Transportation
      - f. Amendment to contract 2021-4400000995 with Newsela Inc
      - g. Contract with NowMicro Inc (2022-4400001242)
    3. Resolutions
      - a. Resolution Supporting the City of Minneapolis' application for the Safe Routes to School (SRTS) Infrastructure grant program (2021-0058)
      - b. Resolution Acknowledging Receipt of the Fiscal Year 2020-2021 Financial Audit (2021-0060)
    4. Agreements
      - a. Authorizing the Senior Operations Officer to execute a lease agreement with PC's for People for a Davis Center Rooftop Antenna (2021-0061)
  - b. Certification of Final Property Tax Levies 2021 Payable 2022
  - c. Authorizing a Memorandum of Agreement (MOA) with Metro Urban Indian Directors (MUID) Phillips Indian Educators (PIE)
- 10) New Business
  - a. 2022-2023 Budget Priorities Resolution

- 11) Reports from Board of Education Directors
  - a. World's Best Workforce (WBWF) Advisory Committee Appointments
- 12) Adjournment

**Minneapolis Public Schools – Board of Education**  
**Special School District No. 1**  
**Regular Business Meeting**  
**November 9, 2021**

**I. CALL TO ORDER**

Call to Order of the Board of Education. Pursuant to due notice mailed to each member of the Board of Education not less than three days prior to the time of such meeting, the Board members met in a regular meeting at the John B. Davis Educational Services Center November 9, 2021, commencing at 5:30 pm. Chair Ellison called the meeting to order. Chair Ellison appointed Vice-Chair Arneson to serve as clerk pro-tempore for the meeting.

**I. ROLL CALL**

**Present:** Directors: Siad Ali, Jenny Arneson, Kimberly Caprini, Adriana Cerrillo, Sharon El-Amin, Kim Ellison, Nelson Inz, Ira Jourdain, Student Representative Ghebremeskal, Superintendent Ed Graff – 10

**II. APPROVAL OF THE AGENDA**

**MOTION:** Director Arneson moved, seconded by Director Ali that the Board of Education, Special School District No. 1, approve the Agenda for November 9, 2021. Motion to approve the agenda was put to a vote and carried unanimously.

**III. ACCEPTANCE OF MINUTES**

**MOTION:** Director Ali moved, seconded by Director Jourdain that the Board of Education, Special School District No. 1, approve the Minutes for October 12, 2021. Motion to approve the Minutes was put to a vote and carried out unanimously.

**IV. PUBLIC COMMENTS**

Both in person Public Comments and pre-recorded Public Comments were heard

**RECESS:** The Board took a recess from 6:09 p.m. – 6:16 p.m.

**V. REPORTS AND RECOMMENDATIONS FROM THE SUPERINTENDENT OF SCHOOLS**

- a. Comprehensive District Design Update
- b. Metro Urban Indian Directors (MUID) Phillips Indian Educators (PIE) Memorandum Agreement
- c. Strategic Plan Development **RECESS:** The Board took a recess during this presentation from 8:59 p.m. – 9:07 p.m.

**VI. ACTION ITEMS BY THE BOARD OF EDUCATION**

**a. Approval of Consent Agenda**

These action items represent those that do not involve major policy decisions, budget decisions, taxing decisions, bond awards or items related to the Superintendent's contract of evaluation. Business items on this agenda are previously authorized or budgeted expenditures.

1. *Personnel Items*
  - a) *Personnel List A*
  - b) *Personnel List B*

2. *Contracts Requiring Board of Education Approval*
  - a. *Amendment to contract 2021-13352 with Airport/Airline Taxi Cab Corp*
  - b. *Amendment to contract 2021-13345 with Bille Bus Transportation, Inc*
  - c. *Contract with BSN SPORTS INC DBA US GAMES (2021-4400001221)*
  - d. *Amendment to contract 2019-4400000223 with the City of Minneapolis*
  - e. *Contract with GOPHER SPORT INC (2021-4400001220)*
  - f. *Amendment to contract 2021-4400001096 with Groves Academy*
  - g. *Amendment to contract 2021-13353 with Maertens-Brenny Construction Co.*
  - h. *Amendment to contract 2021-13358 with Metropolitan Transportation Network*
  - i. *Amendment to contract 2021-13298 with Miller Dunwiddie Architecture*
  - j. *Contract with NASCO (2021-4400001222)*
  - k. *Contract with Sand Creek (2021-xxxxxxxxxx)*
  - l. *Contract with Schwab Vollhaber Lubratt Inc (2021-13346)*
  - m. *Contract with Sheehy Construction (2021-13340)*
  - n. *Contract with Sunbelt Staffing LLC (2021-4400001206)*
3. *Resolutions*
  - o. *Authorizing application to the Hennepin Youth Sports Grant Program for Andersen United Middle School Gym*

**MOTION:** Director Caprini moved, seconded by Director Ali, that the Board of Education, Special School District No. 1, approve the consent agenda and adopt the recommendations as presented by the Superintendent. The motion to approve the consent agenda was put to a vote and carried out unanimously.

**b. RESOLUTION REGARDING APPROVAL OF THE 2021-2022 COLLECTIVE BARGAINING AGREEMENT WITH INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, LODGE 77**

***WHEREAS**, Special School District No. 1 (District) and International Association of Machinists and Aerospace Workers, Lodge 77 (Union) were parties to a collective bargaining agreement for the period of July 1, 2018, through June 30, 2021, and*

***WHEREAS**, the collective bargaining agreement between the District and Union expired on June 30, 2018; and*

***WHEREAS**, the District and Union engaged in collective bargaining negotiations, and reached a tentative agreement on a successor agreement through June 30, 2022; and*

***WHEREAS**, the Union membership voted affirmatively to ratify the successor agreement.*

***NOW, THEREFORE BE IT HEREBY RESOLVED**, that the Board of Directors of Special School District No. 1 hereby approve the collective bargaining agreement between Special School District No. 1, and International Association of Machinists and Aerospace Workers, Lodge 77, effective July 1, 2021, through June 30, 2022.*

**MOTION:** Director Caprini moved, seconded by Director Arneson, that the Board of Education, Special School District No. 1, approve the CBA with International Association of Machinists and Aerospace Workers. The motion to approve the CBA was put to a vote and carried out unanimously.

c. **RESOLUTION REGARDING APPROVAL OF THE 2021-2023 COLLECTIVE BARGAINING AGREEMENT BETWEEN SPECIAL SCHOOL DISTRICT NO. 1 AND ASSOCIATION OF MINNEAPOLIS SCHOOL DISTRICT PROFESSIONAL EMPLOYEES**

***WHEREAS**, Special School District No. 1 (District) and Association of Minneapolis School District Professional Employees (Union) were parties to a collective bargaining agreement for the period of July 1, 2019, through June 30, 2021, and*

***WHEREAS**, the collective bargaining agreement between the District and Union expired on June 30, 2021; and*

***WHEREAS**, the District and Union engaged in collective bargaining negotiations, and reached a tentative agreement on a successor agreement through June 30, 2023; and*

***WHEREAS**, the Union membership voted affirmatively to ratify the successor agreement.*

***NOW, THEREFORE BE IT HEREBY RESOLVED**, that the Board of Directors of Special School District No. 1 hereby approve the collective bargaining agreement between Special School District No. 1, and Association of Minneapolis School District Professional Employees, effective July 1, 2021 through June 30, 2023*

**MOTION:** Director Caprini moved, seconded by Director Arneson, that the Board of Education, Special School District No. 1, approve the CBA with AMP. The motion to approve the CBA was put to a vote and carried out unanimously.

d. **RESOLUTION REGARDING APPROVAL OF THE 2021-2023 COLLECTIVE BARGAINING AGREEMENT BETWEEN SPECIAL SCHOOL DISTRICT NO. 1 AND MINNEAPOLIS ASSOCIATION OF ADMINISTRATORS AND SUPERVISORS**

***WHEREAS**, Special School District No. 1 (District) and Minneapolis Association of Administrators and Supervisors (Union) were parties to a collective bargaining agreement for the period of July 1, 2019, through June 30, 2021, and*

***WHEREAS**, the collective bargaining agreement between the District and Union expired on June 30, 2021; and*

***WHEREAS**, the District and Union engaged in collective bargaining negotiations, and reached a tentative agreement on a successor agreement through June 30, 2023; and*

***WHEREAS**, the Union membership voted affirmatively to ratify the successor agreement.*

***NOW, THEREFORE BE IT HEREBY RESOLVED**, that the Board of Directors of Special School District No. 1 hereby approve the collective bargaining agreement between*

*Special School District No. 1, and Minneapolis Association of Administrators and Supervisors, effective July 1, 2021 through June 30, 2023.*

**MOTION:** Director Arneson moved, seconded by Director Inz, that the Board of Education, Special School District No. 1, approve the CBA with MAAS. The motion to approve the CBA was put to a vote and carried out unanimously.

e. **RESOLUTION REGARDING APPROVAL OF THE 2021-2023 COLLECTIVE BARGAINING AGREEMENT BETWEEN SPECIAL SCHOOL DISTRICT NO. 1 AND MINNEAPOLIS ASSOCIATION OF CONFIDENTIAL ADMINISTRATORS**

***WHEREAS**, Special School District No. 1 (District) and Minneapolis Association of Confidential Administrators (Union) were parties to a collective bargaining agreement for the period of July 1, 2019, through June 30, 2021, and*

***WHEREAS**, the collective bargaining agreement between the District and Union expired on June 30, 2021; and*

***WHEREAS**, the District and Union engaged in collective bargaining negotiations, and reached a tentative agreement on a successor agreement through June 30, 2023; and*

***WHEREAS**, the Union membership voted affirmatively to ratify the successor agreement.*

***NOW, THEREFORE BE IT HEREBY RESOLVED**, that the Board of Directors of Special School District No. 1 hereby approve the collective bargaining agreement between Special School District No. 1, and Minneapolis Association of Confidential Administrators, effective July 1, 2021 through June 30, 2023*

**MOTION:** Director Caprini moved, seconded by Director Arneson, that the Board of Education, Special School District No. 1, approve the CBA with MACA. The motion to approve the CBA was put to a vote and carried out unanimously.

f. **RESOLUTION REGARDING APPROVAL OF THE 2020-2022 COLLECTIVE BARGAINING AGREEMENT BETWEEN SPECIAL SCHOOL DISTRICT NO. 1 AND SERVICE EMPLOYEE INTERNATIONAL UNION, LOCAL 284**

***WHEREAS**, Special School District No. 1 (District) and Service Employee International Union, Local 284 (Union) were parties to a collective bargaining agreement for the period of July 1, 2017, through June 30, 2020, and*

***WHEREAS**, the collective bargaining agreement between the District and Union expired on June 30, 2020; and*

***WHEREAS**, the District and Union engaged in collective bargaining negotiations, and reached a tentative agreement on a successor agreement through June 30, 2022; and*

***WHEREAS**, the Union membership voted affirmatively to ratify the successor agreement.*

**NOW, THEREFORE BE IT HEREBY RESOLVED**, that the Board of Directors of Special School District No. 1 hereby approve the collective bargaining agreement between Special School District No. 1, and Service Employee International Union, Local 284, effective July 1, 2020, through June 30, 2022.

**MOTION:** Director Arneson moved, seconded by Director Caprini, that the Board of Education, Special School District No. 1, approve the CBA with SEIU Local 284. The motion to approve the CBA was put to a vote and carried out unanimously.

g. **AUTHORIZING A REGULAR COVID-19 TESTING REQUIREMENT FOR PARTICIPATION IN HIGH SCHOOL ATHLETICS**

**WHEREAS** Athletics provides important physical and mental health benefits for students; and

**WHEREAS** the Minnesota Health Department recognizes organized sports as an activity with increased risk of spreading COVID-19; and

**WHEREAS** the spread of COVID-19 in athletic settings results in increased absences in classrooms and has a negative impact on academics; and

**WHEREAS** the spread of COVID-19 has cancelled and impaired athletic opportunity for Minneapolis Public School students for over 18 months; and

**WHEREAS** Minneapolis Public Schools desires to maintain playing opportunities for our student athletes while maintaining health guidelines advised by local health officials; and

**WHEREAS** medical professionals and public health officials advise regular testing and vaccination as the best strategies in slowing community spread and infections, and CDC guidelines advise shorter quarantine periods for vaccinated individuals who come in close contact with infected individuals; and

**WHEREAS** vaccines are available for students ages 12-18 which coincides with students eligible to participate in high school athletics; and

**WHEREAS** unlike academic and classroom access, athletic participation is a privilege, not a right; and

**WHEREAS** Minneapolis Public Schools currently includes medical clearance as part of our high school athletic registration process.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of Special School District No. 1, hereby directs and grants necessary authorization to the Superintendent to implement the following procedure effective November 15, 2021 through March 4, 2022:

1. Requirement that all student athletes take a COVID-19 test weekly in order to participate in MPS athletics, as defined by those sports coordinated by the MPS District Athletics Department

2. An exemption option to the weekly testing requirement for those who are fully vaccinated against COVID-19

**FINALLY, BE IT RESOLVED** that failure to comply will result in immediate suspension from participation.

**MOTION:** Director Arneson moved, seconded by Director Caprini, that the Board of Education, Special School District No. 1, approve the COVID-19 testing requirement. The motion to approve the testing requirement was put to a vote and carried out unanimously.

**h. RESOLUTION REGARDING PROPOSED AMENDMENT TO THE EDUCATION CLAUSE OF THE MINNESOTA CONSTITUTION**

**WHEREAS** a legislative proposal submitting a ballot question to Minnesota voters to amend to the Minnesota Constitution has been introduced; and

**WHEREAS** Minneapolis Public Schools (Special School District No. 1) believes that every student, regardless of their background, zip-code, and personal needs, receives a high-quality and well-rounded education that prepares them for future success; and

**WHEREAS** decades of underfunding the public education system demonstrates the need for stronger constitutional language that guarantees sufficient funding for public schools; and

**WHEREAS** establishing a new standard without a corresponding and indisputable assurance of necessary resources to deliver on that promise would be unfair to Minnesota students and families.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of Special School District No. 1, regarding the proposed constitution amendment hereby:

1. does not support the proposed amendment in its current form as written; and
2. does support the inclusion of the term, “fundamental right to a quality education” in a proposed constitutional amendment; and
3. believes that if a quality public education is to be measured against standards, that these standards must encompass a diverse set of well-rounded and developmentally appropriate domains, aligned to the full range of skills necessary for participation in the economy, our democracy, and society, which cannot be determined solely by a standardized achievement test; and
4. believes the phrase “general and uniform system of public schools” must remain in the constitution to ensure that a quality public education is accessible and available to every student in the state; and
5. believes the proposed amendment’s statement on paramount duty must include clear and indisputable corresponding language that full, equitable, and

sufficient funding must be provided by taxation or otherwise, in order to fulfill this fundamental right; and

6. believes it is not necessary, and potentially confusing, to include the sentence, "The duty of the state established in this section does not infringe on the right of a parent to choose for their child a private, religious, or home school as an alternative to public education."

**FINALLY, BE IT RESOLVED** that these positions shall be included in the district's 2022 state legislative agenda and be brought by the Board's delegates to the Minnesota School Boards Association (MSBA) for possible inclusion in MSBA's legislative agenda.

**MOTION:** Director Ellison moved, seconded by Director Caprini, that the Board of Education, Special School District No. 1, approve the Resolution regarding the proposed amendment to the Minnesota Constitution.

**Call the Question:** Director Arneson moved, seconded by Director Inz to Call the Question. Passed by Voice Vote.

**Vote on Original Motion:** Passed by majority of those present.

Director	Yay	Nay
Arneson	X	
El-Amin		X
Ali		X
Cerrillo		X
Inz	X	
Jourdain		
Caprini	X	
Pauly		
Ellison	X	

i.

**1. AUTHORIZATION, ISSUANCE, AND AWARDING OF BOND SALES - SERIES 2021B (Attachment 1)**

**MOTION:** Director Caprini moved, seconded by Director Arneson, that the Board of Education, Special School District No. 1, approve the Bond Sales – Series 2021B. The motion to approve the bond sales was put to a vote and carried out unanimously.

**2. AUTHORIZATION, ISSUANCE, AND AWARDING OF BOND SALES - SERIES 2021C (Attachment 2)**

**MOTION:** Director Caprini moved, seconded by Director Arneson, that the Board of Education, Special School District No. 1, approve the Bond Sales – Series 2021C. The motion to approve the bond sales was put to a vote and carried out unanimously.

**3. AUTHORIZATION, ISSUANCE, AND AWARDING OF BOND SALES - SERIES 2021D**  
**(Attachment 3)**

**MOTION:** Director Caprini moved, seconded by Director Arneson, that the Board of Education, Special School District No. 1, approve the Bond Sales – Series 2021D. The motion to approve the bond sales was put to a vote and carried out unanimously.

**VII. NEW BUSINESS - NONE**

**VIII. REPORTS FROM BOARD OF EDUCATION DIRECTORS**

Remarks given by Caprini

**IX. ADJOURNMENT**

**MOTION:** Director Arneson moved, seconded by Director Ali that the Board of Education, Special School District No. 1, adjourn the meeting at 10:03 p.m. The motion to adjourn was put to a vote and carried out unanimously.

SPECIAL SCHOOL DISTRICT NO. 1  
MINNEAPOLIS, MINNESOTA

CERTIFICATE OF OFFICIAL ACTION

The undersigned, being the duly qualified and acting School District Clerk of Special School District No. 1 (Minneapolis), Minnesota (the “District”), DOES HEREBY CERTIFY as follows:

Attached hereto is a true and correct copy of a resolution duly adopted by the affirmative vote of six or more members of the Board of Education of the District at a lawful meeting duly called and held on November 9, 2021, at which meeting a quorum was present and acting throughout. Such resolution remains in full force and effect in the form in which adopted.

IN WITNESS WHEREOF, the undersigned has hereunto set her/his hand and affixed the official seal of the District, this \_\_\_\_ day of November, 2021.

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School District Clerk

RESOLUTION RELATING TO NOT TO EXCEED \$43,420,000  
GENERAL OBLIGATION SCHOOL BUILDING BONDS,  
SERIES 2021B; ESTABLISHING A PRICING COMMITTEE TO  
AWARD THE SALE THEREOF; PRESCRIBING THE FORM  
AND DETAILS THEREOF; AND AUTHORIZING THE  
ISSUANCE THEREOF

BE IT RESOLVED by the Board of Education (the “Board”) of Special School District No. 1 (Minneapolis), Minnesota (the “District”), as follows:

Section 1. Authorization and Sale

1.01. Pursuant to Minnesota Statutes, Chapter 475, and Section 128D.11, the District, by a two-thirds majority vote of all the members of the Board and without any election by the voters of the District, is authorized to issue and sell in calendar year 2021, general obligation bonds of the District in an amount not to exceed \$65,552,047, including \$15,000,000 as a carry forward from calendar year 2020.

1.02. This Board hereby finds, determines and declares that it is in the best interest of the District to proceed forthwith to authorize the issuance of its General Obligation School Building Bonds, Series 2021B, in the initial aggregate principal amount not to exceed \$43,420,000 (the “Bonds”), to finance the rehabilitating, remodeling, expanding, and equipping of existing school buildings, the acquisition of sites, construction, and equipping of new school buildings and the acquisition and betterment of District facilities (the “Project”), and to pay costs of issuing the Bonds; provided, however, that the proceeds of the Bonds shall not be used to finance any portion of the Project for which a favorable review and comment has not been received from the Minnesota Department of Education, if such a favorable review and comment is required by the provisions of Minnesota Statutes, Section 123B.71. At least 20 days but not more than 60 days before solicitation of bids for portions of the Project that have received review and comment, the Board shall cause the publication of a summary of the review and comment in the legal newspaper of the District and all actions required to accomplish the same are hereby authorized.

1.03. PFM Financial Advisors LLC, municipal advisor to the District, is hereby authorized to solicit, on behalf of the District, competitive proposals for the purchase of the Bonds. The Senior Financial Officer and the Superintendent of the District (together, the “Pricing Committee”), in consultation with and upon the advice of representatives of PFM Financial Advisors LLC, are hereby authorized to award the sale of the Bonds to the purchaser offering the most favorable of all proposals received by the District (the “Purchaser”), provided that the Pricing Committee may not award a sale of Bonds to the Purchaser in an aggregate principal amount in excess of \$43,420,000, provided further that the Pricing Committee may not award a sale of Bonds to the Purchaser if the true interest cost of the Bonds to the District exceeds 2.75% per annum, and provided further that no Bonds may be awarded until after the District has received a positive review and comment from the Minnesota Department of Education for any portions of the Project subject to such requirement. Any member of the Pricing Committee, or any designee thereof, is hereby authorized to execute a contract, bid or proposal to award the sale of the Bonds to the Purchaser provided the foregoing parameters are satisfied. The final requests for proposals included in the Preliminary Official Statement (as defined herein and as hereafter supplemented),

the executed proposal of the Purchaser and the results of sale and final pricing information prepared by PFM Financial Advisors LLC (collectively, the “Pricing Results”) showing the revised proposal of the Purchaser subsequent to bid opening, are incorporated by reference herein in their entirety as if fully set forth herein, and the par amount of the Bonds, the purchase price therefor (including premium and/or discount and Purchaser compensation), the maturities and interest rates for the Bonds and the true interest rate of the Bonds shall be as provided therein.

1.04. After taking into account the issuance of the Bonds, Dorsey & Whitney LLP, bond counsel to the District, is hereby authorized to calculate the amount of bonding authority carried forward by the District from 2021 to 2022 pursuant to Minnesota Statutes, Section 128D.11, subdivision 3.

1.05. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done prior to the issuance of the Bonds having been done, existing and having happened, or otherwise arranged to be done, it is now necessary for this Board to establish the form and terms of the Bonds, to provide for the security thereof, and to issue the Bonds forthwith.

Section 2. Form of Bonds

2.01. The Bonds shall be prepared substantially in the form of Exhibit A.

Section 3. Bond Terms, Execution and Delivery

3.01. Maturities, Interest Rates, Denominations. The District shall forthwith issue and deliver the Bonds, which shall be denominated “General Obligation School Building Bonds, Series 2021B.” The Bonds shall be in the denomination of \$5,000 each or any integral multiple thereof, shall mature on February 1 (or such other date set forth in the Pricing Results) in the years and amounts set forth in the Pricing Results, and Bonds maturing in such years and amounts shall bear interest, on the basis of a 360-day year composed of twelve 30-day months, from the date of issue until paid or duly called for redemption at the rates per annum in such years and in such amounts as provided in the Pricing Results.

3.02. Dates; Interest Payment Dates. The Bonds shall be issuable only in fully registered form, and the ownership of the Bonds shall be transferred only upon the bond register of the District hereinafter described. The interest on the Bonds shall be payable on February 1 and August 1 in each year (or such other date set forth in the Pricing Results), commencing August 1, 2022 (or such other date set forth in the Pricing Results), to the owner of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day. The interest on, and upon presentation and surrender thereof, the principal of each Bond, shall be payable by check or draft issued by the Registrar (as defined herein). Each Bond shall be originally dated as of the dated date set forth in the Pricing Results, and upon authentication of any Bond, the Registrar described herein shall indicate therein the date of such authentication.

3.03. Registration. The District shall appoint, and shall maintain, a bond registrar, transfer agent and paying agent (the “Registrar”). The effect of registration and the rights and duties of the District and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a bond register in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment.

(c) Exchange of Bonds. Whenever any Bond is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity, as requested by the registered owner or the owner’s attorney in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the District.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The District and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner’s order shall be valid and effectual to satisfy and discharge the liability of the District upon such Bond to the extent of the sum or sums paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon

cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond lost, stolen or destroyed, upon payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the District and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the District. If the mutilated, lost, stolen or destroyed Bond has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Bonds. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the District, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

3.04. Appointment of Initial Registrar. The District hereby appoints U.S. Bank National Association as the initial Registrar. The Chair and the School District Clerk are authorized to execute and deliver, if necessary or appropriate, on behalf of the District, a contract with U.S. Bank National Association, as Registrar. A bank or trust company authorized by law to conduct such business, may be authorized to act as successor Registrar. The District agrees to pay the reasonable and customary charges of the Registrar for the services performed. The District reserves the right to remove any Registrar upon thirty (30) days' notice and upon the appointment of a successor Registrar and shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Board, the School District Clerk shall transmit to the Registrar, from the Debt Service Fund described in Section 4.02, moneys sufficient for the payment of all principal and interest then due.

3.05. Redemption. Bonds maturing in the years 2032 and thereafter (or such other dates set forth in the Pricing Results) shall each be subject to redemption and prepayment, at the option of the District, in inverse order of maturities and, within any maturity, in \$5,000 principal amounts selected by the Registrar by lot, on February 1, 2031 (or such other date set forth in the Pricing Results), or any date thereafter at a price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption.

At least thirty (30) days prior to the date set for redemption of any Bond, the School District Clerk shall cause notice of the call for redemption to be published in a daily or weekly periodical published in a Minnesota city of the first class or its metropolitan area, which circulates throughout the state and furnishes financial news as a part of its service (provided that published notice of the call need not be given if the Bonds are in registered form and notice has been mailed to the registered holder of the Bonds), and to be mailed to the Registrar and to the registered owner of

each Bond to be redeemed, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

3.06. Preparation and Delivery. The Bonds shall be prepared under the direction of the School District Clerk and shall be executed on behalf of the District by the signatures of the Chair and the School District Clerk, and may be sealed with the official seal of the District; provided that said signatures and the official seal may be printed, engraved, or lithographed facsimiles thereof. In case any officer whose signature, or a facsimile of whose signature, shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on such Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been so delivered and authenticated, they shall be delivered by the School District Clerk to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

3.07. Securities Depository.

(a) For purposes of this section, the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Representation Letter” shall mean the Representation Letter pursuant to which the District agrees to comply with DTC’s Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the District may treat DTC (or its nominee) as the sole and exclusive owner

of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the District shall be affected by any notice to the contrary. Neither the Registrar nor the District shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the District to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the District determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, the District may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bond certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the District and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC by the Chair of the Board of Education and School District Clerk, is hereby authorized, and execution of the Representation Letter by the Chair of the Board of Education and School District Clerk shall be conclusive evidence of such approval.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bond certificates are issued to holders other than Cede & Co., its successor as nominee for DTC as holder of all the Bonds, or another securities depository as holder of all the Bonds, the provisions of this resolution shall also apply to all matters relating

thereto, including, without limitation, the printing of such Bond certificates and the method of payment of principal of and interest on such Bond certificates.

3.08. Closing Certificates. The Chair and School District Clerk, or the Senior Financial Officer, or any of their authorized designees, are hereby further authorized and directed to execute such closing certificates and other instruments and documents as may be necessary to complete the issuance and delivery of the Bonds and maintain the tax-exempt status of the Bonds. The authority granted hereby is effective with respect to any District officer holding office as of the date hereof and any successor. No execution of any document, certificate or instrument by an officer holding office as of the date hereof shall be considered invalidated or unauthorized by replacement of such officer before the date of execution.

#### Section 4. Use of Proceeds; Sinking Fund and Tax Levies

4.01. Proceeds of the Bonds shall be held in a separate fund or account in the official financial records of the District (the "Project Fund") and the District shall continue to maintain the Project Fund until payment of all costs and expenses incurred in connection with the projects financed by the Bonds have been paid. To the Project Fund there shall be credited all the proceeds of the Bonds and from the Project Fund there shall be paid all costs and expenses of the projects financed by the Bonds, including costs of issuing the Bonds. Amounts allocable to issuance expenses not disbursed after 60 days shall be transferred to the Debt Service Fund (as defined herein). After payment of all costs and expenses of the projects financed by the Bonds, the Project Fund shall be discontinued and any Bond proceeds remaining therein shall be credited to the Debt Service Fund or used for other projects in accordance with Minnesota law.

4.02. So long as any of the Bonds are outstanding and any principal or interest thereon remains unpaid, the District shall maintain as a separate account on its books and records the sinking fund heretofore established (the "Debt Service Fund"). The Debt Service Fund shall be used for no purpose other than the payment of principal of and interest on the Bonds and the payment of principal of and interest on such other general obligation bonds of the District as this Board by resolution has heretofore designated or hereafter shall designate as being payable from the Debt Service Fund. The Board irrevocably appropriates to the Debt Service Fund (a) any taxes levied in accordance with this resolution, (b) any taxes levied and to be levied for the payment of other obligations made payable from the Debt Service Fund, (c) accrued interest on the Bonds from their date to the date of delivery, and (d) all such other moneys as shall be received and appropriated to the Debt Service Fund from time to time. If any payment of principal of or interest on the Bonds or other obligations payable therefrom shall become due when there is not sufficient money in the Debt Service Fund to make such payment, the District shall pay the same from any other available fund of the District, and such other fund shall be reimbursed for such advances out of the proceeds of the taxes levied for the payment of the Bonds or other obligations payable therefrom. The Debt Service Fund will be used primarily to achieve a proper matching of revenues and debt service within each Bond Year (as defined in the Tax Certificate) and will be fully depleted at least once a year, except for a reasonable carryover amount expected not to exceed the greater of (a) the earnings on the Debt Service Fund in the immediately preceding Bond Year or (b) one-twelfth of the annual debt service on the Bonds in the immediately preceding Bond Year.

4.03. For the prompt and full payment of the principal of and interest on the Bonds as the same respectively become due, the full faith, credit and taxing power of the District shall be and are hereby irrevocably pledged. To provide moneys for the payment thereof, there is hereby levied upon all of the taxable property in the District a direct, annual, ad valorem tax which shall be spread upon the tax rolls collectible in the years and amounts set forth in the schedule to be attached hereto (the "Levy Schedule") upon pricing and sale of the Bonds, as a part of other general taxes of the District.

The foregoing taxes shall be irrevocable as long as any of the Bonds are outstanding and unpaid; provided, that the District reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61.

It is estimated that the ad valorem taxes will be collected in amounts not less than five percent (5%) in excess of the annual principal and interest requirements of the Bonds. If on October 1 in any year the sum of the balance in the Debt Service Fund plus any ad valorem taxes theretofore levied for the payment of bonds payable therefrom and collectible through the end of the following calendar year is not sufficient to pay when due all principal and interest to become due on all bonds payable therefrom in said following calendar year, or the Debt Service Fund has incurred a deficiency in the manner provided in Section 4.02, an additional direct, irrevocable, ad valorem tax shall be levied on all taxable property within the corporate limits of the District for the purpose of restoring such accumulated or anticipated deficiency in accordance with the provisions of this resolution.

#### Section 5. Defeasance

5.01. When all Bonds have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds shall cease. The District may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The District may also at any time discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full provided that notice of redemption thereof has been duly given as provided in Section 3.05 or arrangements for the giving of such notice have been made. The District may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are general obligations of the United States or securities of United States agencies which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to pay all principal, redemption premium, if any, and interest to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

Section 6. Certifications of Proceedings and Tax Matters

6.01. The School District Clerk is hereby authorized and directed to file with the County Auditor of Hennepin County, Minnesota (the “County Auditor”) a certified copy of this resolution, as supplemented with the incorporated Pricing Results and Levy Schedule, together with such other information as the County Auditor shall require, and to obtain from the County Auditor a certificate that the Bonds have been entered upon the bond register as required by law.

6.02. The officers of the District are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, bond counsel to the District, certified copies of all proceedings and records of the District relating to the Bonds and to the financial condition and affairs of the District, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds as they appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the District as to the facts recited herein.

6.03. The District covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action that would cause the interest of the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the “Code”), and any Treasury Regulations promulgated thereunder (the “Regulations”), and that it will take or cause its officers, employees or agents to take any and all actions legally within its or their power necessary to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. So long as the Bonds are outstanding, the District will not enter into any lease, use agreement or other contract or agreement respecting the projects financed with proceeds of the Bonds which would cause the Bonds to be considered a “private activity bond” or “private loan bond” pursuant to the provisions of Section 141 of the Code.

6.04. The Chair and the School District Clerk, being the officers of the District charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver a Tax Certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating, among other things, the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of the Code and the Regulations. The District covenants and agrees with the holders from time to time of the Bonds that it will abide by the terms of the Tax Certificate, except to the extent compliance therewith is deemed by Dorsey & Whitney LLP, bond counsel to the District, to be unnecessary to maintain the tax-exempt status of the Bonds.

6.05. The District acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The District covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the exceptions set forth in the Code and the Regulations.

6.06. The District certifies that the proceeds of the Bonds will not be used by the District to reimburse itself for any expenditure which the District paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the District has made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations; provided, however, that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to “preliminary expenditures” as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the “issue price” of the Bonds.

6.07. The Preliminary Official Statement dated November 2, 2021 (the “Preliminary Official Statement”), prepared and distributed by PFM Financial Advisors LLC on behalf of the District, is hereby ratified and approved. PFM Financial Advisors LLC is hereby authorized on behalf of the District to prepare and distribute, with the approval of any member of the Pricing Committee, any supplements to the Preliminary Official Statement necessary in connection with the offering and sale of the Bonds, including but not limited to any supplement amending the requests for proposals contained therein. PFM Financial Advisors LLC is hereby further authorized on behalf of the District to prepare and distribute to the Purchaser within seven business days from the date of sale of the Bonds, a final supplement to the Preliminary Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the final Official Statement by Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Final Official Statement”). The officers of the District are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the Preliminary Official Statement and the Final Official Statement, which Final Official Statement is also hereby approved with such changes and additions as the Senior Financial Officer of the District, or his designees, may authorize.

#### Section 7. State Payment; District and Bond Registrar Obligations

7.01. The District hereby covenants and obligates itself to notify the Commissioner of Education of the State of Minnesota as soon as possible, but not less than 15 working days before the date that principal or interest payment is due, of any potential default in the payment of the principal of or interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 (the “State Payment Law”), to guarantee (to the extent provided therein) payment of the principal of and interest on the Bonds when due. The District further covenants to deposit with the Registrar not less than three business days prior to each interest and principal payment date for the Bonds an amount sufficient to make that payment or to notify the Commissioner of Education as provided in the State Payment Law that it will be unable to make all or a portion of such payment. The Registrar shall be required to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal of and interest on the Bonds at maturity or, if on the date two business days prior to maturity, there are insufficient funds on deposit with the Registrar to pay the Bonds in full at maturity. The Registrar shall be required to cooperate with the District, the Commissioner of Education and the Commissioner of Management and Budget in implementing the provisions of the State Payment Law. In the event that amounts sufficient to make any such interest or principal payment are held by an escrow or paying agent

and invested as authorized by Minnesota Statutes, Chapter 475 and such escrow or paying agent is required to use proceeds from such investment to pay to the Registrar the amount necessary to pay such interest or principal on such payment date, then the requirements of the State Payment Law relating to the deposit of such amounts with the Registrar prior to the payment date of such interest or principal shall be deemed satisfied and neither the District nor the Registrar shall be required to notify the commissioner of Education that insufficient funds are available to pay such interest or principal on such payment date. The District shall do all other things which may be necessary to perform the obligations hereby undertaken under the State Payment Law, including any requirements hereafter adopted by the Commissioner of Education or the Commissioner of Management and Budget. The Chair, the School District Clerk, the Senior Financial Officer, or any authorized designee thereof, is hereby authorized to execute any applicable forms of the State of Minnesota.

Section 8. Continuing Disclosure

8.01. Definitions. The following capitalized terms shall have the following meanings for purposes of this section.

“*Annual Report*” means any annual report provided by the District pursuant to, and as described in, Section 8.03.

“*Beneficial Owner*” means any person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Bonds for federal income tax purposes.

“*EMMA*” means the MSRB’s Electronic Municipal Market Access system available at <http://emma.msrb.org>.

“*Financial Obligation*” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of either (i) or (ii). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

“*Holders*” means the registered holders of the Bonds, as recorded in the registration books of the Registrar.

“*Listed Events*” means the events listed in Section 8.04.

“*MSRB*” means the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

“*Participating Underwriter*” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“*Rule*” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

8.02. Purpose and Beneficiaries. The District makes the following covenants for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule.

8.03. Provision of Annual Reports.

(i) Not later than 12 months after the end of each fiscal year of the District (the “Submission Deadline”) (the first report being due not later than 12 months after June 30, 2021), the District shall, either directly or indirectly through an agent designated by the District, file on EMMA an electronic copy of its Annual Report in a format and accompanied by such identifying information as prescribed by the MSRB. If the District’s fiscal year changes, it shall, either directly or indirectly through an agent designated by the District, give notice of such change in the same manner as for a Listed Event under Section 8.04, and the Submission Deadline beginning with the subsequent fiscal year will become one year following the end of the new fiscal year. If the District is unable to provide an Annual Report by the Submission Deadline, in a timely manner thereafter, the District shall, either directly or indirectly through an agent designated by the District, file a notice on EMMA stating that there has been a failure to provide an Annual Report on or before the Submission Deadline.

(ii) The Annual Report must contain or include by reference the following:

(1) The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota state law, as in effect from time to time, or, if and to the extent such audited financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the District’s audited financial statements are not available by the Submission Deadline, the Annual Report shall contain unaudited financial information (which may include any annual filing information required by Minnesota state law) accompanied by a notice that the audited financial statements are not yet available, and the audited financial statements shall be filed on EMMA promptly after they become available.

(2) To the extent not included in the financial statements provided as part of the Annual Report, tables, schedules or other information of the type contained in the Official Statement for the Bonds under the following headings or captions, which information may be unaudited:

- (A) Financial Summary
- (B) Indebtedness
- (C) Property Valuations and Taxes

(D) Financial Information

- (iii) The Annual Report may be submitted as a single document or as separate documents comprising a package. The contents of the Annual Report may be included in the Annual Report by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available on EMMA or are filed with the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available on EMMA. The Annual Report shall clearly identify each such other document so included by reference. The audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the Submission Deadline if they are not available by that date.

8.04. Reporting of Significant Events.

- (i) The District shall, either directly or indirectly through an agent designated by the District, give notice of the occurrence of any of the following events with respect to the Bonds, all pursuant to the provisions of this section:
- (1) Principal and interest payment delinquencies.
  - (2) Non-payment related defaults, if material.
  - (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
  - (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
  - (5) Substitution of credit or liquidity providers, or their failure to perform.
  - (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
  - (7) Modifications to rights of security holders, if material.
  - (8) Bond calls, if material, and tender offers.
  - (9) Defeasances.
  - (10) Release, substitution, or sale of property securing repayment of the securities, if material.
  - (11) Rating changes.

- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person.

*For the purposes of the event identified in this subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.*

- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.
- (ii) If a Listed Event described in subparagraph (2), (7), (8) (but only with respect to bond calls under (8)), (10), (13), (14) or (15) has occurred *and the District has determined that such Listed Event is material under applicable federal securities laws*, the District shall, either directly or indirectly through an agent designated by the District, in a timely manner but not later than 10 business days after the occurrence of such Listed Event, promptly file a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB.
- (iii) If a Listed Event described in subparagraph (1), (3), (4), (5), (6), (8) (but only with respect to tender offers under (8)), (9), (11), (12) or (16) above has occurred the

District shall, either directly or indirectly through an agent designated by the District, in a timely manner but not later than 10 business days after the occurrence of such Listed Event, promptly file a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subparagraphs (8) and (9) need not be given under this section any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds.

8.05. Termination of Reporting Obligation. The District's obligations under this section will terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or upon the District's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the District to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

8.06. Dissemination Agent. The District may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this section, and may discharge any such dissemination agent, with or without appointing a successor dissemination agent. The dissemination agent will not be responsible in any manner for the content of any notice or Annual Report prepared by the District pursuant to this section.

8.07. Amendment; Waiver. Notwithstanding any other provision of this section, the District may amend the covenants contained in this section, and any provision of this section may be waived, if

- (i) (1) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; (2) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (3) the amendment or waiver either (A) is approved by a majority of the Holders, or (B) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners; or
- (ii) the amendment or waiver is necessary to comply with modifications to or interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission.

In the event of any amendment or waiver of a provision of this section, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating

data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing audited financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 8.04, and (ii) the Annual Report for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the audited financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

8.08. Additional Information. Nothing in this section will be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this section or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this section. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this section, the District shall have no obligation under this section to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

8.09. Default. In the event of a failure of the District to comply with any provision of this section, any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this section. Direct, indirect, consequential and punitive damages will not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this section will not be deemed an event of default under this resolution, and the sole remedy under this section in the event of any failure of the District to comply with this section will be an action to compel performance.

Section 9. Expiration of Authority. If the Pricing Committee has not approved the sale of the Bonds to the Purchaser and executed the related bid form by December 31, 2021, this resolution and all approvals hereunder shall expire.

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**EXHIBIT A**

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF HENNEPIN

SPECIAL SCHOOL DISTRICT NO. 1 (MINNEAPOLIS)  
GENERAL OBLIGATION SCHOOL BUILDING BOND, SERIES 2021B

R-\_\_\_\_ \$ \_\_\_\_\_

<u>Interest Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	February 1, 20__	December __, 2021	603790 ____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

Special School District No. 1 (Minneapolis), Minnesota (the “District”), a duly organized school district with boundaries coterminous with the City of Minneapolis, whose post office address is Minneapolis, Minnesota, acknowledges itself to be indebted, and for value received hereby, promises to pay to the registered owner specified above, or registered assigns, upon presentation and surrender at the principal corporate trust office of the Bond Registrar hereinafter identified, the principal amount specified above, on the maturity date specified above, with interest thereon from the date of original issue hereof or from the most recent interest payment date to which interest has been paid or duly provided for, at the annual rate specified above, all subject to the provisions hereinafter stated with respect to the redemption of the principal of this Bond before maturity. Interest is payable on February 1 and August 1 of each year, commencing on August 1, 2022, by check or draft mailed by the Bond Registrar to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. Both principal and interest are payable in any coin or currency of the United States of America, which on the respective dates of payment is legal tender for payment of public and private debts. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith, credit, and taxing power of the District have been and are hereby irrevocably pledged. U.S. Bank National Association, in St. Paul, Minnesota, has been designated by the Resolution described herein as Bond Registrar, Transfer Agent and Paying Agent (the “Bond Registrar”), and a successor Bond Registrar, if any, may be designated in accordance with said Resolution.

This Bond is one of an issue in the aggregate principal amount of \$ \_\_\_\_\_ (the “Bonds”), all of like tenor except as to serial number, maturity date, interest rate and redemption privilege and all issued by the District for the acquisition and betterment of school facilities, and is issued pursuant to authority conferred by the required vote of the members of the Board of Education of the District and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapter 475 and Section 128D.11, and pursuant to and in full conformity with resolutions of the Board of Education of the District, including a resolution adopted November 9, 2021 (the “Resolution”). This Bond is payable primarily from the Debt Service Fund (the “Debt Service Fund”) of the District, but the Board is required by law to pay maturing principal hereof and interest thereon out of any funds in the treasury if moneys on hand in the Debt Service Fund are insufficient therefor. The Bonds of this issue are issuable only as fully registered bonds, in denominations of \$5,000 or any integral multiple thereof, of single maturities.

Bonds having stated maturity dates in the years 2032 and thereafter are each subject to redemption and prepayment in inverse order of maturities and by lot, assigned in proportion to their principal amount, within a maturity, at the option of the District, on any date on or after February 1, 2031, at a price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption.

At least thirty days prior to the date set for the redemption and prepayment of any Bond, notice of the call for redemption will be published in a daily or weekly periodical, published in a Minnesota city of the first class or its metropolitan area, which circulates throughout the state and furnishes financial news as a part of its service (provided that published notice of the call need not be given if the Bonds are in registered form and notice has been mailed to the registered holder of the Bonds), and will be mailed or furnished to the Bond Registrar and mailed to the registered owner of each Bond to be redeemed at the address appearing in the Bond Register, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the District at the principal corporate trust office of the Bond Registrar, by the registered owner hereof in person or by his/her/its attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his/her/its attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the District will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The District and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner thereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the District nor the Bond Registrar shall be affected by any notice to the contrary.

It is hereby certified, recited, covenanted and agreed that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to happen, to exist and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the District according to its terms have been done, have happened, do exist, and have been performed in regular and due form, time and manner as so required; that, prior to the issuance hereof, a direct, annual, ad valorem tax has been duly levied upon all taxable property in the District for the years and in amounts not less than five percent (5%) in excess of sums sufficient to pay the interest hereon and the principal hereof as the same respectively become due; that additional taxes, if needed to meet the principal and interest requirements of the Bonds, shall be levied upon all of such property without limitation as to rate or amount; and that the issuance of the Bonds does not cause the indebtedness of the District to exceed any constitutional or statutory limitation of indebtedness.

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

IN WITNESS WHEREOF, Special School District No. 1 (Minneapolis), Minnesota, by its Board of Education has caused this Bond to be executed by the facsimile signatures of the Chair of the Board of Education and the School District Clerk and has caused this Bond to be dated as of the date of original issue set forth above.

SPECIAL SCHOOL DISTRICT NO. 1 (MINNEAPOLIS), MINNESOTA

\_\_\_\_\_  
(Facsimile Signature)  
Chair of the Board of Education

\_\_\_\_\_  
(Facsimile Signature)  
School District Clerk

\_\_\_\_\_

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Date of Authentication: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION,  
as Bond Registrar

By \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_

The following abbreviations, when used in the inscription of the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --as tenants in common	UTMA ..... as Custodian for .....
	(Cust) (Minor)
TEN ENT --as tenants by the entireties	under Uniform Transfers to Minors Act .....
	(State)
JT TEN --as joint tenants with right of survivorship and not as tenants in common	

Additional abbreviations may also be used, though not in the above list.

\_\_\_\_\_

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

\_\_\_\_\_

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

SIGNATURE GUARANTEE:

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

## **ATTACHMENTS**

Bid Form

Results of Sale

Final Pricing

Levy Schedule

SPECIAL SCHOOL DISTRICT NO. 1  
MINNEAPOLIS, MINNESOTA

CERTIFICATE OF OFFICIAL ACTION

The undersigned, being the duly qualified and acting School District Clerk of Special School District No. 1 (Minneapolis), Minnesota (the “District”), DOES HEREBY CERTIFY as follows:

Attached hereto is a true and correct copy of a resolution duly adopted by the Board of Education of the District at a lawful meeting duly called and held on November 9, 2021, at which meeting a quorum was present and acting throughout. Such resolution remains in full force and effect in the form in which adopted.

IN WITNESS WHEREOF, the undersigned has hereunto set her/his hand and affixed the official seal of the District, this \_\_\_\_ day of November, 2021.

---

School District Clerk

RESOLUTION RELATING TO NOT TO EXCEED \$40,200,000  
GENERAL OBLIGATION LONG-TERM FACILITIES  
MAINTENANCE BONDS, SERIES 2021C; ESTABLISHING A  
PRICING COMMITTEE TO AWARD THE SALE THEREOF;  
PRESCRIBING THE FORM AND DETAILS THEREOF; AND  
AUTHORIZING THE ISSUANCE THEREOF

BE IT RESOLVED by the Board of Education (the “Board”) of Special School District No. 1 (Minneapolis), Minnesota (the “District”), as follows:

Section 1. Authorization and Sale

1.01. Pursuant to Minnesota Statutes, Section 123B.595, the District, with the approval of the Commissioner of Education of the State of Minnesota and after proper notice, is authorized to issue and sell general obligation bonds of the District to finance facilities plans approved under Minnesota Statutes, Section 123B.595. The Board has heretofore approved the District’s ten-year facilities plan (the “Plan”) and on October 29, 2021, the District received written approval from the Commissioner of Education of its ten-year facilities plan (the “Plan”) and a bond issue therefor. The levy of ad valorem taxes for the payment of the principal of and interest on bonds issued in 2021 to finance such Plan was approved as part of the Minnesota Department of Education (“MDE”) Levy Limitation and Certification 2021-2022. The Board hereby ratifies and approves all action heretofore taken and hereby authorizes any additional actions required to be taken by District staff with respect to the Plan and publication of the notice required by Minnesota Statutes, Section 123B.595, Subd. 5(b).

1.02. This Board hereby finds, determines and declares that it is in the best interest of the District to proceed forthwith to authorize the issuance of its General Obligation Long-Term Facilities Maintenance Bonds, Series 2021C, in the initial aggregate principal amount not to exceed \$40,200,000 (the “Bonds”), to finance the projects included in the Plan (the “Project”), and to pay costs of issuing the Bonds; provided, however, that the proceeds of the Bonds shall not be used to finance any portion of the Project for which a favorable review and comment has not been received from the Minnesota Department of Education, if such a favorable review and comment is required by the provisions of Minnesota Statutes, Section 123B.71.

1.03. PFM Financial Advisors LLC, municipal advisor to the District, is hereby authorized to solicit, on behalf of the District, competitive proposals for the purchase of the Bonds. The Senior Financial Officer and the Superintendent of the District (together, the “Pricing Committee”), in consultation with and upon the advice of representatives of PFM Financial Advisors LLC, are hereby authorized to award the sale of the Bonds to the purchaser offering the most favorable of all proposals received by the District (the “Purchaser”), provided that the Pricing Committee may not award a sale of Bonds to the Purchaser in an aggregate principal amount in excess of \$40,200,000, and provided further that the Pricing Committee may not award a sale of Bonds to the Purchaser if the true interest cost of the Bonds to the District exceeds 2.75% per annum. Any member of the Pricing Committee, or any designee thereof, is hereby authorized to execute a contract, bid or proposal to award the sale of the Bonds to the Purchaser provided the foregoing parameters are satisfied. The final requests for proposals included in the Preliminary Official Statement (as defined herein and as hereafter supplemented), the executed proposal of the

Purchaser and the results of sale and final pricing information prepared by PFM Financial Advisors LLC (collectively, the “Pricing Results”) showing the revised proposal of the Purchaser subsequent to bid opening, are incorporated by reference herein in their entirety as if fully set forth herein, and the par amount of the Bonds, the purchase price therefor (including premium and/or discount and Purchaser compensation), the maturities and interest rates for the Bonds and the true interest rate of the Bonds shall be as provided therein.

1.04. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done prior to the issuance of the Bonds having been done, existing and having happened, or otherwise arranged to be done, it is now necessary for this Board to establish the form and terms of the Bonds, to provide for the security thereof, and to issue the Bonds forthwith.

## Section 2. Form of Bonds

2.01. The Bonds shall be prepared substantially in the form of Exhibit A.

## Section 3. Bond Terms, Execution and Delivery

3.01. Maturities, Interest Rates, Denominations. The District shall forthwith issue and deliver the Bonds, which shall be denominated “General Obligation Long-Term Facilities Maintenance Bonds, Series 2021C.” The Bonds shall be in the denomination of \$5,000 each or any integral multiple thereof, shall mature on February 1 (or such other date set forth in the Pricing Results) in the years and amounts set forth in the Pricing Results, and Bonds maturing in such years and amounts shall bear interest, on the basis of a 360-day year composed of twelve 30-day months, from the date of issue until paid or duly called for redemption at the rates per annum in such years and in such amounts as provided in the Pricing Results.

3.02. Dates; Interest Payment Dates. The Bonds shall be issuable only in fully registered form, and the ownership of the Bonds shall be transferred only upon the bond register of the District hereinafter described. The interest on the Bonds shall be payable on February 1 and August 1 in each year (or such other dates set forth in the Pricing Results), commencing August 1, 2022 (or such other date set forth in the Pricing Results), to the owner of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day. The interest on, and upon presentation and surrender thereof, the principal of each Bond, shall be payable by check or draft issued by the Registrar (as defined herein). Each Bond shall be originally dated as of the dated date set forth in the Pricing Results, and upon authentication of any Bond, the Registrar described herein shall indicate therein the date of such authentication.

3.03. Registration. The District shall appoint, and shall maintain, a bond registrar, transfer agent and paying agent (the “Registrar”). The effect of registration and the rights and duties of the District and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a bond register in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment.

(c) Exchange of Bonds. Whenever any Bond is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity, as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the District.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The District and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the District upon such Bond to the extent of the sum or sums paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond lost, stolen or destroyed, upon payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the District and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to

the District. If the mutilated, lost, stolen or destroyed Bond has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Bonds. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the District, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

3.04. Appointment of Initial Registrar. The District hereby appoints U.S. Bank National Association, as the initial Registrar. The Chair and the School District Clerk are authorized to execute and deliver, if necessary or appropriate, on behalf of the District, a contract with U.S. Bank National Association, as Registrar. A bank or trust company authorized by law to conduct such business, may be authorized to act as successor Registrar. The District agrees to pay the reasonable and customary charges of the Registrar for the services performed. The District reserves the right to remove any Registrar upon thirty (30) days' notice and upon the appointment of a successor Registrar and shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Board, the School District Clerk shall transmit to the Registrar, from the Debt Service Fund described in Section 4.02, moneys sufficient for the payment of all principal and interest then due.

3.05. Redemption. Bonds maturing in the years 2032 and thereafter (or such other dates set forth in the Pricing Results) shall each be subject to redemption and prepayment, at the option of the District, in inverse order of maturities and, within any maturity, in \$5,000 principal amounts selected by the Registrar by lot, on February 1, 2031 (or such other date set forth in the Pricing Results), or any date thereafter at a price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption.

At least thirty (30) days prior to the date set for redemption of any Bond, the School District Clerk shall cause notice of the call for redemption to be published in a daily or weekly periodical published in a Minnesota city of the first class or its metropolitan area, which circulates throughout the state and furnishes financial news as a part of its service (provided that published notice of the call need not be given if the Bonds are in registered form and notice has been mailed to the registered holder of the Bonds), and to be mailed to the Registrar and to the registered owner of each Bond to be redeemed, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

3.06. Preparation and Delivery. The Bonds shall be prepared under the direction of the School District Clerk and shall be executed on behalf of the District by the signatures of the Chair and the School District Clerk, and may be sealed with the official seal of the District; provided that

said signatures and the official seal may be printed, engraved, or lithographed facsimiles thereof. In case any officer whose signature, or a facsimile of whose signature, shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on such Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been so delivered and authenticated, they shall be delivered by the School District Clerk to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

### 3.07. Securities Depository.

(a) For purposes of this section, the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Representation Letter” shall mean the Representation Letter pursuant to which the District agrees to comply with DTC’s Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the District shall be affected by any notice to the contrary. Neither the Registrar nor the District shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on

the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the District to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the District determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, the District may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bond certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the District and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC by the Chair of the Board of Education and School District Clerk, is hereby authorized, and execution of the Representation Letter by the Chair of the Board of Education and School District Clerk shall be conclusive evidence of such approval.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bond certificates are issued to holders other than Cede & Co., its successor as nominee for DTC as holder of all the Bonds, or another securities depository as holder of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bond certificates and the method of payment of principal of and interest on such Bond certificates.

3.08. Closing Certificates. The Chair and School District Clerk, or the Senior Financial Officer, or any of their authorized designees, are hereby further authorized and directed to execute such closing certificates and other instruments and documents as may be necessary to complete the issuance and delivery of the Bonds and maintain the tax-exempt status of the Bonds. The authority granted hereby is effective with respect to any District officer holding office as of the date hereof and any successor. No execution of any document, certificate or instrument by an officer holding office as of the date hereof shall be considered invalidated or unauthorized by replacement of such officer before the date of execution.

#### Section 4. Sinking Fund and Tax Levies

4.01. Proceeds of the Bonds shall be held in a separate fund or account in the official financial records of the District (the "Project Fund") and the District shall continue to maintain the Project Fund until payment of all costs and expenses incurred in connection with the projects financed by the Bonds have been paid. To the Project Fund there shall be credited all the proceeds of the Bonds and from the Project Fund there shall be paid all costs and expenses of the projects financed by the Bonds, including costs of issuing the Bonds. Amounts allocable to issuance expenses not disbursed after 60 days shall be transferred to the Debt Service Fund (as defined herein). After payment of all costs and expenses of the projects financed by the Bonds, the Project Fund shall be discontinued and any Bond proceeds remaining therein shall be credited to the Debt Service Fund or used for other projects in accordance with Minnesota law.

4.02. Pursuant to Minnesota Statutes, Section 123B.595, subdivision 5(c), the portion of long-term facilities maintenance revenue for bonded debt must be recognized in the debt service fund of the District (the "Debt Service Fund"). The Debt Service Fund shall be used for no purpose other than the payment of principal of and interest on the Bonds and the payment of principal of and interest on such other general obligation bonds of the District as this Board by resolution has heretofore designated or hereafter shall designate as being payable from the Debt Service Fund. The Board irrevocably appropriates to the Debt Service Fund (a) any taxes levied in accordance with this resolution, (b) any taxes levied and to be levied for the payment of other obligations made payable from the Debt Service Fund, (c) accrued interest on the Bonds from their date to the date of delivery, (d) any long-term facilities maintenance equalized aid receivable under Minnesota Statutes, Section 123B.595, subdivision 9, and (e) all such other moneys as shall be received and appropriated to the Debt Service Fund from time to time. If any payment of principal of or interest on the Bonds or other obligations payable therefrom shall become due when there is not sufficient money in the Debt Service Fund to make such payment, the District shall pay the same from any other available fund of the District, and such other fund shall be reimbursed for such advances out of the proceeds of the taxes levied for the payment of the Bonds or other obligations payable therefrom. Pursuant to Minnesota Statutes, Section 123B.595, subdivision 12, the portion, if any, of long-term facility maintenance revenue not recognized in the Debt Service Fund shall be maintained with the general fund of the District in a reserve account pledged to the payment of Plan costs not financed by the Bonds. The Debt Service Fund will be used primarily to achieve a proper matching of revenues and debt service within each Bond Year (as defined in the Tax Certificate) and will be fully depleted at least once a year, except for a reasonable carryover amount expected not to exceed the greater of (a) the earnings on the Debt Service Fund in the immediately preceding Bond Year or (b) one-twelfth of the annual debt service on the Bonds in the immediately preceding Bond Year.

4.03. For the prompt and full payment of the principal of and interest on the Bonds as the same respectively become due, the full faith, credit and taxing power of the District shall be and are hereby irrevocably pledged. To provide moneys for the payment thereof, there is hereby levied upon all of the taxable property in the District a direct, annual, ad valorem tax which shall be spread upon the tax rolls collectible in the years and amounts set forth in the schedule to be attached hereto (the "Levy Schedule") upon pricing and sale of the Bonds, as part of other general taxes of the District.

The foregoing taxes shall be irrevocable as long as any of the Bonds are outstanding and unpaid; provided, that the District reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61.

It is estimated that the ad valorem taxes will be collected in amounts not less than five percent (5%) in excess of the annual principal and interest requirements of the Bonds. If on October 1 in any year the sum of the balance in the Debt Service Fund plus any ad valorem taxes theretofore levied for the payment of bonds payable therefrom and collectible through the end of the following calendar year is not sufficient to pay when due all principal and interest to become due on all bonds payable therefrom in said following calendar year, or the Debt Service Fund has incurred a deficiency in the manner provided in Section 4.02, an additional direct, irrevocable, ad valorem tax shall be levied on all taxable property within the corporate limits of the District for the purpose of restoring such accumulated or anticipated deficiency in accordance with the provisions of this resolution. Pursuant to Minnesota Statutes, Section 123B.595, subdivision 6, if the debt service revenue required to pay the principal and interest on the Bonds exceeds the District's long-term facilities maintenance revenue for the same fiscal year, the District's general fund levy must be reduced by the amount of the excess.

#### Section 5. Defeasance

5.01. When all Bonds have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds shall cease. The District may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The District may also at any time discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full provided that notice of redemption thereof has been duly given as provided in Section 3.05 or arrangements for the giving of such notice have been made. The District may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are general obligations of the United States or securities of United States agencies which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to pay all principal, redemption premium, if any, and interest to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

#### Section 6. Certifications of Proceedings and Tax Matters

6.01. The School District Clerk is hereby authorized and directed to file with the County Auditor of Hennepin County, Minnesota (the "County Auditor") a certified copy of this resolution, as supplemented with the incorporated Pricing Results and Levy Schedule, together with such other information as the County Auditor shall require, and to obtain from the County Auditor a certificate that the Bonds have been entered upon the bond register as required by law.

6.02. The officers of the District are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, bond counsel to the District, certified copies of all proceedings and records of the District relating to the Bonds and to the financial condition and affairs of the District, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds as they appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the District as to the facts recited herein.

6.03. The District covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action that would cause the interest of the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the "Code"), and any Treasury Regulations promulgated thereunder (the "Regulations"), and that it will take or cause its officers, employees or agents to take any and all actions legally within its or their power necessary to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. The District covenants and agrees with the holders from time to time of the Bonds that it will abide by the terms of the Tax Certificate, except to the extent compliance therewith is deemed by bond counsel to the District to be unnecessary to maintain the tax-exempt status of the Bonds. So long as the Bonds are outstanding, the District will not enter into any lease, use agreement or other contract or agreement respecting the projects financed with proceeds of the Bonds which would cause the Bonds to be considered a "private activity bond" or "private loan bond" pursuant to the provisions of Section 141 of the Code.

6.04. The Chair and the School District Clerk, being the officers of the District charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver a Tax Certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating, among other things, the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and the Regulations. The District covenants and agrees with the holders from time to time of the Bonds that it will abide by the terms of the Tax Certificate, except to the extent compliance therewith is deemed by Dorsey & Whitney LLP, bond counsel to the District, to be unnecessary to maintain the tax-exempt status of the Bonds.

6.05. The District acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The District covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the exceptions set forth in the Code and the Regulations.

6.06. The District certifies that the proceeds of the Bonds will not be used by the District to reimburse itself for any expenditure which the District paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the District has made a declaration of official intent which complies with the provisions of Section 1.150-2 of the

Regulations; provided, however, that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to “preliminary expenditures” as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the “issue price” of the Bonds.

6.07. The Preliminary Official Statement dated as of November 2, 2021 (the “Preliminary Official Statement”), prepared and distributed by PFM Financial Advisors LLC on behalf of the District, is hereby ratified and approved. PFM Financial Advisors LLC is hereby authorized on behalf of the District to prepare and distribute, with the approval of any member of the Pricing Committee, any supplements to the Preliminary Official Statement necessary in connection with the offering and sale of the Bonds, including but not limited to any supplement amending the requests for proposals contained therein. PFM Financial Advisors LLC is hereby further authorized on behalf of the District to prepare and distribute to the Purchaser within seven business days from the date of sale of the Bonds, a final supplement to the Preliminary Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Final Official Statement by Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Final Official Statement”). The officers of the District are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the Preliminary Official Statement and the Final Official Statement, which final Official Statement is also hereby approved, with such changes and additions as the Senior Financial Officer of the District, or his designees, may authorize.

#### Section 7. State Payment; District and Bond Registrar Obligations

The District hereby covenants and obligates itself to notify the Commissioner of Education of the State of Minnesota as soon as possible, but not less than 15 working days before the date that principal or interest payment is due, of any potential default in the payment of the principal of or interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 (the “State Payment Law”), to guarantee (to the extent provided therein) payment of the principal of and interest on the Bonds when due. The District further covenants to deposit with the Registrar not less than three business days prior to each interest and principal payment date for the Bonds an amount sufficient to make that payment or to notify the Commissioner of Education as provided in the State Payment Law that it will be unable to make all or a portion of such payment. The Registrar shall be required to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal of and interest on the Bonds at maturity or, if on the date two business days prior to maturity, there are insufficient funds on deposit with the Registrar to pay the Bonds in full at maturity. The Registrar shall be required to cooperate with the District, the Commissioner of Education and the Commissioner of Management and Budget in implementing the provisions of the State Payment Law. In the event that amounts sufficient to make any such interest or principal payment are held by an escrow or paying agent and invested as authorized by Minnesota Statutes, Chapter 475 and such escrow or paying agent is required to use proceeds from such investment to pay to the Registrar the amount necessary to pay such interest or principal on such payment date, then the requirements of the State Payment Law relating to the deposit of such amounts with the Registrar prior to the payment date of such interest or

principal shall be deemed satisfied and neither the District nor the Registrar shall be required to notify the commissioner of Education that insufficient funds are available to pay such interest or principal on such payment date. The District shall do all other things which may be necessary to perform the obligations hereby undertaken under the State Payment Law, including any requirements hereafter adopted by the Commissioner of Education or the Commissioner of Management and Budget. The Chair, the School District Clerk, the Senior Financial Officer, or any authorized designee thereof, is hereby authorized to execute any applicable forms of the State of Minnesota.

## Section 8. Continuing Disclosure

8.01. Definitions. The following capitalized terms shall have the following meanings for purposes of this section.

“*Annual Report*” means any annual report provided by the District pursuant to, and as described in, Section 8.03.

“*Beneficial Owner*” means any person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Bonds for federal income tax purposes.

“*EMMA*” means the MSRB’s Electronic Municipal Market Access system available at <http://emma.msrb.org>.

“*Financial Obligation*” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of either (i) or (ii). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

“*Holder*” means the registered holders of the Bonds, as recorded in the registration books of the Registrar.

“*Listed Events*” means the events listed in Section 8.04.

“*MSRB*” means the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

“*Participating Underwriter*” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“*Rule*” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

8.02. Purpose and Beneficiaries. The District makes the following covenants for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule.

8.03. Provision of Annual Reports.

- (i) Not later than 12 months after the end of each fiscal year of the District (the “Submission Deadline”) (the first report being due not later than 12 months after June 30, 2021), the District shall, either directly or indirectly through an agent designated by the District, file on EMMA an electronic copy of its Annual Report in a format and accompanied by such identifying information as prescribed by the MSRB. If the District’s fiscal year changes, it shall, either directly or indirectly through an agent designated by the District, give notice of such change in the same manner as for a Listed Event under Section 8.04, and the Submission Deadline beginning with the subsequent fiscal year will become one year following the end of the new fiscal year. If the District is unable to provide an Annual Report by the Submission Deadline, in a timely manner thereafter, the District shall, either directly or indirectly through an agent designated by the District, file a notice on EMMA stating that there has been a failure to provide an Annual Report on or before the Submission Deadline.
- (ii) The Annual Report must contain or include by reference the following:
  - (1) The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota state law, as in effect from time to time, or, if and to the extent such audited financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the District’s audited financial statements are not available by the Submission Deadline, the Annual Report shall contain unaudited financial information (which may include any annual filing information required by Minnesota state law) accompanied by a notice that the audited financial statements are not yet available, and the audited financial statements shall be filed on EMMA promptly after they become available.
  - (2) To the extent not included in the financial statements provided as part of the Annual Report, tables, schedules or other information of the type contained in the Official Statement for the Bonds under the following headings or captions, which information may be unaudited:
    - (A) Financial Summary
    - (B) Indebtedness
    - (C) Property Valuations and Taxes
    - (D) Financial Information

- (iii) The Annual Report may be submitted as a single document or as separate documents comprising a package. The contents of the Annual Report may be included in the Annual Report by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available on EMMA or are filed with the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available on EMMA. The Annual Report shall clearly identify each such other document so included by reference. The audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the Submission Deadline if they are not available by that date.

#### 8.04 Reporting of Significant Events.

- (i) The District shall, either directly or indirectly through an agent designated by the District, give notice of the occurrence of any of the following events with respect to the Bonds, all pursuant to the provisions of this section:
  - (1) Principal and interest payment delinquencies.
  - (2) Non-payment related defaults, if material.
  - (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
  - (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
  - (5) Substitution of credit or liquidity providers, or their failure to perform.
  - (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
  - (7) Modifications to rights of security holders, if material.
  - (8) Bond calls, if material, and tender offers.
  - (9) Defeasances.
  - (10) Release, substitution, or sale of property securing repayment of the securities, if material.
  - (11) Rating changes.
  - (12) Bankruptcy, insolvency, receivership or similar event of the obligated person.

*For the purposes of the event identified in this subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.*

- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
  - (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
  - (15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.
  - (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.
- (ii) If a Listed Event described in subparagraph (2), (7), (8) (but only with respect to bond calls under (8)), (10), (13), (14) or (15) has occurred *and the District has determined that such Listed Event is material under applicable federal securities laws*, the District shall, either directly or indirectly through an agent designated by the District, in a timely manner but not later than 10 business days after the occurrence of such Listed Event, promptly file a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB.
  - (iii) If a Listed Event described in subparagraph (1), (3), (4), (5), (6), (8) (but only with respect to tender offers under (8)), (9), (11), (12) or (16) above has occurred the District shall, either directly or indirectly through an agent designated by the District, in a timely manner but not later than 10 business days after the occurrence of such Listed Event, promptly file a notice of such occurrence on EMMA, with

such notice in a format and accompanied by such identifying information as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subparagraphs (8) and (9) need not be given under this section any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds.

8.05. Termination of Reporting Obligation. The District's obligations under this section will terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or upon the District's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the District to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

8.06. Dissemination Agent. The District may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this section, and may discharge any such dissemination agent, with or without appointing a successor dissemination agent. The dissemination agent will not be responsible in any manner for the content of any notice or Annual Report prepared by the District pursuant to this section.

8.07. Amendment; Waiver. Notwithstanding any other provision of this section, the District may amend the covenants contained in this section, and any provision of this section may be waived, if

- (i) (1) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; (2) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (3) the amendment or waiver either (A) is approved by a majority of the Holders, or (B) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners; or
- (ii) the amendment or waiver is necessary to comply with modifications to or interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission.

In the event of any amendment or waiver of a provision of this section, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing audited financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 8.04, and (ii) the Annual

Report for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the audited financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

8.08. Additional Information. Nothing in this section will be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this section or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this section. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this section, the District shall have no obligation under this section to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

8.09. Default. In the event of a failure of the District to comply with any provision of this section, any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this section. Direct, indirect, consequential and punitive damages will not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this section will not be deemed an event of default under this resolution, and the sole remedy under this section in the event of any failure of the District to comply with this section will be an action to compel performance.

Section 9. Expiration of Authority. If the Pricing Committee has not approved the sale of the Bonds to the Purchaser and executed the related bid form by December 31, 2021, this resolution and all approvals hereunder shall expire.

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**EXHIBIT A**

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF HENNEPIN

SPECIAL SCHOOL DISTRICT NO. 1 (MINNEAPOLIS)  
GENERAL OBLIGATION LONG-TERM FACILITIES MAINTENANCE BOND, SERIES 2021C

R- \_\_\_\_\_ \$ \_\_\_\_\_

<u>Interest Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	February 1, 20__	December __, 2021	603790 __

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

Special School District No. 1 (Minneapolis), Minnesota (the “District”), a duly organized school district with boundaries coterminous with the City of Minneapolis, whose post office address is Minneapolis, Minnesota, acknowledges itself to be indebted, and for value received hereby, promises to pay to the registered owner specified above, or registered assigns, upon presentation and surrender at the principal corporate trust office of the Bond Registrar hereinafter identified, the principal amount specified above, on the maturity date specified above, with interest thereon from the date of original issue hereof or from the most recent interest payment date to which interest has been paid or duly provided for, at the annual rate specified above, all subject to the provisions hereinafter stated with respect to the redemption of the principal of this Bond before maturity. Interest is payable on February 1 and August 1 of each year, commencing on August 1, 2022, by check or draft mailed by the Bond Registrar to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. Both principal and interest are payable in any coin or currency of the United States of America, which on the respective dates of payment is legal tender for payment of public and private debts. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith, credit, and taxing power of the District have been and are hereby irrevocably pledged. U.S. Bank National Association in St. Paul, Minnesota has been designated by the Resolution described herein as Bond Registrar, Transfer Agent and Paying Agent (the “Bond Registrar”), and a successor Bond Registrar, if any, may be designated in accordance with said Resolution.

This Bond is one of an issue in the aggregate principal amount of \$ \_\_\_\_\_ (the “Bonds”), all of like tenor except as to serial number, maturity date, interest rate and redemption privilege and all issued by the District for the acquisition and betterment of school facilities, and is issued pursuant to authority conferred by the required vote of the members of the Board of Education of the District and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapter 475 and Section 123B.595, and pursuant to and in full conformity with resolutions of the Board of Education of the District, including a resolution adopted November 9, 2021 (the “Resolution”). This Bond is payable primarily from the Debt Service Fund (the “Debt Service Fund”) of the District, but the Board is required by law to pay maturing principal hereof and interest thereon out of any funds in the treasury if moneys on hand in the Debt Service Fund are insufficient therefor. The Bonds of this issue are issuable only as fully registered bonds, in denominations of \$5,000 or any integral multiple thereof, of single maturities.

Bonds having stated maturity dates in the years 2032 and thereafter are each subject to redemption and prepayment in inverse order of maturities and by lot, assigned in proportion to their principal amount, within a maturity, at the option of the District, on any date on or after February 1, 2031, at a price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption.

At least thirty days prior to the date set for the redemption and prepayment of any Bond, notice of the call for redemption will be published in a daily or weekly periodical, published in a Minnesota city of the first class or its metropolitan area, which circulates throughout the state and furnishes financial news as a part of its service (provided that published notice of the call need not be given if the Bonds are in registered form and notice has been mailed to the registered holder of the Bonds), and will be mailed or furnished to the Bond Registrar and mailed to the registered owner of each Bond to be redeemed at the address appearing in the Bond Register, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the District at the principal corporate trust office of the Bond Registrar, by the registered owner hereof in person or by his/her/its attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his/her/its attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the District will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The District and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner thereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the District nor the Bond Registrar shall be affected by any notice to the contrary.

It is hereby certified, recited, covenanted and agreed that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to happen, to exist and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the District according to its terms have been done, have happened, do exist, and have been performed in regular and due form, time and manner as so required; that, prior to the issuance hereof, a direct, annual, ad valorem tax has been duly levied upon all taxable property in the District for the years and in amounts not less than five percent (5%) in excess of sums sufficient to pay the interest hereon and the principal hereof as the same respectively become due; that additional taxes, if needed to meet the principal and interest requirements of the Bonds, shall be levied upon all of such property without limitation as to rate or amount; and that the issuance of the Bonds does not cause the indebtedness of the District to exceed any constitutional or statutory limitation of indebtedness.

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

IN WITNESS WHEREOF, Special School District No. 1 (Minneapolis), Minnesota, by its Board of Education has caused this Bond to be executed by the facsimile signatures of the Chair of the Board of Education and the School District Clerk and has caused this Bond to be dated as of the date of original issue set forth above.

SPECIAL SCHOOL DISTRICT NO. 1 (MINNEAPOLIS), MINNESOTA

\_\_\_\_\_  
(Facsimile Signature)  
Chair of the Board of Education

\_\_\_\_\_  
(Facsimile Signature)  
School District Clerk

\_\_\_\_\_

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Date of Authentication: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION,  
as Bond Registrar

By \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_

The following abbreviations, when used in the inscription of the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --as tenants in common	UTMA ..... as Custodian for .....
	(Cust) (Minor)
TEN ENT --as tenants by the entireties	under Uniform Transfers to Minors Act .....
	(State)
JT TEN --as joint tenants with right of survivorship and not as tenants in common	

Additional abbreviations may also be used, though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

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

SIGNATURE GUARANTEE:

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

## **ATTACHMENTS**

Bid Form

Results of Sale

Final Pricing

Levy Schedule

SPECIAL SCHOOL DISTRICT NO. 1  
MINNEAPOLIS, MINNESOTA

CERTIFICATE OF OFFICIAL ACTION

The undersigned, being the duly qualified and acting School District Clerk of Special School District No. 1 (Minneapolis), Minnesota (the “District”), DOES HEREBY CERTIFY as follows:

Attached hereto is a true and correct copy of a resolution duly adopted by the Board of Education of the District at a lawful meeting duly called and held on November 9, 2021, at which meeting a quorum was present and acting throughout. Such resolution remains in full force and effect in the form in which adopted.

IN WITNESS WHEREOF, the undersigned has hereunto set her/his hand and affixed the official seal of the District, this \_\_\_\_ day of November, 2021.

---

School District Clerk

RESOLUTION RELATING TO NOT TO EXCEED \$36,000,000  
GENERAL OBLIGATION REFUNDING BONDS,  
SERIES 2021D; ESTABLISHING A PRICING COMMITTEE TO  
AWARD THE SALE THEREOF; PRESCRIBING THE FORM  
AND DETAILS THEREOF; AND AUTHORIZING THE  
ISSUANCE THEREOF

BE IT RESOLVED by the Board of Education (the “Board”) of Special School District No. 1 (Minneapolis), Minnesota (the “District”), as follows:

Section 1. Authorization and Sale

1.01. Pursuant to Minnesota Statutes, Chapter 475, the District is authorized to issue general obligation bonds to refund outstanding general obligation bonds of the District in order to reduce debt service costs to the District.

1.02. PFM Financial Advisors LLC, municipal advisor to the District (“PFM”), has advised this Board that the outstanding general obligation bonds of the District described in the table below (the “Series 2013A Bonds” and the “Series 2013B Bonds,” respectively, and collectively, the “Refunded Bonds”) are callable on the dates indicated in the table below (each a “Call Date”).

<b>Refunded Bonds</b>	<b>Original Issue Date</b>	<b>Original Aggregate Principal Amount</b>	<b>Maturities to be Refunded (February 1)</b>	<b>Principal Amount Refunded</b>	<b>Call Date</b>
General Obligation School Building Bonds, Series 2013A	12/04/2013	\$20,525,000	2023-2029	\$8,865,000	02/01/2022
General Obligation Alternative Facility Bonds, Series 2013B	12/04/2013	\$30,090,000	2023-2034	\$26,795,000	02/01/2022

1.03. This Board hereby finds, determines and declares that it is in the best interest of the District to proceed forthwith to authorize the issuance of its General Obligation Refunding Bonds, Series 2021D, in the initial aggregate principal amount of not to exceed \$36,000,000 (the “Bonds”), to accomplish the refunding of the Refunded Bonds on the Call Date and to pay costs of such refunding and costs of issuing the Bonds.

1.04. PFM Financial Advisors LLC, municipal advisor to the District, is hereby authorized to solicit, on behalf of the District, competitive proposals for the purchase of the Bonds. The Senior Financial Officer and the Superintendent of the District (together, the “Pricing Committee”), in consultation with and upon the advice of representatives of PFM Financial Advisors LLC, are hereby authorized to award the sale of the Bonds to the purchaser offering the most favorable of all proposals received by the District (the “Purchaser”), provided that the Pricing Committee may not award a sale of Bonds to the Purchaser in an aggregate principal amount in excess of \$36,000,000, provided further that the Pricing Committee may not award a sale of Bonds to the Purchaser if the true interest cost of the Bonds to the District exceeds 2.25% per annum, and provided further that no Bonds may be awarded unless the refunding achieves a net present value savings (expressed as a percentage of the Refunded Bonds) in excess of 8% of the Refunded Bonds on a combined basis. Any member of the Pricing Committee, or any designee thereof, is hereby authorized to execute a contract, bid or proposal to award the sale of the Bonds to the Purchaser provided the foregoing parameters are satisfied. The final requests for proposals included in the Preliminary Official Statement (as defined herein and as hereafter supplemented), the executed proposal of the Purchaser and the results of sale and final pricing information prepared by PFM Financial Advisors LLC (collectively, the “Pricing Results”) showing the revised proposal of the Purchaser subsequent to bid opening, are incorporated by reference herein in their entirety as if fully set forth herein, and the par amount of the Bonds, the purchase price therefor (including premium and/or discount and Purchaser compensation), the maturities and interest rates for the Bonds and the true interest rate of the Bonds shall be as provided therein.

1.05. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done prior to the issuance of the Bonds having been done, existing and having happened, or otherwise arranged to be done, it is now necessary for this Board to establish the form and terms of the Bonds, to provide for the security thereof, and to issue the Bonds forthwith.

Section 2. Form of Bonds

2.01. The Bonds shall be prepared substantially in the form of Exhibit A.

Section 3. Bond Terms, Execution and Delivery.

3.01. Maturities, Interest Rates, Denominations. The District shall forthwith issue and deliver the Bonds, which shall be denominated “General Obligation Refunding Bonds, Series 2021D.” The Bonds shall be in the denomination of \$5,000 each or any integral multiple thereof, shall mature on February 1 (or such other date set forth in the Pricing Results) in the years and amounts set forth in the Pricing Results, and Bonds maturing in such years and amounts shall bear interest from the date of issue until paid or duly called for redemption at the rates per annum shown in such years and in such amounts as provided in the Pricing Results.

3.02. Dates; Interest Payment Dates. The Bonds shall be issuable only in fully registered form, and the ownership of the Bonds shall be transferred only upon the bond register of the District hereinafter described. The interest on the Bonds shall be payable on February 1 and August 1 (or such other dates set forth in the Pricing Results) in each year, commencing

August 1, 2022 (or such other date set forth in the Pricing Results), to the owner of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day. The interest on, and upon presentation and surrender thereof, the principal of each Bond, shall be payable by check or draft issued by the Registrar (as defined herein). Each Bond shall be originally dated as of the dated date set forth in the Pricing Results, and upon authentication of any Bond, the Registrar described herein shall indicate therein the date of such authentication.

3.03. Registration. The District shall appoint, and shall maintain, a bond registrar, transfer agent and paying agent (the “Registrar”). The effect of registration and the rights and duties of the District and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a bond register in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment.

(c) Exchange of Bonds. Whenever any Bond is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity, as requested by the registered owner or the owner’s attorney in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the District.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The District and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon

the owner's order shall be valid and effectual to satisfy and discharge the liability of the District upon such Bond to the extent of the sum or sums paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond lost, stolen or destroyed, upon payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the District and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the District. If the mutilated, lost, stolen or destroyed Bond has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Bonds. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the District, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

3.04. Appointment of Initial Registrar. The District hereby appoints U.S. Bank National Association, as the initial Registrar. The Chair and the School District Clerk are authorized to execute and deliver, if necessary or appropriate, on behalf of the District, a contract with U.S. Bank National Association, as Registrar. A bank or trust company authorized by law to conduct such business, may be authorized to act as successor Registrar. The District agrees to pay the reasonable and customary charges of the Registrar for the services performed. The District reserves the right to remove any Registrar upon thirty (30) days' notice and upon the appointment of a successor Registrar and shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Board, the School District Clerk shall transmit to the Registrar, from the Debt Service Fund described in Section 4.02, moneys sufficient for the payment of all principal and interest then due.

3.05. Redemption. The Bonds are not subject to redemption or prepayment prior to their stated maturity dates.

3.06. Preparation and Delivery. The Bonds shall be prepared under the direction of the School District Clerk and shall be executed on behalf of the District by the signatures of the Chair and the School District Clerk, and may be sealed with the official seal of the District; provided that said signatures and the official seal may be printed, engraved or lithographed facsimiles thereof. In case any officer whose signature, or a facsimile of whose signature, shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on such Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been so delivered and authenticated, they shall be delivered by the School District Clerk to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

3.07. Securities Depository

(a) For purposes of this section, the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Representation Letter” shall mean the Representation Letter pursuant to which the District agrees to comply with DTC’s Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be

redeemed, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the District shall be affected by any notice to the contrary. Neither the Registrar nor the District shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the District to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the District determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, the District may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bond certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the District and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC by the Chair of the Board of Education and School District Clerk, is hereby authorized, and execution of the Representation Letter by the Chair of the Board of Education and School District Clerk shall be conclusive evidence of such approval.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bond certificates are issued to holders other than Cede & Co., its successor as nominee for DTC as holder of all the Bonds, or another securities depository as holder of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bond certificates and the method of payment of principal of and interest on such Bond certificates.

3.08. Closing Certificates. The Chair and School District Clerk, or the Senior Financial Officer, or any of their authorized designees, are hereby further authorized and directed to execute such closing certificates and other instruments and documents as may be necessary to complete the issuance and delivery of the Bonds and maintain the tax-exempt status of the Bonds. The authority granted hereby is effective with respect to any District officer holding office as of the date hereof and any successor. No execution of any document, certificate or instrument by an officer holding office as of the date hereof shall be considered invalidated or unauthorized by replacement of such officer before the date of execution.

#### Section 4. Sinking Fund and Tax Levies

4.01. Proceeds of the Bonds in an amount in an amount shown in the Pricing Results shall be delivered to the Registrar for the Refunded Bonds for the redemption of the Refunded Bonds on the Call Date and remaining amounts shall be used to pay costs of issuing the Bonds. Amounts allocable to issuance expenses not disbursed after 60 days shall be transferred to the Debt Service Fund (as defined herein).

4.02. So long as any of the Bonds are outstanding and any principal or interest thereon remains unpaid, the District shall maintain as a separate account on its books and records the sinking fund heretofore established (the "Debt Service Fund"). The Debt Service Fund shall be used for no purpose other than the payment of principal of and interest on the Bonds and the payment of principal of and interest on such other general obligation bonds of the District as this Board by resolution has heretofore designated or hereafter shall designate as being payable from the Debt Service Fund. The Board irrevocably appropriates to the Debt Service Fund (a) any taxes levied in accordance with this resolution, (b) any taxes levied and to be levied for the payment of other obligations made payable from the Debt Service Fund, (c) accrued interest on the Bonds from their date to the date of delivery (if any), and (d) all such other moneys as shall be received and appropriated to the Debt Service Fund from time to time. If any payment of principal of or interest on the Bonds or other obligations payable therefrom shall become due when there is not sufficient money in the Debt Service Fund to make such payment, the District shall pay the same from any other available fund of the District, and such other fund shall be reimbursed for such advances out of the proceeds of the taxes levied for the payment of the Bonds or other obligations payable therefrom.

4.03. For the prompt and full payment of the principal of and interest on the Bonds as the same respectively become due, the full faith, credit and taxing power of the District shall be and are hereby irrevocably pledged. To provide moneys for the payment thereof, there is hereby levied upon all of the taxable property in the District a direct, annual, ad valorem tax which shall be spread upon the tax rolls collectible in the years and amounts set forth in the schedule to be attached hereto (the "Levy Schedule") upon pricing and sale of the Bonds, as a part of other general taxes of the District.

The foregoing taxes shall be irrepealable as long as any of the Bonds are outstanding and unpaid; provided, that the District reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61.

It is estimated that the ad valorem taxes will be collected in amounts not less than five percent (5%) in excess of the annual principal and interest requirements of the Bonds. If, as of the date tax levies are certified in any year, the sum of the balance in the Debt Service Fund plus any ad valorem taxes theretofore levied for the payment of bonds payable therefrom and collectible through the end of the following calendar year is not sufficient to pay when due all principal and interest to become due on all bonds payable therefrom in said following calendar year, or the Debt Service Fund has incurred a deficiency in the manner provided in Section 4.02, an additional direct, irrevocable, ad valorem tax shall be levied on all taxable property within the corporate limits of the District for the purpose of restoring such accumulated or anticipated deficiency in accordance with the provisions of this resolution.

Section 5. Defeasance. When all Bonds have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds shall cease. The District may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The District may also at any time discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full provided that notice of redemption thereof has been duly given as provided in Section 3.05 or arrangements for the giving of such notice have been made. The District may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are general obligations of the United States or securities of United States agencies which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to pay all principal, redemption premium, if any, and interest to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

Section 6. Certifications of Proceedings and Tax Matters.

6.01. The School District Clerk is hereby authorized and directed to file with the County Auditor of Hennepin County, Minnesota (the "County Auditor") a certified copy of this resolution, as supplemented with the incorporated Pricing Results and Levy Schedule, together with such other information as the County Auditor shall require, and to obtain from the County Auditor a certificate that the Bonds have been entered upon the bond register as required by law.

6.02. The officers of the District are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, bond counsel to the District, certified copies of all proceedings and records of the District relating to the Bonds and to the financial condition and affairs of the District, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds as they appear from the books and records under their custody and control or as otherwise known to them, and all such certified

copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the District as to the facts recited herein.

6.03. The District covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action that would cause the interest of the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the “Code”), and any Treasury Regulations promulgated thereunder (the “Regulations”), and that it will take or cause its officers, employees or agents to take any and all actions legally within its or their power necessary to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. The District covenants and agrees with the holders from time to time of the Bonds that it will abide by the terms of the Tax Certificate, except to the extent compliance therewith is deemed by bond counsel to the District to be unnecessary to maintain the tax-exempt status of the Bonds. So long as the Bonds are outstanding, the District will not enter into any lease, use agreement or other contract or agreement respecting the projects financed with proceeds of the Bonds which would cause the Bonds to be considered a “private activity bond” or “private loan bond” pursuant to the provisions of Section 141 of the Code.

6.04. The Chair and the School District Clerk, being the officers of the District charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver a Tax Certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating, among other things, the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of the Code and the Regulations. The District covenants and agrees with the holders from time to time of the Bonds that it will abide by the terms of the Tax Certificate, except to the extent compliance therewith is deemed by Dorsey & Whitney LLP, bond counsel to the District, to be unnecessary to maintain the tax-exempt status of the Bonds.

6.05. The District acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The District covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the exceptions set forth in the Code and the Regulations.

6.06. The Preliminary Official Statement, dated as of November 2, 2021 (the “Preliminary Official Statement”), prepared and distributed by PFM Financial Advisors LLC on behalf of the District, is hereby ratified and approved. PFM Financial Advisors LLC is hereby authorized on behalf of the District to prepare and distribute, with the approval of any member of the Pricing Committee, any supplements to the Preliminary Official Statement necessary in connection with the offering and sale of the Bonds, including but not limited to any supplement amending the requests for proposals contained therein. PFM Financial Advisors LLC is hereby further authorized on behalf of the District to prepare and distribute to the Purchaser within seven

business days from the date of sale of the Bonds, a final supplement to the Preliminary Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Final Official Statement by Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Final Official Statement”). The officers of the District are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the Preliminary Official Statement and the Final Official Statement, which final Official Statement is also hereby approved, with such changes and additions as the Senior Financial Officer of the District, or his designees, may authorize.

Section 7. State Payment; District and Bond Registrar Obligations.

7.01. The District hereby covenants and obligates itself to notify the Commissioner of Education of the State of Minnesota as soon as possible, but not less than 15 working days before the date that principal or interest payment is due, of any potential default in the payment of the principal of or interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 (the “State Payment Law”), to guarantee (to the extent provided therein) payment of the principal of and interest on the Bonds when due. The District further covenants to deposit with the Registrar not less than three business days prior to each interest and principal payment date for the Bonds an amount sufficient to make that payment or to notify the Commissioner of Education as provided in the State Payment Law that it will be unable to make all or a portion of such payment. The Registrar shall be required to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal of and interest on the Bonds at maturity or, if on the date two business days prior to maturity, there are insufficient funds on deposit with the Registrar to pay the Bonds in full at maturity. The Registrar shall be required to cooperate with the District, the Commissioner of Education and the Commissioner of Management and Budget in implementing the provisions of the State Payment Law. In the event that amounts sufficient to make any such interest or principal payment are held by an escrow or paying agent and invested as authorized by Minnesota Statutes, Chapter 475 and such escrow or paying agent is required to use proceeds from such investment to pay to the Registrar the amount necessary to pay such interest or principal on such payment date, then the requirements of the State Payment Law relating to the deposit of such amounts with the Registrar prior to the payment date of such interest or principal shall be deemed satisfied and neither the District nor the Registrar shall be required to notify the commissioner of Education that insufficient funds are available to pay such interest or principal on such payment date. The District shall do all other things which may be necessary to perform the obligations hereby undertaken under the State Payment Law, including any requirements hereafter adopted by the Commissioner of Education or the Commissioner of Management and Budget. The Chair, the School District Clerk, the Senior Financial Officer, or any authorized designee thereof, is hereby authorized to execute any applicable forms of the State of Minnesota.

Section 8. Continuing Disclosure

8.01. Definitions. The following capitalized terms shall have the following meanings for purposes of this section.

“*Annual Report*” means any annual report provided by the District pursuant to, and as described in, Section 8.03.

“*Beneficial Owner*” means any person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Bonds for federal income tax purposes.

“*EMMA*” means the MSRB’s Electronic Municipal Market Access system available at <http://emma.msrb.org>.

“*Financial Obligation*” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of either (i) or (ii). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

“*Holder*” means the registered holders of the Bonds, as recorded in the registration books of the Registrar.

“*Listed Events*” means the events listed in Section 8.04.

“*MSRB*” means the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

“*Participating Underwriter*” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“*Rule*” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

8.02. Purpose and Beneficiaries. The District makes the following covenants for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule.

8.03. Provision of Annual Reports.

- (i) Not later than 12 months after the end of each fiscal year of the District (the “Submission Deadline”) (the first report being due not later than 12 months after June 30, 2021), the District shall, either directly or indirectly through an agent designated by the District, file on EMMA an electronic copy of its Annual Report

in a format and accompanied by such identifying information as prescribed by the MSRB. If the District's fiscal year changes, it shall, either directly or indirectly through an agent designated by the District, give notice of such change in the same manner as for a Listed Event under Section 8.04, and the Submission Deadline beginning with the subsequent fiscal year will become one year following the end of the new fiscal year. If the District is unable to provide an Annual Report by the Submission Deadline, in a timely manner thereafter, the District shall, either directly or indirectly through an agent designated by the District, file a notice on EMMA stating that there has been a failure to provide an Annual Report on or before the Submission Deadline.

- (ii) The Annual Report must contain or include by reference the following:
  - (1) The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota state law, as in effect from time to time, or, if and to the extent such audited financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the District's audited financial statements are not available by the Submission Deadline, the Annual Report shall contain unaudited financial information (which may include any annual filing information required by Minnesota state law) accompanied by a notice that the audited financial statements are not yet available, and the audited financial statements shall be filed on EMMA promptly after they become available.
  - (2) To the extent not included in the financial statements provided as part of the Annual Report, tables, schedules or other information of the type contained in the Official Statement for the Bonds under the following headings or captions, which information may be unaudited:
    - (A) Financial Summary
    - (B) Indebtedness
    - (C) Property Valuations and Taxes
    - (D) Financial Information
- (iii) The Annual Report may be submitted as a single document or as separate documents comprising a package. The contents of the Annual Report may be included in the Annual Report by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available on EMMA or are filed with the Securities and Exchange Commission. If the document included by reference is a final official

statement, it must be available on EMMA. The Annual Report shall clearly identify each such other document so included by reference. The audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the Submission Deadline if they are not available by that date.

8.04. Reporting of Significant Events.

(i) The District shall, either directly or indirectly through an agent designated by the District, give notice of the occurrence of any of the following events with respect to the Bonds, all pursuant to the provisions of this section:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person.

*For the purposes of the event identified in this subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has*

*assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.*

- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
  - (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
  - (15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.
  - (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.
- (ii) If a Listed Event described in subparagraph (2), (7), (8) (but only with respect to bond calls under (8)), (10), (13), (14) or (15) has occurred *and the District has determined that such Listed Event is material under applicable federal securities laws*, the District shall, either directly or indirectly through an agent designated by the District, in a timely manner but not later than 10 business days after the occurrence of such Listed Event, promptly file a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB.
  - (iii) If a Listed Event described in subparagraph (1), (3), (4), (5), (6), (8) (but only with respect to tender offers under (8)), (9), (11), (12) or (16) above has occurred the District shall, either directly or indirectly through an agent designated by the District, in a timely manner but not later than 10 business days after the occurrence of such Listed Event, promptly file a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subparagraphs (8) and (9) need not be given under this section any

earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds.

8.05. Termination of Reporting Obligation. The District's obligations under this section will terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or upon the District's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the District to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

8.06. Dissemination Agent. The District may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this section, and may discharge any such dissemination agent, with or without appointing a successor dissemination agent. The dissemination agent will not be responsible in any manner for the content of any notice or Annual Report prepared by the District pursuant to this section.

8.07. Amendment; Waiver. Notwithstanding any other provision of this section, the District may amend the covenants contained in this section, and any provision of this section may be waived, if

- (i) (1) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; (2) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (3) the amendment or waiver either (A) is approved by a majority of the Holders, or (B) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners; or
- (ii) the amendment or waiver is necessary to comply with modifications to or interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission.

In the event of any amendment or waiver of a provision of this section, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing audited financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 8.04, and (ii) the Annual Report for the year in which the change is made will present a comparison or other discussion

in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the audited financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

8.08. Additional Information. Nothing in this section will be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this section or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this section. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this section, the District shall have no obligation under this section to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

8.09. Default. In the event of a failure of the District to comply with any provision of this section, any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this section. Direct, indirect, consequential and punitive damages will not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this section will not be deemed an event of default under this resolution, and the sole remedy under this section in the event of any failure of the District to comply with this section will be an action to compel performance.

Section 9. Expiration of Authority. If the Pricing Committee has not approved the sale of the Bonds to the Purchaser and executed the related bid form by December 31, 2021, this resolution and all approvals hereunder shall expire.

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**EXHIBIT A**

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF HENNEPIN

SPECIAL SCHOOL DISTRICT NO. 1 (MINNEAPOLIS)  
GENERAL OBLIGATION REFUNDING BOND, SERIES 2021D

R- \$

<u>Interest Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
%	February 1, 20__	December __, 2021	603790 ____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

Special School District No. 1 (Minneapolis), Minnesota (the “District”), a duly organized school district with boundaries coterminous with the City of Minneapolis, whose post office address is Minneapolis, Minnesota, acknowledges itself to be indebted, and for value received hereby, promises to pay to the registered owner specified above, or registered assigns, upon presentation and surrender at the principal corporate trust office of the Bond Registrar hereinafter identified, the principal amount specified above, on the maturity date specified above, with interest thereon from the date of original issue hereof or from the most recent interest payment date to which interest has been paid or duly provided for, at the annual rate specified above, all subject to the provisions hereinafter stated with respect to the redemption of the principal of this Bond before maturity. Interest is payable on February 1 and August 1 of each year, commencing on August 1, 2022, by check or draft mailed by the Bond Registrar to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. Both principal and interest are payable in any coin or currency of the United States of America, which on the respective dates of payment is legal tender for payment of public and private debts. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith, credit, and taxing power of the District have been and are hereby irrevocably pledged. U.S. Bank National Association in St. Paul, Minnesota has been designated by the Resolution described herein as Bond Registrar, Transfer Agent and Paying Agent (the “Bond Registrar”), and a successor Bond Registrar, if any, may be designated in accordance with said Resolution.

This Bond is one of an issue in the aggregate principal amount of \$\_\_\_\_\_ (the “Bonds”), all of like tenor except as to serial number, maturity date, interest rate and redemption privilege and all issued by the District for the purpose of refunding the District’s outstanding General Obligation School Building Bonds, Series 2013A, and General Obligation Alternative Facility Bonds, Series 2013B, and is issued pursuant to authority conferred by the required vote of the members of the Board of Education of the District and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapter 475, and pursuant to and in full conformity with resolutions of the Board of Education of the District, including a resolution adopted November 9, 2021 (the “Resolution”). This Bond is payable primarily from the Debt Service Fund (the “Debt Service Fund”) of the District, but the Board is required by law to pay maturing principal hereof and interest thereon out of any funds in the treasury if moneys on hand in the Debt Service Fund are insufficient therefor. The Bonds

of this issue are issuable only as fully registered bonds, in denominations of \$5,000 or any integral multiple thereof, of single maturities.

Bonds of this issue are not subject to redemption or prepayment prior to their stated maturity dates.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the District at the principal corporate trust office of the Bond Registrar, by the registered owner hereof in person or by his/her/its attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his/her/its attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the District will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The District and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner thereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the District nor the Bond Registrar shall be affected by any notice to the contrary.

It is hereby certified, recited, covenanted and agreed that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to happen, to exist and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the District according to its terms have been done, have happened, do exist, and have been performed in regular and due form, time and manner as so required; that, prior to the issuance hereof, a direct, annual, ad valorem tax has been duly levied upon all taxable property in the District for the years and in amounts not less than five percent (5%) in excess of sums sufficient to pay the interest hereon and the principal hereof as the same respectively become due; that additional taxes, if needed to meet the principal and interest requirements of the Bonds, shall be levied upon all of such property without limitation as to rate or amount; and that the issuance of the Bonds does not cause the indebtedness of the District to exceed any constitutional or statutory limitation of indebtedness.

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

IN WITNESS WHEREOF, Special School District No. 1 (Minneapolis), Minnesota, by its Board of Education has caused this Bond to be executed by the facsimile signatures of the Chair of the Board of Education and the School District Clerk and has caused this Bond to be dated as of the date of original issue set forth above.

SPECIAL SCHOOL DISTRICT NO. 1 (MINNEAPOLIS), MINNESOTA

(Facsimile Signature) _____	(Facsimile Signature) _____
Chair of the Board of Education	School District Clerk

\_\_\_\_\_

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Date of Authentication: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION,  
as Bond Registrar

By \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_

The following abbreviations, when used in the inscription of the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --as tenants in common	UTMA ..... as Custodian for .....
	(Cust) (Minor)
TEN ENT --as tenants by the entireties	under Uniform Transfers to Minors Act .....
	(State)
JT TEN --as joint tenants with right of survivorship and not as tenants in common	

Additional abbreviations may also be used, though not in the above list.

---

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto the \_\_\_\_\_ within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:  
\_\_\_\_\_

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

SIGNATURE GUARANTEE:

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

## **ATTACHMENTS**

Bid Form

Results of Sale

Final Pricing

Levy Schedule

**DO  
MORE.**

Special School District No. 1  
Minneapolis, MN

Audited Financial Statements

June 30, 2021

# Components of the Audit

- Independent Auditor's Report -Unmodified Opinion on the District's Financial Statements for the year ended June 30 ,2021
- Report on the result of an audit performed in accordance with Government Auditing Standards
  - Material Weaknesses: Segregation of Accounting Duties and Prior Period Adjustment
- Unmodified Opinion on Compliance over Federal Programs in accordance with Uniform Guidance – No findings
- Unmodified Report on Minnesota Legal Compliance – No findings

# General Fund

## Budget to Actual

### Budget:

- General Fund Revenue budgeted at \$ 619 million
- General Fund Expenditures budgeted at \$ 612 million
- \$ 7 million increase in fund balance budgeted

### Actual:

- General Fund Revenues actually \$ 604 million; \$ 15 million under budget (2.4%) – Main factor includes revenues from Federal Sources under budget by \$ 15 million as District budgeted for federal awards available however a portion will be carried forward and utilized in future years
- General Fund Expenditures actually \$ 585 million; \$ 27 million under budget (4.4%) – Main factors include unfilled vacant positions, less transportation expenditures due to distance learning, and federal awards budgeted and carried forward to future years
- Fund Balance increased \$ 19 million to \$ 126 million
- Unassigned Fund Balance increased \$ 2.6 million to \$ 55 million

# General Education Aid Formula

## Formula Allowance

Year	General Education Aid Formula Allowance	
	Amount	Percent Increase
2012	\$ 5,174	1.0%
2013	5,224	1.0%
2014	5,302	1.5%
2015*	5,831	1.9%
2016	5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%
2022	6,728	2.5%

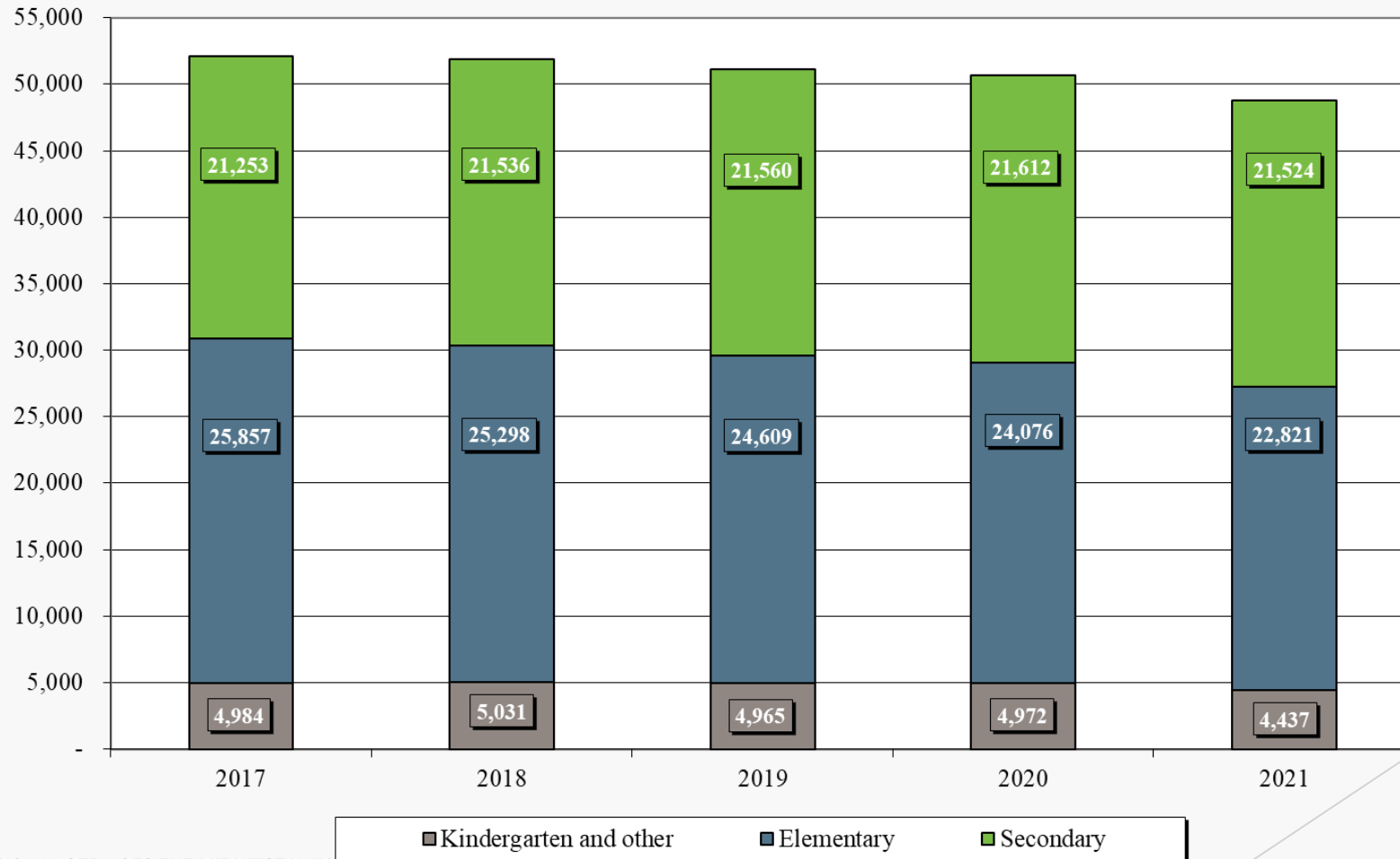
\* General Education Aid - Of the \$529 increase over 2014, \$105 is for inflation at 1.9%; the remaining \$424 is a shifting of revenue to adjust for pupil weight changes, pension adjustments changes and other restructuring.

# Average Daily Membership Students (Resident ADM)

<b>Students (Resident ADM)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Kindergarten and other	4,984	5,031	4,965	4,972	4,437
Elementary	25,857	25,298	24,609	24,076	22,821
Secondary	21,253	21,536	21,560	21,612	21,524
<b>Total Students (Resident ADM)</b>	<b>52,094</b>	<b>51,865</b>	<b>51,133</b>	<b>50,660</b>	<b>48,782</b>

# Average Daily Membership

## Resident ADM

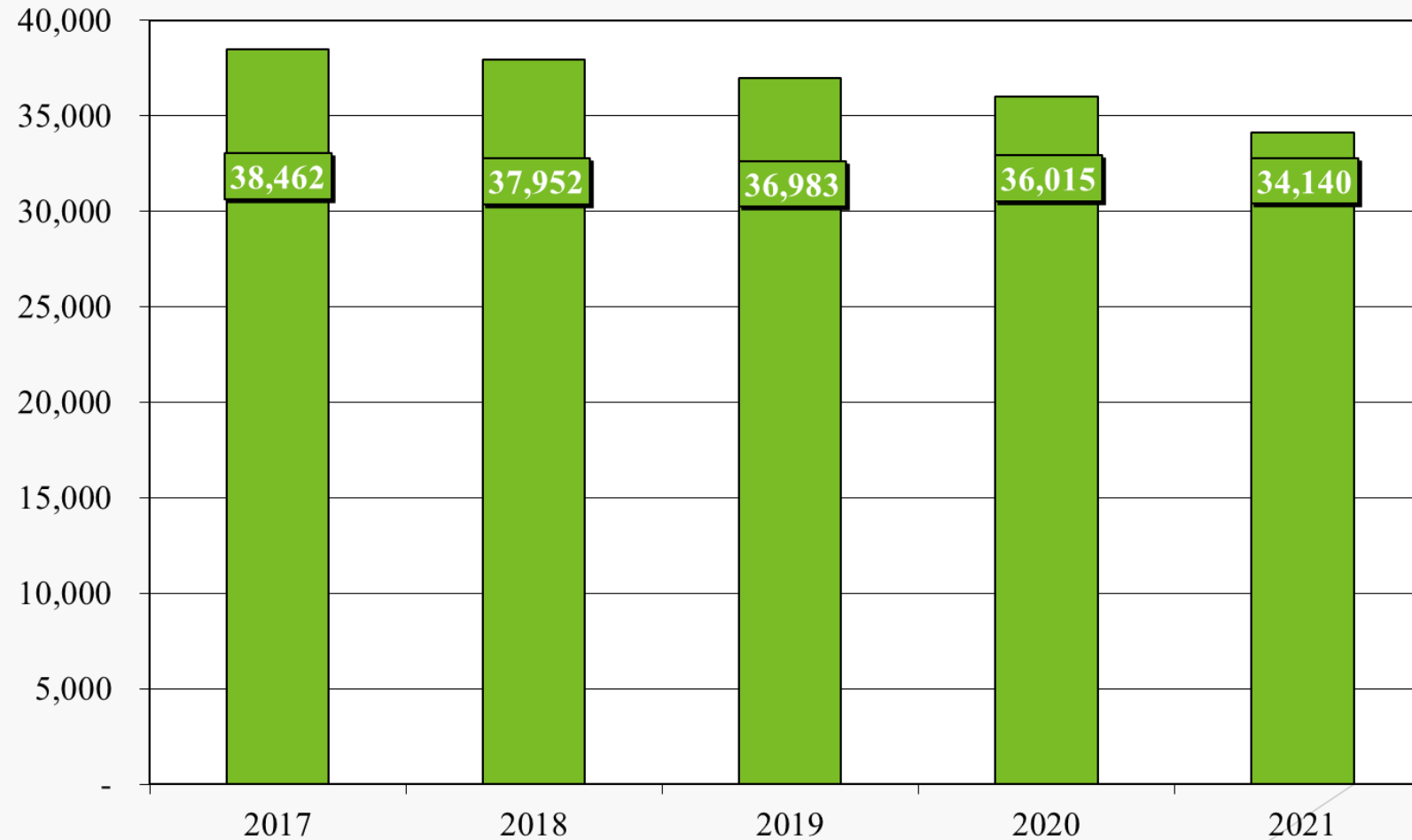


# Average Daily Membership Weighting and Adjusted PUN

	Pre-Kindergarten and Handicapped Kindergarten	Kindergarten	Grades 1-3	Grades 4-6	Secondary
Year 2017-2021	1.000	1.000	1.000	1.000	1.200
<b>Adjusted PUN</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Residents	56,344	56,170	55,444	54,982	53,086
PUN gain	1,092	1,374	1,483	1,417	1,871
PUN loss	(18,974)	(19,593)	(19,944)	(20,383)	(20,817)
<b>Total Adjusted PUN</b>	<b>38,462</b>	<b>37,952</b>	<b>36,983</b>	<b>36,015</b>	<b>34,140</b>

# Average Daily Membership

## PUN Served

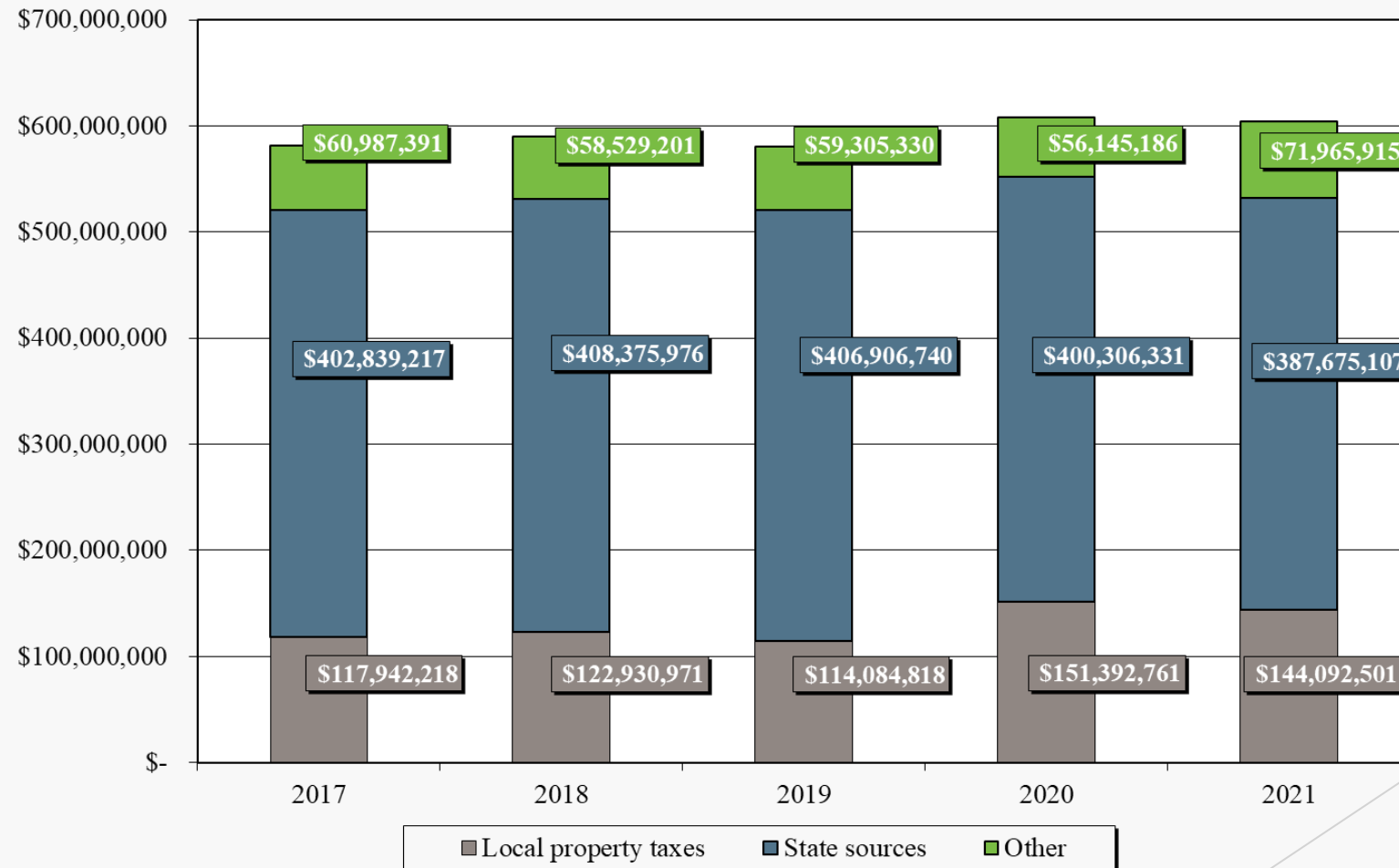


# General Fund

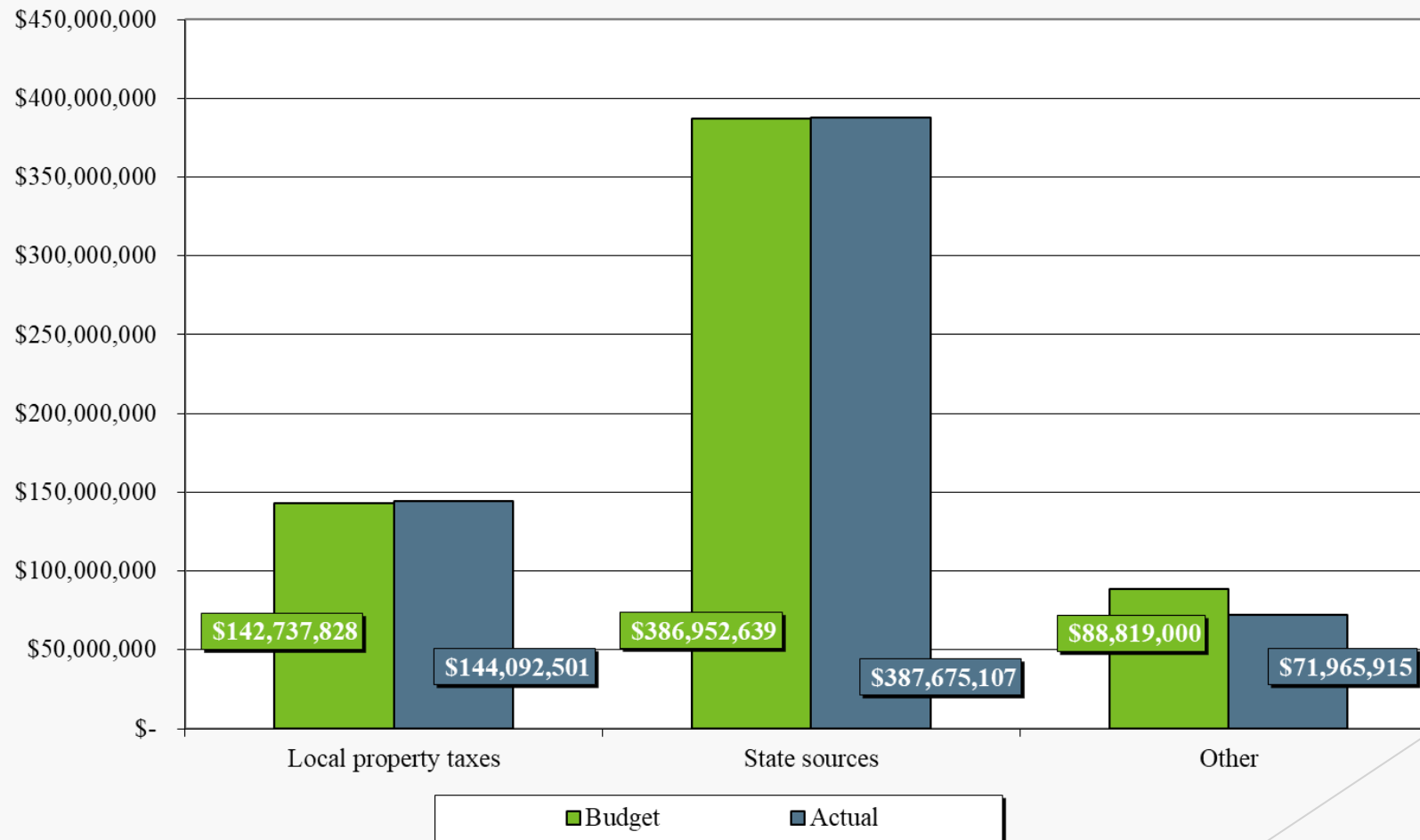
## Sources of Revenue

<b>For the Year Ended June 30,</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Local property taxes	\$ 117,942,218	\$ 122,930,971	\$ 114,084,818	\$ 151,392,761	\$ 144,092,501
State sources	402,839,217	408,375,976	406,906,740	400,306,331	387,675,107
Other	60,987,391	58,529,201	59,305,330	56,145,186	71,965,915
<b>Total</b>	<b>\$ 581,768,826</b>	<b>\$ 589,836,148</b>	<b>\$ 580,296,888</b>	<b>\$ 607,844,278</b>	<b>\$ 603,733,523</b>

# General Fund Sources of Revenue

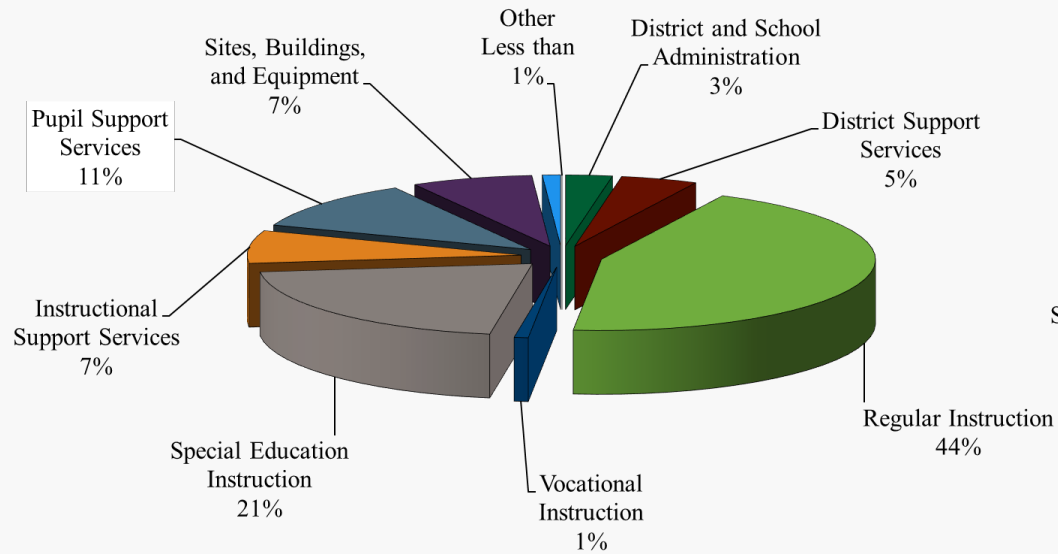


# General Fund Revenues – Budget and Actual

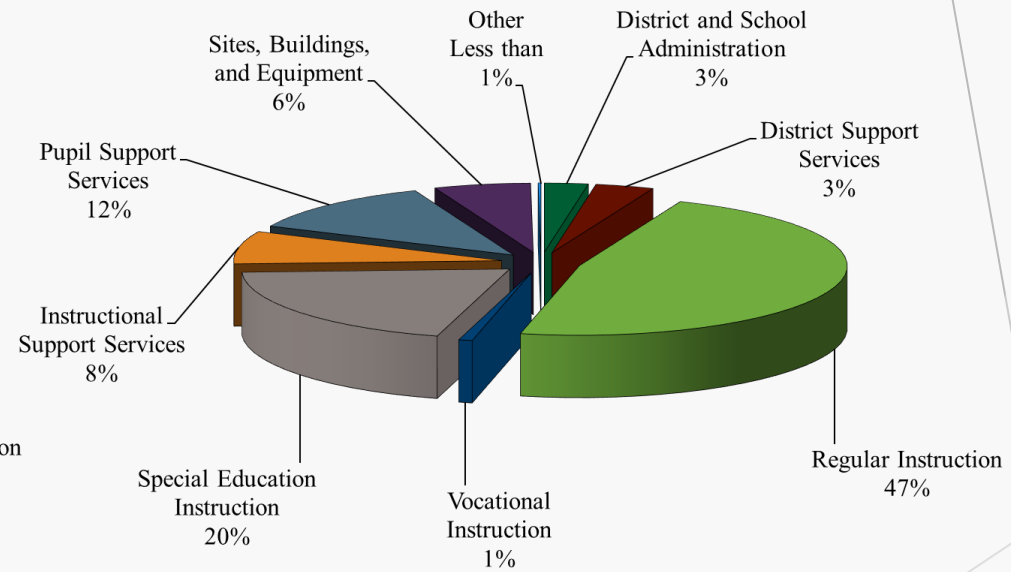


# General Fund Expenditures

**2021 General Fund Expenditures**  
\$584,833,448

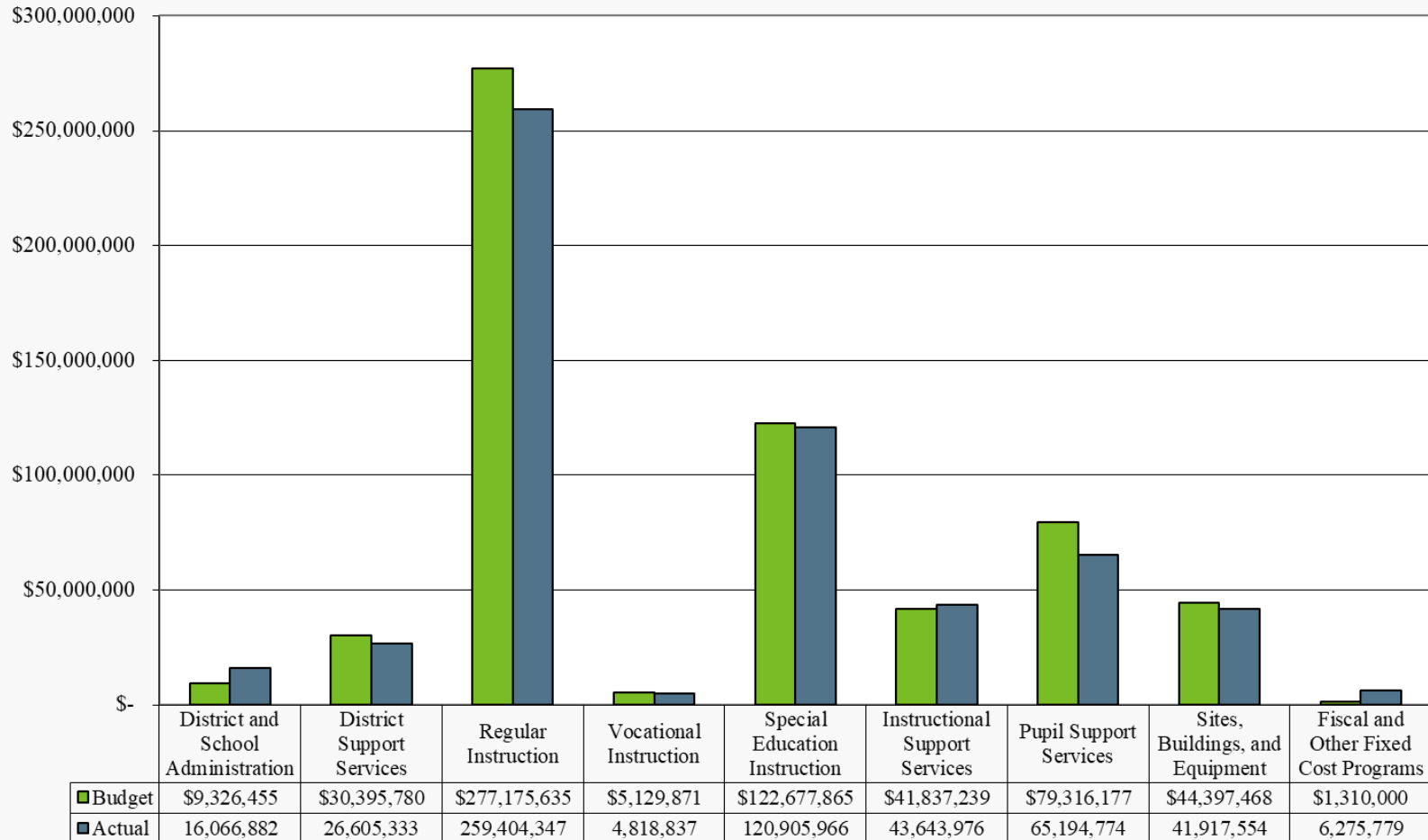


**2020 General Fund Expenditures**  
\$577,344,220



# General Fund

## Expenditures – Budget and Actual



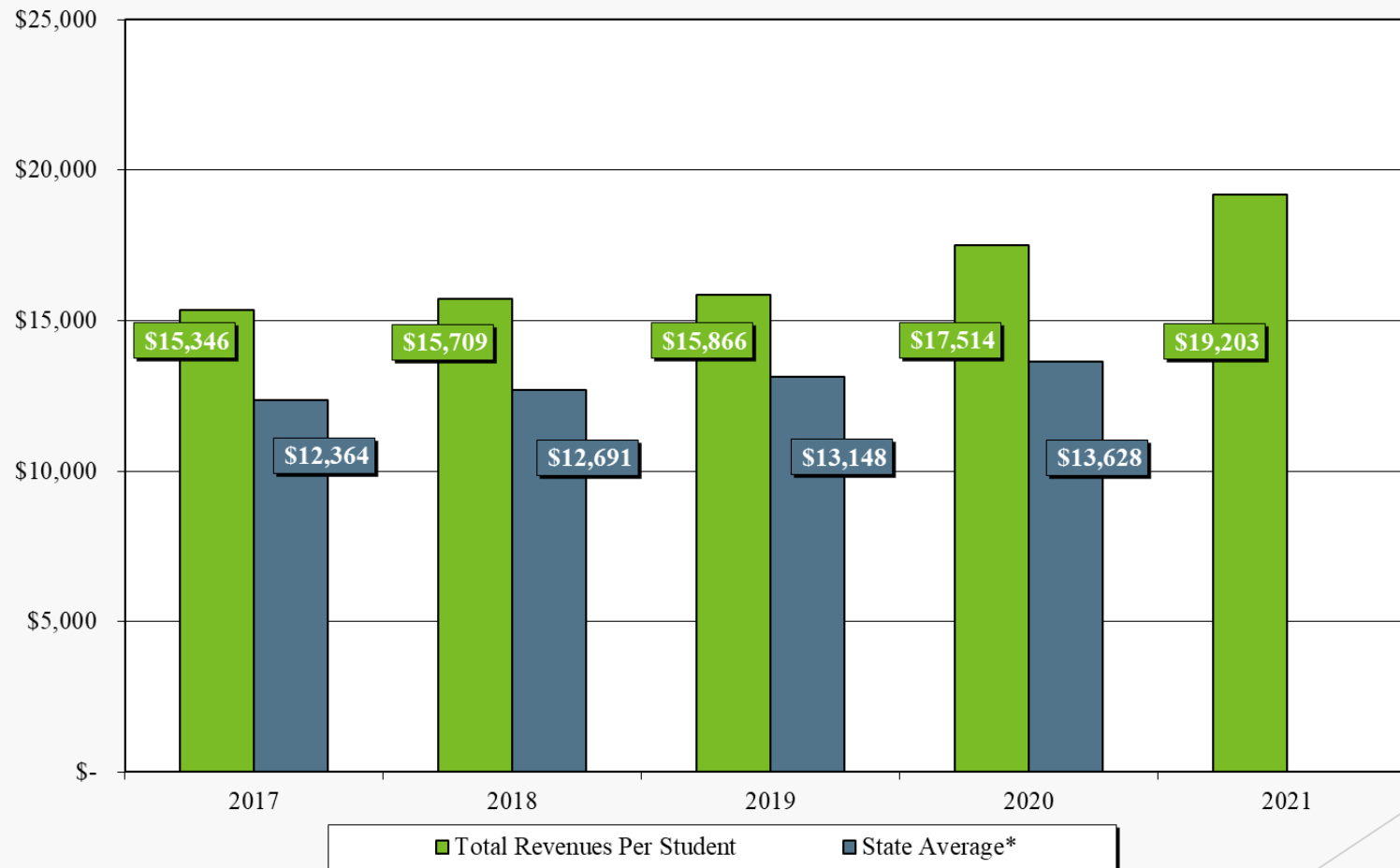
# General Fund

## Revenues Per ADM Served

<b>Special District No. 1</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
General Fund	\$ 15,346	\$ 15,709	\$ 15,866	\$ 17,514	\$ 19,203
Food Service Fund	599	585	607	684	672
Community Service Fund	789	814	876	822	850
Building Construction Fund	30	33	171	104	7
Debt Service Fund	1,997	2,040	2,604	2,690	2,933
Post Employment Debt Service Fund	-	62	65	68	75
<b>Total Revenues Per Student</b>	<b>\$ 18,761</b>	<b>\$ 19,243</b>	<b>\$ 20,189</b>	<b>\$ 21,882</b>	<b>\$ 23,740</b>

<b>State Average*</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
General Fund	\$ 12,364	\$ 12,691	\$ 13,148	\$ 13,628	N/A
Food Service Fund	554	553	553	548	N/A
Community Service Fund	595	607	638	595	N/A
Building Construction Fund	66	55	112	134	N/A
Debt Service Fund	1,050	1,056	1,146	1,229	N/A
<b>Total Revenues Per Student</b>	<b>\$ 14,629</b>	<b>\$ 14,962</b>	<b>\$ 15,597</b>	<b>\$ 16,134</b>	<b>-</b>

# General Fund Revenues Per ADM Served



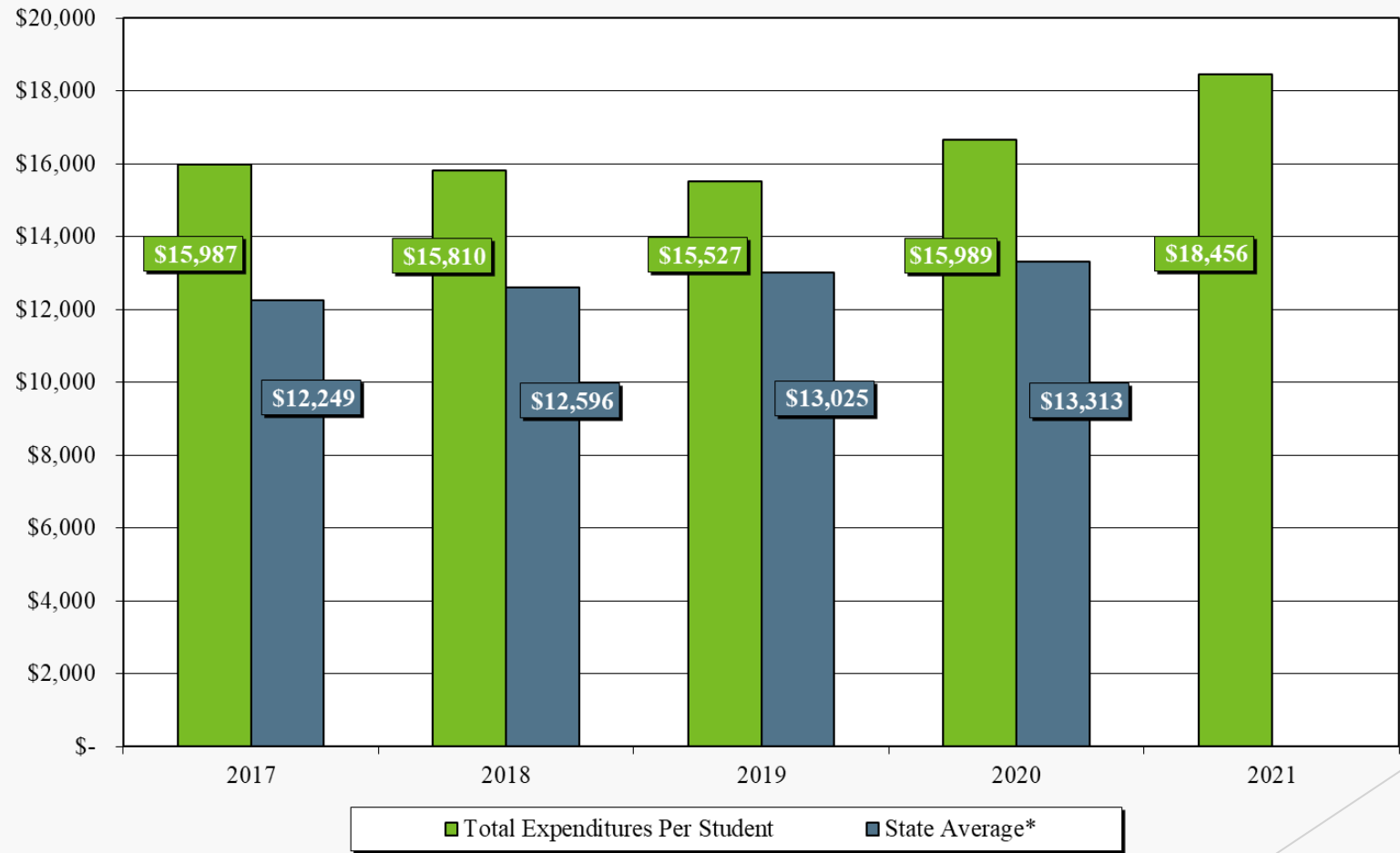
# District

## Expenditures Per ADM Served

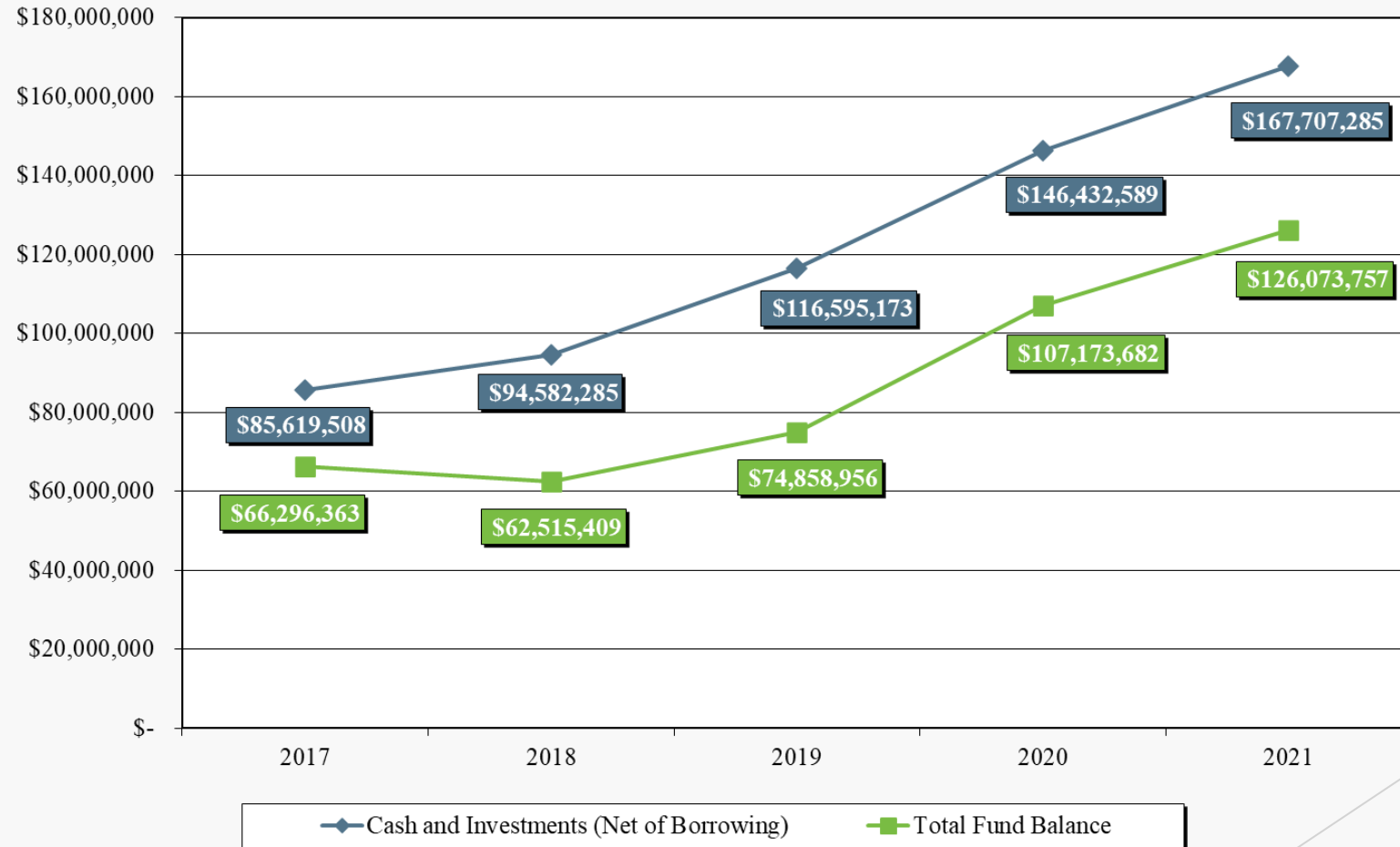
<b>Special District No. 1</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
General Fund	\$ 15,987	\$ 15,810	\$ 15,527	\$ 16,659	\$ 18,456
Food Service Fund	585	578	622	662	604
Building Construction Fund	1,747	3,028	3,188	2,628	2,257
Community Service Fund	755	806	904	901	854
Debt Service Fund	2,063	2,056	2,357	2,563	2,935
Post Employment Debt Service Fund	-	60	62	65	-
<b>Total Expenditures Per Student</b>	<b>\$ 21,137</b>	<b>\$ 22,338</b>	<b>\$ 22,660</b>	<b>\$ 23,479</b>	<b>\$ 25,107</b>

<b>State Average*</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
General Fund	\$ 12,249	\$ 12,596	\$ 13,025	\$ 13,313	N/A
Food Service Fund	546	550	559	554	N/A
Community Service Fund	579	606	638	622	N/A
Building Construction Fund	1,785	1,799	1,642	2,085	N/A
Debt Service Fund	1,275	1,224	1,225	1,265	N/A
<b>Total Expenditures Per Student</b>	<b>\$ 16,434</b>	<b>\$ 16,775</b>	<b>\$ 17,089</b>	<b>\$ 17,839</b>	<b>-</b>

# General Fund Expenditures Per ADM Served



# General Fund Operations – Financial Position



# General Fund Operations

For the Year Ended June 30,	2017	2018	2019	2020	2021
Revenues	\$ 581,768,826	\$ 589,836,148	\$ 580,296,888	\$ 607,844,278	\$ 603,733,523
Expenditures	(605,929,828)	(593,617,102)	(567,963,106)	(577,344,220)	(584,833,448)
Excess of revenues over (under) expenditures	(24,161,002)	(3,780,954)	12,333,782	30,500,058	18,900,075
Proceeds from sale of equipment	-	-	9,765	18,765	-
Bond proceeds	6,440,000	-	-	1,100,000	-
Transfers in	3,300,000	-	-	-	-
Fund balance, July 1	80,717,365	66,296,363	62,515,409	74,858,956	107,173,682
Change in accounting principle	-	-	-	695,903	-
<b>Fund Balance, June 30</b>	<b>\$ 66,296,363</b>	<b>\$ 62,515,409</b>	<b>\$ 74,858,956</b>	<b>\$ 107,173,682</b>	<b>\$ 126,073,757</b>

Components of Fund Balance					
For the Year Ended June 30,	2017	2018	2019	2020	2021
Nonspendable	\$ 128,675	\$ 90,987	\$ 1,227,627	\$ 1,269,376	\$ 1,414,679
Restricted for					
Area learning center	-	808,181	910,645	1,421,247	-
Student activities	-	-	-	725,174	572,832
Achievement and integration	-	-	-	2,927,601	-
Basic skills program	-	-	-	-	495,016
Community education programs	-	-	-	-	65,178
Operating capital	-	-	-	-	5,501,542
Contracted alternative programs	19,894	-	-	-	-
Gifted and talented	-	299,240	514,170	466,385	579,035
Health and safety	(161,640)	-	-	-	-
Basic skills extended time	-	-	1,235,892	2,792,710	4,610,186
Long-term facilities maintenance	(194,164)	-	(944)	160,765	156,383
Other	-	-	-	1,100,000	234,359
Capital projects	3,300,000	-	-	-	-
Assigned	21,455,251	29,671,886	32,138,104	43,737,399	57,295,506
Unassigned	41,748,347	31,645,115	38,833,462	52,573,025	55,149,041
<b>Fund Balance, June 30</b>	<b>\$ 66,296,363</b>	<b>\$ 62,515,409</b>	<b>\$ 74,858,956</b>	<b>\$ 107,173,682</b>	<b>\$ 126,073,757</b>

# Food Service Fund

<b>For the Year Ended June 30,</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Revenues	\$ 22,589,754	\$ 21,897,237	\$ 22,062,833	\$ 23,694,428	\$ 21,349,575
Expenditures	(22,077,485)	(21,646,325)	(22,624,251)	(22,955,476)	(19,211,722)
Excess of revenues over (under) expenditures	512,269	250,912	(561,418)	738,952	2,137,853
Proceeds from sale of equipment	-	1,566	-	-	-
Bond proceeds	245,000	-	-	-	-
Fund balance, July 1	2,115,546	2,872,815	3,125,293	2,563,875	3,302,827
<b>Fund Balance, June 30</b>	<b>\$ 2,872,815</b>	<b>\$ 3,125,293</b>	<b>\$ 2,563,875</b>	<b>\$ 3,302,827</b>	<b>\$ 5,440,680</b>
Nonspendable	\$ 872,545	\$ 835,232	\$ 856,369	\$ 1,615,465	\$ 1,732,388
Restricted for other purposes	2,000,270	2,290,061	1,707,506	1,687,362	3,708,292
<b>Total Fund Balance, June 30</b>	<b>\$ 2,872,815</b>	<b>\$ 3,125,293</b>	<b>\$ 2,563,875</b>	<b>\$ 3,302,827</b>	<b>\$ 5,440,680</b>

# Community Service Fund

<b>For the Year Ended June 30,</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Revenues	\$ 29,825,786	\$ 30,506,573	\$ 31,853,780	\$ 28,471,098	\$ 27,022,352
Expenditures	(28,554,216)	(30,234,975)	(32,875,347)	(31,232,002)	(27,155,640)
Excess of revenues over (under) expenditures	1,271,570	271,598	(1,021,567)	(2,760,904)	(133,288)
Fund balance, July 1	7,433,000	8,704,570	8,976,168	7,954,601	5,193,697
<b>Fund Balance, June 30</b>	<b>\$ 8,704,570</b>	<b>\$ 8,976,168</b>	<b>\$ 7,954,601</b>	<b>\$ 5,193,697</b>	<b>\$ 5,060,409</b>
Restricted for					
School readiness	\$ 614,311	\$ 1,311,264	\$ 1,842,528	\$ 1,793,073	\$ 2,024,215
Adult basic education	1,278,467	1,263,834	854,424	702,422	879,610
Community education programs	5,549,459	5,212,717	4,197,002	1,949,764	1,120,064
ECFE	1,051,105	879,186	702,918	353,624	119,623
Other programs	211,228	309,167	357,729	394,814	916,897
<b>Total Fund Balance, June 30</b>	<b>\$ 8,704,570</b>	<b>\$ 8,976,168</b>	<b>\$ 7,954,601</b>	<b>\$ 5,193,697</b>	<b>\$ 5,060,409</b>

# Questions?

Andrew Grice, CPA

952-563-6862

[Andrew.Grice@berganKDV.com](mailto:Andrew.Grice@berganKDV.com)

A photograph of a modern home office desk. A large computer monitor is the central focus, displaying the text "DO MORE." in white, bold, sans-serif font. The monitor sits on a wooden stand. To the right of the monitor is a black metal shelving unit with a potted plant on top. On the desk, there is a white keyboard, a mouse, a glass of water, and a small black device. The background shows a window with blinds and a framed picture on the wall.

DO  
MORE.

*BerganKDV is a leading professional services firm with a contagious culture; where growth is fostered and making a difference means something. Our values drive our decisions, and our passion is empowering people and creating a wow experience for our clients.*

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LET'S DO MORE, TOGETHER.

**THANK YOU**

**Minneapolis Public Schools  
Special District No. 1**

**Reports on *Government Auditing  
Standards, Uniform Guidance,  
and Legal Compliance***

**June 30, 2021**



**Minneapolis Public Schools  
Special District No. 1  
Table of Contents**

Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards	3
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4
Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	6
Schedule of Findings and Questioned Costs in Accordance with the Uniform Guidance	9
Minnesota Legal Compliance	13
Schedule of Findings and Corrective Action Plans on Legal Compliance	14

**Minneapolis Public Schools  
Special District No. 1  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021**

Federal Agency/Pass Through Agency/Program Title	CFDA Number	Expenditures
<b>U.S. Department of Agriculture</b>		
Through Minnesota Department of Education		
Child Nutrition Cluster		
Commodities Programs - Cash	10.555	\$ 82,363
Commodities Programs - Non Cash	10.555	1,380,317
COVID - Summer Food Service Program for Children	10.559	15,366,983
Total Child Nutrition Cluster		16,829,663
Cash in Lieu of Child and adult Care Food Program	10.558	2,648,208
Farm to School Grant Program	10.575	19,657
Fresh Fruits and Vegetables Program	10.582	312,411
Total U.S. Department of Agriculture		19,809,939
<b>U.S. Department of Education</b>		
Through Minnesota Department of Education		
Adult Education - Basic Grants to States	84.002	707,252
Title I Grants To Local Educational Agencies		
Title I, Part A	84.010	22,330,268
Title I, Part D	84.010	120,062
Total Title I Grants To Local Educational Agencies		22,450,330
Special Education Cluster		
Special Education	84.027	6,789,510
Special Education - Preschool Grants	84.173	291,270
Total Special Education Cluster		7,080,780
Special Education - Grants for Infants and Families	84.181	205,989
Career and Technical Education - Basic Grants to States	84.048	511,806
Education for Homeless Children and Youth	84.196	68,984
Comprehensive State Literacy Development	84.371C	377,724
Special Education - State Personnel Development	84.323	140,511
English Language Acquisition	84.365	820,438
Title II, Part A - Supporting Effective Instruction	84.367	2,980,496
School Improvement Grants	84.377	95,026
Title IV, Part A - Student Support and Academic Enrichment Program	84.424	1,959,679
COVID - Governor's Emergency Education Relief Fund	84.425C	544,691
COVID - Elementary and Secondary School Education Relief Fund	84.425D	9,849,764
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	10,354

**Minneapolis Public Schools  
Special District No. 1  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021**

Federal Agency/Pass Through Agency/Program Title	CFDA Number	Expenditures
<b>U.S. Department of Education (Continued)</b>		
Through Metro ECSU Special Education - Paraprofessional	84.027	\$ 1,157
Direct		
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	1,488,759
21st Century Community Learning Centers	84.287	614,142
Fund for Improvement of Education	84.215	407,209
Indian Education Grants to Local Educational Agencies	84.060	295,151
Arts in Education - Professional Development for Arts Educators	84.351	245,830
Total U.S. Department of Education		<u>50,856,072</u>
<b>U.S. Department of Treasury</b>		
Through Minnesota Department of Education COVID - Coronavirus Relief Fund	21.019	<u>11,717,576</u>
<b>U.S. Department of Justice</b>		
Through Minnesota Department of Commerce Stadium View Tablet	16.540	7,000
Direct		
COPS Lock Replacement	16.710	408,698
STOP School Violence	16.839	71,679
Total U.S. Department of Justice		<u>487,377</u>
<b>Corporation for National and Community Service</b>		
Through Serve Minnesota AmeriCorps	94.006	346,267
U.S. Department of Education AmeriCorps	94.006	63,385
Total Corporation for National and Community Service		<u>409,652</u>
Total Federal Expenditures		<u>\$ 83,280,616</u>

**Minneapolis Public Schools  
Special District No. 1  
Notes to the Schedule of Expenditures of Federal Awards**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**NOTE 2 – INVENTORY**

Inventories of commodities donated by the U.S. Department of Agriculture are recorded at market value in the Food Service Fund as inventory. Revenue and expenditures are recorded when commodities are used.

**NOTE 3 – NONMONETARY ASSISTANCE**

Nonmonetary assistance is reported in this schedule at the fair market value of commodities received and disbursed for the USDA Commodities Program (CFDA #10.555).

**NOTE 4 – PASS-THROUGH GRANT NUMBERS**

All pass-through entities listed above use the same CFDA numbers as the federal grantors to identify these grants and have not assigned any additional identifying numbers.

**NOTE 5 – INDIRECT COST RATE**

The District did not elect to use the 10 percent de minimis indirect cost rate, as allowed under the Uniform Guidance.

**Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit  
of Basic Financial Statements Performed in Accordance  
with *Government Auditing Standards***

**Independent Auditor's Report**

To the School Board  
Minneapolis Public Schools  
Special District No. 1  
Minneapolis, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Minneapolis Public Schools, Special District No. 1 Minneapolis, Minnesota, as of and for the year ended June 30, 2021, and the related notes to basic financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 1, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the basic financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as audit findings 2021-001 and 2021-002, that we consider to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **District's Response to the Findings**

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs in Accordance with the Uniform Guidance. The District's responses were not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**BerganKDV, Ltd.**

Minneapolis, Minnesota  
December 1, 2021

**Report on Compliance for Each Major Federal Program  
and Report on Internal Control over Compliance in Accordance  
with the Uniform Guidance**

**Independent Auditor's Report**

To the School Board  
Minneapolis Public Schools  
Special District No. 1  
Minneapolis, Minnesota

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of Minneapolis Public Schools Special District No. 1, Minneapolis, Minnesota, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs in accordance with the Uniform Guidance.

**Management's Responsibility**

Management of Minneapolis Public Schools Special District No. 1 is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Minneapolis Public Schools Special District No. 1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2021, and the related notes to basic financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 1, 2021, which contained unmodified opinions on those basic financial statements. Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*BergankDV, Ltd.*

Minneapolis, Minnesota  
December 1, 2021

**Minneapolis Public Schools  
Special District No. 1  
Schedule of Findings and Questioned Costs  
in Accordance with the Uniform Guidance**

**SECTION I – SUMMARY OF AUDITOR'S RESULTS**

**Basic Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes, Audit Finding 2021-001 and 2021-002
• Significant deficiency(ies) identified?	No
Noncompliance material to basic financial statements noted?	No

**Federal Awards**

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516?	No

**Identification of Major Programs**

CFDA No:	10.553, 10.555, 10.559
Name of Federal Program or Cluster:	Child Nutrition Cluster
CFDA No:	10.558
Name of Federal Program or Cluster:	Cash in Lieu of Child and Adult Care Food
CFDA No:	21.019
Name of Federal Program or Cluster:	Coronavirus Relief Fund
CFDA No:	84.365
Name of Federal Program or Cluster:	Title III
CFDA No:	84.425
Name of Federal Program or Cluster:	ESSER/GEER Cluster
Dollar threshold used to distinguish between type A and type B programs:	\$2,498,403
Auditee qualified as low risk auditee?	No

**Minneapolis Public Schools  
Special District No. 1  
Schedule of Findings and Questioned Costs  
in Accordance with the Uniform Guidance**

**SECTION II – BASIC FINANCIAL STATEMENT FINDINGS**

**Audit Finding 2021-001 – Segregation of Duties**

*Criteria or Specific Requirement:*

Internal control that supports the District's ability to initiate, record, process and report financial data consistent with the assertions of management in the basic financial statements requires adequate segregation of accounting duties.

*Condition:*

We noted during review of the District's internal controls that there is a lack of segregation of duties over certain processes. A lack of segregation occurs when there is an individual who has responsibility to perform multiple functions in four key areas: initiation/authorization, processing/recording, reconciling/reporting of financial data, and custody of assets.

We noted lack of segregation of duties, to various degrees, in the following areas:

- SAP User Rights: A number of employees have excessive access to accounts payable functions, purchasing functions, and the general ledger. Also, there were instances identified where individuals have excessive access to perform many responsibilities within a process (e.g. create a vendor, enter an invoice for payment, and cut a check). There are also some employees who have the ability to make journal entries without review as a result of SAP user rights allocated to them. We recommend that the District review all user roles and the permissions granted to each role for appropriateness, taking into consideration adequate segregation of duties. The District should also validate that adequate compensating controls are implemented to review and detect irregular or fraudulent activity performed by users with elevated permissions. Additionally, individuals in a position of authority should have limited transactional ability within the SAP application to further prevent management override of controls.
- Financial Closing Process: Certain employees record transactions and reconcile balances at the end of the year without evidence of review by another employee. As a result of this condition, a material audit adjustment was required for state aids.

*Context:*

This finding impacts the internal control for all significant accounting functions.

*Effect or Potential Effect:*

The lack of adequate segregation of accounting duties adversely affected the District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the basic financial statements as material audit adjustments were required for state aids and property taxes. Financial information could contain inaccurate information if reconciliations are not reviewed timely.

**Minneapolis Public Schools  
Special District No. 1  
Schedule of Findings and Questioned Costs  
in Accordance with the Uniform Guidance**

**SECTION II – BASIC FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Audit Finding 2021-001 – Segregation of Duties (Continued)**

*Cause:*

Process flows and SAP user access rights are not designed to provide for proper segregation of duties in each area. Changes in roles and responsibilities of finance staff contributed to reconciliations of account balances not being reviewed timely which resulted in material misstatements.

*Management's Response:*

**CORRECTIVE ACTION PLAN (CAP):**

1. Explanation of Disagreement with Audit Finding  
There is no disagreement with the finding.
2. Actions Planned in Response to Finding  
SAP User Rights – The Executive Director – IT has been working on system audits and some corrective action has already been implemented on user rights and we will keep monitoring the process. Financial Closing Process – The process for the financial closing process will improve after changes in roles and responsibilities in the Finance Department.
3. Official Responsible for Ensuring CAP  
SAP User Rights – Executive Director – IT. Financial Closing Process – Chief Financial Officer.
4. Planned Completion Date for CAP  
The planned completion date for the CAP is June 30, 2022.
5. Plan to Monitor Completion of CAP  
The Finance and IT Department management will be monitoring the corrective action plan.

**Audit Finding 2021-002 – Prior Period Adjustment**

*Criteria or Specific Requirement:*

Internal control that supports the District's ability to initiate, record, process and report financial data consistent with the assertions of management in the basic financial statements.

*Condition:*

During the course of our engagement, a prior period adjustment was recognized that had not been recognized in the correct reporting period, therefore resulting in a material misstatement of the District's prior year basic financial statements. The District's internal controls were not sufficient to detect the misstatement in a timely basis. In order to ensure the basic financial statements were free from material misstatements, a prior period adjustment was necessary to correct an understatement of capital assets balances.

**Minneapolis Public Schools  
Special District No. 1  
Schedule of Findings and Questioned Costs  
in Accordance with the Uniform Guidance**

**SECTION II – BASIC FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Audit Finding 2021-002 – Prior Period Adjustment (Continued)**

*Context:*

This finding impacts internal control over financial reporting.

*Effect or Potential Effect:*

Internal controls over capital assets affected the District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the basic financial statements as a prior period adjustment required for capital assets. Financial information could contain inaccurate information if reconciliations are not reviewed timely.

*Cause:*

Changes in roles and responsibilities of finance staff contributed to reconciliations of account balances not being reviewed timely which resulted in a prior period adjustment.

**CORRECTIVE ACTION PLAN (CAP):**

1. Explanation of Disagreement with Audit Finding  
There is no disagreement with the finding.
2. Actions Planned in Response to Finding  
The District's internal controls identified the prior period adjustment however it was not identified until after the reporting period had ended. The District will continue to improve processes to evaluate capital project fund activity to determine if any current costs should be classified as capital outlay and considered for capitalization.
3. Official Responsible for Ensuring CAP  
Joseph Olson, Accountant, is the official responsible for ensuring corrective action of the deficiency.
4. Planned Completion Date for CAP  
The planned completion date for the CAP is June 30, 2022.
5. Plan to Monitor Completion of CAP  
The Finance Department management will be monitoring the corrective action plan.

**SECTION III – PRIOR YEAR FINDINGS**

None

**SECTION IV – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

## Minnesota Legal Compliance

### Independent Auditor's Report

To the School Board  
Minneapolis Public Schools  
Special District No. 1  
Minneapolis, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Minneapolis Public Schools Special District No. 1, Minneapolis, Minnesota, as of and for the year ended June 30, 2021, and the related notes to basic financial statements, and have issued our report thereon dated December 1, 2021.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards for school districts sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to *Minnesota Statutes* § 6.65, insofar as they relate to accounting matters. However, our audit as not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is to describe the scope of our testing of compliance and the result of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

*BergankDV, Ltd.*

Minneapolis, Minnesota  
December 1, 2021

**Minneapolis Public Schools  
Special District No. 1  
Schedule of Findings and Corrective Action  
Plans on Legal Compliance**

**PRIOR YEAR LEGAL COMPLIANCE FINDING:**

**Audit Finding 2020-002 – Prompt Payment of Local Government Bills**

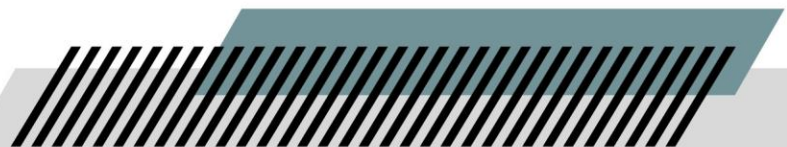
*Minnesota Statute 471.425* requires that school districts must pay each vendor obligation according to the terms of the contract or, if no contract terms apply, within the standard payment period. For school districts with governing boards that have regular meetings at least once a month, the standard payment period is within 35 days of the date of receipt.

During our audit, there were no instances noted of untimely payments to vendors.

**Minneapolis Public Schools  
Special District No. 1**

**Communications Letter**

**June 30, 2021**



**Minneapolis Public Schools  
Special District No. 1  
Table of Contents**

Report on Matters Identified as a Result of the Audit of the Basic Financial Statements	1
Material Weakness	3
Required Communication	4
Financial Analysis	9
Legislative Summary	21
Emerging Issue	23

## Report on Matters Identified as a Result of the Audit of the Basic Financial Statements

To the School Board and Management  
Minneapolis Public Schools Special District No. 1  
Minneapolis, Minnesota

In planning and performing our audit of the basic financial statements of Minneapolis Public Schools Special District No. 1, Minneapolis, Minnesota, as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies below that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

The material weaknesses identified are stated within this letter.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The accompanying memorandum also includes financial analysis provided as a basis for discussion. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated December 1, 2021, on such statements.

This communication is intended solely for the information and use of management, the School Board and others within the District, and state oversight agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

*BerganKDV, Ltd.*

Minneapolis, Minnesota

December 1, 2021

**Minneapolis Public Schools  
Special District No. 1  
Material Weakness**

**Lack of Segregation of Accounting Duties**

The District had a lack of segregation of accounting duties. The lack of adequate segregation of accounting duties could adversely affect the District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the basic financial statements.

Management is aware of this condition and will take certain steps to compensate for the lack of segregation.

Segregation of accounting duties relates to four key areas: initiation/authorization, processing/recording, reconciling/reporting of financial data, and custody of assets. This lack of segregation can be demonstrated in the following areas, which is not intended to be an all-inclusive list:

- SAP User Rights: A number of employees have excessive access to accounts payable functions, purchasing functions, and the general ledger. Also, there were instances identified where individuals have excessive access to perform many responsibilities within a process (e.g. create a vendor, enter an invoice for payment, and cut a check). There are also some employees who have the ability to make journal entries without review as a result of SAP user rights allocated to them. We recommend that the District review all user roles and the permissions granted to each role for appropriateness, taking into consideration adequate segregation of duties. The District should also validate that adequate compensating controls are implemented to review and detect irregular or fraudulent activity performed by users with elevated permissions. Additionally, individuals in a position of authority should have limited transactional ability within the SAP application to further prevent management override of controls.
- Financial Closing Process: Certain employees record transactions and reconcile balances at the end of the year without evidence of review by another employee. As a result of this condition, a material audit adjustment was required for state aids.

**Prior Period Adjustment**

During the course of our engagement, a prior period adjustment was recognized that had not been recognized in the correct reporting period, therefore resulting in a material misstatement of the District's prior year basic financial statements. The District's internal controls were not sufficient to detect the misstatement in a timely basis. In order to ensure the basic financial statements were free from material misstatements, a prior period adjustment was necessary to correct an understatement of capital assets balances.

**Minneapolis Public Schools  
Special District No. 1  
Required Communication**

We have audited the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2021. Professional standards require that we advise you of the following matters related to our audit.

**Our Responsibility in Relation to the Basic Financial Statement Audit**

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Generally accepted accounting principles provide for certain Required Supplementary Information (RSI) to supplement the financial statements. Our responsibility with respect to the RSI, which supplements the basic audit financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Our Responsibility in Relation to *Government Auditing Standards***

As communicated in our engagement letter, part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

**Minneapolis Public Schools  
Special District No. 1  
Required Communication**

**Our Responsibility in Relation to Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)**

As communicated in our engagement letter, in accordance with the Uniform Guidance, we examined on a test basis, evidence about the District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit provided a reasonable basis for our opinion, it did not provide a legal determination on the District's compliance with those requirements.

In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

**Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

**Qualitative Aspects of Significant Accounting Practices**

*Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in the notes to basic financial statements. There have been no initial selection of accounting policies and no changes to significant accounting policies or their application during 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

*Significant Accounting Estimates*

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's current judgements. Those judgements are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements. The most sensitive estimates affecting the basic financial statements are:

Depreciation – The District is currently depreciating its capital assets over their estimated useful lives, as determined by management, using the straight-line method.

**Minneapolis Public Schools  
Special District No. 1  
Required Communication**

**Qualitative Aspects of Significant Accounting Practices (Continued)**

*Significant Accounting Estimates (Continued)*

Expense Allocation – Certain expenses are allocated to programs based on an estimate of the benefit to that particular program. Examples are salaries, benefits, and supplies.

General Education and Special Education Aid – General Education Aid is an estimate until average daily membership (ADM) values are final. Since this is normally not done until after the reporting deadlines, this Aid is an estimate. Special Education Aid is dependent on the availability of funds and complex formulas that are finalized after reporting deadlines.

Net Other Post Employment Benefits (OPEB) Liability, Deferred Outflows of Resources Related to OPEB and Deferred Inflows of Resources Related to OPEB – These balances are based on an actuarial study using the estimates of future obligations of the District for post employment benefits.

Net Pension Liability, Deferred Outflows of Resources Related to Pensions, and Deferred Inflows of Resources Related to Pensions – These balances are based on an allocation by the pension plans using estimates based on contributions.

We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

*Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

**Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

**Uncorrected and Corrected Misstatements**

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the basic financial statements taken as a whole and each applicable opinion unit.

Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

**Minneapolis Public Schools  
Special District No. 1  
Required Communication**

**Uncorrected and Corrected Misstatements (Continued)**

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Material misstatements related to state aids were corrected by management.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's basic financial statements or the auditor's report. No such disagreements arose during the course of our audit.

**Representations Requested from Management**

We have requested certain written representations from management, which are included in the management representation letter.

**Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating, and regulatory conditions affecting the District, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditor.

**Other Information in Documents Containing Audited Basic Financial Statements**

We applied certain limited procedures to the RSI that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

**Minneapolis Public Schools  
Special District No. 1  
Required Communication**

**Other Information in Documents Containing Audited Basic Financial Statements (Continued)**

We were not engaged to report on the other information accompanying the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Minneapolis Public Schools  
Special District No. 1  
Financial Analysis**

The following pages provide graphic representation of select data pertaining to the financial position and operations of the District for the past five years. Our analysis of each graph is presented to provide a basis for discussion of past performance and how implementing certain changes may enhance future performance. We suggest you view each graph and document if our analysis is consistent with yours. A subsequent discussion of this information should be useful for planning purposes.

Due to its complexity, it would be impossible to fully explain the funding of public education in Minnesota within this letter. The last section of this report contains a summary of legislative changes affecting school districts from the most recent session. The following provides some state-wide funding and financial trend information.

**Average Daily Membership and Pupil Units**

The largest single funding source for Minnesota school districts is basic General Education Aid. Each year, the State Legislature sets a basic formula allowance. Total basic general education revenue is calculated by multiplying the formula allowance by the number of pupil units for which a district is entitled to aid. Pupil units are calculated using a legislatively determined weighting system applied to ADM. Over the years, various modifications have been made to this calculation, including changes in weighting and special consideration for declining enrollment districts.

<u>Year</u>	<u>General Education Aid Formula Allowance</u>	
	<u>Amount</u>	<u>Percent Increase</u>
2012	\$ 5,174	1.0%
2013	5,224	1.0%
2014	5,302	1.5%
2015*	5,831	1.9%
2016	5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%
2022	6,728	2.5%

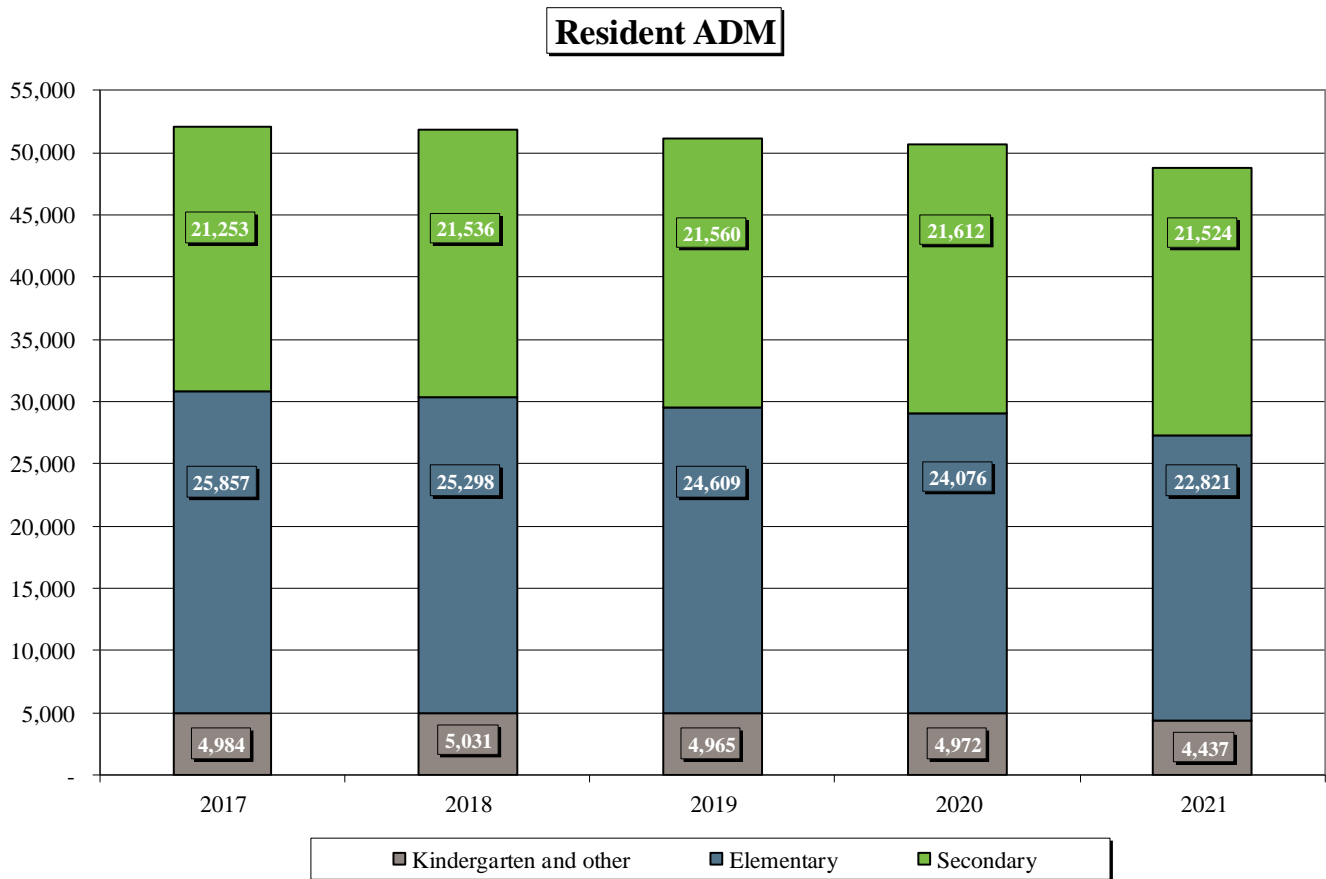
\* General Education Aid - Of the \$529 increase over 2014, \$105 is for inflation at 1.9%; the remaining \$424 is a shifting of revenue to adjust for pupil weight changes, pension adjustments changes and other restructuring.

**Minneapolis Public Schools  
Special District No. 1  
Financial Analysis**

**Average Daily Membership and Pupil Units Served**

Approximately 65% of the District's General Fund revenue is from the state. A majority of this funding is based on student counts, so an understanding of the District's population trends is critical to overall budgeting plans. The following summarizes resident ADM of the District over the past five years ended June 30:

<b>Students (Resident ADM)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Kindergarten and other	4,984	5,031	4,965	4,972	4,437
Elementary	25,857	25,298	24,609	24,076	22,821
Secondary	21,253	21,536	21,560	21,612	21,524
<b>Total Students (Resident ADM)</b>	<b>52,094</b>	<b>51,865</b>	<b>51,133</b>	<b>50,660</b>	<b>48,782</b>



\* Estimate as of November 16, 2021

In 2021, total resident ADM decreased by 1,877 from the prior year, a decline of 3.7%.

To calculate a majority of the District's education aids, the ADM amounts are converted into pupil units by weighting, based on the student's grade level. These weighting factors are presented in the table on the following page.

**Minneapolis Public Schools  
Special District No. 1  
Financial Analysis**

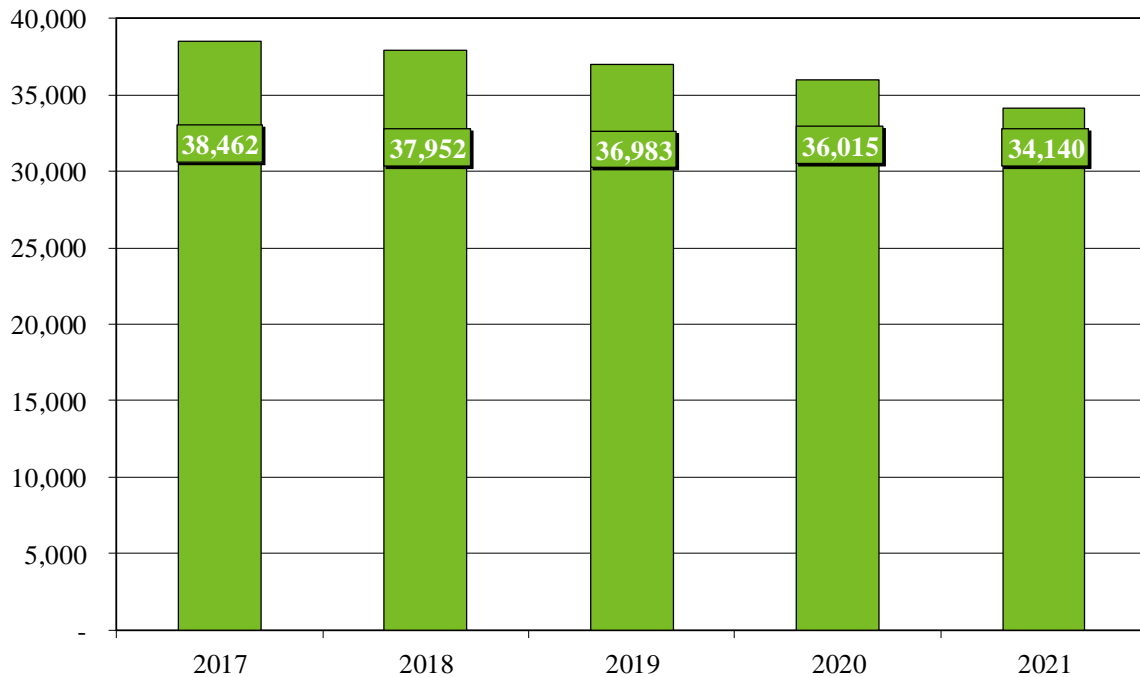
**Average Daily Membership and Adjusted Pupil Units**

Year 2017-2021	Pre-Kindergarten and Handicapped		Grades	Grades	Secondary
	Kindergarten	Kindergarten	1-3	4-6	
Year 2017-2021	1.000	1.000	1.000	1.000	1.200

The following chart and graph convert the ADM into adjusted pupil units (PUN) for the same five-year period, as noted on the previous page.

Adjusted PUN	2017	2018	2019	2020	2021
Residents	56,344	56,170	55,444	54,982	53,086
PUN gain	1,092	1,374	1,483	1,417	1,871
PUN loss	(18,974)	(19,593)	(19,944)	(20,383)	(20,817)
<b>Total Adjusted PUN</b>	<b>38,462</b>	<b>37,952</b>	<b>36,983</b>	<b>36,015</b>	<b>34,140</b>

**PUN Served**



\* Estimate as of November 16, 2021

PUN loss is the resident students who chose open enrollment and decided to enroll at another district or charter school. PUN gain is the resident students from another school district choosing to enroll with Minneapolis Public Schools.

In 2021, total PUN served decreased by 1,875 from the prior year, a decrease of 5.2%. This was a result of a decrease in resident PUN of 1,896, an increase in PUN gain of 454, and an increase in PUN loss of 434 to other districts.

**Minneapolis Public Schools  
Special District No. 1  
Financial Analysis**

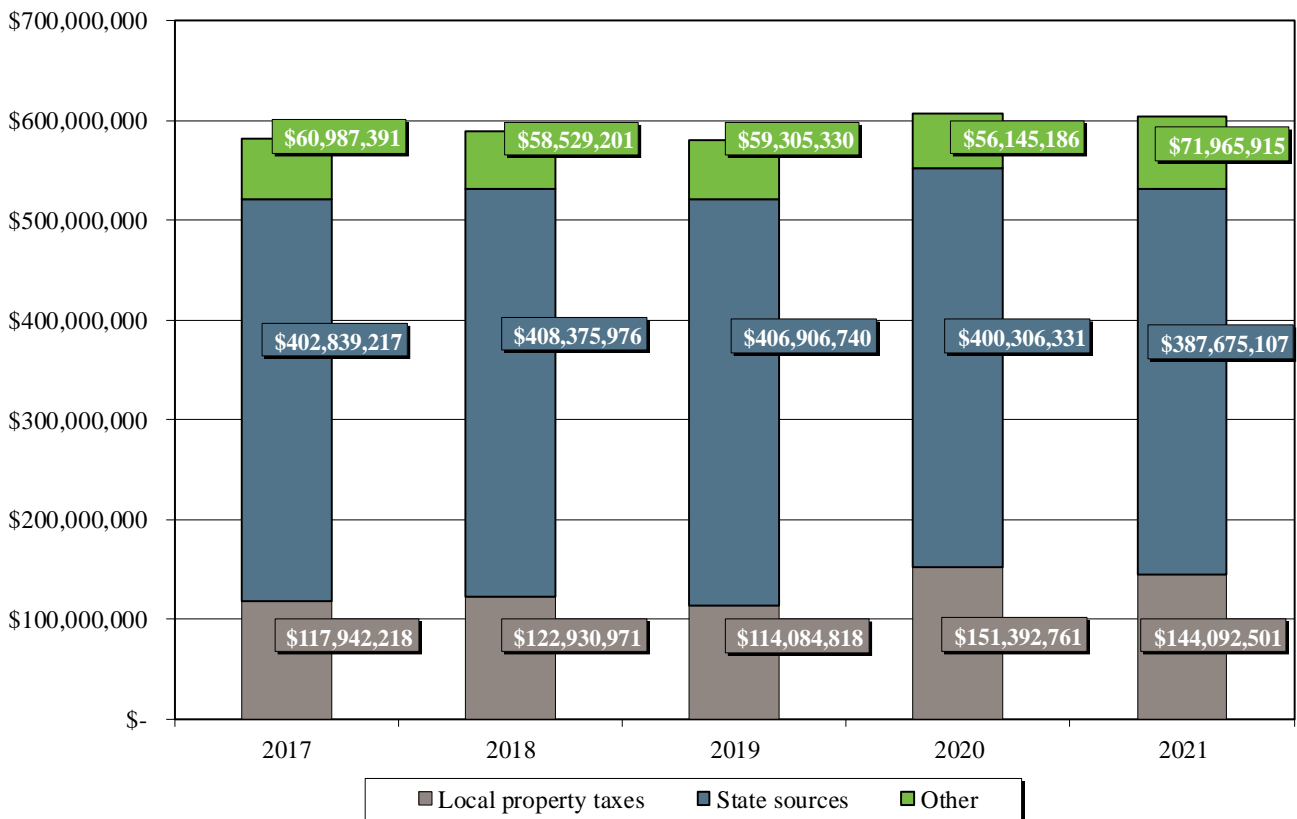
**General Fund Sources of Revenue**

General Fund sources of revenue are summarized as follows:

For the Year Ended June 30,	2017	2018	2019	2020	2021
Local property taxes	\$ 117,942,218	\$ 122,930,971	\$ 114,084,818	\$ 151,392,761	\$ 144,092,501
State sources	402,839,217	408,375,976	406,906,740	400,306,331	387,675,107
Other	60,987,391	58,529,201	59,305,330	56,145,186	71,965,915
<b>Total</b>	<b>\$ 581,768,826</b>	<b>\$ 589,836,148</b>	<b>\$ 580,296,888</b>	<b>\$ 607,844,278</b>	<b>\$ 603,733,523</b>

Revenue decreased from the prior year by \$4,110,755, or 0.7%, mainly due to a decrease in revenue from in revenue from state sources and a decrease in property tax levy offset by an increase in revenue from federal sources. General Fund revenues over the past five years are portrayed in the following graph.

**General Fund Sources of Revenue**

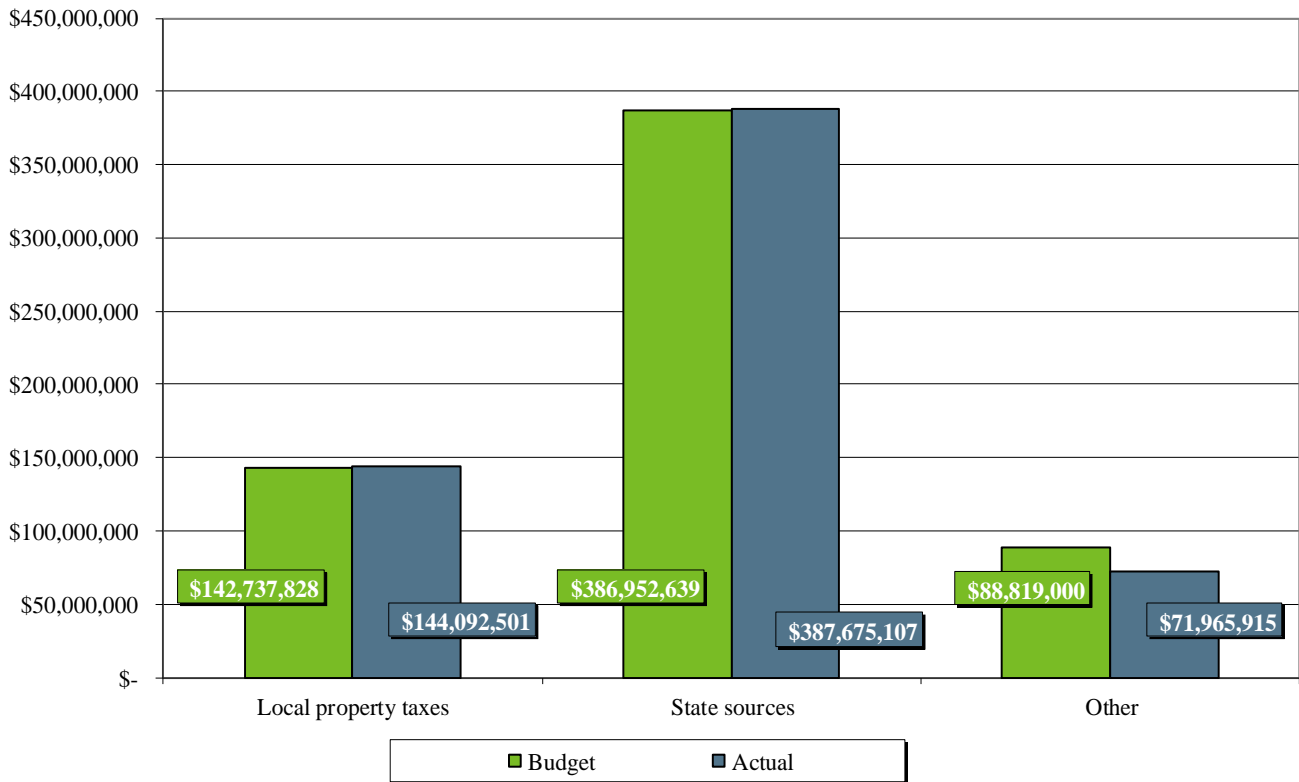


**Minneapolis Public Schools  
Special District No. 1  
Financial Analysis**

**General Fund Revenues - Budget and Actual**

The District originally approved a revenue budget of \$600,602,099 and approved a revised revenue budget of \$618,509,467. Actual revenues of \$603,733,523 were \$14,775,944, or 2.5%, under budget.

**2021 General Fund Revenues  
Budget and Actual**



Revenues from local property taxes were consistent with budgeted amounts. Revenue from other sources were \$14,872,221 under budget. This was a result of additional federal grants related to COVID-19 that were available but not yet spent. Revenues from State sources were consistent with budgeted amounts.

**General Fund Expenditures**

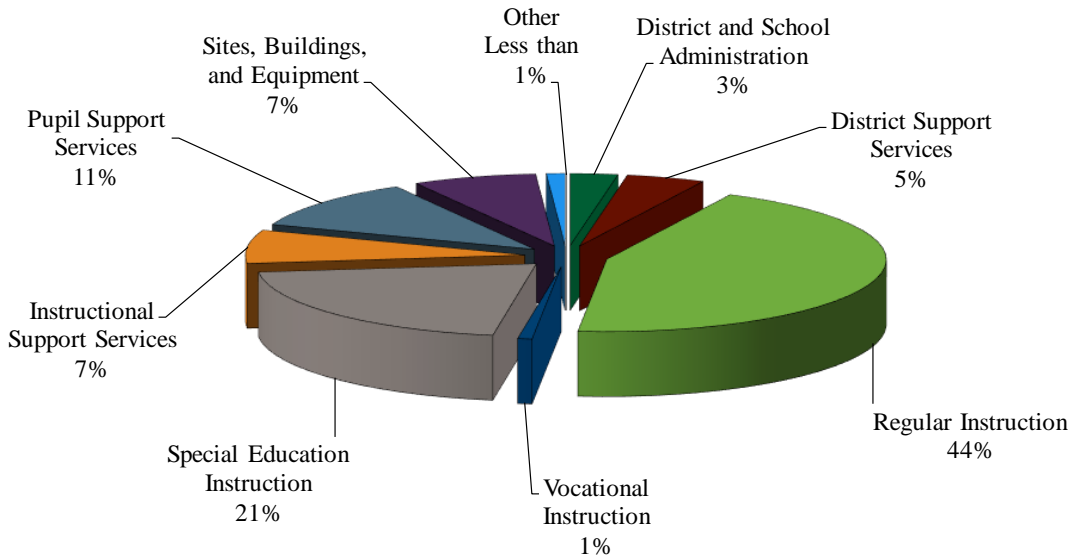
On the following page is the allocation of expenditures by program for the past two years. Overall, expenditures in the General Fund increased \$7,489,228 or 1.3%, from 2020 to 2021. Regular instruction decreased by \$14,026,690 primarily due to vacant positions as a result of Covid-19. Sites and buildings increased \$8,239,923 due to an increase to Covid-19 related supplies that needed to be purchased as well as contracting some more services due to staffing shortages. Special Education increased \$5,933,268 as a result of more special education needs in fiscal year 2021. District support service increased by \$6,220,892 mainly due to contracting more services during the pandemic. Fiscal and other fixed costs programs increased \$5,342,876 due to more insurance to cover District’s liabilities. Pupil support services decreased \$4,823,945 as a result of less transportation costs due to distance learning.

**Minneapolis Public Schools  
Special District No. 1  
Financial Analysis**

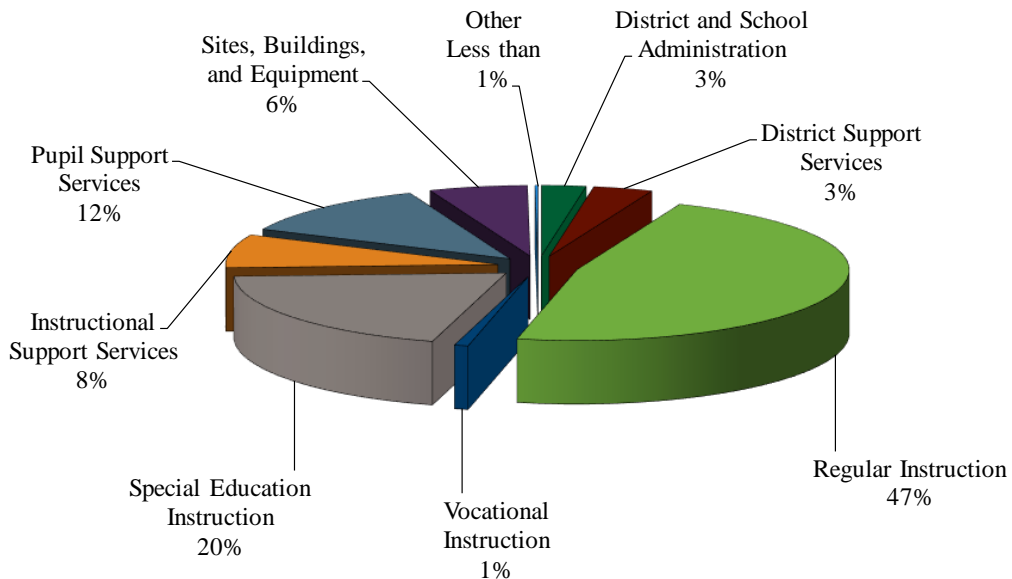
**General Fund Expenditures (Continued)**

The three instruction categories, regular, vocational, and special education comprise 66% of the total District expenditures for 2021.

**2021 General Fund Expenditures  
\$584,833,448**

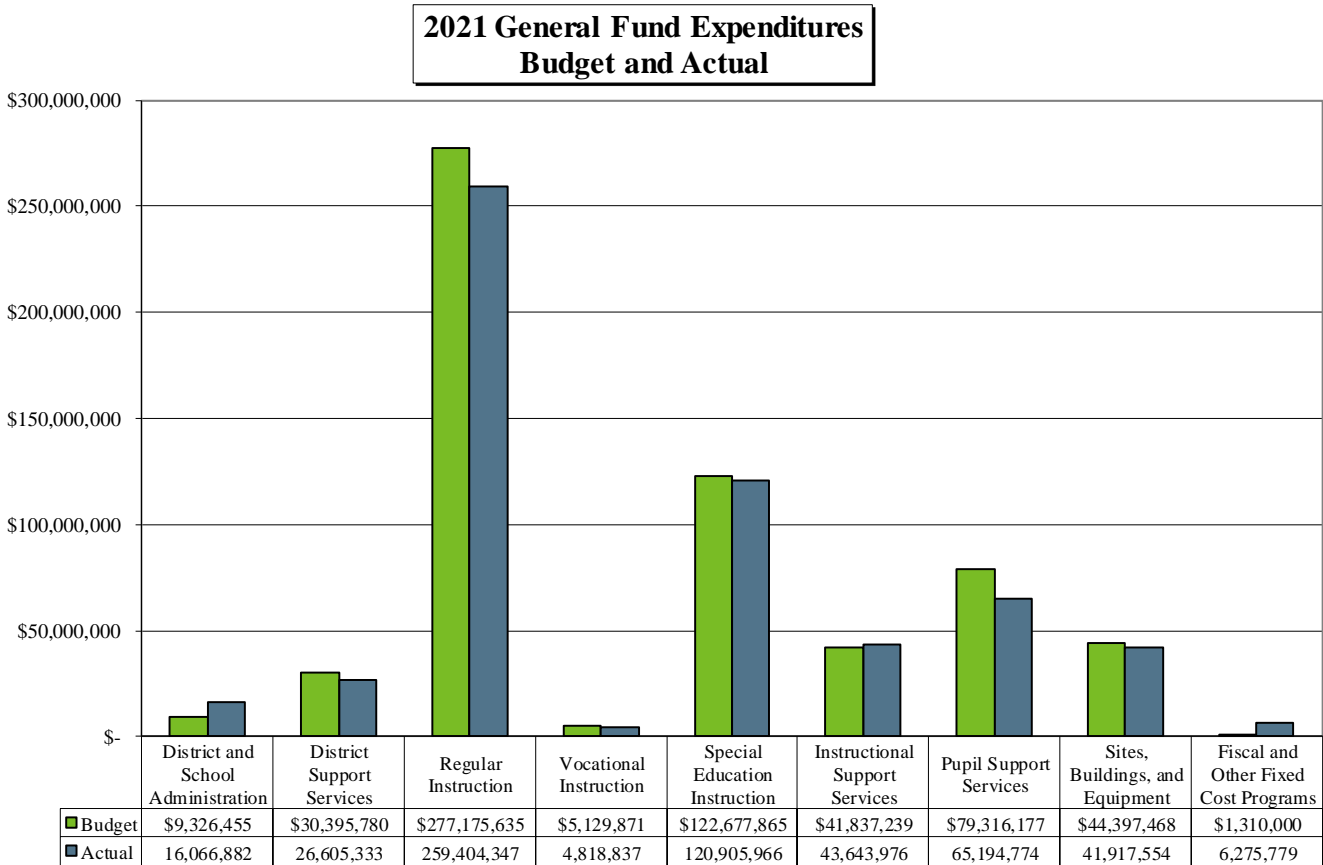


**2020 General Fund Expenditures  
\$577,344,220**



**Minneapolis Public Schools  
Special District No. 1  
Financial Analysis**

**General Fund Expenditures - Budget and Actual**



Overall, General Fund expenditures of \$584,833,448 were \$26,733,042, or 4.4%, under budget. Regular instruction expenditures were under budget by \$17,771,288 due to less salary and benefit expense than anticipated with vacant positions during the year. Pupil support services were \$14,121,403 under budget as a result of less transportation costs than anticipated due the pandemic and distance learning. District and school administration was over budget \$6,740,427 as a result of the District loading carryforward budget amounts to the various cost centers, however costs ultimately being coded to administration. Fiscal and other fixed costs programs were over budget \$4,965,779 due to not budgeting for more insurance to cover the District’s liabilities. District support services were under budget by \$3,790,447 due to budgeting for judgements but very few were pursued during the pandemic.

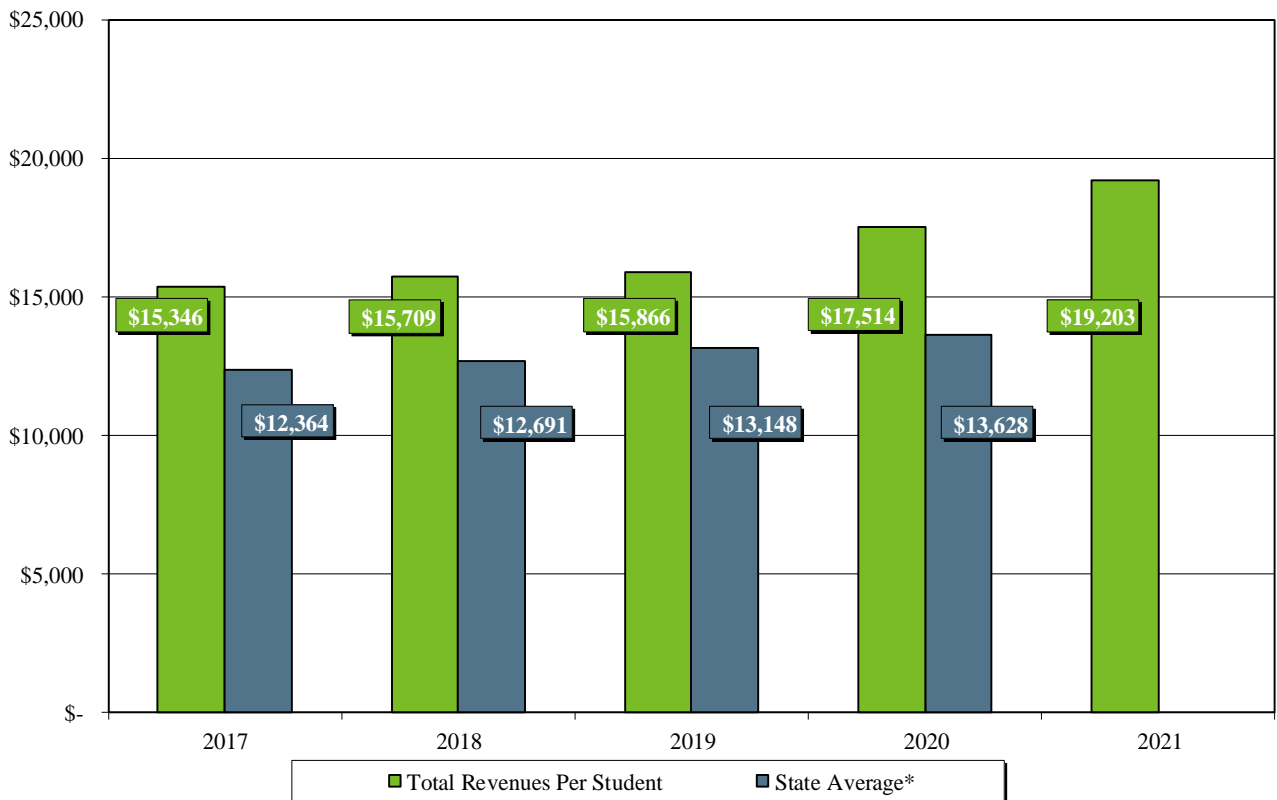
**Minneapolis Public Schools  
Special District No. 1  
Financial Analysis**

**Revenues Per ADM Served**

<b>Special District No. 1</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
General Fund	\$ 15,346	\$ 15,709	\$ 15,866	\$ 17,514	\$ 19,203
Food Service Fund	599	585	607	684	672
Community Service Fund	789	814	876	822	850
Building Construction Fund	30	33	171	104	7
Debt Service Fund	1,997	2,040	2,604	2,690	2,933
Post Employment Debt Service Fund	-	62	65	68	75
<b>Total Revenues Per Student</b>	<b>\$ 18,761</b>	<b>\$ 19,243</b>	<b>\$ 20,189</b>	<b>\$ 21,882</b>	<b>\$ 23,740</b>

<b>State Average*</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
General Fund	\$ 12,364	\$ 12,691	\$ 13,148	\$ 13,628	N/A
Food Service Fund	554	553	553	548	N/A
Community Service Fund	595	607	638	595	N/A
Building Construction Fund	66	55	112	134	N/A
Debt Service Fund	1,050	1,056	1,146	1,229	N/A
<b>Total Revenues Per Student</b>	<b>\$ 14,629</b>	<b>\$ 14,962</b>	<b>\$ 15,597</b>	<b>\$ 16,134</b>	<b>-</b>

**General Fund Revenues Per ADM Served**



\* Source: *School District Profiles*; year 2021 is not yet available.

\*\* Estimate as of November 16, 2021

**Minneapolis Public Schools  
Special District No. 1  
Financial Analysis**

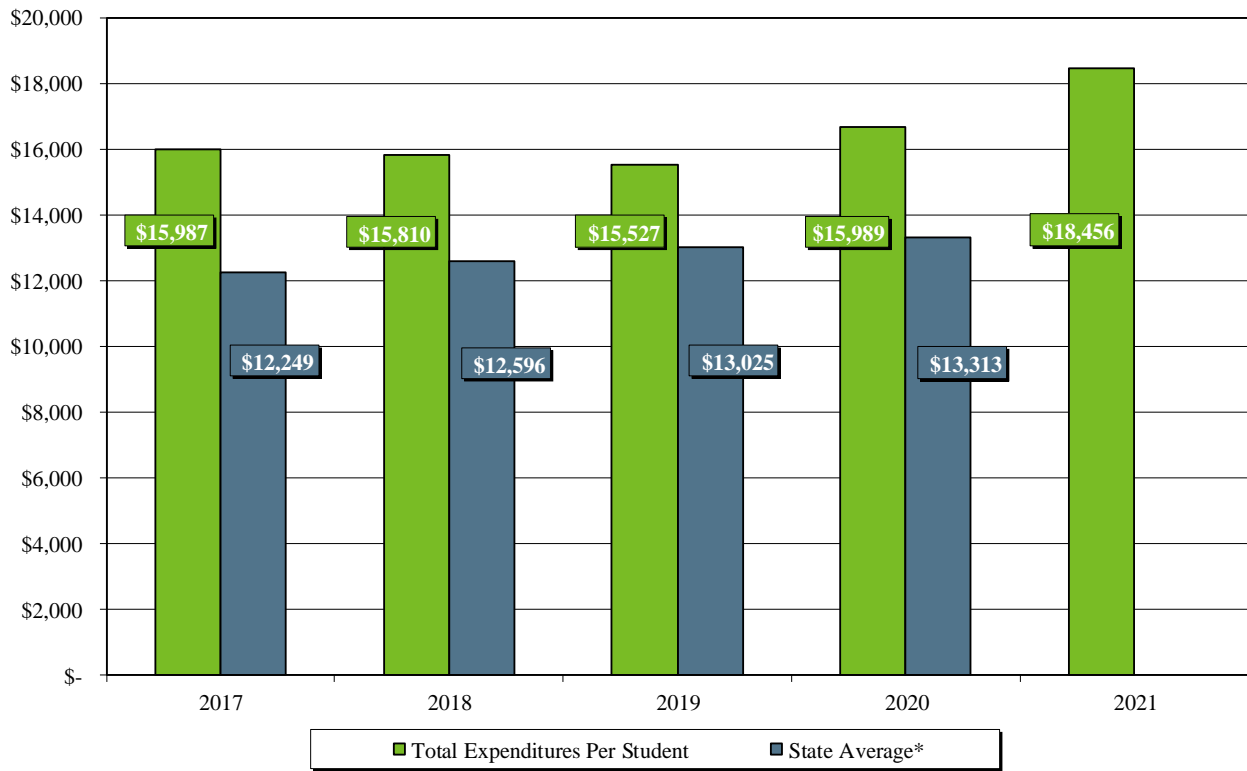
**Expenditures Per ADM Served**

Expenditures per student (ADM served) are summarized as follows:

Special District No. 1	2017	2018	2019	2020	2021
General Fund	\$ 15,987	\$ 15,810	\$ 15,527	\$ 16,659	\$ 18,456
Food Service Fund	585	578	622	662	604
Building Construction Fund	1,747	3,028	3,188	2,628	2,257
Community Service Fund	755	806	904	901	854
Debt Service Fund	2,063	2,056	2,357	2,563	2,935
Post Employment Debt Service Fund	-	60	62	65	-
<b>Total Expenditures Per Student</b>	<b>\$ 21,137</b>	<b>\$ 22,338</b>	<b>\$ 22,660</b>	<b>\$ 23,479</b>	<b>\$ 25,107</b>

State Average*	2017	2018	2019	2020	2021
General Fund	\$ 12,249	\$ 12,596	\$ 13,025	\$ 13,313	N/A
Food Service Fund	546	550	559	554	N/A
Community Service Fund	579	606	638	622	N/A
Building Construction Fund	1,785	1,799	1,642	2,085	N/A
Debt Service Fund	1,275	1,224	1,225	1,265	N/A
<b>Total Expenditures Per Student</b>	<b>\$ 16,434</b>	<b>\$ 16,775</b>	<b>\$ 17,089</b>	<b>\$ 17,839</b>	<b>\$ -</b>

**General Fund Expenditures Per ADM Served**



\* Source: *School District Profiles*; year 2021 is not yet available.

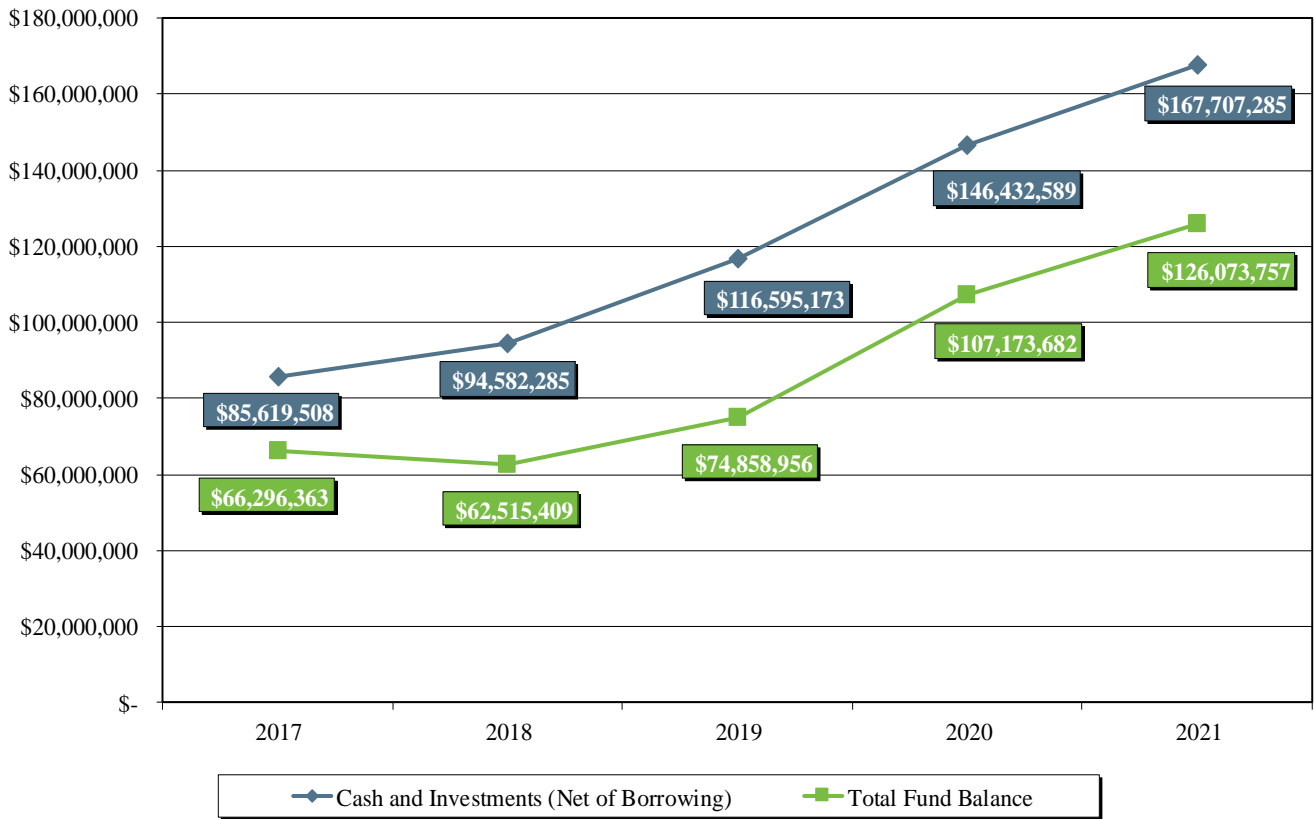
\*\* Estimate as of November 16, 2021

**Minneapolis Public Schools  
Special District No. 1  
Financial Analysis**

**General Fund Operations**

As the following graph indicates, cash and investments increased \$21,274,696 from 2020 to 2021 and total fund balance increased \$18,900,075, or 18.6%.

**General Fund Financial Position**



**Minneapolis Public Schools  
Special District No. 1  
Financial Analysis**

**General Fund Operations (Continued)**

The following table presents five years of comparative operating results for the District's General Fund:

For the Year Ended June 30,	2017	2018	2019	2020	2021
Revenues	\$ 581,768,826	\$ 589,836,148	\$ 580,296,888	\$ 607,844,278	\$ 603,733,523
Expenditures	(605,929,828)	(593,617,102)	(567,963,106)	(577,344,220)	(584,833,448)
Excess of revenues over (under) expenditures	(24,161,002)	(3,780,954)	12,333,782	30,500,058	18,900,075
Proceeds from sale of equipment	-	-	9,765	18,765	-
Bond proceeds	6,440,000	-	-	1,100,000	-
Transfers in	3,300,000	-	-	-	-
Fund balance, July 1	80,717,365	66,296,363	62,515,409	74,858,956	107,173,682
Change in accounting principle	-	-	-	695,903	-
<b>Fund Balance, June 30</b>	<b>\$ 66,296,363</b>	<b>\$ 62,515,409</b>	<b>\$ 74,858,956</b>	<b>\$ 107,173,682</b>	<b>\$ 126,073,757</b>

Components of Fund Balance					
For the Year Ended June 30,	2017	2018	2019	2020	2021
Nonspendable	\$ 128,675	\$ 90,987	\$ 1,227,627	\$ 1,269,376	\$ 1,414,679
Restricted for					
Area learning center	-	808,181	910,645	1,421,247	-
Student activities	-	-	-	725,174	572,832
Achievement and integration	-	-	-	2,927,601	-
Basic skills program	-	-	-	-	495,016
Community education programs	-	-	-	-	65,178
Operating capital	-	-	-	-	5,501,542
Contracted alternative programs	19,894	-	-	-	-
Gifted and talented	-	299,240	514,170	466,385	579,035
Health and safety	(161,640)	-	-	-	-
Basic skills extended time	-	-	1,235,892	2,792,710	4,610,186
Long-term facilities maintenance	(194,164)	-	(944)	160,765	156,383
Other	-	-	-	1,100,000	234,359
Capital projects	3,300,000	-	-	-	-
Assigned	21,455,251	29,671,886	32,138,104	43,737,399	57,295,506
Unassigned	41,748,347	31,645,115	38,833,462	52,573,025	55,149,041
<b>Fund Balance, June 30</b>	<b>\$ 66,296,363</b>	<b>\$ 62,515,409</b>	<b>\$ 74,858,956</b>	<b>\$ 107,173,682</b>	<b>\$ 126,073,757</b>

The chart above summarizes General Fund activity and financial position for each of the last five years. The unassigned fund balance represented 9.4% of 2021 actual expenditures and represented 8.4% of 2022 budgeted expenditures. The District's fund balance policy calls for a minimum unassigned balance of 8% of the annual budgeted expenditures for the following year.

**Minneapolis Public Schools  
Special District No. 1  
Financial Analysis**

**Food Service Fund**

The following table presents five years of comparative operating results for the District's Food Service Fund.

For the Year Ended June 30,	2017	2018	2019	2020	2021
Revenues	\$ 22,589,754	\$ 21,897,237	\$ 22,062,833	\$ 23,694,428	\$ 21,349,575
Expenditures	(22,077,485)	(21,646,325)	(22,624,251)	(22,955,476)	(19,211,722)
Excess of revenues over (under) expenditures	512,269	250,912	(561,418)	738,952	2,137,853
Proceeds from sale of equipment	-	1,566	-	-	-
Bond proceeds	245,000	-	-	-	-
Fund balance, July 1	2,115,546	2,872,815	3,125,293	2,563,875	3,302,827
<b>Fund Balance, June 30</b>	<b>\$ 2,872,815</b>	<b>\$ 3,125,293</b>	<b>\$ 2,563,875</b>	<b>\$ 3,302,827</b>	<b>\$ 5,440,680</b>
Nonspendable	\$ 872,545	\$ 835,232	\$ 856,369	\$ 1,615,465	\$ 1,732,388
Restricted for other purposes	2,000,270	2,290,061	1,707,506	1,687,362	3,708,292
<b>Total Fund Balance, June 30</b>	<b>\$ 2,872,815</b>	<b>\$ 3,125,293</b>	<b>\$ 2,563,875</b>	<b>\$ 3,302,827</b>	<b>\$ 5,440,680</b>

**Community Service Fund**

The following table presents five years of comparative operating results for the District's Community Service Fund.

For the Year Ended June 30,	2017	2018	2019	2020	2021
Revenues	\$ 29,825,786	\$ 30,506,573	\$ 31,853,780	\$ 28,471,098	\$ 27,022,352
Expenditures	(28,554,216)	(30,234,975)	(32,875,347)	(31,232,002)	(27,155,640)
Excess of revenues over (under) expenditures	1,271,570	271,598	(1,021,567)	(2,760,904)	(133,288)
Fund balance, July 1	7,433,000	8,704,570	8,976,168	7,954,601	5,193,697
<b>Fund Balance, June 30</b>	<b>\$ 8,704,570</b>	<b>\$ 8,976,168</b>	<b>\$ 7,954,601</b>	<b>\$ 5,193,697</b>	<b>\$ 5,060,409</b>
Restricted for					
School readiness	\$ 614,311	\$ 1,311,264	\$ 1,842,528	\$ 1,793,073	\$ 2,024,215
Adult basic education	1,278,467	1,263,834	854,424	702,422	879,610
Community education programs	5,549,459	5,212,717	4,197,002	1,949,764	1,120,064
ECFE	1,051,105	879,186	702,918	353,624	119,623
Other programs	211,228	309,167	357,729	394,814	916,897
<b>Total Fund Balance, June 30</b>	<b>\$ 8,704,570</b>	<b>\$ 8,976,168</b>	<b>\$ 7,954,601</b>	<b>\$ 5,193,697</b>	<b>\$ 5,060,409</b>

**Minneapolis Public Schools  
Special District No. 1  
Legislative Summary**

The following is a brief summary of current legislative changes and issues affecting the funding of Minnesota school districts. More detailed and extensive summaries are available from the Minnesota Department of Education (MDE).

**State Aid Appropriations**

The formula allowance for 2021 General Education Aid was increased \$129 (2%) to \$6,567. For 2022, the formula allowance is set at \$6,728, and for 2023, the formula allowance is set at \$6,863.

**Special Education**

One-time additional special education cross subsidy aid of \$10.425 million was approved for 2022 to be allocated based on district's 2021 cross subsidy.

The special education hold harmless guarantee was limited to the sum of 85% in 2021, and will be limited to 80% in 2022, and 75% in 2023 and later, of current year special education program costs plus 100% of special transportation costs plus the tuition adjustment. The annual inflation adjustment used in the calculation of the hold harmless will be reduced by 0.2% per year from 4.4% in 2021 until the inflation adjustment reaches 2.0%.

**Coronavirus Aid, Relief, and Economic Security (CARES) Act**

Funding provided includes Governor's Emergency Education Relief (GEER) funding totaling \$38.1 million to MDE to be used for technology and summer school programming. Elementary and Secondary School Emergency Relief (ESSER) funding totaling \$140.1 million is 90% allocated based on 2020 Title I, part A allocations and 9.5% is allocated as grants, with the remaining 0.5% available for administration. Child Nutrition Grants to States funding totaled \$160.3 million. ESSER and GEER funds are eligible for spending through September 30, 2022.

**Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act**

The CRRSA Act was signed into law on December 27, 2020, and provided an additional \$2.75 billion for the Emergency Assistance for Nonpublic School Fund (EANS Fund) of which \$41,697,717 was awarded to Minnesota. Funds are eligible for spending through September 30, 2023.

**American Rescue Plan (ARP) Act**

The ARP Act was signed into law on March 11, 2021, and focuses on returning to, and maintaining, safe in-person learning for all students.

The ARP includes \$1.3 billion for E-12 education in ESSER funds for Minnesota to help schools returning to, and maintaining, safe in-person learning for all students. Per the federal law, 90% of these funds have been allocated to eligible districts and charter schools. 9.5% of these funds are for flexible use by each state education agency to create a plan to meet the needs of students. Funds are eligible for spending through September 30, 2024.

**Minneapolis Public Schools  
Special District No. 1  
Legislative Summary**

**Property Tax Bill**

Effective for taxes payable in 2018, there will be a property tax credit on all property classified as agricultural. The credit will be equal to 40% of the tax on the property attributable to school district bonded debt levies. The credit is increased to 50% for taxes payable in 2020, 55% for taxes payable in 2021, 60% for taxes payable in 2022, and 70% for taxes payable in 2023 and thereafter. Estimated property tax relief totals \$10.9 million for pay 2020, \$18.2 million for pay 2021, and \$27.2 million for pay 2022.

**Maximum Effort Loan Aid**

Effective for 2018 through 2022, there will be payments of \$3.29 million per year made over a five year period to school districts with a maximum effort loan outstanding as of June 30, 2016 equal to the interest paid on the loan between December 1, 1990 and June 30, 2016. For districts with a capital loan outstanding as of June 30, 2017, the aid will be increased by the amount of interest paid on the loan between June 30, 2017 and June 30, 2021.

The aid must be used to reduce the current property tax levies or to finance a defeasance of future payments on outstanding bonded debt.

**Voluntary Prekindergarten (VPK)/School Readiness Plus**

For 2022 and 2023 only, the 4,000 seats currently expiring after 2021 will continue to be funded.

**Pension Bill**

Augmentation has been eliminated for TRA members after December 31, 2017, and early retirement subsidies have been phased out.

Post-retirement cost of living adjustments (COLAs) have been reduced –

- 1) TRA – lowers the COLA from 2% to 1% for five years; then the rate will increase by 0.1% each year until it reaches 1.5%
- 2) PERA – the increase will be 50% of the increase for Social Security announced January 1, but not less than 0.5% or more than 1.5%
- 3) Defers commencement of COLA for early retirees

The rate of interest paid on refunds of employee contributions to former employees has been reduced from 4% to 3%. TRA required contributions have increased to 7.75% for employees effective for fiscal year 2024. Required employer contributions will increase 0.21% for fiscal year 2019 to fiscal year 2023 and 0.2% in fiscal year 2024 until a required contribution rate of 8.75% is reached. Pension adjustment revenue will increase to match the required contribution increases.

**Minneapolis Public Schools  
Special District No. 1  
Emerging Issue**

**Executive Summary**

The following is an executive summary of financial related updates to assist you in staying current on emerging issues in accounting and finance. This summary will give you a preview of the new standards that have been recently issued and what is on the horizon for the near future. The most recent and significant update includes:

- **Accounting Standard Update – GASB Statement No. 87 – Leases** – GASB has issued GASB Statement No. 87 relating to accounting and financial reporting for leases. This new statement establishes a single model for lease accounting based on the principle that leases are financing of the right to use an underlying asset.

The following is an extensive summary of the current update. As your continued business partner, we are committed to keeping you informed of new and emerging issues. We are happy to discuss this issue with you further and their applicability to your District.

**Accounting Standard Update – GASB Statement No. 87 – Leases**

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' basic financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

A short-term lease is defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract.

**Minneapolis Public Schools  
Special District No. 1  
Emerging Issue**

**Accounting Standard Update – GASB Statement No. 87 – *Leases* (Continued)**

A lessee should recognize a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability should be measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset should be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. A lessee should reduce the lease liability as payments are made and recognize an outflow of resources (for example, expense) for interest on the liability. The lessee should amortize the lease asset in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The notes to basic financial statements should include a description of leasing arrangements, the amount of lease assets recognized, and a schedule of future lease payments to be made.

A lessor should recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. The lease receivable should be measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. A lessor should recognize interest revenue on the lease receivable and an inflow of resources (for example, revenue) from the deferred inflows of resources in a systematic and rational manner over the term of the lease. The notes to basic financial statements should include a description of leasing arrangements and the total amount of inflows of resources recognized from leases.

GASB Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

Information provided above was obtained from [www.gasb.org](http://www.gasb.org).

**Minneapolis Public Schools  
Special School District No. 1  
Minneapolis, Minnesota**

**Basic Financial Statements**

**June 30, 2021**

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**Minneapolis Public Schools  
Special School District No. 1  
Minneapolis, Minnesota**

<b>Board of Education and Administration</b>	1
<b>Independent Auditor's Report</b>	2
<b>Management's Discussion and Analysis</b>	5
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements	
Statement of Net Position	20
Statement of Activities	21
Fund Financial Statements	
Balance Sheet – Governmental Funds	22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	23
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	26
Statement of Net Position – Proprietary Fund Internal Service Fund	27
Statement of Revenues, Expenses, and Change in Fund Net Position – Proprietary Fund Internal Service Fund	28
Statement of Cash Flows – Proprietary Fund Internal Service Fund	29
Statement of Fiduciary Net Position	30
Statement of Changes in Fiduciary Net Position	30
Notes to Basic Financial Statements	31
<b>Required Supplementary Information</b>	
Schedule of Changes in Net OPEB Liability and Related Ratios	78
Schedule of Employer Contributions – OPEB	80
Schedule of Investment Returns OPEB Trust	81
Schedule of District's and Non-Employer Proportionate Share of Net Pension Liability – General Employees Retirement Fund	82
Schedule of District's and Non-Employer Proportionate Share of Net Pension Liability – TRA Retirement Fund	82
Schedule of District Contributions – General Employees Retirement Fund	83
Schedule of District Contributions – TRA Retirement Fund	83
Notes to the Required Supplementary Information	84
<b>Supplementary Information</b>	
Combining Balance Sheet – Nonmajor Governmental Funds	92
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	93

**Minneapolis Public Schools  
Special School District No. 1  
Minneapolis, Minnesota**

**Supplementary Information (Continued)**

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Food Service Special Revenue Fund	94
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Community Service Special Revenue Fund	95
Uniform Financial Accounting and Reporting Standards Compliance Table	96

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**Minneapolis Public Schools  
Special School District No. 1  
Board of Education and Administration  
June 30, 2021**

<u>Board of Education</u>	<u>Position</u>	<u>Term Expires</u>
Kim Ellison	Chair	2025
Jenny Arneson	Vice Chair	2023
Josh Pauly	Clerk	2023
Kimberly Caprini	Treasurer	2023
Andriana Cerrillo	Director	2025
Siad Ali	Director	2023
Ira Jourdain	Director	2025
Nelson Inz	Director	2023
Sharon El-Amin	Director	2025
Mary Ghebremeskal	Student Representative	2021
<u>Administration</u>		
Ed Graff	Superintendent	
Ibrahima Diop	Chief Financial Officer	
District Offices	Special School District No. 1 Minneapolis Public Schools 1250 West Broadway Avenue Minneapolis, MN 55411 (612) 668-0000	

## Independent Auditor's Report

To the School Board  
Minneapolis Public Schools  
Special School District No. 1  
Minneapolis, Minnesota

### Report on the Basic Financial Statements

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Minneapolis Public Schools, Special School District No. 1, Minneapolis, Minnesota, as of and for the year ended June 30, 2021, and the related notes to basic financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

### Management's Responsibility for the Basic Financial Statements

The management of Minneapolis Public Schools is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the basic financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Minneapolis Public Schools, Special School District No. 1, Minneapolis, Minnesota, as of June 30, 2021, and the respective changes in financial position thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and the Required Supplementary Information (RSI) as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information identified in the Table of Contents is the responsibility of management and was derived from and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2021, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*BerganKDV, Ltd.*

Minneapolis, Minnesota  
December 1, 2021

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**Minneapolis Public Schools  
Special School District No. 1  
Management's Discussion and Analysis**

This section of the District's annual financial report presents a discussion and analysis of the District's financial performance during fiscal year ended June 30, 2021. Please read it in conjunction with the financial statements that immediately follow this section.

The MD&A is an element of required supplementary information specified in the GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999. Certain comparative information between the current year (2020-2021) and the prior year (2019-2020) is required to be presented in the MD&A.

### **Financial Highlights**

- Total combined fund balance of all the District's governmental funds increased \$41 million from the prior year. This net increase was due to current expenditure reduction in Elementary and Secondary Regular Instruction, Instructional Support Services, and Pupil Support Services primarily related to unfilled vacant positions. These reductions were slightly offset by an increase in current expenditures for District Support Services, Vocational instruction, and Special Education Instruction. Total governmental fund revenues were \$748 million, a decrease of about \$11 million over the prior year total of \$759 million. Revenue from property taxes and revenue from state sources decreased from prior year. Property taxes decreased by \$3.6 million or 1.5% primarily due to a negative adjustment from a previous year. State revenues decreased by \$19 million in the general fund primarily due to decreases in enrollment.
- Total governmental fund expenditures were \$796 million, down \$17 million, or a decrease of 2.1% from the prior year. This decrease is primarily related to a decrease of \$14 million related to Regular Instruction, a decrease of \$5 million related Pupil Support Services, and a decrease of \$25 million related to capital outlay. Total current expenditures increased by 0.8% or \$5.3 million. Specifically, current expenditures by program increased in the following programs: District and School Administration by \$0.8 million or 5.53%, District Support Services by \$6.2 million or 30%, Vocational Education by \$0.2 million or 4%, and Special education instruction by \$5.9 million or 5.16%. Additionally, current expenditures decreased in the following programs: Elementary and Secondary Regular Instruction by \$14 million or 5%, Instructional Support Services by \$0.4 million or 0.9%, and Pupil Support Services by \$5.3 million or 7.5%.

### **Overview of the Financial Statements**

The financial section of the annual report consists of four parts: Independent Auditor's Report, required supplementary information, including the MD&A, the basic financial statements, and supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are **government-wide financial statements** that provide both *short-term* and *long-term* information about the District's *overall* financial status.

**Minneapolis Public Schools  
Special School District No. 1  
Management's Discussion and Analysis**

**Overview of the Financial Statements (Continued)**

- The remaining statements are **fund financial statements** that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the government-wide statements.
- **Governmental funds statements** tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- **Proprietary funds statements** offer *short-term and long-term financial information about the District's self-insured risk management activities*.
- **Fiduciary funds statements** provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

***Government-Wide Statements***

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements the District's activities are shown in one category:

- **Governmental Activities** – Most of the District's basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Property taxes and state aids finance most of these activities.

**Minneapolis Public Schools  
Special School District No. 1  
Management's Discussion and Analysis**

**Overview of the Financial Statements (Continued)**

***Fund Financial Statements***

The fund financial statements provide more detailed information about the District's *funds* – focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District may establish other funds to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal grants).

The District has three categories of funds:

- **Governmental Funds** – Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information (reconciliation schedules) immediately following the governmental funds statements that explain the relationship (or differences) between these two types of financial statement presentations.
- **Proprietary Fund - Internal Service Fund** – Used to report activities that provide supplies and services for the District's other programs and activities. The District currently has one internal service fund for self-insurance of worker's compensation, property and liability, as well as accumulating and recording the liability for accrued compensated absences (severance and vacation) and health insurance benefits for eligible employees upon retirement.
- **Fiduciary Fund** – The District is the trustee, or *fiduciary*, for assets that belong to others, such as assets held in trust for post-employment benefits. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes, and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

**Minneapolis Public Schools  
Special School District No. 1  
Management's Discussion and Analysis**

**Financial Analysis of the District - Government-wide**

***Net Position***

The District's *combined* net position was negative \$723 million on June 30, 2021. This was a change of 5.57% from the prior year (see Table A-1).

**Table A-1  
The District's Net Position**

	Primary Government Governmental Activities		Percentage Change
	2021	2020	
Current and other assets	\$ 777,016,320	\$ 726,081,160	7.02%
Capital assets	786,359,670	765,008,459	2.79%
Total assets	<u>1,563,375,990</u>	<u>1,491,089,619</u>	4.85%
Deferred outflows of resources	<u>326,971,331</u>	<u>574,402,160</u>	-43.08%
Total assets and deferred outflows of resources	<u><u>1,890,347,321</u></u>	<u><u>2,065,491,779</u></u>	-8.48%
Current liabilities	151,790,610	148,673,900	2.10%
Long-term liabilities	1,555,275,560	1,482,453,089	4.91%
Total liabilities	<u>1,707,066,170</u>	<u>1,631,126,989</u>	4.66%
Deferred inflows of resources	<u>906,487,574</u>	<u>1,200,218,874</u>	-24.47%
Net position			
Net investment in capital assets	167,231,208	152,437,418	9.70%
Restricted	54,965,174	47,574,870	15.53%
Unrestricted	<u>(945,402,805)</u>	<u>(965,866,372)</u>	2.12%
Total net position	<u><u>\$ (723,206,423)</u></u>	<u><u>\$ (765,854,084)</u></u>	5.57%

The District's financial position is the product of many factors. For example, the determination of the District's net investment in capital assets involves many assumptions and estimates, such as current and accumulated depreciation amounts.

The District's increase in current and other assets is due to increase in cash and investments because of a reduction to general fund expenditures (again primarily related to unfilled vacant positions) as well as unspent bond proceeds for building construction. The District's increase in total liabilities is due to increases in long-term liabilities due in more than one year.

**Minneapolis Public Schools  
Special School District No. 1  
Management's Discussion and Analysis**

**Financial Analysis of the District - Government-wide (Continued)**

***Changes in Net Position***

The District's *government-wide* total revenues were approximately \$749 million for the year ended June 30, 2021. Property taxes and unrestricted state aid accounted for 70% of total revenue for the year. The remaining 30% came from program revenues, including 27% from operating grants and contributions (Table A-2).

**Table A-2  
Change in Net Position**

	Primary Government		Percentage Change
	Governmental Activities for the Fiscal Year Ended June 30,		
<b>Revenues</b>	2021	2020	
Program revenues			
Charges for services	\$ 8,602,530	\$ 15,265,473	-43.65%
Operating grants and contributions	202,953,369	174,224,653	16.49%
Capital grants and contributions	11,000,000	11,000,000	0.00%
General revenues			
Property taxes	233,860,338	237,462,421	-1.52%
State formula aid	292,899,839	311,877,276	-6.08%
Other	754	10,468,420	-99.99%
Total revenues	<u>749,316,830</u>	<u>760,298,243</u>	-1.44%
<b>Expenses</b>			
District and school administration	\$ 17,003,242	\$ 16,864,097	0.83%
District support services	24,318,391	19,824,078	22.67%
Regular instruction	279,788,567	309,850,944	-9.70%
Vocational instruction	5,089,516	5,068,728	0.41%
Special education instruction	122,202,296	118,877,734	2.80%
Instructional support services	41,490,014	45,584,282	-8.98%
Pupil support services	63,131,018	73,028,360	-13.55%
Sites, buildings, and equipment	90,914,224	87,021,218	4.47%
Fiscal and other fixed cost programs	6,275,779	932,903	572.72%
Food service	18,174,647	22,816,700	-20.34%
Community education and services	26,261,083	31,916,490	-17.72%
Interest and fiscal charges on long-term debt	25,999,423	25,816,996	0.71%
Total expenses	<u>720,648,200</u>	<u>757,602,530</u>	-4.88%
Change in net position	28,668,630	2,695,713	963.49%
Change in accounting principle (GASB 84)	-	695,903	N/A
Prior period adjustment	13,979,031	-	
Net position - beginning	<u>(765,854,084)</u>	<u>(769,245,700)</u>	
Net position - ending	<u>\$ (723,206,423)</u>	<u>\$ (765,854,084)</u>	-5.57%

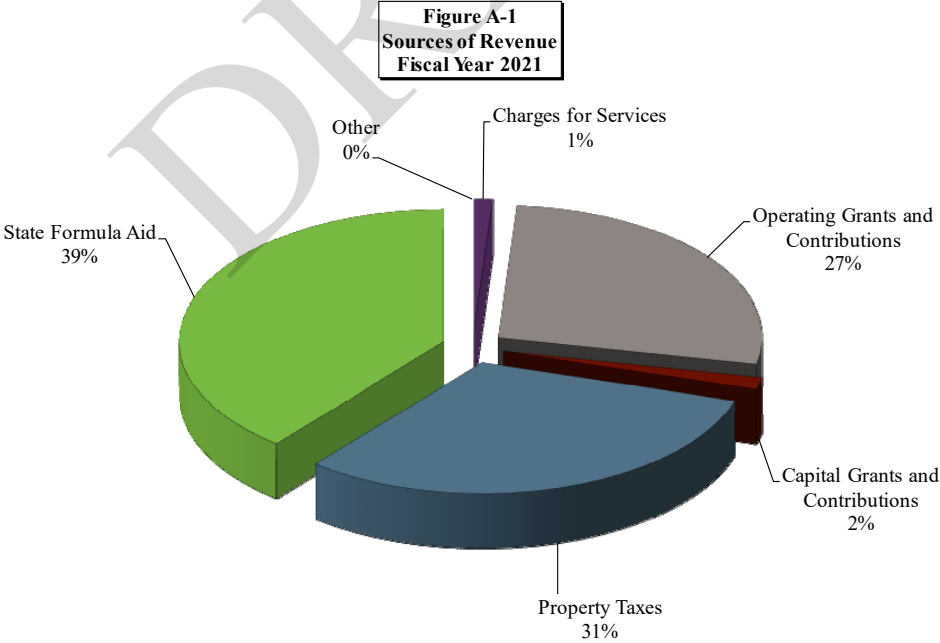
**Minneapolis Public Schools  
Special School District No. 1  
Management's Discussion and Analysis**

**Financial Analysis of the District Government-wide (Continued)**

Total cost of all programs and services was \$721 million in fiscal 2021. District expenses were primarily related to educating and caring for students (71%). The District's Community and Nutritional Service programs accounted for 3% of expenses while facility maintenance totaled 13% and fiscal/other fixed cost expenses totaled 4%. Community Education and Services accounted for 4% of expenses. District and School Administration and District Support Services accounted for 5% of total expenses during fiscal 2021 (see Figure A-2 on next page).

The cost of all *governmental* activities this year was \$720 million.

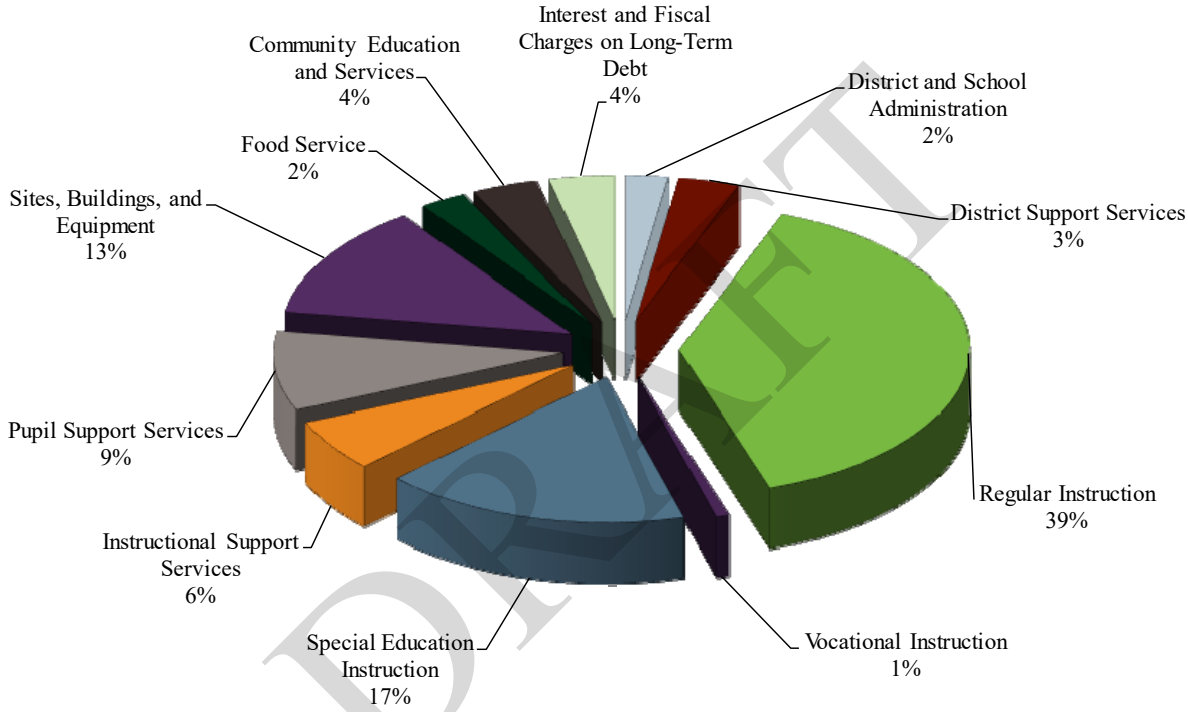
- Some of the costs were paid by the users of the District's programs (Table A-2 previous page, Charges for Services, \$8.6 million).
- The federal and state governments subsidized certain programs with grants and contributions including significant support to respond to the COVID-19 pandemic (Table A-2, Operating and Capital Grants and Contributions, \$203 million).
- Most of the District's costs were paid for with local property taxes of \$234 million and unrestricted state aid of \$293 million.



**Minneapolis Public Schools  
Special School District No. 1  
Management's Discussion and Analysis**

**Financial Analysis of the District Government-wide (Continued)**

**Figure A-2  
Expenses  
Fiscal Year 2021**



Governmental funds include not only funds received for the general operation of the District but also include resources from the entrepreneurial-type funds of Food Service and Community Education, and from resources for fiscal service transactions. Funding for the general operation of the District is controlled by the state and the District does not have the latitude to allocate money received in Food Service or Community Education or for fiscal services to enhance general operation resources, (Figure A-2) shown on the previous page, therefore, the District does not include Special Revenue Funds (Food & Community Services) as a component of the general operation of the District, since the District cannot take funds from these restricted areas and use the funds to enhance instruction-related programs.

**Minneapolis Public Schools  
Special School District No. 1  
Management's Discussion and Analysis**

**Financial Analysis of the District Government-wide (Continued)**

**Table A-3  
Primary Government Cost and Net Cost of Services**

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2021	2020		2021	2020	
Administration	\$ 17,003,242	\$ 16,864,097	0.83%	\$ (5,529,642)	\$16,864,097	-132.79%
District Support Services	24,318,391	19,824,078	22.67%	24,318,391	19,032,571	27.77%
Elementary and Secondary Regular Instruction	279,788,567	309,850,944	-9.70%	245,961,042	254,538,527	-3.37%
Vocational Education Instruction	5,089,516	5,068,728	0.41%	4,577,710	4,363,350	4.91%
Special Education Instruction	122,202,296	118,877,734	2.80%	35,571,454	40,594,476	-12.37%
Instructional Support Services	41,490,014	45,584,282	-8.98%	39,261,907	43,400,465	-9.54%
Pupil Support Services	63,131,018	73,028,360	-13.55%	41,859,475	69,993,540	-40.20%
Sites and Buildings	90,914,224	87,021,218	4.47%	77,849,141	73,360,948	6.12%
Fiscal and Other Fixed Cost Programs	6,275,779	932,903	572.72%	6,275,779	932,903	572.72%
Food Service	18,174,647	22,816,700	-20.34%	(3,174,444)	(860,035)	269.11%
Community Education and Services	26,261,083	31,916,490	-17.72%	5,122,065	9,074,566	-43.56%
Interest and Fiscal Charges						
On long-term debt/depreciation	25,999,423	25,816,996	0.71%	25,999,423	25,816,996	0.71%
<b>Total</b>	<b>\$ 720,648,200</b>	<b>\$ 757,602,530</b>	<b>-4.88%</b>	<b>\$498,092,301</b>	<b>\$ 557,112,404</b>	<b>-10.59%</b>

**Financial Analysis of the District's Funds**

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$420 million, or a \$41 million increase over last year. The increase is primarily attributable to reduced expenditures in the general fund as well as delays in capital projects.

The District's governmental funds reported total expenditures of \$796 million and total revenues of \$749 million. Based on these results, fund balance would have decreased by \$48 million. The District issued bonds that along with their associated premium provided \$89 million in other available resources. These other sources of financing along with revenue exceeded expenditures in the general fund resulted in an overall increase to the *combined* fund balance of \$41 million from the prior year.

**Minneapolis Public Schools  
Special School District No. 1  
Management's Discussion and Analysis**

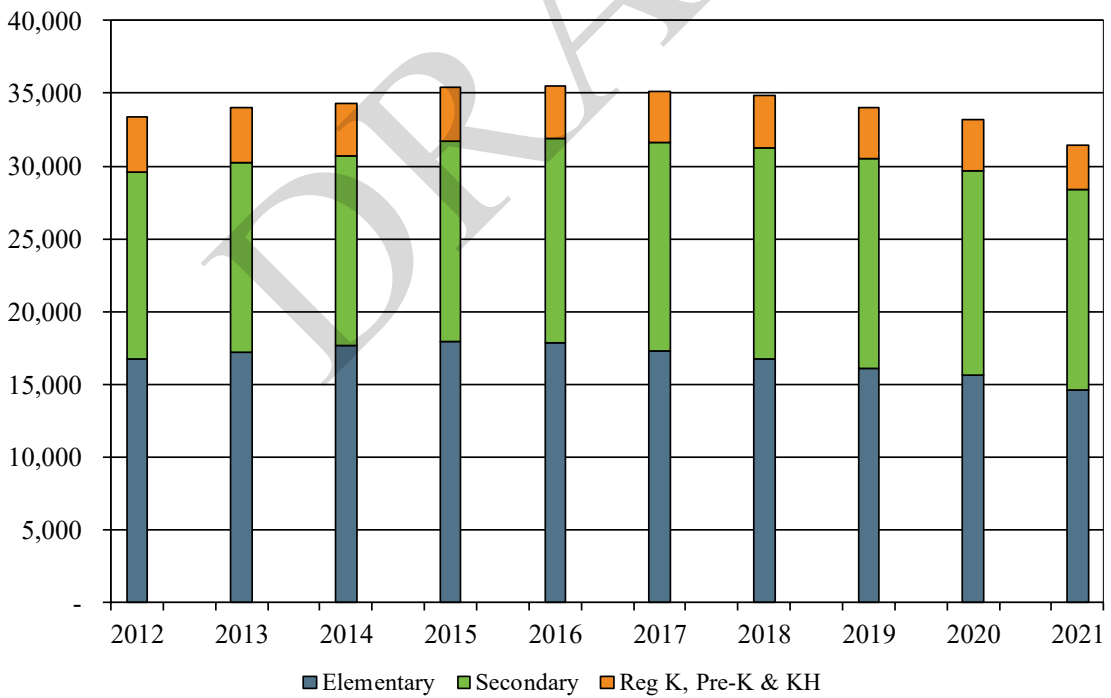
**Enrollment**

Enrollment is a critical factor in determining revenue. The following chart shows that the number of students has decreased over each of the past ten years. There was a decrease in enrollment over the last year of -5.44%.

**Table A-4  
Student Enrollment (Average Daily Membership)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Reg K, Pre-K & KH	3,728	3,789	3,582	3,682	3,587	3,516	3,556	3,508	3,540	3,010
Elementary	16,725	17,218	17,643	17,964	17,866	17,319	16,768	16,098	15,598	14,658
Secondary	12,878	12,985	13,086	13,740	14,019	14,311	14,517	14,444	14,064	13,726
Total students for aid	<u>33,331</u>	<u>33,992</u>	<u>34,311</u>	<u>35,386</u>	<u>35,472</u>	<u>35,146</u>	<u>34,841</u>	<u>34,050</u>	<u>33,202</u>	<u>31,395</u>
Percentage change		1.98%	0.94%	3.13%	0.24%	-0.92%	-0.87%	-2.27%	-2.49%	-5.44%

**Figure A-3  
Student Enrollment  
(Average Daily Membership)**



**Minneapolis Public Schools  
Special School District No. 1  
Management's Discussion and Analysis**

**General Fund**

The General Fund includes the primary operations of the District in providing educational services to students from kindergarten through grade 12. Special Education serves students from birth to 21. The General Fund also includes pupil transportation activities and capital outlay projects.

The following schedule presents a summary of General Fund Revenue.

**Table A-5  
General Fund Revenues**

	Year Ended June 30, 2021		Increase (Decrease	Percentage Change
	2021	2020		
Local sources				
Property taxes	\$ 144,092,501	\$ 151,392,761	\$ (7,300,260)	-4.82%
Earnings on investments	121,670	2,955,530	(2,833,860)	-95.88%
Other	13,215,599	13,088,878	126,721	0.97%
State sources	387,675,107	400,306,331	(12,631,224)	-3.16%
Federal sources	58,628,646	39,941,226	18,687,420	46.79%
Sales and other conversion of assets	-	159,552	(159,552)	-100.00%
<b>Total</b>	<b><u>\$ 603,733,523</u></b>	<b><u>\$ 607,844,278</u></b>	<b><u>\$ (4,110,755)</u></b>	<b>-0.68%</b>

General Fund revenue decreased by \$4.1 million or 0.68% from the previous year.

Revenue decreased in fiscal year 2021 primarily due to decreased earnings on investments, a decrease in property taxes due to enrollment adjustments. While revenue from state sources decreased, it was offset by increased revenue from the federal government for CARES/COVID-19 relief funding.

General Fund Revenue is received in three major categories. In summary, the three categories are:

1. State Education Finance Appropriations
  - A. General Education Aid – The largest share of the education finance appropriation, general education aid, is intended to provide the basic financial support for the education program and is enrollment driven.
  - B. Categorical Aids – Categorical revenue formulas are used to meet costs of that program (i.e., special education) or promote certain types of programs (i.e., career and technical aid).
2. State Paid Property Tax Levies Credits
 

The largest share of the levy is from voter-approved levies: the excess operating referendum, which is also enrollment driven. Property tax credits reduce the amount of property taxes paid. To make up for this reduction, the state pays the difference between what was levied in property taxes and what is received in property taxes to school districts and other taxing districts.

**Minneapolis Public Schools  
Special School District No. 1  
Management's Discussion and Analysis**

**General Fund (Continued)**

3. Federal Sources

The largest source of federal funding normally are those received under the 1965 Elementary and Secondary Education Act as reauthorized as the Every Student Succeeds Act (ESSA) in December of 2015, replacing the No Child Left Behind Act (NCLB). It is one of the United States Federal Government's largest assistance programs for schools. However, the District received significant funding to support changes in operations due to the COVID-19 pandemic from CARES funding.

The following schedule presents a summary of General Fund Expenditures.

**Table A-6  
General Fund Expenditures**

	Year Ended June 30, 2021		Increase (Decrease)	Percentage Change
	2021	2020		
Salaries	\$ 351,972,595	\$ 360,017,028	\$ (8,044,433)	-2.23%
Employee benefits	134,502,222	128,863,301	5,638,921	4.38%
Purchased services	64,668,154	68,005,925	(3,337,771)	-4.91%
Supplies and materials	27,849,591	15,178,147	12,671,444	83.48%
Capital expenditures	2,532,670	1,201,581	1,331,089	110.78%
Other expenditures	3,308,216	4,078,238	(770,022)	-18.88%
<b>Total</b>	<b>\$ 584,833,448</b>	<b>\$ 577,344,220</b>	<b>\$ 7,489,228</b>	<b>1.30%</b>

Total General Fund expenditures increased by \$7.5 million or 1.3% from the previous year.

General Fund salaries and benefits decreased \$2.4 million combined for the year primarily due to unfilled vacant positions. Purchased services and other expenditures all saw further decreases from FY20 largely due to the impact of the COVID-19 pandemic. Supplies and capital expenditures all saw increases from FY20 due to increased technology needs, additional materials needed to mitigate COVID-19 risks and/or accommodate distance learning.

**Debt Service Fund**

The Debt Service Fund had excess revenues over expenditures of approximately \$200,000, ending with a fund balance of \$42 million.

**Other Non-Major Funds**

Revenues exceeded expenditures by about \$2.1 million in the Food Service Fund and resulted in an increase to fund balance bringing the total fund balance to \$5.4 million. In the Community Service Fund, expenditures exceeded revenues by about \$100,000, resulting in an ending fund balance of about \$5 million. The Post-Employment Benefits Debt Services funds saw revenues exceeding expenditures by about \$2.4 million, resulting in an ending fund balance of about \$2.7 million.

**Minneapolis Public Schools  
Special School District No. 1  
Management's Discussion and Analysis**

**Capital Asset and Debt Administration**

***Capital Assets***

By the end of 2021, the District had invested approximately \$786 million (net of accumulated depreciation) in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). More detailed information about capital assets can be found in Note 3 to the financial statements. Total depreciation expense for the year totaled approximately \$30 million.

**Table A-7  
Capital Assets (Net of Depreciation)**

	2021	2020	Percentage Change
Land and construction in progress	\$ 121,964,788	\$ 143,829,791	-15.20%
Other capital assets	664,394,882	621,188,668	6.96%
Total	<u>\$ 786,359,670</u>	<u>\$ 765,018,459</u>	2.79%

**General Fund Budgetary Highlights**

Annual budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America for the General, Food Service, Community Service, Debt Service, and Capital Projects funds. All annual unencumbered appropriations lapse at fiscal year-end.

In accordance with state statute, the Board of Education adopts the various fund budgets by June 30 of the preceding fiscal year. Over the course of the fiscal year, the Board adopts amendments to the budgets for reinstating prior-year unspent school and department budgets, and increases in appropriations for significant unbudgeted costs.

**Factors Bearing on the District's Future**

The general education program is the method by which school districts receive the majority of their financial support. The basic general education formula allowance for Minnesota school districts increased slightly in fiscal year 2021 to \$6,567 per pupil or 2% from the prior year. With significant union contracts, mandatory compliance cost, uncertain political environment and growing demand on limited resources continue to present challenges in funding education for Minnesota schools.

**Minneapolis Public Schools  
Special School District No. 1  
Management's Discussion and Analysis**

**Factors Bearing on the District's Future (Continued)**

During fiscal year 2017, the District's Executive Leadership proposed to the Board of Education priorities, which focused on four core areas. The areas of focus include four priorities (Equity, Literacy, Social Emotional Learning and Multi- Tiered System of Supports). The plan is bold, ambitious and seeks to address the disparity gap that exists in Minneapolis Public Schools. Specifically, this plan calls for the following:

- All children are ready to start kindergarten
- All third-graders can read at grade level
- All achievement gaps between students are closed
- All students are ready for career and/or post-secondary education
- All students graduate from high school

These targets have been set to reignite a sense of urgency in the system and ensure that everyone is operating with a growth mindset.

In April 2019, the District went public with a Comprehensive District Design (CDD) intended to ensure that all Minneapolis Public Schools graduates have a well-rounded education as defined by the federal Every Student Succeeds Act (ESSA). The Board formally approved the CDD in May 2020 for school changes to be implemented in September 2021.

Beginning in March 2020, district operations were significantly impacted by COVID-19. At first, the pandemic presented challenges including how to provide educational services to students in a remote environment. Prior to COVID-19, MPS was not a 1:1 device district. Previous investments in technology allowed for a relatively smooth transition to the work-from-home and social-distance learning environment.

The District spent the majority of the year in distance learning, with elementary students returning to classrooms in February 2021 and secondary students returning in April 2021. Some students enjoyed distance learning and as a result, the district has expanded its MPS Online School to include all grades for FY22. One issue that appeared during the pandemic is increased vacancy rates and challenges filling positions.

**Request For Information**

This financial report is designed to provide citizens, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances, and to demonstrate the District's accountability for the money it receives. Additional details can be requested by mail at the following address:

Minneapolis Public Schools  
Finance Department  
1250 West Broadway Avenue  
Minneapolis, Minnesota 55411  
Or visit our website at <http://www.mpls.k12.mn.us>

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**BASIC FINANCIAL STATEMENTS**

**Minneapolis Public Schools  
Special School District No. 1  
Statement of Net Position  
June 30, 2021**

	Governmental Activities
<b>Assets</b>	
Cash and investments	\$ 563,031,681
Cash and investments held by trustee	31,837,381
Receivables	
Property taxes	116,023,478
Other governments	60,119,913
Other	1,839,186
Prepaid items	2,308,166
Inventory	1,856,515
Capital assets	
Land and construction in progress	121,964,788
Other capital asset, net of depreciation	664,394,882
Total assets	1,563,375,990
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to OPEB	2,438,667
Deferred outflows related to pensions	324,532,664
Total deferred outflows of resources	326,971,331
 Total assets and deferred outflows of resources	 \$ 1,890,347,321
<b>Liabilities</b>	
Salaries and compensated absences payable	\$ 40,290,125
Accounts and contracts payable	23,346,713
Accrued interest	13,404,270
Due to other governmental units	34
Unearned revenue	2,029,888
Long-term liabilities	
Portion due within one year	72,719,580
Portion due in more than one year	1,555,275,560
Total liabilities	1,707,066,170
<b>Deferred Inflows of Resources</b>	
Property taxes levied for subsequent year's expenditures	200,229,018
Deferred charge on refunding	473,964
Deferred inflows related to OPEB	30,913,459
Deferred inflows related to pensions	674,871,133
Total deferred inflows of resources	906,487,574
<b>Net Position</b>	
Net investment in capital assets	167,231,208
Restricted for	
General Fund state-mandated reserves	12,214,531
Food service	5,440,680
Community service	5,119,352
Debt service	32,190,611
Unrestricted	(945,402,805)
Total net position	(723,206,423)
 Total liabilities, deferred inflows of resources, and net position	 \$ 1,890,347,321

**Minneapolis Public Schools  
Special School District No. 1  
Statement of Activities  
Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Administration	\$ 17,003,242	\$ 1,523,168	\$ 21,009,716	\$ -	\$ 5,529,642
District support services	24,318,391	-	-	-	(24,318,391)
Elementary and secondary regular instruction	280,150,136	361,195	33,466,330	-	(246,322,611)
Vocational education instruction	5,089,516	-	511,806	-	(4,577,710)
Special education instruction	122,202,296	3,679,109	82,951,733	-	(35,571,454)
Instructional support services	41,490,014	39,045	2,189,062	-	(39,261,907)
Pupil support services	63,131,018	44,549	21,226,994	-	(41,859,475)
Sites and buildings	90,552,655	111,374	1,953,709	11,000,000	(77,487,572)
Fiscal and other fixed cost programs	6,275,779	-	-	-	(6,275,779)
Food service	18,174,647	187,554	21,161,537	-	3,174,444
Community education and services	26,261,083	2,656,536	18,482,482	-	(5,122,065)
Interest and fiscal charges on long-term debt	25,999,423	-	-	-	(25,999,423)
<b>Total governmental activities</b>	<b>\$ 720,648,200</b>	<b>\$ 8,602,530</b>	<b>\$ 202,953,369</b>	<b>\$ 11,000,000</b>	<b>(498,092,301)</b>
General revenues					
Taxes					
Property taxes, levied for general purposes					144,175,066
Property taxes, levied for community service					5,530,668
Property taxes, levied for debt service					84,154,604
State aid not restricted to specific purposes					292,899,839
Earnings on investments					754
Total general revenues					<u>526,760,931</u>
Change in net position					28,668,630
Net position - beginning					(765,854,084)
Prior period adjustment (see note 12)					13,979,031
Net position - beginning, as restated					<u>(751,875,053)</u>
Net position - ending					<u>\$ (723,206,423)</u>

See notes to basic financial statements.

**Minneapolis Public Schools  
Special School District No. 1  
Balance Sheet - Governmental Funds  
June 30, 2021**

	Major Funds			Other Nonmajor Funds	Total Governmental Funds
	General	Capital Project- Building Construction	Debt Service		
<b>Assets</b>					
Cash and investments	\$ 167,707,285	\$ 247,489,262	\$ 48,805,782	\$ 11,704,718	\$ 475,707,047
Cash and investments held by trustee	-	-	31,018,131	-	31,018,131
Receivables					
Current property taxes receivable	69,818,530	-	39,947,892	3,965,388	113,731,810
Delinquent property taxes receivable	1,403,866	-	810,697	77,105	2,291,668
Due from other Minnesota school districts	-	-	-	92	92
Due from Minnesota Department of Education	36,599,556	-	1,140,383	2,158,633	39,898,572
Due from Federal Government					
through Minnesota Department of Education	15,715,199	-	-	1,861,254	17,576,453
Due from Federal Government received directly	589,365	-	-	229,383	818,748
Due from other governmental units	1,729,072	-	-	96,976	1,826,048
Other receivables	1,365,542	-	-	40,311	1,405,853
Prepaid items	1,290,552	587,894	-	-	1,878,446
Inventory	124,127	-	-	1,732,388	1,856,515
	<u>\$ 296,343,094</u>	<u>\$ 248,077,156</u>	<u>\$ 121,722,885</u>	<u>\$ 21,866,248</u>	<u>\$ 688,009,383</u>
<b>Liabilities</b>					
Salaries and compensated absences payable	\$ 34,462,549	\$ -	\$ -	\$ 522	\$ 34,463,071
Payroll deductions and employer contributions payable	5,827,054	-	-	-	5,827,054
Accounts and contracts payable	13,228,639	9,596,087	12,750	509,237	23,346,713
Due to other governmental units	-	-	-	34	34
Unearned revenue	1,520,220	-	200,000	309,668	2,029,888
Total liabilities	<u>55,038,462</u>	<u>9,596,087</u>	<u>212,750</u>	<u>819,461</u>	<u>65,666,760</u>
<b>Deferred Inflows of Resources</b>					
Property taxes levied for subsequent year's expenditures	113,827,009	-	78,602,411	7,799,598	200,229,018
Unavailable revenue - delinquent property taxes	1,403,866	-	810,697	77,105	2,291,668
Total deferred inflows of resources	<u>115,230,875</u>	<u>-</u>	<u>79,413,108</u>	<u>7,876,703</u>	<u>202,520,686</u>
<b>Fund Balances</b>					
Nonspendable					
Prepaid items	1,290,552	587,894	-	-	1,878,446
Inventory	124,127	-	-	1,732,388	1,856,515
Restricted for					
Student activities	572,832	-	-	-	572,832
Graduation standards - gifted and talented	579,035	-	-	-	579,035
Operating capital	5,501,542	-	-	-	5,501,542
Long-term facilities maintenance	156,383	114,145,784	-	-	114,302,167
Community education programs	65,178	-	-	1,120,064	1,185,242
Basic skills extended time	4,610,186	-	-	-	4,610,186
Early childhood and family educations programs	-	-	-	119,623	119,623
School readiness	-	-	-	2,024,215	2,024,215
Adult basic education	-	-	-	879,610	879,610
Basic skills programs	495,016	-	-	-	495,016
QSCB/QZAB	-	-	29,978,730	-	29,978,730
Building construction	-	123,747,391	-	-	123,747,391
Other purposes	234,359	-	12,118,297	7,294,184	19,646,840
Assigned	57,295,506	-	-	-	57,295,506
Unassigned	55,149,041	-	-	-	55,149,041
Total fund balances	<u>126,073,757</u>	<u>238,481,069</u>	<u>42,097,027</u>	<u>13,170,084</u>	<u>419,821,937</u>
	<u>\$ 296,343,094</u>	<u>\$ 248,077,156</u>	<u>\$ 121,722,885</u>	<u>\$ 21,866,248</u>	<u>\$ 688,009,383</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 296,343,094</u>	<u>\$ 248,077,156</u>	<u>\$ 121,722,885</u>	<u>\$ 21,866,248</u>	<u>\$ 688,009,383</u>

See notes to basic financial statements.

**Minneapolis Public Schools  
Special School District No. 1  
Reconciliation of the Balance Sheet of Governmental  
Funds to the Statement of Net Position  
June 30, 2021**

Total fund balances - governmental funds \$ 419,821,937

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.

Land	35,446,301
Construction in progress	86,518,487
Buildings and improvements, net of accumulated depreciation	654,544,710
Equipment, net of accumulated depreciation	9,850,172

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of:

Bond principal payable	(562,395,000)
Unamortized bond premiums and discounts	(90,870,567)
Certificate of participation payable	(206,090,000)
Net other post employment benefit liability	(41,038,595)
Net pension liability	(677,898,494)
Deferred charge on refunding	(473,964)

Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.

Deferred outflows related to pensions	324,532,664
Deferred inflows related to pensions	(674,871,133)

Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to OPEB that are not recognized in the governmental funds.

Deferred outflows related to OPEB	2,438,667
Deferred inflows related to OPEB	(30,913,459)

Governmental funds do not report a liability for accrued interest on bonds and certificates of participation until due and payable.

(13,404,270)

Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

2,291,668

Internal service funds are used by management to charge the cost of workers compensation and general liability insurance to individual funds, as well as severance benefits. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.

Internal service fund net position	39,304,453
------------------------------------	------------

Total net position - governmental activities

\$ (723,206,423)

**Minneapolis Public Schools  
Special School District No. 1  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Governmental Funds  
Year Ended June 30, 2021**

	Major Funds			Other Nonmajor Funds	Total Governmental Funds
	General	Capital Project- Building Construction	Debt Service		
<b>Revenues</b>					
Local sources					
Property taxes	\$ 144,092,501	\$ -	\$ 81,713,682	\$ 7,904,754	\$ 233,710,937
Earnings on investments	121,670	157,753	(298,576)	9,203	(9,950)
Other	13,215,599	54,305	-	3,145,522	16,415,426
Revenue from state sources	387,675,107	-	11,403,833	14,869,891	413,948,831
Revenue from federal sources	58,628,646	-	429,737	24,646,438	83,704,821
Sales and other conversion of assets	-	-	-	187,560	187,560
Total revenues	<u>603,733,523</u>	<u>212,058</u>	<u>93,248,676</u>	<u>50,763,368</u>	<u>747,957,625</u>
<b>Expenditures</b>					
Current					
Administration	16,049,086	-	-	-	16,049,086
District support services	26,601,884	-	-	-	26,601,884
Elementary and secondary regular instruction	259,680,752	-	-	-	259,680,752
Vocational education instruction	4,797,462	-	-	-	4,797,462
Special education instruction	120,905,966	-	-	-	120,905,966
Instructional support services	43,590,389	-	-	-	43,590,389
Pupil support services	64,371,133	-	-	-	64,371,133
Sites and buildings	40,028,331	38,786,344	-	-	78,814,675
Fiscal and other fixed cost programs	6,275,779	-	-	-	6,275,779
Food service	-	-	-	19,090,261	19,090,261
Community education and services	-	-	-	27,154,272	27,154,272
Capital outlay					
Administration	17,796	-	-	-	17,796
District support services	3,449	-	-	-	3,449
Elementary and secondary regular instruction	85,164	-	-	-	85,164
Vocational education instruction	21,375	-	-	-	21,375
Instructional support services	53,587	-	-	-	53,587
Pupil support services	823,641	-	-	-	823,641
Sites and buildings	1,527,654	32,748,915	-	-	34,276,569
Food service	-	-	-	121,461	121,461
Community education and services	-	-	-	1,368	1,368
Debt service					
Principal	-	-	59,770,000	-	59,770,000
Interest and fiscal charges	-	212,650	33,548,615	-	33,761,265
Total expenditures	<u>584,833,448</u>	<u>71,747,909</u>	<u>93,318,615</u>	<u>46,367,362</u>	<u>796,267,334</u>
Excess of revenues over (under) expenditures	18,900,075	(71,535,851)	(69,939)	4,396,006	(48,309,709)
<b>Other Financing Sources (Uses)</b>					
Bond issuance	-	68,751,356	30,228,644	-	98,980,000
Bond premium	-	20,389,236	-	-	20,389,236
Payment to refunded bond escrow agent	-	-	(29,955,000)	-	(29,955,000)
Total other financing sources (uses)	<u>-</u>	<u>89,140,592</u>	<u>273,644</u>	<u>-</u>	<u>89,414,236</u>
Net change in fund balances	18,900,075	17,604,741	203,705	4,396,006	41,104,527
<b>Fund Balances</b>					
Beginning of year	<u>107,173,682</u>	<u>220,876,328</u>	<u>41,893,322</u>	<u>8,774,078</u>	<u>378,717,410</u>
End of year	<u>\$ 126,073,757</u>	<u>\$ 238,481,069</u>	<u>\$ 42,097,027</u>	<u>\$ 13,170,084</u>	<u>\$ 419,821,937</u>

See notes to basic financial statements.

**Minneapolis Public Schools  
Special School District No. 1  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended June 30, 2021**

Net change in fund balances - total governmental funds \$ 41,104,527

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital asset additions	37,520,995
Depreciation expense	(30,148,814)

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities and repayment of principal reduces the liability. Also, governmental funds report the effect of discounts and premium when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the Statement of Activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

General obligation bond proceeds	(69,595,000)
Long-term facility maintenance proceeds	(29,385,000)
Bond premium	(20,389,236)
Repayment of certificates of participation payable	21,625,000
Repayment of bond principal	38,145,000
Refunding payment to bond escrow agent	29,955,000
Change in accrued interest expense	104,768
Amortization of bond premiums and discounts	7,674,559
Amortization of deferred charge on refunding	(17,485)

Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The net revenue (loss) of the internal service funds is reported with governmental activities. 17,254,970

Net other post employment benefit liabilities are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities. (1,265,812)

Governmental funds recognize pension contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.  
Pension expense (14,064,243)

Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. 149,401

Change in net position - governmental activities \$ 28,668,630

**Minneapolis Public Schools  
Special School District No. 1  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance -  
Budget and Actual - General Fund  
Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Local sources				
Local property taxes	\$ 142,737,828	\$ 142,737,828	\$ 144,092,501	\$ 1,354,673
Earnings on investments	3,000,000	3,000,000	121,670	(2,878,330)
Other local and county revenues	12,429,142	12,289,347	13,174,349	885,002
Revenue from state sources	395,993,023	386,952,639	387,675,107	722,468
Revenue from federal sources	46,442,106	73,500,867	58,628,646	(14,872,221)
Sales and other conversion of assets	-	28,786	41,250	12,464
Total revenues	<u>600,602,099</u>	<u>618,509,467</u>	<u>603,733,523</u>	<u>(14,775,944)</u>
<b>Expenditures</b>				
Current				
Administration	22,824,182	9,309,033	16,049,086	6,740,053
District support services	28,223,415	30,395,780	26,601,884	(3,793,896)
Elementary and secondary regular instruction	277,091,013	276,942,723	259,680,752	(17,261,971)
Vocational education instruction	5,130,321	5,077,991	4,797,462	(280,529)
Special education instruction	126,337,806	122,677,865	120,905,966	(1,771,899)
Instructional support services	39,768,295	41,823,432	43,590,389	1,766,957
Pupil support services	75,111,105	79,316,177	64,371,133	(14,945,044)
Sites and buildings	36,968,207	41,745,129	40,028,331	(1,716,798)
Fiscal and other fixed cost programs	1,280,000	1,310,000	6,275,779	4,965,779
Capital outlay				
Administration	-	17,422	17,796	374
District support services	1,000	-	3,449	3,449
Elementary and secondary regular instruction	20,484	232,912	85,164	(147,748)
Vocational education instruction	-	51,880	21,375	(30,505)
Instructional support services	8,776	13,807	53,587	39,780
Pupil support services	-	-	823,641	823,641
Sites and buildings	103,571	2,652,339	1,527,654	(1,124,685)
Total expenditures	<u>612,868,175</u>	<u>611,566,490</u>	<u>584,833,448</u>	<u>(26,733,042)</u>
Excess of revenues over (under) expenditures	<u>\$ (12,266,076)</u>	<u>\$ 6,942,977</u>	18,900,075	<u>\$ 11,957,098</u>
<b>Fund Balance</b>				
Beginning of year			<u>107,173,682</u>	
End of year			<u>\$ 126,073,757</u>	

**Minneapolis Public Schools  
Special District No. 1  
Statement of Net Position - Proprietary Fund  
Internal Service Fund  
June 30, 2021**

**Assets**

Current assets	
Cash and cash equivalents	\$ 87,324,634
Cash with fiscal agent	819,250
Accounts receivable	433,333
Prepaid items	<u>429,720</u>
Total assets	<u><u>\$ 89,006,937</u></u>

**Liabilities**

Current liabilities	
Accrued severance	\$ 3,521,936
Loss and loss adjustment reserves	
Workers' compensation	2,678,042
Incurred but not reported reserves	
Accrued health insurance benefits	<u>3,449,602</u>
Total current liabilities	<u>9,649,580</u>
Noncurrent liabilities	
Loss and loss adjustment reserves	
Workers' compensation	3,690,242
Incurred but not reported reserves	
Workers' compensation	3,690,242
Property/casualty	975,000
Accrued severance	<u>31,697,420</u>
Total noncurrent liabilities	<u>40,052,904</u>
Total liabilities	<u><u>\$ 49,702,484</u></u>

**Net Position**

Unrestricted	<u><u>\$ 39,304,453</u></u>
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**Minneapolis Public Schools**  
**Special District No. 1**  
**Statement of Revenues, Expenses, and Change in Fund**  
**Net Position - Proprietary Fund**  
**Internal Service Fund**  
**Year Ended June 30, 2021**

<b>Operating Revenue</b>		
Local sources - charges for services		\$ 85,214,335
<b>Operating Expenses</b>		
Claims administration		5,332,164
Workers compensation and other benefits		5,827,628
Self-insured medical benefits		53,521,331
Severance		3,288,946
Total operating expenses		67,970,069
Operating income		17,244,266
<b>Nonoperating Revenue</b>		
Earnings on investments		10,704
Change in net position		17,254,970
<b>Net Position</b>		
Beginning of year		22,049,483
End of year		\$ 39,304,453

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**Minneapolis Public Schools  
Special District No. 1  
Statement of Cash Flows - Proprietary Fund  
Internal Service Fund  
June 30, 2021**

<b>Cash Flows - Operating Activities</b>	
Receipts from premiums	\$ 85,089,246
Claims administration	(5,336,374)
Claims and severance benefits paid	<u>(61,365,624)</u>
Net cash flows - operating activities	18,387,248
 <b>Cash Flows - Investing Activities</b>	
Investment earnings	<u>10,704</u>
Net change in cash and cash equivalents	18,397,952
 <b>Cash and Cash Equivalents (Including Cash with Fiscal Agent)</b>	
Beginning of year	<u>69,745,932</u>
End of year	<u><u>\$ 88,143,884</u></u>
 <b>Reconciliation of Operating Loss to Net Cash Flows - Operating Activities</b>	
Operating loss	\$ 17,244,266
Adjustments to reconcile operating loss to net cash flows - operating activities	
Accounts payable	(4,210)
Prepaid insurance	(90,337)
Accounts receivable	(125,089)
Loss and loss adjustment reserves	1,068,269
Accrued health insurance benefits	351,941
Accrued compensated absences	<u>(57,592)</u>
Net adjustments	<u>1,142,982</u>
Net cash flows - operating activities	<u><u>\$ 18,387,248</u></u>

**Minneapolis Public Schools  
Special School District No. 1  
Statement of Fiduciary Net Position  
June 30, 2021**

	Other Post Employment Benefits Irrevocable Trust Fund
<b>Assets</b>	
Current	
Cash and investments	\$ 26,504,022
<b>Net Position Restricted for Postemployment Benefits Other than Pensions</b>	<u>\$ 26,504,022</u>

**Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2021**

	Other Post Employment Benefits Irrevocable Trust Fund
<b>Additions</b>	
Investment income	\$ 4,737,472
Change in net position	4,737,472
<b>Net Position Restricted for Postemployment Benefits Other than Pensions</b>	
Beginning of year	<u>21,766,550</u>
End of year	<u>\$ 26,504,022</u>

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The basic financial statements of Minneapolis Public Schools Special School District No. 1 have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**B. Reporting Entity**

Minneapolis Public Schools Special School District No. 1 (the District) is an instrumentality of the State of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

GAAP require that the District's basic financial statements include all funds, departments, agencies, boards, commissions, and other organizations which are not legally separate from the District. In addition, the District's basic financial statements are to include all component units – entities for which the District is financially accountable. The District is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of service performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the District. The District has no component units.

Student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside school hours. The School Board does have a fiduciary responsibility in establishing broad policies and ensuring that appropriate financial records are maintained for student activities. However, in accordance with Minnesota State Statutes, the District's School Board has not elected to control or exercise oversight responsibility with respect to the underlying student activities. Accordingly, the student activity accounts are not included in these basic financial statements. As of July 1, 2019, these accounts have been taken under board control and will not be reported separately.

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary fund. The fiduciary fund is only reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position at the fund financial statement level.

As of July 1, 2019, the student activity accounts of the District have been taken under board control and will not be reported separately.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basic Financial Statement Presentation**

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The District applies restricted resources first when an expense is incurred for purpose for which both restricted and unrestricted net position are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

Separate fund financial statements are provided for the governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Fiduciary funds are presented in the fiduciary fund financial statements by type: Other Post Employment Benefits (OPEB) Irrevocable Trust Fund. Since by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the government-wide statements.

The Internal Service Fund is presented in the proprietary fund financial statements. Because the principal user of the internal services is the District's governmental activities, the basic financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service fund is charges for service in the form of insurance premiums and early retirement incentive costs. Operating expenses for the internal service fund include the cost of services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are generally recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting transactions are recorded in the following manner:

**1. Revenue Recognition**

Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to *Minnesota Statutes* and GAAP. *Minnesota Statutes* include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.

**2. Recording of Expenditures**

Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates. Compensated absences and claims and judgments are recognized when payment is due.

The District reports unearned revenue on its balance sheet and government-wide Statement of Net Position. Unearned revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to incurring the qualifying expenditures. In subsequent periods when the District has a legal claim to the resources, the unearned revenue is removed and revenue is recognized.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting (Continued)**

**Description of Funds:**

The existence of the various District funds has been established by the Minnesota Department of Education. The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. A description of the funds included in this report are as follows:

**Major Governmental Funds:**

General Fund – This fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the district, as well as the capital related activities such as maintenance of facilities, equipment purchases, health and safety projects, and disabled accessibility projects.

Capital Projects Fund – This fund is used to account for financial resources used for the acquisition or construction of major capital facilities. The fund was established for building construction activity authorized by specific voter-approved bond issues and for large-scale construction activity authorized by the Board under provisions of state law. Revenues are from property taxes restricted for property maintenance and bond proceeds.

Debt Service Fund – This fund is used to account for the accumulation of resources for, and payment of, general long-term obligation bond principal, interest, and related costs. The regular debt service account is used for all general obligation bond debt service except for refunding bond issues, for which a separate refunding bond trust account has been established. Revenues included in this fund are state and federal aid and property taxes.

**Nonmajor Funds:**

Food Service Special Revenue Fund – This fund is used to account for food service revenues and expenditures. Revenues recorded in this fund include charges for meals along with state and federal reimbursement for meals.

Community Service Special Revenue Fund – This fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs, K-6 extended day programs, or other similar services. Revenues included in this fund include property taxes restricted for Community Service purposes and tuition and fees charged for Community Education along with state and federal aid.

Post Employment Benefits Debt Service – This fund is used to account for the accumulation of resources for and payment of MERF bonds used to finance the District's obligation related to this now defunct pension plan.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting (Continued)**

**Description of Funds: (Continued)**

Proprietary Fund:

Internal Service Fund – This fund accounts for the financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

The District's Internal Service Fund has two main purposes:

1. Self-insurance activities for property, liability, health, and workers' compensation risks.
2. Accumulate and record the liability for accrued compensated absences (severance and vacation).

Fiduciary Fund:

The District has established an OPEB Irrevocable Trust Fund for other post employment benefit payments.

**E. Budgeting**

Budgets presented in this report for comparison to actual amounts are presented in accordance with GAAP. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, Debt Service, and Capital Projects Funds. The approved budget is published in summary form in the District's legal newspaper. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end.

The District employs the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of applicable appropriation. All unencumbered appropriations lapse at fiscal year-end. Encumbrances are generally re-appropriated in the ensuing year's budget.

Procedurally, in establishing the budgetary data reflected in these basic financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board.

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Budgeting (Continued)**

At the end of each fiscal year, if the General Fund has a net unassigned deficit fund balance, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts which excludes certain reserves specified in *Minnesota Statutes*, exceeding a negative 2.5% of operating expenditures, a condition referred to as "statutory operating debt" exists. That debt requires retirement through the accumulation of subsequent operating surpluses in accordance with a "special operating plan" approved by the Commissioner of the Department of Education.

**F. Cash and Investments**

The District's total deposits and investments are comprised of two major components, each with its own set of legal and contractual provisions as described on the following pages.

**District Governmental Funds**

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Cash and investment balances from all funds, with the exception of the investments related to the OPEB Irrevocable Trust Fund, are combined, and invested to the extent available in various securities as authorized by *Minnesota Statutes*. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes. In the Debt Service Fund, the refunding bond escrow account held by trustee can be used only to retire refunded bond issues and to pay interest on refunding bond issues until the crossover refunding dates. Interest earned on these investments is allocated directly to the escrow account.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments held by investment pools are measured at amortized cost.

Cash and investments at June 30, 2021, were comprised of deposits, negotiable certificates of deposit, shares in the Minnesota School District Liquid Asset Fund (MSDLAF), government securities, FHLB, FHLMC, FNMA, and money market funds.

*Minnesota Statutes* require all deposits be protected by federal deposit insurance corporate surety bond or collateral. The market value of collateral pledged must equal 100% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Cash and Investments (Continued)**

**District Governmental Funds (Continued)**

*Minnesota Statutes* authorize the District to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days.

In accordance with GASB Statement No. 79, the various MSDLAF securities are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the MSDLAF. Investments in the MSDLAF MAX must be deposited for a minimum of 14 calendar days with the exception of direct investments of funds distributed by the State of Minnesota. Withdrawals prior to the 14 day restriction period may be subject to a penalty and there is a 24 hour hold on all requests for redemptions. MSDLAF+ Term investments have a maturity of 60 days to one year and early withdrawal may result in substantial early redemption penalties.

**OPEB Irrevocable Trust Fund**

These funds represent investments administered by the District's OPEB Irrevocable Trust Fund investment managers. As of June 30, 2021, they were comprised of mutual funds. The District's investment policy extends to the OPEB Irrevocable Trust Fund investments.

*Minnesota Statutes* authorize the OPEB Trust Fund to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, corporate bonds, common stock and foreign stock of the highest quality, mutual funds, repurchase and reverse agreements, commercial paper of the highest quality with a maturity no longer than 270 days, and in the State Board of Investments. Investments are stated at fair value.

**G. Accounts Receivable**

Represents amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary.

**H. Inventory**

Inventory is recorded using the consumption method of accounting and consist of purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on weighted average cost method, along with processing costs, and surplus commodities are stated at standardized cost, as determined by the Department of Agriculture.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as an expenditure at the time of consumption.

**J. Property Taxes**

The District levies its property tax during the month of December. December 28 is the last day the District can certify a tax levy to the County Auditor. Such taxes become a lien on January 1. The property tax is recorded as revenue when it becomes measurable and available. Hennepin County is the collecting agency for the levy and remits the collections to the District three times a year. The tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Delinquent collections for November and December are received the following January.

A portion of property taxes levied is paid by the State of Minnesota through various tax credits, which are included in revenue from state sources in the basic financial statements.

Current property taxes receivable are recorded for taxes certified the previous December and collectible in the current calendar year, which have not been received by the District. Delinquent property taxes receivable represent uncollected taxes for the past six years, and are deferred and included in the deferred inflows of resources section of the fund financial statements as unavailable revenue because they are not available to finance the operations of the District in the current year.

Property taxes levied for subsequent year's expenditures consist principally of property taxes levied in the current year which will be collected and recognized as revenue in the District's following year to properly match those revenues with the budgeted expenditures for which they were levied. This amount is equal to the amount levied by the School Board in December 2020, less various components and their related adjustments as mandated by the state. These portions of that levy were recognized as revenue in the fiscal year 2021. The remaining portion of the levy will be recognized when measurable and available.

**K. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. A deferred outflows of resources related to pensions is recorded in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the Statement of Financial Position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has five types of items which qualify for reporting in this category. The first item, unavailable revenue from property taxes, arises under a modified accrual basis of accounting and is reported only in the Governmental Funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available. The second item is property taxes levied for subsequent years, which represent property taxes received or reported as a receivable before the period for which the taxes are levied, and is reported as a deferred inflow of resources in both the government-wide Statement of Net Position and the Governmental Funds Balance Sheet. Property taxes levied for subsequent years are deferred and recognized as an inflow of resources in the government-wide financial statements in the year for which they are levied and in the governmental fund financial statements during the year for which they are levied, if available. The third item is a deferred charge on refunding and is reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The fourth item is a deferred inflows of resources related to pensions and is recorded on the government-wide statements for various estimate differences that will be amortized and recognized over future years. The fifth item is deferred inflows of resources related to OPEB for various estimate differences related to this liability that will be amortized and recognized in future years.

**L. Capital Assets**

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The District records all asset purchases in a capital asset group if the purchase is equal or greater than approximately \$5,000 for all equipment. All vehicles and land are capitalized if greater than \$5,000 and all building and site improvements are capitalized if greater than \$25,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statement, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. The District's capital assets have estimated useful lives as listed on the following page.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. Capital Assets (Continued)**

<u>Asset</u>	<u>Useful Life</u>
Buildings	50 years
Building improvements	20 years
Equipment	10 years
Vehicles	8 years
Computers	5 years

Capital assets not being depreciated include land and construction in process.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

**M. Long-Term Obligations**

In the government-wide financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**N. Compensated Absences**

The District's employee vacation and sick leave policies grant to certain groups of employees, if certain conditions are met (see Note 11), a specific number of days of vacation with pay and payment for unused sick leave upon retirement. On June 30, 1998, the District established an internal service fund to accrue for and fund the liability for vacation earned and not yet taken, vested sick pay, salary-related payments, and retiree health insurance benefits due to certain active and retired employees.

Significant assumptions made in estimating the District's severance liability are as follows: (1) annual salary increases of 3.5% annually, and (2) discount rate of 3.25%.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Pensions**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) and additions to/deductions from PERA's and TRA's fiduciary net position have been determined on the same basis as they are reported by PERA and TRA. For this purpose, plan contributions are recognized as of employer paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis, and Minneapolis School District. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015.

**P. Risk Management**

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and injuries to employees for which the District carries commercial insurance and is self-insured for some risks as indicated in Note 10. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in the District's insurance coverage during the year ending June 30, 2021.

**Q. Restricted Assets**

Restricted assets are cash and cash equivalents whose use is limited by legal requirements such as a bond indenture. Restricted assets in these basic financial statements are labeled "Cash and Investments Held by Trustee".

**R. Net Position**

Net position represents the difference between assets and deferred outflows of resources; and liabilities and deferred inflows of resources in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**S. Fund Balance**

In the fund financial statements, governmental funds report fund balances in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable Fund Balances – Portions of fund balance related to prepaids, inventory, long-term receivables, and corpus on any permanent fund.

Restricted Fund Balances – These funds are constrained from outside parties (statute, grantors, bond agreements, etc.).

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**S. Fund Balance (Continued)**

Committed Fund Balances – These funds are established and modified by a resolution approved by the Board of Education.

Assigned Fund Balances – These consist of internally imposed constraints. The Board of Education policy authorized the Superintendent and Superintendent's administration to assign fund balances and their intended uses.

Unassigned Fund Balances – These funds are the residual classification for the general fund and also reflects negative residual amounts in other funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to use restricted first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the District's policy to use committed first, then assigned, and finally unassigned amounts.

The District formally adopted a fund balance policy for the General Fund. The policy establishes a year-end minimum unassigned fund balance of no less than 8% of the estimated General Fund expenditures for the following year.

**T. Use of Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

**U. Postemployment Benefits Other than Pensions (OPEB) – Trust Fund**

Information about the fiduciary net position of the District and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

**A. Deposits**

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the Statement of Net Position and the Balance Sheet as "Cash and Investments." In accordance with *Minnesota Statutes*, the District maintains deposits at financial institutions which are authorized by the District's Board.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**A. Deposits**

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk and follows *Minnesota Statutes* for deposits. *Minnesota Statutes* require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. *Minnesota Statutes* require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository. As of June 30, 2021, the District's deposits with a bank balance of \$1,090,520 were not exposed to custodial credit risk because the balances were fully insured by FDIC or secured by pledged collateral or letters of credit.

As of June 30, 2021, the book value of the District's deposits is \$982,054.

**B. Investments**

**Investment Policy**

In accordance with the *Minnesota Statutes* Chapter 118A and other applicable law, including regulations, the District's investment policy permits making deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in the State of Minnesota. The District is allowed to invest in U.S. Treasury or Federal Agency obligations, commercial paper rated "A-1" or higher and that matures in 270 days or less at the time of purchase, collateralized certificates of deposit, repurchase agreements backed by government collateral, and bankers' acceptances of the top 40 U.S. banks.

The District's investment policy establishes limitations on the holdings on non-U.S. government obligations. The maximum percentage of the portfolio (book value at the date of acquisition) permitted in each security is as follows:

U.S. Treasury/U.S. Government Agencies	100% Maximum
Domestic Commercial Paper ("A-1"/"P-1")	100% Maximum
Collateralized Investment Agreements	100% Maximum
Eligible Bankers' Acceptances	30% Maximum
Repurchase Agreements	25% Maximum
Collateralized Certificates of Deposit	30% Maximum

The District's investment policy with regards to its deposits and investments are in accordance with statutory authority.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

**Concentration of Credit Risk**

This is the risk of loss attributed to the magnitude of an investment in a single issuer. The District's investment policy establishes limitations on portfolio composition by issuer in order to control concentration of credit risk. No more than \$5,000,000 of the District's portfolio will be invested in the securities of any single commercial paper issuer.

**Custodial Credit Risk**

This is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. GASB 40 requires disclosure of all uninsured investment securities purchased by the District or held as collateral on deposits or investments that are not registered in the name of the Minneapolis Public Schools, and held by the counterparty to the investment transactions. The District's investments held by one broker-dealer were insured by SIPC or other supplemental insurance as of June 30, 2021. However, each investment brokerage firm may have a limit to their supplemental insurance and because of the size of the District's portfolio in relation to the brokerage firm's excess SIPC coverage limits, the portion of the supplemental policy applicable to the District's portfolio is unknown.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

**Interest Rate Risk**

This is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. The District's investment policy states that investments shall be managed in a manner to attain a market rate of return through various economic and budgetary cycles, taking into account constraints on risk and other criteria requirements. As of June 30, 2021, the market values, duration, and percent allocation of the District's investments were as listed below.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturities (in Years)</u>	<u>Percent Allocation</u>	<u>Credit Rating</u>
<b>Pooled</b>				
MSDLAF+ Liquid Class	\$ 35,800,887	N/A	6.88%	AAAm
MSDLAF+ Max Class	364,098,048	N/A	69.99%	AAAm
Federal Home Loan Bank (FHLB)	2,394,892	0.82	0.46%	AA+
Federal Farm Credit Bank (FFCB)	8,087,722	0.96	1.55%	AA+
U.S. Treasury Securities	29,000,211	1.29	5.57%	N/A
Fannie Mae	4,037,615	1.34	0.78%	AA+
Freddie Mac	2,086,616	0.99	0.40%	AA+
Mortgage Backed Securities	3,694,897	1.80	0.71%	AA+
Commercial Paper Pool	56,741,068	N/A	10.91%	N/A
Commercial Paper	14,293,404	0.15	2.75%	A-1
Total pooled investments	<u>520,235,360</u>		<u>100.00%</u>	
<b>Non-pooled</b>				
Cash with fiscal agent				
Cash held by trustee	1,858,651	N/A	5.84%	N/A
U.S. Treasury Securities	29,978,730	4.38	94.16%	N/A
Total cash with fiscal agent	<u>31,837,381</u>		<u>100.00%</u>	
Health insurance				
Cash/money market	41,814,275	NA	100.00%	N/A
OPEB Trust Fund				
Mutual Funds	26,428,707	N/A	99.72%	N/A
Cash/Money Market Funds	75,307	N/A	0.28%	N/A
Total OPEB Trust Fund	<u>26,504,014</u>		<u>100.00%</u>	
Total non-pooled investments	<u>100,155,670</u>			
Total investments	<u>\$ 620,391,030</u>			

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

**Interest Rate Risk (Continued)**

The District has the following recurring fair value measurements as of June 30, 2020:

- Pooled investments of \$29,000,211 are valued using Level 1 inputs
- Pooled investments of \$91,336,214 are valued using Level 2 inputs
- Nonpooled OPEB investments of \$26,504,022 are valued using a matrix pricing model (Level 2 inputs)

**C. Deposits and Investments**

The following is a summary of total deposits and investments:

Deposits (Note 2.A.)	\$ 982,054
Investments - pooled (Note 2.B.)	520,235,360
Investments - non-pooled (Note 2.B.)	<u>100,155,670</u>
Total deposits and investments	<u><u>\$ 621,373,084</u></u>

Deposits and investments are presented in the June 30, 2021, basic financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 563,031,681
Cash with fiscal agent	31,837,381
Statement of Fiduciary Net Position	
Cash and investments	<u>26,504,022</u>
Total deposits and investments	<u><u>\$ 621,373,084</u></u>

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 3 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Prior Period Adjustment	Increases	Decreases	Ending Balance
Governmental activities					
Capital assets not being depreciated					
Land	\$ 35,446,301	\$ -	\$ -	\$ -	\$ 35,446,301
Construction in progress	108,383,490	13,979,031	36,503,910	72,347,944	86,518,487
Total capital assets not being depreciated	<u>143,829,791</u>	<u>13,979,031</u>	<u>36,503,910</u>	<u>72,347,944</u>	<u>121,964,788</u>
Capital assets being depreciated					
Buildings	1,278,599,288	-	72,105,217	-	1,350,704,505
Machinery and equipment	50,541,413	-	1,259,811	-	51,801,224
Total capital assets being depreciated	<u>1,329,140,701</u>	<u>-</u>	<u>73,365,028</u>	<u>-</u>	<u>1,402,505,729</u>
Less accumulated depreciation for					
Buildings	667,941,739	-	28,218,056	-	696,159,795
Machinery and equipment	40,020,294	-	1,930,758	-	41,951,052
Total accumulated depreciation	<u>707,962,033</u>	<u>-</u>	<u>30,148,814</u>	<u>-</u>	<u>738,110,847</u>
Total capital assets being depreciated, net	<u>621,178,668</u>	<u>-</u>	<u>43,216,214</u>	<u>-</u>	<u>664,394,882</u>
Governmental activities, capital assets net	<u>\$ 765,008,459</u>	<u>\$ 13,979,031</u>	<u>\$ 79,720,124</u>	<u>\$ 72,347,944</u>	<u>\$ 786,359,670</u>

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 3 – CAPITAL ASSETS (CONTINUED)**

Depreciation expense of \$30,148,814 for the year ended June 30, 2021, was charged to the following governmental functions:

Administration	\$ 87,559
District support services	118,616
Regular instruction	10,289,533
Vocational education instruction	46,442
Special education instruction	230,965
Community education	30,376
Instructional support services	32,391
Pupil support services	959,508
Food service	216,252
Sites and buildings	<u>18,137,172</u>
Total depreciation expense, governmental activities	<u><u>\$ 30,148,814</u></u>

**NOTE 4 – LEASES**

The District leases data processing equipment, buildings, and other miscellaneous equipment through various operating leases. All of the leases include the provision that the District has the right to terminate the agreement at the end of any fiscal year during the term as required by *Minnesota Statutes*. The annual operating lease rental expense is not considered material to the financial position or results of operations of the District.

**NOTE 5 – LONG-TERM LIABILITIES**

The District has issued general obligation school building bonds, alternative facilities bonds, and long-term facilities maintenance bonds to finance the construction of capital facilities or to refinance previous bond issues. Assets of the Debt Service Fund, together with scheduled future tax levies are dedicated for the retirement of these bonds and loans. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)**

**A. Components of Long-Term Liabilities**

	Issue Date	Interest Rates	Original Issue	Maturity Date	Principal Outstanding	Due Within One Year
Long-term liabilities						
G.O. bonds, including						
refunding bonds						
	12/15/09	1.15%	\$ 17,200,000	12/15/2025	\$ 17,200,000	\$ -
	12/28/10	5.13%	19,785,000	12/15/2025	19,785,000	-
	12/01/11	2.00-4.00%	4,260,000	12/15/2025	4,260,000	-
	12/18/12	2.00%-3.00%	21,220,000	2/1/2033	11,810,000	1,060,000
	12/18/12	2.00%-3.00%	18,550,000	2/1/2033	11,615,000	990,000
	12/18/12	3.00%-4.00%	9,285,000	2/1/2022	1,195,000	1,195,000
	12/18/12	2.00%	16,530,000	2/1/2022	2,220,000	2,220,000
	12/04/13	3.00%-4.00%	20,525,000	2/1/2029	10,110,000	1,245,000
	12/04/13	4.00%-5.00%	38,090,000	2/1/2034	28,480,000	1,685,000
	12/23/14	2.00%-3.00%	21,840,000	2/1/2030	10,860,000	1,565,000
	12/23/14	3.00%-4.00%	45,270,000	2/1/2030	30,135,000	2,915,000
	12/23/14	2.00%-5.00%	11,300,000	2/1/2023	3,240,000	1,580,000
	12/29/15	2.34%	21,275,000	2/1/2031	11,770,000	1,330,000
	12/29/15	2.51%	34,755,000	2/1/2031	25,325,000	2,145,000
	12/29/15	1.69%	10,830,000	2/1/2024	4,605,000	1,455,000
	12/22/16	5.00%	41,905,000	2/1/2037	32,805,000	2,715,000
	12/22/16	4.00%-5.00%	51,910,000	2/1/2035	44,440,000	2,265,000
	12/06/17	4.00%-5.00%	28,895,000	2/1/2033	20,975,000	2,985,000
	12/06/17	4.00%-5.00%	51,565,000	2/1/2038	44,065,000	2,590,000
	12/01/18	4.00%-5.00%	40,395,000	2/1/2039	34,170,000	3,510,000
	12/01/18	4.00%-5.00%	51,275,000	2/1/2038	48,190,000	1,865,000
	12/01/19	5.00%	42,735,000	2/1/2040	39,315,000	3,825,000
	12/01/19	5.00%	29,385,000	2/1/2038	28,475,000	1,115,000
	12/01/19	5.00%	5,385,000	2/1/2027	4,425,000	1,040,000
	12/29/20	4.00%-5.00%	46,785,000	2/1/2041	46,785,000	3,395,000
	12/29/20	1.00%-5.00%	<u>26,140,000</u>	2/1/2041	<u>26,140,000</u>	<u>745,000</u>
Total			<u>727,090,000</u>		<u>562,395,000</u>	<u>45,435,000</u>
Certificates of participation						
	12/01/11	6.50%	19,705,000	2/1/2023	4,065,000	2,005,000
	12/23/14	1.40-6.5%	125,570,000	2/1/2030	87,035,000	7,905,000
	12/29/15	2.00-3.20%	44,475,000	2/1/2031	31,860,000	2,780,000
	12/22/16	5.00%	22,025,000	2/1/2032	18,215,000	1,280,000
	12/06/17	4.00-5.00%	38,565,000	2/1/2033	33,025,000	2,130,000
	12/01/19	2.67%	6,715,000	2/1/2035	6,430,000	330,000
	09/29/20	5.00%	<u>26,055,000</u>	4/1/2036	<u>25,460,000</u>	<u>1,205,000</u>
Total			<u>283,110,000</u>		<u>206,090,000</u>	<u>17,635,000</u>
Bond premium					90,870,567	-
Self insurance liability and compensated absences					<u>49,702,484</u>	<u>9,649,580</u>
Total long-term liabilities					<u>\$ 909,058,051</u>	<u>\$ 72,719,580</u>

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)**

**B. Minimum Debt Payments**

Year Ending June 30,	Certificates of Participation Payable		G.O. Bonds	
	Principal	Interest	Principal	Interest
2022	\$ 17,635,000	\$ 8,836,270	\$ 45,435,000	\$ 24,468,233
2023	18,415,000	8,050,220	43,040,000	22,149,324
2024	17,120,000	7,223,750	41,135,000	20,188,624
2025	17,865,000	6,473,650	39,635,000	18,361,474
2026	18,700,000	5,641,100	79,635,000	15,928,343
2027-2031	94,980,000	14,693,200	161,340,000	53,539,588
2032-2036	21,375,000	9,726,300	107,700,000	22,629,413
2037-2040	-	-	44,475,000	4,222,700
Total	<u>\$ 206,090,000</u>	<u>\$ 60,644,490</u>	<u>\$ 562,395,000</u>	<u>\$ 181,487,699</u>

**C. Description of Long-Term Liabilities**

General Obligation School Building Bonds

On September 29, 2020, the District issued \$26,055,000 of Refunding Certificates of Participation, Series 2020A. The proceeds of this issue were deposited into the Debt Service Fund and used on October 1, 2020, to refund, in advance of their stated maturities, the remaining fiscal 2021 through 2036 maturities of the District's COP 2010A, totaling \$12,990,000 and 2010B, totaling \$16,965,000. After the current refunding, the District assumes full debt service of the principal and interest payments on the 2020A issue. The refunding reduced the District's total future debt service payments for the series of bonds by \$6,068,557 and resulted in a present value savings of approximately \$5,559,946.

On December 29, 2020, the District issued \$29,385,000 of General Obligation Long-Term Facilities Maintenance Bonds, Series 2020B. The proceeds of this issue were deposited into the construction fund to finance certain long-term facilities maintenance projects of the District.

On December 29, 2020, the District issued \$6,715,000 of COP Bonds, Series 2020C. The proceeds of this issue were deposited into the construction fund to finance certain long-term facilities maintenance projects of the District.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)**

**D. Changes in Long-Term Liabilities**

See Notes 10 and 11 for detailed information on the District's Self Insurance Plan and Compensated Absences.

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2020</u>
Governmental activities				
Bonds payable				
General obligation bonds	\$ 530,255,000	\$ 72,925,000	\$ (40,785,000)	\$ 562,395,000
Bond premium	78,155,890	20,389,236	(7,674,559)	90,870,567
Certificates of participation payable	228,975,000	26,055,000	(48,940,000)	206,090,000
Self insurance reserves and compensated absences	48,339,866	1,362,618	-	49,702,484
	<u>48,339,866</u>	<u>1,362,618</u>	<u>-</u>	<u>49,702,484</u>
 Total governmental activity long-term liabilities	 <u>\$ 885,725,756</u>	 <u>\$ 120,731,854</u>	 <u>\$ (97,399,559)</u>	 <u>\$ 909,058,051</u>

The internal service fund typically liquidates the liability related to self-insurance and compensated absences.

**NOTE 6 – FUND BALANCES**

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties. Administration also has the authority to internally assign portions of fund balance for specific purposes. Other amounts are identified as nonspendable as disbursement has been made for a good or service that will benefit future periods.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 6 – FUND BALANCES (CONTINUED)**

Restricted and nonspendable/assigned fund balances at June 30, 2021, are as follows:

	Restricted	Nonspendable/ Assigned
General Fund		
Nonspendable for prepaid items	\$ -	\$ 1,290,552
Nonspendable for inventory	-	124,127
Restricted for student activities	572,832	-
Restricted for long-term facilities maintenance	156,383	-
Restricted for basic skills extended time	4,610,186	-
Restricted for Contract Alternative Schools	65,178	-
Restricted for Basic Skills	495,016	-
Restricted for area learning center	5,501,542	-
Restricted for gifted and talented	579,035	-
Restricted for other purposes	234,359	-
Assigned for referendum - class size	-	36,301,597
Assigned for Capital Projects Referendum	-	4,482,593
Assigned for alternative compensation	-	2,693,995
Assigned for Curriculum Adoption/Replacement	-	2,000,000
Assigned for Funded Projects and Reemployment Insurance	-	4,317,321
Assigned for contingency	-	4,000,000
Assigned for comprehensive district design	-	3,500,000
Total General Fund	<u>12,214,531</u>	<u>58,710,185</u>
Special Revenue Funds		
Food Service Fund		
Restricted for other purposes	3,708,292	-
Nonspendable for inventory	-	1,732,388
Community Service Fund		
Restricted for school readiness	2,024,215	-
Restricted for adult basic education	879,610	-
Restricted for community education programs	1,120,064	-
Restricted for early childhood and family	119,623	-
Restricted for Grants & Funded Programs	916,897	-
Total Special Revenue Funds	<u>8,768,701</u>	<u>1,732,388</u>
Capital Projects - Building Construction Fund		
Nonspendable for prepaid items	-	587,894
Restricted for long-term facilities maintenance	114,145,784	-
Restricted for building construction	123,747,391	-
Total Building Construction Fund	<u>237,893,175</u>	<u>587,894</u>
Debt Service Fund		
Restricted for QSCB/QZAB	29,978,730	-
Restricted for other purposes	12,118,297	-
Total Debt Service Fund	<u>42,097,027</u>	<u>-</u>
Post Employment Benefits Debt Service Fund		
Restricted for other purposes	<u>2,668,995</u>	<u>-</u>
Total all funds	<u>\$ 303,642,429</u>	<u>\$ 61,030,467</u>

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 6 – FUND BALANCES (CONTINUED)**

Restricted/Reserved for Student Activities – This balance represents available resources to be used for the extracurricular activity funds raised by the students.

Restricted for Gifted and Talented – The part of General Education Aid revenue for the gifted and talented program that is unspent at year end must be restricted in this Balance Sheet account

Restricted/Reserved for Operating Capital – This balance represents available resources in the General Fund to be used to purchase equipment and facilities.

Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) – This balance represents available resources to be used for LTFM projects in accordance with the 10-year plan (*Minnesota Statutes* 123B.595, subd. 12).

Restricted for Community Education Programs – The fund balance restriction represents accumulated resources available to provide general community education programming.

Restricted/Reserved for Basic Skills Extended Time – This balance represents resources available for the basic skills extended time uses listed in *Minnesota Statutes* 126C.15, subd. 1.

Restricted for Early Childhood and Family Education Programs – This fund balance restriction represents accumulated resources available to provide services for early childhood and family education programming.

Restricted for School Readiness Programs – The fund balance restriction represents accumulated resources available to provide school readiness programming (*Minnesota Statutes* 124D.16).

Restricted for Adult Basic Education – The fund balance restriction represents accumulated resources available to provide adult basic education services.

Restricted for QSCB/QZAB – The fund balance restriction represents resources required by agreement to be segregated for future payments of Qualified Zone Academy Bond (QZAB) or Qualified School Construction Bonds (QSCB) debt instruments. These resources are held by the District and will pay off the debt at maturity.

Restricted for Building Construction – Restricted for building construction represents available resources to fund construction expenditures on current and future contracts.

Restricted for Other Purposes – Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

**Teachers' Retirement Association**

The District participates in various pension plans, total pension expense for the year ended June 30, 2021, was \$62,946,572. The components of pension expense are noted in the following plan summaries.

The General Fund typically liquidates the Liability related to the pensions.

**A. Plan Description**

The Teachers Retirement Association (TRA) is an administrator of a multiple employer, cost-sharing, defined benefit retirement fund. TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with *Minnesota Statutes*, Chapters 354 and 356. TRA is a separate statutory entity and administered by a Board of Trustees. The Board consists of four active members, one retired member, and three statutory officials.

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those teachers employed by St. Paul Schools or Minnesota State Colleges and Universities). Educators first hired by Minnesota State may elect either TRA coverage or coverage through the Define Contribution Plan (DCR) administered by Minnesota State.

**B. Benefits Provided**

TRA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by *Minnesota Statute* and vest after three years of service credit. The defined retirement benefits are based on a member's highest average salary for any five consecutive years of allowable service, age, and a formula multiplier based on years of credit at termination of service.

Two methods are used to compute benefits for TRA's Coordinated and Basic Plan members. Members first employed before July 1, 1989, receive the greater of the Tier I or Tier II benefits as described.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Teachers' Retirement Association (Continued)**

**B. Benefits Provided (Continued)**

*Tier I Benefits*

Tier 1	Step Rate Formula	Percentage
Basic	First ten years of service	2.2% per year
	All years after	2.7% per year
Coordinated	First ten years if service years are up to July 1, 2006	1.2% per year
	First ten years if service years are July 1, 2006, or after	1.4% per year
	All other years of service if service years are up to July 1, 2006	1.7% per year
	All other years of service if service years are July 1, 2006, or after	1.9% per year

With these provisions:

- Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- 3% per year early retirement reduction factor for all years under normal retirement age.
- Unreduced benefits for early retirement under a Rule of 90 (age plus allowable service equals 90 or more).

*Tier II Benefits*

For years of service prior to July 1, 2006, a level formula of 1.7% per year for coordinated members and 2.7% per year for basic members is applied. For years of service July 1, 2006, and after, a level formula of 1.9% per year for Coordinated members and 2.7% for Basic members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under *Minnesota Statute*. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

Members first employed after June 30, 1989, receive only the Tier II calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed age 66.

Six different types of annuities are available to members upon retirement. The No Refund Life Plan is a lifetime annuity that ceases upon the death of the retiree – no survivor annuity is payable. A retiring member may also choose to provide survivor benefits to a designated beneficiary(ies) by selecting one of the five plans that have survivorship features. Vested members may also leave their contributions in the TRA Fund upon termination of service in order to qualify for a deferred annuity at retirement age. Any member terminating service is eligible for a refund of their employee contributions plus interest.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Teachers' Retirement Association (Continued)**

**B. Benefits Provided (Continued)**

*Tier II Benefits (Continued)*

The benefit provisions stated apply to active plan participants. Vested, terminated employees who are entitled to benefits but not yet receiving them are bound by the plan provisions in effect at the time they last terminated their public service.

**C. Contribution Rate**

Per *Minnesota Statutes*, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year ended June 30, 2019, June 30, 2020, and June 30, 2021, were:

	June 30, 2019		June 30, 2020		June 30, 2021	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic	11.0%	11.71%	11.0%	11.92%	11.0%	12.13%
Coordinated	7.5%	7.71%	7.5%	7.92%	7.5%	8.13%

In an agreement related to the merger of the Minneapolis Teachers Retirement Association, the District has agreed to pay an additional 3.64% for a total employer contribution of 11.77%.

The following is a reconciliation of employer contributions in TRA's CAFR "Statement of Changes in Fiduciary Net Position" to the employer contributions used in Schedule of Employer and Non-Employer Pension Allocations. Amounts are reported in thousands.

Employer contributions reported in TRA's CAFR Statement of Changes in Fiduciary Net Position	\$ 425,223
Deduct employer contributions not related to future contribution efforts	(56)
Deduct TRA's contributions not included in allocation	(508)
Total employer contributions	424,659
Total non-employer contributions	35,587
Total contributions reported in <i>Schedule of Employer and Non-Employer Pension Allocations</i>	\$ 460,246

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Teachers' Retirement Association (Continued)**

**C. Contribution Rate (Continued)**

Amounts reported in the allocation schedules may not precisely agree with basic financial statement amounts or actuarial valuations due to the number of decimal places used in the allocations. TRA has rounded percentage amounts to the nearest ten thousandths.

**D. Actuarial Assumptions**

The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability

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**Actuarial Information**

Valuation date	July 1, 2020
Experience study	June 5, 2015
	November 6, 2017, (economic assumptions)
Actuarial cost method	Entry Age Normal
Actuarial assumptions	
Investment rate of return	7.50%
Price inflation	2.50%
Wage growth rate	2.85% before July 1, 2028, and 3.25% thereafter
Projected salary increase	2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% thereafter
Cost of living adjustment	1.0% for January 2020 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

**Mortality Assumption**

Pre-retirement	RP 2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP 2015 scale.
Post-retirement	RP 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of set rates. Generational projections uses the MP 2015 scale.
Post-disability	RP 2014 disabled retiree mortality table, without adjustment.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Teachers' Retirement Association (Continued)**

**D. Actuarial Assumptions (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	35.5 %	5.10 %
International equity	17.5	5.30
Private markets	25.0	5.90
Fixed income	20.0	0.75
Unallocated cash	2.0	0.00
Total	<u>100 %</u>	

The TRA actuary has determined the average of the expected remaining services lives of all members for fiscal year 2016 is six years. The "Difference Between Expected and Actual Experience," "Changes of Assumptions," and "Changes in Proportion" use the amortization period of six years in the schedule presented. The amortization period for "Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments" is over a period of five years as required by GASB 68.

Changes in actuarial assumptions and methods for the July 1, 2020, valuation:

- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the RP 2014 white collar employee table, male rates set back five years, and female rates set back seven years. Generational projection uses the MP 2015 scale.
- Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Teachers' Retirement Association (Continued)**

**E. Discount Rate**

The discount rate used to measure the total pension liability was 7.5%. There was no change since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal 2020 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

**F. Net Pension Liability**

On June 30, 2021, the District reported a liability of \$492,005,396 for its proportionate share of the net pension liability. In addition, the net pension liability allocated to the district under a lump sum direct aid payment related to the District's merger into the fund is \$36,120,587 for a total liability allocated to the District of \$528,125,983. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis, and Minneapolis School District. District proportionate share was 6.6594% at the end of the measurement period and 6.8056% for the beginning of the year. An additional 0.4889% was allocated at June 30, 2020, under the direct aid payment agreement.

The pension liability amount reflected a reduction due to direct aid provided to TRA. The amount recognized by the District as its proportionate share of the net pension liability, the direct aid and total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of net pension liability	\$ 528,125,983
State's proportionate share of the net pension liability associated with the District	41,243,603

For the year ended June 30, 2021, the District recognized pension expense of \$71,245,624. Included in this amount, the District recognized \$3,778,191 as pension expense for the support provided by direct aid.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Teachers' Retirement Association (Continued)**

**F. Net Pension Liability (Continued)**

On June 30, 2021, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,591,064	\$ 8,821,961
Net difference between projected and actual earnings on plan investments	3,221,155	-
Changes of assumptions	243,130,704	494,740,827
Changes in proportion	10,908,990	144,177,838
Contributions to TRA subsequent to the measurement date	32,764,440	-
Total	\$ 300,616,353	\$ 647,740,626

The \$32,764,440 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2022	\$ (4,587,629)
2023	(235,684,382)
2024	(143,971,220)
2025	3,976,560
2026	377,958
Total	\$ (379,888,713)

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Teachers' Retirement Association (Continued)**

**G. Pension Liability Sensitivity**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent lower (6.5%) and 1 percent higher (8.5%) than the current rate.

	District proportionate share of NPL		
	1% Decrease in Discount Rate (6.50%)	Current Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Standard share	\$ 753,255,056	\$ 492,005,396	\$ 276,748,881
Direct aid share	55,300,237	36,120,587	20,317,525

The District's proportion of the net pension liability was based on the employer contributions to TRA in relation to TRA's total employer contributions including direct aid contributions from the State of Minnesota, City of Minneapolis, and Minneapolis School District.

**H. Pension Plan Fiduciary Net Position**

Detailed information about the plan's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at [www.MinnesotaTRA.org](http://www.MinnesotaTRA.org), or by writing to TRA at 60 Empire Drive, Suite 400, St. Paul, MN, 55103-4000, or by calling (651) 296-2409 or (800) 657-3669.

**Public Employees' Retirement Association**

**A. Plan Description**

The District participates in the following cost-sharing multiple-employer defined benefit pension plan administered by PERA. PERA's defined benefit pension plan is established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

**General Employees Retirement Plan**

The General Employees Retirement Plan covers certain full time and part time employees of the District. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Public Employees' Retirement Association**

**B. Benefits Provided**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1 the annuity accrual rate for a Coordinated Plan member is 1.2% for each of the first 10 years of service 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.0% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

**C. Contributions**

*Minnesota Statutes* set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2021 and the District was required to contribute 7.5% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2021, were \$12,905,340. The District's contributions were equal to the required contributions as set by state statute.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs**

General Employees Fund Pension Costs

At June 30, 2021, the District reported a liability of \$149,772,511 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$4,618,393. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 2.4981% at the end of the measurement period and 2.9200% for the beginning of the period.

District's proportionate share of net pension liability	\$	149,772,511
State of Minnesota's proportionate share of the net pension liability associated with the District		4,618,393
		4,618,393
Total	\$	154,390,904

For the year ended June 30, 2021, the District recognized pension expense of \$(8,299,052) for its proportionate share of General Employees Plan's pension expense. Included in this amount, the District recognized an additional \$401,940 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs (Continued)**

General Employees Fund Pension Costs (Continued)

At June 30, 2021, the District reported its proportionate share of deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,589,888	\$ 566,669
Changes in actuarial assumptions	-	5,894,999
Difference between projected and actual investments earnings	1,479,707	-
Changes in proportion and differences between contributions made and District's proportion share of contributions	7,941,376	20,668,839
District's contributions to PERA subsequent to the measurement date	12,905,340	-
Total	\$ 23,916,311	\$ 27,130,507

The \$12,905,340 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense
2022	\$ (14,655,511)
2023	(2,136,196)
2024	(2,946,376)
2025	3,618,547
Total	\$ (16,119,536)

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2020, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50% Per year
Active member payroll growth	3.25% Per year
Investment rate of return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on the Pub-2010 General Employee Mortality table. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year.

Actuarial assumptions used in the June 30, 2020, valuation was based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020, actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2020:

**Changes in Actuarial Assumptions**

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changes as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was change from two years older for females to one year older.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**E. Actuarial Assumptions (Continued)**

Changes in Actuarial Assumptions (Continued)

- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation or current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023, and 0.0% thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic stocks	35.5 %	5.10 %
International stocks	17.5	5.30
Bonds (fixed income)	20.0	0.75
Alternative assets (private markets)	25.0	5.90
Cash	2.0	0.00
Total	<u>100 %</u>	

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**F. Discount Rates**

The discount rate used to measure the total pension liability in 2020 was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in *Minnesota Statutes*. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**G. Pension Liability Sensitivity**

The table on the following page presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.5%)	Current Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
District's proportionate share of the PERA net pension liability	\$ 240,033,386	\$ 149,772,511	\$ 75,314,542

**H. Pension Plan Fiduciary Net Position**

Detailed information about the General Employees Fund's fiduciary net position is available in a separately-issued PERA financial report that includes the basic financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN**

**A. Plan Description**

The District provides a single-employer defined benefit health care plan to eligible retirees and their families. The plan offers medical and dental coverage administered by HealthPartners and Delta Dental, respectively. It is the District's policy to periodically review its medical coverage and to obtain requests for proposals in order to provide the most favorable benefits and premiums for District employees and retirees.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**B. Benefits Provided**

Employees of the District who retire and have met the age and service requirements necessary to receive an annuity from PERA, TRA, or MERF are eligible to remain in the group health insurance plans. Employees who are at least age 55 or have 30 years or more service (including 10 years of service with the District) at retirement and are not qualified to participate in such program of medical insurance provided by another employer will receive health insurance. The District will contribute the same amount towards retiree health insurance as it would for active employees. The District will contribute the prevailing employer contribution from the master agreement in effect at the time of retirement until the earlier of age 65 or death. The General Fund, Capital Projects Fund, Food Service Fund, and Community Service Fund typically liquidate the Liability related to OPEB.

Dental insurance is covered by the District in the group plan for active employees and retirees contribute COBRA rates. For MPSASP and ELT plan members dental coverage through the District is only for those who were hired prior to July 1, 2010. Retirees for those plans still contribute the COBRA rates.

**C. Members**

As of June 30, 2021, the following were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	70
Active employees	<u>5,560</u>
Total	<u><u>5,630</u></u>

**D. Contributions**

Retirees contribute to the health care plan at the same rate as District employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the District, based on the contract terms with Health Partners. The required contributions are based on projected pay-as-you-go financing requirements. For the year 2021, the District contributed \$618,046 to the plan.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**E. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

Investment rate of return	4.50%, net of investment expense
Salary Scale	3.00%
Inflation	2.50%
Healthcare cost trend increases	8.0% , decreasing to 4.5% over eight years
Mortality Assumption	RP-2014 Employee Mortality Table, adjusted for white collar and mortality improvements using projection scale MP- 2015

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2020 – June 30, 2021.

**Changes in Actuarial Assumptions**

- Discount rate was decreased from 2.90% to 2.53%.

The discount rate used to measure the total OPEB liability was 2.53% based on the long-term expected rate of return and the municipal bond index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another scale).

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**E. Actuarial Assumptions (Continued)**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	50 %	0.00 %
Domestic equity	33	3.60
International equity	17	4.50
Unallocated cash	0	0.00
Other	0	0.00
	<hr/>	
Total	<u>100 %</u>	

The details of the investments and the investment policy are described in Note 2. of the District's basic financial statements. For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 22.20%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**F. Discount Rate**

The discount rate used to measure the total OPEB liability was 2.53%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**G. Changes in Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at July 1, 2019	\$ 60,134,976	\$ 21,766,558	\$ 38,368,418
Changes for the year			
Service cost	5,213,029	-	5,213,029
Interest	1,886,130	-	1,886,130
Differences between expected and actual economic experience	(1,045,632)	3,845,709	(4,891,341)
Employer contributions	-	618,046	(618,046)
Changes in assumptions	1,972,160	-	1,972,160
Benefit payments	(618,046)	(618,046)	-
Projected earnings on fiduciary net position	-	977,564	(977,564)
Administrative expense	-	(85,809)	85,809
Net changes	7,407,641	4,737,464	2,670,177
Balances at June 30, 2020	\$ 67,542,617	\$ 26,504,022	\$ 41,038,595
Plan fiduciary net position as a percentage of the total OPEB liability			39.24%

**H. OPEB Liability Sensitivity**

The following presents the District's net OPEB liability calculated using the discount rate of 2.53% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

	1% Decrease in Discount Rate (1.53%)	Current Discount Rate (2.53%)	1% Increase in Discount Rate (3.53%)
Net OPEB Liability	\$ 46,604,026	\$ 41,038,595	\$ 35,821,428

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**H. OPEB Liability Sensitivity (Continued)**

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using trend rates that are 1% lower and 1% higher than the trend rates.

	1% Decrease in Trend Rate (8.00%)	Current Trend Rate (9.00%)	1% Increase in Trend Rate (10.00%)
Net OPEB Liability	\$ 32,104,451	\$ 41,038,595	\$ 51,817,902

**I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2021, the District recognized OPEB expense of \$1,883,858. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ -	\$ 3,450,314
Differences between expected and actual economic experience	-	17,507,001
Changes of assumptions	2,438,667	9,956,144
Total	\$ 2,438,667	\$ 30,913,459

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to OPEB (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Total
2022	\$ (4,323,549)
2023	(4,260,775)
2024	(4,048,874)
2025	(4,086,484)
2026	(3,317,342)
2027+	(8,437,768)
Total	\$ (28,474,792)

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

**A. Federal and State Programs**

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**B. Contingencies**

The District is subject to legal proceedings and claims which arise in the ordinary course of business. Management has accrued claims payable in the amount of \$11,033,526 as disclosed in Note 10 for general liability, auto liability, and worker's compensation claims.

**C. Teachers Retirement Association**

The District is required to levy for and contribute amounts to Minnesota Teachers Retirement Association under *Minnesota statutes* totaling \$2,250,000 each year, due by October 1. These amounts are further described in Note 7 as direct aid contributions.

**D. Construction Commitments**

The District has in process various multi-year construction and repair projects which were not completed in the current fiscal year. As of June 30, 2021, outstanding commitments for these multi-year projects total approximately \$18,319,586.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 10 – COMPENSATED ABSENCES**

Employees of the District are eligible for severance pay based on unused sick leave as follows:

**A. Administrators**

Employees who are at least 55 years of age or who are credited with 30 years of service by the Minneapolis Teachers Retirement Fund Association (MORFA) may be eligible to receive payment for 50% of unused sick leave.

**B. Teachers**

Employees who are at least 55 years of age or who are credited with 30 years of service by the MTRFA receive payment for 50% of unused sick leave. All amounts of vested sick pay are accrued as liabilities in the Internal Service Post Retirement Benefits Fund.

**C. Principals**

Employees hired on or before July 1, 2014, and who are at least 55 years of age or who are credited with 30 years of service receive severance pay amounting to 60% of unused sick leave. Employees hired after July 1, 2014, receive payment up to 80 hours of unused sick leave at 60% of the daily rate of pay.

**NOTE 11 – RISK MANAGEMENT**

The District accounts for the risk management activities of workers' compensation and general liability exposure in its Self-Insurance Fund, a proprietary-type Internal Service Fund. Inter-fund premiums for coverage are charged to activities of user funds as quasi-external transactions. The District purchases insurance coverage for its property exposure, with an aggregate coverage amount of \$250,000,000.

The District is self-insured for workers' compensation coverage and caps its liability with the purchase of reinsurance coverage. The District is a member of Workers' Compensation Reinsurance Association (WCRA), which reimburses members for individual claim losses exceeding a member's chosen retention limit. The retention limit for the District at June 30, 2021 and 2019, was \$2,000,000.

Liabilities of \$10,058,526 have been recorded in the Self-Insurance Fund for known workers' compensation claims and for claims incurred but not reported as of June 30, 2021. The recorded reserves are actuarially evaluated annually and adjusted accordingly. The discount rate used at June 30, 2021, was 2.5%.

The District became self-insured for general liability for claims incurred after January 1, 1990, through June 30, 1999, and for claims incurred after July 1, 2001 (the self-insurance period). The District purchased general liability insurance from Royal Insurance covering the period from July 1, 1999 through June 30, 2001. Claims incurred during the self-insurance period are the responsibility of the District. *Minnesota Statutes* limit the maximum liability of a public employer to \$300,000 per claimant and \$1,500,000 for claims from a single event. There are several lawsuits pending in which the District is involved. The District estimates that the potential claims against the District that are not covered by insurance or reserves resulting from such litigation would not materially affect the District's basic financial statements. Liabilities of \$975,000 have been established to cover such claims as of June 30, 2021.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 11 – RISK MANAGEMENT (CONTINUED)**

The following summarizes claims activity in the District's self-insurance internal service fund related to general liability and workers' compensation:

Claims incurred but not reported or case reserves at June 30, 2018	\$ 11,670,393
Claims incurred, fiscal year 2019	6,294,517
Claims paid, fiscal year 2019	(8,662,540)
Claims incurred but not reported or case reserves at June 30, 2019	9,302,370
Claims incurred, fiscal year 2020	985,458
Claims paid, fiscal year 2020	(322,571)
Claims incurred but not reported or case reserves at June 30, 2020	9,965,257
Claims incurred, fiscal year 2021	6,097,603
Claims paid, fiscal year 2021	(5,029,334)
Claims incurred but not reported or case reserves at June 30, 2021	\$ 11,033,526

The District maintains commercial coverage for property insurance.

The District is self-insured for health benefits. A stop-loss policy was purchased that limits the District's loss to \$300,000 at which point the reinsurance coverage is available. The District also has aggregate stop-loss coverage in place which limits the District's liability to 120% of the prior year's claims. Settled claims have not exceeded this commercial coverage in any of the past three years.

The governmental funds of the District participate in the program and make payments to the Self Insured Medical Benefits Internal Service Fund. Based on the requirements of GASB Statement No. 10, a liability is reported if information prior to the issuance of the basic financial statements indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. Participants in the program make premium payments to the fund based on the insurance premium. The Self Insured Medical Benefits Internal Service Fund does not include a reserve for catastrophe losses. The total claims liability reported in the Fund at June 30, 2021, is \$3,449,602 and include amounts for known claims and for estimated incurred but not reported claims. These estimates are determined based on the probability that a loss has occurred, and the amount of the loss can be reasonably estimated.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to Basic Financial Statements**

**NOTE 11 – RISK MANAGEMENT (CONTINUED)**

Changes in the Fund's claims liability amounts for the past three years were as follows:

	Balance, Beginning of Year	Claims, Expense and Estimates	Claims Payments	Balance, End of Year
2018-2019	\$ 2,779,093	\$ 47,255,243	\$ (46,656,228)	\$ 3,378,108
2019-2020	3,378,108	48,258,549	(48,538,996)	3,097,661
2020-2021	3,097,661	53,521,331	(53,169,390)	3,449,602

**NOTE 12 – PRIOR PERIOD ADJUSTMENT**

For the year ended June 30, 2021, a prior period adjustment was required to adjustment beginning net position for governmental activities to correct a prior year misstatement. Beginning net position was adjusted for the following prior year misstatement, an increase of \$13,979,031 as capital assets were understated.

**NOTE 13 – GASB STANDARDS ISSUED BUT NOT YET IMPLEMENTED**

GASB Statement No. 87, Leases establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement will be effective for the year ending June 30, 2022.

**REQUIRED SUPPLEMENTARY INFORMATION**

DRAFT

**Minneapolis Public Schools  
Special School District No. 1  
Schedule of Changes in Net OPEB Liability  
and Related Ratios**

	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Total OPEB Liability			
Service cost	\$ 6,076,552	\$ 6,419,803	\$ 6,069,488
Interest	3,005,357	2,178,073	2,804,957
Differenced between expected and actual experience	-	(7,083,960)	-
Changes of assumptions	-	(2,164,523)	939,873
Benefit payments	(285,922)	(1,376,822)	(1,782,208)
Implicit rate subsidies	(1,920,313)	-	-
Net change in total OPEB liability	<u>6,875,674</u>	<u>(2,027,429)</u>	<u>8,032,110</u>
Beginning of year	<u>67,888,829</u>	<u>74,764,503</u>	<u>72,737,074</u>
End of Year	<u>\$ 74,764,503</u>	<u>\$ 72,737,074</u>	<u>\$ 80,769,184</u>
Plan Fiduciary Net Pension (FNP)			
Employer contributions	\$ -	\$ 3,376,822	\$ 1,782,208
Net investment income	1,272,204	-	-
Projected earnings on fiduciary net position	-	773,287	863,995
Net difference between projected and actual earnings	-	313,862	1,059,510
Benefit payments	-	(1,376,822)	(1,782,208)
Administrative expense	-	(69,058)	(73,760)
Net change in plan fiduciary net position	<u>1,272,204</u>	<u>3,018,091</u>	<u>1,849,745</u>
Beginning of year	<u>14,946,492</u>	<u>16,218,695</u>	<u>19,236,786</u>
End of year	<u>\$ 16,218,696</u>	<u>\$ 19,236,786</u>	<u>\$ 21,086,531</u>
Net OPEB liability	<u>\$ 58,545,807</u>	<u>\$ 53,500,288</u>	<u>\$ 59,682,653</u>
Plan FNP as a percentage of the total OPEB liability	21.69%	26.45%	26.11%
Covered-employee payroll	\$ 363,751,046	\$ 360,122,986	\$ 372,727,291
Net OPEB liability as a percentage of covered-employee payroll	16.10%	14.86%	16.01%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

<u>June 30, 2020</u>	<u>June 30, 2021</u>
\$ 4,623,805	\$ 5,213,029
1,939,402	1,886,130
(15,311,149)	(1,045,632)
(10,786,001)	1,972,160
(1,100,265)	(618,046)
-	-
(20,634,208)	7,407,641
80,769,184	60,134,976
\$ 60,134,976	\$ 67,542,617
\$ 1,100,265	\$ 618,046
-	-
947,116	977,564
(188,054)	3,845,709
(1,100,265)	(618,046)
(79,035)	(85,809)
680,027	4,737,464
21,086,531	21,766,558
\$ 21,766,558	\$ 26,504,022
\$ 38,368,418	\$ 41,038,595
36.20%	39.24%
\$ 331,585,577	\$ 371,887,319
11.57%	11.04%

**Minneapolis Public Schools  
Special School District No. 1  
Schedule of Employer Contributions - OPEB**

	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>
Actuarially determined contribution	\$ 8,990,196	\$ 1,251,751	\$ 1,778,462	\$ 1,037,462	\$ 618,046
Contributions in relation to the actuarially determined contribution	<u>2,356,085</u>	<u>3,376,822</u>	<u>1,782,208</u>	<u>1,100,265</u>	<u>618,046</u>
Contribution deficiency (excess)	<u>\$ 6,634,111</u>	<u>\$ (2,125,071)</u>	<u>\$ (3,746)</u>	<u>\$ (62,803)</u>	<u>\$ -</u>
Covered-employee payroll	<u>\$ 363,751,046</u>	<u>\$ 360,122,986</u>	<u>\$ 372,727,291</u>	<u>\$ 331,585,577</u>	<u>\$ 371,887,319</u>
Contributions as a percentage of covered-employee payroll	0.65%	0.94%	0.48%	0.33%	0.17%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

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**Minneapolis Public Schools  
Special School District No. 1  
Schedule of Investment Returns**

	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>
Annual money-weighted rate of return, net of investment expense	8.97%	6.72%	10.02%	3.61%	22.20%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

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**Minneapolis Public Schools  
Special School District No. 1  
Schedule of District's and Non-Employer Proportionate Share  
of Net Pension Liability - General Employees Retirement Fund  
Last Ten Years\***

For Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability and District's Share of the State of Minnesota's Share of the Net Pension of Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	1.9676%	\$ 92,427,990	\$ -	\$ 92,427,990	\$ 103,293,324	89.5%	78.7%
2015	3.5536%	184,165,995	-	184,165,995	110,161,680	167.2%	78.2%
2016	3.3730%	273,870,870	3,577,010	277,447,880	114,079,707	240.1%	78.8%
2017	2.8326%	180,831,314	2,273,787	183,105,101	87,249,667	207.3%	75.9%
2018	2.6337%	146,106,878	4,792,584	150,899,462	81,788,760	178.6%	79.5%
2019	2.9200%	161,440,259	5,017,615	166,457,874	111,419,373	144.9%	80.2%
2020	2.4981%	149,772,511	4,618,393	154,390,904	82,920,813	180.6%	79.1%

Note: Schedule is intended to show ten year trend. Additional years will be displayed as they become available.

**Schedule of District's and Non-Employer Proportionate Share  
of Net Pension Liability - TRA Retirement Fund  
Last Ten Years\***

For Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability and District's Share of the State of Minnesota's Share of the Net Pension of Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	8.6534%	\$ 398,742,430	\$ 25,768,509	\$ 424,510,939	\$ 238,717,909	167.0%	81.5%
2015	8.1323%	503,063,183	57,223,106	560,286,289	257,683,734	195.2%	76.8%
2016	9.1760%	2,188,694,939	192,864,529	2,394,574,710	301,171,984	726.7%	44.9%
2017	8.3442%	1,665,653,683	150,258,878	1,815,912,561	282,186,562	590.3%	51.6%
2018	7.8961%	495,950,319	43,395,549	539,345,868	273,509,336	181.3%	78.1%
2019	7.3196%	466,552,841	38,392,377	504,945,218	262,426,079	177.8%	78.2%
2020	7.1483%	528,125,983	41,243,603	569,369,586	265,187,388	199.2%	75.5%

The District's Proportion and Proportionate Share of the Net Pension Liability include the percentage and amount under a special funding situation.

Note: Schedule is intended to show ten year trend. Additional years will be displayed as they become available.

See notes to required supplementary information.

**Minneapolis Public Schools  
Special School District No. 1  
Schedule of District Contributions  
General Employees Retirement Fund  
Last Ten Years\***

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 7,488,766	\$ 7,488,766	\$ -	\$ 103,293,324	7.25%
2015	8,262,126	8,262,126	-	110,161,680	7.50%
2016	8,555,978	8,555,978	-	114,079,707	7.50%
2017	6,543,725	6,543,725	-	87,249,667	7.50%
2018	6,134,157	6,134,157	-	81,788,760	7.50%
2019	8,356,453	8,356,453	-	111,419,373	7.50%
2020	6,219,061	6,219,061	-	82,920,813	7.50%
2021	5,762,940	5,762,940	-	76,839,200	7.50%

In addition to these contributions, the District made an annual contribution of \$ 7,142,400 under a special funding situation for fiscal year 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

Note: Schedule is intended to show ten year trend. Additional years will be displayed as they become available.

**Schedule of District Contributions  
TRA Retirement Fund  
Last Ten Years\***

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 25,399,585	\$ 25,399,585	\$ -	\$ 228,003,456	11.14%
2015	28,705,968	28,705,968	-	257,683,734	11.14%
2016	33,550,559	33,550,559	-	301,171,984	11.14%
2017	31,435,583	31,435,583	-	282,186,562	11.14%
2018	30,468,940	30,468,940	-	273,509,336	11.14%
2019	29,785,360	29,785,360	-	262,426,079	11.35%
2020	30,655,662	30,655,662	-	265,187,388	11.56%
2021	30,514,423	30,514,423	-	259,255,930	11.77%

In addition to these contributions, the District makes an annual contribution of \$ 2,250,000 under a special funding situation.

Note: Schedule is intended to show ten year trend. Additional years will be displayed as they become available.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to the Required Supplementary Information**

**TRA Retirement Funds**

**2020 Changes**

Changes in Actuarial Assumptions

- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the RP 2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP 2015 scale.
- Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

**2019 Changes**

Changes in Actuarial Assumptions

- None

**2018 Changes**

Changes in Actuarial Assumptions

- The discount rate was increased to 7.5% from 5.12%.
- The cost of living adjustment (COLA) was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% on January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019, and ending July 1, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to 0.0% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers was reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six years (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

**2017 Changes**

Changes in Actuarial Assumptions

- The discount rate was increased to 5.12% from 4.66%
- The cost of living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to the Required Supplementary Information**

**TRA Retirement Funds (Continued)**

**2017 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the non-vested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 2.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

**2016 Changes**

Changes in Actuarial Assumptions

- The discount rate was decreased to 4.66% from 8.0%.
- The COLA was not assumed to increase for funding or the GASB calculation. It remained at 2% for all future years.
- The price inflation assumption was lowered from 3% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes as some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP 2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP 2015 scale.
- The post-retirement mortality assumption was changed to the RP 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP 2015 scale.
- The post-disability mortality assumption was changed to the RP 2014 disabled retiree mortality table, without adjustment.
- Separate retirement assumptions for members hired before or after July 1, 1989, were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional form of annuity payment at retirement were made.

**2015 Changes**

Changes of Benefit Terms

- The DTRFA was merged into TRA on June 30, 2015.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to the Required Supplementary Information**

**TRA Retirement Funds (Continued)**

**2015 Changes (Continued)**

Changes in Actuarial Assumptions

- The annual COLA for the June 30, 2015, valuation assumed 2%. The prior year valuation used 2% with an increase to 2.5% commencing in 2034. The discount rate used to measure the total pension liability was 8.0%. This is a decrease from the discount rate at the prior measurement date of 8.25%.

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**Minneapolis Public Schools  
Special School District No. 1  
Notes to the Required Supplementary Information**

**General Employees Fund**

**2020 Changes**

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changes as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023, and 0.0% thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

**2019 Changes**

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution was changes prospectively, requiring \$16 million due per year through 2031.

**2018 Changes**

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to the Required Supplementary Information**

**General Employees Fund (Continued)**

**2018 Changes (Continued)**

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age. Does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**2017 Changes**

Changes in Actuarial Assumptions

- The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The State's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

**2016 Changes**

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, the inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**Minneapolis Public Schools  
Special School District No. 1  
Notes to the Required Supplementary Information**

**General Employees Fund (Continued)**

**2015 Changes**

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

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**Minneapolis Public Schools  
Special School District No. 1  
Notes to the Required Supplementary Information**

**Post Employment Health Care Plan**

**2020 Changes**

Changes in Actuarial Assumptions

- Discount rate was decreased from 2.90% to 2.53%.

**2019 Changes**

Changes in Actuarial Assumptions

- Discount rate was decreased from 3.46% to 2.90%.
- Annual wage increase rate was decreased from 3.50% to 3.00%
- Loads on healthcare trend were removed due to the repeal of the so-call "Cadillac Tax"
- Per-capita costs were updated to reflect experience since the previous valuation, including increase in morbidity assumption from 3.00% to 4.00%
- Future retiree plan election was updated for Plan 1, Plan 2, and Plan 3 from 75%, 23%, 2% to 50%, 40%, 10%, respectively
- Mortality improvement scale was updated from MP-2015 to MP-2018 for all groups except Teachers and Principals

**2018 Changes**

Changes in Actuarial Assumptions

- Discount rate was decreased from 3.60% to 3.46%.

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**SUPPLEMENTARY INFORMATION**

**Minneapolis Public Schools  
Special School District No. 1  
Combining Balance Sheet -  
Nonmajor Governmental Funds  
June 30, 2021**

	Special Revenue			Debt Service	Total Nonmajor Funds
	Food Service	Community Service	Total	Post Employment Benefits Debt Service	
<b>Assets</b>					
Cash and investments	\$ 2,925,204	\$ 4,959,083	\$ 7,884,287	\$ 3,820,431	\$ 11,704,718
Current property taxes receivable	-	2,771,812	2,771,812	1,193,576	3,965,388
Delinquent property taxes receivable	-	58,943	58,943	18,162	77,105
Accounts receivable	13,063	27,248	40,311	-	40,311
Due from Department of Education	9,779	2,147,678	2,157,457	1,176	2,158,633
Due from other Minnesota school districts	-	92	92	-	92
Due from Federal Government through Department of Education	1,165,971	695,283	1,861,254	-	1,861,254
Due from Federal Government received directly	9,137	220,246	229,383	-	229,383
Due from other governmental units	44,424	52,552	96,976	-	96,976
Inventory	1,732,388	-	1,732,388	-	1,732,388
	<u>\$ 5,899,966</u>	<u>\$ 10,932,937</u>	<u>\$ 16,832,903</u>	<u>\$ 5,033,345</u>	<u>\$ 21,866,248</u>
<b>Liabilities</b>					
Accounts payable	\$ 206,788	\$ 302,449	\$ 509,237	\$ -	\$ 509,237
Salaries and benefits payable	522	-	522	-	522
Due to other governmental units	34	-	34	-	34
Deferred revenue	251,942	57,726	309,668	-	309,668
Total liabilities	<u>459,286</u>	<u>360,175</u>	<u>819,461</u>	<u>-</u>	<u>819,461</u>
<b>Deferred Inflows of Resources</b>					
Property taxes levied for subsequent year's expenditures	-	5,453,410	5,453,410	2,346,188	7,799,598
Unavailable revenue - delinquent property taxes	-	58,943	58,943	18,162	77,105
Total deferred inflows of resources	<u>-</u>	<u>5,512,353</u>	<u>5,512,353</u>	<u>2,364,350</u>	<u>7,876,703</u>
<b>Fund Balances</b>					
Nonspendable	1,732,388	-	1,732,388	-	1,732,388
Restricted					
Restricted for other purposes	3,708,292	916,897	4,625,189	2,668,995	7,294,184
Community education programs	-	1,120,064	1,120,064	-	1,120,064
Adult basic education	-	879,610	879,610	-	879,610
Early childhood and family Education programs	-	119,623	119,623	-	119,623
School readiness	-	2,024,215	2,024,215	-	2,024,215
Total fund balances	<u>5,440,680</u>	<u>5,060,409</u>	<u>10,501,089</u>	<u>2,668,995</u>	<u>13,170,084</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,899,966</u>	<u>\$ 10,932,937</u>	<u>\$ 16,832,903</u>	<u>\$ 5,033,345</u>	<u>\$ 21,866,248</u>

**Minneapolis Public Schools  
Special School District No. 1  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Year Ended June 30, 2021**

	Special Revenue Funds			Debt Service	Total Nonmajor Funds
	Food Service	Community Service	Total	Post Employment Benefits Debt Service	
<b>Revenues</b>					
Local sources					
Local property taxes	\$ -	\$ 5,528,142	\$ 5,528,142	\$ 2,376,612	\$ 7,904,754
Earnings on investments	485	5,647	6,132	3,071	9,203
Other local and county revenues	63,444	3,082,078	3,145,522	-	3,145,522
Revenue from state sources	88,386	14,769,747	14,858,133	11,758	14,869,891
Revenue from federal sources	21,009,700	3,636,738	24,646,438	-	24,646,438
Sales and other conversion of assets	187,560	-	187,560	-	187,560
Total revenues	21,349,575	27,022,352	48,371,927	2,391,441	50,763,368
<b>Expenditures</b>					
Current					
Food service	19,090,261	-	19,090,261	-	19,090,261
Community education and services	-	27,154,272	27,154,272	-	27,154,272
Capital outlay					
Food service	121,461	-	121,461	-	121,461
Community education and services	-	1,368	1,368	-	1,368
Total expenditures	19,211,722	27,155,640	46,367,362	-	46,367,362
Excess of revenues over (under) expenditures	2,137,853	(133,288)	2,004,565	2,391,441	4,396,006
<b>Fund Balances</b>					
Beginning of year	3,302,827	5,193,697	8,496,524	277,554	8,774,078
End of year	\$ 5,440,680	\$ 5,060,409	\$ 10,501,089	\$ 2,668,995	\$ 13,170,084

**Minneapolis Public Schools  
Special School District No. 1  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance -  
Budget and Actual - Food Service Special Revenue Fund  
Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Local sources				
Earnings on investments	\$ 6,412	\$ 6,412	\$ 485	\$ (5,927)
Other local and county revenues	150,000	150,000	63,444	(86,556)
Revenue from state sources	789,650	789,650	88,386	(701,264)
Revenue from federal sources	19,377,245	16,330,971	21,009,700	4,678,729
Sales and other conversion of assets	3,697,156	3,697,156	187,560	(3,509,596)
Total revenues	<u>24,020,463</u>	<u>20,974,189</u>	<u>21,349,575</u>	<u>375,386</u>
<b>Expenditures</b>				
Current				
Food service	23,940,463	20,857,669	19,090,261	(1,767,408)
Capital outlay				
Food service	80,000	116,520	121,461	4,941
Total expenditures	<u>24,020,463</u>	<u>20,974,189</u>	<u>19,211,722</u>	<u>(1,762,467)</u>
Excess of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	2,137,853	<u>\$ 2,137,853</u>
<b>Fund Balance</b>				
Beginning of year			<u>3,302,827</u>	
End of year			<u>\$ 5,440,680</u>	

**Minneapolis Public Schools  
Special School District No. 1  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance -  
Budget and Actual - Community Service Special Revenue Fund  
Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Local sources				
Local property taxes	\$ 5,530,035	\$ 5,530,035	\$ 5,528,142	\$ (1,893)
Earnings on investments	-	-	5,647	5,647
Other local and county revenues	10,683,634	9,270,970	3,082,078	(6,188,892)
Revenue from state sources	13,312,258	13,312,258	14,769,747	1,457,489
Revenue from federal sources	2,711,536	2,711,536	3,636,738	925,202
Total revenues	<u>32,237,463</u>	<u>30,824,799</u>	<u>27,022,352</u>	<u>(3,802,447)</u>
<b>Expenditures</b>				
Current				
Community education and services	35,351,001	33,136,799	27,154,272	(5,982,527)
Capital outlay				
Community education and services	121,810	34,872	1,368	(33,504)
Total expenditures	<u>35,472,811</u>	<u>33,171,671</u>	<u>27,155,640</u>	<u>(6,016,031)</u>
Excess of revenues over (under) expenditures	<u>\$ (3,235,348)</u>	<u>\$ (2,346,872)</u>	(133,288)	<u>\$ 2,213,584</u>
<b>Fund Balance</b>				
Beginning of year			<u>5,193,697</u>	
End of year			<u>\$ 5,060,409</u>	

**Minneapolis Public Schools  
Special School District No. 1  
Uniform Financial Accounting and Reporting Standards  
Compliance Table  
Year Ended June 30, 2021**

	Audit	UFARS	Audit-UFARS		Audit	UFARS	Audit-UFARS
<b>01 GENERAL FUND</b>							
Total revenue	\$603,733,523	\$603,733,524	\$ (1)				
Total expenditures	584,833,448	584,833,448	-				
<i>Nonspendable:</i>							
4.60 Nonspendable fund balance	1,414,679	1,414,679	-				
<i>Restricted/reserved:</i>							
4.01 Student Activities	572,832	572,832	-				
4.02 Scholarships	-	-	-				
4.03 Staff Development	-	-	-				
4.05 Deferred Maintenance	-	-	-				
4.07 Capital Projects Levy	-	-	-				
4.08 Cooperative Programs	-	-	-				
4.13 Building Projects Funded by COP/LP	-	-	-				
4.14 Operating Debt	-	-	-				
4.16 Levy Reduction	-	-	-				
4.17 Taconite Building Maintenance	-	-	-				
4.23 Certain Teacher Programs	-	-	-				
4.24 Operating Capital	5,501,542	5,501,542	-				
4.26 \$25 Taconite	-	-	-				
4.27 Disabled Accessibility	-	-	-				
4.28 Learning and Development	-	-	-				
4.34 Area Learning Center	-	-	-				
4.35 Contracted Alternative Programs	65,178	65,178	-				
4.36 State Approved Alternative Program	-	-	-				
4.38 Gifted and Talented	579,035	579,035	-				
4.40 Teacher Development and Evaluation	-	-	-				
4.41 Basic Skills Programs	495,016	495,016	-				
4.45 Career Technical Programs	-	-	-				
4.48 Achievement and Integration	-	-	-				
4.49 Safe School Crime	-	-	-				
4.51 QZAB and QSCB Payments	-	-	-				
4.52 OPEB Liabilities not Held in Trust	-	-	-				
4.53 Unfunded Severance and Retirement Levy	-	-	-				
4.59 Basic Skills Extended Time	4,610,186	4,610,186	-				
4.67 Long-term Facilities Maintenance	156,383	156,383	-				
<i>Restricted:</i>							
4.72 Medical Assistance	-	-	-				
4.64 Restricted fund balance	234,359	234,359	-				
4.75 Title VII - Impact Aid	-	-	-				
4.76 Payments in Lieu of Taxes	-	-	-				
<i>Committed:</i>							
4.18 Committed for separation	-	-	-				
4.61 Committed	-	-	-				
<i>Assigned:</i>							
4.62 Assigned fund balance	57,295,506	57,295,506	-				
<i>Unassigned:</i>							
4.22 Unassigned fund balance (net position)	55,149,041	55,149,040	1				
<b>02 FOOD SERVICE FUND</b>							
Total revenue	\$ 21,349,575	\$ 21,349,576	\$ (1)				
Total expenditures	19,211,722	19,211,722	-				
<i>Nonspendable:</i>							
4.60 Nonspendable fund balance	1,732,388	1,732,388	-				
<i>Restricted/reserved:</i>							
4.52 OPEB liabilities not held in trust	-	-	-				
<i>Restricted:</i>							
4.64 Restricted fund balance	3,708,292	3,708,293	(1)				
<i>Unassigned:</i>							
4.63 Unassigned fund balance	-	-	-				
<b>04 COMMUNITY SERVICE FUND</b>							
Total revenue	\$ 27,022,352	\$ 27,022,351	\$ 1				
Total expenditures	27,155,640	27,155,640	-				
<i>Nonspendable:</i>							
4.60 Nonspendable fund balance	-	-	-				
<i>Restricted/reserved:</i>							
4.26 \$25 Taconite	-	-	-				
4.31 Community Education	1,120,064	1,120,064	-				
4.32 ECFE	119,623	119,623	-				
4.40 Teacher Development and Evaluation	-	-	-				
4.44 School Readiness	2,024,215	2,024,215	-				
4.47 Adult Basic Education	879,610	879,610	-				
4.52 OPEB Liabilities not Held in trust	-	-	-				
<i>Restricted:</i>							
4.64 Restricted fund balance	916,897	916,897	-				
<i>Unassigned:</i>							
4.63 Unassigned fund balance	-	-	-				
<b>06 BUILDING CONSTRUCTION FUND</b>							
Total revenue	\$ 212,058	\$ 212,059	\$ (1)				
Total expenditures	71,747,909	71,747,909	-				
<i>Nonspendable:</i>							
4.60 Nonspendable fund balance	587,894	587,894	-				
<i>Restricted/reserved:</i>							
4.07 Capital Projects Levy	-	-	-				
4.13 Building Projects Funded by COP/LP	-	-	-				
4.67 Long-term Facilities Maintenance	114,145,784	114,145,784	-				
<i>Restricted:</i>							
4.64 Restricted fund balance	123,747,391	123,747,393	(2)				
<i>Unassigned:</i>							
4.63 Unassigned fund balance	-	-	-				
<b>07 DEBT SERVICE FUND</b>							
Total revenue	\$ 93,248,676	\$ 93,248,677	\$ (1)				
Total expenditures	93,318,615	93,318,615	-				
<i>Nonspendable:</i>							
4.60 Nonspendable fund balance	-	-	-				
<i>Restricted/reserved:</i>							
4.25 Bond refundings	-	-	-				
4.33 Maximum effort loan aid	-	-	-				
4.51 QZAB payments	29,978,730	29,978,730	-				
4.67 LTFM	-	-	-				
<i>Restricted:</i>							
4.64 Restricted fund balance	12,118,297	12,118,297	-				
<i>Unassigned:</i>							
4.63 Unassigned fund balance	-	-	-				
<b>08 TRUST FUND</b>							
Total revenue	\$ -	\$ -	\$ -				
Total expenditures	-	-	-				
<i>Unassigned:</i>							
4.01 Student Activities	-	-	-				
4.02 Scholarships	-	-	-				
4.22 Net position	-	-	-				
<b>18 CUSTODIAL</b>							
Total revenue	\$ -	\$ -	\$ -				
Total expenditures	-	-	-				
<i>Restricted/reserved:</i>							
4.01 Student Activities	-	-	-				
4.02 Scholarships	-	-	-				
4.48 Achievement and Integration	-	-	-				
4.65 Restricted	-	-	-				
<b>20 INTERNAL SERVICE FUND</b>							
Total revenue	\$ 85,225,039	\$ 85,225,039	\$ -				
Total expenditures	67,970,069	67,970,069	-				
<i>Unassigned:</i>							
4.22 Net position	39,304,453	39,304,451	2				
<b>25 OPEB REVOCABLE TRUST</b>							
Total revenue	\$ -	\$ -	\$ -				
Total expenditures	-	-	-				
<i>Unassigned:</i>							
4.22 Net position	-	-	-				
<b>45 OPEB IRREVOCABLE TRUST</b>							
Total revenue	\$ 4,737,472	\$ 4,737,472	\$ -				
Total expenditures	-	-	-				
<i>Unassigned:</i>							
4.22 Net position	26,504,022	26,504,022	-				
<b>47 OPEB DEBT SERVICE</b>							
Total revenue	\$ 2,391,441	\$ 2,391,441	\$ -				
Total expenditures	-	-	-				
<i>Nonspendable:</i>							
4.60 Nonspendable fund balance	-	-	-				
<i>Restricted:</i>							
4.25 Bond refundings	-	-	-				
4.64 Restricted fund balance	2,668,995	2,668,995	-				
<i>Unassigned:</i>							
4.63 Unassigned fund balance	-	-	-				

# 2021-22 Budget Update

December 14, 2021



# Budget Timeline

# Budget Timeline (July 2021–December 2021)

- FY-2021 external audit completed
- American Rescue Plan committee recommendations
- ESSER I and ESSER II uses identified and allocated
- State revenue adjusted for formula allowance increase
- Enrollment declines identified
- 2022 tax levy certification
- School staffing adjustments for enrollment variances
- Monitor vacancy rates

# Budget Timeline (January–March 2022)

- Training on budget process
- Budgets sent to schools and departments
- School Site Council budget meetings
- School and department budgets due
- Budgets reviewed using Board priorities and budget parameters
- Monitor budget to actual variances and adjust as needed

# Budget Timeline (April–June 2022)

- Review academic needs for remainder of year and adjust budgets as needed
- Interview and Select process for licensed staff for FY23
- Recommended FY22–23 budget presented to Finance Committee and Board
- Board votes on final budget (must happen by June 30)
- New fiscal year begins on July 1

# Budget Tie-Out

# Overview

- Collaborative effort between schools and departments:
  - Human Resources
  - Finance
  - Title I
  - Associate Superintendents
  - Special Education
  - Academics
- Ensures proposed budgets are aligned to values and priorities, and are compliant with legal and contractual requirements

# Budget Tie-Out (BTO)

- Building leaders receive training and support to complete the process
- Budget Parameters document outlines expectations and requirements

# Questions

# 2022 Levy

## Truth in Taxation Meeting

December 14, 2021



# Levy Basics

- State statute requires all local governments (cities, counties, and school districts) to hold a public hearing prior to certifying their levy authority.
- Public comments must be allowed
- The hearing must be held after the release of proposed tax notices from the county. The notices contain information on estimated taxes as well as market value and other adjustments.

# Factors Impacting Levy Amounts

- Changes in tax base
- Legislative changes to education formulas
- Referendum inflationary increases
- Pension contribution changes required by statute
- Other Post Employment Benefit (OPEB) obligations
- Debt and Capital plans (capital projects, refunding of bonds, long-term facilities maintenance (LTFM), health and safety projects)

# Levy Summary

	<b>20 Payable 21 Certified Levy</b>	<b>21 Payable 22 Proposed Levy</b>	<b>Change</b>
General Fund Levy	\$137,639,976	\$144,015,606	\$6,375,630
Community Service Levy	\$5,453,410	\$5,541,222	(\$87,812)
General Debt Service Levy	\$78,602,411	\$91,134,710	\$12,532,299
OPEB Debt Service Levy	\$2,346,188	\$0	(\$2,346,188)
<b>Total</b>	<b>\$224,041,985</b>	<b>\$240,691,538</b>	<b>\$16,649,553 or 7.43%</b>

# Estimated Impact on Residential Taxpayers

<b>Estimated Market Value</b>	<b>Increase</b>	<b>% Increase</b>
\$150,000	\$31	7.0%
\$200,000	\$43	7.0%
\$250,000	\$56	7.1%
\$300,000	\$68	7.1%
\$350,000	\$80	7.1%
\$400,000	\$92	7.1%
\$450,000	\$105	7.1%
\$500,000	\$115	7.0%
\$750,000	\$184	7.2%

# Estimated Impact on Commercial Taxpayers

<b>Estimated Market Value</b>	<b>Increase</b>	<b>% Increase</b>
\$250,000	\$26	3.0%
\$500,000	\$53	2.9%
\$1,000,000	\$108	2.8%
\$5,000,000	\$548	2.8%
\$10,000,000	\$1,096	2.8%

# Questions

## Minneapolis Public Schools Property Tax Levy

Levy Description	2018	2019	% Change	2020	% Change	2021	% Change	2022	% Change
Transition Levy	6,798,712	7,092,654	4%	6,473,779	-9%	5,968,125	-8%	6,105,074	2%
Local Optional	15,498,726	16,057,813	4%	25,243,568	57%	23,893,574	-5%	23,824,219	0%
Equity	1,728,192	1,908,830	10%	1,807,414	-5%	1,262,418	-30%	1,505,703	19%
Operating Capital Levy	5,119,193	5,849,059	14%	6,228,057	6%	6,675,137	7%	7,954,939	19%
Alt Teacher Compensation	3,483,695	3,348,353	-4%	3,328,107	-1%	3,177,886	-5%	2,768,739	-13%
Adjustment - Other (Memo)	(565,124)	(239,563)	-58%	(1,031,824)	331%	(360,695)	-65%	565,328	-257%
Abatements & Advanced Abatements	693,864	1,031,627	49%	688,197	-33%	454,948	-34%	928,868	104%
Achievement & Integration Levy	5,844,358	3,924,922	-33%	4,212,192	7%	4,580,003	9%	3,209,505	-30%
Reemployment Insurance Levy	600,790	523,353	-13%	561,729	7%	241,032	-57%	1,116,022	363%
Leased Space Levy & Adj	686,067	327,232	-52%	140,769	-57%	95,290	-32%	431,549	353%
Long Term Facilities Maintenance	2,750,700	3,228,747	17%	1,327,948	-59%	5,306,399	300%	3,446,008	-35%
Safe Schools Levy	1,295,255	1,341,688	4%	1,258,018	-6%	1,193,185	-5%	1,114,046	-7%
Judgment Levy	646,550	712,954	10%	-	-100%	391,627	-	-	-100%
MPLS TRA & PERA/MERF Levy	7,088,400	7,088,400	0%	7,088,400	0%	7,088,400	0%	7,088,400	0%
Other Post Employment Benefits	3,194,029	3,336,489	4%	5,523,446	66%	2,548,413	-54%	2,953,972	16%
Career Technical	749,398	730,522	-3%	637,865	-13%	648,293	2%	844,188	30%
Referendum - Voter Approved	58,533,685	81,566,517	39%	65,447,803	-20%	59,626,350	-9%	64,481,288	8%
Referendum - Board Approved	(82,378)	(130,071)	58%	-	-100%	-	-	-	-
Referendum - Capital Project Levy	-	12,000,000	16%	13,916,463.11	16%	14,849,591.25	7%	15,677,757	6%
<b>General Fund Total</b>	<b>114,064,112</b>	<b>149,699,526</b>	<b>31%</b>	<b>142,851,932</b>	<b>-5%</b>	<b>137,639,976</b>	<b>-3.65%</b>	<b>144,015,606</b>	<b>4.63%</b>
Basic Community Education Levy	2,860,923	2,860,923	0%	2,860,923	0%	2,860,923	0%	2,959,399	3%
Early Childhood Family Levy	1,714,917	1,673,222	-2%	1,840,436	10%	1,780,932	-3%	1,817,862	2%
Handicapped Adults Levy	30,000	30,000	0%	30,000	0%	30,000	0%	30,000	0%
School-Age Care	536,121	856,797	60%	726,988	-15%	683,025	-6%	618,395	-9%
Home Visiting	73,425	76,679	4%	86,959	13%	84,046	-3%	86,277	3%
Abatement & Advanced Abatements	25,889	44,050	70%	22,727	-48%	14,484	-36%	29,289	102%
<b>Community Service Fund Total</b>	<b>5,241,275</b>	<b>5,541,672</b>	<b>6%</b>	<b>5,568,034</b>	<b>0%</b>	<b>5,453,410</b>	<b>-2.06%</b>	<b>5,541,222</b>	<b>1.61%</b>
General Debt Service Levy	80,750,517	79,062,789	-2%	82,348,704	4%	78,602,411	-5%	91,134,710	16%
Pension Bond Levy	2,347,663	2,373,525	1%	2,402,317	1%	2,346,188	-2%	-	-100%
<b>Debt Service Fund Total</b>	<b>83,098,180</b>	<b>81,436,314</b>	<b>-2%</b>	<b>84,751,020</b>	<b>4%</b>	<b>80,948,599</b>	<b>-4.49%</b>	<b>91,134,710</b>	<b>12.58%</b>
<b>Total Property Tax Levy</b>	<b>202,403,566</b>	<b>236,677,511</b>	<b>17%</b>	<b>233,170,987</b>	<b>-1%</b>	<b>224,041,985</b>	<b>-3.92%</b>	<b>240,691,538</b>	<b>7.43%</b>

Note: % change is calculated from the previous years levy.

# Budget Pro-Forma

December 14, 2021

# Overview

- 5-year outlook of General Fund trends
- Projections of revenue and expenses
- Assists with short and long range planning
- Provides context for 2022-23 budget development

# Base Assumptions Used for FY 21–22 Budget

- CDD implemented budgeted as planned
- State funding formula increased 2.5%
- \$64.2M ESSER II dollars used
- Currently in contract negotiations with most groups
- Additional Enrollment decline of 1,700 more than projected

# Key Findings

- Current cost structure is unsustainable long-term
- Enrollment increases alone are not the solution
- Need to set clear priorities to guide investments
- Underfunding of Special Education and English Learner Services remains a significant structural issue

# Impact of COVID-19

- Dollars continue to be invested for COVID-19 related expenses (PPE, masks, testing kits, etc.)
- Additional enrollment decline tied to COVID-19
- Vacancy rates significantly increased over all bargaining units

# Questions

**Date:** November 16, 2021

**To:** Board of Education, Minneapolis Public Schools

**From:** Ed Graff, Superintendent

**RE:** Pro forma Financial Projections – General Fund

## Overview

The pro forma operating projection for the Minneapolis Public Schools (MPS) General Fund has been updated for fiscal years 2023 through 2027. This pro forma uses the current fiscal year 2022 as our baseline.

While our previous pro-forma indicated MPS could become insolvent as early as fiscal year 2024, that date has been delayed to 2027 due to the unexpected and welcome introduction of \$159 million in COVID-19 relief funds, as well as recaptured funds due to higher than normal vacancy rates.

As we stated in last year’s pro-forma, we presume that the Comprehensive District Design (CDD) will be successful. Our projections anticipate enrollment will continue to decline in the short-run but decelerate until the district begins increasing its enrollment again by the 25-26 school year. Our analysis finds that, regardless of whether the CDD succeeds, the district is burdened by an unsustainable fiscal structure and should seek to identify and act on cost efficiencies to prevent entering statutory operating debt in the 2027-28 school year.

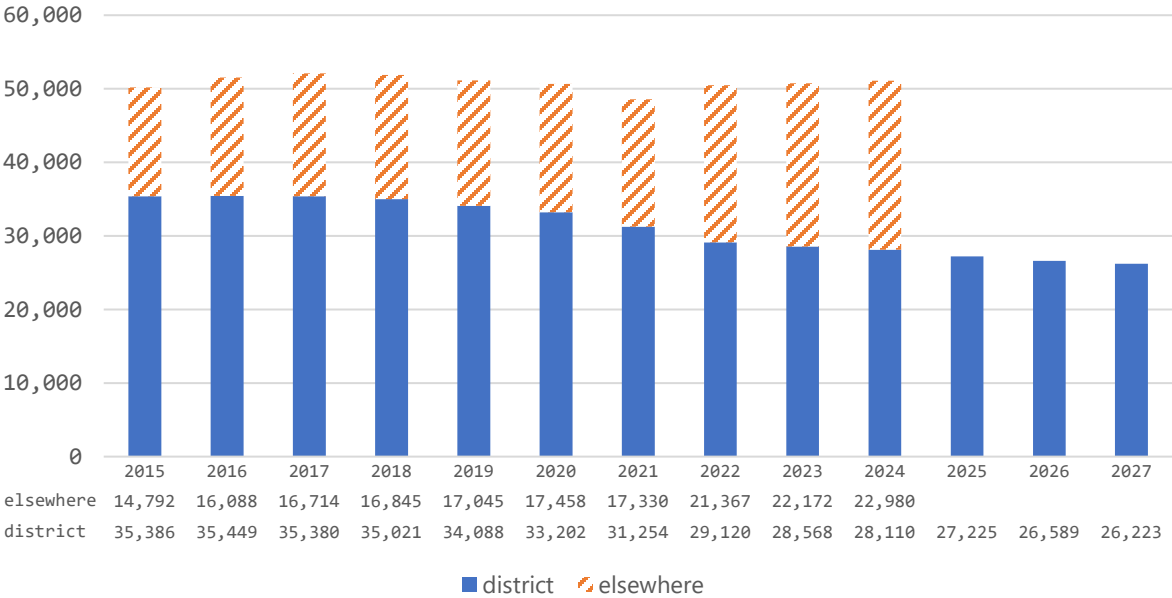
	Budget	Pro-Forma Projection				
	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
General Fund Revenue	\$653.9M	\$653.3M	\$626.2M	\$557.8M	\$555.0M	\$556.3M
General Fund Expenses	\$655.5M	\$632.1M	\$639.5M	\$615.1M	\$624.9M	\$635.9M
Change in Fund Balance	(\$1.6M)	\$21.2M	(\$13.3M)	(\$57.3M)	(\$69.8M)	(\$79.6M)
End-of-Year Balance	\$129.5M	\$150.7M	\$137.4M	\$80.2M	\$10.3M	(\$69.3M)

NOTE: Table assumes a 5% vacancy rate in FY22 however, current rate is running higher

# Enrollment

Enrollment has declined more rapidly than anticipated compared to prior years. We are projecting a reduction in student enrollment to 29,120 this year based on our October 1 count<sup>1</sup>, and that by FY27 district enrollment will fall to 26,233. This represents an average annual decline of 2.1%, or a 9.9% total decrease from this year’s count.

Figure 1. Resident ADM by School Attendance



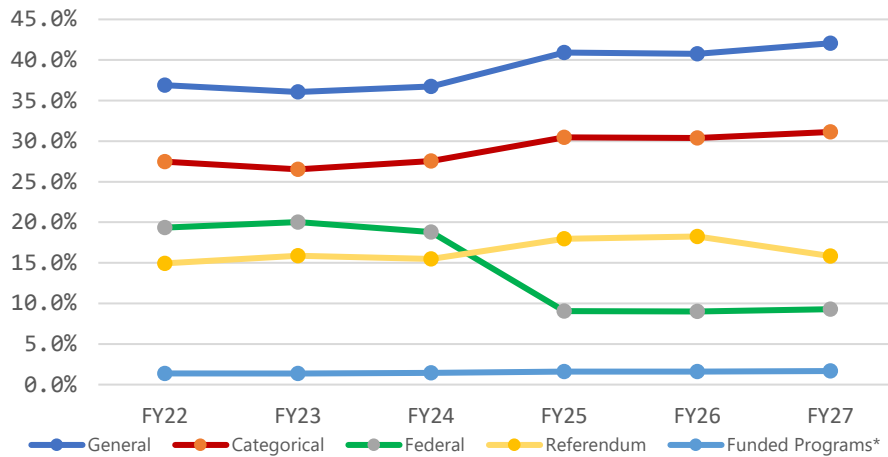
We are currently examining our enrollment declines in an effort to segment out the different reasons families leave MPS, re-engage families accordingly and adjust programming as needed and possible. It is worth mentioning that post-pandemic enrollment declines are a national trend in urban district. We look to have a clearer understanding of why families are choosing to leave MPS as more data becomes available.

# Revenue

MPS receives revenue through multiple channels, the largest being state aid, the local property tax levy, and federal funds designated for specific purposes. The complex patchwork of Minnesota’s educational finance laws results in a revenue stream from the state that comes with specific requirements. For example, MPS receives funds specifically for Special Education and English Language Learners.

<sup>1</sup> Average Daily Membership (ADM) is the average number of students enrolled with MPS on any given day during the school year.

Figure 2. General Fund Revenue Types as a % of Total



Earlier this year the legislature passed an education finance bill that increased the basic formula by 2.45% in FY22 and 2.0% in FY23. The basic formula should continue to increase at a 2.0% rate through the pro forma period.

Additionally, state-level and levy funding tied to district student enrollment is expected to increase at the same rate as the basic formula. We also assume that state aid tied to MPS’s free- and reduced-price lunch (FRL) will decrease with declines in the number of students served. This assumption is optimistic since FRL counts have been decreasing faster than overall enrollment. MPS has put in place an aggressive effort this past year to ensure that all eligible families report this status and will continue to do so.

Since most MPS revenue is tied to enrollment, we expect our overall revenue to decrease significantly over the next five years. Where the legislature is expected to increase funding, revenue will still decline or be flat, since the funding increases will not offset the decline.

## Expenses

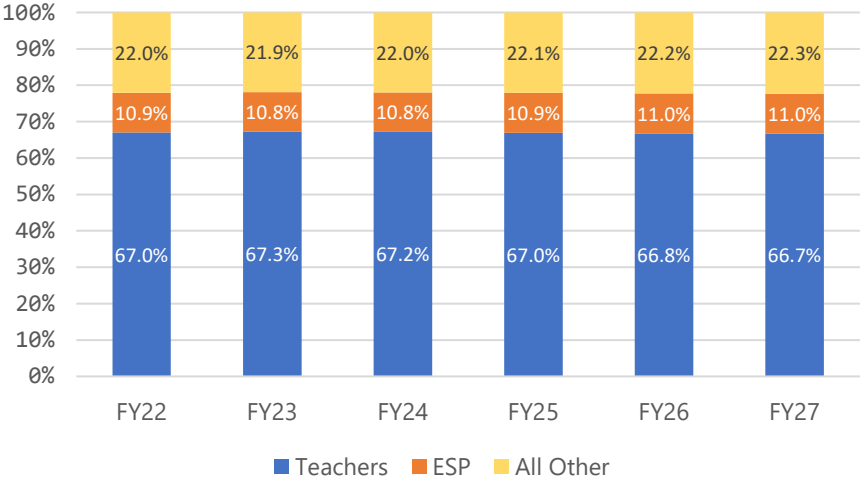
MPS expenses are expected to increase over the next five years due to contractual and bargained wage increases and the potential for inflation that may run higher than increases to our revenue.

## Bargaining

MPS is currently in bargaining with most of our employee unions. While we have already reached tentative agreements with the union representing our custodians and the professional unions, we are still at the table with a number of groups and are in mediations with the unions representing teachers, principals and school bus drivers.

While MPS currently has received additional dollars as a result of the American Rescue Plan, we have emphasized that the American Rescue plan money is a one-time grant, in which all funds must be spent by September 2024. Using these funds for ongoing costs, such as wage increases further imperils the MPS financial outlook.

Figure 3. Salary Share by Bargaining Unit



## Staffing

MPS anticipates both short- and long-term cost reductions due to staffing issues.

In the short term and due to the circumstances surrounding the pandemic, MPS and all school districts have had a difficult time this school year filling positions, especially for roles such as school bus drivers, food service workers, and childcare providers. This has resulted in significant revenue savings as outlined in the following paragraph. Year-to-date, MPS has seen vacancy rates of around 12%. We assume that vacancy rates will return to 5% for most groups, which is more typical of past vacancy rates.

In the long-term, MPS assumes all positions will be filled for the teachers’ union despite some remaining vacancies this year due to hiring challenges. However, we are adjusting the number of positions every year based on projected enrollment. We budget 120% of the number of teachers required to account for classroom teacher prep time. The extra funding is used to pay for specialists and other teachers who are working with students in the classroom during teacher prep time. As a result of declining enrollment, MPS expects to see a reduction in 219.5 fewer classroom teacher FTEs from FY22 to FY27, resulting in a reduction in expenses of \$96.6 million over the five years.

Projected Teacher FTEs To Meet Classroom Size Targets

	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Kindergarten	140.9	126.3	126.3	126.3	126.3	126.3
Grades 1-5	593.7	501.0	491.6	486.8	483.3	485.6
Middle School	239.1	222.4	218.3	211.8	202.6	193.6
High School	319.0	308.3	303.8	284.0	273.7	267.7
Total FTEs	1292.7	1158.0	1140.0	1108.8	1085.8	1073.2
Change from FY22		-134.7	-152.7	-183.9	-206.8	-219.5
Associated Savings		\$13.9M	\$16.0M	\$19.7M	\$22.6M	\$24.5M

Finally, it is important to note that, aside from what has been specifically outlined, we have not included any additional staffing or major expenses in this pro forma.

## Schools

MPS operates 69 school sites throughout the city and additionally contracts with outside providers to operate 12 alternative schools and hospital sites. In FY22, school-based expenditures of \$368 million were budgeted directly to our district-operated schools. This amount includes the cost of school administrators, teachers, support staff including administrative and educational supports, special education budgeted directly to schools, utilities, and engineering services. It does not include the cost of transportation, which has a \$37.3 million budget. It also excludes the cost of Special Education services not determined during the budget process, or about \$37 million.

### Budgeted Expenses Directly in Schools

	Number of Schools	School Admin	Regular & Vocational & Instruction	Instructional & Pupil Support	Special Education	Sites & Buildings	Total Direct Expenditures in Schools
K-5 Elementary	42	\$6.9M	\$109.9M	\$17.3M	\$29.3M	\$12.4M	\$175.8M
K-8 Schools	2	\$0.3M	\$11.5M	\$2.5M	\$3.0M	\$0.6M	\$17.9M
Middle School	8	\$1.3M	\$27.7M	\$6.5M	\$11.5M	\$2.9M	\$49.9M
High School	9	\$2.0M	\$60.8M	\$13.7M	\$17.9M	\$5.8M	\$100.2M
Special Education	4	\$0.7M	\$3.7M	\$1.6M	\$11.8M	\$0.6M	\$18.5M
District Alternative	4	\$0.4M	\$3.3M	\$1.2M	\$0.2M	\$0.5M	\$5.5M
Total	69	\$11.7M	\$216.9M	\$42.7M	\$73.9M	\$22.8M	\$367.9M

Note: Does NOT include the cost of Transportation.

Schools are required to maintain certain staffing levels in accordance with the MPS predictable staffing plan. Expenditures should continue to be budgeted in accordance with that plan. The number of teachers has been adjusted in each year to account for declining enrollment.

**Staffing (FTEs) Budgeted Directly in Schools**

	Classroom Teachers	Other Licensed	Non-Licensed Staff			Total FTEs
			Support	Admin	Other	
K-5 Elementary	1156	190	657	62	17	2082
K-8 Schools	114	27	63	5	1	210
Middle School	395	74	219	19	0	707
High School	679	114	312	34	5	1144
District Alternative	36	10	16	2	0	64
Special Education	61	38	146	5	1	251
Total FTEs	2441	453	1413	127	24	4458

**Special Education**

Providing state-mandated special education services continues to be an essential and important part of MPS’s ongoing operations. However, a significant portion of the cost of providing these services was promised but is not provided by the state or federal government. MPS must use general education revenues to pay for these services. The difference (underfunding) between MPS’s expenses to provide special education services and the aid provided by the state and federal government for those services is an unfunded mandate. In FY22 and the five subsequent years, cumulative unfunded expenditures of around \$277 million are anticipated in the pro forma projections.

	Special Education Revenue & Expense					
	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Revenue	\$70.9M	\$70.8M	\$70.8M	\$70.8M	\$70.8M	\$70.8M
Expense	\$111.3M	\$113.5M	\$115.8M	\$118.1M	\$120.4M	\$122.9M
Cross Subsidy	(\$40.4M)	(\$42.7M)	(\$45.0M)	(\$47.3M)	(\$49.6M)	(\$52.0M)
Cumulative impact of cross-subsidy	(\$40.4M)	(\$83.1M)	(\$128.1M)	(\$175.3M)	(\$225.0M)	(\$277.0M)

**COVID-19 Relief Funding and American Rescue Plan**

In response to the COVID-19 pandemic, the federal government distributed several rounds of special grant funding intended to offset the extra cost to districts of responding to the virus. Entering the year, MPS had about \$71 million of funds on hand from the second round of the Elementary & Secondary School Relief Fund (ESSER II). Of these \$71 million, around \$65 million were included in the FY22 budget.

In January 2021, the federal government passed the American Rescue Plan (ARP), a \$1.9 trillion economic stimulus bill intended to help the economy recover from the COVID-19 pandemic. Included in the ARP was a third installment of the Elementary & Secondary School Emergency

Relief Fund (ESSER III), which distributed \$170 billion in one-time federal funds to schools throughout the country. MPS has been allocated \$159.5 million of those funds.

Following notification of the grant, MPS engaged internal and external stakeholders to create a plan for spending these incremental funds, which was presented to the Board in September.

<b>ESSER III Expenditures</b>					
Category	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>Total Cost</u>
Staff & Program Continuity	0	36,953	37,713	0	74,666
Address Impacts to Learning	4,064	17,515	19,317	441	41,336
Safe & Healthy Schools	2,280	14,138	2,607	0	19,026
Highly Qualified Staff	4,901	5,512	4,766	0	15,179
Social, Emotional, & Mental Health	1,810	2,069	2,095	0	5,975
Community Partnerships	1,092	1,096	1,100	0	3,288
<b>Total Expenditures</b>	<b>14,148</b>	<b>77,283</b>	<b>67,597</b>	<b>441</b>	<b>159,469</b>

Of the \$159.5 million, about \$75 million was designated to provide for staff and program continuity by offsetting operating deficits. The remaining \$85 million was designated for a variety of purposes centered on five primary themes of addressing impacts of unfinished learning, safe and healthy schools, highly qualified staff, social-emotional and mental health, and community partnerships. In the MPS projection, the plan is executed as presented to the Board, although we recognize there are likely to be modifications to the plan in the future.

### **District Expenditures**

Apart from ESSER III funding, budget dollars will be allocated across different functions as they have in past years. Compared to other districts in the metro area, our spending on administration, student instruction, and special education is similar to the average percentage of the total budget with more spent on support for teachers and students, and less on sites and buildings.

Expenditures as a % of total FY20 General Fund Expenses	District & School Admin	District Admin Support	Instructional & Pupil Support	Regular & Vocational Instruction	Special Education	Sites & Buildings
Minneapolis	6.2%	3.5%	19.7%	48.2%	19.9%	5.8%
<u>Other Large Districts</u>						
Saint Paul	7.1%	2.8%	17.1%	44.5%	20.0%	9.6%
Anoka-Hennepin	5.2%	2.8%	17.3%	46.6%	20.5%	9.9%
Rosemount-Apple Valley	7.9%	3.5%	13.6%	48.3%	20.0%	9.8%
Osseo	6.5%	2.5%	16.3%	48.8%	18.2%	9.5%
South Washington County	7.5%	3.9%	15.0%	46.7%	18.3%	12.2%
Seven County Metro Area	7.2%	3.5%	16.6%	46.5%	18.9%	10.2%

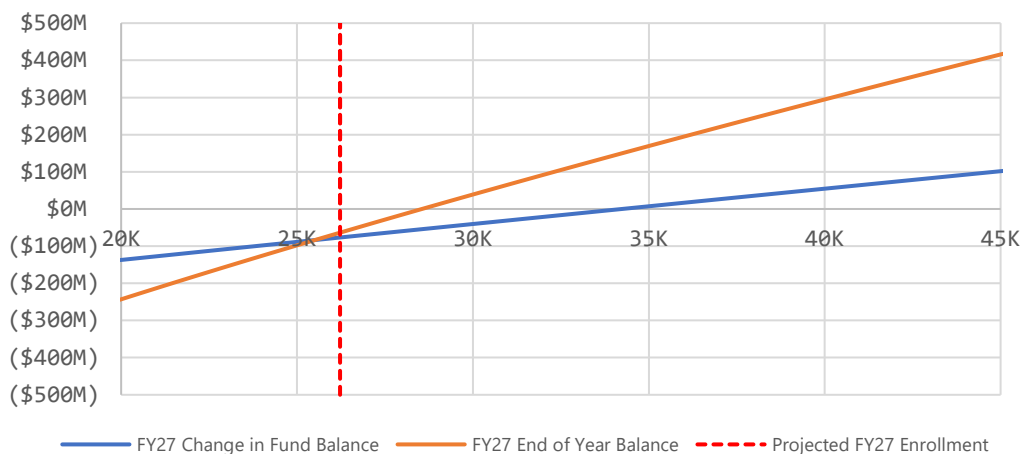
## Discussion

In previous years, MPS has asserted the impossibility of solving cost structure issues purely through enrollment increases. However, our current belief is that while doing so would be technically possible, it would be very difficult as outlined below.

In the past, we assumed that the legislature would not increase the education funding formula in their biennial budget bill. This belief was based on widespread consensus that the economic damage related to COVID-19 would only be undone through years of recovery.

However, economic recovery has been faster than most anticipated. Instead of dealing with the double-digit unemployment and massive funding shortfalls, the legislature instead found full employment and a surplus of funds. In the last legislative session, the basic funding formula was increased by 2.45% in FY22 and 2% in FY23. This provided a needed boost to our financial outlook.

Fig 4. FY27 Financial Metrics Relative to Enrollment



In our model, Figure 4 reflects the relationship between enrollment and the financial impact of that enrollment. Based on our current modelling, with no changes to any of the assumptions except constant enrollment growth, MPS might be able to remedy many of its fiscal issues if it were able to achieve an annual enrollment of about 37,000 students by FY27, while substantially decreasing expenses (where the blue curve intersects the x-axis).

This would be an increase of about 11,000 students, or over 40%, from what we are currently projecting, and equates to constant annual growth of around 5%. Even constant growth resulting in enrollment above 30,000 (where the orange curve intersects the x-axis) would stop our general fund from being fully depleted.

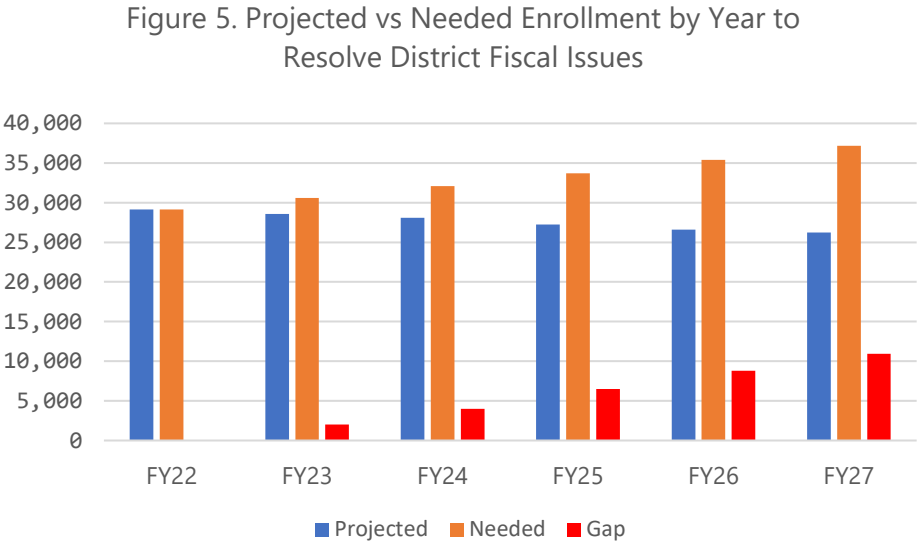
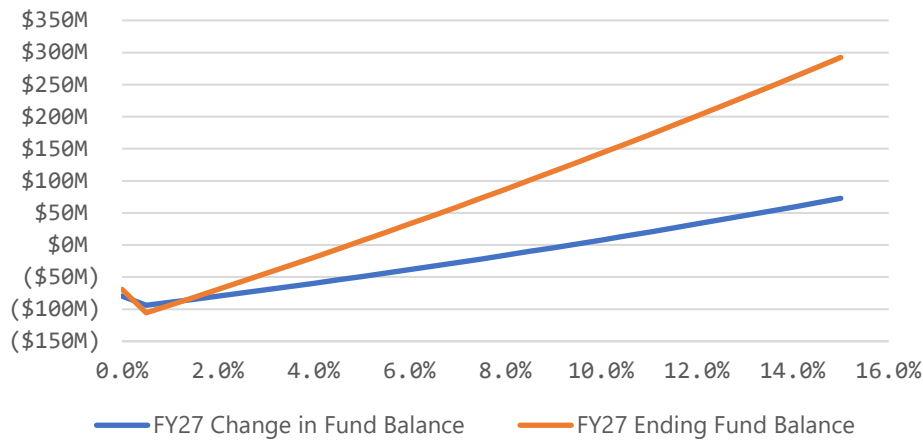


Figure 5 depicts the increasing gap between projected enrollment (blue) and the needed enrollment (orange) to achieve fiscal sustainability. Based on the MPS five-year enrollment trend, we consider this outcome unlikely.

The Pro Forma and MPS’ financial outlook is also highly dependent on collective bargaining and the costs of settled contracts. The single most sensitive variable in any model of finances for MPS is the possible cost increase of our contract with the Minneapolis Federation of Teachers (MFT).

Another sensitive driver in this model is the growth rate of the basic aid formula. While we are assuming that 2% annual increases continue indefinitely, a different result could significantly impact our numbers. Figure 6 examines the relationship between growth in the funding formula (between FY24 and FY27) and FY27 financial outcomes.

Figure 6. Relationship between growth in basic formula and FY27 financial outcomes.



The blue curve crosses the x-axis around 9.5%. This means that to fix our fiscal structure in the timeframe of the pro forma projection, everything else being equal, we would need to see 9.5% annual increases in the basic funding formula.

The orange curve crosses the x-axis close to 4.75%. This means that, all else being equal, if the basic funding formula were increased by 4.75% annually between FY24 and FY27 we would end the year with a positive fund balance.

We have examined three different approaches MPS could take to achieve fiscal sustainability:

- increasing enrollment
- reducing wages
- unprecedented increases in the basic funding formula.

There are other ways that we could address our fiscal issues, such as full funding of special education from the state. That said, none of these approaches are realistic. It is unwise to project moving from 55% to 80% market share in five years, or to project unrealistic increases in funding from the legislature. Additionally, MPS cannot expect to retain the talent needed to educate children by implementing severe wage cuts.

## Risks and Opportunities

No financial projection can anticipate exactly what the future will bring, and our pro forma projection is no different. In this section, we outline some of the financial risks and opportunities that MPS may face that could materially impact our conclusions.

## **Risks**

### **Collective Bargaining and Wage Increases**

MPS expenses are particularly dependent contractual requirements and bargained improvements since the vast majority of our budget funds salary and benefits. Bargaining parameters and agreements will have a material impact on our long-term financial outlook.

### **Additional Enrollment Erosion**

This year, we have seen enrollment far underperform expectations, which we considered in building the budget projections. There is the risk that enrollment will decline faster or in greater numbers than we are anticipating.

### **Political Risk**

As a public school system, most of our funding comes from government sources. As a result, our funding streams as well as our expense obligations can be impacted by the political decisions of elected officials and the results of legislative initiatives. Additionally, our governing board is an elected body and subject to the election cycle. We recognize that decisions made by elected officials at the federal, state and local levels, regardless of the reason, may have a material impact on our financial sustainability and our long-range outlook.

### **Inflation (Revenue)**

Given the country's unprecedented political and economic environment, we recognize that the likelihood of a sustained period of high inflation is greater than it has been in many years. There is a risk that our funding streams will not keep up with any period of prolonged inflation while also facing increased demand in the marketplace for labor and goods. This might have an adverse and material impact on our ability to fund ongoing operating expenses.

### **Unforeseen Expenditures**

There is always the possibility that unforeseen circumstances may result in necessary but unforeseen expenditures, such as those experienced during the COVID-19 pandemic. Although we cannot plan for what we do not know, there is always the possibility of such expenditures being large enough to impact our financial outlook materially and adversely. Additionally, this pro forma assumes that we will not have any new spending, either for positions or for contracts or goods.

### **Inflationary Pressure (Expenses)**

We are subject to several collective bargaining agreements, which set wages at certain levels. We do not have the ability to reduce wages or benefits without the consent of these bargaining groups. As written, the contracts continue enforce upon expiration until a new agreement is reached, providing little control over MPS's cost of labor. As these contracts are not indexed to inflation and are written in nominal dollar values, a prolonged period of higher-than-normal inflation may affect future expenses.

## **Opportunities**

### **Competitiveness**

This pro forma budget relies on enrollment projections that incorporate recent changes that are greater than anticipated. At the same time, we are currently implementing the Comprehensive District Design, the purpose of which is to increase the quality of our schools and their appeal to families. We believe that we have an opportunity to turn MPS around, increase enrollment, and improve the financial sustainability of MPS.

### **Referendums and Levies**

We currently receive local property tax revenue through two voter-approved levies: an operating referendum and a capital projects levy dedicated to technology costs. Both levies will require voter approval to extend beyond their expiration.

## **Conclusion**

Given the current footprint and cost structure of MPS, the school district appears likely to remain stable through 2026. This is an improvement over previous findings that had anticipated insolvency as early as fiscal year 2024. This improved outlook is based on receiving the federal COVID-19 relief fund and higher-than-normal vacancy rates throughout the pandemic. While MPS may have an opportunity to improve its fiscal outlook by attracting and retaining new families, the three best areas in which to find efficiencies remain staffing levels, physical footprint, and compensation structure. Putting MPS on track for long-term fiscal sustainability will likely require a combination of efficiencies in all three areas.

## Appendix 1 – Five Year Projection

### Minneapolis Public Schools

Preliminary Pro-Forma, Fall 2021

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
<b>Starting Fund Balance</b>	<b>131,075</b>	<b>129,489</b>	<b>150,718</b>	<b>137,433</b>	<b>80,158</b>	<b>10,327</b>
State Aid	379,575	369,488	365,627	361,452	358,473	358,074
Levy	138,920	144,016	133,984	136,894	137,549	139,275
Covid Relief	72,409	80,840	67,597	441	0	0
Grants/Title	54,019	50,000	50,000	50,000	50,000	50,000
Funded Projects	9,000	9,000	9,000	9,000	9,000	9,000
<b>General Fund Revenue</b>	<b>653,922</b>	<b>653,344</b>	<b>626,208</b>	<b>557,788</b>	<b>555,022</b>	<b>556,349</b>
			-4.2%	-10.9%	-0.5%	0.2%
Salaries	351,192	344,296	355,353	348,676	353,803	359,842
Extended Time	18,666	15,841	17,038	13,723	13,997	14,277
Reserves	5,057	5,290	5,396	5,503	5,613	5,726
Fringe	131,371	123,046	125,185	124,035	125,851	127,995
Contracts	116,570	109,858	101,937	96,481	98,411	100,379
Supplies	25,326	25,103	25,917	18,414	18,783	19,158
Equipment	145	141	146	151	154	157
Misc.	7,181	8,541	8,520	8,079	8,241	8,405
<b>General Fund Expenses</b>	<b>655,509</b>	<b>632,115</b>	<b>639,493</b>	<b>615,063</b>	<b>624,853</b>	<b>635,939</b>
<b>Change in Fund Balance</b>	<b>(1,586)</b>	<b>21,229</b>	<b>(13,285)</b>	<b>(57,275)</b>	<b>(69,831)</b>	<b>(79,590)</b>
Ending Fund Balance	<b>129,489</b>	<b>150,718</b>	<b>137,433</b>	<b>80,158</b>	<b>10,327</b>	<b>(69,263)</b>

## Appendix 2 – Revenue Calculation

	Budget	2023	2024	2025	2026	2027
Basic Revenue (Formula)	219,991	214,122	215,058	212,059	210,893	211,974
Declining Enrollment	2,254	1,116	915	1,995	1,478	857
Pension Adjustment	4,654	4,881	4,875	4,830	4,806	4,804
Gifted & Talented	435	406	399	386	376	371
Extended Time	8,377	7,372	7,404	7,157	7,118	7,014
Compensatory	46,516	43,719	43,049	41,616	40,576	39,984
English Learner	4,007	3,530	3,563	3,445	3,426	3,376
Operating Capital	1,675	0	0	0	0	0
Alternative Attend Adj	503	115	121	127	134	141
Q Comp (65% aid 35% levy)	5,647	5,273	5,296	5,120	5,091	5,017
Special Education	70,863	70,808	70,808	70,808	70,808	70,808
Integration (70% aid 30% levy)	10,125	9,794	9,644	9,323	9,090	8,958
Non Public Transportation	1,253	0	0	0	0	0
Contract Alternative	4,321	4,407	4,495	4,585	4,677	4,770
Subtotal State Aid Forecast	380,620	365,543	365,627	361,452	358,473	358,074
State Adjustments						
Anticipated Declining Enrollment Adjustment		3,946				
Fully Adjusted State Aid	380,620	369,488	365,627	361,452	358,473	358,074
Equity	1,675	1,635	1,462	1,485	1,448	1,427
Transition	6,268	6,117	5,470	5,557	5,418	5,339
Operating Capital	6,709	7,292	7,229	7,038	6,912	6,863
Operating Capital						
Local Optional Tier 1	10,038	9,807	8,769	8,910	8,687	8,560
Local Optional Tier 2	14,204	13,861	12,839	13,461	13,561	13,801
Referendum Tier 1	15,410	15,038	13,446	13,662	13,320	13,126
Referendum Tier 2	29,538	31,244	28,991	30,444	30,716	31,307
Unequalized Levy	18,910	18,107	16,577	16,687	17,458	18,575
Q Comp (65% aid 35% levy)	3,246	2,839	2,852	2,757	2,742	2,702
Integration (70% aid 30% levy)	4,254	4,198	4,133	3,996	3,896	3,839
Reemployment	430	0	0	0	0	0
Safe Schools	1,206	1,177	1,052	1,069	1,042	1,027
Judgments	392	0	0	0	0	0
Career & Tech Ed	695	846	854	863	871	880
Other Postemployment Benefit	2,548	2,954	2,954	2,954	2,954	2,954
Long Term Facilities Maint	3,345	3,446	3,446	3,446	3,446	3,446
Disabled Access		0	0	0	0	0
Lease Levy	427	433	433	433	433	433
MERF/TRA	7,088	7,088	7,088	7,088	7,088	7,088
Capital Projects Referendum	14,792	15,678	16,389	17,045	17,556	17,907
Prior year levy adjustments		299				
Subtotal Levy Forecast	141,176	142,057	133,984	136,894	137,549	139,275
Limitation Adjustments		1,030				
Referendum Adjustments	(4,174)					
Local Optional Adjustments	(1,061)					
Other Levy Adjustments	1,699					
Abatements		929				
Fully Adjusted Levy	137,640	144,016	133,984	136,894	137,549	139,275
GEER	920	0	0	0	0	0
ESSER I	7,250	0	0	0	0	0
ESSER II	64,239	3,557	0	0	0	0
ESSER III	0	77,283	67,597	441	0	0
Covid Related Grants	72,409	80,840	67,597	441	0	0
Other Grants & Title Revenue	54,019	50,000	50,000	50,000	50,000	50,000
Grants (Fully Adjusted)	126,428	130,840	117,597	50,441	50,000	50,000
Funded Projects (Fully Adjusted)	9,000	9,000	9,000	9,000	9,000	9,000
Total Revenue	653,687	653,344	626,208	557,788	555,022	556,349
Revenue/ADM	21.2	22.9	22.3	20.5	20.9	21.2

# 2022 Legislative Agenda

December 14, 2021



# Session Context and Background

- Session begins January 31, 2022
- 2022 is a non-budget session – two year budget passed June 2021
- Bonding bill highest priority
- State budget forecast projects \$7.7 billion surplus
- State has \$1.15 billion of unspent American Rescue Plan funding
- Redistricting year – all legislators running in new districts
- Legislature adjourns May 23, 2022

# Agenda Priorities

1. Close Funding Gaps in Key Areas
2. Address Issues Exacerbated by the Pandemic
3. Update Special Education Policies
4. Promote Stable, Healthy Engaged Families
5. Enhance Local Control
6. Ensure a High Quality Education for Each and Every Student

# Close Funding Gaps in Key Areas

- Ensure the state fully funds the state portion of special education
- Close the funding gap for English Learner services
- Use prior year free-reduced meal counts to compute compensatory revenue

# Address Issues Exacerbated by the Pandemic

- Update how the state measures school-level poverty data
- Increase state investments in the recruitment and retention of Teachers of Color and American Indian teachers
- Expand funding for school-linked mental health grants
- Ensure access to safe and affordable housing for students and families

# Update Special Education Policies

- Create special education tuition billing working group to make recommendations to the 2023 Legislature to address misalignment between who pays and who determines costs
- Address the rapidly rising cost of special education tuition billing due to some schools' ability to bill back 100% of their costs
- Transfer district of residence to the serving district after one year for students who open enroll and are placed in cooperative programs

# Promote Stable, Healthy Engaged Families

- Support increases in state funding for Full Service Community Schools
- Fully fund the Child Care Assistance Program (CCAP) and align it with Pathway I Scholarships
- Align any new federal funding for early education with state funding to ensure more students are ready for kindergarten

# Enhance Local Control

- Give districts flexibility to designate e-learning days
- Allow districts to renew operating and capital projects levies with a vote of the board
- Provide flexibility to allow cities, counties, school districts and higher education institutions to more efficiently work together

# Ensure a High Quality Education for Every Student

- Work with stakeholders to update proposed changes to State Constitution's education clause to address concerns related to funding, assessment and private school vouchers

# Questions

## Minneapolis Public Schools

### List A: All Employees: Tuesday, December 14, 2021

#### Hiring - Licensed

Ibrahim Aden	Heritage Academy	Teacher, Building Reserve	11/8/2021
Jill Ashley-Grochowski	ABE Hourly	Teacher, Adult Basic Ed (Hourly)	11/9/2021
Rosemary Attiyeh	Armatage	Teacher, Music Therapist	10/14/2021
Andre Barnes	South High	Teacher, Social Studies	11/8/2021
Suzanne Bordeau	ABE Hourly	Teacher, Adult Basic Ed (Hourly)	11/29/2021
Trevor Budhram	Folwell Performing Arts	Teacher, English Second Language	12/6/2021
Sucdi Dahir	Transition Plus	Teacher, Social Worker	11/15/2021
Lynsey Davis	Sanford Middle School	Teacher, Art	11/15/2021
Quentina Dunbar	Teaching & Learning	Teacher, TOSA Literacy Specialist	11/22/2021
Barbara Feehan	Health Services	Teacher, School Nurse	11/29/2021
Katherine Flaherty	ABE Hourly	Teacher, Adult Basic Ed (Hourly)	11/16/2021
Barbara Hemkin	Anwatin	Teacher, Counselor	11/22/2021
Jenna Hughes	Justice Page School	Teacher, English	11/15/2021
Taylormae Ippolito	Hall International	Teacher, Elementary	11/22/2021
Lauren Lies	Anwatin	Teacher, Social Worker	11/8/2021
Brianna Literski	Lake Harriet Lower (Audubon)	Teacher, Elementary	11/29/2021
Lisa Mielke	Olson Middle School	Teacher, Counselor	11/1/2021
Sarah Mills	Pillsbury Math/Science/Technology	Teacher, Elementary	12/9/2021
Julia Monzon Melantuche	Olson Middle School	Teacher, World Languages (Spanish)	11/8/2021
Nathan Mortenson	Andersen United	Teacher, B/B (Spanish) Science	11/29/2021
Carlye Novak	Jefferson Elementary	Teacher, Art	11/15/2021

## Minneapolis Public Schools

### List A: All Employees: Tuesday, December 14, 2021

#### Hiring - Licensed

Janet Parker	Pillsbury Math/Science/Technology	Teacher, Library Media Specialist	11/1/2021
Lindsey Perrault	Special Ed Program 3	Teacher, Music Therapist	11/8/2021
Adam Teeter	Hmong International Academy	Teacher, Building Reserve	11/17/2021
Edward Tuite	FAIR Senior	Teacher, Building Reserve	10/28/2021
Coua Vang	Seward Montessori School	Teacher, Elementary	11/8/2021

#### Hiring - Non Licensed

Janet Abundez-Martinez	Whittier Community School	Special Education Assistant	11/2/2021
Ceres Afshar-Javan	Minneapolis Kids	Child Care Assistant	12/6/2021
Skye Alpert	Check and Connect	Associate Educator	11/2/2021
Amura Anderson	Transportation	Bus Aide	11/16/2021
Esther Andrade-Vera	Special Ed Due Process Clerical	Office Specialist, Due Process	11/16/2021
Terrance Averyheart	Harrison Education Center	Special Education Assistant	11/29/2021
Damon Bassett	Adult Basic Education	School Success Program Assistant	11/22/2021
Leosha Bellfield	River Bend	Special Education Assistant	11/16/2021
Liliane Bilezikian	Folwell Performing Arts	Associate Educator	11/29/2021
Raven Blakely	North (ISA)	Special Education Assistant	11/2/2021
Shanina Butler	Online Learning	Special Education Assistant	11/16/2021
Elizabeth Carey	Northeast Middle School	Special Education Assistant	9/15/2021
Ramel Cooper	SEA Cadre	Special Education Assistant	11/16/2021
Ricky Davis	Northeast Middle School	Associate Educator	11/2/2021
Jennifer Dey	Nellie Stone Johnson	Special Education Assistant	11/9/2021

## Minneapolis Public Schools

### List A: All Employees: Tuesday, December 14, 2021

#### Hiring - Non Licensed

Kayla Elftmann	Washburn High	Special Education Assistant	11/9/2021
Lanayaiah Farkariun	Nellie Stone Johnson	Special Education Assistant	11/16/2021
Daniele Georgette Peli	Marcy Open School	Special Education Assistant	12/7/2021
Febe Gonzalez	North (ISA)	School Secretary, Senior	11/22/2021
Marcena Hansen	Pratt Elementary	Associate Educator	11/29/2021
Katie Harrell	Northeast Middle School	School Success Program Assistant	11/2/2021
Rennie Harris	Citywide Specialists	Emergency Mgmt, Safety & Security Spec.	11/16/2021
Bridget Hill	CWS, Site Group 3	Food Service Assistant	12/2/2021
Monroe Hill	South High	Security Monitor	11/16/2021
Steve Hillestad	CWS, Site Group 5	Food Service Assistant	12/2/2021
Rita Holmes	CWS, Site Group 3	Food Service Assistant	12/6/2021
Natalie Ibarra	Washburn High	Associate Educator	11/15/2021
Amaiya Ibrahim-Ndip	South High	Associate Educator	11/2/2021
Kiaree Jackson	Minneapolis Kids	Child Care Assistant	11/8/2021
Kiley Jeanetta	FAIR Senior	Special Education Assistant	11/2/2021
Teaira Jefferson	Online Learning	School Secretary	11/2/2021
Ronald Jenkins	CWS, Site Group 4	School Cook, Lead	12/7/2021
Marie Kent	Marcy Open School	Associate Educator	11/16/2021
Franklin King	Engineers, Zone 1	Custodian	11/8/2021
Catherine Kinney	Whittier Community School	Associate Educator	12/7/2021
Carrie Kuschel	North (ISA)	Special Education Assistant	11/16/2021

## Minneapolis Public Schools

### List A: All Employees: Tuesday, December 14, 2021

#### Hiring - Non Licensed

Blia Lee	Plant Maintenance	Project Coordinator, Operations	11/16/2021
Samantha Ly	Adult Basic Education	Associate Educator	11/2/2021
Joshua Macomber	Mental Health Support	Licensed Alcohol & Drug Counselor	11/16/2021
Timothy Marburger	Washburn High	Special Education Assistant	12/1/2021
Eileen Mccarthy Harness	Office of the Senior Operations Officer	Project Manager	11/19/2021
Faith Mccollow	Pillsbury Math/Science/Technology	Associate Educator	11/16/2021
Kaleb Miller	Engineers, Zone 1	Custodian	11/16/2021
Nicole Miller	Sanford Middle School	Special Education Assistant	11/8/2021
Julie Modahl	CWS, Site Group 5	Food Service Assistant	11/22/2021
Zeinab Omar	Jefferson Elementary	Special Education Assistant	11/11/2021
Sarina Partridge	Bancroft Elementary	Special Education Assistant	11/9/2021
Blanche Porter	Office of the Executive Officer	SrOfficer, Comms, Engmnt & Ext.Relations	11/1/2021
Isaiah Powell	FAIR Senior	Security Monitor	11/2/2021
Brittany Prather	FAIR Senior	Special Education Assistant	11/9/2021
Anthony Rice	Engineers, Zone 1	Custodian	11/16/2021
Khayvon Ross	AVID Tutors	AVID Assistant	11/22/2021
Marcus Rothering	Windom Elementary	Special Education Assistant	11/2/2021
Johanna Sacta	Loring Elementary	Account Clerk	11/16/2021
Susann Schecker	Design & Training	Technology Applications Instructor	11/30/2021
Tanya Sepulveda	CWS, Site Operations	Food Service Assistant	10/25/2021
Jahlie Shackelford	Justice Page School	Associate Educator	12/7/2021

## Minneapolis Public Schools

### List A: All Employees: Tuesday, December 14, 2021

#### Hiring - Non Licensed

Caitlin Short	Armatage	Special Education Assistant	11/23/2021
Cynthia Simmons	Transition Plus	School Secretary	11/29/2021
Nina Songer	CWS, Site Group 1	Onsite Food Service Coordinator	12/7/2021
Kou Thao	Washburn High	Office Specialist	11/2/2021
Sigrid Tornquist	Armatage	Health Services Assistant	11/29/2021
Mai Vang	Hmong International Academy	Associate Educator	11/2/2021
Jennifer Vielma	Bancroft Elementary	Special Education Assistant	11/16/2021
Rebecca Voss	Lyndale Elementary	Associate Educator	11/8/2021
Kyuana Wilson	Engineers, Zone 1	Custodian	11/29/2021
Etta Winje	Pillsbury Math/Science/Technology	Special Education Assistant	11/8/2021

**Discharges**

**Licensed**

**Non-Licensed**

**Probationary Separations**

**Licensed**

Teacher 12-30-2021 2021-12-ER-4742

**Licensed, Staff Reduction**

Health Services Assistant	12-03-2021	2021-12-ER-4780
Security Monitor	11-17-2021	2021-12-ER-4740
Account Clerk	11-30-2021	2021-12-ER-4781
School Bus Driver	12-06-2021	2021-12-ER-4790
Special Education Assistant	12-03-2021	2021-12-ER-4784
Child Care Assistant	11-30-2021	2021-12-ER-4783

**Non-Licensed**

**Non-Licensed, Staff Reduction**

**Layoffs**

**Licensed**

**Non-Licensed**

**Administrative Contract Non-Renewals**

**AMENDMENT TO CONTRACT BETWEEN; SPECIAL  
SCHOOLS DISTRICT NO.1 AND  
AL-MAA'UUN CAREER SERVICES**

This Amendment ("Amendment") to the Contract between Special School District No. 1 and Al-Maa'uun Career Services dated 7/1/2021 ("Contract") is made and entered into by and between Special School District No.1 ("District") and Al-Maa'uun Career Services ("Contractor") (collectively "parties").

WHEREAS, Special School District No.1, a special school district created and existing under Minnesota law ("District") and Al-Maa'uun Career Services ("Contractor") entered into a contract titled CONTRACT FOR SERVICES for a period between 9/15/2021 through 6/30/2022 ("Contract"), and

WHEREAS, the Parties now desire to amend the Contract number: SRM: 4400001038

1. *Original contract amount: \$51,000.00*
2. *Accumulative contract amount: 209,720.00*

NOW THEREFORE IT IS HEREBY AGREED by the Parties to amend the Contract as follows:

**Section:** 1.1 Description and 3.1 Total Obligation

**Description:**

1.1 Additional funds for district wide temporary custodians through temp agency

Facility Services Work = 50% Mark-up.

First shift \$15.93/hour Pay - \$23.90/Hour Bill  
Second shift \$16.53/hour pay - \$24.80/Hour Bill

3.1 When increasing the PO \$158,720.00, the District's total obligation to Al-Maa'uun Career Services for services shall not exceed \$ \$209,720.00 to cover cost through June 30, 2022.

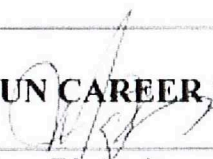
Except as herein amended, the terms, conditions and provisions of the contract shall apply to and govern the provisions of this Amendment.

(The remainder of this page intentionally left blank.)

**SPECIAL SCHOOL DISTRICT NO. 1**

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**AL-MAA'UUN CAREER SERVICES:**

Signature:  \_\_\_\_\_  
Name: Makram El-Amin  
Title: Executive Director  
Date: 12/11/2021  
Updated January, 2020



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**CONTRACT FOR GOODS – above \$50,000**

This Contract is entered into between Special School District No. 1, “District”, a special school district created and existing under the laws of Minnesota, and EAI Education “Contractor” (collectively “parties”) to provide graphing calculators at Minneapolis Public Schools

**1 TERM OF CONTRACT**

- 1.1 This Contract is effective on December 14, 2021 or the date of the last signature of the parties, whichever is later, and pricing will remain in effect for 60 days with possibility of renewing in 60 days. [*Texas Instruments has informed us due to global supply chain challenges; calculator pricing may increase in 2022; therefore, making a longer commitment difficult. As stated above, we can work with Minneapolis Public Schools this year to extend pricing for 60-day intervals.*] Contractor shall have a continuing obligation, after said Contract period, to comply with any provision of this Contract intended for District’s protection or benefit, or that that by its sense and context, is intended to survive the completion, expiration or termination of this Contract.
- 1.2 Contractor understands that **NO WORK SHOULD BEGIN UNDER THIS CONTRACT** until all required signatures on this Contract have been obtained and the Contract has been authorized and/or approved by the District’s Board. Any work performed by Contractor prior to such time shall be considered as having been performed at Contractor’s OWN RISK and as a volunteer.

**2 SCOPE OF WORK**

- 2.1 Contractor shall perform all of the services/delivery of goods set forth herein and any exhibits attached hereto as **Exhibit A** (“Scope of Work”). Contractor understands that time is of the essence in this Contract and agrees to meet all milestones indicated in this section, in the Contract herein and any exhibits attached hereto.



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Page | 1

### 3 CONSIDERATION AND TERMS OF PAYMENT

The consideration for all services (and goods if any) performed or supplied by Contractor under this Contract shall be paid by District as described below.

#### 3.1 *Total Obligation*

District's total obligation to Contractor/Vendor under this Contract, including compensation for goods, and/or services, and reimbursable expenses (if applicable), shall not exceed \$508,000. Contractor/Vendor shall not receive any additional reimbursement for materials or subsistence expenses incurred in the performance of this Contract.

#### 3.2 *Frequency of Invoicing and Terms of Payment*

Subject to the conditions herein, payment shall be made by District within thirty (30) days upon receipt of Contractor's invoice for goods delivered or services rendered pursuant to this Contract. The Contractor's standard invoice shall be submitted after satisfactory completion of services on a monthly basis. District has no obligation to pay for services that are not satisfactorily performed or performed in violation of federal, state or local law, ordinance, rule or regulation. In the case of a dispute about satisfactory performance of services, the parties agree to work in good faith to resolve any disputes. If either party does not dispute an invoice in writing within 180 days of receipt of the invoice, no action challenging the invoice may be taken.

As applicable, for all agreed upon work performed by Contractor or Contractor's personnel in the provision of goods and/or services stipulated herein, District shall pay Contractor at the hourly or per diem rates as set forth in the applicable **Exhibit B**. Payment shall be made to Contractor based on the hours recorded provided such hours are in accordance with the terms of this Contract. Notwithstanding anything to the contrary, and without limitation, District has not promised or guaranteed any minimum amount of work, and Contractor understands and acknowledges same. District has no obligation to pay for overtime or holiday work, nor will it pay premiums for overtime and holidays.

#### 3.3 *Taxes.*

District is exempt from paying Minnesota sales and use taxes on certain purchases, as provided in Minnesota Statute, Section 297A.70. Contractor shall not charge District for such sales and use taxes. Alternatively, Contractor shall be responsible for the payment of any and all sales taxes to the Minnesota Department of Revenue relating to the following taxable items sold pursuant to this Contract; construction materials, leasing of motor vehicles, food and lodging, [See Minnesota Statute 297A.70]. Contractor shall promptly reimburse District for any and all such sales and use taxes paid by District to any

governmental authority on behalf of Contractor including penalties and interest with respect thereto, and including any and all expenses (including attorneys' fees) or damages that result from a failure by Contractor to properly remit or reimburse District for any and all such sales and use taxes provided above.

District may be obligated by state and federal law to withhold state and federal taxes from the consideration stated herein. These taxes may consist of, but are not limited to, the Minnesota state entertainer tax, Minnesota state nonresident withholding tax, federal withholding on payments to foreign nonresident aliens, and federal backup withholding.

#### **4 INSPECTION OF GOODS & REJECTION**

4.1 Buyer is entitled to inspect the Goods upon delivery. If the Goods are unacceptable for any reason, Buyer must reject them at the time of delivery up to ten (10) business days from the date of delivery. If Buyer has not rejected the Goods within ten (10) business days from the date of delivery, Buyer shall have waived any right to reject that specific delivery of Goods.

4.2 In the event Buyer rejects the Goods, Buyer shall allow Seller a reasonable time to cure the deficiency. A reasonable time period shall be determined by industry standards for the Goods, as well as the Seller and Buyer.

#### **5 RISK OF LOSS**

5.1 Risk of loss will be on the Seller until the time when the Buyer accepts delivery. Seller shall maintain any and all necessary insurance in order to insure the Goods against loss at Seller's own expense.

#### **6 TITLE**

6.1 Title to the Goods will remain with the Seller until Buyer accepts delivery.

#### **7 FORCE MAJEURE**

7.1 Non-delivery or default of this Agreement due to labor disputes, transportation shortage, delay or shortage of materials to produce the Goods, fires, accidents, Acts of God, or any other causes outside of Seller's control shall be notified to Buyer immediately upon realization that it will not be able to deliver the Goods as promised. Either Party may terminate this Agreement upon such notice.

## 8 GENERAL TERMS AND CONDITIONS

8.1 The terms and conditions contained in this Contract shall govern and shall take precedence over any different or additional terms and conditions which Contractor may have included in any documents attached to or accompanying this Contract. Any handwritten changes on the face of this document shall be ignored and have no legal effect unless initialed by all parties. If this Agreement was made pursuant to a Request for Proposal (RFP) or Request for Information (RFI), the following order of precedence shall apply: (1) this Contract and its Exhibits, (2) District's RFP or RFI, and (3) Contractor's Response to District's RFP or RFI.

## 9 AFFIRMATIVE ACTION, EQUAL EMPLOYMENT OPPORTUNITY

9.1 The District is committed to the policy that all persons shall have equal access to its programs, facilities, and employment without regard to race, color, creed, religion, sex, national origin, age, marital status, disability, public assistance status, veteran status, or sexual orientation and is committed to transacting business only with firms who follow these practices. Contractor must apply every good faith effort to ensure implementation of this policy in their practices of employment, upgrade, demotion or transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. As applicable, Contractor shall also develop and have on file for each of its establishments, written Affirmative Action Plans, as may be required by the rules and regulations of the Secretary of Labor. If applicable, Contractor certifies that it has received a certificate of compliance from the Minnesota Commissioner of Human Rights for its affirmative action plan. By accepting this Contract, Contractor certifies that it complies with all applicable federal and state laws as well as District policies related to non-discrimination, equal employment opportunity, and affirmative action.

## 10 DATA PRIVACY

10.1 Contractor agrees that any information it creates, collects, receives, stores, uses, or disseminates during the course of its performance, which concerns the personal, financial, or other affairs of the District, its Board, officers, employees or students shall be kept confidential and in conformance with all state and federal laws relating to data privacy, including, without limitation, the Minnesota Government Data Practices Act, Minnesota Statute, Chapter 13. Contractor must comply with any applicable requirements as if it were a governmental entity. The remedies in Minn. Stat. § 13.08 apply to the Contractor. The Contractor will report immediately to the District any requests from third parties for information related to this Contract. The District will respond to such data requests. All subcontracts, if allowed, shall contain the same or similar data practices compliance requirements.

## **11 USE OF DISTRICT NAME OR LOGO**

11.1 Contractor agrees not to use the name, logo, or any other marks (including, but not limited to, colors and music) owned by or associated with the District or the name of any representative of the District in any sales promotion work or advertising, or any form of publicity, without the written permission of the District.

## **12 INDEPENDENT CONTRACTOR**

12.1 Contractor shall perform its duties hereunder as an independent contractor and not as an employee of the District. Neither Contractor nor any agent or employee of Contractor shall be or shall be deemed to be an agent or employee of the District. Contractor shall pay when due all required employment taxes and income tax withholding, including all federal and state income tax on any monies paid pursuant to this Contract. Contractor acknowledges that Contractor and its employees are not entitled to tax withholding, worker's compensation, unemployment compensation, or any employee benefits, statutory or otherwise. Contractor shall have no authorization, express or implied, to bind District to any agreements, liability, or understanding except as expressly set forth herein. Contractor shall be solely responsible for the acts of Contractor, its employees and agents.

12.2 Contractor shall hold District completely harmless from and against any such contributions, premiums and taxes described above and from all claims and liability pertaining to those or any other item for which Contractor is responsible under this Contract, and from all attorney's fees and other costs incurred by District in contesting or defending against any responsibility therefore which is asserted against District.

## **13 WORKER HEALTH, SAFETY AND TRAINING**

13.1 Contractor shall be solely responsible for the health and safety of its employees and/or self in connection with the work performed under this Contract. Contractor shall make arrangements to ensure the health and safety of all subagents and other persons who may perform work in connection to this Contract. Contractor shall ensure all personnel, subagents and/or self are properly trained and supervised and, when applicable, duly licensed or certified appropriate to the tasks performed under this Contract. Contractor shall comply with federal, state and local occupational safety and health standards, regulations, and rules promulgated pursuant to the Occupational Health and Safety Act that are applicable to the work performed by Contractor. Contractor shall develop and implement an emergency plan and procedures to follow in emergencies.

## **14 BUREAU OF CITIZENSHIP & IMMIGRATION SERVICES REQUIREMENTS**

14.1 Contractor shall comply with all applicable requirements of the BCIS relating to employment including but not limited to confirming nationality for all employees and complying with requirements for employing aliens if appropriate.



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Page | 5

## 15 INSURANCE

- 15.1 At all times during its performance under this Contract, Contractor shall obtain and keep in force comprehensive general liability insurance, including coverage for death, bodily or personal injury, property damage, liability and automobile coverages, with limits of not less than \$1,500,000 each claim and \$1,500,000 each occurrence covering claims that arise out of its acts and operations in providing services to the District or at limits established for a municipal corporation by Minnesota Statute Section 466.04. All such certificates evidencing such insurance shall name District as additional insured. Contractor may meet the limits above \$1,000,000 per occurrence through umbrella or excess coverage.
- 15.2 Contractor represents that it has worker's compensation insurance to the extent required by law and agrees to furnish proof of such insurance for worker's compensation and the liability insurance, upon request. Contractor also represents that it has professional liability insurance with limits of not less than \$1,500,000 each claim and \$1,500,000 each occurrence covering claims that arise out of its acts and operations in providing services to the District, but shall not name the District as an additional insured to the coverage.
- 15.3 Contractor shall provide all such certificates to District. Contractor shall not cancel or revise any insurance coverage required by this section during the term of this Contract, and shall require its insurer to mail the District a notice if the coverage is cancelled or revised.

## 16 INDEMNIFICATION

- 16.1 Contractor agrees to release, defend, indemnify, and hold harmless District, its board, officers, students, employees, and agents from all liability, injuries, claims, damages (including claims of bodily injury, property damage, or negligence), or loss, including costs, expenses, and attorneys' fees, which arise in connection with, in relation to, or as a result of Contractor's negligent acts or omissions or in connection with Contractor's breach of warranties. The foregoing agreement to release, defend, indemnify and hold harmless shall not apply to the extent such liability, injuries, claims, damages, or loss was caused by the intentional, willful, or wanton acts of District. Contractor shall not settle or compromise any claim in which the District has been named a party and for which Contractor must indemnify the District without a signed agreement approved by the District.

## 17 LIMITATION ON LIABILITY

- 17.1 In no event shall the District be liable for any indirect, consequential, incidental, lost profits or like expectancy damages arising out of the Contract. District's maximum obligation under this Contract shall not exceed the amount set forth herein.

## 18 CONFLICT OF INTEREST/CODE OF ETHICS

18.1 Contractor agrees that it will not represent any other party or client which may create a conflict of interest in its representation with the District. Contractor agrees to be bound by the District's Code of Ethics. In particular, Contractor: (i) certifies that it has not paid kickbacks directly or indirectly to any District employee for the purpose of obtaining this or any other District Contract; (ii) agrees to cooperate fully with any investigation involving a possible violation; and (iii) agrees to report any suspected violations to the District. Contractor certifies that it has provided no fees, gifts, gratuities, compensation, or anything of value in violation any applicable laws or District policies.

## 19 COMPLIANCE WITH LAWS AND DEBARMENT

19.1 Contractor certifies that all goods or services furnished under this Contract shall comply with all applicable federal, state, and local laws and regulations, as well as District policies and procedures, regardless of whether such laws and regulations are specifically set forth in this Contract. Contractor represents that it is not currently debarred or suspended by any federal agency from doing business with the federal or state government. Contractor shall notify District if it becomes debarred or suspended during the term of this Contract. District may immediately terminate this Contract in the event of such termination or suspension and Contractor shall be responsible for any costs incurred by District in connection therewith.

## 20 TERMINATION

20.1 The District and/or Contractor may terminate this Contract at any time without cause, upon thirty (30) days written notice to the other Party. In the event of such termination, Contractor shall be entitled to payment, calculated on a pro rata or other equitable basis, determined by District in its sole discretion, for work or services satisfactorily performed. In no event shall Contractor be paid for work performed or costs incurred after termination, or for costs incurred by suppliers or subcontractors which reasonably could have been avoided.

20.2 District may terminate this Contract in whole or in part for cause upon seven (7) days written notice if Contractor fails to comply with any material term or condition of this Contract, becomes insolvent or files for bankruptcy protection, or fails to comply in a material way with the requirements of this Contract. Late delivery of goods or services, or delivery of goods or services that are defective or do not conform to the Contract shall, without limitation, be causes allowing District to terminate for cause. If a determination is made that District improperly terminated this Contract for Cause, then such termination shall be deemed to have been for without cause.

20.3 Notwithstanding the above, Contractor shall not be relieved of liability to the District for damages sustained by the District as a result of any breach of this Contract by

the contractor. The District, may, in such event, withhold payments due to the Contractor for the purpose of set-off until such time as the exact amount of damages due to the District is determined. The rights or remedies provided here shall not limit the District, in case of any default, error or omissions, by the Contractor, from asserting any other right or remedy allowed by law. Nothing in this Contract shall be construed as a waiver of any right, remedy, liability limit or immunity of the District under law.

## 21 RETURN OF DATA

21.1 Within fifteen (15) days of the completion or earlier termination of this Contract, or upon earlier request of the District, Contractor shall return all documents, data and other information provided by the District to Contractor, or Contractor's employees or agents in connection with this Contract. Additionally, Contractor, upon the request of the District, shall destroy all copies of such District provided data, documents, or information in Contractor's possession or control, and provide District with proof of such destruction.

## 22 RECORDS MANAGEMENT AND MAINTENANCE

22.1 District shall have the right to inspect and copy such books, records, and documents (in whatever medium they exist) as well as all accounting procedures and practices of Contractor, its agents, and subcontractors to verify Contractor's performance and all expenses submitted pursuant to the terms of this Contract. Contractor shall make such items available for inspection during normal business hours at Contractor's place of business. Such records may be subject to copy, review and/or audit by District, State Auditor and/or the Comptroller General of the United States, or a duly authorized representative, if federal funds are used for any work under this Contract. All such items shall be retained by Contractor during the term of this Contract and for a period of six (6) years after the delivery of the goods and/or services. Any items relating to a claim arising out of the performance of this Contract shall be retained by Contractor, its agents and subcontractors, if any, until the claim has been resolved.

## 23 NOTICES/ADMINISTRATION

Except as otherwise provided in this Contract, all notices, requests and other communications that a party is required or elects to deliver shall be in writing and shall be delivered personally, or by facsimile or electronic mail (provided such delivery is confirmed), or by a recognized overnight courier service or by United States mail, first-class, certified or registered, postage prepaid, return receipt requested, to the other parties at the address set forth below or to such other address as such party may designate by notice given pursuant to this section.

### Special School District No. 1

Division: Teaching and Learning

Attn: Aimee Fearing

1250 W Broadway

Minneapolis, MN 55411

Email: [Aimee.Fearing@mpls.k12.mn.us](mailto:Aimee.Fearing@mpls.k12.mn.us)



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Page | 8

## CONTRACTOR

NAME: EAI Education  
Address: 118 Bauer Drive, Oakland NJ 07436-7046  
Phone: (800) 770-8010  
Email: info@EAEducation.com

## ACKNOWLEDGMENT

23.1 In signing, Contractor certifies under penalties of perjury (see Section 6109 of the IRS Code for further penalties) that: (1) the taxpayer ID number (TIN) provided to District is correct; (2) it is not subject to back up withholding because (a) it is exempt from such withholding, (b) it has not been notified by the IRS that it is subject to backup withholding as a failure to report all interest or dividends, or (c) the IRS has notified it that it is no longer subject to backup withholding; (3) it is a U.S. person (including a U.S. resident alien); and (4) it has full authority to execute this Contract and perform its obligation under this Contract. Contractor must cross out and initial item (2) and notify District in writing, if Contractor has been notified by the IRS that it is currently subject to backup withholding because of under reporting interest or dividends on its tax return. Contractor must cross out item (3) above if it is not a U.S. person for tax purposes or U.S. resident alien.

23.2 Notwithstanding this certification, Contractor hereby acknowledges that District has the right to withhold amounts for federal backup withholding if such withholding is required by written notice from the Internal Revenue Service issued subsequent to the date this Contract is executed.

## 24 NON-WAIVER

24.1 No waiver by any party of any default or nonperformance shall be deemed a waiver of any subsequent default or nonperformance.

## 25 ASSIGNMENT

25.1 Contractor may not assign any obligations of this Contract without the prior written consent of District. In the event of any assignment, Contractor shall remain responsible for its performance and that of any assignee under this Contract. This Contract shall be binding upon Contractor, and its successors and assigns, if any. Any assignment attempted to be made in violation of this Contract shall be void. Notwithstanding any notice of assignment, District's tender of payment to Contractor named herein, or to any person reasonably believed by District to be entitled to payment, shall satisfy District's obligation to pay, and in no event shall District be obligated to pay twice or be liable for any damages due to failure to pay the correct party.



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Page | 9

## **26 CHOICE OF LAW, FORUM SELECTION, ENTIRE CONTRACT AND AMENDMENT**

26.1 This Contract shall be construed under Minnesota law (without regard for choice of law considerations). Any action arising out of this Contract shall be heard by a state court in Minnesota. For this purpose, Contractor specifically consents to jurisdiction in Minnesota. This Contract constitutes the entire Contract and understanding of the parties and replaces any prior or contemporaneous agreement, whether written or oral. Any amendments to this Contract shall be in writing and executed by same parties who executed the original Contract, or their successors in office.

## **27 WARRANTY**

27.1 Contractor expressly warrants and guarantees that the services performed under this Contract will be of the highest professional standards and quality. Contractor further represents that all services and goods (if any and as applicable) provided under this Contract: (i) are free from defects in material and workmanship; (ii) are of the quality, size and dimensions ordered; (iii) are fit for the particular needs and purposes of District as may be communicated to Contractor; (iv) comply with the highest warranties and representations expressed by Contractor orally or in any written document provided to or in the possession of District; (v) comply with all applicable laws, codes and regulations (including any published by any national or statewide association or groups); and (vi) are not restricted in any way by patents, copyrights, trade secrets, or any other rights of third parties. If any of the foregoing warranties are breached, Contractor agrees to correct all defects and nonconformities at Contractor's sole expense, to be liable for all direct damages suffered District and any other persons, and to defend, indemnify, and hold harmless District and its Board, officers, students, employees, and agents from any claim asserted by any person resulting in whole or in part from such breach. The foregoing warranties and guarantees shall not be deemed waived by reason of the acceptance of the goods or services or payment by District.

## **28 SEVERABILITY**

28.1 If any provision of this Contract shall be invalid or unenforceable with respect to any party, the remainder of the Contract, or the application of such provision to persons other than those as to which it is held invalid or unenforceable, shall not be affected and each provision of the remainder of the Contract shall be valid and be enforceable to the fullest extent permitted by law.

## **29 SURVIVABILITY**

29.1 The terms, provisions, representations, and warranties contained in this Contract that by their sense and context are intended to survive the performance thereof by any of the parties hereunder shall so survive the completion of performance and termination of this Contract, including the making of any and all payments hereunder.



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Page | 10

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Page | 11

**SPECIAL SCHOOL DISTRICT NO. 1**

Signature: \_\_\_\_\_

Name: Aimee Fearing  
(Printed)

Title: Senior Academic Officer

Date: \_\_\_\_\_

**CONTRACTOR NAME**

Signature:  \_\_\_\_\_

Name: Bernard Guglberger  
(Printed)

Title: Vice President

Date: 12/9/21 \_\_\_\_\_



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## EXHIBIT A: SCOPE OF WORK

### *Deliverables:*

To provide 426 sets of 10 graphing calculators for replacement of aging and non-functional calculators currently in schools.

### *Service Outcome:*

To provide classroom sets of graphing calculators in our math classrooms with 7th to 12th graders.

### *Method of Evaluation*

Successfully delivery of graphing calculators by end of contract date.

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## EXHIBIT B: PAYMENT TERMS

If there are exhibits to describe the payment terms:

Click or tap here to enter text.

[The remainder of this page intentionally left blank.]



1250 West Broadway Ave. Minneapolis, MN 55411-2533

Phone: 612.668.0000

[www.mpls.k12.mn.us](http://www.mpls.k12.mn.us)

SRM: 4400001243

Page | 14

**AMENDMENT #1 TO CONTRACT BETWEEN: SPECIAL SCHOOLS DISTRICT NO.1 AND  
INDROTEC**

This Amendment (“Amendment”) to the Contract between Special School District No. 1 and Indrotec dated 12/14/2021 (“Contract”) is made and entered into by and between Special School District No.1 (“District”) and Indrotec (“Contractor”) (collectively “parties”).

WHEREAS, Special School District No.1, a special school district created and existing under Minnesota law (“District”) and Indrotec (“Contractor”) entered into a contract titled CONTRACT FOR SERVICES for a period between 7/1/2021 through 6/30/2022 (“Contract”), and

WHEREAS, the Parties now desire to amend the Contract number: SRM: 4400000973

1. *Original contract amount:* \$316,522.00
2. *Accumulative contract amount:* 674,933.00

NOW THEREFORE IT IS HEREBY AGREED by the Parties to amend the Contract as follows:

**Section:** 1.1 Description and 3.1 Total Obligation

**Description:**

1.1 Additional funds for district wide temporary custodians through temp agency

Facility Services Work = 50% Mark-up.

First shift \$15.93/hour Pay - \$23.90/Hour Bill

Second shift \$16.53/hour pay - \$24.80/Hour Bill

3.1 When increasing the PO \$358,411.00, the District’s total obligation to Indrotec for services shall not exceed \$674,933.00 to cover cost through June 30, 2022.

Except as herein amended, the terms, conditions and provisions of the contract shall apply to and govern the provisions of this Amendment.

(The remainder of this page intentionally left blank.)

Updated January, 2020

**SPECIAL SCHOOL DISTRICT NO. 1**

Signature: \_\_\_\_\_

Name:

Title:

Date: \_\_\_\_\_

**INDROTEC:**

Signature: \_\_\_\_\_

Name: Dave Hackler

Title: VP of Indrotec

Date: \_\_\_\_\_



## Capital Planning, Construction & Maintenance Department

### Construction Contract Change Order Cover Sheet

#### Project Information

Contractor	Maertens-Brenny Construction	Date	11/18/2021
Project Name	Olson M.S. Safe & Welcoming Entrance	Project No.	20OLSO001
Contract Approval Date:	4/13/2021	OP Number	21-2120

#### Summary

Original Contract Amount	\$ 711,500.00	Substantial Completion	11/22/2021
Board Authorized Amount	\$ 820,744.32	Board Date	11/9/2021

#### Summary of Previous Change Orders

Change Order #1	\$ 3,992.02	PR-1 Added plantings per City Mpls Plan Review
Change Order #2	\$ 2,909.68	Footings & Foundation revisions
Change Order #3	\$ 1,100.24	Added HVAC Air Grilles & Revised Carpet
Change Order #4	\$ 74,902.89	Health Office ADA Toilet
Change Order #5	\$ 26,339.49	Multiple misc. changes to drywall, ceiling grid, light kits in doors, sound mitigation in Principal Office, sidewalk drainage
<b>TOTAL OF PREVIOUS CHANGE ORDERS</b>		<b>\$ 109,244.32</b>

<b>AMOUNT OF THIS CHANGE ORDER #</b>	<b>6</b>	<b>\$ 11,300.25</b>
--------------------------------------	----------	---------------------

**TOTAL CHANGE ORDERS TO DATE** \$ **120,544.57**

**REVISED CONTRACT AMOUNT** \$ **832,044.57**

REVISED DATE OF SUBSTANTIAL COMPLETION 10/1/2021

DATE OF BOARD ACTION 11/9/2021

Reviewed By:

*Don McCreary*  
Project Manager

Date: 11/18/2021

Reviewed By:

*Christie Roach*  
Manager of Planning & Construction

Date: 11/22/2021

Approved By:

*Karen A. Keller*  
COO

Date: 12/6/2021

Approved By:

SFO

Date: \_\_\_\_\_



# AIA<sup>®</sup>

# Document G701™ – 2017

## Change Order

**PROJECT:** *(Name and address)*  
Olson Middle School FY20 Safe & Welcoming Entry  
1607 51st Avenue North  
Minneapolis, MN 55430

**CONTRACT INFORMATION:**  
Contract For: General Construction  
  
Date: March 18, 2021

**CHANGE ORDER INFORMATION:**  
Change Order Number: 006  
  
Date: 2021 -11-18

**OWNER:** *(Name and address)*  
Minneapolis Public Schools  
Special School District No. 1  
1250 West Broadway Avenue  
Minneapolis, MN 55411

**ARCHITECT:** *(Name and address)*  
RoehrSchmitt Architecture, LLC  
  
1229 Tyler Street NE, Suite 275  
Minneapolis, MN 55413

**CONTRACTOR:** *(Name and address)*  
Maertens-Brenny Construction Company  
  
8251 Main Street NE  
Minneapolis, MN 55432

**THE CONTRACT IS CHANGED AS FOLLOWS:**

*(Insert a detailed description of the change and, if applicable, attach or reference specific exhibits. Also include agreed upon adjustments attributable to executed Construction Change Directives.)*

Per PR012 Option 1 and supporting documents, provide an open-to-deck ceiling and other associated elements in Waiting 002 due to tight mechanical and structural conditions at existing masonry wall for the amount of (ADD) \$896.50 (as quoted in PR012 pricing).

Per PR013 and supporting documents, provide replacement plantings (in lieu of those originally specified which featured some low-toxicity elements) for the amount of (ADD) \$942.64 (as quoted in PR013 pricing).

Per PR014 and supporting documents, provide additional electrical and data receptacles in Office 112/116 as requested by school staff for the amount of (ADD) \$2,118.98 (as quoted in PR014 pricing).

Per COR016 Rev 01 and supporting documents, provide new door lockset as requested by school staff to be installed by owner for the amount of (ADD) \$988.66.

COR017 includes cost for special inspections services by Braun Intertec for the amount of (ADD) \$6,353.47.

The original Contract Sum was	\$	<u>711,500.00</u>
The net change by previously authorized Change Orders	\$	<u>109,244.32</u>
The Contract Sum prior to this Change Order was	\$	<u>820,744.32</u>
The Contract Sum will be increased by this Change Order in the amount of	\$	<u>11,300.25</u>
The new Contract Sum including this Change Order will be	\$	<u>832,044.57</u>

The Contract Time will be increased by Zero (0) days.

The new date of Substantial Completion will be

**NOTE:** This Change Order does not include adjustments to the Contract Sum or Guaranteed Maximum Price, or the Contract Time, that have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

**NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.**

RoehrSchmitt Architecture LLC

Maertens-Brenny Construction Company

Minneapolis Public Schools  
Special School District No. 1

\_\_\_\_\_  
**ARCHITECT** *(Firm name)*

\_\_\_\_\_  
**CONTRACTOR** *(Firm name)*

\_\_\_\_\_  
**OWNER** *(Firm name)*



SIGNATURE

Christopher Schmitt, AIA, President  
PRINTED NAME AND TITLE

2021/11/18  
DATE



SIGNATURE

John Hoffman, President  
PRINTED NAME AND TITLE

11/18/21  
DATE

SIGNATURE

Karen A DeVet, Senior Operating Officer  
PRINTED NAME AND TITLE

DATE

# Proposal Request

# 012

Project: **F.B Olson Middle School – 21-2120 - FY20 Safe & Welcoming Entrance** Proposal Request No.: **012**

Owner: **Minneapolis Public Schools**  
1250 West Broadway Ave  
Minneapolis, MN 55411

Date of Issuance: **October 4th, 2021**

To: **Maertens-Brenny Construction Company**  
8251 Main Street NE  
Minneapolis, MN 55432

Architect: **RoehrSchmitt Architecture, LLC**  
1229 Tyler Street NE, Suite 275  
Minneapolis, MN 55413

Contract For: **General Construction**

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Please submit an itemized proposal for changes in the Contract Sum and Contract Time for proposed modifications to the Contract Documents described herein. Submit proposal within days or notify the Architect in writing of the date on which you anticipate submitting your proposal.

THIS IS NOT A CHANGE ORDER, A CONSTRUCTION CHANGE DIRECTIVE OR A DIRECTION TO PROCEED WITH THE WORK DESCRIBED IN THE PROPOSED MODIFICATIONS.

**Description:**

Waiting 002 to be exposed to roof deck in lieu of gypsum board ceiling. Refer to following page for mechanical and electrical scope.

-Provide a small gypsum board soffit at the interior of the storefront head at Waiting 002 south and east walls and turn up behind steel beams. Place vertical gypsum board as close to beam as possible to conceal elements beyond. Seal (to match wall paint color) at gypsum and steel beam. Paint gypsum PT1. Refer to drawings.

-Paint exposed elements black (PT4 – flat finish) for a consistent, monochromatic coverage. Exposed portions of elements above top edge of nearest gypsum board to receive PT4 paint including but not limited to decking, steel beams, fasteners, and utilities (where applied paint does not inhibit proper operation thereof). Fully clean surfaces as needed prior to paint application. Paint light fixture anchor elements; do not paint light fixtures. Do not paint any gypsum board elements PT4. Refer to drawings.

-Linear light fixtures to be suspended at no lower than 8'-6" above finished floor in lieu of flush-mounted in gypsum board ceiling. Refer to drawings.

-Entry 001 ceiling to be single height at 8'-4".

**Attachments:**

A-101 – LEVEL 1 – PLAN AND ROOF PLAN

A-250 – REFLECTED CEILING PLAN

A-520 – EXTERIOR ROOF AND WALL DETAILS

I-101 – FINISH PLAN

M-401 – LEVEL 1 – MECHANICAL PLANS

---

**Requested By:** Christopher N. Schmitt, AIA

## **PROPOSAL REQUEST**

**PR-12**

**Project:** Olson Middle School Safe & Welcoming Entrance  
**Location:** Minneapolis, MN  
**Edi-Dolejs Project Number:** 21-004  
**Issued By:** Pheng Chang, Brett Koenig  
**Date:** October 4, 2021

### **Description:**

Please provide the amount to add or deduct from your contract to make the changes described in this Proposal Request. Please review attached documentation, as well as the bid document plans, specifications for additional information as required. Provide itemized breakdown of material and labor. Include all subcontractor costs. Note: that this is only a request for a proposed cost for the changes. Do not proceed with ordering materials or starting work until written approval has been provided.

**Attachments:** Project Manual: None.

Drawing Sheets: M-401

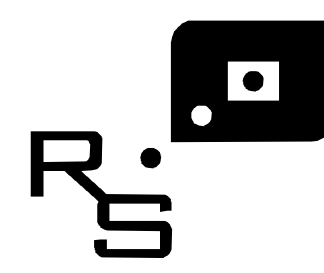
### **Mechanical/Electrical Work associated with removal of new ceiling grid in Waiting 002:**

Drawing M-401 – Level 1 – Mechanical Plans:

1. Replace Drawing M-401 with revised Drawing M-401 issued as part of Proposal Request 12.
2. Provide ductwork and sidewall supply grilles per revised ceiling and revised air distribution plan for Waiting Room 165.
3. Provide supply grilles comparable to Titus 301-RL, steel with single deflection blades and 3/4" spacing, with opposed blade dampers.
4. Please note that the schedule information for SG-1 is wrong on sheet M-501 of the drawings originally issued on March 1, 2021. SG-1 grilles are intended to be supply grilles, but a return grille with 35 degree deflection was scheduled in error.

Drawing E-201 – Level 1 – Electrical Plans:

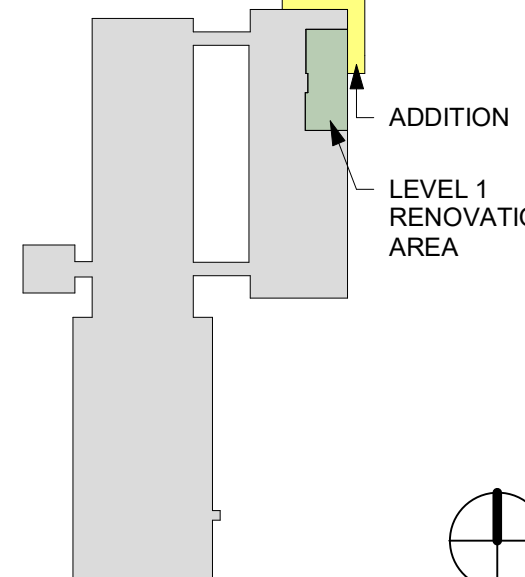
1. Detail 2 – Waiting Room 002:
  - a. Type J4/J6 Light Fixtures – Provide all work required to modify the light fixtures to be suspended from structural ceiling. Install bottom of light fixtures to the bottom of wide-flange beam (8'-6").
  - b. Extend wiring, raceways, junction boxes, etc. as required, from ceiling mount location to surface mount location. Comply with Plan Note 6 requirements.
  - c. Coordinate exact locations and suspension heights with Architect/Owner.



I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Architect under the laws of the State of Minnesota.

Chris Schmitt, AIA  
Minnesota License # 26373  
2021-03-01

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KEY PLAN

No.	Description	Date
2	BID ISSUE SET	2021-03-01
3	ADDENDUM No. 1	2021-03-11
5	PERMIT SET	2021-04-20
6	ASI 02	2021-05-07
9	ADA RESTROOM	2021-06-29
12	RFI 17	2021-07-09
16	PR 12	2021-10-01

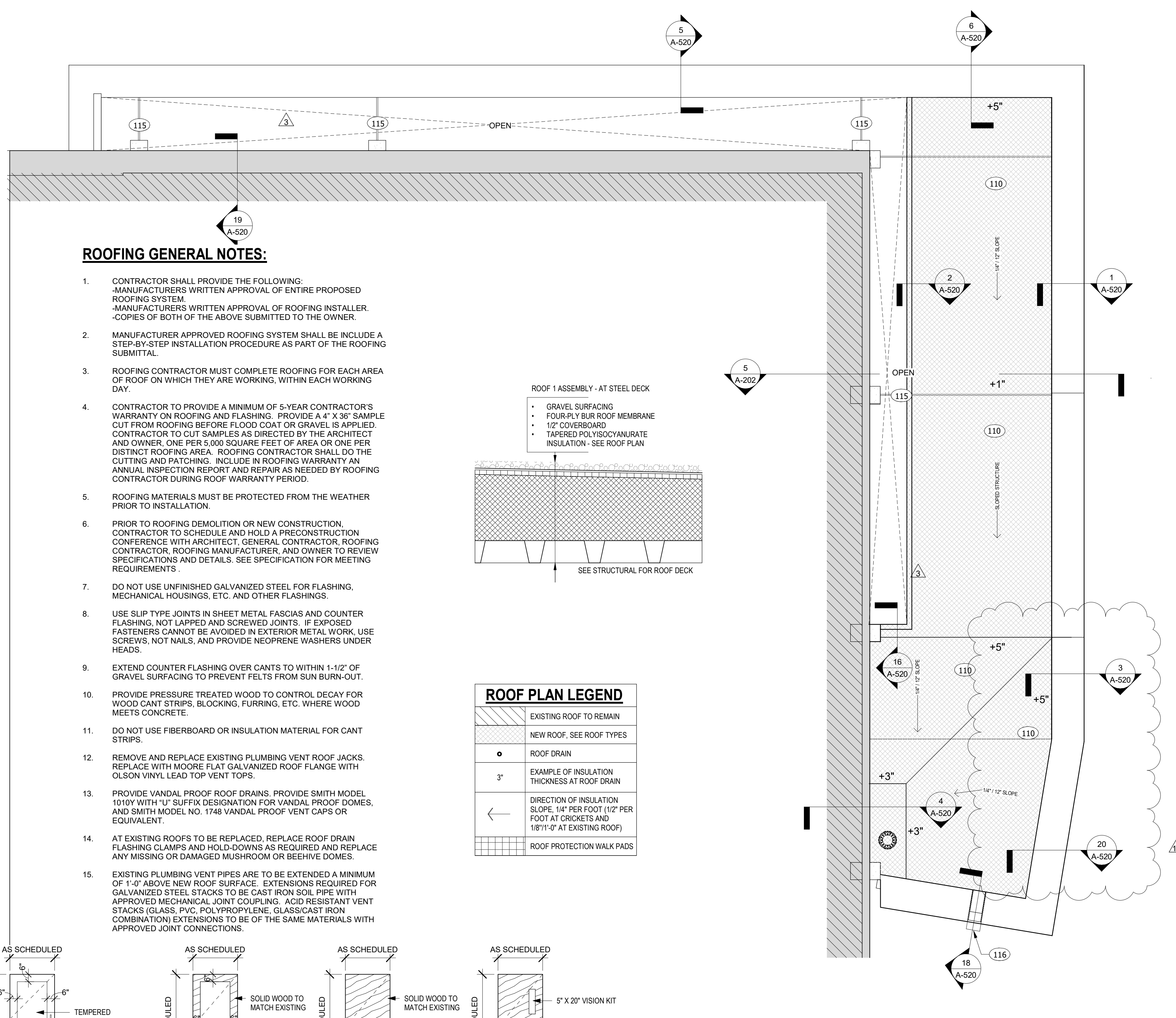
**Olson Middle School  
Safe & Welcoming  
Entrance**  
1607 51st Ave N, Minneapolis, MN 55430

**LEVEL 1 - PLAN AND  
ROOF PLAN**

Project number 21-2120  
Date 2021-01-29  
Drawn by MJP  
Checked by CNS

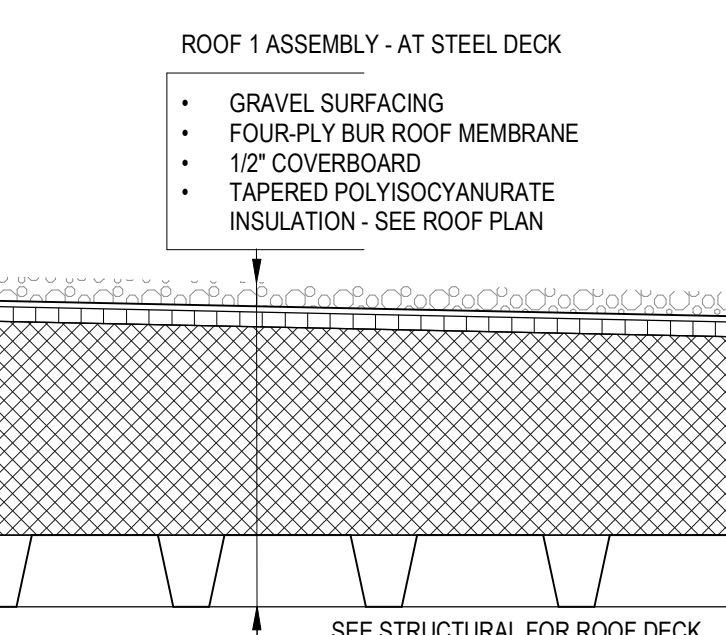
**A-101**

Scale As indicated



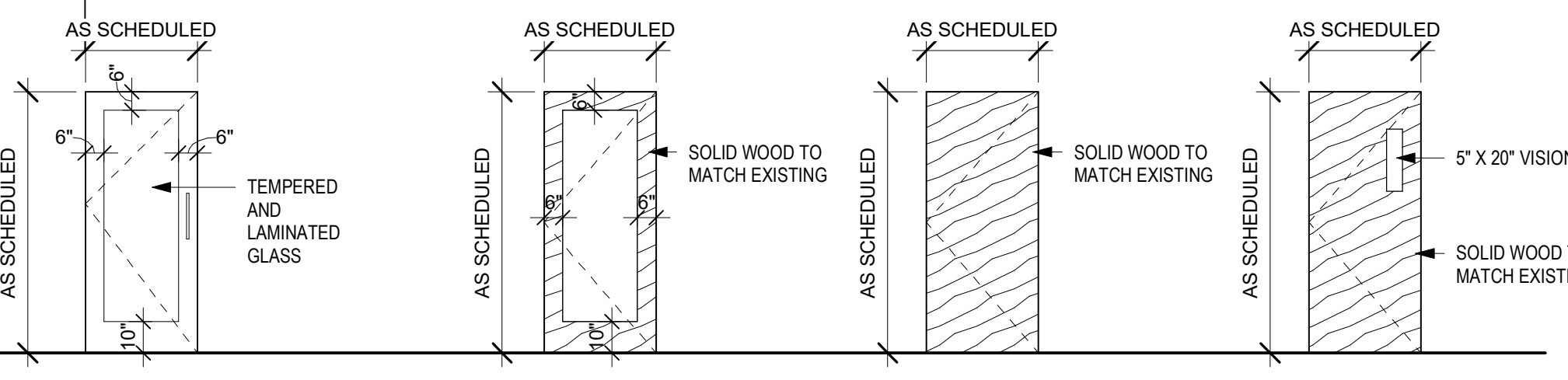
**ROOFING GENERAL NOTES:**

- CONTRACTOR SHALL PROVIDE THE FOLLOWING:
  - MANUFACTURERS WRITTEN APPROVAL OF ENTIRE PROPOSED ROOFING SYSTEM
  - MANUFACTURERS WRITTEN APPROVAL OF ROOFING INSTALLER
  - COPIES OF BOTH OF THE ABOVE SUBMITTED TO THE OWNER.
- MANUFACTURER APPROVED ROOFING SYSTEM SHALL BE INCLUDE A STEP-BY-STEP INSTALLATION PROCEDURE AS PART OF THE ROOFING SUBMITTAL.
- ROOFING CONTRACTOR MUST COMPLETE ROOFING FOR EACH AREA OF ROOF ON WHICH THEY ARE WORKING, WITHIN EACH WORKING DAY.
- CONTRACTOR TO PROVIDE A MINIMUM OF 5-YEAR CONTRACTOR'S WARRANTY ON ROOFING AND FLASHING. PROVIDE A 4" X 36" SAMPLE CUT FROM ROOFING BEFORE FLOOD COAT OR GRAVEL IS APPLIED. CONTRACTOR TO CUT SAMPLES AS DIRECTED BY THE ARCHITECT AND OWNER, ONE PER 5,000 SQUARE FEET OF AREA OR ONE PER DISTINCT ROOFING AREA. ROOFING CONTRACTOR SHALL DO THE CUTTING AND PATCHING. INCLUDE IN ROOFING WARRANTY AN ANNUAL INSPECTION REPORT AND REPAIR AS NEEDED BY ROOFING CONTRACTOR DURING ROOF WARRANTY PERIOD.
- ROOFING MATERIALS MUST BE PROTECTED FROM THE WEATHER PRIOR TO INSTALLATION.
- PRIOR TO ROOFING DEMOLITION OR NEW CONSTRUCTION, CONTRACTOR TO SCHEDULE AND HOLD A PRECONSTRUCTION CONFERENCE WITH ARCHITECT, GENERAL CONTRACTOR, ROOFING CONTRACTOR, ROOFING MANUFACTURER, AND OWNER TO REVIEW SPECIFICATIONS AND DETAILS. SEE SPECIFICATION FOR MEETING REQUIREMENTS.
- DO NOT USE UNFINISHED GALVANIZED STEEL FOR FLASHING, MECHANICAL HOUSINGS, ETC. AND OTHER FLASHINGS.
- USE SLIP TYPE JOINTS IN SHEET METAL FASCIAS AND COUNTER FLASHING, NOT LAPPED AND SCREWED JOINTS. IF EXPOSED FASTENERS CANNOT BE AVOIDED IN EXTERIOR METAL WORK, USE SCREWS, NOT NAILS, AND PROVIDE NEOPRENE WASHERS UNDER HEADS.
- EXTEND COUNTER FLASHING OVER CANTS TO WITHIN 1-1/2" OF GRAVEL SURFACING TO PREVENT FELTS FROM SUN BURN-OUT.
- PROVIDE PRESSURE TREATED WOOD TO CONTROL DECAY FOR WOOD CANT STRIPS, BLOCKING, FURRING, ETC. WHERE WOOD MEETS CONCRETE.
- DO NOT USE FIBERBOARD OR INSULATION MATERIAL FOR CANT STRIPS.
- REMOVE AND REPLACE EXISTING PLUMBING VENT ROOF JACKS. REPLACE WITH MOORE FLAT GALVANIZED ROOF FLANGE WITH OLSON VINYL LEAD TOP VENT TOPS.
- PROVIDE VANDAL PROOF ROOF DRAINS. PROVIDE SMITH MODEL 1010Y WITH "U" SUFFIX DESIGNATION FOR VANDAL PROOF DOME, AND SMITH MODEL NO. 1748 VANDAL PROOF VENT CAPS OR EQUIVALENT.
- AT EXISTING ROOFS TO BE REPLACED, REPLACE ROOF DRAIN FLASHING GLAMPS AND HOLD-DOWNS AS REQUIRED AND REPLACE ANY MISSING OR DAMAGED MUSHROOM OR BEEHIVE DOME.
- EXISTING PLUMBING VENT PIPES ARE TO BE EXTENDED A MINIMUM OF 1'-0" ABOVE NEW ROOF SURFACE. EXTENSIONS REQUIRED FOR GALVANIZED STEEL STACKS TO BE CAST IRON SOIL PIPE WITH APPROVED MECHANICAL JOINT COUPLING. ACID RESISTANT VENT STACKS (GLASS, PVC, POLYPROPYLENE, GLASS/CAST IRON COMBINATION) EXTENSIONS TO BE OF THE SAME MATERIALS WITH APPROVED JOINT CONNECTIONS.

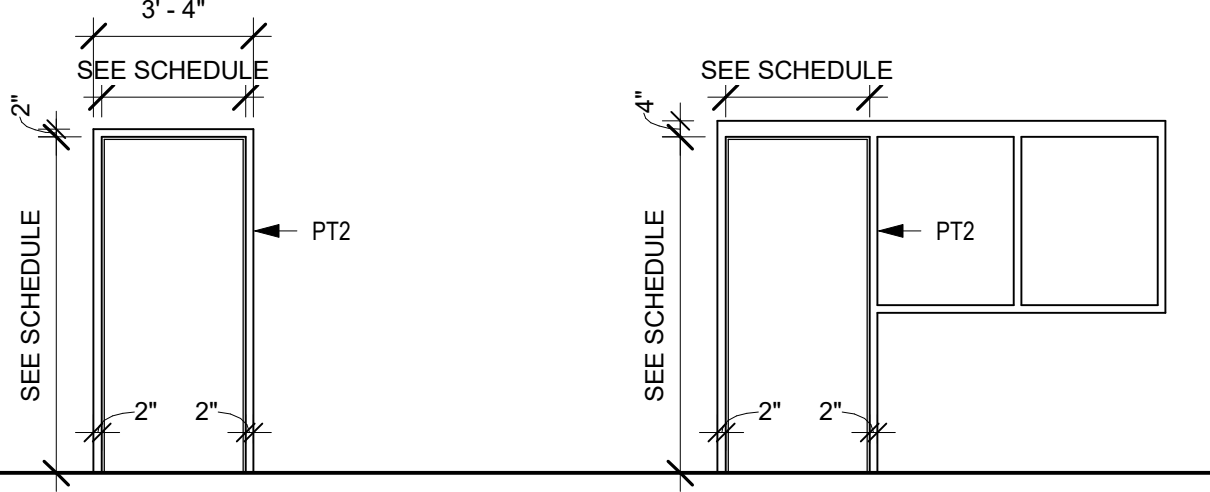


**ROOF PLAN LEGEND**

[Pattern]	EXISTING ROOF TO REMAIN
[Pattern]	NEW ROOF, SEE ROOF TYPES
[Symbol]	ROOF DRAIN
[Symbol]	EXAMPLE OF INSULATION THICKNESS AT ROOF DRAIN
[Symbol]	DIRECTION OF INSULATION SLOPE: 1/4" PER FOOT (1/2" PER FOOT AT CRICKETS AND 1/8" PER FOOT AT EXISTING ROOF)
[Symbol]	ROOF PROTECTION WALK PADS



**D1 - SINGLE INSULATED ALUMINUM** GLASS TO BE CLEAR TEMPERED AND LAMINATED SAFETY GLASS - SEE SPECIFICATIONS  
**D2 - SINGLE WOOD** GLASS TO BE CLEAR TEMPERED AND LAMINATED SAFETY GLASS - SEE SPECIFICATIONS  
**D3 - SINGLE WOOD**  
**D4 - SINGLE WOOD**



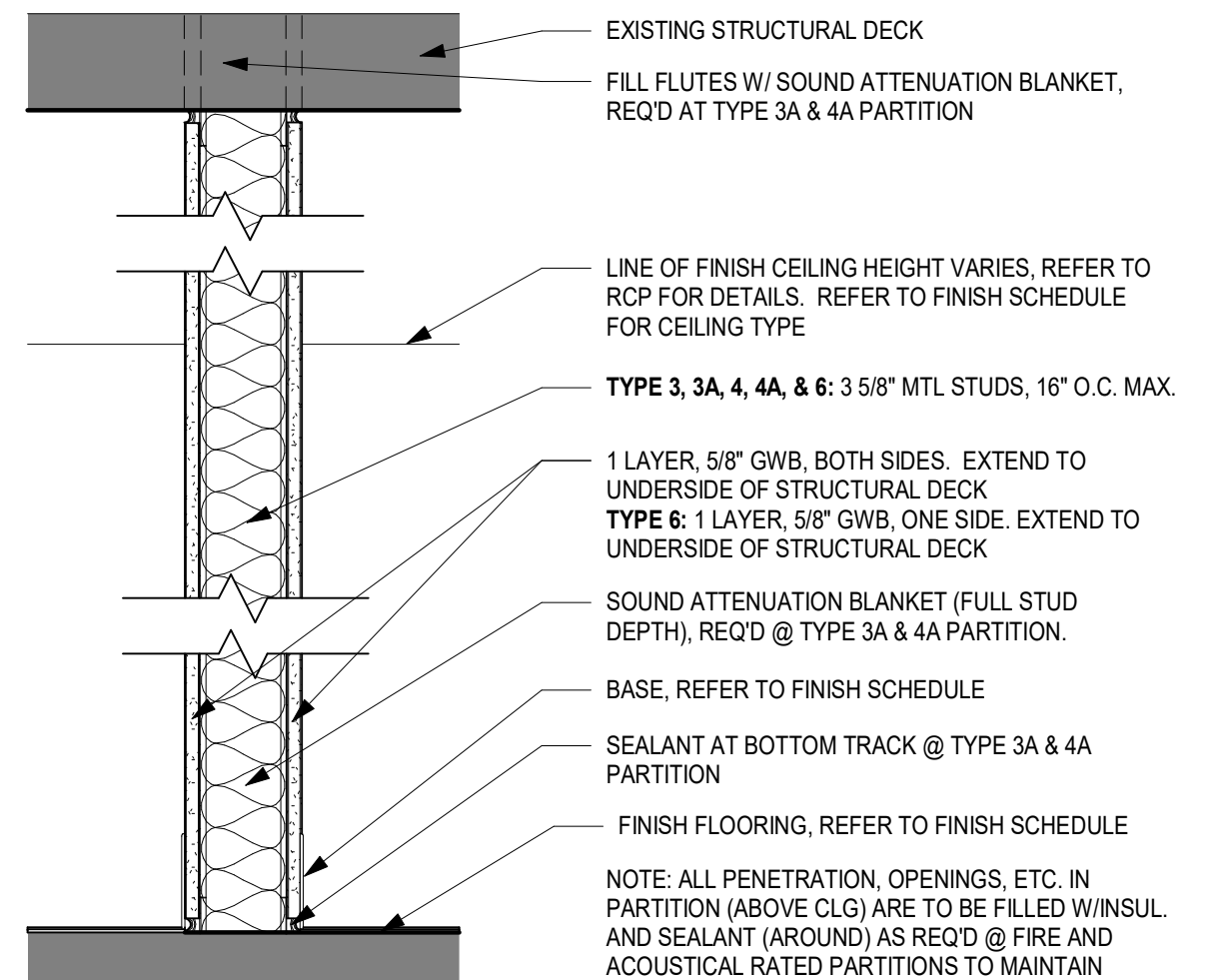
**F1 - 2" INTERIOR HM DOOR FRAME**  
**F2 - 2" INTERIOR HM DOOR FRAME WITH WINDOW**

**DOOR SCHEDULE**

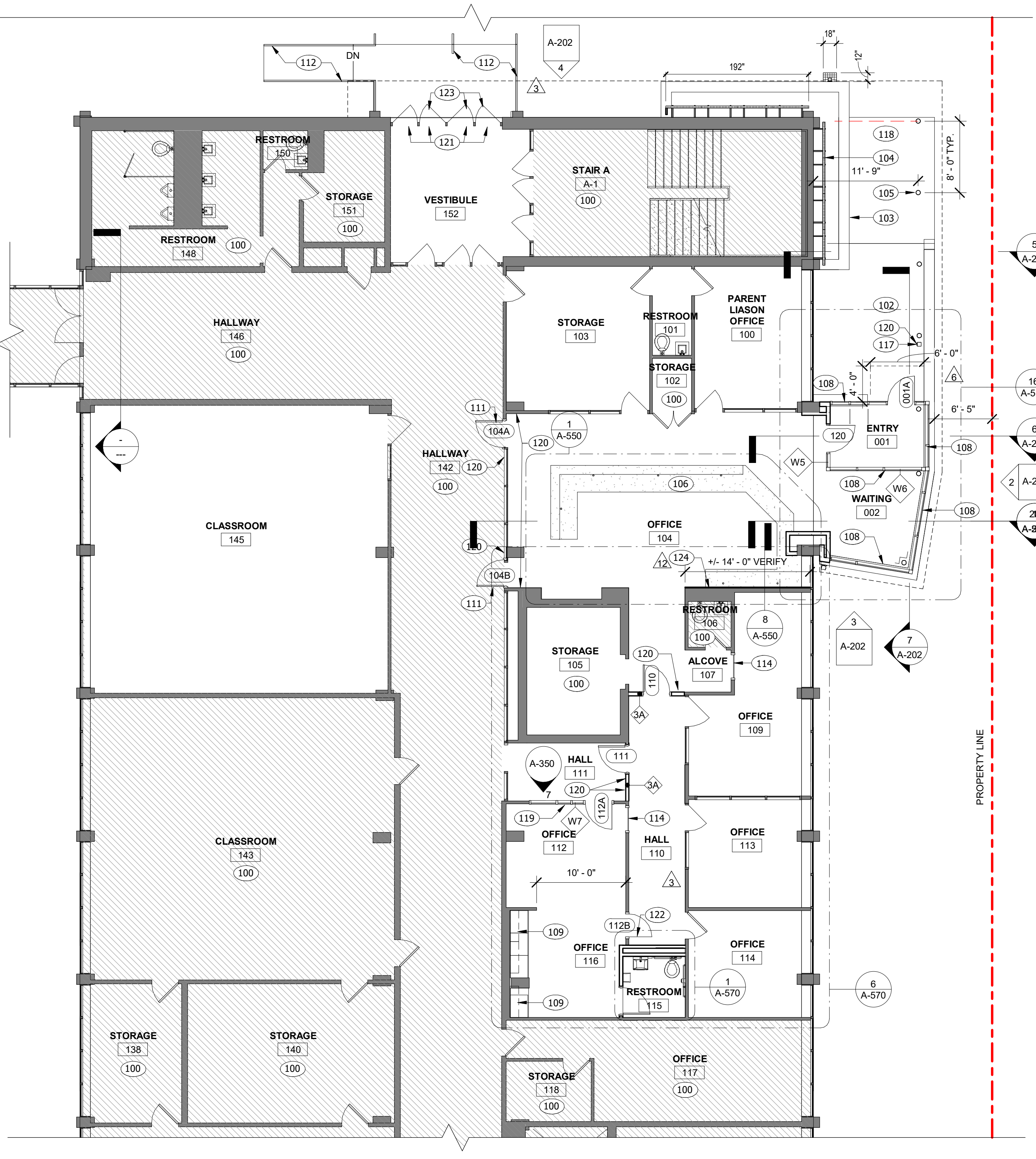
ROOM	NO.	DOOR			FRAME			HARDWARE GROUP	COMMENTS
		SIZE	HT	TYPE	TYPE	MATERIAL			
ENTRY	001A	3'-0"	7'-0" 1/8"	D1	ALUM	PER MFR	ALUM	1	SEE SECURITY DRAWINGS - DOOR RELEASE, CARD READER AND AUTO DOOR OPERATOR
HALLWAY	104A	3'-0"	7'-0"	D2	WD	EX	HM	4	SEE SECURITY DRAWINGS - DOOR RELEASE CARD READER BOTH SIDES AND AUTO DOOR OPERATOR
HALLWAY	104B	3'-0"	7'-0"	D2	WD	EX	HM	8	SEE SECURITY DRAWINGS - CARD READER BOTH SIDES
HALL	110	3'-0"	7'-0"	D3	WD	F1	HM	7	CARD READER
HALL	111	3'-0"	7'-0"	D3	WD	F1	HM	6	CARD READER
OFFICE	112A	3'-0"	7'-0"	D2	WD	F2	HM	5	CARD READER
OFFICE	112B	2'-7"	6'-11 1/2"	D3	WD	F1	HM	3	
RESTROOM	116	3'-0"	7'-0"	D3	WD	F1	HM	3	
ENTRY	120	3'-0"	7'-0"	D1	ALUM	PER MFR	ALUM	2	SEE SECURITY DRAWINGS - DOOR RELEASE, CARD READER AND AUTO DOOR OPERATOR

**DOOR AND FRAME GENERAL NOTES:**

- HINGED DOORS TO BE 3" FROM NEAREST PERPENDICULAR PARTITION UNLESS DIMENSIONS LOCATING DOORS ARE TO THE INSIDE EDGE OF JAMB.
- DOORS SHALL HAVE 1-4" CLEAR ON THE STRIKE/PULL SIDE OF DOOR AND 1-0" CLEAR ON THE STRIKE/PUSH SIDE (IF THEY HAVE BOTH A LATCH AND A CLOSER) VERIFY AND ADVISE ARCHITECT OF EXCEPTIONS PRIOR TO CLOSING OUT PARTITIONS.
- THE CONTRACTOR SHALL ESTABLISH A SINGLE FLOOR ELEVATION THAT IS TO BE USED TO SET THE TOP OF DOORS SUCH THAT THE TOP OF DOORS OF THE SAME HEIGHT WILL ALIGN REGARDLESS OF VARIATIONS IN THE FLOOR SLAB OR FINISHED FLOOR THICKNESS.
- UNDERCUT THE BOTTOMS OF DOORS TO CLEAR THE TOP OF FINISHED FLOOR, BY 1/4" INCH MAXIMUM, U.N.O. VERIFY SLAB CONDITIONS AND TRIM EACH DOOR TO FIT ITS CONDITION.
- CAULK THE JOINT BETWEEN THE FRAME AND WALL WITH PAINTABLE LATEX SEALANT TO MATCH WALL COLOR.
- CONTRACTOR SHALL REVIEW KEYING WITH OWNER PRIOR TO FITTING CYLINDERS. KEY CYLINDERS TO BE OWNER'S EXISTING MASTER.
- AT EXISTING DOORS TO REMAIN OR TO BE REVISED, PATCH/FILL DIVOTS, HOLES, CRACKS, SCRATCHES, GOUGES, ETC. PRIOR TO PRIMING/PAINTING/REFINISHING. CONTRACTOR TO COORDINATE THE REUSE OF EXISTING DOORS, FRAMES, AND HARDWARE AND TO IDENTIFY RELOCATIONS ON THE DOOR SUBMITTAL.
- NEW DOOR HARDWARE IS TO MATCH THE EXISTING, CONTRACTOR IS TO FIELD VERIFY THE EXISTING HARDWARE AND PROVIDE SUBMITTAL.
- DOORS AND FRAMES SHALL BE HOLLOW METAL, U.N.O.



3	NON-RATED PARTITION
3A	NON-RATED PARTITION, WITH ACOUSTICAL INSULATION
4	ONE HOUR RATED (U.L. DESIGN # U465)
4A	ONE HOUR RATED (U.L. DESIGN # U465), WITH ACOUSTICAL INSULATION
6	NON-RATED PARTITION, WITH ACOUSTICAL INSULATION, GYP ONE SIDE



**1 LEVEL 1 CONSTRUCTION PLAN**  
1/8" = 1'-0"

**KEYNOTES - CONSTRUCTION PLAN**

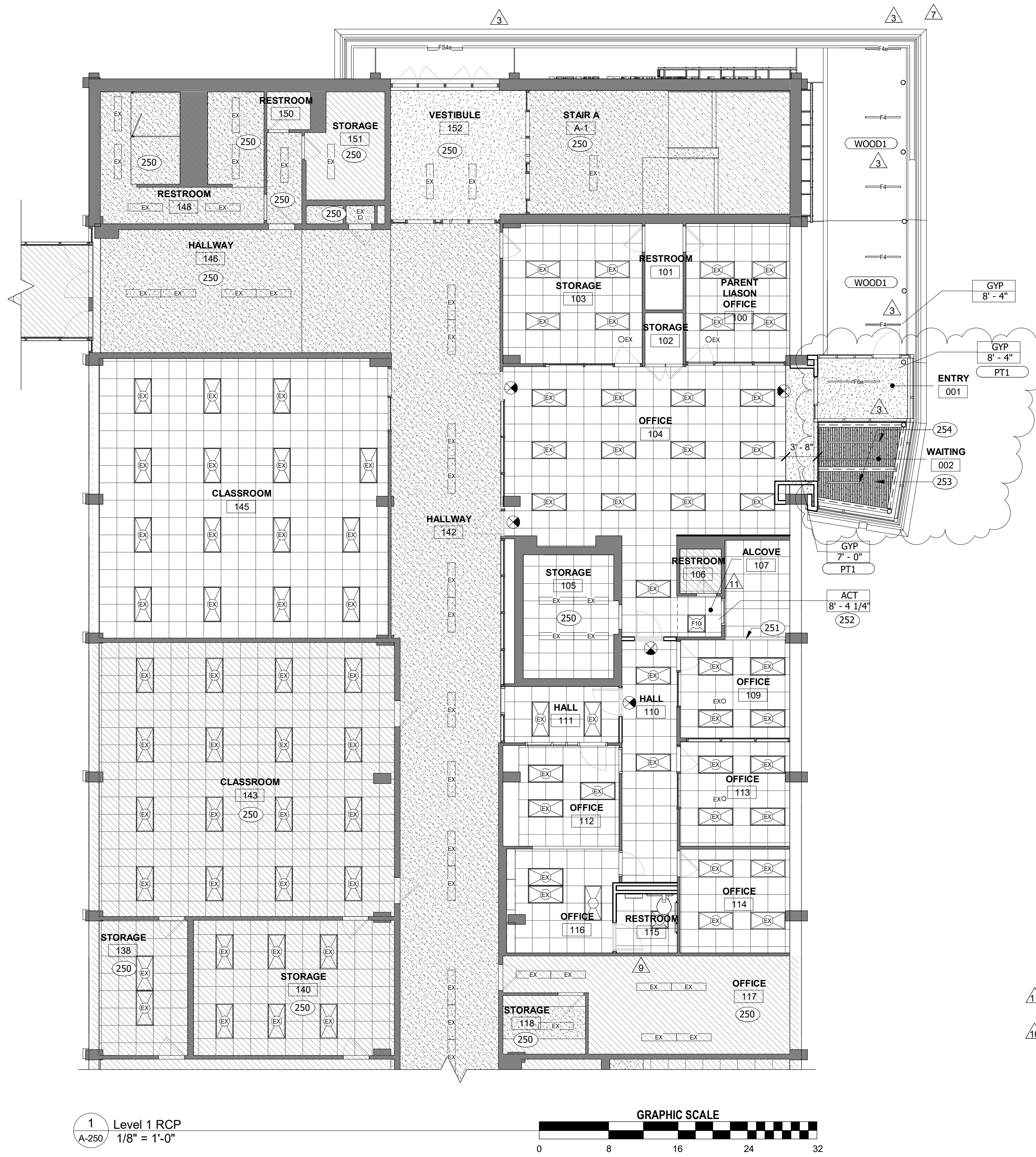
- NO CONSTRUCTION WORK THIS AREA.
- NEW CONCRETE SLAB AND FLOOR TO BE FLUSH WITH EXISTING LEVEL 1.
- NEW CONCRETE SIDEWALK TO BE FLUSH WITH EXISTING LEVEL 1.
- NEW CONCRETE BENCH PER ADD ALTERNATE 1B. SEE ALTERNATE 1 ON SHEET A-102 FOR BASE ALTERNATE CONDITION. ADD ALTERNATE 1A AND ADD ALTERNATE 1B.
- PRE-FINISHED METAL TRELLIS. SEE ALTERNATE 1 FOR CONFIGURATIONS AT BASE. ADD ALTERNATE 1A AND ADD ALTERNATE 1B.
- NEW 6" GALVANIZED STEEL COLUMNS, TYP - SEE STRUCTURAL.
- NEW MILLWORK DESK. SEE ENLARGED PLANS AND DETAILS. QUAD OUTLETS AND DATA PORTS AS SHOWN.
- NEW STOREFRONT SYSTEM.
- EXISTING UPPER CABINETS TO BE REINSTALLED AT 14" HEIGHT ABOVE COUNTERTOP WITH NEW MILLWORK PANEL ABOVE TO MATCH CABINETS.
- ROOFING TYPE 1
- NEW DOOR IN EXISTING FRAME
- EXISTING RAILINGS TO REMAIN
- NEW MONUMENT SIGN
- NEW SPANDREL PANEL TO BE INSTALLED IN EXISTING DOOR FRAME. SEE DETAIL 14/A-550.
- STRUCTURAL BEAM - SEE STRUCTURAL
- OVERFLOW ROOF SCUPPER
- NEW SECURITY AND DOOR OPERATOR BOLLARD. PROVIDE AN 18 GAUGE 6" X 6" X 54" ALUMINUM ENCLOSURE WITH A TOP CAP. FINISH TO MATCH WINDOW SYSTEM. PROVIDE 8" DIA. CONCRETE BOLLARD BASE TO 5'-0" BELOW GRADE MINIMUM. SEE DETAIL 11/A-510.
- NEW SLOPED CONCRETE SIDEWALK. SLOPE TO NOT EXCEED 1:20. SEE CIVIL DRAWINGS.
- NEW HOLLOW METAL FRAME IN EXISTING OPENING. SEE DETAILS.
- CARD READER LOCATION
- TRANSLUCENT PRIVACY FILM TO APPLIED TO EXISTING ENTRY DOOR WINDOWS
- NEW DOOR TO BE INSTALLED IN EXISTING FRAME AS INDICATED.

**KEYNOTES - CONSTRUCTION PLAN**

- REMOVE EXTERIOR DOOR LEVERS AND PROVIDE COVER PLATE TO MATCH DOOR.
- PROVIDE 5/8" GYP BD ON 7/8" HAT CHANNELS AT EXISTING WALL. ASSEMBLY TO EXTEND FROM FLOOR TO CEILING ADJACENT TO NEW MILLWORK AND FROM NEW COUNTERTOP TO CEILING AT NEW MILLWORK. TURN GYP BD IN AT CORNER FOR CLEAN FINISH. PROVIDE 1-1/2" X 1-1/2" CORNER GUARD AT 4'-0" HIGH. PROVIDE 8" X 8" ACCESS PANEL FOR PA SYSTEM. VERIFY EXISTING CONDITIONS IN FIELD.

**CEILING AND LIGHTING GENERAL NOTES**

1. LIGHTING DEMOLITION AND CONSTRUCTION PER ALTERNATE SCHEDULE. SEE SHEETS G-001 AND A-D260 FOR DESCRIPTION OF ALTERNATES PRIOR TO DEMOLITION OR CONSTRUCTION. COORDINATE WITH OWNER WHICH ALTERNATES HAVE BEEN SELECTED TO DETERMINE FINAL SCOPE OF WORK.
2. COORDINATE EACH DISCIPLINE SCOPE OF WORK WITH THE COMPLETE CONTRACT DOCUMENT PACKAGE INCLUDING ALL OTHER DISCIPLINES DRAWINGS AND SPECIFICATIONS. SCOPE OF WORK CAN NOT BE DETERMINED BY REFERENCE TO A SINGLE SPECIFICATION SECTION OR DRAWING. IF CONFLICTS EXIST BETWEEN MULTIPLE DRAWINGS OR SPECIFICATIONS OF THE CONTRACT DOCUMENTS, NOTIFY ARCHITECT PRIOR TO DEMOLITION OR CONSTRUCTION.
3. THE CONTRACTOR SHALL COMPARE THE REFLECTED CEILING PLANS WITH ELECTRICAL LIGHTING PLANS, MECHANICAL SUPPLY, RETURN, AND EXHAUST PLANS AND SECURITY DRAWINGS. THE CONTRACTOR SHALL REPORT ANY INCONSISTENCIES TO THE ARCHITECT.
4. KEYNOTES ARE PROVIDED TO CLARIFY DEMOLITION PLAN AND INDICATE UNIQUE DEMOLITION CONDITIONS. ITEMS SHOWN DASHED ON PLAN SHOULD BE DEMOLISHED IN THEIR ENTIRETY UNLESS KEYNOTES INDICATE OTHERWISE.
5. CONTRACTOR SHALL FIELD VERIFY EXISTING CONDITIONS, DIMENSIONS AND LOCATIONS OF INDICATED NEW CONSTRUCTION PRIOR TO COMMENCING CONSTRUCTION. IF CONFLICTS EXIST BETWEEN THE EXISTING CONDITIONS AND THE DRAWINGS, NOTIFY THE ARCHITECT IMMEDIATELY AND PRIOR TO COMMENCING ANY CONSTRUCTION WORK.
6. LIGHT FIXTURE SCHEDULE AND PLANS ARE FOR PLACEMENT AND COORDINATION ONLY. REFER TO ELECTRICAL PLANS FOR FIXTURE AND CIRCUITING INFORMATION.
7. WHERE DIMENSIONS FOR CEILING GRIDS ARE NOT INDICATED, CENTER GRIDS IN ROOM AS SHOWN ON THE CEILING PLAN.
8. LOCATE SPRINKLER HEADS, RECESSED CAN FIXTURES, SMOKE AND FIRE ALARM DEVICES AND OTHER CEILING MOUNTED DEVICES IN THE CENTER OF CEILING TILES IF NOT SHOWN OTHERWISE ON THE CEILING PLANS.
9. LOCATE SPRINKLER HEADS AS REQUIRED BY CODES. IF CONFLICTS EXIST BETWEEN REQUIRED SPRINKLER HEAD LOCATIONS AND INDICATED SPRINKLER HEAD LOCATIONS, LIGHT FIXTURES OR OTHER NECESSARY CEILING DEVICES, CONTACT ARCHITECT TO COORDINATE REVISED LOCATIONS.
10. WHERE CUT TILES ARE SHOWN ON BOTH SIDES OF A ROOM, TILE WIDTH IS TO BE EQUAL BOTH SIDES TO ENSURE THE GRID IS CENTERED IN ROOM.
11. WHERE CEILINGS ARE TO REMAIN IN A SPACE INCLUDING LAY IN CEILINGS AND GRID, 1X1 CEILINGS AND GYPSUM BOARD SOFFITS, PROTECT CEILINGS FROM DAMAGE DURING CONSTRUCTION. IF DAMAGE OCCURS TO CEILING DURING CONSTRUCTION, CONTRACTOR IS TO REPAIR OR REPLACE TO PROVIDE A LIKE NEW CONDITION.
12. PATCH AND PAINT EXISTING CEILINGS TO MATCH ADJACENT SURFACES WHERE DEMOLISHED FIXTURES HAVE BEEN REMOVED AS REQUIRED. PROVIDE A CLEAN AND LEVEL FINAL FINISH SURFACE AT PROJECT COMPLETION.
13. CEILING HEIGHTS AS INDICATED ON CEILING PLANS. INDICATED HEIGHTS ARE FROM THE FLOOR LEVEL DIRECTLY BELOW THE GIVEN CEILING PLAN.
14. AT NEW GYPSUM BOARD CEILINGS AND SOFFITS BUILT ADJACENT TO EXISTING GYPSUM BOARD CEILINGS AND SOFFITS, PROVIDE A SMOOTH AND LEVEL FINAL CONSTRUCTION SUCH THAT THE TRANSITION BETWEEN NEW AND EXISTING IS NOT VISIBLE. TAPE AND SAND NEW AND EXISTING SURFACES TO FEATHER IN THE SURFACE AT THE JOINT BETWEEN NEW AND EXISTING.
15. CONTRACTOR TO NOTIFY ARCHITECT OF ANY REQUIRED ACCESS PANELS IN GYPSUM BOARD CEILINGS. WHERE ACCESS PANELS ARE REQUIRED IN GYPSUM BOARD CEILINGS, EVERY ATTEMPT SHOULD BE MADE TO LOCATE ACCESS PANEL WHERE IT PROVIDES ACCESS BUT DOES NOT CONFLICT WITH LIGHTING OR OTHER CEILING ELEMENT. IF CONFLICTS ARE UNAVOIDABLE, CONTACT ARCHITECT TO VERIFY NEW LOCATION.



**RCP GENERAL NOTES**

1. THIS REFLECTED CEILING PLAN IS FOR SCHEMATIC DESIGN ONLY. NOT FOR CONSTRUCTION. MECHANICAL AND ELECTRICAL CONTRACTOR TO PROVIDE CONSTRUCTION DOCUMENTATION.
2. EXISTING CEILING GRID TO REMAIN. PATCH AND REPAIR WHERE NEEDED. NEW GRID TO MATCH EXISTING GRID.
3. EXISTING LIGHTING TO REMAIN UNLESS OTHERWISE INDICATED.
4. ELECTRICAL CONTRACTOR TO PROVIDE EMERGENCY LIGHTING AND EXIT SIGNAGE LAYOUT TO MEET CURRENT CODES.
5. EXISTING SPRINKLER AND MECHANICAL TO BE VERIFIED AND UPGRADED AS REQUIRED TO ACCOMMODATE NEW CONSTRUCTION.
6. ELECTRICAL CONTRACTOR TO DESIGN LIGHTING CONTROL SYSTEMS. SWITCHING IS SHOWN FOR REFERENCE AND DESIGN INTENT ONLY.

**RCP LEGEND:**

- EX EXISTING
  - CEILING TYPE: ACT 1 (8'-11")
  - CEILING TAG: ACT 2 (X 2) STANDARD MINERAL FIBER ACOUSTIC CEILING TILE AND GRID
  - GYP. BD. CEILING
  - PT1 CEILING FINISH - REFER TO FINISH PLANS FOR ADDITIONAL NOTES AND INFORMATION
- \* SEE MECHANICAL & ELECTRICAL DRAWINGS FOR LOCATIONS, DETAILS, SPECIFICATIONS, AND REQUIREMENTS.

**EXISTING LIGHT FIXTURE LEGEND:**

- RECESSED/ FLUSH MOUNTED LIGHT
- EXISTING SUSPENDED LIGHT
- EXISTING RECESSED CAN LIGHT

**NEW LIGHT FIXTURE LEGEND:**

- F1 RECESSED CAN LIGHT
- F2 WALL SCONCE
- F3 EXIT SIGN
- F4 4' RECESSED LINEAR LIGHT
- F4e 4' RECESSED LINEAR LIGHT - EMERGENCY
- F6 6' RECESSED LINEAR LIGHT
- F6e 6' RECESSED LINEAR LIGHT - EMERGENCY
- F8 8' RECESSED LINEAR LIGHT - EMERGENCY
- F10 2'x2' FLUSH MOUNTED LED LIGHT - LITHONIA OR SIMILAR

**KEYNOTES - REFLECTED CEILING PLAN**

- 250 NO CEILING WORK THIS AREA.
- 251 WHERE WALL WAS REMOVED, PATCH AND REPAIR CEILING GRID AND TILES.
- 252 NEW CEILING GRID TO MATCH EXISTING GRID. NEW CEILING TILE TO MATCH EXISTING TILE. BUILD AT HEIGHT OF ADJACENT CEILING.
- 253 WAITING AREA TO BE OPEN TO STEEL DECK. ALL EXPOSED PORTIONS OF DECKING, STEEL BEAMS, UTILITIES (ONLY WHERE PAINTING DOES NOT INHIBIT PROPER OPERATION), AND OTHER ELEMENTS ABOVE TOP OF GYP BOARD WALLS AND SOFFITS TO BE PAINTED PT4 FOR A CONSISTENT MONOCHROMATIC FINISH. SEE FINISH PLAN. PAINT LIGHT FIXTURE ANCHOR ELEMENTS, DO NOT PAINT LIGHT FIXTURES. LINEAR LIGHT FIXTURES TO BE SUSPENDED AT 8'-6" ABOVE FINISH FLOOR IN WAITING ROOM.
- 254

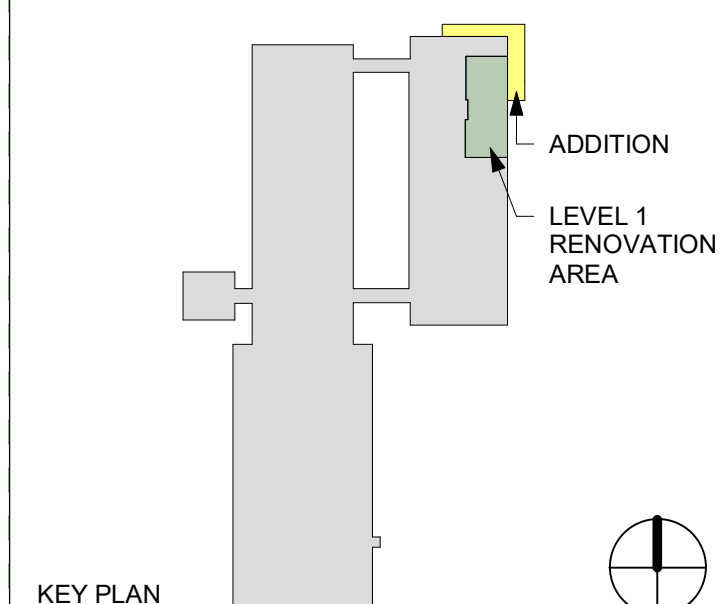


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**PR 12**  
 2021-10-01

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Architect under the laws of the State of Minnesota.

Chris Schmitt, AIA  
 Minnesota License # 26373  
 2021-03-01  
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No.	Description	Date
2	BID ISSUE SET	2021-03-01
3	ADDENDUM No. 1	2021-03-11
5	PERMIT SET	2021-04-20
7	PR 03	2021-06-11
9	ADA RESTROOM	2021-06-29
11	RFI 16	2021-07-06
16	PR 12	2021-10-01

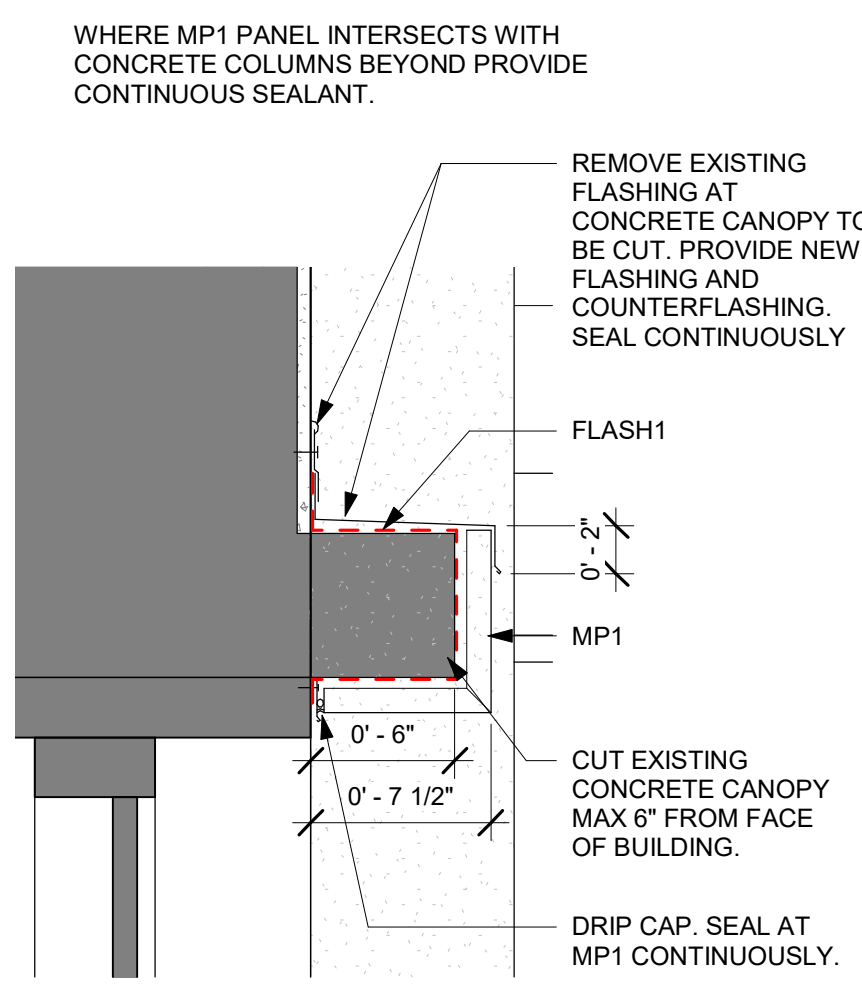
**Olson Middle School  
 Safe & Welcoming  
 Entrance**  
 1607 51st Ave N, Minneapolis, MN 55430

**REFLECTED  
 CEILING PLAN AND  
 NOTES AND  
 SYMBOLS**

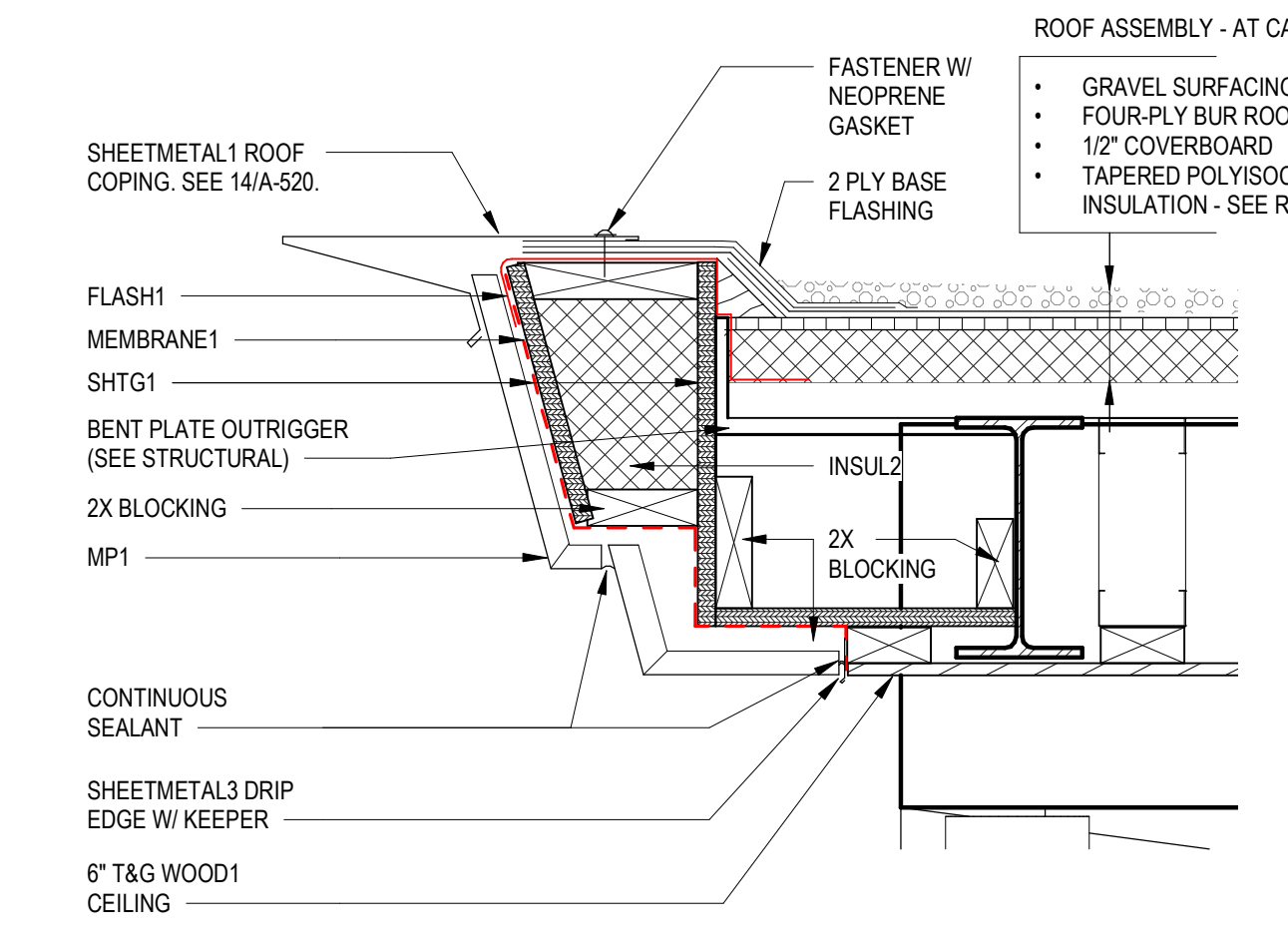
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Date	2021-01-29
Drawn by	MJP
Checked by	CNS

**A-250**

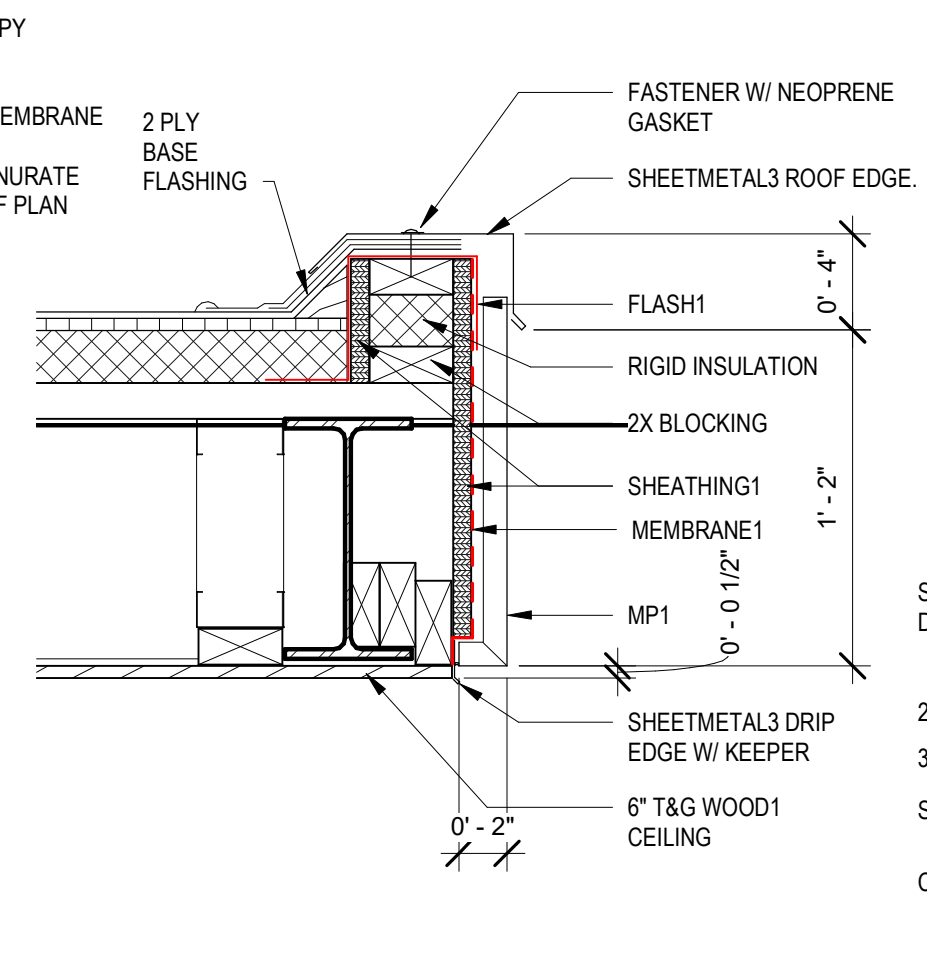
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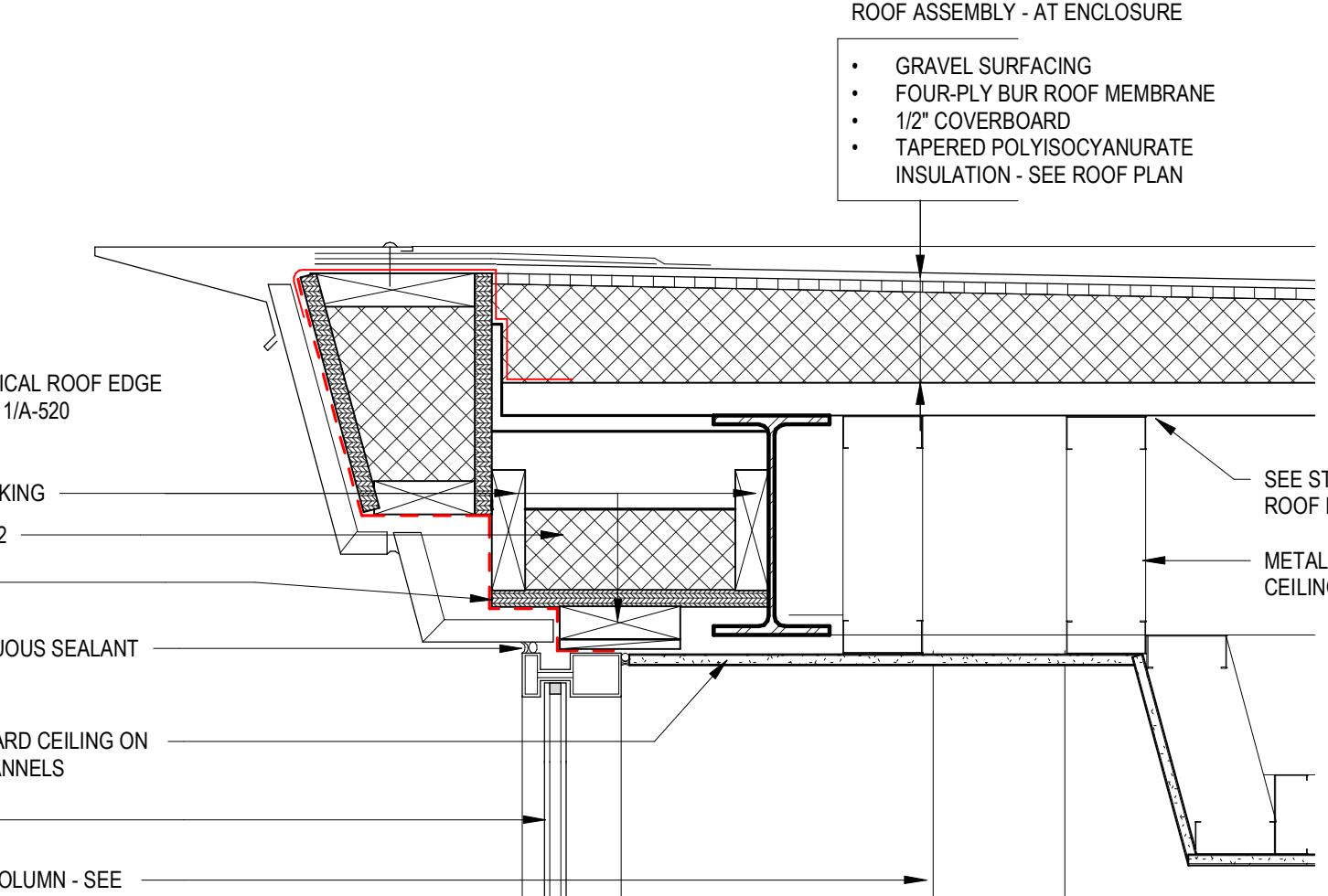
19 SECTION AT CANOPY  
A-520 1 1/2" = 1'-0"



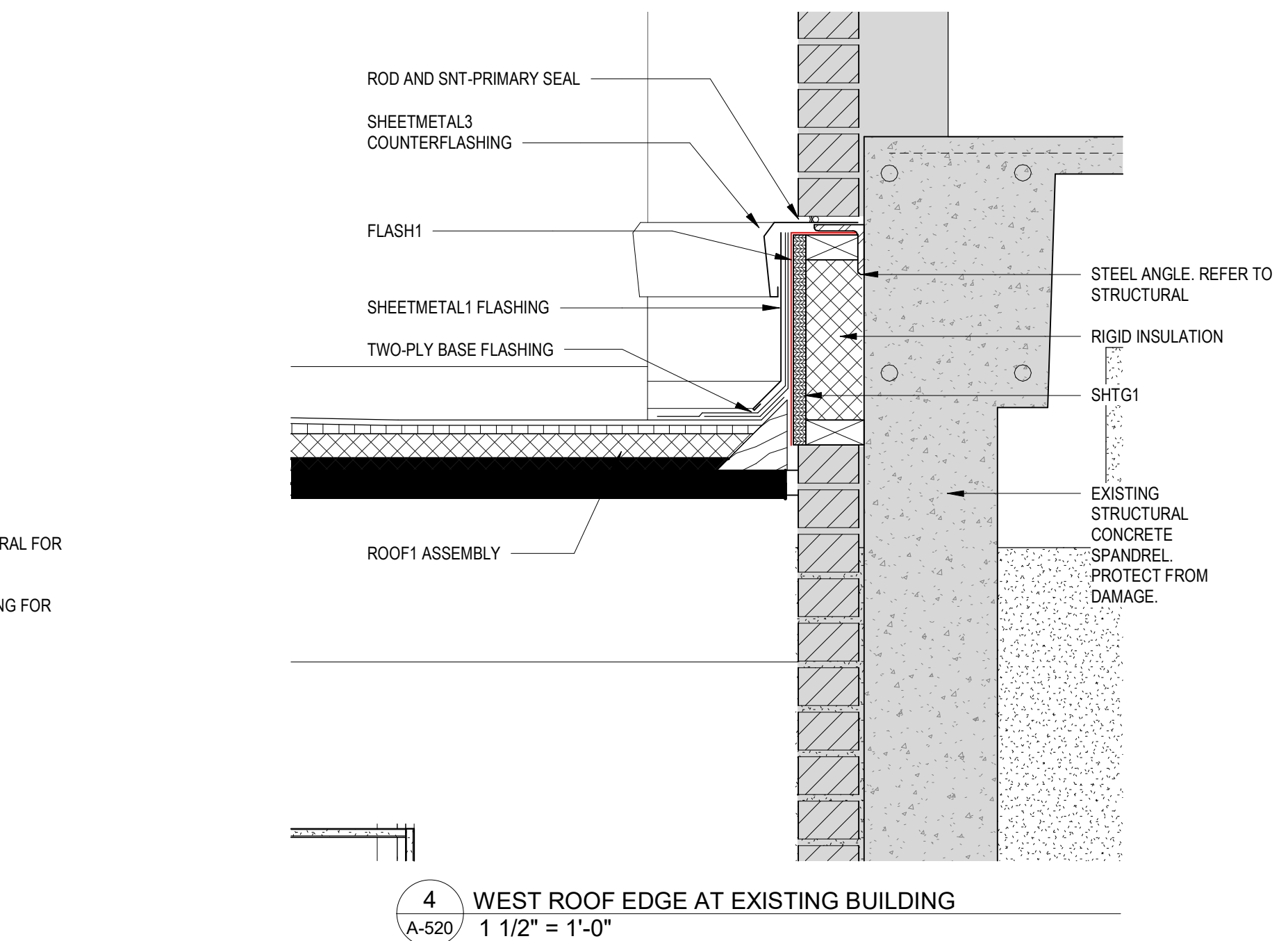
1 EAST ROOF EDGE AT CANOPY  
A-520 1 1/2" = 1'-0"



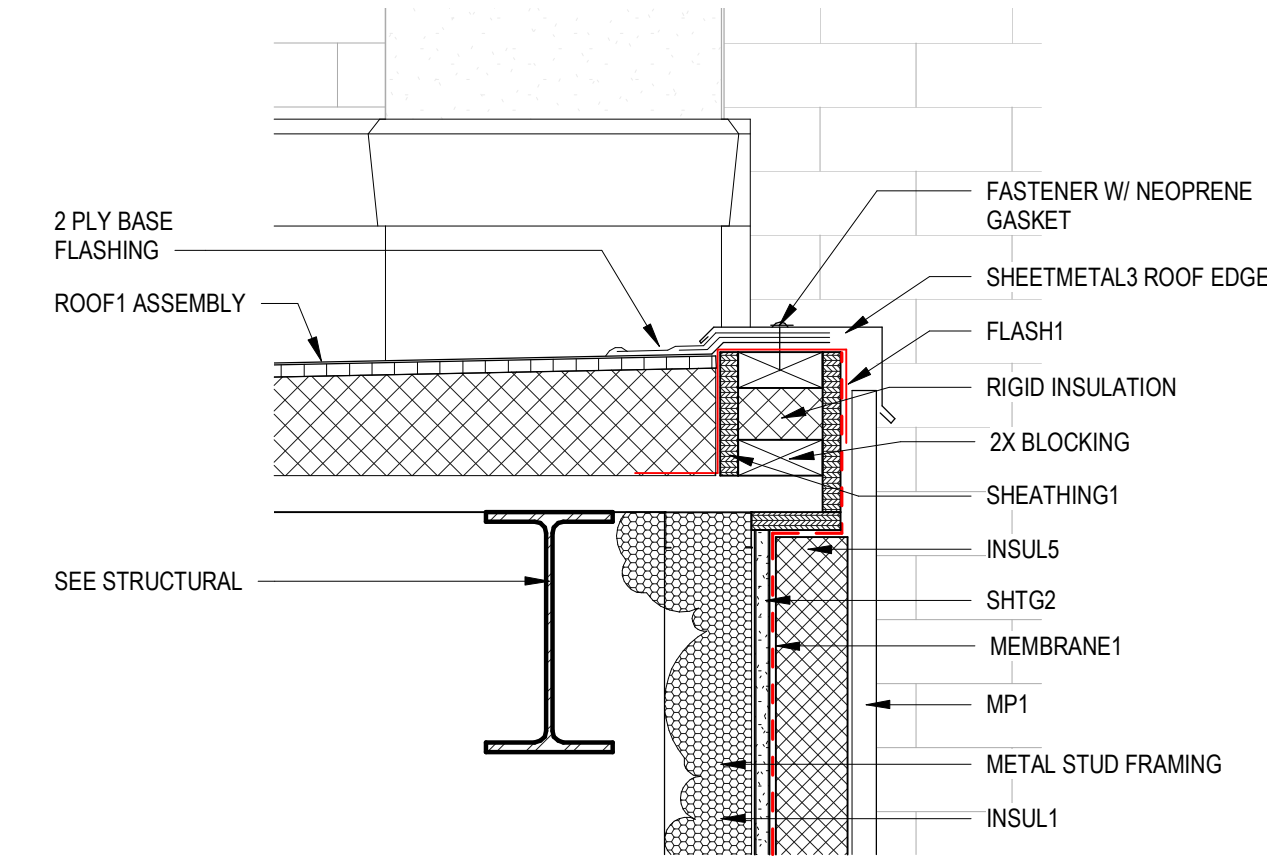
2 WEST ROOF EDGE AT CANOPY  
A-520 1 1/2" = 1'-0"



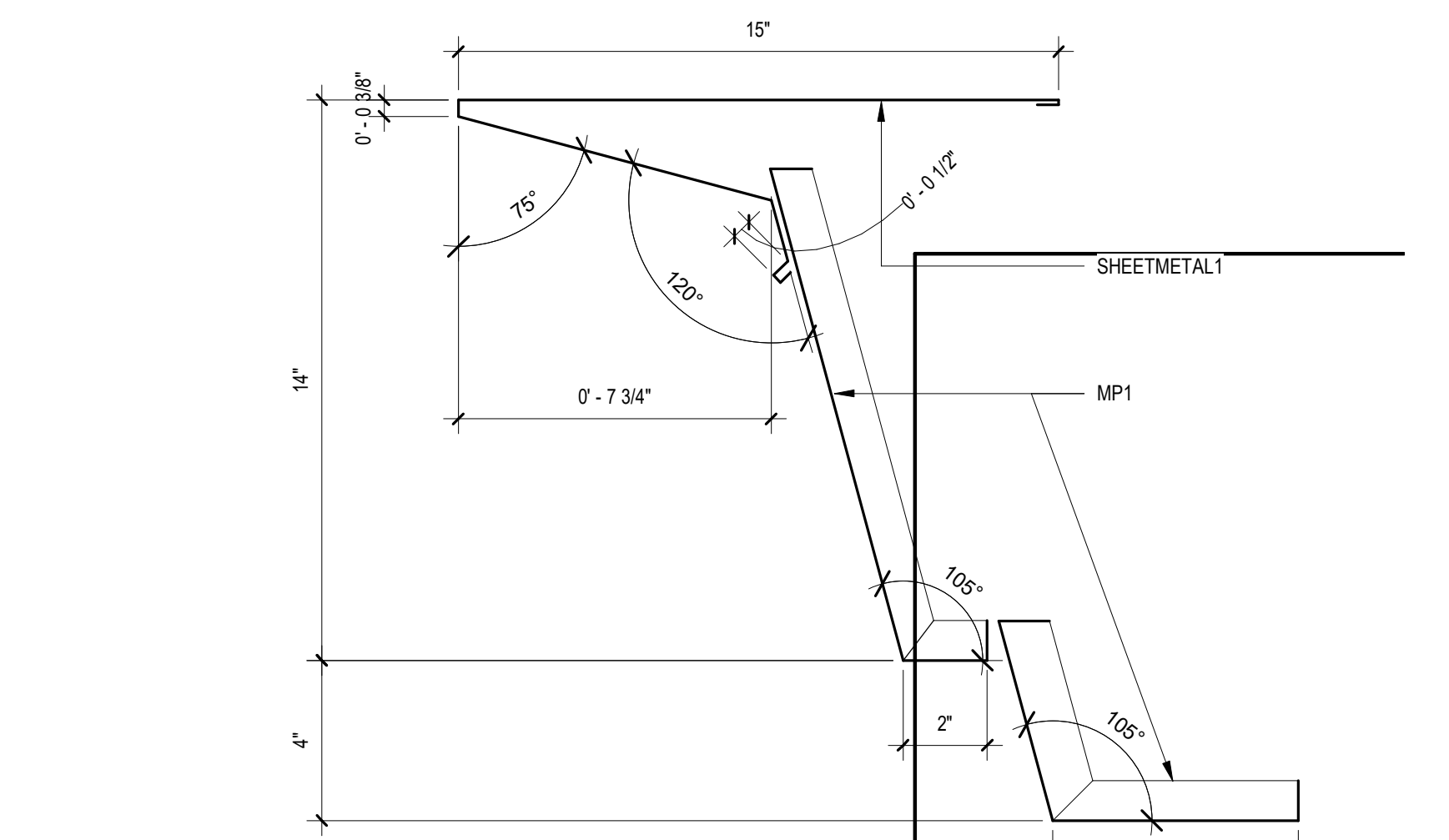
3 EAST ROOF EDGE AT VESTIBULE/WAITING  
A-520 1 1/2" = 1'-0"



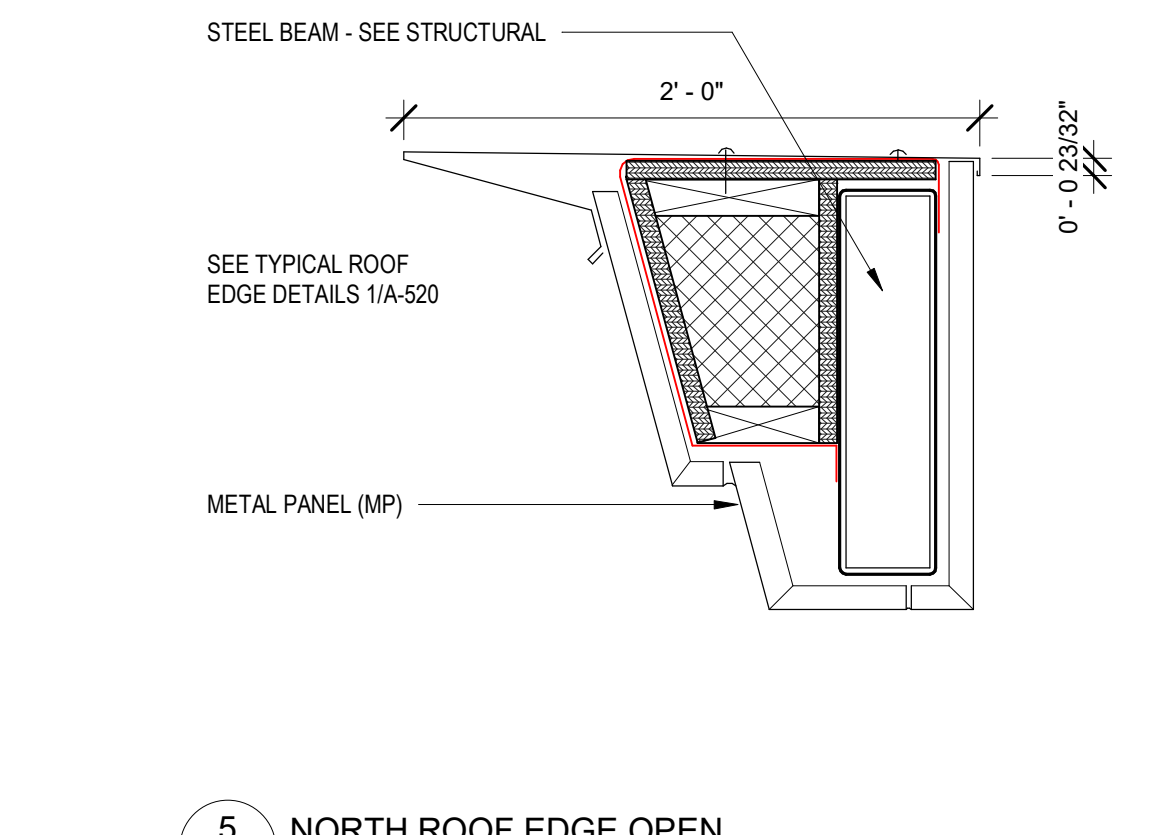
4 WEST ROOF EDGE AT EXISTING BUILDING  
A-520 1 1/2" = 1'-0"



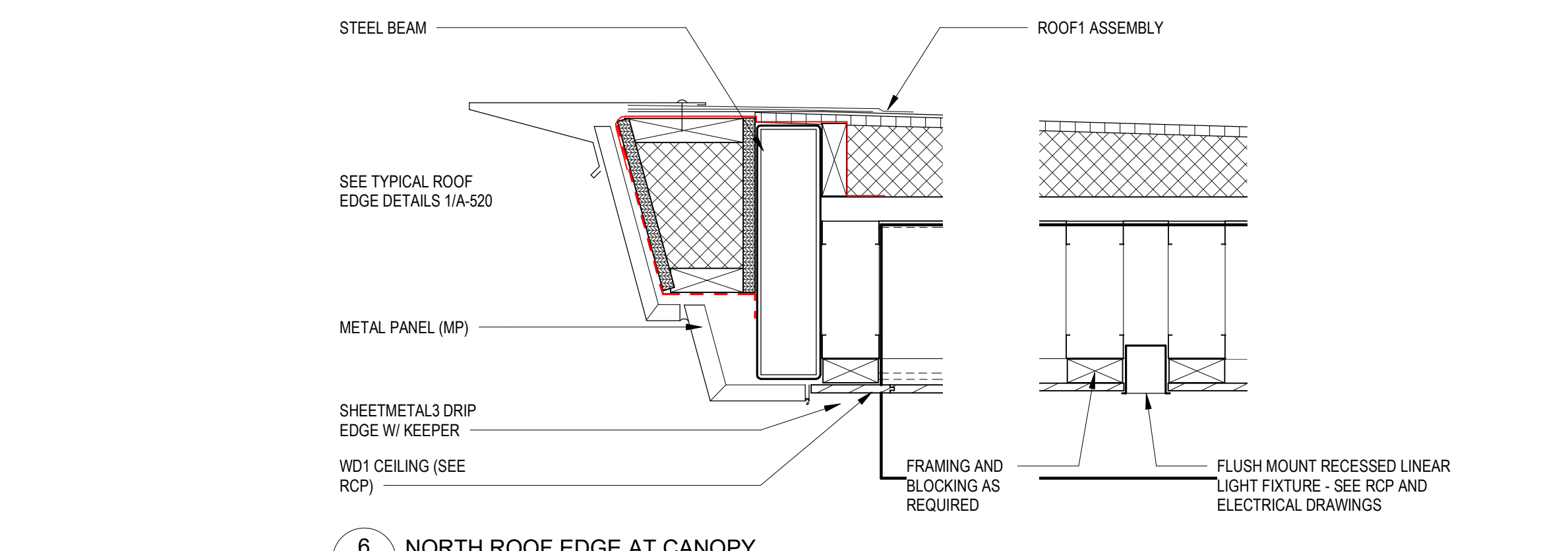
16 SECTION AT TOP OF METAL PANEL WALL  
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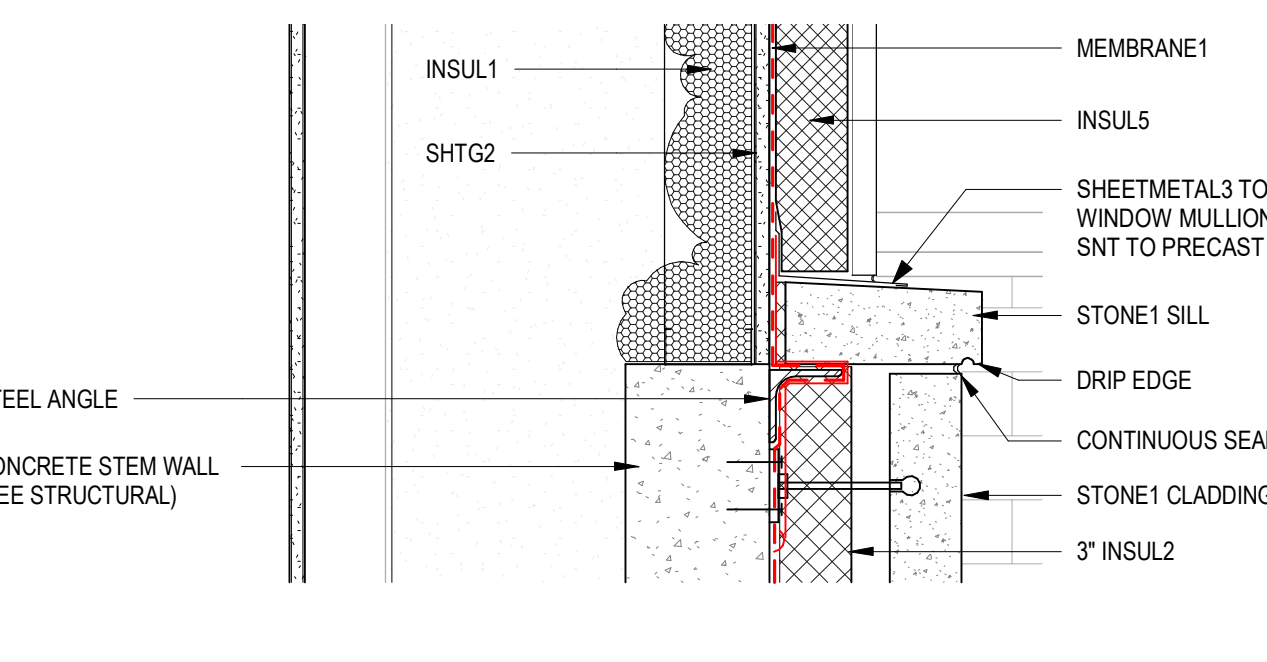
14 SHEETMETAL 1 ROOF EDGE  
A-520 3" = 1'-0"



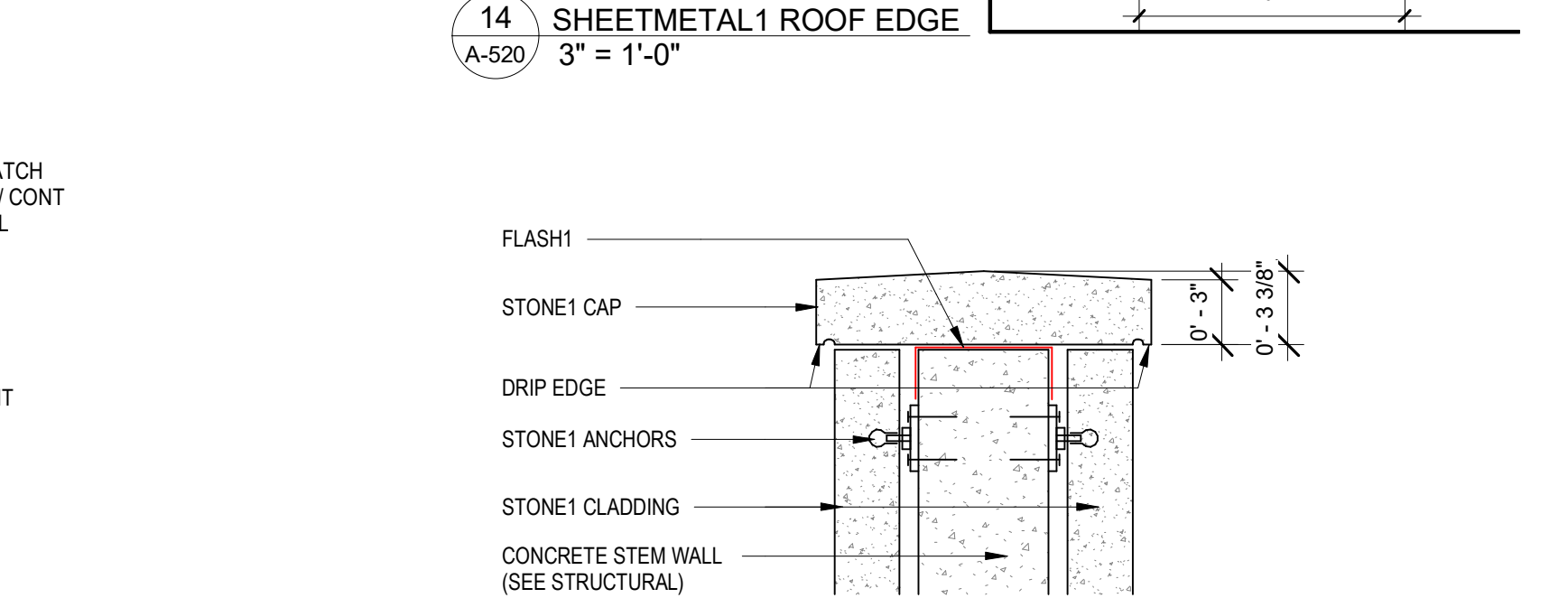
5 NORTH ROOF EDGE OPEN  
A-520 1 1/2" = 1'-0"



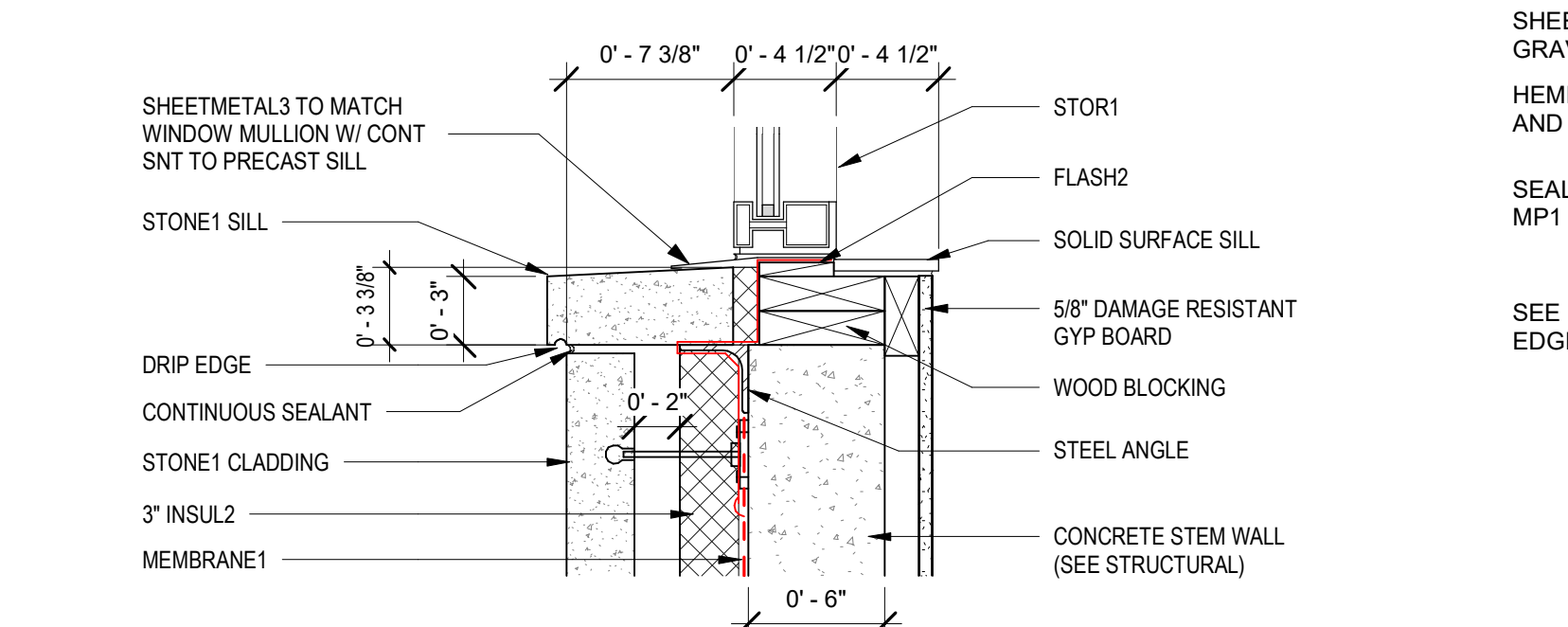
6 NORTH ROOF EDGE AT CANOPY  
A-520 1 1/2" = 1'-0"



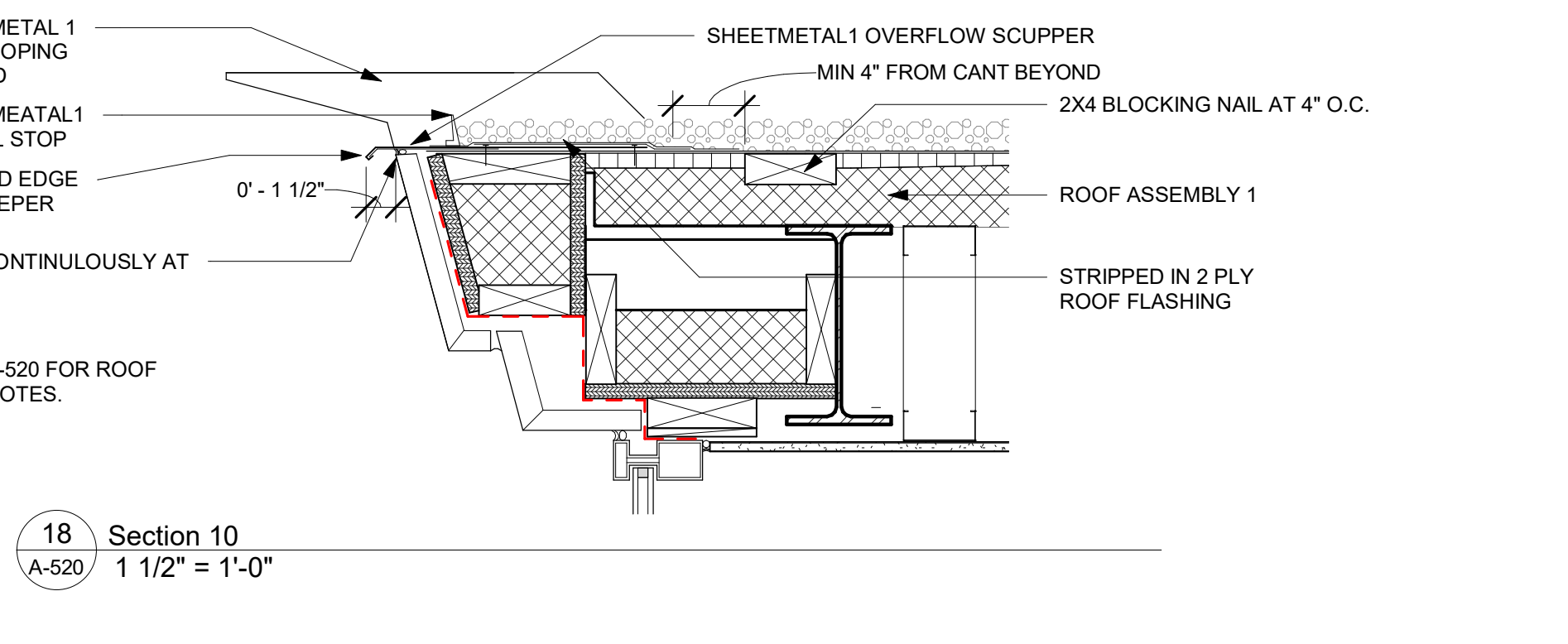
15 SECTION AT SILL  
A-520 1 1/2" = 1'-0"



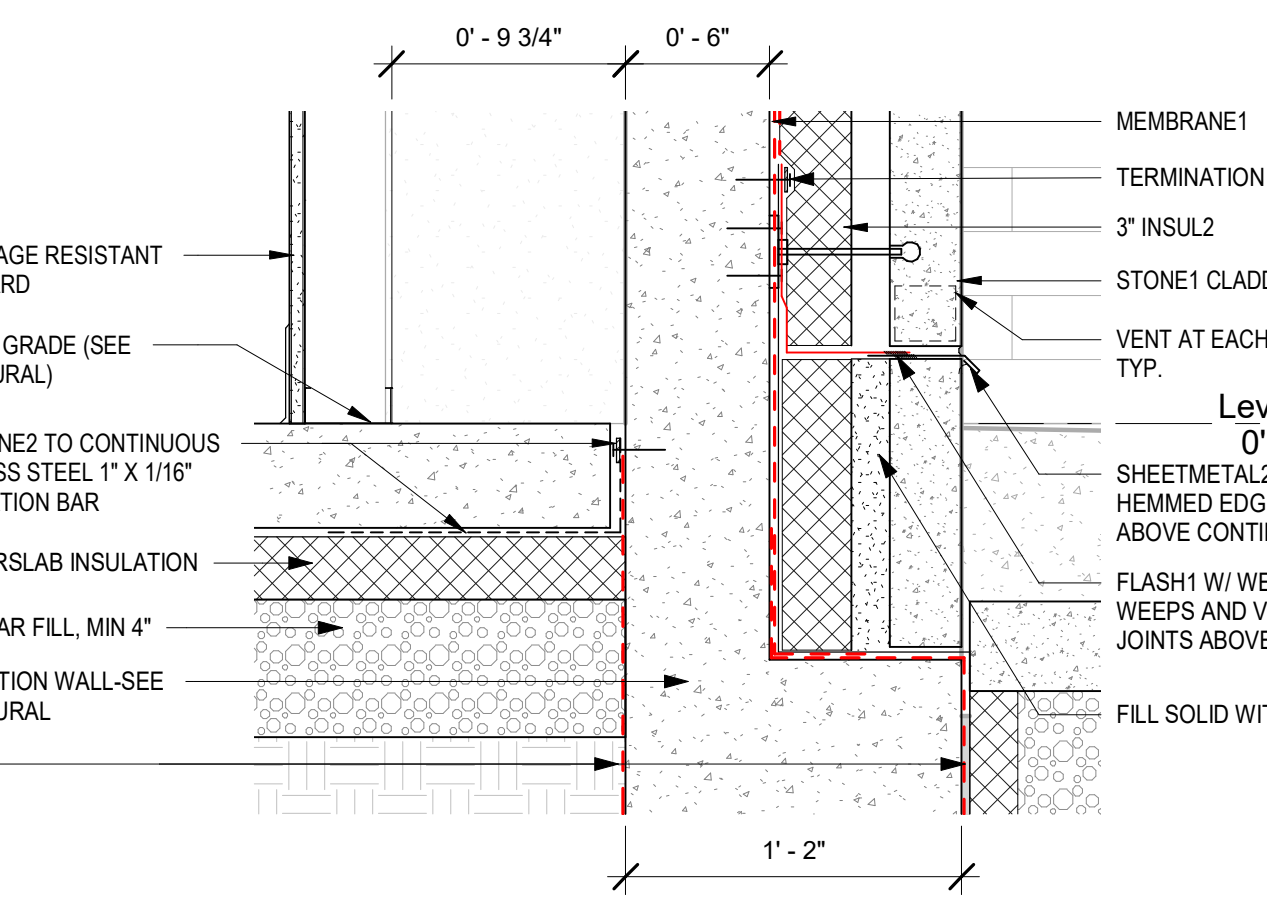
7 SECTION AT TOP OF WALL  
A-520 1 1/2" = 1'-0"



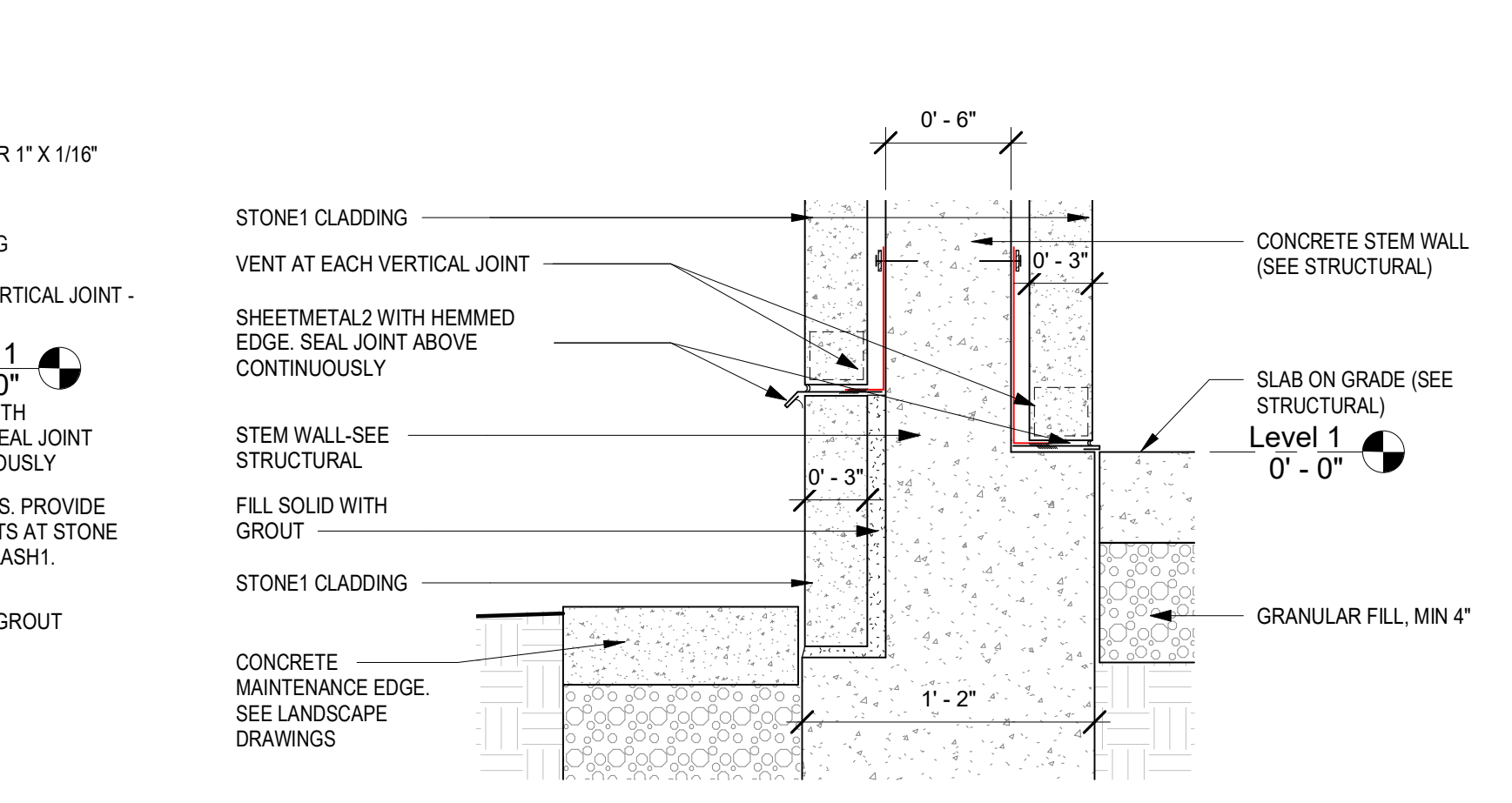
8 SECTION AT TOP OF VESTIBULE/WAITING WALL  
A-520 1 1/2" = 1'-0"



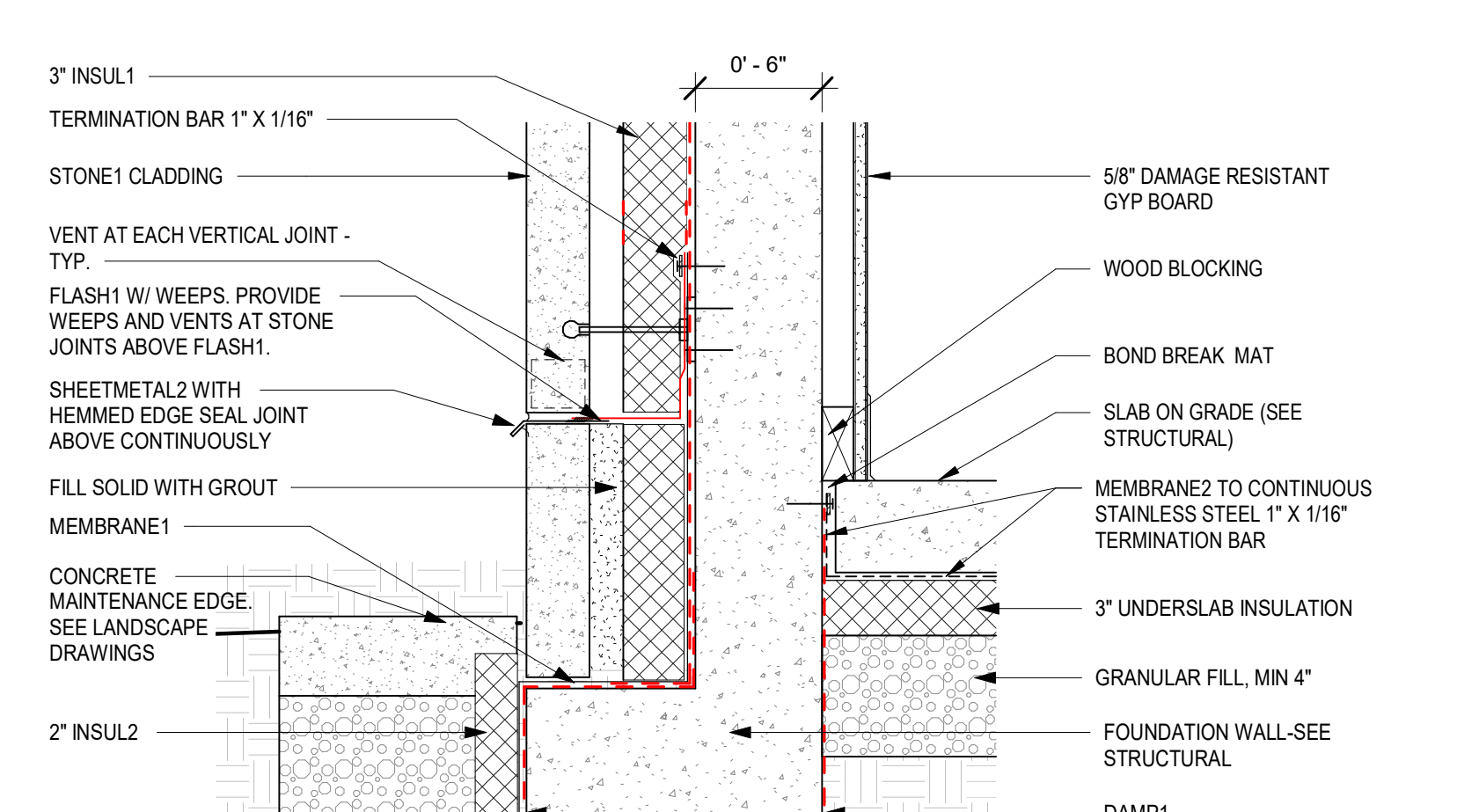
18 Section 10  
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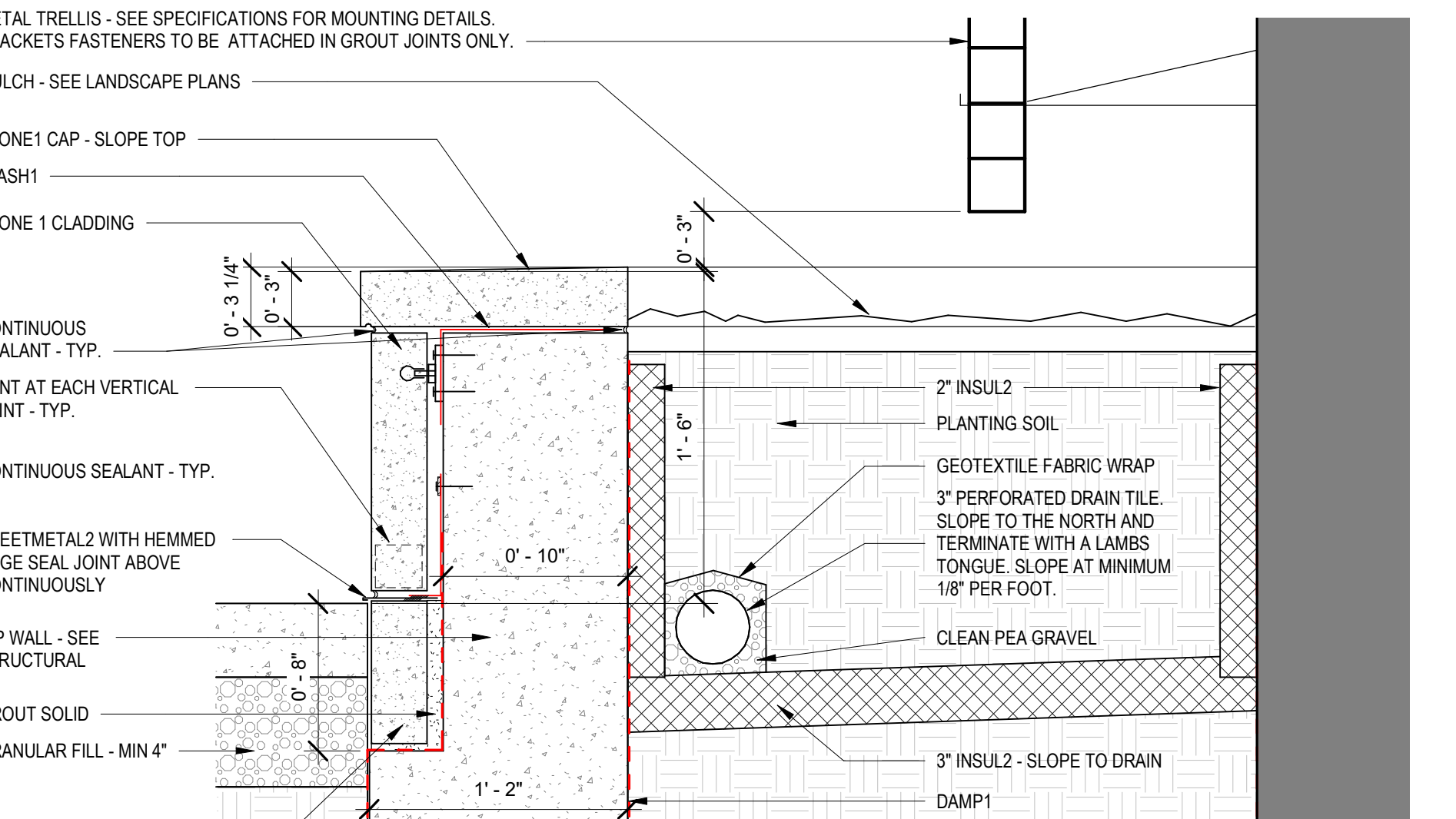
17 Section 9 Copy 2  
A-520 1 1/2" = 1'-0"



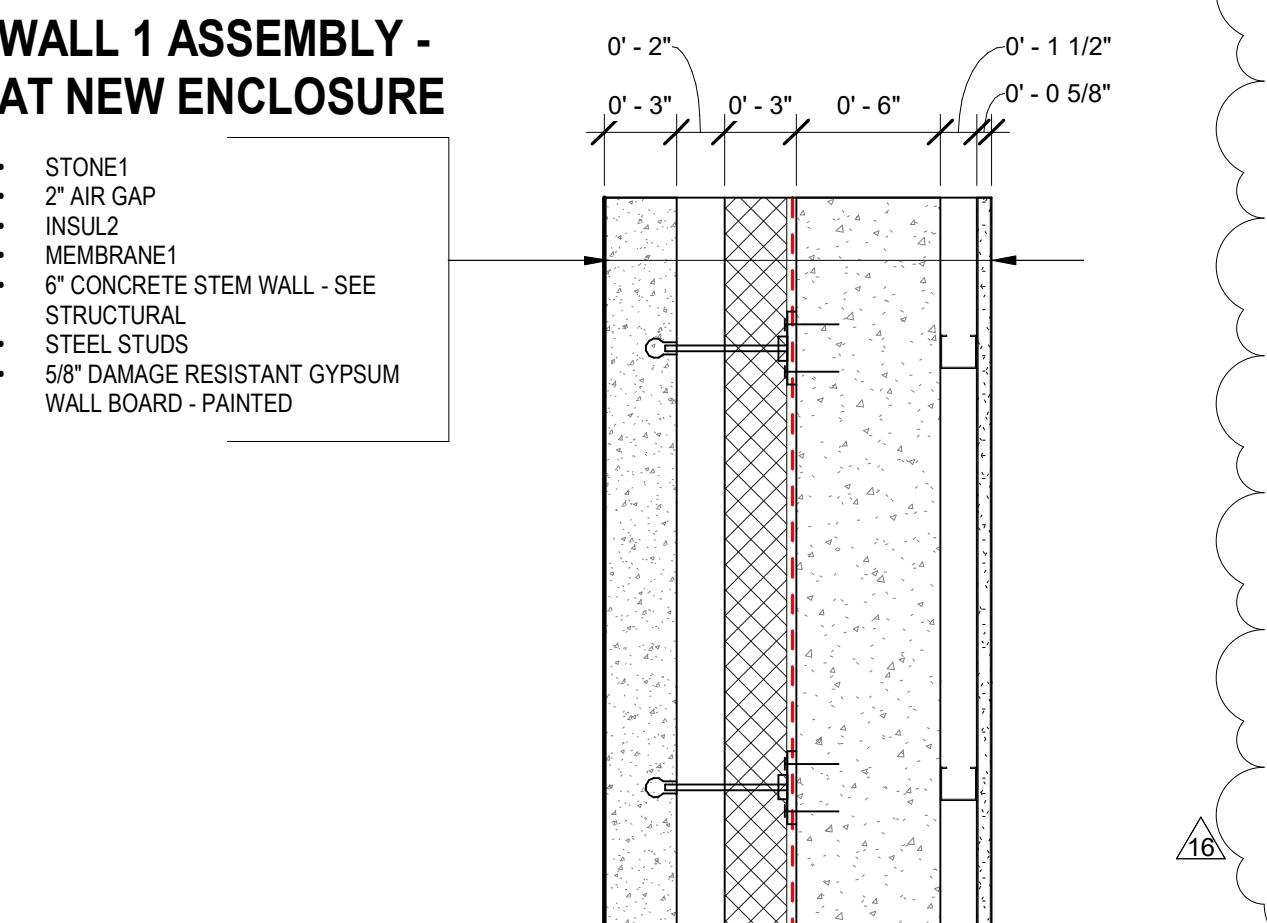
9 SECTION AT BASE OF WALL  
A-520 1 1/2" = 1'-0"



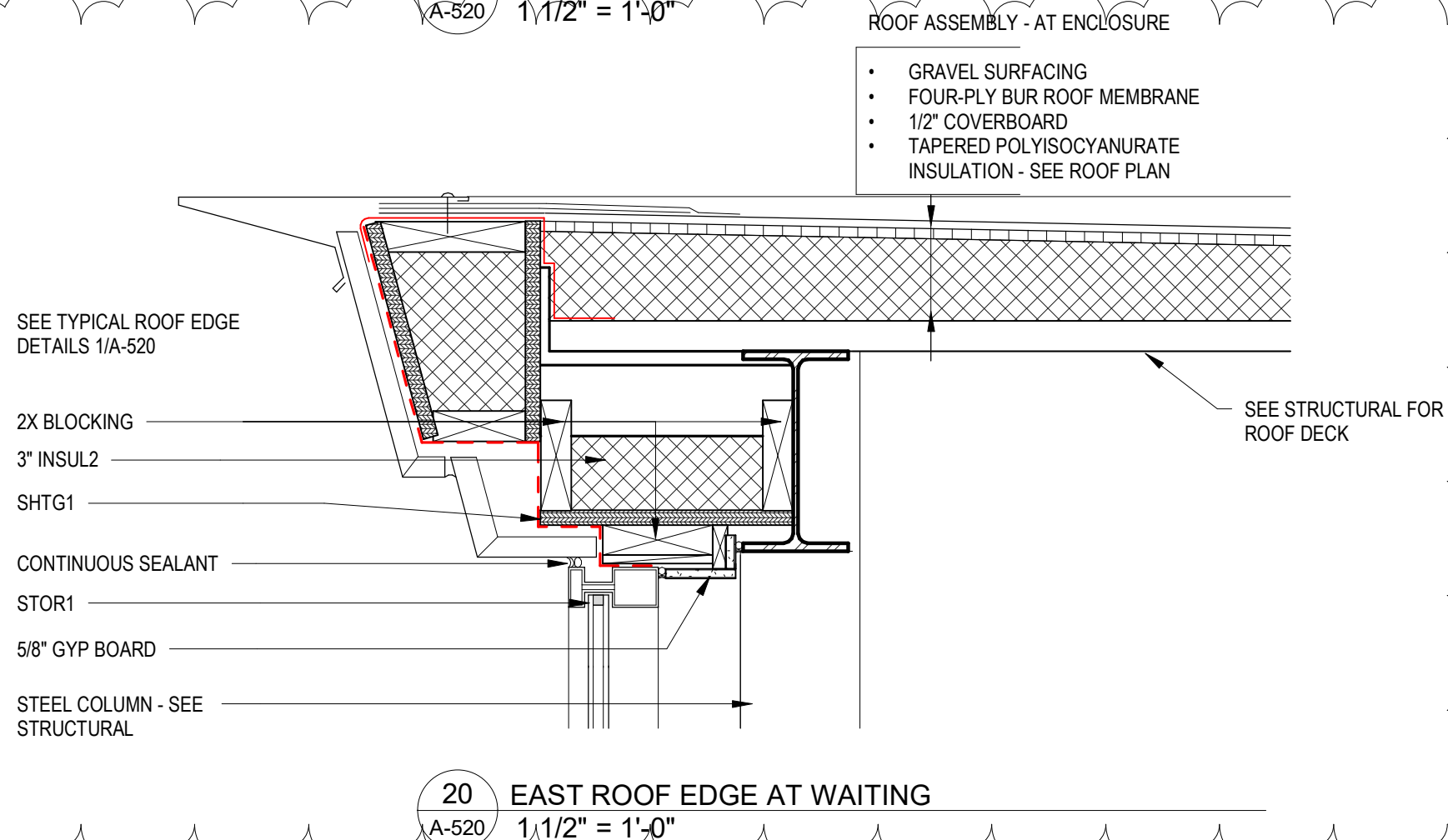
10 SECTION AT BASE OF VESTIBULE/WAITING WALL  
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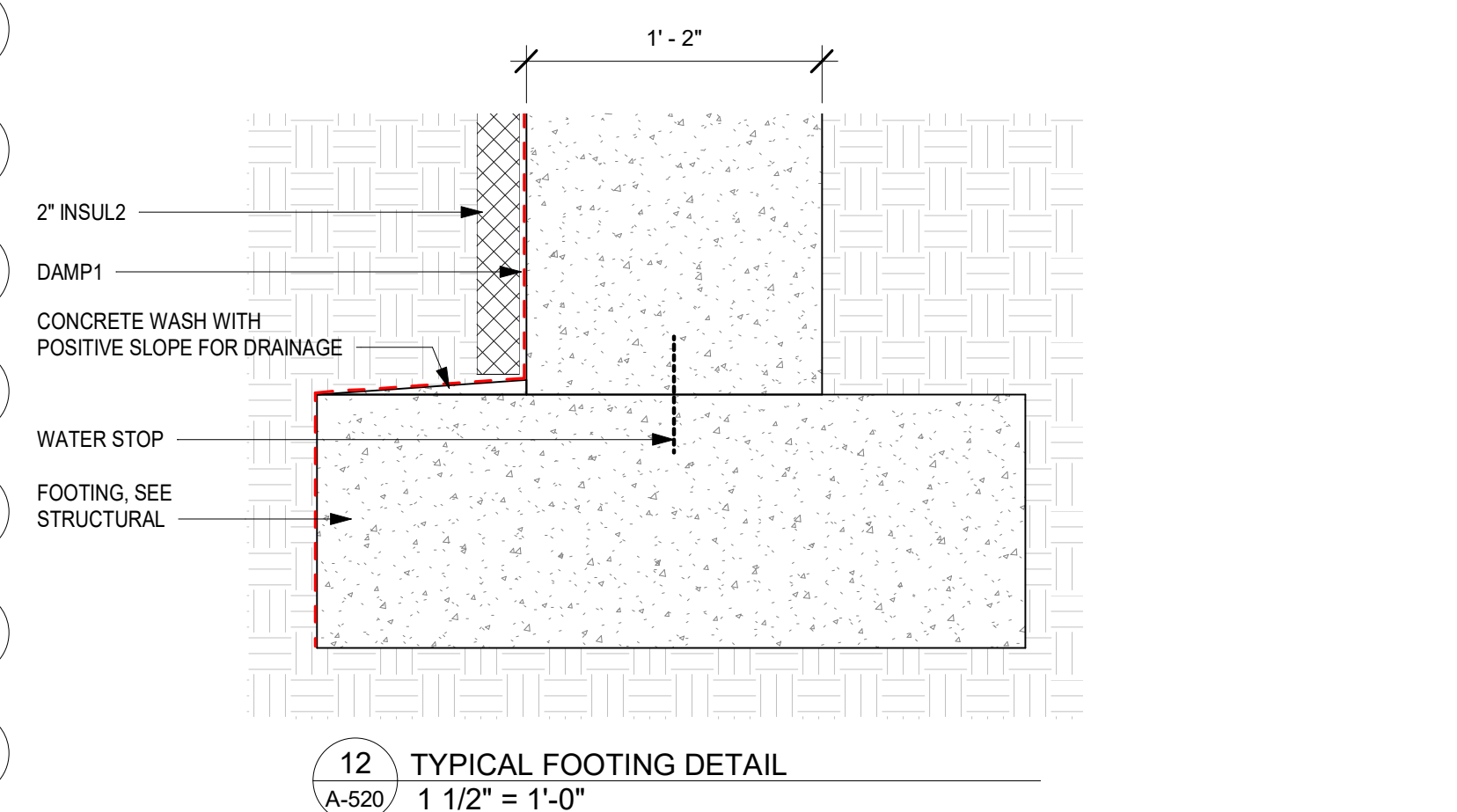
11 SECTION AT PLANTER WALL - ADD ALT #1A AND #1B  
A-520 1 1/2" = 1'-0"



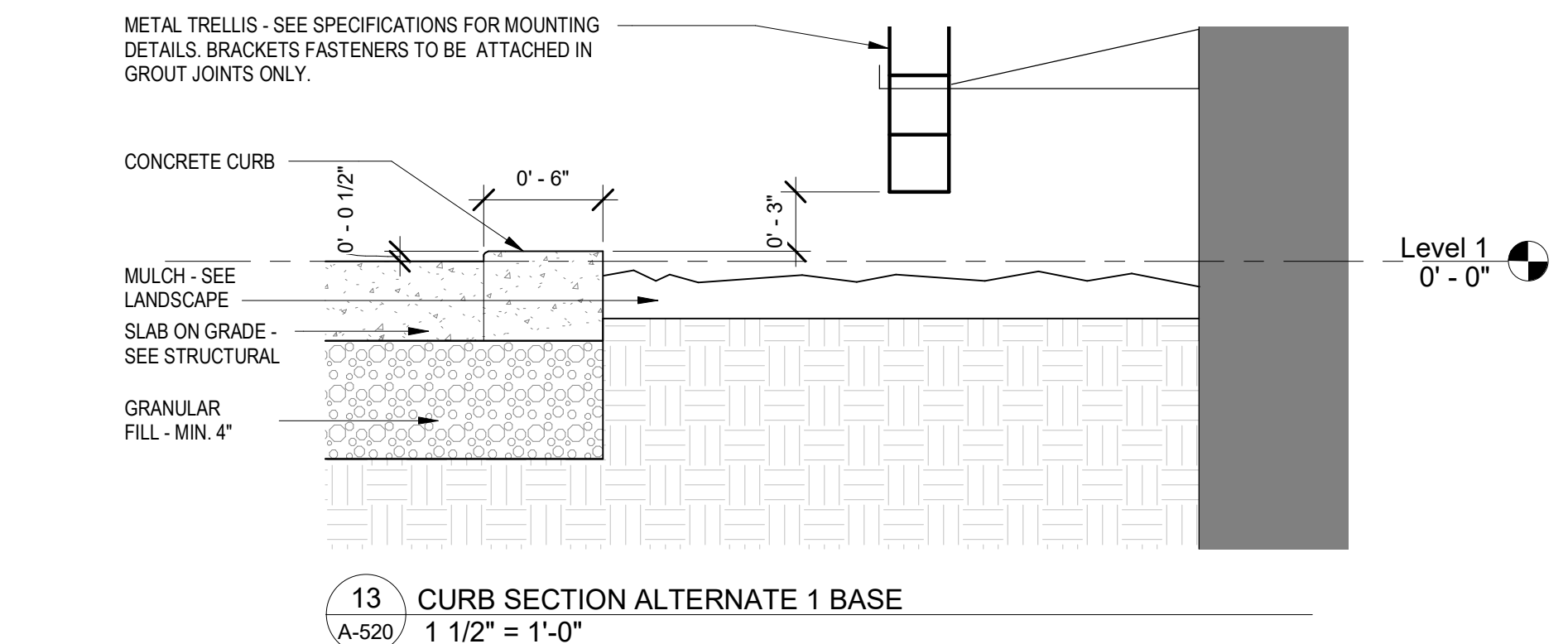
16 WALL 1 ASSEMBLY - AT NEW ENCLOSURE  
A-520 1 1/2" = 1'-0"



20 EAST ROOF EDGE AT WAITING  
A-520 1 1/2" = 1'-0"



12 TYPICAL FOOTING DETAIL  
A-520 1 1/2" = 1'-0"



13 CURB SECTION ALTERNATE 1 BASE  
A-520 1 1/2" = 1'-0"



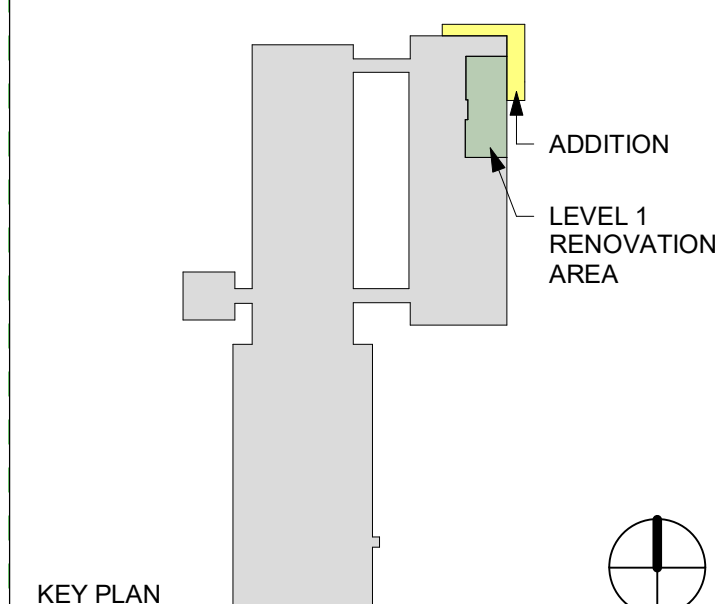
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PR 12  
2021-10-01

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Architect under the laws of the State of Minnesota.

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Minnesota License # 26373  
2021-03-01  
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2	BID ISSUE SET	2021-03-01
3	ADDENDUM No. 1	2021-03-11
5	PERMIT SET	2021-04-20
7	PR 03	2021-05-11
14	PR 11	2021-08-03
16	PR 12	2021-10-01

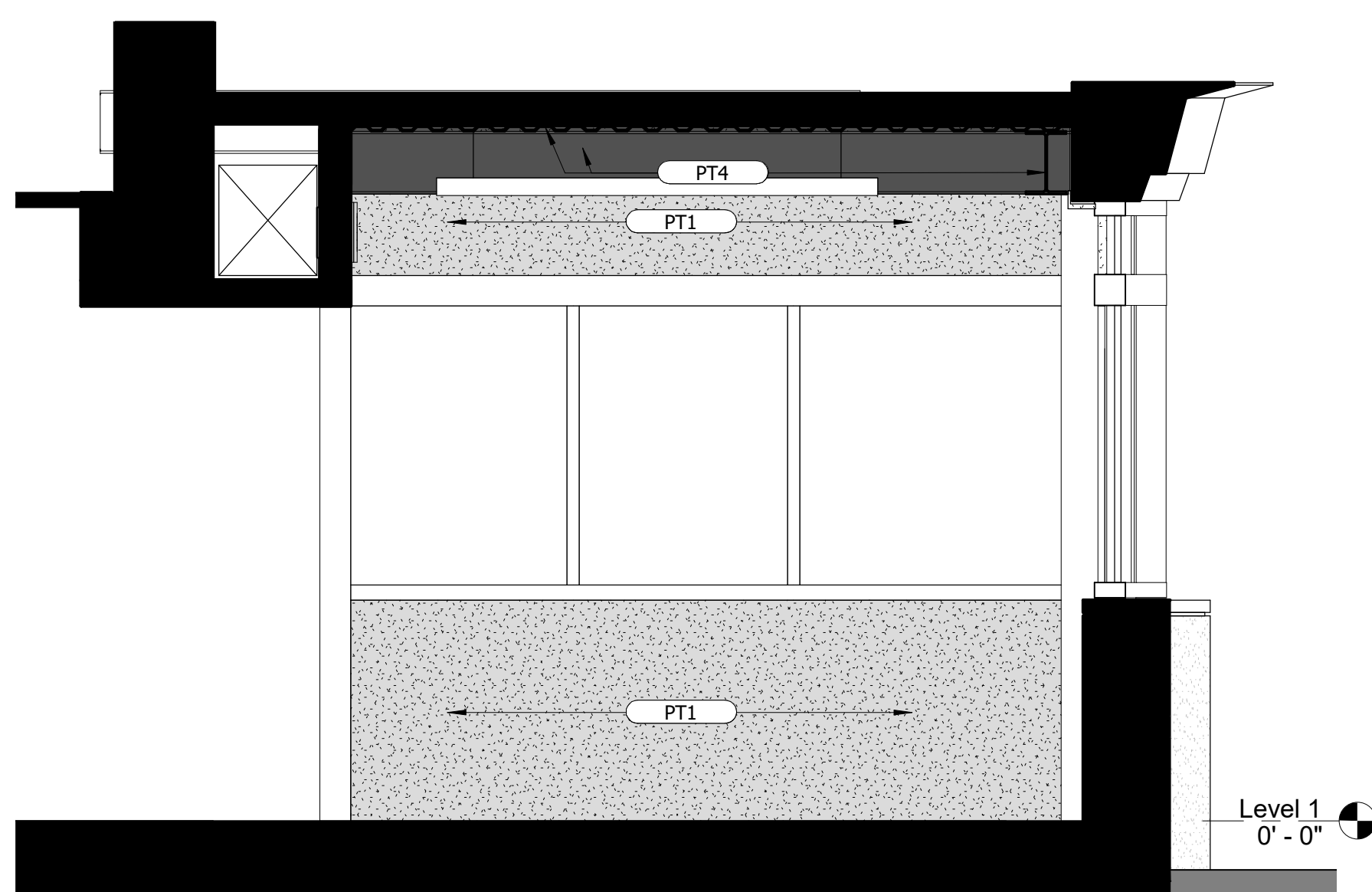
**Olson Middle School**  
Safe & Welcoming  
Entrance  
1607 51st Ave N, Minneapolis, MN 55430

**EXTERIOR ROOF AND WALL DETAILS**

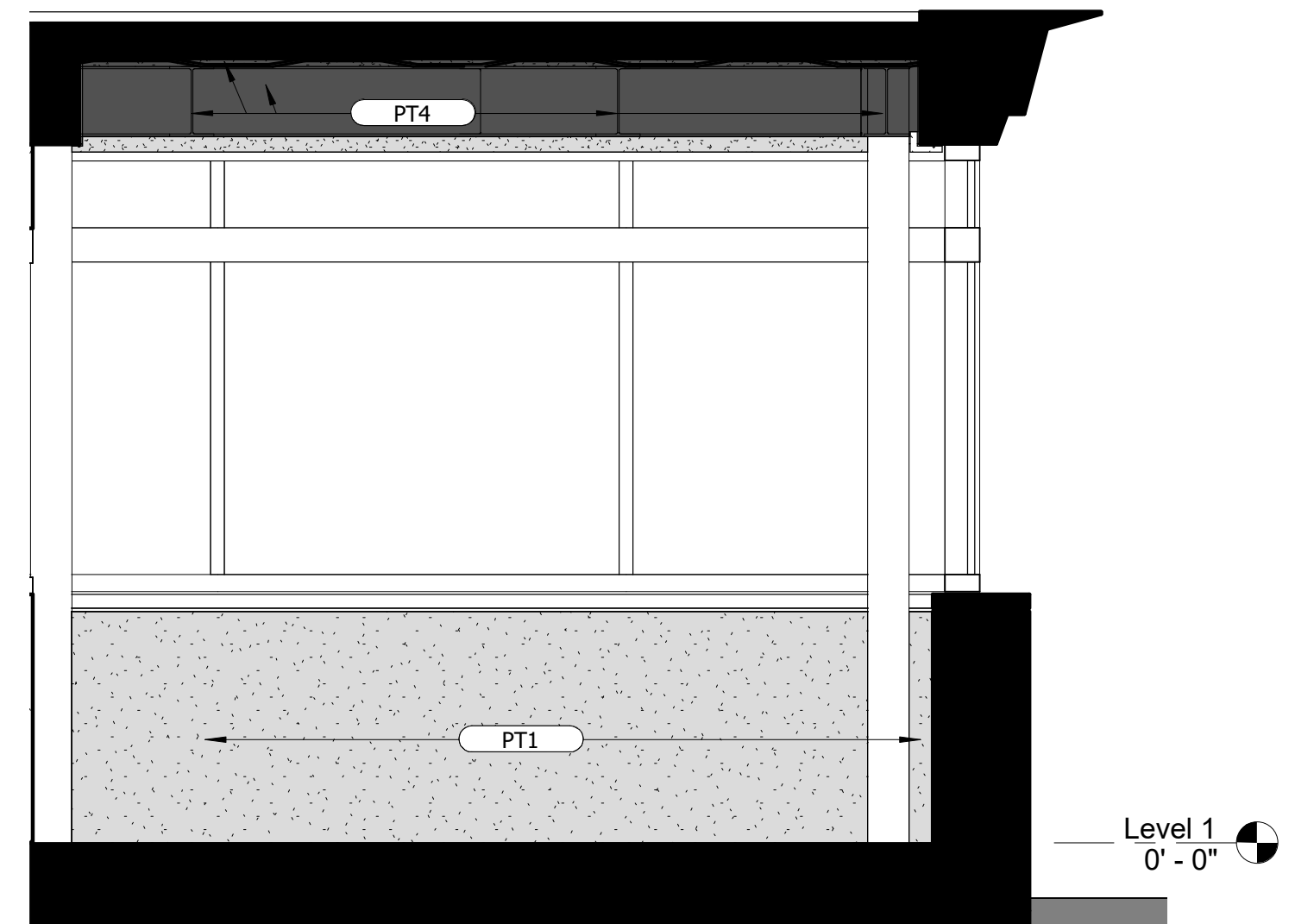
Project number 21-2120  
Date 2021-01-29  
Drawn by MJP  
Checked by CNS

**A-520**  
Scale As indicated

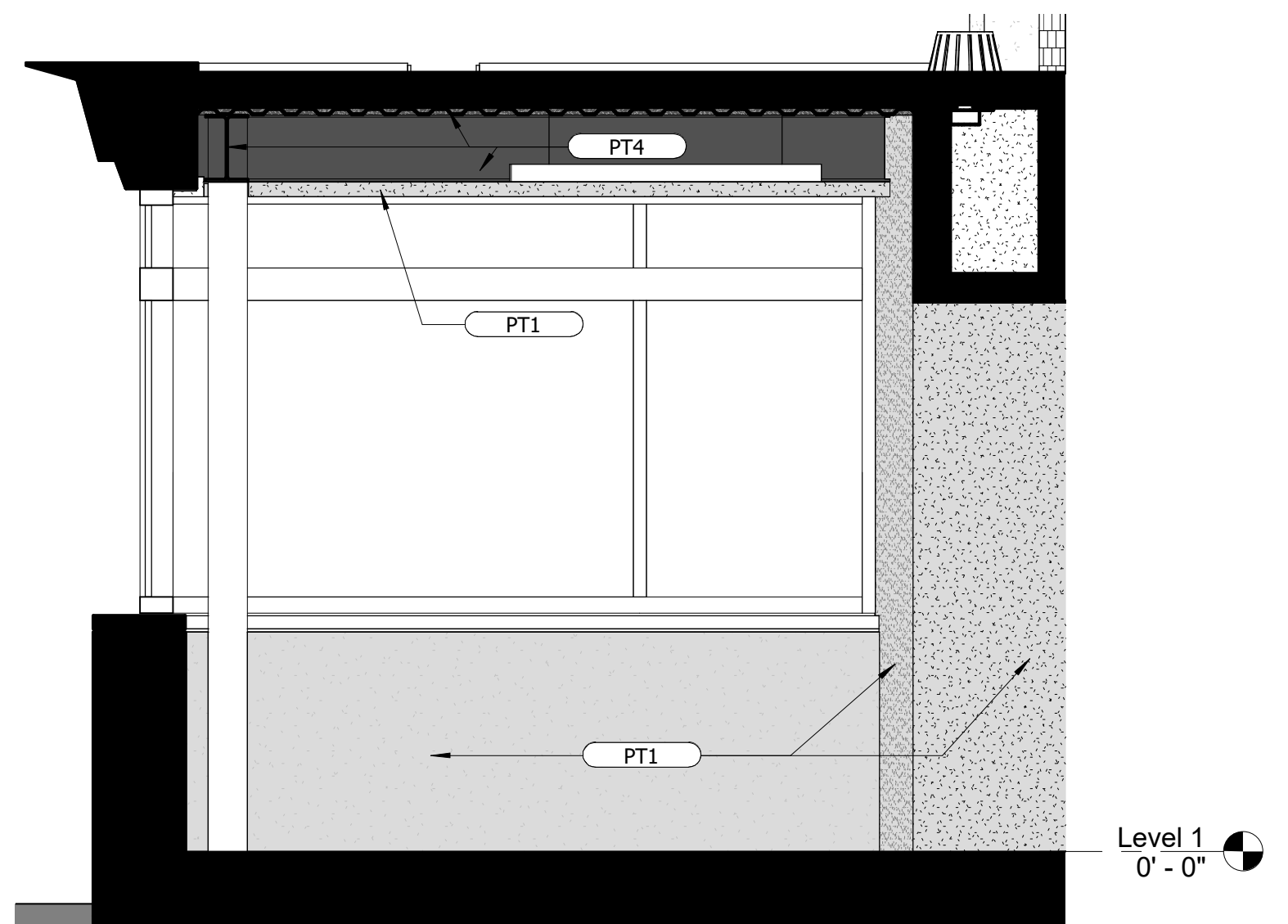
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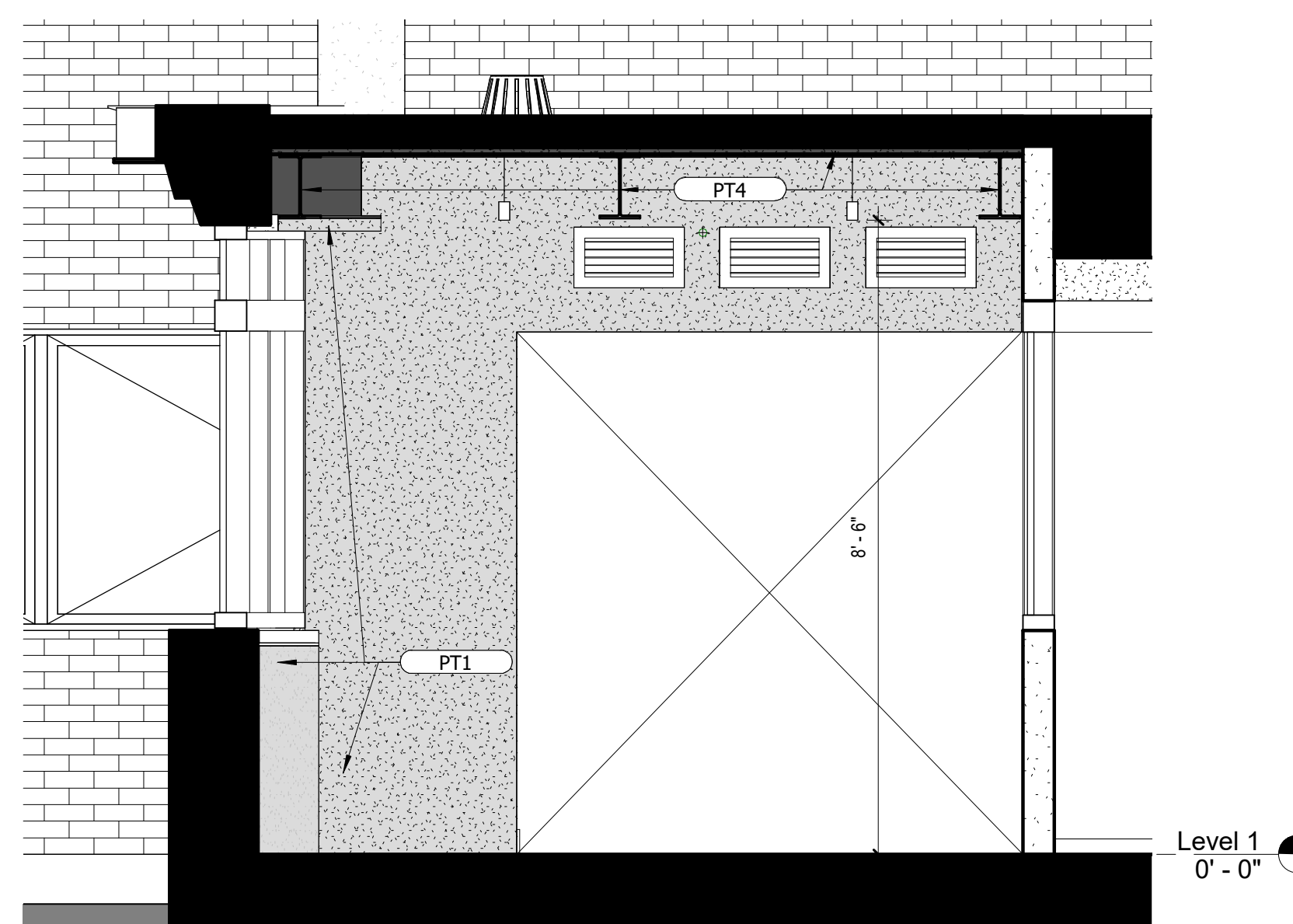
4 2-a  
1/2" = 1'-0"



3 1-d  
1/2" = 1'-0"



2 1-a  
1/2" = 1'-0"



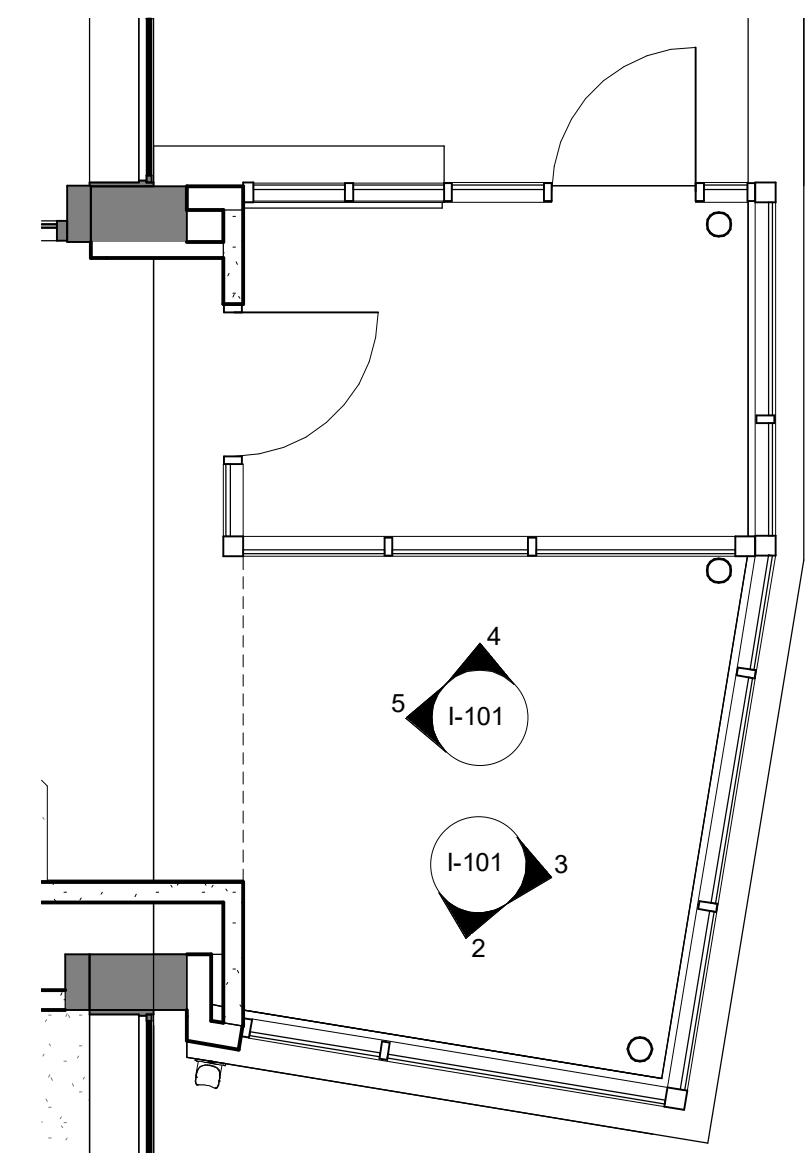
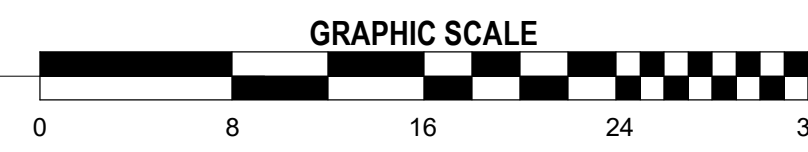
5 2-d  
1/2" = 1'-0"

**FINISH NOTES:**

- FINISH SELECTIONS IDENTIFIED IN LEGENDS, SCHEDULES, AND SPECIFICATIONS ARE NOT SUBJECT TO OR EQUAL SUBSTITUTIONS U.N.O. THE CONTRACTOR AND SUBCONTRACTORS SHALL SUBMIT PRODUCTS AND FINISHES AS INDICATED IN THE DOCUMENTS.
- NOTIFY ARCHITECT OF SCHEDULED FINISHES THAT ARE UNAVAILABLE OR DISCONTINUED.
- REFER TO THE MATERIAL SCHEDULE FOR MANUFACTURER, PRODUCT/STYLE NAME, COLOR SPECIFICATION.
- INSTALL FINISH MATERIALS IN ACCORDANCE WITH THE MANUFACTURER'S RECOMMENDED SPECIFICATIONS, SURFACE PREPARATION, ADHESIVES AND BACKINGS, INCLUDING WALL COVERINGS, COATINGS, FLOORING MATERIALS, LAMINATES, ETC.
- THE CONTRACTOR SHALL REPAIR ROUGH FLOOR SLAB UNEVENNESS SUITABLE FOR PROPER FLOOR COVERING INSTALLATION.
- FLOOR MATERIAL TRANSITIONS AT DOOR OPENINGS ARE TO BE CENTERED BELOW THE DOOR IN THE CLOSED POSITION U.N.O.
- THE PAINTING SUBCONTRACTOR SHALL ENSURE THAT PAINTS COMPLY WITH THE CURRENT STANDARDS FOR VOC EMISSIONS.
- ELECTRICAL SWITCH AND OUTLET COVER PLATES, SURFACE HARDWARE, ETC. SHALL BE INSTALLED AFTER PAINTING AND/OR APPLICATION OF WALL COVERINGS AND SPECIFIED CARPET.
- STAINED AND PAINTED SURFACES SHALL BE FINISHED SUCH THAT JOINTS ARE NOT VISIBLE.
- CONTRACTOR SHALL NOTIFY ARCHITECT IMMEDIATELY OF ANY DISCREPANCIES IN THE FIELD. GO TO GET CLARIFICATION FROM ARCHITECT BEFORE CONTINUING WITH ANY WORK.
- PROVIDE RUBBER TRANSITION STRIPS AT FLOORING MATERIAL CHANGES, U.N.O. TRANSITION STRIPS TO MATCH BASE COLOR U.N.O. REFER TO PLAN FOR DETAIL LOCATIONS.
- BASE SHALL RUN CONTINUOUS AND FULLY SURROUND CABINET BASES ON EXPOSED SIDES.
- ELECTRICAL PANELS IN THE CORRIDORS SHALL BE PAINTED TO MATCH THE ADJACENT WALL FINISH.
- PAINT CEILING ACCESS PANELS TO MATCH ADJACENT CEILING FINISH.
- UNDERSIDE OF SOFFITS (WHERE OCCURS) TO BE PAINTED TO RECEIVE FINISH TO MATCH WALL, U.N.O.
- FINISH FLOORING TO EXTEND FROM WALL TO WALL INCLUDING UNDER CABINETS AND UNDERCABINET EQUIPMENT.
- INTERIOR WALL & CEILING FINISHES AND TRIM OF PUBLIC AREAS TO COMPLY WITH CLASS A MATERIAL CLASSIFICATION; FLAME SPREAD RATING 0 TO 25, SMOKE DEVELOPED 200. INTERIOR WALL AND CEILING FINISHES AND TRIM IN NON PUBLIC AREAS TO COMPLY WITH CLASS B MATERIAL CLASSIFICATION; FLAME SPREAD RATING 25-75, SMOKE DEVELOPED 450.
- PAINTED SURFACES ARE TO RECEIVE A PRIME COAT AND A MINIMUM OF TWO COATS FINAL COLOR, U.N.O.
- PAINTED DOORS AND DOOR FRAMES SHALL BE PAINTED WITH AN ALKYD BASED SEMI-GLOSS FINISH U.N.O.
- CONVECTOR COVERS SHALL BE PAINTED WITH AN ALKYD BASED SEMI-GLOSS FINISH U.N.O.
- WALLS PAINTED WITH A LATEX PAINT TO HAVE AN EGGSHELL FINISH. REFER TO THE MATERIAL SCHEDULE AND FINISH LEGEND FOR MANUFACTURER'S PRODUCT NAME.
- GYPSUM BOARD CEILINGS SCHEDULED TO RECEIVE PAINT SHALL HAVE A FLAT FINISH, U.N.O.
- PROVIDE ARCHITECT WITH A MINIMUM OF (3) 8" X 10" BRUSH-OUTS OF EACH COLOR AND FINISH FOR ARCHITECT'S APPROVAL.



1 LEVEL 1 FINISH PLAN  
1/8" = 1'-0"



6 LEVEL 1 KEY PLAN  
1/4" = 1'-0"

**FLOOR FINISH LEGEND**

CPT1 MFR STYLE COLOR SIZE	CARPET TILE
CPT2 MFR STYLE COLOR SIZE	CARPET TILE
CPT3 MFR STYLE COLOR SIZE INSTALL	CARPET TILE, WALK-OFF
VCT1 MFR COLOR SIZE INSTALL	VINYL COMPOSITION TILE TARKETT VCT 75% 1384 DARK GRAY 25% 1338 YELLOW 12"X12" QUARTER TURN RANDOM MIX
<b>PRICE THE FLOWING CARPETS</b>	
<b>GROUP 1 - INTERFACE</b>	
CTP1 MFR LINE STYLE COLOR	INTERFACE STREAMING UPLOAD 106296 LIGHT YELLOW 161660AK00
CPT2 MFR LINE STYLE COLOR	INTERFACE STREAMING BITRATE 161660AK00 DARK YELLOW 106304
CPT3 MFR LINE STYLE COLOR	INTERFACE STEP REPEAT COLLECTION SR589 104941 ONYX
<b>GROUP 2 - MILLIKEN</b>	
CTP1 MFR LINE STYLE COLOR	MILLIKEN MOTIONSCAPE RAPD PACE THREE RAP119-188
CPT2 MFR LINE STYLE COLOR	MILLIKEN REMIX REMASTERED FREESTYLE TRAILINE VINYL WIDWGR FR5231-27
CPT3 MFR LINE STYLE COLOR	MILLIKEN OBEX TILE LOOP/STACK SKL18-133 DARK GREY
<b>GROUP 3 - MANNINGTON</b>	
CTP1 MFR LINE STYLE COLOR	MANNINGTON EXCHANGE 2 DISPATCH SWITCHBOARD 14144
CPT2 MFR LINE STYLE COLOR	MANNINGTON QUADRANT ALIGN INTERVAL 14587
CPT3 MFR LINE STYLE COLOR	MANNINGTON FRONTION CHARGE STATIC 34365

**WALL BASE FINISH LEGEND**

B1 MFR TYPE COLOR REMARKS	4" VINYL WALL BASE TARKETT 4" STRAIGHT BASE 63 BURNT UMBER
---------------------------------------	---

**WALL FINISH LEGEND**

PT1 MFR COLOR FINISH REMARKS	PAINT - GENERAL WALL PAINT (WHITE) SHERWIN-WILLIAMS 76-41 (MSP CUSTOM COLOR) EGGSHELL @ WALLS FLAT @ CEILINGS
PT2 MFR COLOR FINISH REMARKS	PAINT - DOOR FRAMES SHERWIN-WILLIAMS 76-41 (MSP CUSTOM COLOR) ALKYD BASED SEMI-GLOSS FINISH @ METALS
PT3 MFR COLOR FINISH REMARKS	PAINT - ACCENT SHERWIN-WILLIAMS SW6900 OPTIMISTIC YELLOW EGGSHELL @ WALLS MAIN OFFICE ACCENT WALL
PT4 MFR COLOR FINISH REMARKS	PAINT - METAL DECK, STRUCTURE, UTILITIES SHERWIN-WILLIAMS SW653 TRICORN BLACK FLAT FINISH @ METAL DECK, STRUCTURE, UTILITIES WAITING ROOM EXPOSED CEILING TO DECK

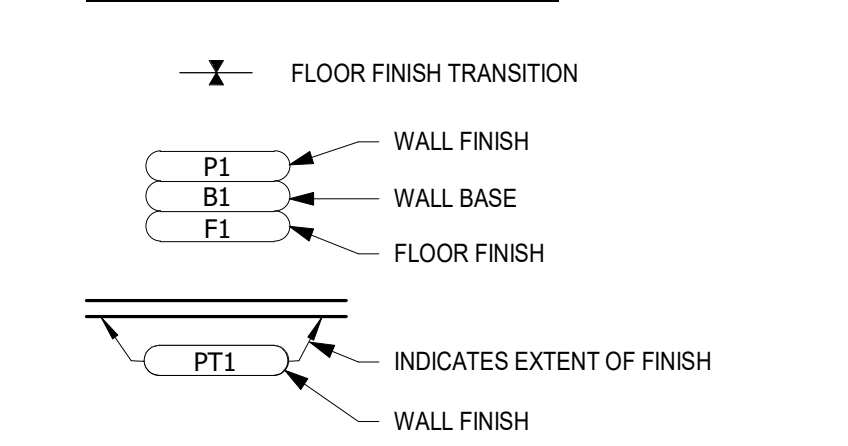
**MILLWORK FINISH LEGEND**

PLAM1 MFR STYLE COLOR LOCATION	PLASTIC LAMINATE FORMICA SEM-MATTE FINISH STORM SOLID2 3505-58 FRONT DESK COUNTERTOPS
PLAM2 MFR STYLE COLOR LOCATION	PLASTIC LAMINATE FORMICA SEM-MATTE FINISH DANISH MAPLE 8906-58 FRONT DESK VERTICALS

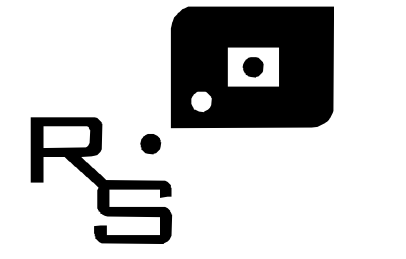
**KEYNOTES - FINISH PLAN**

- 800 NO FINISH WORK THIS AREA.
- 801 EX FRAME TO BE PAINTED PT2 (ALL SIDES). DOOR TO REMAIN 'AS-IS'.
- 802 EX DOOR FRAME & WIDOW FRAME SYSTEM TO BE PAINTED PT2. DOOR TO REMAIN 'AS-IS'.
- 803 MURAL TO BE PROTECTED.
- 804 EX DISPLAY FRAME SYSTEM METAL TO BE PAINTED PT2.
- 805 EX DOOR FRAME & WIDOW FRAME SYSTEM TO BE PAINTED PT2.

**FINISH PLAN LEGEND:**



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PR 12  
2021-10-01

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Chris Schmitt, AIA  
Minnesota License # 26373  
2021-03-01  
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No.	Description	Date
2	BID ISSUE SET	2021-03-01
3	ADDENDUM No. 1	2021-03-11
4	ADDENDUM No. 2	2021-03-15
5	PERMIT SET	2021-04-20
6	ASI 03	2021-06-03
16	PR 12	2021-10-01

**Olson Middle School  
Safe & Welcoming  
Entrance**

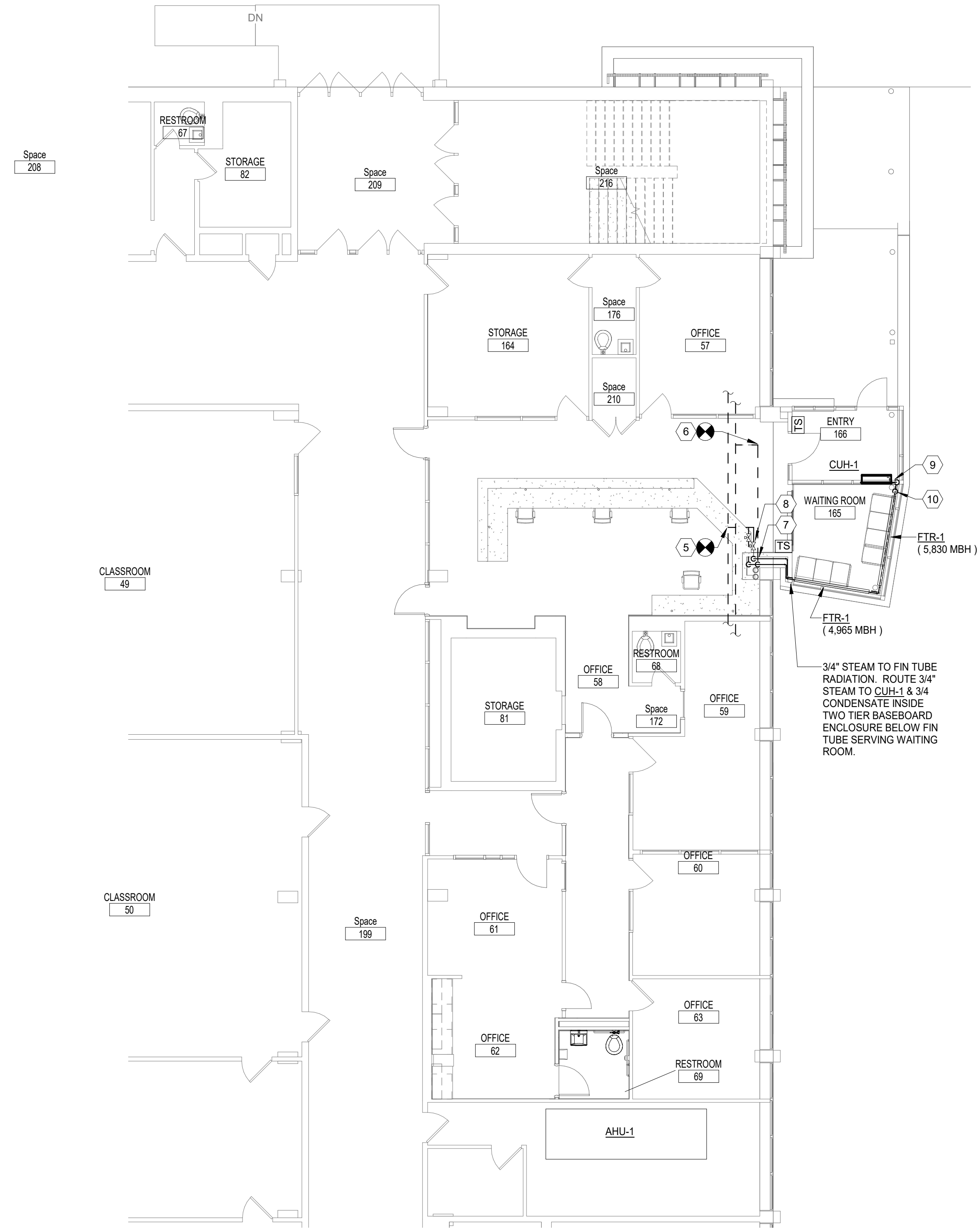
1607 51st Ave N, Minneapolis, MN 55430

**LEVEL 1 - FINISH PLAN**

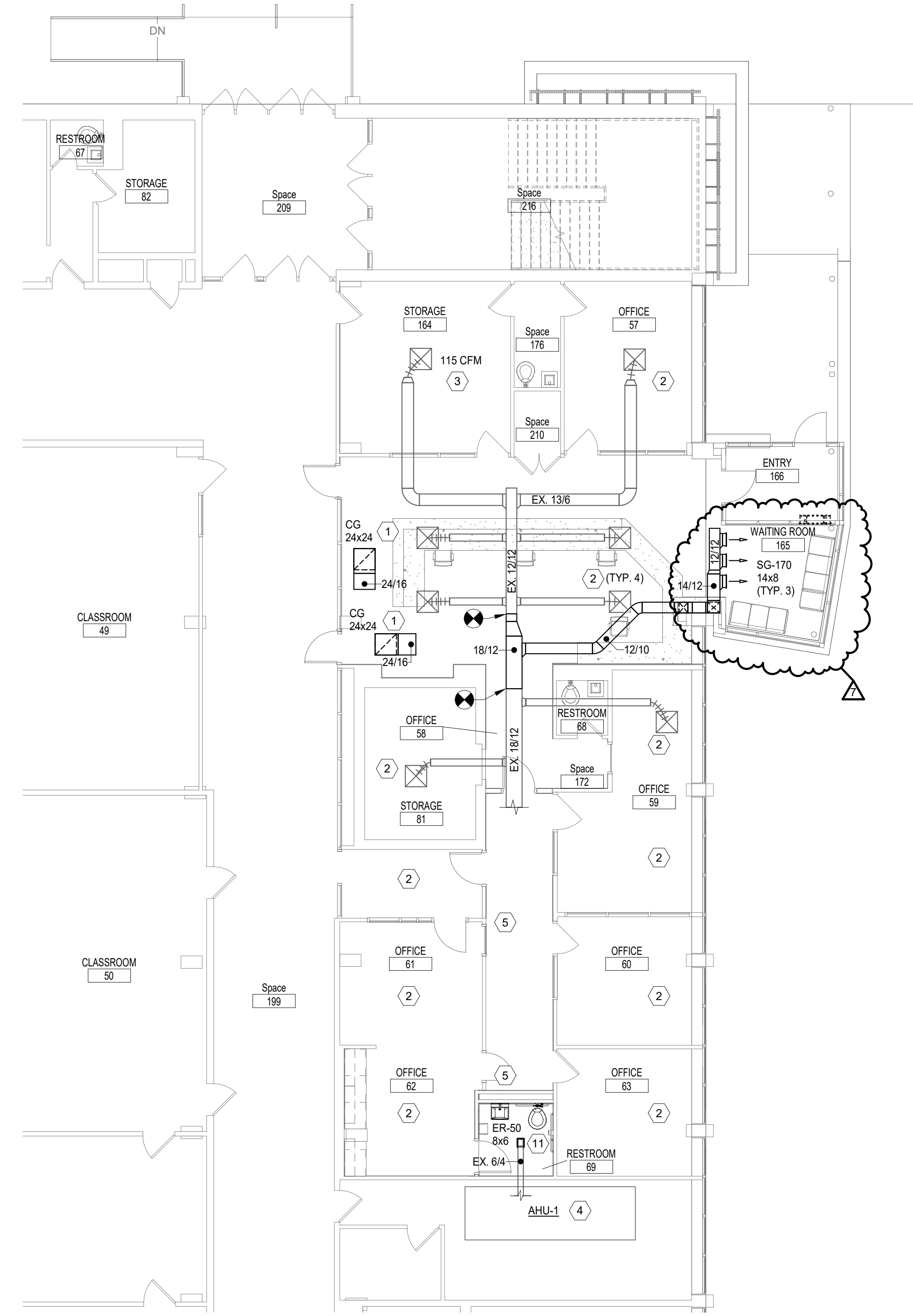
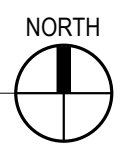
Project number	21-2120
Date	2021-01-29
Drawn by	MJP
Checked by	CNS

I-101

Scale As indicated



1 LEVEL 1 & TUNNEL- PIPING PLAN  
 M-401 1/8" = 1'-0" 0 4 8 16'



2 LEVEL 1 - HVAC PLAN  
 M-401 1/8" = 1'-0" 0 4 8 16'

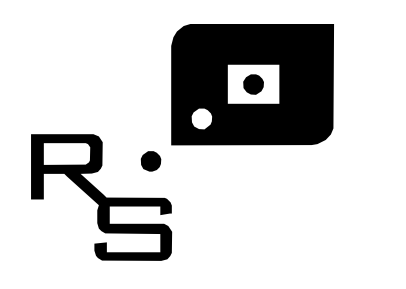


- GENERAL NOTES**
- DUCT SIZES SHOWN ON PLANS ARE CLEAR INSIDE DIMENSIONS WHERE DUCTWORK IS INTERNALLY LINED. INCREASE DIMENSIONS OF SHEET METAL ACCORDINGLY.
  - ALL TRANSFER DUCTS SHALL BE INTERNALLY LINED WITH 1" ACOUSTIC LINER.
  - DIFFUSER BRANCH DUCT SIZE SHALL BE THE SAME AS THE DIFFUSER NECK SIZE UNLESS OTHERWISE NOTED.
  - PROVIDE BALANCING DAMPER FOR EACH SUPPLY OUTLET AND EXHAUST INLET, UNLESS THERE IS ONLY ONE DIFFUSER FOR A VAV BOX.
  - REFER TO CEILING DIFFUSERS SIZE SCHEDULE FOR DIFFUSERS NECK SIZES.
  - ALL CEILING GRILLES (RETURN AIR) SHALL BE 24"x24" UNLESS NOTED OTHERWISE.

- PLAN NOTES**
- RETURN GRILLE WITH BOOT. REFER TO DETAIL 2M-701.
  - BALANCE EXISTING SUPPLY DIFFUSERS TO AIRFLOWS RECORDED PRIOR TO NEW WORK.
  - REBALANCE AIRFLOW IN STORAGE 164 TO 115 CFM.
  - ADJUST AHU-1 AIRFLOW AS REQUIRED FOR REBALANCING OF FRONT OFFICE AREA HVAC SYSTEM.
  - CONNECT 3/4" TO EXISTING STEAM BRANCH IN TUNNEL.
  - CONNECT 3/4" TO EXISTING CONDENSATE BRANCH IN TUNNEL.
  - ROUTE 3/4" STEAM & CONDENSATE BRANCH LINES UP THRU FLOOR AS INDICATED.
  - FIN TUBE RADIATION & CABINET UNIT HEATER STEAM CONTROL VALVES IN CRAWL SPACE. REFER TO SPECIFICATIONS.
  - PROVIDE & INSTALL STEAM TRAP AT CUH-1 OUTLET. 3/4" CONDENSATE LINE CONTINUES INTO FIN TUBE RADIATION COVER FROM TRAP OUTLET.
  - PROVIDE & INSTALL STEAM TRAP AT FIN TUBE RADIATION STEAM LINE TERMINATION. CONNECT TO 3/4" CONDENSATE LINE.
  - PROVIDE 8" x 6" EXHAUST GRILLE BASED ON TITUS 3FL W/ 45 DEGREE FIXED DEFLECTION REGISTER WITH BLADES PARALLEL TO LONG DIMENSION. 3/4" SPACING. PROVIDED WITH OPPOSED BLADE DAMPER. ALUMINUM WITH WHITE ENAMEL FINISH.



www.mpls.k12.mn.us



ROEHRSCHEMME ARCHITECTURE, LLC  
 1229 TYLER STREET NE, SUITE 275  
 MINNEAPOLIS, MN 55413  
 (612) 215-4191  
 (E) INFO@ROEHRSCHEMME.COM

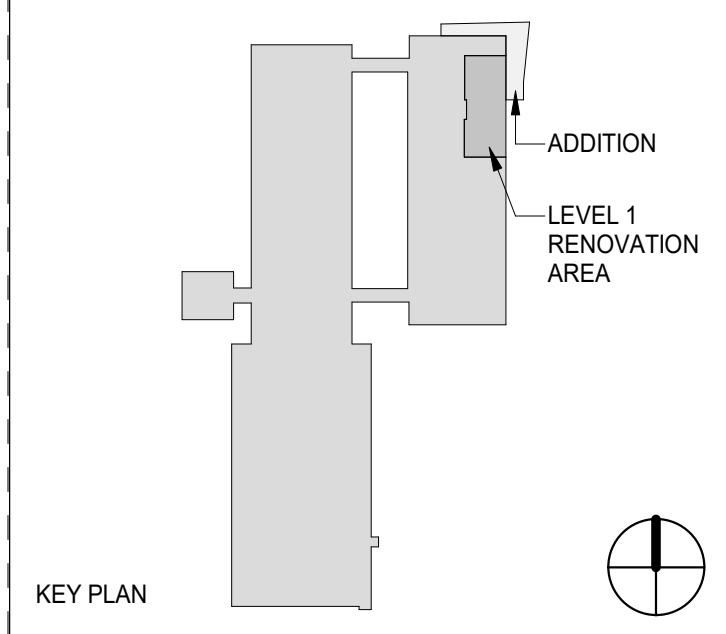


edi-doleys  
 consulting engineers  
 1112 North 5th Street Minneapolis, MN 55411  
 1654 North RiverFront Drive Minneapolis, MN 55411  
 (612) 343-5865 (612) 343-5865

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

*Steve S. Schruers*

Steve S. Schruers  
 Minnesota License #19622  
 DATE 03/01/2021  
 © 2019 ROEHRSCHEMME ARCHITECTURE, LLC



No.	Description	Date
6	PR-4 ADA Restroom	2021-06-11
7	PR-12 Wait Room Ceiling Change	2021-10-01

**Olson Middle School**  
**Safe & Welcoming**  
**Entrance**  
 1607 51st Ave N, Minneapolis, MN 55430

**LEVEL 1 - MECHANICAL PLANS**

Project number	21-2120
Date	03/01/2021
Drawn by	BEK
Checked by	SSS

**M-401**

Scale As indicated

**Proposal Request #012 Option 1**

MAERTENS-BRENNY CONSTRUCTION CO.  
8251 MAIN STREET NE  
MINNEAPOLIS, MN 55432

**MPS - Olson Middle School - Safe & Welcoming Entrance**

M-B JOB #	3053
MPS Pub. #	21-2120

Exposed Ceiling and Modified Ductwork in Waiting	PR #012 Option 1				
--	------------------	--	--	--	--

DATE	6-Oct-21
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DESCRIPTION OF WORK	LABOR				MATERIAL				SUBCONTRACT
	QUANTITY	UNIT	\$/UNIT	COST	QTY	UNIT	\$/UNIT	COST	COST
<b>Subcontractor Quotes</b>									
<b>Universal Paint and Drywall</b>									
Change from Painted GWB to Dryfall and added mobilization									\$ 380.00
<b>S.A. Jordan</b>									
Credit for Gyp Ceiling in Waiting Room									\$ (558.00)
<b>Xpress Fire Protection</b>									
No change for exposed pipe									\$ -
<b>Sentra Sota</b>									
Soffit Mounted Diffusers - See Below for Additional Information									\$ 729.65
Priced with stock double deflection diffusers									
<b>Sun Mechanical</b>									
No Change - Insulation on Rain Leader to be visible									\$ -
<b>Gunnar Electric</b>									
No Change for visible light fixtures									\$ -
<b>M-B work</b>									
<b>Visible Ceiling Modification</b>									
additional cleaning of steel prior to paint	1	Hours	\$92.13	\$ 92.13					
cut off screws for visual appearance to 1/2" from deck	2	Hours	\$92.13	\$ 184.25					
<b>Labor</b>									
Superintendent		Hours	\$96.73	\$ -					
Carpenter		Hours	\$92.13	\$ -					
Finisher		Hours	\$100.07	\$ -					
Mason		Hours	\$94.32	\$ -					
Laborer		Hours	\$85.97	\$ -					
<b>Tax</b>									
								8.025%	
<b>BASE SUBTOTALS FOR LABOR MATERIAL AND SUBS</b>				\$ 276.38				\$0.00	\$ 551.65

OVERHEAD & PROFIT ON LABOR	10%	27.64	<b>TOTAL SUBCONTRACT</b>	\$ 551.65
OVERHEAD & PROFIT ON MATERIAL	10%	0.00		
SUBTOTAL		883.25	5%	\$27.58
BOND	1.5%	13.25		
<b>GRAND TOTAL</b>		<b>896.50</b>		

**REMARKS OR NOTES**

Sentra Sota is cost add due to specified in bid duct previously fabricated prior to change and on-site. Labor cost for shop fabrication, no additional onsite installation time included. Stock Model 520d with double deflection diffuser included. Specified is single diffuser and special order with long lead time and additional cost.

Justin Higgins  
PROJECT MANAGER

Authorization to proceed with the work described above

Authorization signature and date

Universal Painting & Drywall, Inc.  
5301 East River Road, Suite #103  
Fridley, MN 55421



Office: #763-315-0095  
Fax: #763-315-8970  
www.universalptg.com

Olson Middle School  
1607 51<sup>st</sup> Street North  
Minneapolis, MN 55430

Date: October 6, 2021

Universal Painting & Drywall, Inc. proposes to furnish all labor, material, and equipment necessary to perform the following scope on the above-mentioned project:

**Sections: 099100 Painting, PR #12 Exposed Ceiling painting, Limited to and Including:**  
Prepare and spray paint exposed ceiling-black at Waiting Rm. 002.

For The Sum of: ..... **\$380.00**

Please let us know how you would like us to proceed with this proposed change. Thank you.

**Universal Painting and Drywall Inc is a CERT SBE**

Price assumes all work to be done during standard business hours.

For questions or clarifications, please call Robert Leach at 763-315-8970 or e-mail [robertleach@universalptg.com](mailto:robertleach@universalptg.com). Thank you for the opportunity to bid this project.

This offer expires thirty days from above date.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

*Robert Leach*

Robert Leach Estimator  
Universal Painting & Drywall, Inc.



7373 – 120<sup>TH</sup> STREET NORTH  
WHITE BEAR LAKE, MN 55110  
PHONE/FAX: 651-305-0256  
Small Business Enterprise (SBE)  
WOMEN OWNED (W)



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## CHANGE ORDER PROPOSAL #2021-253-012

DATE: 10/6/2021  
TO: MAERTENS BRENNY ATTN: JUSTIN HIGGINS  
PROJECT: OLSON MS FY20 SAFE AND WELCOMING ENTRANCE  
REFERENCE: PR #12

DESCRIPTION: THIS CREDIT IS TO OMIT THE GYP CEILING IN THE WAITING AREA 002 PER PROPOSAL REQUEST 012.

BASE BID: CREDIT: (\$558.00)

PLEASE PROVIDE S.A. JORDAN CONSTRUCTION WITH WRITTEN AND SIGNED APPROVAL IF YOU WISH TO PROCEED WITH THIS WORK.

Please call if you have any questions.

Andrew Jordan  
Project Manager/CEO  
Cell: 612-432-7119  
[andrew@sajordanconstruction.com](mailto:andrew@sajordanconstruction.com)

Bids may be withdrawn if not accepted within 30 days.



Justin Higgins <jhiggins@maertensbrenny.com>

### MPS - OMS - PR #12 and Schedule

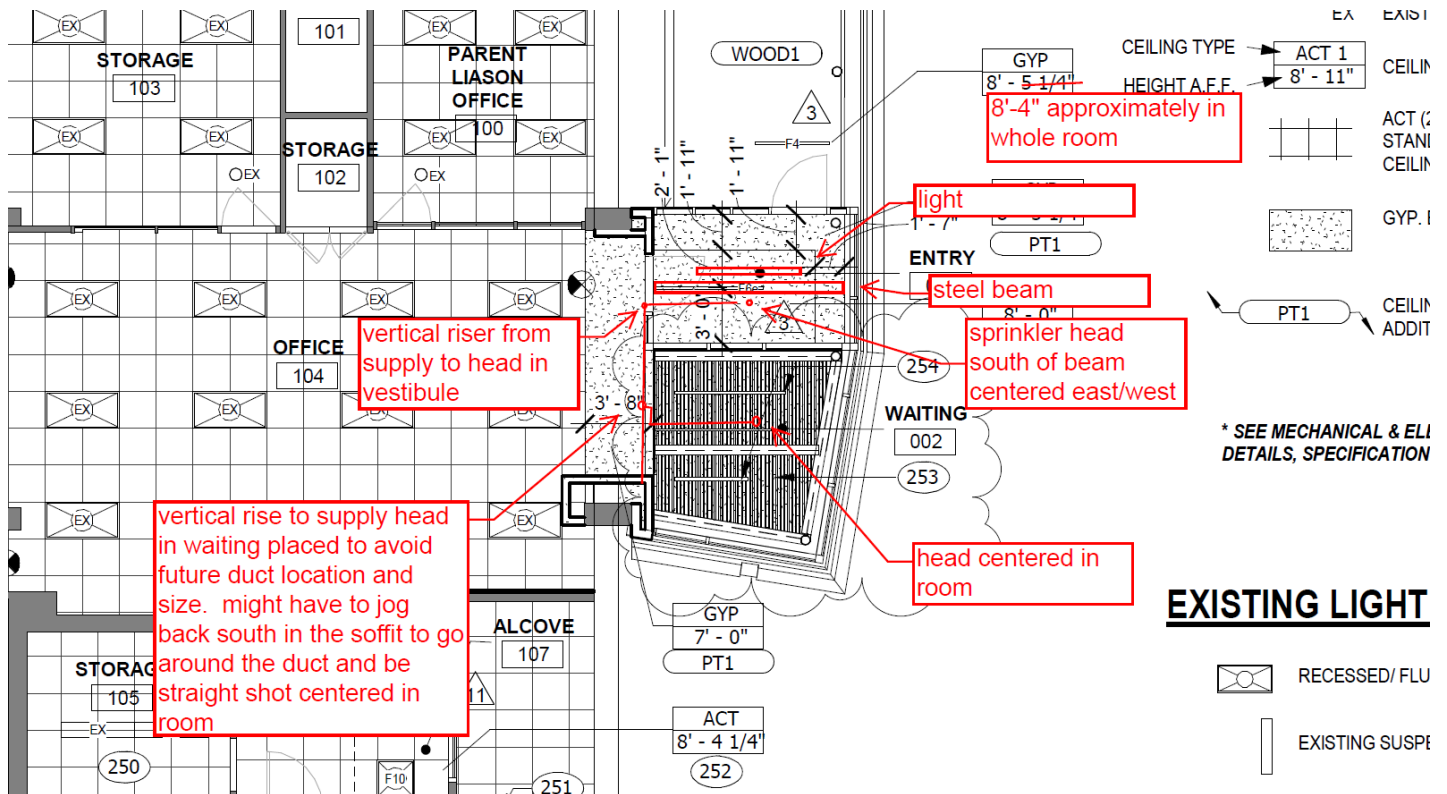
3 messages

Justin Higgins <jhiggins@maertensbrenny.com>  
To: eric@novafire.com

Wed, Oct 6, 2021 at 9:38 AM

Eric,

Sorry for the delay in letting you know what is going on, but was waiting for the attached proposal request on what was happening in the waiting room. We did a site walk yesterday and came up with the following plan:



I still think a site visit is required to make sure we are good to go. My site contact is Thomas Torkelson at 763-402-1328.

The electrician will be onsite on Monday the 11th. If I could have you on-site Tuesday or Wednesday the 12th and 13th to complete the piping that would work for my schedule to get the ceiling structure and all mechanical and electrical pipes painted by the end of the week to begin framing on October 18th. Please let me know if this schedule works for you.

Justin Higgins  
Project Manager  
Maertens-Brenny Construction Company  
8251 Main Street  
Minneapolis, MN 55432  
office 763-786-4779 ext. 228  
cell 612-363-0402



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2021-10-04 PR012 - w Attachments.pdf  
2428K

Eric Halvorson <Eric@novafire.com>  
To: Justin Higgins <jhiggins@maertensbrenny.com>

Wed, Oct 6, 2021 at 10:07 AM

It looks like we should be able to make this work with no cost impact. With the expected sprinkler head placement we will need to install a pendent sprinkler with the deflector just below the bottom of the steel beam.

We will try to get out there Tuesday the 12<sup>th</sup>, but will be there Wednesday the 13<sup>th</sup> at the latest. We can get this done in one day.

Eric Halvorson  
**NOVA Fire Protection, Inc.**

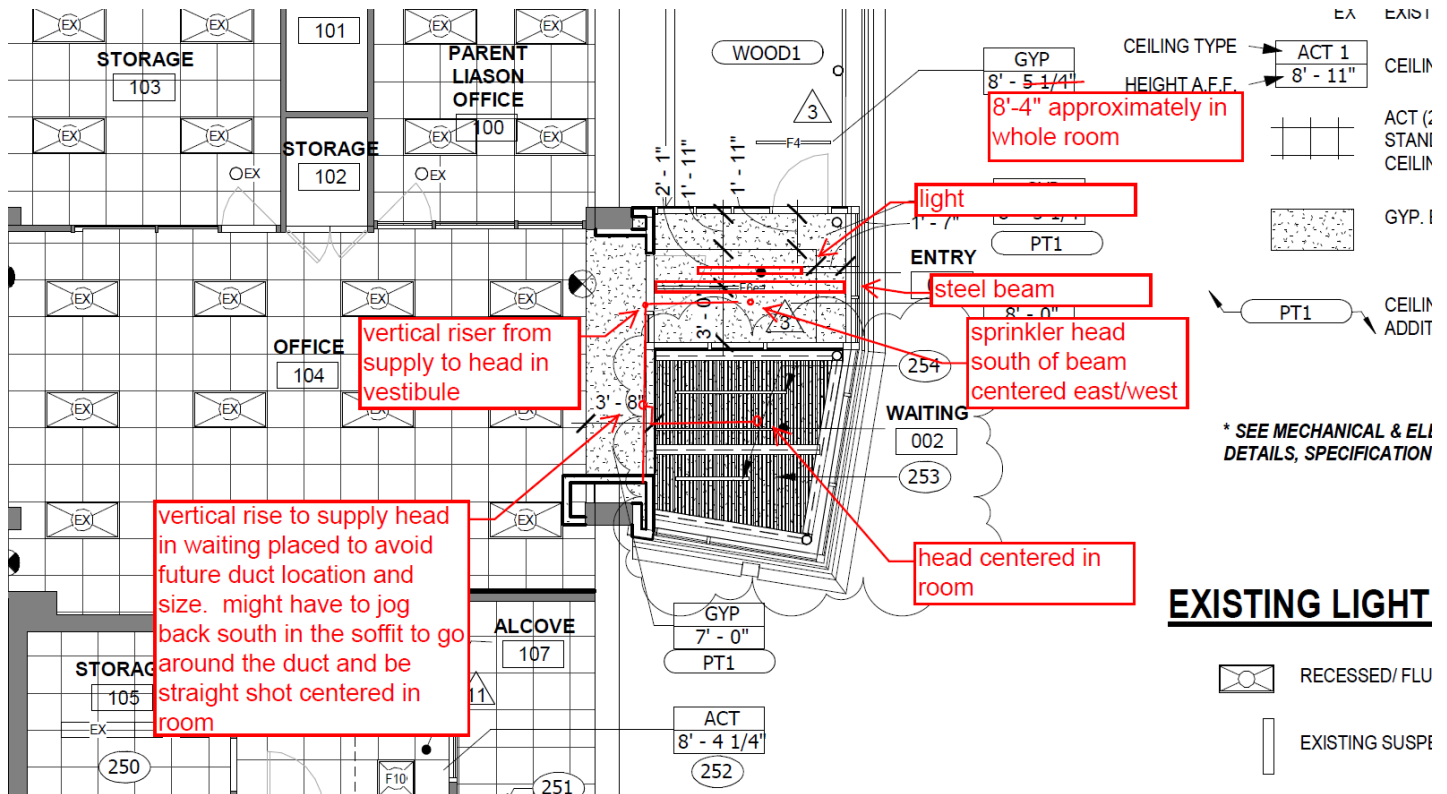
1630 91st Ave. NE., Suite 103 | Blaine, MN 55449

Cell (701) 866-3341 | Office (763) 785-9345

**From:** Justin Higgins <jhiggins@maertensbrenny.com>  
**Sent:** Wednesday, October 6, 2021 9:38 AM  
**To:** Eric Halvorson <Eric@novafire.com>  
**Subject:** MPS - OMS - PR #12 and Schedule

Eric,

Sorry for the delay in letting you know what is going on, but was waiting for the attached proposal request on what was happening in the waiting room. We did a site walk yesterday and came up with the following plan:



I still think a site visit is required to make sure we are good to go. My site contact is Thomas Torkelson at 763-402-1328.

10/6/21, 10:26 AM

Maertens-Brenny Construction Company Mail - MPS - OMS - PR #12 and Schedule

The electrician will be onsite on Monday the 11th. If I could have you on-site Tuesday or Wednesday the 12th and 13th to complete the piping that would work for my schedule to get the ceiling structure and all mechanical and electrical pipes painted by the end of the week to begin framing on October 18th. Please let me know if this schedule works for you.

--

Justin Higgins

Project Manager

Maertens-Brenny Construction Company

8251 Main Street

Minneapolis, MN 55432

office 763-786-4779 ext. 228

cell 612-363-0402



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---

**Justin Higgins** <jhiggins@maertensbrenny.com>  
To: Eric Halvorson <Eric@novafire.com>

Wed, Oct 6, 2021 at 10:12 AM

Thank you for the update. I will try to get a layout on the duct runs prior to your ductwork placement.

[Quoted text hidden]



Justin Higgins &lt;jhiggins@maertensbrenny.com&gt;

---

**MPS - OMS - PR #12 - Waiting Room Ceiling Modifications**

---

**clarkgrotte@sunmech.net** <clarkgrotte@sunmech.net>

Tue, Oct 5, 2021 at 11:37 AM

To: Justin Higgins &lt;jhiggins@maertensbrenny.com&gt;

Cc: DONNA KRUEGER &lt;donnakr@sunmech.net&gt;

Justin: I did not see any impact to the Plumbing/Piping scope. Please confirm to us that I am correct. Thanks.  
Sincerely,

Clark J. Grotte, VP of Sun Mechanical, Inc.

10834 178<sup>th</sup> Circle, Elk River, MN 55330

Cell: 612-328-4635 Office: 763-274-2866

---

**From:** Justin Higgins <jhiggins@maertensbrenny.com>

**Sent:** Tuesday, October 5, 2021 10:36 AM

**To:** Andrew Jordan <andrew@sajordanconstruction.com>; Robert Leach <robertleach@universalptg.com>; clarkgrotte@sunmech.net; DONNA KRUEGER <donnakr@sunmech.net>; Mike Faust <mfaust@gunnarelectric.com>; Pat Brey <pbrey@gunnarelectric.com>; johnn@sentra-sota.com; eric@novafire.com; arry@novafire.com

**Subject:** MPS - OMS - PR #12 - Waiting Room Ceiling Modifications

See the attached PR #12 for modifications to the ceiling in the waiting room.

Please provide pricing by October 7th so that construction can proceed. If no change, please advise.

Also advise on lead times for materials, i.e. paint and diffusers.

--

Justin Higgins

Project Manager

Maertens-Brenny Construction Company

8251 Main Street

Minneapolis, MN 55432

office 763-786-4779 ext. 228

cell 612-363-0402

[Redacted]

[Redacted]

[Quoted text hidden]



**Sentra-Sota Sheet Metal Inc.**  
 3075 3rd Street South Waite Park, MN 56387  
 P: 320-252-3992 F: 320-252-5479

**BID RECAP AND MARKUP SHEET**

Job: Olson Middle School PR12

Bid Date: 1/0/1900

LABOR SUMMARY			
	Hours	Costs	
QuoteExpress Fab Labor	4	QXP CALCULATED	
QuoteExpress Install Labor	0		
QuoteExpress Other Labor	0		
QuoteExpress Catalog Labor	0		
Manual Input Labor	0		
<b>TOTAL LABOR COSTS</b>			<b>\$302.22</b>
MATERIALS SUMMARY			
QuoteExpress Materials		\$130.65	
QuoteExpress Catalog Materials		\$0.00	
Manual Input Materials		\$0.00	
<b>SubTotal of Materials</b>		<b>\$130.65</b>	
<b>Sales Tax on Materials:</b>	<b>7.88%</b>	<b>\$10.29</b>	
<b>TOTAL MATERIALS</b>			<b>\$140.94</b>
QUOTES SUMMARY			
Exhaust / Supply Fans		\$0.00	
Roof Top Units		\$0.00	
Air Handling Units		\$0.00	
Grills Registers and Diffusers (3) - <i>If Using Model 520d stock model with double deflection</i>		\$195.00	
Fire / Smoke Dampers		\$0.00	
Spiral / Oval Pipe and Fittings		\$0.00	
Louvers		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
<b>SubTotal Equipment Quotes</b>		<b>\$195.00</b>	
<b>Sales Tax on Quotes:</b>	<b>7.88%</b>	<b>\$15.36</b>	
<b>TOTAL EQUIPMENT QUOTES</b>			<b>\$210.36</b>
SUBCONTRACTOR SUMMARY			
Duct Insulation		\$0.00	
Controls		\$0.00	
Testing and Balancing		\$0.00	
Electrical		\$0.00	
Plumbing		\$0.00	
General Contractor		\$0.00	
		\$0.00	
<b>TOTAL SUBCONTRACTORS</b>			<b>\$0.00</b>
Other Summary			
Rental Equipment		\$0.00	
Delivery Charges		\$0.00	
		#####	
<b>TOTAL Rental &amp; Delivery</b>		<b>\$0.00</b>	
<b>TOTAL DIRECT COSTS</b>			<b>\$653.51</b>
Overhead On Labor:	10.00%	\$30.22	
Overhead On Materials:	10.00%	\$14.09	
Overhead On Equipment:	10.00%	\$21.04	
Overhead On Subcontractors:	5.00%	\$0.00	
<b>TOTAL OVERHEAD</b>			<b>\$65.35</b>
<b>TOTAL DIRECT AND INDIRECT COSTS</b>			<b>\$718.87</b>
Permit	1.50% of Total Costs	\$10.78	
Performance Bond:	N of Total Bid	\$ -	
<b>TOTAL BID</b>			<b>\$729.65</b>

# Sentra-Sota Sheet Metal Inc.

## Summary Report

Job Name: Olson Middle School PR12

Zone Name: Zone (B: PR 12 M401)

10/5/2021

<u>Rectangular</u>		<u>Weight</u>		<u>Lbs. / Hr.</u>	<u>Fab</u>	<u>Install</u>	<u>Labor</u>	<u>Fab</u>	<u>Install</u>
Runs of Ductwork	0	Rect. Total Lbs.	10.08	Duct	0.00	0.00	Total Labor	2.36	0.00
Feet of Ductwork	0.00	Duct Lbs.	0.00	Fittings	4.27	0.00	Duct *	0.00	0.00
Standard Lengths	0	Non-Std Lbs.	0.00	<u>Ratio</u>			Fittings	2.36	0.00
Non-Std Lengths	0	Rect. Fitt. Lbs.	10.08	Fitting	0.00		<i>*Assembly included 0.000</i>		
Rectangular Fittings	3	Duct Percentage	0.00%	Duct	1		<i>Assembly = Seam Assembly + Joint Attach + Rod Attach + Angle Attach + Seam Seal Labor</i>		
Feet of Fittings	2.00								

<u>Spiral</u>		<u>Weight</u>		<u>Lbs. / Hr.</u>	<u>Fab</u>	<u>Install</u>	<u>Labor</u>	<u>Fab</u>	<u>Install</u>
Runs of Spiral Pipe	0	Spiral Total Lbs.	0.00	Pipe	0.00	0.00	Total Labor	0.00	0.00
Feet of Spiral Pipe	0.00	Spiral Fitt. Lbs.	0.00	Fittings	0.00	0.00	Straight Pipe	0.00	0.00
Standard Lengths	0	Spiral Pipe Lbs.	0.00	<u>Ratio</u>			Fittings	0.00	0.00
Non-Std Lengths	0	Spiral Percentage	0.00%	Fitting	0.00		LongSeam	0.00	0.00
Spiral Fittings	0	L.S. Pipe Lbs.	0.00	Pipe	1				
Feet of L.S. Pipe	0.00								
Feet of Fittings	0.00								

<u>Oval</u>		<u>Weight</u>		<u>Lbs. / Hr.</u>	<u>Fab</u>	<u>Install</u>	<u>Labor</u>	<u>Fab</u>	<u>Install</u>
Runs of Pipe	0	Oval Total Lbs.	0.00	Pipe	0.00	0.00	Total Labor	0.00	0.00
Feet of Pipe	0.00	Oval Fitt. Lbs.	0.00	Fittings	0.00	0.00	Straight Pipe	0.00	0.00
Standard Lengths	0	Pipe Lbs.	0.00	<u>Ratio</u>			Fittings	0.00	0.00
Non-Std Lengths	0	Oval Percentage	0.00%	Fitting	0.00		LongSeam	0.00	0.00
Oval Fittings	0	L.S. Pipe Lbs.	0.00	Pipe	1				
Feet of L.S. Pipe	0.00								
Feet of Fittings	0.00								

<u>Accessories &amp; Catalog</u>		<u>Weight</u>		<u>Labor</u>	<u>Fab</u>	<u>Install</u>
Accessories Count	3	Accessories Lbs.	0.00	Accessories	1.53	0.00
A01 Feet	0.00	A01 Lbs.	0.00	A01	0.00	0.00
A24 Feet	0.00	A24 Lbs.	0.00	A24	0.00	0.00
A35 Feet	0.00	A35 Lbs.	0.00	A35	0.00	0.00
Catalog Count	0	Catalog Lbs.	0.00	Catalog	0.00	0.00

### Component Totals *(included in above totals)*

<u>Insulation</u>	<u>SqFt</u>	<u>Labor</u>	<u>Component</u>	<u>Labor</u>	<u>Component</u>	<u>Labor</u>
Wrap	0.00	0.00	Hangers	0.00	Seam Sealants	0.00
Liner	0.00	0.00	Angles	0.00	Seams	0.02
			Rods	0.00	Joints	0.00
			Vanes	0.00	Joint Sealants	0.04

<b>Job Summary</b>	<u>Labor Breakdown</u>		<u>P.P.H.</u>	<u>Pounds</u>	
	Fab	3.89	2.59	10.08	
	Install	0.00	0.00		<u>Item Cnt.</u>
Other	0.00			6	

*\* Discounts and Markups are not included.*

**johnn@sentra-sota.com**

---

**From:** johnn@sentra-sota.com  
**Sent:** Tuesday, October 5, 2021 2:15 PM  
**To:** johnn@sentra-sota.com  
**Subject:** FW: 10-5-21 TMSJ RE: MPS - OMS - PR #12 - Waiting Room Ceiling Modifications

**From:** Karen Johnson <Karenj@tmsj.com>  
**Sent:** Tuesday, October 5, 2021 11:56 AM  
**To:** johnn@sentra-sota.com; Larry Dreier <Larryd@tmsj.com>  
**Subject:** 10-5-21 TMSJ RE: MPS - OMS - PR #12 - Waiting Room Ceiling Modifications

HI,

Our stock model is a double deflection  
3-14x8 model 520d \$195.00.00 includes freight

- Model 510d single deflection:
- From the factory on std lead – approx 7-8 weeks \$194.00
- 10 day + build \$235.00 - pending factory approval.

*Thank you,*

*Karen R. Johnson*

**TMS JOHNSON**

Office: 763-544-5442

Direct: 763-233-7029

Toll Free: 800 279-4087

Please visit us: [WWW.TMSJ.COM](http://WWW.TMSJ.COM)



**From:** [johnn@sentra-sota.com](mailto:johnn@sentra-sota.com) <[johnn@sentra-sota.com](mailto:johnn@sentra-sota.com)>  
**Sent:** Tuesday, October 05, 2021 10:59 AM  
**To:** Larry Dreier <[Larryd@tmsj.com](mailto:Larryd@tmsj.com)>; Karen Johnson <[Karenj@tmsj.com](mailto:Karenj@tmsj.com)>  
**Subject:** FW: MPS - OMS - PR #12 - Waiting Room Ceiling Modifications

Larry/Karen, will you please provide me the pricing on these 3 SG-170 14x8 Grilles and also an approximate lead time to get them? Maybe figure quick ship if it is available. I also need the pricing back today or first thing tomorrow morning as I am leaving at 10:30 tomorrow morning and will be gone all week and they need pricing back by Thursday. Thank you, John.



Justin Higgins &lt;jhiggins@maertensbrenny.com&gt;

---

**MPS - OMS - PR #12 - Waiting Room Ceiling Modifications**

---

Pat Brey <pbrey@gunnarelectric.com>  
To: Justin Higgins <jhiggins@maertensbrenny.com>

Wed, Oct 6, 2021 at 11:33 AM

no...

*Patrick J. Brey*

Estimator/ Project manager  
**Gunnar Electric Inc.**  
**14850 Martin Drive**  
**Eden Prairie, MN. 55344**  
(952) 937-9262 ex. 108 office  
(612)-483-6884 cell  
[pbrey@gunnarelectric.com](mailto:pbrey@gunnarelectric.com)  
[www.gunnarelectric.com](http://www.gunnarelectric.com)

On Wed, Oct 6, 2021 at 10:28 AM Justin Higgins <jhiggins@maertensbrenny.com> wrote:

Pat,

Will you have any costs associated with the exposed ceiling in lieu of the GWB ceiling to submit?

Justin

----- Forwarded message -----

From: **Justin Higgins** <jhiggins@maertensbrenny.com>  
Date: Tue, Oct 5, 2021 at 10:35 AM  
Subject: MPS - OMS - PR #12 - Waiting Room Ceiling Modifications  
To: Andrew Jordan <andrew@sajordanconstruction.com>, Robert Leach <robertleach@universalptg.com>, <clarkgrotte@sunmech.net>, DONNA KRUEGER <donnakr@sunmech.net>, Mike Faust <mfaust@gunnarelectric.com>, Pat Brey <pbrey@gunnarelectric.com>, <johnn@sentra-sota.com>, <eric@novafire.com>, <arry@novafire.com>

See the attached PR #12 for modifications to the ceiling in the waiting room.

Please provide pricing by October 7th so that construction can proceed. If no change, please advise.

Also advise on lead times for materials, i.e. paint and diffusers.

--

Justin Higgins  
Project Manager  
Maertens-Brenny Construction Company  
8251 Main Street  
Minneapolis, MN 55432  
office 763-786-4779 ext. 228  
cell 612-363-0402



Follow us on LinkedIn for the latest info!

--

Justin Higgins  
Project Manager  
Maertens-Brenny Construction Company  
[8251 Main Street](#)  
[Minneapolis, MN 55432](#)  
*office* 763-786-4779 ext. 228  
cell 612-363-0402



Follow us on LinkedIn for the latest info!

# Proposal Request

# 013

Project: **F.B Olson Middle School – 21-2120 - FY20 Safe & Welcoming Entrance** Proposal Request No.: **013**

Owner: **Minneapolis Public Schools**  
1250 West Broadway Ave  
Minneapolis, MN 55411

Date of Issuance: **October 5th, 2021**

To: **Maertens-Brenny Construction Company**  
8251 Main Street NE  
Minneapolis, MN 55432

Architect: **RoehrSchmitt Architecture, LLC**  
1229 Tyler Street NE, Suite 275  
Minneapolis, MN 55413

Contract For: **General Construction**

---

Please submit an itemized proposal for changes in the Contract Sum and Contract Time for proposed modifications to the Contract Documents described herein. Submit proposal within days or notify the Architect in writing of the date on which you anticipate submitting your proposal.

THIS IS NOT A CHANGE ORDER, A CONSTRUCTION CHANGE DIRECTIVE OR A DIRECTION TO PROCEED WITH THE WORK DESCRIBED IN THE PROPOSED MODIFICATIONS.

**Description:**

Provide replacement plantings

-Provide Diervilla lonicera (Dwarf Bush Honeysuckle) in lieu of previously specified Aronia melanocarpa 'Morton' TM (Iroquis Beauty Black Chokeberry). See L-100 for quantities and locations. Refer to all Planting Notes on L-100. Refer to notes 11, 12, 13, and 14 for maintenance during and after planting.

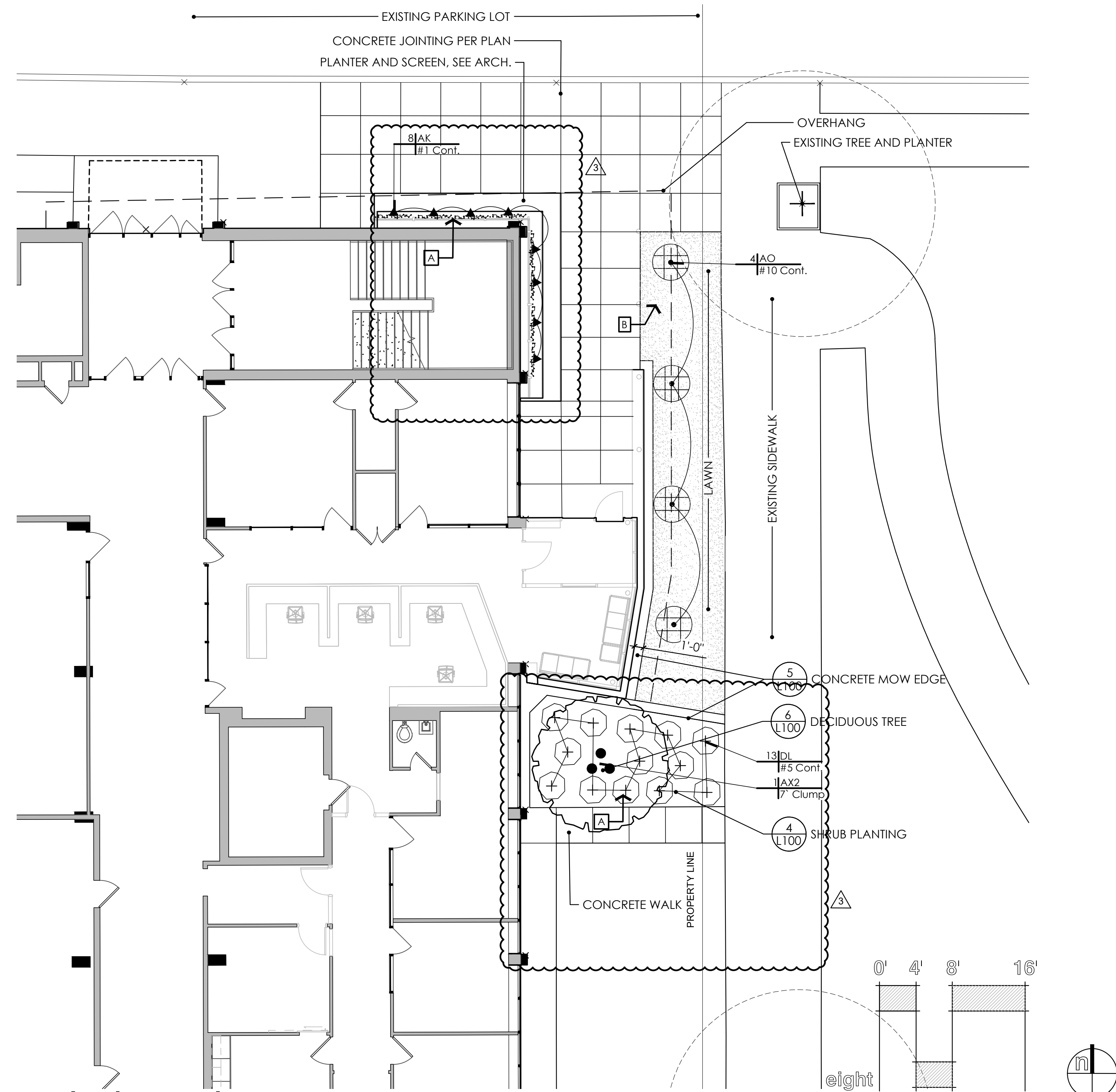
-Provide Actinidia kolomikta 'Arctic Beauty' (Arctic Beauty Male Arctic Kiwi) in lieu of previously specified Parthenocissus quinquefolia (Virginia Creeper). All plants to be **male-only** so as to not produce fruit. See L-100 for quantities and locations. Refer to all Planting Notes on L-100. Refer to notes 11, 12, 13, and 14 for maintenance during and after planting.

**Attachments:**

L-100

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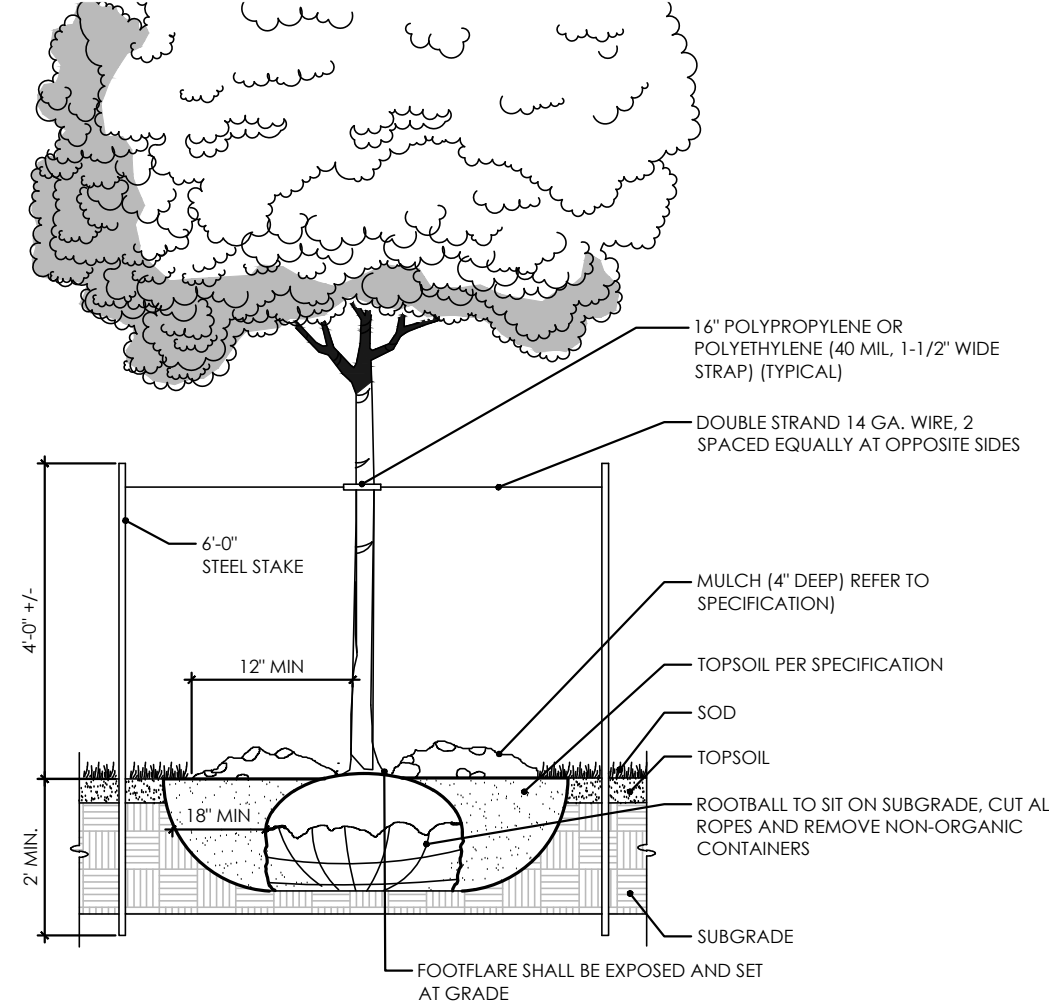
**Requested By:** Christopher N. Schmitt, AIA



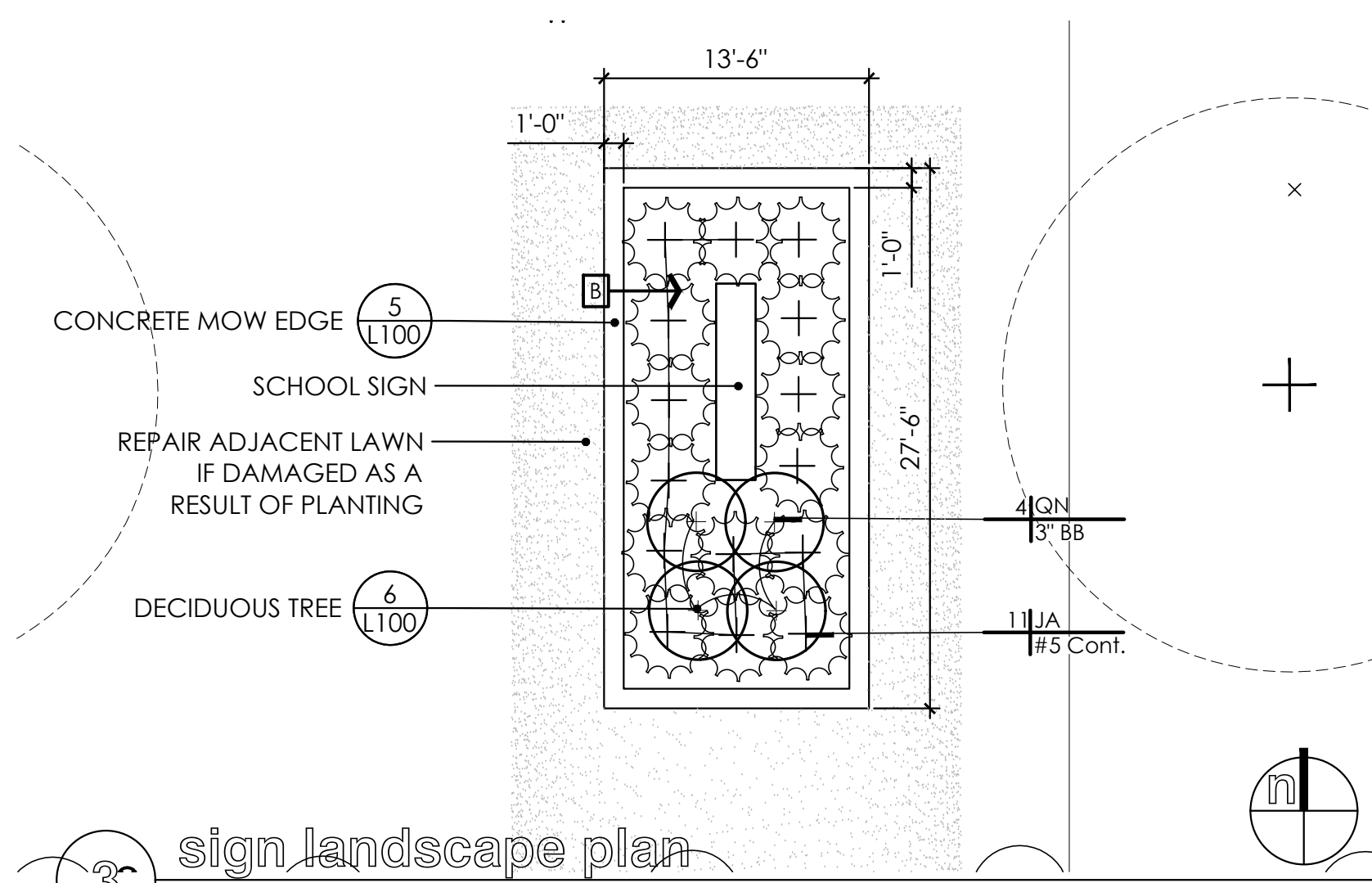
**2 front entry landscape plan**  
scale: 1/8" = 1'-0"

**SPECIAL NOTE:**  
CONTRACTOR SHALL REPAIR ALL IRRIGATION THAT IS REMOVED OR DAMAGED AS A RESULT OF THIS PROJECT. REPAIR IRRIGATION PER MINNEAPOLIS PUBLIC SCHOOLS (MPS) SPECIFICATIONS. REFER TO SPECIFICATIONS SECTIONS 32 90 00 PLANTING AND 32 92 93 SODDING FOR PLANT ESTABLISHMENT AND WARRANTY.

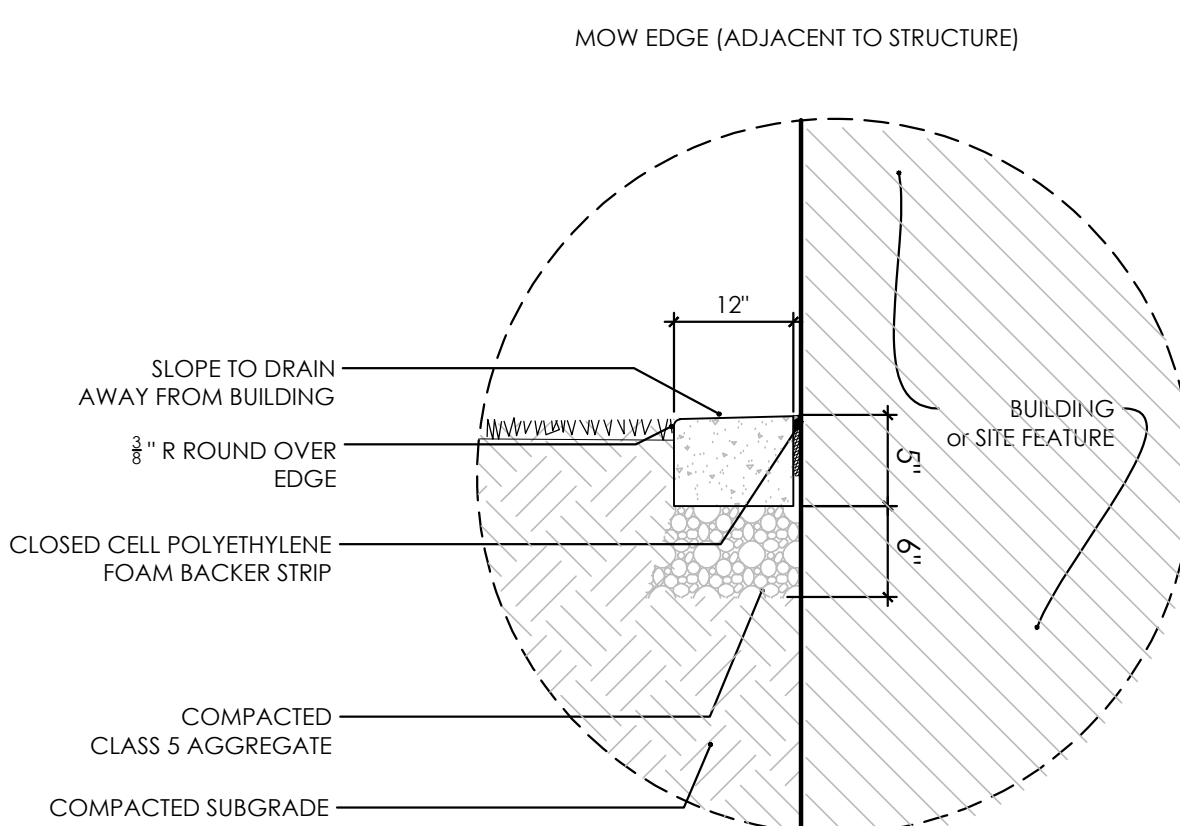
- NOTES:**
- IT IS THE CONTRACTOR'S OPTION TO STAKE TREES; HOWEVER, THE CONTRACTOR IS RESPONSIBLE FOR MAINTAINING TREES IN A PLUMB POSITION THROUGHOUT THE GUARANTEE PERIOD.
  - SCARIFY BOTTOM AND SIDES OF HOLE PRIOR TO PLANTING.
  - DO NOT PLANT TOO DEEP; EXPOSE TOP OF ROOT FLARE AND PULL MULCH AWAY FROM TRUNK.



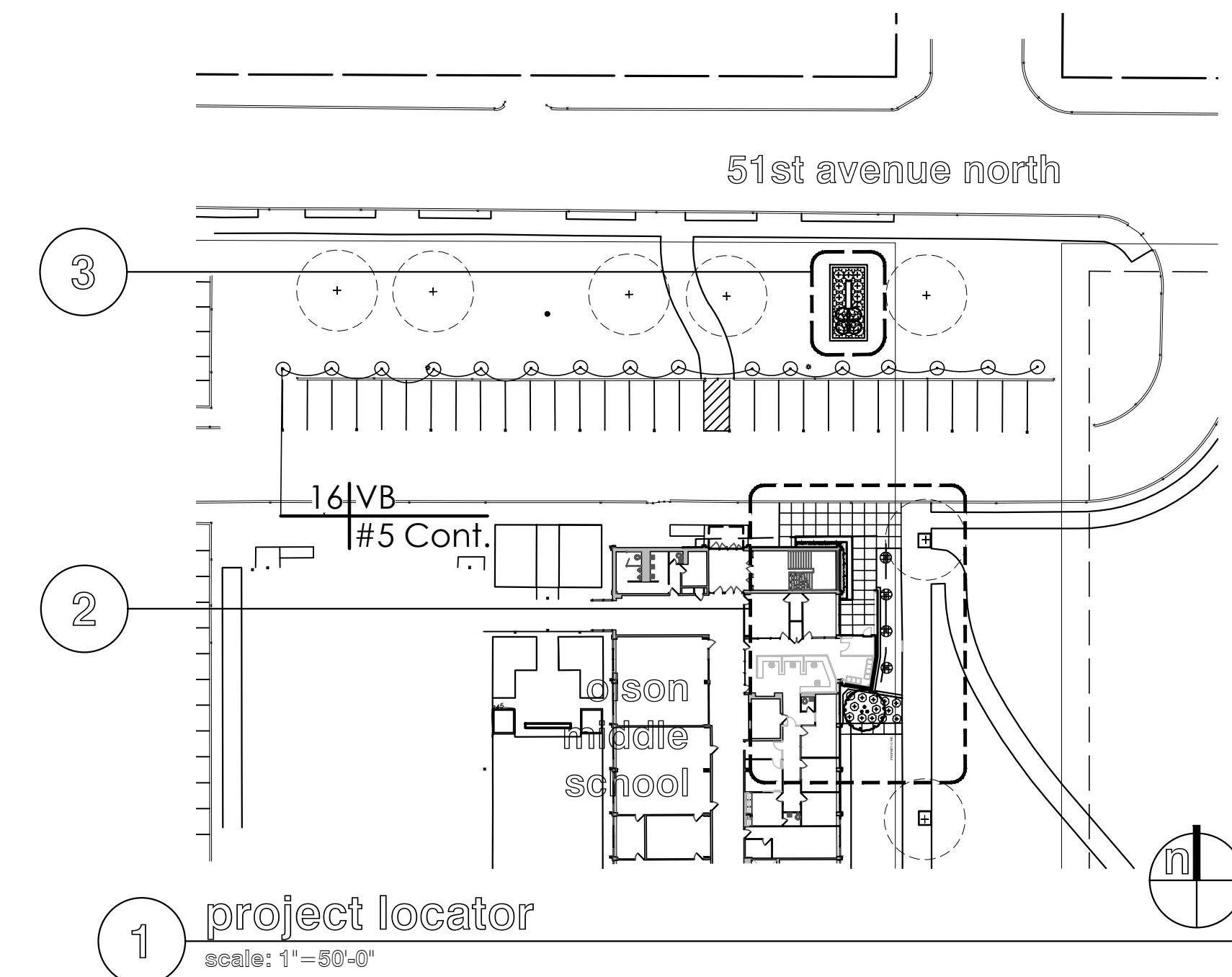
**6 deciduous tree**  
scale: nts



**3 sign landscape plan**  
scale: 1/8" = 1'-0"



**5 concrete mow edge**  
scale: nts



**1 project locator**  
scale: 1" = 50'-0"

**planting schedule**

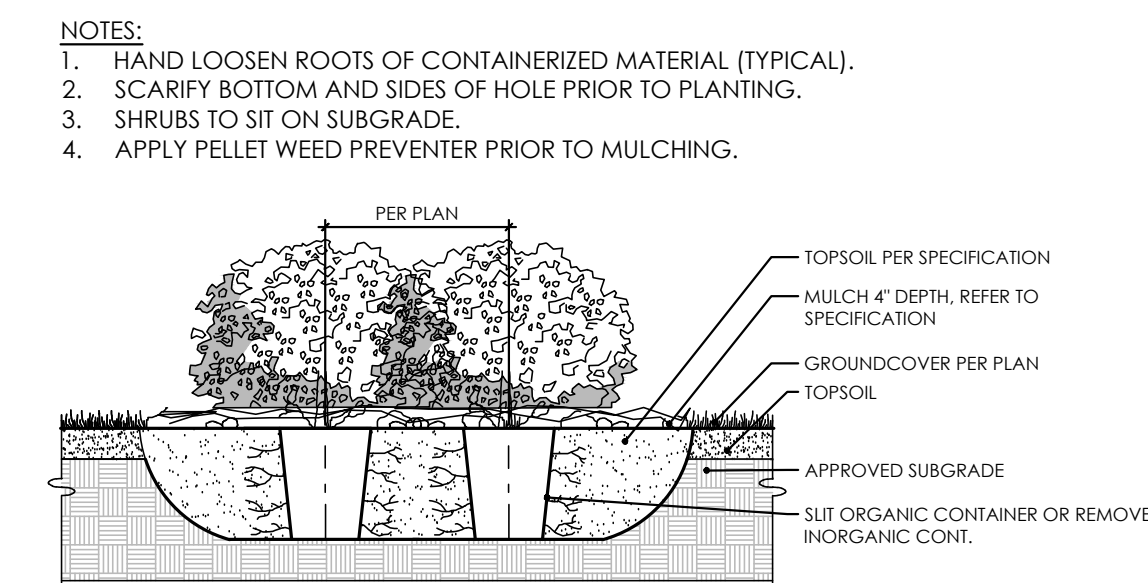
TREES	CODE	QTY	BOTANICAL / COMMON NAME	CONT
AX2	1	Amelanchier x grandiflora 'Autumn Brilliance' / 'Autumn Brilliance' Serviceberry	7' Clump	
QN	4	Quercus x warei 'Nadler' / Kindred Spirit Oak	3" BB	
SHRUBS	CODE	QTY	BOTANICAL / COMMON NAME	SIZE
AO	4	Amelanchier alnifolia 'Obelisk' TM / Standing Ovation Serviceberry	#10 Cont.	
DL	13	Diervilla lonicera / Dwarf Bush Honeysuckle	#5 Cont.	
JA	15	Juniperus sabinia 'Arcadia' / Arcadia Juniper	#5 Cont.	
VB	16	Viburnum trilobum 'Bailey Compact' / Bailey's Compact American Cranberry Bush	#5 Cont.	
VINE/ESPAUER	CODE	QTY	BOTANICAL / COMMON NAME	SIZE
AK	8	Actinidia kolomikta 'Arctic Beauty' / Arctic Beauty Male Arctic Kiwi	#1 Cont.	

**planting soils notes**

- ALL PLANTING BEDS SHALL RECEIVE 6" PULVERIZED LOAM TOPSOIL BORROW MN DOT SPEC. 3877-28 ENHANCE WITH AGED AND SCREEN COMPOST
- ALL SODDED(LAWN) AREA SHALL RECEIVE 4" MIN. COMMON TOPSOIL BORROW MN DOT SPEC. 3877-1A

**planting notes**

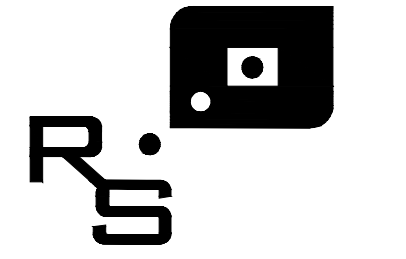
- CONFIRM ALL QUANTITIES, SHAPES AND LOCATIONS OF BEDS, AND ADJUST AS REQUIRED TO CONFORM TO THE SITE CONDITIONS. CONFIRM ANY ADJUSTMENTS WITH THE LANDSCAPE ARCHITECT.
- LOCATE ALL UTILITIES. NOTIFY THE LANDSCAPE ARCHITECT OF ANY CONFLICTS WITH NEW CONSTRUCTION.
- ALL PLANTING BEDS SHALL RECEIVE 6" MIN. OF PLANTING SOIL. REFER TO SOIL NOTES FOR PLANTING SOIL MIX REQUIREMENTS.
- ALL SOD AREAS SHALL RECEIVE 4" OF TOP SOIL. REFER TO SOIL NOTES FOR TOP SOIL MIX REQUIREMENTS.
- ALL PLANTING AREAS SHALL RECEIVE HARDWOOD SHREDDED MULCH APPLIED TO 3" DEPTH WITH PELLET WEED PREVENTER UNDER ALL MULCH BEDS UNLESS INDICATED AS OTHER MULCH ON PLANS.
- THE CONTRACTOR SHALL REMOVE FROM THE SITE ALL SOD/TURF WHICH HAS BEEN REMOVED FOR NEW PLANT BEDS. ANY PLANT STOCK NOT PLANTED ON DAY OF DELIVERY SHALL BE REELED IN AND WATERED UNTIL INSTALLATION. PLANTS NOT MAINTAINED IN THIS MANNER WILL BE REJECTED.
- THE PLAN TAKES PRECEDENCE OVER THE PLANT SCHEDULE IF DISCREPANCIES EXIST. ADVISE LANDSCAPE ARCHITECT OF ANY DISCREPANCIES.
- THE CONTRACTOR SHALL AVOID DAMAGING EXISTING TREES. DO NOT STORE OR DRIVE HEAVY MATERIALS OVER TREE ROOTS. DO NOT DAMAGE TREE BARK OR BRANCHES.
- THE CONTRACTOR SHALL KEEP PAVEMENTS, FIXTURES AND BUILDINGS CLEAN AND UNSTAINED. ANY DAMAGE TO EXISTING FACILITIES SHALL BE REPAIRED AT THE CONTRACTOR'S EXPENSE. THE PROJECT SITE SHALL BE KEPT CLEAR OF CONSTRUCTION WASTES AND DEBRIS.
- THE CONTRACTOR SHALL BE RESPONSIBLE FOR PLANTING SOIL QUANTITIES TO COMPLETE THE WORK SHOWN ON THE PLAN. MULCH, PLANTING SOIL AND OTHER MISCELLANEOUS PLANTING COMPONENTS SHALL BE CONSIDERED INCIDENTAL TO THE RELATED PLAN. VERIFY ALL QUANTITIES.
- CONTRACTOR IS RESPONSIBLE FOR WATERING AND ALL PLANT CARE UNTIL FINAL ACCEPTANCE BY THE OWNER.
- PLANT MATERIAL SHALL BE PROTECTED AND MAINTAINED UNTIL THE INSTALLATION OF PLANTINGS IS COMPLETE. INSPECTION HAS BEEN MADE AND PLANTING IS ACCEPTED EXCLUSIVE OF THE GUARANTEE PERIOD.
- MAINTENANCE SHALL INCLUDE WATERING, WEEDING, MULCHING, REMOVAL OF DEAD MATERIAL PRIOR TO GROWING SEASON, RE-SETTING PLANTS AND PROPER GRADE, AND KEEPING PLANTS IN A PLUMB POSITION. AFTER ACCEPTANCE, THE OWNER SHALL ASSUME MAINTENANCE RESPONSIBILITIES. HOWEVER, THE CONTRACTOR SHALL CONTINUE TO BE RESPONSIBLE FOR KEEPING THE TREES PLUMB THROUGHOUT THE GUARANTEE PERIOD.
- WATERING: MAINTAIN A WATERING SCHEDULE WHICH WILL THOROUGHLY WATER ALL PLANTS ONCE A WEEK AND SOD EVERY OTHER DAY UNTIL ACCEPTANCE BY THE OWNER. IN EXTREMELY HOT, DRY WEATHER, WATER MORE OFTEN AS REQUIRED BY INDICATIONS OF HEAT STRESS SUCH AS WILTING LEAVES. CHECK MOISTURE UNDER MULCH PRIOR TO WATERING TO DETERMINE NEED. CONTRACTOR SHALL MAKE THE NECESSARY ARRANGEMENTS FOR WATER.



**4 shrub planting**  
scale: nts



www.mpls.k12.mn.us



ROEHRSCHEMME ARCHITECTURE, LLC  
1229 TYLER STREET NE, SUITE 275  
MINNEAPOLIS, MN 55413  
(P) 612.216.4191  
(E) INFO@ROEHRSCHEMME.COM



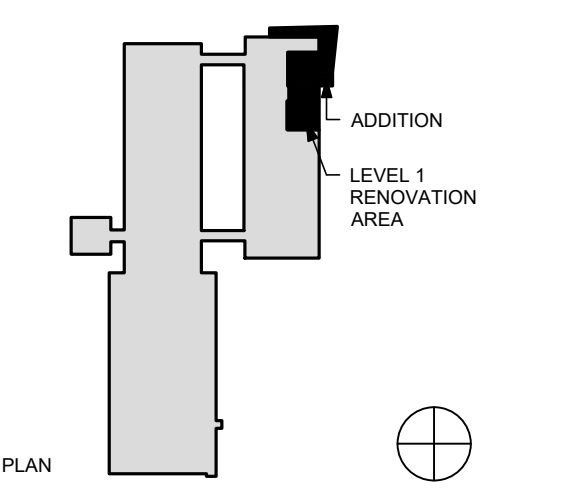
Aune Fernandez  
landscape architects  
755 prior avenue n suite 103,  
st. paul, mn 55104  
651.341.3611 or 651.248.6155

I HEREBY CERTIFY that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Landscape Architect under the laws of the State of Minnesota.

SIGNATURE:

TYPED OR PRINTED NAME: JASON AUNE

DATE: 02/26/2021 REG. NO.: 42162



No.	Description	Date
1	DD SET	2021-01-29
2	CONSTRUCTION SET	2021-02-26
3	ADD. NO. 1	2021-03-11
4	CHANGE ORDER 01	2021-04-20
5	PROTIS	2021-10-05

**Olson Middle School  
Safe & Welcoming  
Entrance**  
1607 51st Ave N, Minneapolis, MN 55430

**LANDSCAPE PLAN**

Project number	RS 21-2120	AFLA 210005
Date	2021-02-26	
Drawn by	JPA	
Checked by	JPA	

**L-100**

Scale: As indicated

**Proposal Request #013**

MAERTENS-BRENNY CONSTRUCTION CO.  
8251 MAIN STREET NE  
MINNEAPOLIS, MN 55432

MPS - Olson Middle School - Safe & Welcoming Entrance

M-B JOB #	3053
MPS Pub. #	21-2120

Landscaping Changes	PR #013				
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DATE	18-Oct-21
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DESCRIPTION OF WORK	LABOR				MATERIAL				SUBCONTRACT
	QUANTITY	UNIT	\$/UNIT	COST	QTY	UNIT	\$/UNIT	COST	COST
<b>Subcontractor Quotes</b>									
<b>Prescription Landscape</b>									
Changes to Landscaping - See clarifications and back up									\$ 1,605.00
<b>M-B work</b>									
<b>MBCC</b>									
Credit Watering Costs for Seed in Lieu of Sod	-8	Hours	\$85.97	\$ (687.76)					
<b>Labor</b>									
Superintendent		Hours	\$96.73	\$ -					
Carpenter		Hours	\$92.13	\$ -					
Finisher		Hours	\$100.07	\$ -					
Mason		Hours	\$94.32	\$ -					
Laborer		Hours	\$85.97	\$ -					
<b>Tax</b>									
								8.025%	
<b>BASE SUBTOTALS FOR LABOR MATERIAL AND SUBS</b>				\$ (687.76)				\$0.00	\$ 1,605.00

OVERHEAD & PROFIT ON LABOR	10%	-68.78	<b>TOTAL SUBCONTRACT</b>	\$ 1,605.00
OVERHEAD & PROFIT ON MATERIAL	10%	0.00		
<b>SUBTOTAL</b>		<b>928.71</b>		
BOND	1.5%	13.93		
<b>GRAND TOTAL</b>		<b>942.64</b>		<b>\$80.25</b>

**REMARKS OR NOTES**

Change from Sod to Seeding at affected construction areas. Seed is more labor intensive to initially install but maintenence costs are reduced.

**NOTE: Specified Kiwi plants are not available. Lanscaper receommnds Nugget Hops. Nugget Hops are included in pricing adjustmnet.**

Credit for reduced scope around monument sign is included in credit.

Justin Higgins

**PROJECT MANAGER**

Authorization to proceed with the work described above

Authorization signature and date





Justin Higgins &lt;jhiggins@maertensbrenny.com&gt;

---

## MPS - OMS - Project Update

---

**Laura Braley** <laurabraley@rxlandscape.com>  
To: Justin Higgins <jhiggins@maertensbrenny.com>

Wed, Oct 13, 2021 at 7:49 AM

Good morning Justin;

I spoke to my vendors and we did a deep dive into vines and I was surprised at how many varieties of vines have some sort of toxicity. So, having said that, the one vine that actually has proven medical benefits and is non-toxic that we can get readily is Hops. I suggest you offer this option to the architect.

The one that is best suited for our climate zone is the Nugget Hops. See below for info on the Hops vine. I have them growing along the north side of my fence at home and they are beautiful.

Hops, *Humulus lupulus*, are fast-growing, herbaceous perennial vines that can grow from the ground to 25' in the span of one season. They provide a fast seasonal screen and decorative flowers. Vines die back to the ground in winter. When the weather begins to turn cold, cut the vines back to 2 feet (61 cm.) and bury the cut shoots in the ground. The following spring, the process begins again.

Let me know as soon as possible what the architect would like to do.

Cheers,

Laura

[Quoted text hidden]



Justin Higgins &lt;jhiggins@maertensbrenny.com&gt;

---

**MPS - OMS - Project Update**

---

**Laura Braley** <laurabraley@rxlandscape.com>  
To: Justin Higgins <jhiggins@maertensbrenny.com>

Wed, Oct 13, 2021 at 7:57 AM

Good morning Justin;

As we discussed yesterday, I have searched high and low with my vendors and also on the internet. The Kiwi plants that are specified on the plan in lieu of the Virginia Creeper are not available anywhere. My vendors do not have any other Kiwi varieties left in stock that I could suggest, since this is rather late in the season. In fact, there are some west coast nurseries that are taking orders for 2022, but are sold out for 2021.

[Quoted text hidden]

# Proposal Request

# 014

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Project: **F.B Olson Middle School – 21-2120 - FY20 Safe & Welcoming Entrance** Proposal Request No.: **014**

Owner: **Minneapolis Public Schools**  
1250 West Broadway Ave  
Minneapolis, MN 55411

Date of Issuance: **October 6th, 2021**

To: **Maertens-Brenny Construction Company**  
8251 Main Street NE  
Minneapolis, MN 55432

Architect: **RoehrSchmitt Architecture, LLC**  
1229 Tyler Street NE, Suite 275  
Minneapolis, MN 55413

Contract For: **General Construction**

---

Please submit an itemized proposal for changes in the Contract Sum and Contract Time for proposed modifications to the Contract Documents described herein. Submit proposal within days or notify the Architect in writing of the date on which you anticipate submitting your proposal.

THIS IS NOT A CHANGE ORDER, A CONSTRUCTION CHANGE DIRECTIVE OR A DIRECTION TO PROCEED WITH THE WORK DESCRIBED IN THE PROPOSED MODIFICATIONS.

**Description:**

Provide additional electrical and data receptacles in Office 112/116.

- Provide (3) new duplex receptacles.
- Provide (2) new data receptacles.
- Provide (1) new fourplex receptacle.
- Convert (1) existing duplex receptacle to a fourplex receptacle.

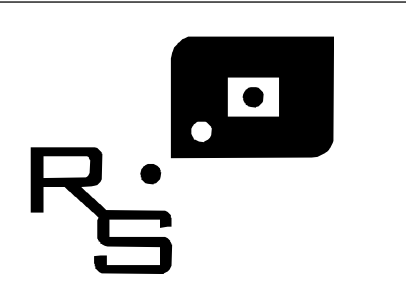
Confirm existing circuits will not be overloaded by new electrical devices. Install devices per NEC code requirements. Receptacles to be 20" above finish floor. Refer to drawings.

**Attachments:**

A-101

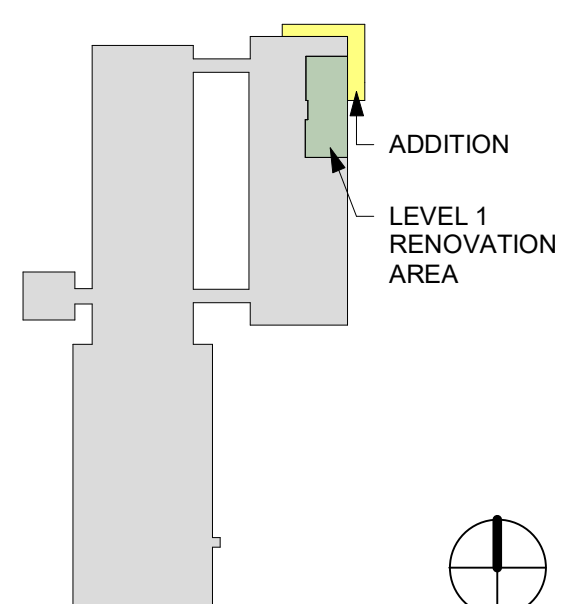
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**Requested By:** Christopher N. Schmitt, AIA



I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Architect under the laws of the State of Minnesota.

Chris Schmitt, AIA  
Minnesota License # 26373  
2021-03-01  
© 2021 ROEHSCHMITT ARCHITECTURE, L.L.C.



No.	Description	Date
2	BID ISSUE SET	2021-03-01
3	ADDENDUM No. 1	2021-03-11
5	PERMIT SET	2021-04-20
6	ASI 02	2021-05-07
9	ADA RESTROOM	2021-06-29
12	RFI 17	2021-07-09
16	PR 12	2021-10-01
17	PR 14	2021-10-05

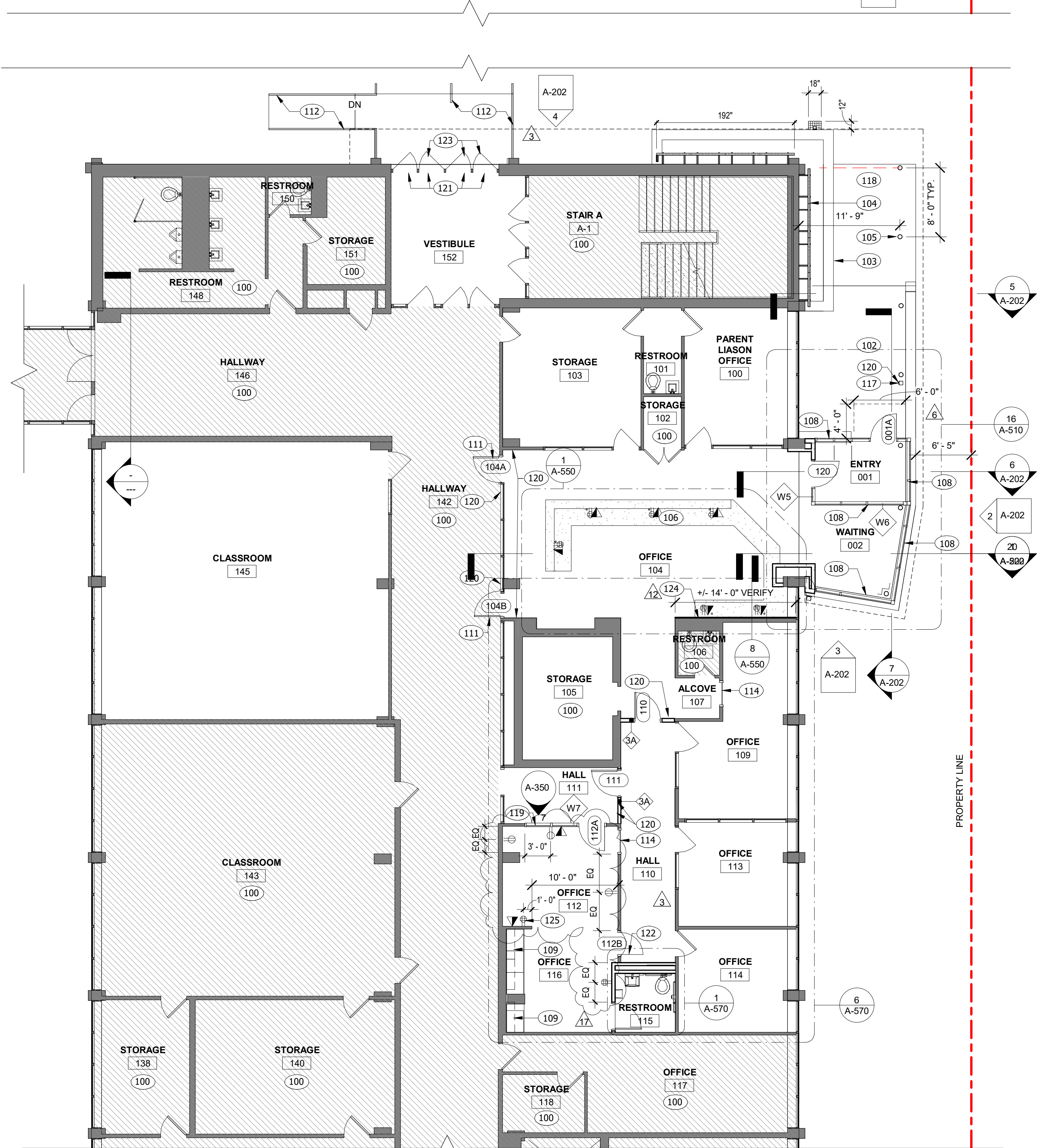
**Olson Middle School  
Safe & Welcoming  
Entrance**  
1607 51st Ave N, Minneapolis, MN 55430

**LEVEL 1 - PLAN AND  
ROOF PLAN**

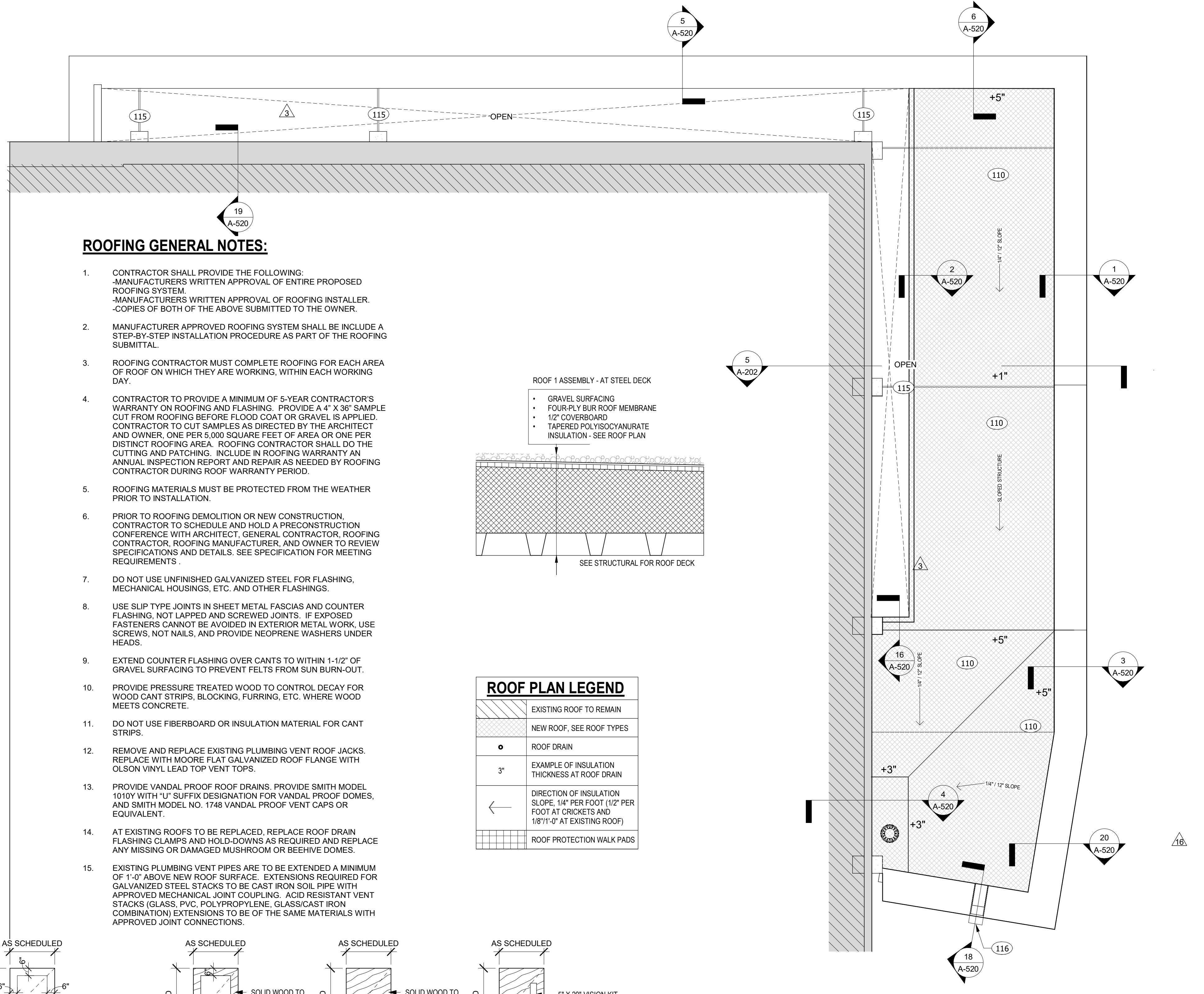
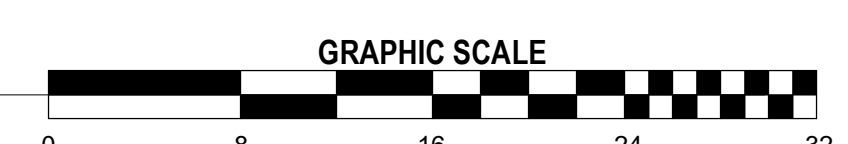
Project number 21-2120  
Date 2021-01-29  
Drawn by MJP  
Checked by CNS

**A-101**

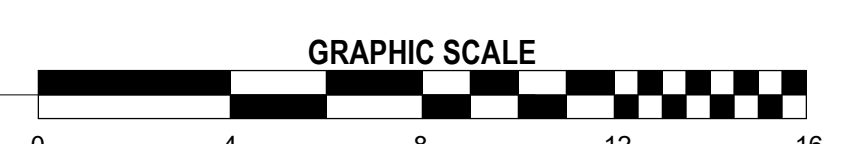
Scale As indicated



1 LEVEL 1 CONSTRUCTION PLAN  
1/8" = 1'-0"

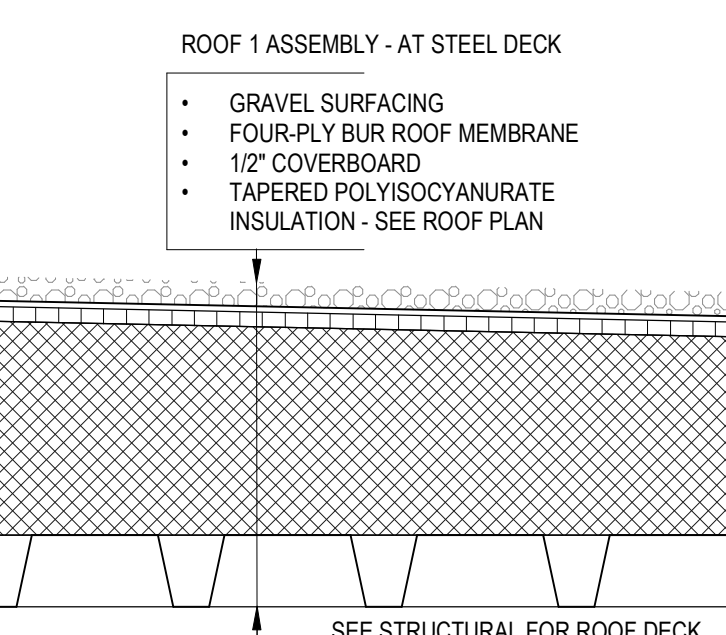


2 ROOF PLAN  
1/4" = 1'-0"



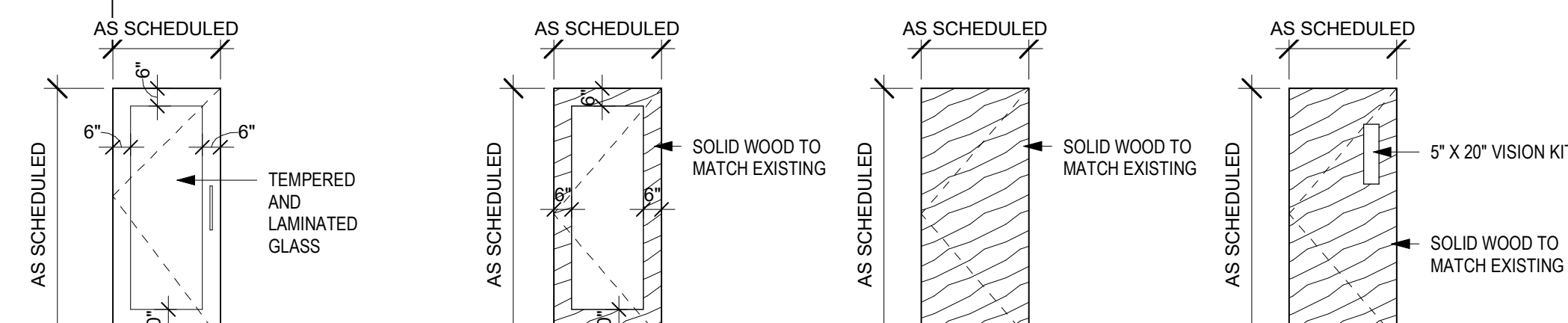
**ROOFING GENERAL NOTES:**

- CONTRACTOR SHALL PROVIDE THE FOLLOWING:
  - MANUFACTURERS WRITTEN APPROVAL OF ENTIRE PROPOSED ROOFING SYSTEM
  - MANUFACTURERS WRITTEN APPROVAL OF ROOFING INSTALLER
  - COPIES OF BOTH OF THE ABOVE SUBMITTED TO THE OWNER.
- MANUFACTURER APPROVED ROOFING SYSTEM SHALL BE INCLUDE A STEP-BY-STEP INSTALLATION PROCEDURE AS PART OF THE ROOFING SUBMITTAL.
- ROOFING CONTRACTOR MUST COMPLETE ROOFING FOR EACH AREA OF ROOF ON WHICH THEY ARE WORKING, WITHIN EACH WORKING DAY.
- CONTRACTOR TO PROVIDE A MINIMUM OF 5-YEAR CONTRACTOR'S WARRANTY ON ROOFING AND FLASHING. PROVIDE A 4" X 36" SAMPLE CUT FROM ROOFING BEFORE FLOOD COAT OR GRAVEL IS APPLIED. CONTRACTOR TO CUT SAMPLES AS DIRECTED BY THE ARCHITECT AND OWNER, ONE PER 5,000 SQUARE FEET OF AREA OR ONE PER DISTINCT ROOFING AREA. ROOFING CONTRACTOR SHALL DO THE CUTTING AND PATCHING. INCLUDE IN ROOFING WARRANTY AN ANNUAL INSPECTION REPORT AND REPAIR AS NEEDED BY ROOFING CONTRACTOR DURING ROOF WARRANTY PERIOD.
- ROOFING MATERIALS MUST BE PROTECTED FROM THE WEATHER PRIOR TO INSTALLATION.
- PRIOR TO ROOFING DEMOLITION OR NEW CONSTRUCTION, CONTRACTOR TO SCHEDULE AND HOLD A PRECONSTRUCTION CONFERENCE WITH ARCHITECT, GENERAL CONTRACTOR, ROOFING CONTRACTOR, ROOFING MANUFACTURER, AND OWNER TO REVIEW SPECIFICATIONS AND DETAILS. SEE SPECIFICATION FOR MEETING REQUIREMENTS.
- DO NOT USE UNFINISHED GALVANIZED STEEL FOR FLASHING, MECHANICAL HOUSINGS, ETC. AND OTHER FLASHINGS.
- USE SLIP TYPE JOINTS IN SHEET METAL FASCIAS AND COUNTER FLASHING, NOT LAPPED AND SCREWED JOINTS. IF EXPOSED FASTENERS CANNOT BE AVOIDED IN EXTERIOR METAL WORK, USE SCREWS, NOT NAILS, AND PROVIDE NEOPRENE WASHERS UNDER HEADS.
- EXTEND COUNTER FLASHING OVER CANTS TO WITHIN 1-1/2" OF GRAVEL SURFACING TO PREVENT FELTS FROM SUN BURN-OUT.
- PROVIDE PRESSURE TREATED WOOD TO CONTROL DECAY FOR WOOD CANT STRIPS, BLOCKING, FURRING, ETC. WHERE WOOD MEETS CONCRETE.
- DO NOT USE FIBERBOARD OR INSULATION MATERIAL FOR CANT STRIPS.
- REMOVE AND REPLACE EXISTING PLUMBING VENT ROOF JACKS. REPLACE WITH MOORE FLAT GALVANIZED ROOF FLANGE WITH OLSON VINYL LEAD TOP VENT TOPS.
- PROVIDE VANDAL PROOF ROOF DRAINS. PROVIDE SMITH MODEL 1010Y WITH "U" SUFFIX DESIGNATION FOR VANDAL PROOF DOME, AND SMITH MODEL NO. 1748 VANDAL PROOF VENT CAPS OR EQUIVALENT.
- AT EXISTING ROOFS TO BE REPLACED, REPLACE ROOF DRAIN FLASHING GLAMPS AND HOLD-DOWNS AS REQUIRED AND REPLACE ANY MISSING OR DAMAGED MUSHROOM OR BEEHIVE DOMES.
- EXISTING PLUMBING VENT PIPES ARE TO BE EXTENDED A MINIMUM OF 1'-0" ABOVE NEW ROOF SURFACE. EXTENSIONS REQUIRED FOR GALVANIZED STEEL STACKS TO BE CAST IRON SOIL PIPE WITH APPROVED MECHANICAL JOINT COUPLING. ACID RESISTANT VENT STACKS (GLASS, PVC, POLYPROPYLENE, GLASS/CAST IRON COMBINATION) EXTENSIONS TO BE OF THE SAME MATERIALS WITH APPROVED JOINT CONNECTIONS.

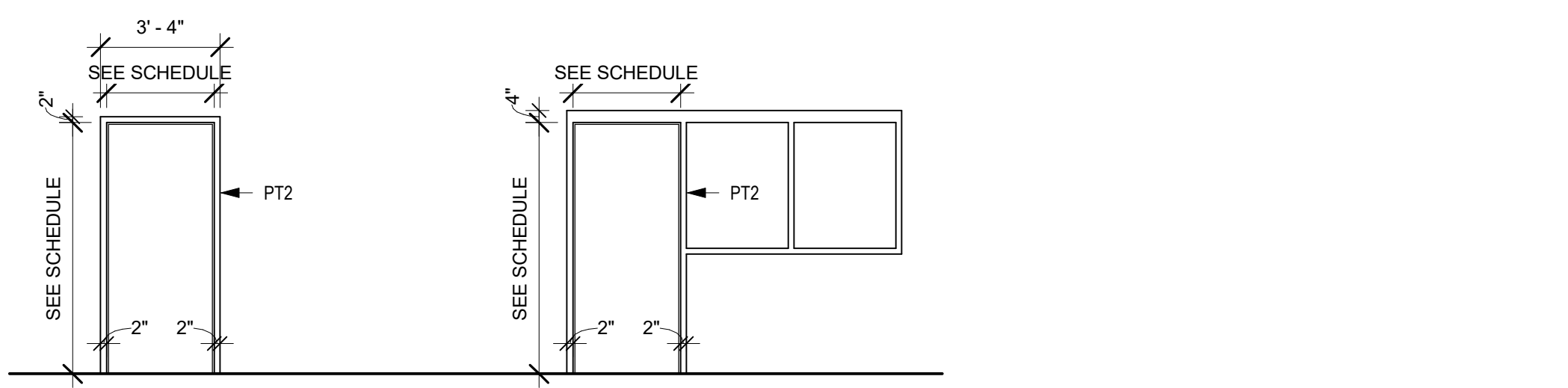


**ROOF PLAN LEGEND**

[Pattern]	EXISTING ROOF TO REMAIN
[Pattern]	NEW ROOF, SEE ROOF TYPES
[Symbol]	ROOF DRAIN
[Symbol]	EXAMPLE OF INSULATION THICKNESS AT ROOF DRAIN
[Symbol]	DIRECTION OF INSULATION SLOPE. 1/4" PER FOOT (1/2" PER FOOT AT CRICKETS AND 1/8" PER FOOT AT EXISTING ROOF)
[Symbol]	ROOF PROTECTION WALK PADS



D1 - SINGLE INSULATED ALUMINUM D2 - SINGLE WOOD D3 - SINGLE WOOD D4 - SINGLE WOOD

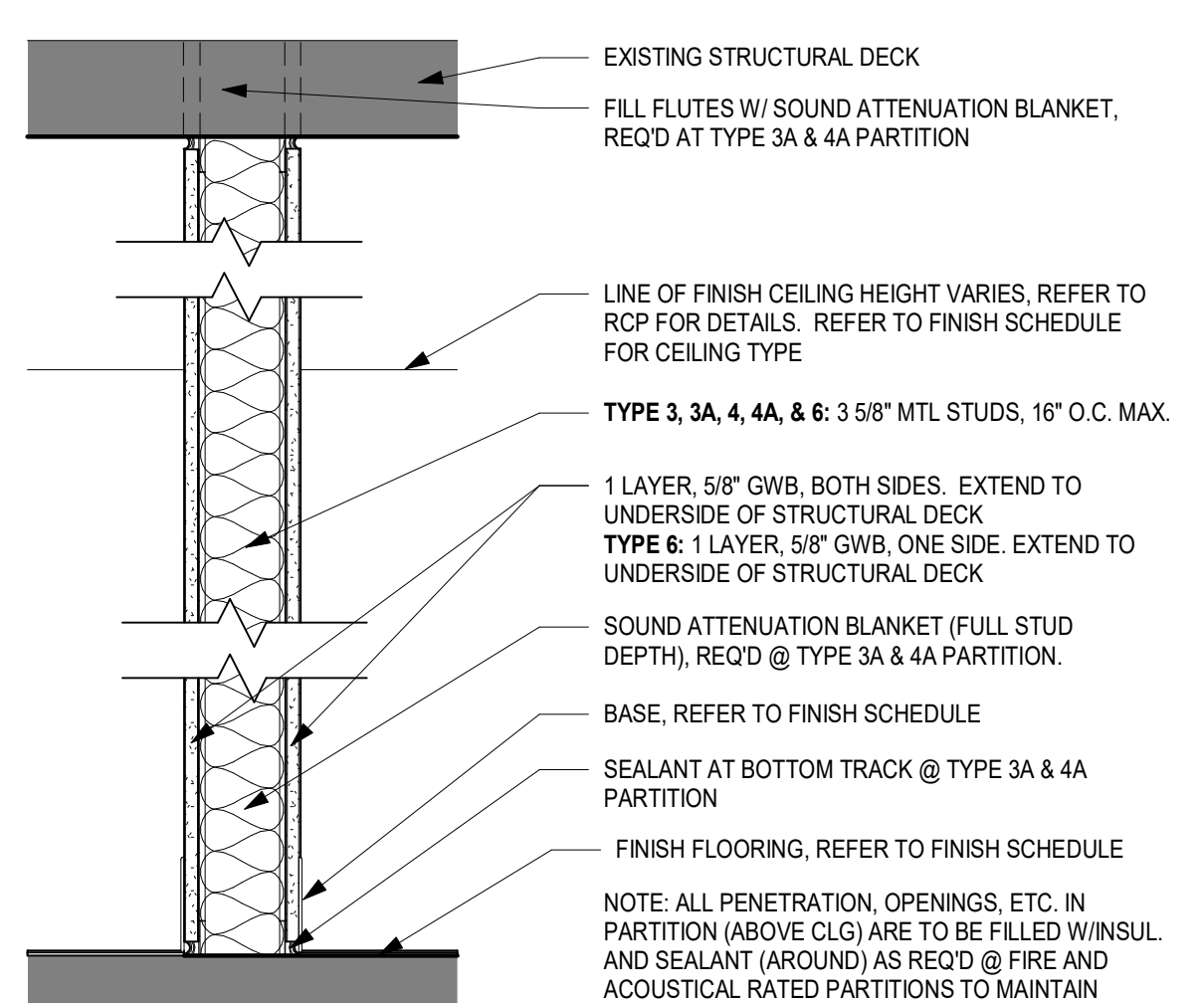


F1 - 2" INTERIOR HM DOOR FRAME F2 - 2" INTERIOR HM DOOR FRAME WITH WINDOW

ROOM	NO.	DOOR			FRAME			HARDWARE GROUP	COMMENTS
		WIDTH	HEIGHT	TYPE	MATERIAL	TYPE	MATERIAL		
ENTRY	001A	3'-0"	7'-0 1/8"	D1	ALUM	PER MFR	ALUM	1	SEE SECURITY DRAWINGS - DOOR RELEASE, CARD READER AND AUTO DOOR OPERATOR
HALLWAY	104A	3'-0"	7'-0"	D2	WD	EX	HM	4	SEE SECURITY DRAWINGS - DOOR RELEASE CARD READER BOTH SIDES AND AUTO DOOR OPERATOR
HALLWAY	104B	3'-0"	7'-0"	D2	WD	EX	HM	8	SEE SECURITY DRAWINGS - CARD READER BOTH SIDES
HALL	110	3'-0"	7'-0"	D3	WD	F1	HM	7	CARD READER
HALL	111	3'-0"	7'-0"	D3	WD	F1	HM	6	CARD READER
OFFICE	112A	3'-0"	7'-0"	D2	WD	F2	HM	5	CARD READER
OFFICE	112B	2'-7"	6'-11 1/2"	D3	WD	F1	HM	3	SEE SECURITY DRAWINGS - DOOR RELEASE, CARD READER AND AUTO DOOR OPERATOR
RESTROOM	116	3'-0"	7'-0"	D3	WD	F1	HM	3	
ENTRY	120	3'-0"	7'-0"	D1	ALUM	PER MFR	ALUM	2	SEE SECURITY DRAWINGS - DOOR RELEASE, CARD READER AND AUTO DOOR OPERATOR

**DOOR AND FRAME GENERAL NOTES:**

- HINGED DOORS TO BE 3" FROM NEAREST PERPENDICULAR PARTITION. U.N.O. DIMENSIONS LOCATING DOORS ARE TO THE INSIDE EDGE OF JAMB.
- DOORS SHALL HAVE 1-4" CLEAR ON THE STRIKE/PULL SIDE OF DOOR AND 1-0" CLEAR ON THE STRIKE/PUSH SIDE (IF THEY HAVE BOTH A LATCH AND A CLOSER) VERIFY AND ADVISE ARCHITECT OF EXCEPTIONS PRIOR TO CLOSING OUT PARTITIONS.
- THE CONTRACTOR SHALL ESTABLISH A SINGLE FLOOR ELEVATION THAT IS TO BE USED TO SET THE TOP OF DOORS SUCH THAT THE TOP OF DOORS OF THE SAME HEIGHT WILL ALIGN REGARDLESS OF VARIATIONS IN THE FLOOR SLAB OR FINISHED FLOOR THICKNESS.
- UNDERCUT THE BOTTOMS OF DOORS TO CLEAR THE TOP OF FINISHED FLOOR, BY 1/4" INCH MAXIMUM. U.N.O. VERIFY SLAB CONDITIONS AND TRIM EACH DOOR TO FIT ITS CONDITION.
- CAULK THE JOINT BETWEEN THE FRAME AND WALL WITH PAINTABLE LATEX SEALANT TO MATCH WALL COLOR.
- CONTRACTOR SHALL REVIEW KEYING WITH OWNER PRIOR TO FITTING CYLINDERS. KEY CYLINDERS TO BE OWNER'S EXISTING MASTER.
- AT EXISTING DOORS TO REMAIN OR TO BE REVISED, PATCH/FILL DIVOTS, HOLES, CRACKS, SCRATCHES, GOUGES, ETC. PRIOR TO PRIMING/PAINING/REFINISHING. CONTRACTOR TO COORDINATE THE REUSE OF EXISTING DOORS, FRAMES, AND HARDWARE AND TO IDENTIFY RELOCATIONS ON THE DOOR SUBMITTAL.
- NEW DOOR HARDWARE IS TO MATCH THE EXISTING. CONTRACTOR IS TO FIELD VERIFY THE EXISTING HARDWARE AND PROVIDE SUBMITTAL.
- DOORS AND FRAMES SHALL BE HOLLOW METAL, U.N.O.



3	NON-RATED PARTITION
3A	NON-RATED PARTITION, WITH ACOUSTICAL INSULATION
4	ONE HOUR RATED (U.L. DESIGN # U465)
4A	ONE HOUR RATED (U.L. DESIGN # U465), WITH ACOUSTICAL INSULATION
6	NON-RATED PARTITION, WITH ACOUSTICAL INSULATION, GYP ONE SIDE

**KEYNOTES - CONSTRUCTION PLAN**

- NO CONSTRUCTION WORK THIS AREA.
- NEW CONCRETE SLAB AND FLOOR TO BE FLUSH WITH EXISTING LEVELS. REFER TO FINISH SCHEDULE FOR CEILING TYPE.
- NEW CONCRETE SIDEWALK TO BE FLUSH WITH EXISTING LEVEL 1.
- NEW CONCRETE BENCH PER ADD ALTERNATE 1B. SEE ALTERNATE 1 ON SHEET A-102 FOR BASE ALTERNATE CONDITION. ADD ALTERNATE 1A AND ADD ALTERNATE 1B.
- PRE-FINISHED METAL TRELLIS. SEE ALTERNATE 1 FOR CONFIGURATIONS AT BASE. ADD ALTERNATE 1A AND ADD ALTERNATE 1B.
- NEW 6" GALVANIZED STEEL COLUMNS, TYP - SEE STRUCTURAL.
- NEW MILLWORK DESK. SEE ENLARGED PLANS AND DETAILS. QUAD OUTLETS AND DATA PORTS AS SHOWN.
- NEW STOREFRONT SYSTEM.
- EXISTING UPPER CABINETS TO BE REINSTALLED AT 14" HEIGHT ABOVE COUNTERTOP WITH NEW MILLWORK PANEL ABOVE TO MATCH CABINETS.
- NEW SPANDREL PANEL TO BE INSTALLED IN EXISTING DOOR FRAME. SEE DETAIL 14A-550.
- STRUCTURAL BEAM - SEE STRUCTURAL.
- NEW MONUMENT SIGN.
- NEW SPANDREL PANEL TO BE INSTALLED IN EXISTING DOOR FRAME. SEE DETAIL 14A-550.
- STRUCTURAL BEAM - SEE STRUCTURAL.
- OVERFLOW ROOF SCUPPER.
- NEW SECURITY AND DOOR OPERATOR BOLLARD. PROVIDE AN 18 GAUGE 6" X 6" X 54" ALUMINUM ENCLOSURE WITH A TOP CAP. FINISH TO MATCH WINDOW SYSTEM. PROVIDE 8" DIA. CONCRETE BOLLARD BASE TO 5'-0" BELOW GRADE MINIMUM. SEE DETAIL 11A-510.
- NEW SLOPED CONCRETE SIDEWALK. SLOPE TO NOT EXCEED 1:20. SEE CIVIL DRAWINGS.
- NEW HOLLOW METAL FRAME IN EXISTING OPENING. SEE DETAILS.
- CARD READER LOCATION.
- TRANSLUCENT PRIVACY FILM TO APPLIED TO EXISTING ENTRY DOOR WINDOWS.
- NEW DOOR TO BE INSTALLED IN EXISTING FRAME AS INDICATED.

**KEYNOTES - CONSTRUCTION PLAN**

- REMOVE EXTERIOR DOOR LEVERS AND PROVIDE COVER PLATE TO MATCH DOOR.
- PROVIDE 5/8" GYP BD ON 7/8" HAT CHANNELS AT EXISTING WALL. ASSEMBLY TO EXTEND FROM FLOOR TO CEILING ADJACENT TO NEW MILLWORK AND FROM NEW COUNTERTOP TO CEILING AT NEW MILLWORK. TURN GYP BD IN AT CORNER FOR CLEAN FINISH. PROVIDE 1-1/2" X 1-1/2" CORNER GUARD AT 4'-0" HIGH. PROVIDE 8" X 8" ACCESS PANEL FOR PA SYSTEM. VERIFY EXISTING CONDITIONS IN FIELD.
- CONVERT EXISTING DUPLEX OUTLET TO FOURPLEX W/ DATA.

**ELECTRICAL LEGEND**

[Symbol]	DUPLEX RECEPTACLE
[Symbol]	FOURPLEX RECEPTACLE
[Symbol]	DATA RECEPTACLE

RECEPTACLES TO BE 20" ABOVE FINISH FLOOR UNLESS NOTE OTHERWISE.  
CONFIRM EXISTING CIRCUITS WILL NOT BE OVERLOADED BY NEW ELECTRICAL DEVICES.  
INSTALL DEVICES PER NEC CODE REQUIREMENTS.

**Proposal Request #014**

MAERTENS-BRENNY CONSTRUCTION CO.  
8251 MAIN STREET NE  
MINNEAPOLIS, MN 55432

MPS - Olson Middle School - Safe & Welcoming Entrance

M-B JOB #	3053
MPS Pub. #	21-2120

Additional Electrical in Office 112/116	PR #014				
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DATE	18-Oct-21
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DESCRIPTION OF WORK	LABOR				MATERIAL				SUBCONTRACT
	QUANTITY	UNIT	\$/UNIT	COST	QTY	UNIT	\$/UNIT	COST	COST
<b>Subcontractor Quotes</b>									
<b>Gunnar Electric</b>									
Nurse's Office Additional Electrical									\$ 1,940.00
<b>M-B work</b>									
<b>MBCC</b>									
clean-up after completion of electrical	0.5	Hours	\$92.13	\$ 46.06					
<b>Labor</b>									
Superintendent		Hours	\$96.73	\$ -					
Carpenter		Hours	\$92.13	\$ -					
Finisher		Hours	\$100.07	\$ -					
Mason		Hours	\$94.32	\$ -					
Laborer		Hours	\$85.97	\$ -					
<b>Tax</b>									
								8.025%	
<b>BASE SUBTOTALS FOR LABOR MATERIAL AND SUBS</b>				\$ 46.06				\$0.00	\$ 1,940.00

OVERHEAD & PROFIT ON LABOR	10%	4.61	<b>TOTAL SUBCONTRACT</b>	\$ 1,940.00
OVERHEAD & PROFIT ON MATERIAL	10%	0.00		
<b>SUBTOTAL</b>		2,087.67		
<b>BOND</b>	1.5%	31.32		
<b>GRAND TOTAL</b>		2,118.98		

**REMARKS OR NOTES**

Where possible conduits to be routed in walls. Due to existing conditions some conduits will be surface mounted with wire mold.

Justin Higgins

PROJECT MANAGER

Authorization to proceed with the work described above

Authorization signature and date



October 15, 2021

**Re: Mpls: Olson Middle School PR-014**

Justin, The following is the cost associated with PR-014. Adding power and low voltage.

<b><u>LABOR 7.4 HRS. x \$115 =</u></b>	<b>\$847.00</b>
<b><u>MATERIAL &amp; Tax</u></b>	<b><u>\$917.00</u></b>
<b><u>SUB TOTAL NO MARK UP</u></b>	<b>\$1,764.00</b>
<b><u>OVERHEAD &amp; PROFIT @10%</u></b>	<b><u>\$176.00</u></b>
<b><u>TOTAL</u></b>	<b>\$1,940.00</b>

**Exclude:**

- Unforeseen conditions
- Anything outside of above scope

*Patrick J. Brey*

**Gunnar Electric Inc.**

(952) 937-9262 ex. 108 office

(612)-483-6884 cell

[pbrey@gunnarelectric.com](mailto:pbrey@gunnarelectric.com)

[www.gunnarelectric.com](http://www.gunnarelectric.com)

***NOTE OUR NEW ADDRESS-***

**14850 Martin Drive**

**Eden Prairie, MN. 55344**

Twin Cities Office-14850 Martin Drive. Eden Prairie, MN. 55347

Southern MN Office-2801 9<sup>th</sup> Ave. SW. Austin MN. 55912

952.937.9262 -952.937.1034 fax - [www.gunnarelectric.com](http://www.gunnarelectric.com)

**DBE-SBE-WBE-WBENC-WOSB**

# Estimate Report

Estimate: Olsen Middle school security and ADA

10/15/2021 1:53:03 PM

Estimated by: Pat Brey

File: Olsen Middle school security and ADA.bhs

Page 1

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Worksheet Location: added power and lv nurses office(Sheet 12)

DB #	Ph.	Description	Quantity	Mat.	Cost	U	Tot. Mat.	Lab. Hrs.	U	Tot. Hrs.
I 8746	28	WM-2348 DEVICE BOX	5.00	6.17	E	30.85	20.00	C		1.00
I 8748	28	WM-2348S DEVICE BOX	2.00	5.59	E	11.18	20.00	C		0.40
I 12009	6	DE-DUPLEX RECEIPT W/PLATE	3.00	2.50	E	7.50	0.15	E		0.45
I 12010	6	DE-4PLEX RECEIPT W/PLATE	2.00	5.00	E	10.00	0.30	E		0.60
A 268	0	EM-3/4 EMT 5/12 STR	60.00	2.92	E	175.43	0.06	E		3.72
I 6886	7	PCB-20A 1P BOLT-ON BKR.	1.00	13.60	E	13.60	0.20	E		0.20
F	0	low voltage	2.00	300.00	E	600.00	0.50	E		1.00

Regular Worksheet Page

Page Multiplier = 1

Material Multiplier = 1

Labor Multiplier = 1

Phase = 0 : Phase Multiplier = 1

Page is Active.

Raw Material Total = \$848.56

Raw Labor Hours = 7.37 Hours

**Change Order Request #16 Rev 1**

MAERTENS-BRENNY CONSTRUCTION CO.  
8251 MAIN STREET NE  
MINNEAPOLIS, MN 55432

MPS - Olson Middle School - Safe & Welcoming Entrance

M-B JOB #	3053
MPS Pub. #	21-2120

Conference 103 Door To Hallway Lock Replacement	COR #16 Rev 1				
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DATE	12-Oct-21
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DESCRIPTION OF WORK	LABOR				MATERIAL				SUBCONTRACT	
	QUANTITY	UNIT	\$/UNIT	COST	QTY	UNIT	\$/UNIT	COST	COST	
<b>Subcontractor Quotes</b>										
<b>No Subcontractor Costs</b>										
<b>M-B work</b>										
<b>Bredamus Hardawre</b>										
supply of new door lockset					1	ea	\$819.72	\$ 819.72		
<b>No MBCC Costs</b>										
owner to remove and install lockset										
<b>Labor</b>										
Superintendent		Hours	\$96.73	\$ -						
Carpenter		Hours	\$92.13	\$ -						
Finisher		Hours	\$100.07	\$ -						
Mason		Hours	\$94.32	\$ -						
Laborer		Hours	\$85.97	\$ -						
<b>Tax</b>										
								8.025%		
<b>BASE SUBTOTALS FOR LABOR MATERIAL AND SUBS</b>				\$ -					\$885.50	\$ -

OVERHEAD & PROFIT ON LABOR	10%	0.00	<b>TOTAL SUBCONTRACT</b>	\$ -	
OVERHEAD & PROFIT ON MATERIAL	10%	88.55		5%	\$0.00
<b>SUBTOTAL</b>		<b>974.05</b>			
<b>BOND</b>	1.5%	<b>14.61</b>			
<b>GRAND TOTAL</b>		<b>988.66</b>			

**REMARKS OR NOTES**

Schlage ND72 Vanelgard priced per email on 10/7/12 from Ann Cerner. Finish to match previously procured locksets. Design team to confirm there are no issues with building egress with this lock type. MBCC takes no responsibility of code design of lock change. 2-3 week lead time after approval is received. All installation excluded, lockset and keyways to be delivered concurrently to MPS lock shop.

Justin Higgins  
PROJECT MANAGER

Authorization to proceed with the work described above  
Authorization signature and date



**Change Order Request #17**

MAERTENS-BRENNY CONSTRUCTION CO.  
8251 MAIN STREET NE  
MINNEAPOLIS, MN 55432

MPS - Olson Middle School - Safe & Welcoming Entrance

M-B JOB #	3053
MPS Pub. #	21-2120

Conference 103 Door To Hallway Lock Replacement	COR #17				
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DATE	16-Nov-21
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DESCRIPTION OF WORK	LABOR				MATERIAL				SUBCONTRACT
	QUANTITY	UNIT	\$/UNIT	COST	QTY	UNIT	\$/UNIT	COST	COST
<b>Subcontractor Quotes</b>									
<b>Braun Intertec</b>									
B260882									\$ 2,452.00
B263963									\$ 1,558.00
B268141									\$ 1,171.00
B273334									\$ 780.50
<b>M-B work</b>									
<b>No MBCC Costs</b>									
<b>Labor</b>									
Superintendent		Hours	\$96.73	\$ -					
Carpenter		Hours	\$92.13	\$ -					
Finisher		Hours	\$100.07	\$ -					
Mason		Hours	\$94.32	\$ -					
Laborer		Hours	\$85.97	\$ -					
<b>Tax</b>									8.025%
<b>BASE SUBTOTALS FOR LABOR MATERIAL AND SUBS</b>				\$ -				\$0.00	\$ 5,961.50

OVERHEAD & PROFIT ON LABOR	10%	0.00	<b>TOTAL SUBCONTRACT</b>	\$ 5,961.50	
OVERHEAD & PROFIT ON MATERIAL	10%	0.00		5%	\$298.08
<b>SUBTOTAL</b>		<b>6,259.58</b>			
<b>BOND</b>	1.5%	<b>93.89</b>			
<b>GRAND TOTAL</b>		<b>6,353.47</b>			

**REMARKS OR NOTES**

MBCC Direct Hire of Special Inspections per MPS Directive.

See attached for back-up invoices and breakdown.

Justin Higgins  
PROJECT MANAGER

Authorization to proceed with the work described above

Authorization signature and date

# INVOICE



The Science You Build On.

**PLEASE REMIT TO**

Braun Intertec Corporation  
Lockbox #446035 PO BOX 64384  
Saint Paul, MN 55164-0384

Telephone (952) 995-2000  
Fax (952) 995-2020  
Tax I.D. 41-1684205

**Justin Higgins**  
**Maertens-Brenny Construction Company**  
**8251 Main St NE, Suite 105**  
**Fridley, MN 55432**

**Date** 8/2/2021  
**Invoice number** B260882  
**Project ID** B2104702  
**Customer account** [M01617](#)  
**Customer PO** 3053

Olson Middle School Safe & Welcoming Entrance

Special Inspections and Construction Materials  
Testing  
1607 51st Avenue North  
Minneapolis, MN 55430

---

**For Professional Services rendered through 7/23/2021**

1 - Construction and Materials Testing		
1.1 - Soil Observations and Testing	\$408.00	
1.2 - Concrete Observations and Testing	\$1,050.00	
1.3 - Structural Steel Observations	\$224.00	
1.4 - Project Management	\$770.00	
	<hr/>	\$2,452.00
	<b>Total Fees</b>	<b><u><u>\$2,452.00</u></u></b>
Amount Previously Invoiced:	\$0.00	
Amount Invoiced to Date:	\$2,452.00	

	Qty/Hours	Rate	Amount
<b>1 - Construction and Materials Testing</b>			
<b>1.1 - Soil Observations and Testing</b>			
<b>Consulting Services Detail</b>			
Excavation Observations	4.00	92.00	368.00
<b>Non-Salary Detail</b>			
CMT Trip Charge	2.00	20.00	40.00
<b>Total 1.1 - Soil Observations and Testing</b>			<b>\$408.00</b>
<b>1.2 - Concrete Observations and Testing</b>			
<b>Consulting Services Detail</b>			
Concrete Observations	3.50	92.00	322.00
Concrete Testing	2.00	82.00	164.00
Concrete Cylinder Pick up	2.00	82.00	164.00
<b>Non-Salary Detail</b>			
Compressive strength of concrete cylinders (ASTM C 39),per specimen	10.00	30.00	300.00
CMT Trip Charge	5.00	20.00	100.00
<b>Total 1.2 - Concrete Observations and Testing</b>			<b>\$1,050.00</b>
<b>1.3 - Structural Steel Observations</b>			
<b>Consulting Services Detail</b>			
ICC Structural Steel Technician	2.00	102.00	204.00
<b>Non-Salary Detail</b>			
NDE Trip charge	1.00	20.00	20.00
<b>Total 1.3 - Structural Steel Observations</b>			<b>\$224.00</b>
<b>1.4 - Project Management</b>			
<b>Consulting Services Detail</b>			
Project Manager	4.50	162.00	729.00
Project Assistant	0.50	82.00	41.00
<b>Total 1.4 - Project Management</b>			<b>\$770.00</b>
<b>Total 1 - Construction and Materials Testing</b>			<b>\$2,452.00</b>
<b>Total Project</b>			<b>\$2,452.00</b>

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Braun Intertec Corporation  
Lockbox #446035 PO BOX 64384  
Saint Paul, MN 55164-0384

Telephone (952) 995-2000  
Fax (952) 995-2020  
Tax I.D. 41-1684205

**Justin Higgins**  
**Maertens-Brenny Construction Company**  
**8251 Main St NE, Suite 105**  
**Fridley, MN 55432**

**Date** 8/25/2021  
**Invoice number** B263963  
**Project ID** B2104702  
**Customer account** [M01617](#)  
**Customer PO** 3053

Olson Middle School Safe & Welcoming Entrance

Special Inspections and Construction Materials  
Testing  
1607 51st Avenue North  
Minneapolis, MN 55430

---

**For Professional Services rendered through 8/20/2021**

1 - Construction and Materials Testing		
1.2 - Concrete Observations and Testing	\$338.50	
1.3 - Structural Steel Observations	\$601.00	
1.4 - Project Management	\$618.50	
	<hr/>	\$1,558.00

**Total Fees** \$1,558.00

Amount Previously Invoiced: \$2,452.00  
Amount Invoiced to Date: \$4,010.00

**Please pay from this invoice.**  
**Terms: Due on receipt, 1 1/2% per month after 30 days, 18% annual percentage rate,**  
**unless otherwise specified by written agreement.**

	Qty/Hours	Rate	Amount
<b>1 - Construction and Materials Testing</b>			
<b>1.2 - Concrete Observations and Testing</b>			
<b>Consulting Services Detail</b>			
Concrete Observations	0.50	92.00	46.00
Concrete Testing	0.75	82.00	61.50
Concrete Cylinder Pick up	0.50	82.00	41.00
<b>Non-Salary Detail</b>			
Compressive strength of concrete cylinders (ASTM C 39),per specimen	5.00	30.00	150.00
CMT Trip Charge	2.00	20.00	40.00
<b>Total 1.2 - Concrete Observations and Testing</b>			<b>\$338.50</b>
<b>1.3 - Structural Steel Observations</b>			
<b>Consulting Services Detail</b>			
ICC Structural Steel Technician	5.50	102.00	561.00
<b>Non-Salary Detail</b>			
NDE Trip charge	2.00	20.00	40.00
<b>Total 1.3 - Structural Steel Observations</b>			<b>\$601.00</b>
<b>1.4 - Project Management</b>			
<b>Consulting Services Detail</b>			
Senior Engineer	0.50	182.00	91.00
Project Manager	1.50	162.00	243.00
Senior Project Manager	1.00	182.00	182.00
Project Assistant	1.25	82.00	102.50
<b>Total 1.4 - Project Management</b>			<b>\$618.50</b>
<b>Total 1 - Construction and Materials Testing</b>			<b>\$1,558.00</b>
<b>Total Project</b>			<b>\$1,558.00</b>

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Braun Intertec Corporation  
Lockbox #446035 PO BOX 64384  
Saint Paul, MN 55164-0384

Telephone (952) 995-2000  
Fax (952) 995-2020  
Tax I.D. 41-1684205

**Justin Higgins**  
**Maertens-Brenny Construction Company**  
**8251 Main St NE, Suite 105**  
**Fridley, MN 55432**

**Date** 9/28/2021  
**Invoice number** B268141  
**Project ID** B2104702  
**Customer account** [M01617](#)  
**Customer PO** 3053

Olson Middle School Safe & Welcoming Entrance

Special Inspections and Construction Materials  
Testing  
1607 51st Avenue North  
Minneapolis, MN 55430

---

**For Professional Services rendered through 9/17/2021**

1 - Construction and Materials Testing		
1.2 - Concrete Observations and Testing	\$755.00	
1.4 - Project Management	\$416.00	
		<hr/>
		\$1,171.00
	<b>Total Fees</b>	<b><u><u>\$1,171.00</u></u></b>

Amount Previously Invoiced: \$4,010.00  
Amount Invoiced to Date: \$5,181.00

**Please pay from this invoice.**  
**Terms: Due on receipt, 1 1/2% per month after 30 days, 18% annual percentage rate,**  
**unless otherwise specified by written agreement.**

	Qty/Hours	Rate	Amount
<b>1 - Construction and Materials Testing</b>			
<b>1.2 - Concrete Observations and Testing</b>			
<b>Consulting Services Detail</b>			
Concrete Observations	0.50	92.00	46.00
Concrete Testing	3.50	82.00	287.00
Concrete Cylinder Pick up	1.00	82.00	82.00
<b>Non-Salary Detail</b>			
Compressive strength of concrete cylinders (ASTM C 39),per specimen	10.00	30.00	300.00
CMT Trip Charge	2.00	20.00	40.00
<b>Total 1.2 - Concrete Observations and Testing</b>			<b>\$755.00</b>
<b>1.4 - Project Management</b>			
<b>Consulting Services Detail</b>			
Senior Engineer	0.50	182.00	91.00
Project Manager	1.50	162.00	243.00
Project Assistant	1.00	82.00	82.00
<b>Total 1.4 - Project Management</b>			<b>\$416.00</b>
<b>Total 1 - Construction and Materials Testing</b>			<b>\$1,171.00</b>
<b>Total Project</b>			<b>\$1,171.00</b>

# INVOICE



The Science You Build On.

**PLEASE REMIT TO**

Braun Intertec Corporation  
Lockbox #446035 PO BOX 64384  
Saint Paul, MN 55164-0384

Telephone (952) 995-2000  
Fax (952) 995-2020  
Tax I.D. 41-1684205

**Justin Higgins**  
**Maertens-Brenny Construction Company**  
**8251 Main St NE, Suite 105**  
**Fridley, MN 55432**

**Date** 11/9/2021  
**Invoice number** B273334  
**Project ID** B2104702  
**Customer account** [M01617](#)  
**Customer PO** 3053

Olson Middle School Safe & Welcoming Entrance

Special Inspections and Construction Materials  
Testing  
1607 51st Avenue North  
Minneapolis, MN 55430

---

**For Professional Services rendered through 11/5/2021**

1 - Construction and Materials Testing		
1.3 - Structural Steel Observations	\$51.00	
1.4 - Project Management	\$729.50	
		<hr/>
		\$780.50
	<b>Total Fees</b>	<b><u><u>\$780.50</u></u></b>

Amount Previously Invoiced: \$5,181.00  
Amount Invoiced to Date: \$5,961.50

**Please pay from this invoice.**  
**Terms: Due on receipt, 1 1/2% per month after 30 days, 18% annual percentage rate,**  
**unless otherwise specified by written agreement.**

	Qty/Hours	Rate	Amount
<b>1 - Construction and Materials Testing</b>			
<b>1.3 - Structural Steel Observations</b>			
<b>Consulting Services Detail</b>			
ICC Structural Steel Technician	0.50	102.00	51.00
<b>Total 1.3 - Structural Steel Observations</b>			<b>\$51.00</b>
<b>1.4 - Project Management</b>			
<b>Consulting Services Detail</b>			
Senior Engineer	0.25	182.00	45.50
Project Manager	3.00	162.00	486.00
Senior Project Manager	0.75	182.00	136.50
Project Assistant	0.75	82.00	61.50
<b>Total 1.4 - Project Management</b>			<b>\$729.50</b>
<b>Total 1 - Construction and Materials Testing</b>			<b>\$780.50</b>
<b>Total Project</b>			<b>\$780.50</b>



Justin Higgins <jhiggins@maertensbrenny.com>

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## Special Inspections Form Olson Middle School

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**Ann Cerney** <Ann.Cerney@mpls.k12.mn.us>

Tue, May 11, 2021 at 9:14 AM

To: Justin Higgins <jhiggins@maertensbrenny.com>

Cc: Chris Schmitt <chris@roehrschmitt.com>, Michael Parotti <michael.parotti@roehrschmitt.com>

Yes, please have MBCC proceed with the special inspections needed for the permit review and to expedite the permit process with the City on a Cost Plus Fee with approximate value of \$7,000 to be reimbursed at actual cost.

Please submit this item as 1 change order with backup documentation for all testing required by City.

Thank you

Ann

[Quoted text hidden]

**FIRST AMENDMENT AMD-13380 TO CONTRACT MAS-13324 BETWEEN:  
SPECIAL SCHOOL DISTRICT NO. 1 AND MINNEHAHA TRANSPORTATION**

This Amendment (“Amendment”) to the Contract between Special School District No. 1 and Minnehaha Transportation, dated November 1, 2021 (“Contract”) is made and entered into by and between Special School District No. 1 (“District”) and Minnehaha Transportation (“Contractor”) (collectively “parties”).

WHEREAS, Special School District No. 1, a special a school district created and existing under Minnesota law (“District”) and Minnehaha Transportation ("Contractor") entered into a contract titled STUDENT TRANSPORTATION for a period between 11/1/2021 through 6/30/2022 (“Contract”), and

WHEREAS, the Parties now desire to amend the contract;

NOW THEREFORE IT IS HEREBY AGREED by the Parties to amend the Contract as follows:

Section 3.1 of the Contract shall be amended to ADD: \$800,000

Except as herein amended, the terms, conditions and provisions of the Contract shall apply to and govern the provisions of this Amendment.

[The remainder of this page intentionally left blank.]

**SPECIAL SCHOOL DISTRICT NO. 1**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Minnehaha Transportation**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**AMENDMENT #1 TO CONTRACT BETWEEN: SPECIAL SCHOOLS DISTRICT NO.1 AND  
NEWSELA INC.**

This Amendment (“Amendment”) to the Contract between Special School District No. 1 and NEWSELA INC. dated 12/14/2021 (“Contract”) is made and entered into by and between Special School District No.1 (“District”) and NEWSELA INC. (“Contractor”) (collectively “parties”).

WHEREAS, Special School District No.1, a special school district created and existing under Minnesota law (“District”) and NEWSELA INC. (“Contractor”) entered into a contract titled CONTRACT FOR SERVICES for a period between 1/1/2022 through 6/30/2022 (“Contract”), and

WHEREAS, the Parties now desire to amend the Contract number: SRM: 4400000995

1. *Original contract amount:* \$129,912.00 paid in full on 9/23/2021
2. *Accumulative contract amount:* \$229,037.00

NOW THEREFORE IT IS HEREBY AGREED by the Parties to amend the Contract as follows:

**Section: 1.1 Newsela ELA & Newsela Social Studies (K-12) Exhibit A and section 3.1**

3.1 Total Obligation District’s total obligation to Contractor under this Contract, including compensation for goods, services, and reimbursable expenses shall not exceed \$229,037.00. Contractor shall not receive any additional reimbursement for materials or subsistence expenses incurred in the performance of this Contract.

**1.1 Description: Newsela ELA & Newsela Social Studies (K-12)**

**Customer Agreement attached hereto as Attachment A**

- Access to current events articles at 5 reading levels (K-5)
- Access to 20+ genres of informational texts to support instruction across the curriculum—all at 5 reading levels (K-5)
- Access to subject-specific content (K-12)
- Subject-specific content curation and homepages (K-12)
- Content is aligned to state standards and frameworks for ELA, social studies and science (K-12)
- View student reading activity, and monitor student progress in real-time directly from articles (K-5)
- Unlock administrator visibility into teacher utilization and student activity (K-5)
- Create and share customizable assignments (K-5)
- Reading comprehension quizzes, customizable writing prompts, and annotations (K-5)

- Power Words in articles, with vocabulary practice activities (K-12)
  - Subject-specific quizzes and writing prompts (K-12)
  - Curated collections for ELA, social studies and science with embedded instructional strategies and activities to help teachers use the content for standards-based instruction (K-12)
- Curriculum Complements that organize Newsela content to directly support and enhance popular curricular materials teachers are already using (K-12)

Except as herein amended, the terms, conditions and provisions of the contract shall apply to and govern the provisions of this Amendment.

(The remainder of this page intentionally left blank.)

**SPECIAL SCHOOL DISTRICT NO. 1**

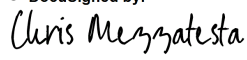
Signature: \_\_\_\_\_

Name: Dr. Aimee Fearing

Title: Senior Academic Officer

Date: \_\_\_\_\_

**NEWSELA INC.** DocuSigned by:

Signature:  \_\_\_\_\_  
B4D98E5C0C40438...

Name: Chris Mezzatesta

Title: Chief Customer Officer

Date: 12/8/2021



Newsela Inc.  
500 5<sup>th</sup> Ave, FL 28  
New York, NY 10110

# Customer Agreement

**Customer Agreement No.** Q-70217  
**Newsela Sales Rep:** Connor Petersen

**Contact Email:** connor.petersen@newsela.com  
**Offer Date:** December 7, 2021  
**Expiration Date:** December 31, 2021

## Billing Information:

Billing Frequency: Upfront in full  
Payment Terms: Net 30  
Billing Schedule: Upon Contract Signature

## To:

Aimee Fearing  
Minneapolis Public School District  
1250 W Broadway Ave  
Minneapolis, MN 55411-2533

Qty	Products/Services	License Dates	Line Total
1	Newsela (Newsela ELA and Newsela Social Studies)	01/01/22 - 06/30/22	\$99,125.00
<b>Contract Total</b>			<b>\$99,125.00</b>

The subscription for the Products/Services will commence as of the “Subscription Start Date” and continue through the “Subscription End Date” (a “Contract Term”). The Subscription Start Date for this Customer Agreement will be the later of (a) the Target Start Date set forth above, (b) the date on which this Customer Agreement has been executed by the Customer (the “Execution Date”) or (c) the invoice date within the “Billing Information” section above. The Subscription End Date for this Customer Agreement will be that date which is the length of the Term after the Subscription Start Date.

Failure of the Customer to make use of the Products/Services during the Contract Term will not extend Newsela’s obligation to deliver those Products/Services beyond the Subscription End Date of that Contract Term.

Following the Subscription End Date, unless prohibited by law, this Customer Agreement will automatically renew for the Products/Services licensed hereunder for successive periods equal in length to the greater of the Term or 12 months (a ‘Renewal Term’), unless either party provides the other party with written notice of cancellation at least thirty (30) days prior to the then current Subscription End Date. Prices in any Renewal Term will increase by up to 10% above the applicable pricing (excluding any One-Time Discounts) in the prior Contract Term, unless Newsela provides notice of different pricing at least 60 days prior to the applicable Renewal Term.

The Customer agrees to pay the Contract Grand Total set forth above per the Billing Terms noted above upon execution of this Customer Agreement. Service will be suspended at Newsela's discretion if payment is not received by Newsela in accordance with the Payment Terms noted above. Failure of the Customer to use the Products/Services will not relieve Customer of its obligation to pay hereunder.

This Customer Agreement is subject to Newsela's Terms of Use and Privacy Policy.

**Terms of Use:** <https://newsela.com/pages/terms-of-use/>

**Privacy Policy:** <https://newsela.com/pages/privacy-policy/>

This Customer Agreement constitutes the entire agreement between the parties and supersedes all prior written or oral understandings, proposals, bids, offers, negotiations, agreements or communications of every kind. This Customer Agreement and the terms contained herein are intended only for the Customer and should be kept confidential.

*Prices shown above do not include any state and local taxes that may apply. Any such taxes are the responsibility of the Customer and will appear on the final invoice (if applicable). If the contracting entity is exempt from sales tax, please send the required tax exemption documents immediately to [salestax@newsela.com](mailto:salestax@newsela.com).*

**Notes:**

This quote is an amendment to the existing 6-12 Newsela Essentials Contract. This quote upgrades grades 6-12 from Newsela Essentials to Newsela ELA and Social Studies. This quote also adds on grades K-5 and provides them access to Newsela ELA & Social Studies. The existing Newsela Essentials Contract was factored into this amendment and this is not a duplicate. Please reference the 'Newsela Proposal' for further details.

**Purchase Order Information**

If you need a Purchase Order, please fill out the following information.

PO Required:

PO Number:

PO Amount:

**Billing Information**

Provide the billing service representative to whom the invoice should be addressed.

**Bill-To**

**Name:**

**Bill-To**

**Email:**

By initialing here, I agree that the billing details stated above are current and accurate.

The individual executing this Customer Agreement has the authority to execute this agreement and bind the Customer and Newsela has the right to rely on that authorization.

Authorized Signature:

Date of Signature:

**Appendix**

<b>School</b>	<b>Products/Services</b>	<b>License Dates</b>
METRO ST. JOSEPH	Newsela ELA	01/01/22 - 06/30/22
METRO ST. JOSEPH	Newsela Social Studies	01/01/22 - 06/30/22
MPS METRO HA	Newsela ELA	01/01/22 - 06/30/22
MPS METRO HA	Newsela Social Studies	01/01/22 - 06/30/22
MPS METRO C	Newsela ELA	01/01/22 - 06/30/22
MPS METRO C	Newsela Social Studies	01/01/22 - 06/30/22
ANDERSEN UNITED	Newsela ELA	01/01/22 - 06/30/22
ANDERSEN UNITED	Newsela Social Studies	01/01/22 - 06/30/22
ANWATIN MIDDLE	Newsela ELA	01/01/22 - 06/30/22
ANWATIN MIDDLE	Newsela Social Studies	01/01/22 - 06/30/22
HENRY HIGH	Newsela ELA	01/01/22 - 06/30/22
HENRY HIGH	Newsela Social Studies	01/01/22 - 06/30/22
LAKE NOKOMIS COMMUNITY KEEWAYDIN CAMPUS	Newsela ELA	01/01/22 - 06/30/22
LAKE NOKOMIS COMMUNITY KEEWAYDIN CAMPUS	Newsela Social Studies	01/01/22 - 06/30/22
KENNY ELEMENTARY	Newsela ELA	01/01/22 - 06/30/22
KENNY ELEMENTARY	Newsela Social Studies	01/01/22 - 06/30/22
NORTHEAST MIDDLE	Newsela ELA	01/01/22 - 06/30/22
NORTHEAST MIDDLE	Newsela Social Studies	01/01/22 - 06/30/22
ROOSEVELT HIGH	Newsela ELA	01/01/22 - 06/30/22
ROOSEVELT HIGH	Newsela Social Studies	01/01/22 - 06/30/22
SEWARD MONTESSORI	Newsela ELA	01/01/22 - 06/30/22
SEWARD MONTESSORI	Newsela Social Studies	01/01/22 - 06/30/22
NORTHROP COMMUNITY SCHOOL	Newsela Social Studies	01/01/22 - 06/30/22
SULLIVAN COMMUNITY	Newsela ELA	01/01/22 - 06/30/22
SULLIVAN COMMUNITY	Newsela Social Studies	01/01/22 - 06/30/22
WHITTIER INTENATIONAL ELEMENTARY SCHOOL	Newsela ELA	01/01/22 - 06/30/22
WHITTIER INTENATIONAL ELEMENTARY SCHOOL	Newsela Social Studies	01/01/22 - 06/30/22
WELLSTONE INTERNATIONAL HIGH SCHOOL	Newsela ELA	01/01/22 - 06/30/22
WELLSTONE INTERNATIONAL HIGH SCHOOL	Newsela Social Studies	01/01/22 - 06/30/22
ANISHINABE ACADEMY ELEMENTARY	Newsela ELA	01/01/22 - 06/30/22
ANISHINABE ACADEMY ELEMENTARY	Newsela Social Studies	01/01/22 - 06/30/22
HMONG INTERNATIONAL ACADEMY	Newsela ELA	01/01/22 - 06/30/22
HMONG INTERNATIONAL ACADEMY	Newsela Social Studies	01/01/22 - 06/30/22
JUSTICE PAGE MIDDLE SCHOOL	Newsela ELA	01/01/22 - 06/30/22
JUSTICE PAGE MIDDLE SCHOOL	Newsela Social Studies	01/01/22 - 06/30/22
ANTHONY MIDDLE	Newsela ELA	01/01/22 - 06/30/22
ANTHONY MIDDLE	Newsela Social Studies	01/01/22 - 06/30/22
ARMATAGE ELEMENTARY SCHOOL	Newsela ELA	01/01/22 - 06/30/22
ARMATAGE ELEMENTARY SCHOOL	Newsela Social Studies	01/01/22 - 06/30/22
BANCROFT ELEMENTARY	Newsela ELA	01/01/22 - 06/30/22
BANCROFT ELEMENTARY	Newsela Social Studies	01/01/22 - 06/30/22
BARTON ELEMENTARY	Newsela ELA	01/01/22 - 06/30/22
BARTON ELEMENTARY	Newsela Social Studies	01/01/22 - 06/30/22
BETHUNE ELEMENTARY	Newsela ELA	01/01/22 - 06/30/22
BETHUNE ELEMENTARY	Newsela Social Studies	01/01/22 - 06/30/22
BRYN MAWR ELEMENTARY	Newsela ELA	01/01/22 - 06/30/22

Updated January, 2020

BRYN MAWR ELEMENTARY	Newsela Social Studies	01/01/22 - 06/30/22
BURROUGHS ELEMENTARY SCHOOL	Newsela ELA	01/01/22 - 06/30/22
BURROUGHS ELEMENTARY SCHOOL	Newsela Social Studies	01/01/22 - 06/30/22
CITYVIEW COMMUNITY SCHOOL	Newsela ELA	01/01/22 - 06/30/22
CITYVIEW COMMUNITY SCHOOL	Newsela Social Studies	01/01/22 - 06/30/22
DOWLING ELEMENTARY	Newsela ELA	01/01/22 - 06/30/22
DOWLING ELEMENTARY	Newsela Social Studies	01/01/22 - 06/30/22
EMERSON ELEMENTARY SCHOOL	Newsela ELA	01/01/22 - 06/30/22
EMERSON ELEMENTARY SCHOOL	Newsela Social Studies	01/01/22 - 06/30/22
FAIR SCHOOL DOWNTOWN	Newsela ELA	01/01/22 - 06/30/22
FAIR SCHOOL DOWNTOWN	Newsela Social Studies	01/01/22 - 06/30/22
FIELD COMMUNITY	Newsela ELA	01/01/22 - 06/30/22
FIELD COMMUNITY	Newsela Social Studies	01/01/22 - 06/30/22
FOLWELL PERFORMING ARTS MAGNET	Newsela ELA	01/01/22 - 06/30/22
FOLWELL PERFORMING ARTS MAGNET	Newsela Social Studies	01/01/22 - 06/30/22
FRANKLIN MIDDLE	Newsela ELA	01/01/22 - 06/30/22
FRANKLIN MIDDLE	Newsela Social Studies	01/01/22 - 06/30/22
GREEN CENTRAL PARK ELEMENTARY	Newsela ELA	01/01/22 - 06/30/22
GREEN CENTRAL PARK ELEMENTARY	Newsela Social Studies	01/01/22 - 06/30/22
JEFFERSON COMMUNITY	Newsela Social Studies	01/01/22 - 06/30/22
HALE ELEMENTARY SCHOOL	Newsela ELA	01/01/22 - 06/30/22
HALE ELEMENTARY SCHOOL	Newsela Social Studies	01/01/22 - 06/30/22
HALL ELEMENTARY	Newsela ELA	01/01/22 - 06/30/22
HALL ELEMENTARY	Newsela Social Studies	01/01/22 - 06/30/22
HARRISON EDUCATION CENTER	Newsela ELA	01/01/22 - 06/30/22
HARRISON EDUCATION CENTER	Newsela Social Studies	01/01/22 - 06/30/22
HERITAGE ACADEMY	Newsela ELA	01/01/22 - 06/30/22
HERITAGE ACADEMY	Newsela Social Studies	01/01/22 - 06/30/22
HIAWATHA COMMUNITY SCHOOL - HOWE CAMPUS	Newsela ELA	01/01/22 - 06/30/22
HIAWATHA COMMUNITY SCHOOL - HOWE CAMPUS	Newsela Social Studies	01/01/22 - 06/30/22
JENNY LIND ELEMENTARY	Newsela ELA	01/01/22 - 06/30/22
JENNY LIND ELEMENTARY	Newsela Social Studies	01/01/22 - 06/30/22
KENWOOD ELEMENTARY	Newsela ELA	01/01/22 - 06/30/22
KENWOOD ELEMENTARY	Newsela Social Studies	01/01/22 - 06/30/22
LAKE HARRIET LOWER COMMUNITY SCHOOL	Newsela ELA	01/01/22 - 06/30/22
LAKE HARRIET LOWER COMMUNITY SCHOOL	Newsela Social Studies	01/01/22 - 06/30/22
LAKE HARRIET COMMUNITY UPPER	Newsela ELA	01/01/22 - 06/30/22
LAKE HARRIET COMMUNITY UPPER	Newsela Social Studies	01/01/22 - 06/30/22
LAKE NOKOMIS WENONAH EL	Newsela ELA	01/01/22 - 06/30/22
LAKE NOKOMIS WENONAH EL	Newsela Social Studies	01/01/22 - 06/30/22
LORING ELEMENTARY	Newsela ELA	01/01/22 - 06/30/22
LORING ELEMENTARY	Newsela Social Studies	01/01/22 - 06/30/22
LUCY LANEY @ CLEVELAND PARK ELEMENTARY SCHOOL	Newsela ELA	01/01/22 - 06/30/22
LUCY LANEY @ CLEVELAND PARK ELEMENTARY SCHOOL	Newsela Social Studies	01/01/22 - 06/30/22
LYNDALE ELEMENTARY	Newsela ELA	01/01/22 - 06/30/22
LYNDALE ELEMENTARY	Newsela Social Studies	01/01/22 - 06/30/22
MARCY OPEN	Newsela ELA	01/01/22 - 06/30/22
MARCY OPEN	Newsela Social Studies	01/01/22 - 06/30/22
MPS ONLINE	Newsela ELA	01/01/22 - 06/30/22
MPS ONLINE	Newsela Social Studies	01/01/22 - 06/30/22
NELLIE STONE JOHNSON ELEMENTARY	Newsela ELA	01/01/22 - 06/30/22
NELLIE STONE JOHNSON ELEMENTARY	Newsela Social Studies	01/01/22 - 06/30/22

Updated January, 2020

NORTH COMMUNITY HS	Newsela ELA	01/01/22 - 06/30/22
NORTH COMMUNITY HS	Newsela Social Studies	01/01/22 - 06/30/22
OLSON MIDDLE	Newsela ELA	01/01/22 - 06/30/22
OLSON MIDDLE	Newsela Social Studies	01/01/22 - 06/30/22
PILLSBURY ELEMENTARY	Newsela ELA	01/01/22 - 06/30/22
PILLSBURY ELEMENTARY	Newsela Social Studies	01/01/22 - 06/30/22
PRATT ELEMENTARY	Newsela ELA	01/01/22 - 06/30/22
PRATT ELEMENTARY	Newsela Social Studies	01/01/22 - 06/30/22
RIVER BEND EDUCATIONAL CENTER	Newsela ELA	01/01/22 - 06/30/22
RIVER BEND EDUCATIONAL CENTER	Newsela Social Studies	01/01/22 - 06/30/22
SANFORD MIDDLE	Newsela ELA	01/01/22 - 06/30/22
SANFORD MIDDLE	Newsela Social Studies	01/01/22 - 06/30/22
SHERIDAN ARTS MAGNET	Newsela ELA	01/01/22 - 06/30/22
SHERIDAN ARTS MAGNET	Newsela Social Studies	01/01/22 - 06/30/22
SOUTH HIGH	Newsela ELA	01/01/22 - 06/30/22
SOUTH HIGH	Newsela Social Studies	01/01/22 - 06/30/22
SOUTHWEST HIGH	Newsela ELA	01/01/22 - 06/30/22
SOUTHWEST HIGH	Newsela Social Studies	01/01/22 - 06/30/22
STADIUM VIEW	Newsela ELA	01/01/22 - 06/30/22
STADIUM VIEW	Newsela Social Studies	01/01/22 - 06/30/22
EDISON HIGH	Newsela ELA	01/01/22 - 06/30/22
EDISON HIGH	Newsela Social Studies	01/01/22 - 06/30/22
WAITE PARK ELEMENTARY	Newsela ELA	01/01/22 - 06/30/22
WAITE PARK ELEMENTARY	Newsela Social Studies	01/01/22 - 06/30/22
WASHBURN HIGH	Newsela ELA	01/01/22 - 06/30/22
WASHBURN HIGH	Newsela Social Studies	01/01/22 - 06/30/22
WEBSTER ELEMENTARY	Newsela ELA	01/01/22 - 06/30/22
WEBSTER ELEMENTARY	Newsela Social Studies	01/01/22 - 06/30/22
WINDOM DUAL IMMERSION SCHOOL	Newsela Social Studies	01/01/22 - 06/30/22



MINNEAPOLIS  
PUBLIC SCHOOLS

Urban Education. Global Citizens.

## **CONTRACT FOR GOODS – above \$50,000**

This Contract is entered into between Special School District No. 1, “District”, a special school district created and existing under the laws of Minnesota, and NowMicro Inc “Contractor” (collectively “parties”) to provide 680 Chromebooks to be used by students at Adult Education – South Campus at Center for Adult Learning.

### **1 TERM OF CONTRACT**

- 1.1 This Contract is effective on December 14, 2021 or the date of the last signature of the parties, whichever is later, and shall remain in effect until June 30, 2022, or until all obligations set forth in this Contract have been satisfactorily fulfilled, or the Contract has been terminated, whichever occurs first. Contractor shall have a continuing obligation, after said Contract period, to comply with any provision of this Contract intended for District’s protection or benefit, or that that by its sense and context, is intended to survive the completion, expiration or termination of this Contract.
- 1.2 Contractor understands that **NO WORK SHOULD BEGIN UNDER THIS CONTRACT** until all required signatures on this Contract have been obtained and the Contract has been authorized and/or approved by the District’s Board. Any work performed by Contractor prior to such time shall be considered as having been performed at Contractor’s OWN RISK and as a volunteer.

### **2 SCOPE OF WORK**

- 2.1 Contractor shall perform all of the services/delivery of goods set forth herein and any exhibits attached hereto as **Exhibit A** (“Scope of Work”). Contractor understands that time is of the essence in this Contract and agrees to meet all milestones indicated in this section, in the Contract herein and any exhibits attached hereto.

### 3 CONSIDERATION AND TERMS OF PAYMENT

The consideration for all services (and goods if any) performed or supplied by Contractor under this Contract shall be paid by District as described below.

#### 3.1 *Total Obligation*

District's total obligation to Contractor/Vendor under this Contract, including compensation for goods, and/or services, and reimbursable expenses (if applicable), shall not exceed \$151,640.00. Contractor/Vendor shall not receive any additional reimbursement for materials or subsistence expenses incurred in the performance of this Contract.

#### 3.2 *Frequency of Invoicing and Terms of Payment*

Subject to the conditions herein, payment shall be made by District within thirty (30) days upon receipt of Contractor's invoice for goods delivered or services rendered pursuant to this Contract. The Contractor's standard invoice shall be submitted after satisfactory completion of services on a monthly basis. District has no obligation to pay for services that are not satisfactorily performed or performed in violation of federal, state or local law, ordinance, rule or regulation. In the case of a dispute about satisfactory performance of services, the parties agree to work in good faith to resolve any disputes. If either party does not dispute an invoice in writing within 180 days of receipt of the invoice, no action challenging the invoice may be taken.

As applicable, for all agreed upon work performed by Contractor or Contractor's personnel in the provision of goods and/or services stipulated herein, District shall pay Contractor at the hourly or per diem rates as set forth in the applicable **Exhibit B**. Payment shall be made to Contractor based on the hours recorded provided such hours are in accordance with the terms of this Contract. Notwithstanding anything to the contrary, and without limitation, District has not promised or guaranteed any minimum amount of work, and Contractor understands and acknowledges same. District has no obligation to pay for overtime or holiday work, nor will it pay premiums for overtime and holidays.

#### 3.3 *Taxes.*

District is exempt from paying Minnesota sales and use taxes on certain purchases, as provided in Minnesota Statute, Section 297A.70. Contractor shall not charge District for such sales and use taxes. Alternatively, Contractor shall be responsible for the payment of any and all sales taxes to the Minnesota Department of Revenue relating to the following taxable items sold pursuant to this Contract; construction materials, leasing of motor vehicles, food and lodging, [See Minnesota Statute 297A.70]. Contractor shall promptly reimburse District for any and all such sales and use taxes paid by District to any governmental authority on behalf of Contractor including penalties and interest with

respect thereto, and including any and all expenses (including attorneys' fees) or damages that result from a failure by Contractor to properly remit or reimburse District for any and all such sales and use taxes provided above.

District may be obligated by state and federal law to withhold state and federal taxes from the consideration stated herein. These taxes may consist of, but are not limited to, the Minnesota state entertainer tax, Minnesota state nonresident withholding tax, federal withholding on payments to foreign nonresident aliens, and federal backup withholding.

#### **4 INSPECTION OF GOODS & REJECTION**

4.1 Buyer is entitled to inspect the Goods upon delivery. If the Goods are unacceptable for any reason, Buyer must reject them at the time of delivery up to ten (10) business days from the date of delivery. If Buyer has not rejected the Goods within ten (10) business days from the date of delivery, Buyer shall have waived any right to reject that specific delivery of Goods.

4.2 In the event Buyer rejects the Goods, Buyer shall allow Seller a reasonable time to cure the deficiency. A reasonable time period shall be determined by industry standards for the Goods, as well as the Seller and Buyer.

#### **5 RISK OF LOSS**

5.1 Risk of loss will be on the Seller until the time when the Buyer accepts delivery. Seller shall maintain any and all necessary insurance in order to insure the Goods against loss at Seller's own expense.

#### **6 TITLE**

6.1 Title to the Goods will remain with the Seller until Buyer accepts delivery.

#### **7 FORCE MAJEURE**

7.1 Non-delivery or default of this Agreement due to labor disputes, transportation shortage, delay or shortage of materials to produce the Goods, fires, accidents, Acts of God, or any other causes outside of Seller's control shall be notified to Buyer immediately upon realization that it will not be able to deliver the Goods as promised. Either Party may terminate this Agreement upon such notice.

## 8 GENERAL TERMS AND CONDITIONS

8.1 The terms and conditions contained in this Contract shall govern and shall take precedence over any different or additional terms and conditions which Contractor may have included in any documents attached to or accompanying this Contract. Any handwritten changes on the face of this document shall be ignored and have no legal effect unless initialed by all parties. If this Agreement was made pursuant to a Request for Proposal (RFP) or Request for Information (RFI), the following order of precedence shall apply: (1) this Contract and its Exhibits, (2) District's RFP or RFI, and (3) Contractor's Response to District's RFP or RFI.

## 9 AFFIRMATIVE ACTION, EQUAL EMPLOYMENT OPPORTUNITY

9.1 The District is committed to the policy that all persons shall have equal access to its programs, facilities, and employment without regard to race, color, creed, religion, sex, national origin, age, marital status, disability, public assistance status, veteran status, or sexual orientation and is committed to transacting business only with firms who follow these practices. Contractor must apply every good faith effort to ensure implementation of this policy in their practices of employment, upgrade, demotion or transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. As applicable, Contractor shall also develop and have on file for each of its establishments, written Affirmative Action Plans, as may be required by the rules and regulations of the Secretary of Labor. If applicable, Contractor certifies that it has received a certificate of compliance from the Minnesota Commissioner of Human Rights for its affirmative action plan. By accepting this Contract, Contractor certifies that it complies with all applicable federal and state laws as well as District policies related to non-discrimination, equal employment opportunity, and affirmative action.

## 10 DATA PRIVACY

10.1 Contractor agrees that any information it creates, collects, receives, stores, uses, or disseminates during the course of its performance, which concerns the personal, financial, or other affairs of the District, its Board, officers, employees or students shall be kept confidential and in conformance with all state and federal laws relating to data privacy, including, without limitation, the Minnesota Government Data Practices Act, Minnesota Statute, Chapter 13. Contractor must comply with any applicable requirements as if it were a governmental entity. The remedies in Minn. Stat. § 13.08 apply to the Contractor. The Contractor will report immediately to the District any requests from third parties for information related to this Contract. The District will respond to such data requests. All subcontracts, if allowed, shall contain the same or similar data practices compliance requirements.

## **11 USE OF DISTRICT NAME OR LOGO**

11.1 Contractor agrees not to use the name, logo, or any other marks (including, but not limited to, colors and music) owned by or associated with the District or the name of any representative of the District in any sales promotion work or advertising, or any form of publicity, without the written permission of the District.

## **12 INDEPENDENT CONTRACTOR**

12.1 Contractor shall perform its duties hereunder as an independent contractor and not as an employee of the District. Neither Contractor nor any agent or employee of Contractor shall be or shall be deemed to be an agent or employee of the District. Contractor shall pay when due all required employment taxes and income tax withholding, including all federal and state income tax on any monies paid pursuant to this Contract. Contractor acknowledges that Contractor and its employees are not entitled to tax withholding, worker's compensation, unemployment compensation, or any employee benefits, statutory or otherwise. Contractor shall have no authorization, express or implied, to bind District to any agreements, liability, or understanding except as expressly set forth herein. Contractor shall be solely responsible for the acts of Contractor, its employees and agents.

12.2 Contractor shall hold District completely harmless from and against any such contributions, premiums and taxes described above and from all claims and liability pertaining to those or any other item for which Contractor is responsible under this Contract, and from all attorney's fees and other costs incurred by District in contesting or defending against any responsibility therefore which is asserted against District.

## **13 WORKER HEALTH, SAFETY AND TRAINING**

13.1 Contractor shall be solely responsible for the health and safety of its employees and/or self in connection with the work performed under this Contract. Contractor shall make arrangements to ensure the health and safety of all subagents and other persons who may perform work in connection to this Contract. Contractor shall ensure all personnel, subagents and/or self are properly trained and supervised and, when applicable, duly licensed or certified appropriate to the tasks performed under this Contract. Contractor shall comply with federal, state and local occupational safety and health standards, regulations, and rules promulgated pursuant to the Occupational Health and Safety Act that are applicable to the work performed by Contractor. Contractor shall develop and implement an emergency plan and procedures to follow in emergencies.

## **14 BUREAU OF CITIZENSHIP & IMMIGRATION SERVICES REQUIREMENTS**

14.1 Contractor shall comply with all applicable requirements of the BCIS relating to employment including but not limited to confirming nationality for all employees and complying with requirements for employing aliens if appropriate.

## 15 INSURANCE

- 15.1 At all times during its performance under this Contract, Contractor shall obtain and keep in force comprehensive general liability insurance, including coverage for death, bodily or personal injury, property damage, liability and automobile coverages, with limits of not less than \$1,500,000 each claim and \$1,500,000 each occurrence covering claims that arise out of its acts and operations in providing services to the District or at limits established for a municipal corporation by Minnesota Statute Section 466.04. All such certificates evidencing such insurance shall name District as additional insured. Contractor may meet the limits above \$1,000,000 per occurrence through umbrella or excess coverage.
- 15.2 Contractor represents that it has worker's compensation insurance to the extent required by law and agrees to furnish proof of such insurance for worker's compensation and the liability insurance, upon request. Contractor also represents that it has professional liability insurance with limits of not less than \$1,500,000 each claim and \$1,500,000 each occurrence covering claims that arise out of its acts and operations in providing services to the District, but shall not name the District as an additional insured to the coverage.
- 15.3 Contractor shall provide all such certificates to District. Contractor shall not cancel or revise any insurance coverage required by this section during the term of this Contract, and shall require its insurer to mail the District a notice if the coverage is cancelled or revised.

## 16 INDEMNIFICATION

- 16.1 Contractor agrees to release, defend, indemnify, and hold harmless District, its board, officers, students, employees, and agents from all liability, injuries, claims, damages (including claims of bodily injury, property damage, or negligence), or loss, including costs, expenses, and attorneys' fees, which arise in connection with, in relation to, or as a result of Contractor's negligent acts or omissions or in connection with Contractor's breach of warranties. The foregoing agreement to release, defend, indemnify and hold harmless shall not apply to the extent such liability, injuries, claims, damages, or loss was caused by the intentional, willful, or wanton acts of District. Contractor shall not settle or compromise any claim in which the District has been named a party and for which Contractor must indemnify the District without a signed agreement approved by the District.

## 17 LIMITATION ON LIABILITY

- 17.1 In no event shall the District be liable for any indirect, consequential, incidental, lost profits or like expectancy damages arising out of the Contract. District's maximum obligation under this Contract shall not exceed the amount set forth herein.

## 18 CONFLICT OF INTEREST/CODE OF ETHICS

18.1 Contractor agrees that it will not represent any other party or client which may create a conflict of interest in its representation with the District. Contractor agrees to be bound by the District's Code of Ethics. In particular, Contractor: (i) certifies that it has not paid kickbacks directly or indirectly to any District employee for the purpose of obtaining this or any other District Contract; (ii) agrees to cooperate fully with any investigation involving a possible violation; and (iii) agrees to report any suspected violations to the District. Contractor certifies that it has provided no fees, gifts, gratuities, compensation, or anything of value in violation any applicable laws or District policies.

## 19 COMPLIANCE WITH LAWS AND DEBARMENT

19.1 Contractor certifies that all goods or services furnished under this Contract shall comply with all applicable federal, state, and local laws and regulations, as well as District policies and procedures, regardless of whether such laws and regulations are specifically set forth in this Contract. Contractor represents that it is not currently debarred or suspended by any federal agency from doing business with the federal or state government. Contractor shall notify District if it becomes debarred or suspended during the term of this Contract. District may immediately terminate this Contract in the event of such termination or suspension and Contractor shall be responsible for any costs incurred by District in connection therewith.

## 20 TERMINATION

20.1 The District and/or Contractor may terminate this Contract at any time without cause, upon thirty (30) days written notice to the other Party. In the event of such termination, Contractor shall be entitled to payment, calculated on a pro rata or other equitable basis, determined by District in its sole discretion, for work or services satisfactorily performed. In no event shall Contractor be paid for work performed or costs incurred after termination, or for costs incurred by suppliers or subcontractors which reasonably could have been avoided.

20.2 District may terminate this Contract in whole or in part for cause upon seven (7) days written notice if Contractor fails to comply with any material term or condition of this Contract, becomes insolvent or files for bankruptcy protection, or fails to comply in a material way with the requirements of this Contract. Late delivery of goods or services, or delivery of goods or services that are defective or do not conform to the Contract shall, without limitation, be causes allowing District to terminate for cause. If a determination is made that District improperly terminated this Contract for Cause, then such termination shall be deemed to have been for without cause.

20.3 Notwithstanding the above, Contractor shall not be relieved of liability to the District for damages sustained by the District as a result of any breach of this Contract by the contractor. The District, may, in such event, withhold payments due to the Contractor for the purpose of set-off until such time as the exact amount of damages due to the District

is determined. The rights or remedies provided here shall not limit the District, in case of any default, error or omissions, by the Contractor, from asserting any other right or remedy allowed by law. Nothing in this Contract shall be construed as a waiver of any right, remedy, liability limit or immunity of the District under law.

## **21 RETURN OF DATA**

21.1 Within fifteen (15) days of the completion or earlier termination of this Contract, or upon earlier request of the District, Contractor shall return all documents, data and other information provided by the District to Contractor, or Contractor's employees or agents in connection with this Contract. Additionally, Contractor, upon the request of the District, shall destroy all copies of such District provided data, documents, or information in Contractor's possession or control, and provide District with proof of such destruction.

## **22 RECORDS MANAGEMENT AND MAINTENANCE**

22.1 District shall have the right to inspect and copy such books, records, and documents (in whatever medium they exist) as well as all accounting procedures and practices of Contractor, its agents, and subcontractors to verify Contractor's performance and all expenses submitted pursuant to the terms of this Contract. Contractor shall make such items available for inspection during normal business hours at Contractor's place of business. Such records may be subject to copy, review and/or audit by District, State Auditor and/or the Comptroller General of the United States, or a duly authorized representative, if federal funds are used for any work under this Contract. All such items shall be retained by Contractor during the term of this Contract and for a period of six (6) years after the delivery of the goods and/or services. Any items relating to a claim arising out of the performance of this Contract shall be retained by Contractor, its agents and subcontractors, if any, until the claim has been resolved.

## **23 NOTICES/ADMINISTRATION**

Except as otherwise provided in this Contract, all notices, requests and other communications that a party is required or elects to deliver shall be in writing and shall be delivered personally, or by facsimile or electronic mail (provided such delivery is confirmed), or by a recognized overnight courier service or by United States mail, first-class, certified or registered, postage prepaid, return receipt requested, to the other parties at the address set forth below or to such other address as such party may designate by notice given pursuant to this section.

### **Special School District No. 1**

Division: Community Education

Attn: Aviva Hillenbrand

1250 W Broadway

Minneapolis, MN 55411

Email: [Aviva.Hillenbrand@mpls.k12.mn.us](mailto:Aviva.Hillenbrand@mpls.k12.mn.us)



1250 West Broadway Ave. Minneapolis, MN 55411-2533

Phone: 612.668.0000

[www.mpls.k12.mn.us](http://www.mpls.k12.mn.us)

SRM: 4400001242

Page | 8

## CONTRACTOR

NAME: NowMicro Inc

Address: 1645 Energy Park Drive, Suite 100 St Paul MN 55108

Phone: 651-393-2132

Email: orders@nowmicro.com

## ACKNOWLEDGMENT

23.1 In signing, Contractor certifies under penalties of perjury (see Section 6109 of the IRS Code for further penalties) that: (1) the taxpayer ID number (TIN) provided to District is correct; (2) it is not subject to back up withholding because (a) it is exempt from such withholding, (b) it has not been notified by the IRS that it is subject to backup withholding as a failure to report all interest or dividends, or (c) the IRS has notified it that it is no longer subject to backup withholding; (3) it is a U.S. person (including a U.S. resident alien); and (4) it has full authority to execute this Contract and perform its obligation under this Contract. Contractor must cross out and initial item (2) and notify District in writing, if Contractor has been notified by the IRS that it is currently subject to backup withholding because of under reporting interest or dividends on its tax return. Contractor must cross out item (3) above if it is not a U.S person for tax purposes or U.S. resident alien.

23.2 Notwithstanding this certification, Contractor hereby acknowledges that District has the right to withhold amounts for federal backup withholding if such withholding is required by written notice from the Internal Revenue Service issued subsequent to the date this Contract is executed.

## 24 NON-WAIVER

24.1 No waiver by any party of any default or nonperformance shall be deemed a waiver of any subsequent default or nonperformance.

## 25 ASSIGNMENT

25.1 Contractor may not assign any obligations of this Contract without the prior written consent of District. In the event of any assignment, Contractor shall remain responsible for its performance and that of any assignee under this Contract. This Contract shall be binding upon Contractor, and its successors and assigns, if any. Any assignment attempted to be made in violation of this Contract shall be void. Notwithstanding any notice of assignment, District's tender of payment to Contractor named herein, or to any person reasonably believed by District to be entitled to payment, shall satisfy District's obligation to pay, and in no event shall District be obligated to pay twice or be liable for any damages due to failure to pay the correct party.



1250 West Broadway Ave. Minneapolis, MN 55411-2533

Phone: 612.668.0000

[www.mpls.k12.mn.us](http://www.mpls.k12.mn.us)

SRM: 4400001242

Page | 9

## **26 CHOICE OF LAW, FORUM SELECTION, ENTIRE CONTRACT AND AMENDMENT**

26.1 This Contract shall be construed under Minnesota law (without regard for choice of law considerations). Any action arising out of this Contract shall be heard by a state court in Minnesota. For this purpose, Contractor specifically consents to jurisdiction in Minnesota. This Contract constitutes the entire Contract and understanding of the parties and replaces any prior or contemporaneous agreement, whether written or oral. Any amendments to this Contract shall be in writing and executed by same parties who executed the original Contract, or their successors in office.

## **27 WARRANTY**

27.1 Contractor expressly warrants and guarantees that the services performed under this Contract will be of the highest professional standards and quality. Contractor further represents that all services and goods (if any and as applicable) provided under this Contract: (i) are free from defects in material and workmanship; (ii) are of the quality, size and dimensions ordered; (iii) are fit for the particular needs and purposes of District as may be communicated to Contractor; (iv) comply with the highest warranties and representations expressed by Contractor orally or in any written document provided to or in the possession of District; (v) comply with all applicable laws, codes and regulations (including any published by any national or statewide association or groups); and (vi) are not restricted in any way by patents, copyrights, trade secrets, or any other rights of third parties. If any of the foregoing warranties are breached, Contractor agrees to correct all defects and nonconformities at Contractor's sole expense, to be liable for all direct damages suffered District and any other persons, and to defend, indemnify, and hold harmless District and its Board, officers, students, employees, and agents from any claim asserted by any person resulting in whole or in part from such breach. The foregoing warranties and guarantees shall not be deemed waived by reason of the acceptance of the goods or services or payment by District.

## **28 SEVERABILITY**

28.1 If any provision of this Contract shall be invalid or unenforceable with respect to any party, the remainder of the Contract, or the application of such provision to persons other than those as to which it is held invalid or unenforceable, shall not be affected and each provision of the remainder of the Contract shall be valid and be enforceable to the fullest extent permitted by law.

## **29 SURVIVABILITY**

29.1 The terms, provisions, representations, and warranties contained in this Contract that by their sense and context are intended to survive the performance thereof by any of the parties hereunder shall so survive the completion of performance and termination of this Contract, including the making of any and all payments hereunder.

**SPECIAL SCHOOL DISTRICT NO. 1**

Signature: \_\_\_\_\_

Name: Dr. Aimee Fearing  
(Printed)

Title: Senior Academic Officer

Date: \_\_\_\_\_

**CONTRACTOR NAME**

Signature: \_\_\_\_\_

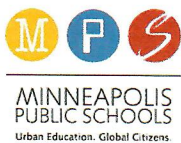
Name: Click or tap here to enter text.  
(Printed)

*Marty Linden*

Title: Click or tap here to enter text.

*V.P. Sales*

Date: 12/7/2021



1250 West Broadway Ave. Minneapolis, MN 55411-2533  
Phone: 612.668.0000  
[www.mpls.k12.mn.us](http://www.mpls.k12.mn.us)  
SRM: 4400001242

## EXHIBIT A: SCOPE OF WORK

### *Deliverables:*

680 Chromebooks for student use in classrooms at Center for Adult Learning. Chromebooks will be set up by by NowMicro prior to delivery and labeled with MPS asset tags for cataloguing purposes.

### *Service Outcome:*

Equitable access to technology and online learning platforms for all students participating in in-person learning.

### *Method of Evaluation*

Completed delivery and distribution of 680 Chromebooks

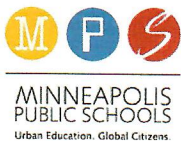
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## EXHIBIT B: PAYMENT TERMS

If there are exhibits to describe the payment terms:

Click or tap here to enter text.

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1250 West Broadway Ave. Minneapolis, MN 55411-2533

Phone: 612.668.0000

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Page | 14

SPECIAL SCHOOL DISTRICT NO. 1  
Board of Education

December 14, 2021

**Resolution Supporting the City of Minneapolis' application for the Safe Routes to School (SRTS) Infrastructure grant program**

**WHEREAS:** the Minnesota Department of Transportation (MnDOT) SRTS Program assists schools and communities by making it so youth in Minnesota can safely, confidently, and conveniently walk, bike, and roll to school and in daily life; and

**WHEREAS:** the MnDOT SRTS Program solicits applications to enable school and communities to construct infrastructure improvements near schools that improve conditions for walking and biking; and

**WHEREAS:** the Minneapolis Public Works Department plans to apply through the SRTS Infrastructure grant program for funding to make improvements for biking and walking near Andersen Middle School; and

**WHEREAS:** MPS' 2017 Safe Routes to School Strategic Action Plan calls for funding infrastructure improvements using outside grant funding; and

**WHEREAS:** no local match funding is required; and

**WHEREAS:** all applications must include a school board resolution in support of the project.

**NOW, THEREFORE, BE IT RESOLVED**

1. That Minneapolis Public Schools Board supports the proposed project near Andersen Middle School and supports the City of Minneapolis' grant application through MnDOT's SRTS Infrastructure grant program.
2. That Minneapolis Public Schools Board acknowledges that no local funding match is required and no funding is currently committed to this project.

Adopted and approved at a duly called meeting, this 14<sup>th</sup> day of December 2021.

\_\_\_\_\_  
Kim Ellison  
Board of Education Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
Josh Pauly  
Board of Education Clerk

\_\_\_\_\_  
Date

2021-0058

SPECIAL SCHOOL DISTRICT NO. 1  
Board of Education

December 14, 2021

**Resolution Regarding Receipt of Fiscal Year 2021 Audit**

**WHEREAS:** in accordance with legal requirements, an independent financial audit of Special School District No. 1 was conducted by BerganKDV; and

**WHEREAS:** the Board's Audit Committee has reviewed the audit findings and recommendations.

**NOW, THEREFORE, BE IT RESOLVED,** that the Board of Directors of Special School District No. 1 hereby affirms receipt of the FY2021 audit.

Signed by:

\_\_\_\_\_  
Kim Ellison  
Board of Education Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
Josh Pauly  
Board of Education Clerk

\_\_\_\_\_  
Date

**ROOFTOP ANTENNA LEASE BETWEEN**  
**MINNEAPOLIS PUBLIC SCHOOLS, SPECIAL SCHOOL DISTRICT NUMBER 1**  
**(“Lessor”) AND PC’S FOR PEOPLE MINNESOTA, LLC (“Lessee”)**

THIS SITE LEASE AGREEMENT (“Lease”), made this **4th** day of **October, 2021**, by and between the **Minneapolis Public School District, Special School District No. 1**, a special school district created and existing under Minnesota law (the “District” or “Landlord”), and **PCs for People Minnesota, LLC**, an organization and existing under the laws of Minnesota (“Tenant”, and collectively with Landlord, the “Parties”).

WHEREAS, Landlord is the record owner of a certain parcel of real property located in the State of Minnesota, County of Hennepin, City of Minneapolis commonly known as John B. Davis Education Service Center, 1250 W. Broadway Ave. Minneapolis, MN 55411, and legally described in Exhibit A (the “Property”). The Property includes a District property building (the “Building”) and surrounding real property.

Tenant desires to use a portion of the Property in connection with (its federally listed telecommunications business), and Landlord desires to grant Tenant the right to use such portion of the Property in accordance with the terms of this Lease.

NOW THEREFORE IT IS AGREED AS FOLLOWS:

1. **Leased Premises.** Landlord hereby leases to the Tenant a portion Property, together with access and utility easements which shall be known as the “Leased Premises,” and includes:
  - a) Non-exclusive use of the rooftop of the Property;
  - b) Adequate, nominal space in the Property as agreed by the Parties.
2. **Term; Termination.** The “Initial Term” of this Lease Agreement shall be for three (3) years commencing on the date of execution of this Agreement. This Lease shall automatically renew for successive three-year periods (“Renewal Term”, collectively with the Initial Term, the “Term), unless either party sends written notice of non-renewal no later than 90 days prior the expiry of the Term.
3. **Rental.** The Parties agree that the Tenant’s use of the Leased Premises is rent-free in order to facilitate services to Landlords tenants and community.
4. **Tenant’s Use.**
  - a) **Purpose.** Tenant shall use the Leased Premises only for the purpose of inspecting, maintaining, replacing, and repairing communications antenna, dish and related equipment, and uses incidental thereto for providing radio and wireless telecommunication services which Tenant is legally authorized to provide. In connection therewith, Tenant may run through the Property and to the roof thereof, lines, conduits, cables, risers and any other lines and/or equipment necessary or desirable in connection with installing and operating the wireless

*cue*

telecommunication equipment including, but not limited to, a Microwave Antenna and Communications Dish, described in Exhibit B (the "Tenant Equipment").

- b) **Tenant Equipment.** Tenant shall be responsible, at its sole cost and expense, for installing, maintaining and repairing the Tenant Equipment, and shall procure and maintain all permits and licenses which are required by any governmental authority in connection therewith. Tenant shall at its sole cost and expense repair any damage caused to the Property by reason of the installation, maintenance, removal, and/or replacement of any Tenant Equipment. The Tenant Equipment shall be and remain Tenant's property and promptly shall be removed by Tenant upon the expiration or earlier termination of this Lease. Equipment shall not interfere with existing equipment on the premises. Including, but not limited to, the solar array, ventilation equipment and other equipment located on the roof. Should the roof require repair or replacement, the tenant shall remove the equipment for the repair or replacement at no cost to the District. District will provide 90 days' notice to tenant of request to relocate or remove equipment unless there is an emergency repair. Emergency repairs will be conducted to ensure building integrity and the tenant shall be notified after the emergency is resolved.
5. **Access.** Tenant, at all times during this Lease, shall have access to the Leased Premises in order to inspect, maintain, replace, and repair its Antenna Facilities. Tenant shall have access to the Structure only with the approval of the Landlord. Tenant shall request access to the Structure twenty-four (24) hours in advance except in an emergency where PCs for People will be able to have access from 7:00AM to 9:00PM Monday through Sunday, everyday of the year, and Landlord's approval thereof shall not be unreasonably withheld or delayed. To request access, Tenant shall call the District Operations Center at 612-668-0322 and request that District IT staff provide access.
6. **Conflicting Use.** In order to avoid interference, or potential interference, with the operation of Tenant's Equipment, Landlord agrees that it will not install or permit any other tenant of any building to install antennas, communications dishes or other equipment in or on the Property, without Tenant's prior consent. Which shall not be unreasonably withheld.
7. **Additional Maintenance Expenses.** Upon notice from Landlord, Tenant shall promptly pay to Landlord additional Landlord expenses incurred in maintaining the Leased Premises that are caused by Tenant's occupancy of the Leased Premises.
8. **Insurance.** Tenant shall, during the term of the lease, maintain property coverage on all personal property and fixtures owned by Tenant. Tenant acknowledges that Landlord is not responsible for insuring against the loss of Tenant's Equipment. Tenant shall also maintain single limit or combined limit general liability insurance policy of an amount not less than \$1,000,000 for each occurrence and \$2,000,000 aggregate.
9. **Indemnification.** Tenant shall hold Landlord harmless from and indemnify Landlord against any and all liability, damage, loss and expense arising or resulting from the acts or omissions or caused by Tenant or Tenant's employees, servants, agents, guests, assigns,

*CMC*

subtenants, visitors or licensees, in, upon or about the premises, the building or the adjacent areas, including all common areas or arising out of or related to the use and occupancy of the occupancy or the business or activity conducted with respect to the property, including but not limited to injuries to person or property. This indemnification clause specifically includes reasonable attorney's fees incurred by the Landlord, and Tenant shall reimburse Landlord for attorney's fees as incurred and not only at the termination of the litigation or other dispute necessitating the retention of attorney by Landlord.

10. **Maintenance.** Tenant shall, at Tenants sole cost and expense, maintain the Premises in good order and repair and in a clean, safe and sanitary condition throughout the Lease term.
11. **Site Restoration.** In the event that this Lease is terminated or not renewed, Tenant shall have 60 days from the termination or expiration date to remove Tenant's Equipment from the Leased Premises, repair the site and restore the surface of the roof to the extent required. In the event that Tenant's Equipment is not removed to the reasonable satisfaction of the Landlord, they shall be deemed abandoned and become the property of the Landlord and Tenant shall have no further rights thereto.
12. **Assignment.** This Lease may not be sold, assigned, or transferred by Tenant without the written consent of the Landlord, such consent not to be unreasonably withheld.
13. **Miscellaneous Provisions.** (a) Landlord warrants that it has full right, power, and authority to execute this agreement. Landlord covenants that Tenants, in paying rent and performing the covenants by it herein made, shall and may peacefully and quietly have, hold, and enjoy the Leased Premises. (b) The provisions of this Lease shall bind and inure to the benefit of the Parties hereto and their heirs, legal representatives, successors and assigns. (c) This Lease contains the entire agreement of the Parties with respect to any matter mentioned herein and supersedes any prior oral or written agreements. (d) This Lease may be amended in writing only, signed by the Parties in interest at the time of such amendment. (e) No waiver by either party of any provision hereof shall be deemed a waiver of any other provision or of any prior or subsequent breach or any provision hereof. (f) If any term or provision of this Lease is held to be invalid or unenforceable, such invalidity or unenforceability shall not be construed to affect any other provision of this Lease, and the remaining provision shall be enforceable in accordance with their terms. (g) This agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. (h) Each party agrees that this Lease and any other documents to be delivered in connection herewith may be electronically signed. (i) This Lease may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.
14. **Notices and Other Communications.** Every notice required by this Lease shall be delivered either by personal delivery, or by postage prepaid return receipt requested certified mail addressed to the party for whom intended at the following addresses:

If to Landlord, to it at:

Minneapolis Public Schools, Real Estate Manager

1250 West Broadway

Minneapolis, MN 55411

With a copy to the General Counsel for Minneapolis Public Schools at the same address.

If to Tenant, to it at:

PCs for People Minnesota, LLC

2492 Doswell Avenue

Saint Paul, MN 55108

or at such other address as the intended recipient shall have designated by written notice.

IN WITNESS WHEREOF, the Parties have executed this Lease agreement as of the day and year first written above.

LANDLORD:

**Davis Center**

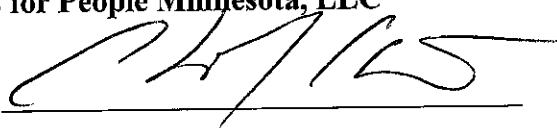
By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

TENANT:

**PCs for People Minnesota, LLC**

By:  \_\_\_\_\_

Name: Christopher M. Baird

Title: Managing Director

**Exhibit A**

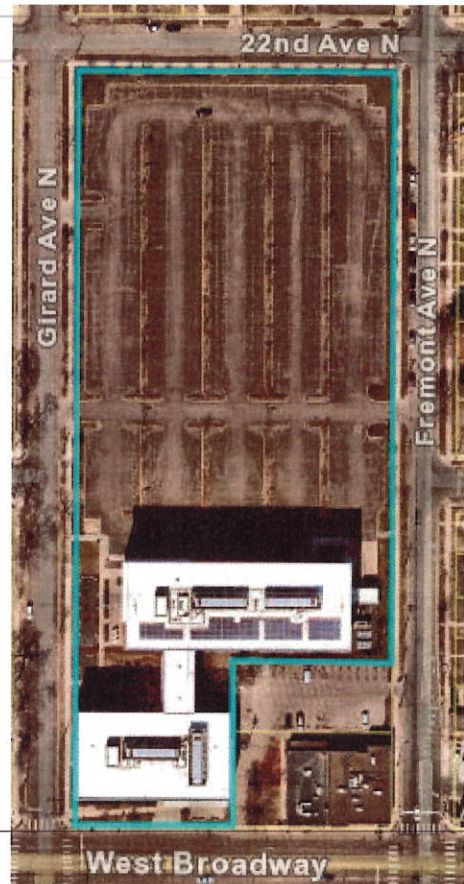
The Property

This lease only applies to the roof of the Davis Center

**PID: 1602924130170**

1250 West Broadway  
Minneapolis, MN 55411

Owner/Taxpayer	
Owner:	Special School District No 1
Taxpayer:	SPECIAL SCHOOL DISTRICT NO 1 1250 WEST BROADWAY AVE MINNEAPOLIS MN 55411
Tax Parcel	
Parcel Area:	5.3 acres 230,659 sq ft
Torrens/Abstract:	Both
Addition:	Educational Service Center Addn
Lot:	001
Block:	001
Metes & Bounds:	



**Exhibit B**

Tenant Equipment

2 ft. 12-Gauge Half Slotted Metal Framing Strut Channel - Silver Galvanized (11)  
2 in. Universal Strut Pipe Clamp - Silver Galvanized (9)  
2 in. x 10 ft. Black Steel Sch. 40 Pipe (3)  
2 in. Rigid Threaded Aluminum Conduit Body (3)  
2 in. Service Entrance (SE) Cap (3)  
CyberPower CP1000AVRLCD Intelligent LCD UPS System, 1000VA/600W (1)  
EZ-62b Single Outlet Remote Power IP Switch (1)  
Remote desktop / VPN tunnel  
Wall Mount Server Rack Network Cabinet 23.6"x17.7" (1)  
Baicells 436Q - LTE base station (5)  
Polyphaser (20)  
Transtector (5)  
Alpha antenna - 65 degree sector (4)  
KP antenna - 360 degree omnidirectional sector (1)  
Ubiquiti EdgeRouter 12 (1)  
AirFiber 24 (1)

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**SPECIAL SCHOOL DISTRICT NO. 1  
Board of Education**

December 14, 2021

**RESOLUTION TO APPROVE THE CERTIFICATION OF FINAL PROPERTY TAX  
LEVIES 2021 PAYABLE 2022**

**WHEREAS**, Minnesota School District school boards must adopt the final property tax levies no later than five working days after December 20 (effectively December 27) and

**WHEREAS**, the Board Finance Committee recommends a levy at the maximum allowed for 2021 Payable 2022.

**WHEREAS**, 2021 payable 2022 Levy Limitation and Certification managed by the Minnesota Department of Education (MDE) provides the form for certifying the proposed property tax levy to the County Auditor. The attached MDE levy certification form recommends a total final levy of \$240,691,537.86.

**WHEREAS**, the Senior Financial Officer recommends that the levy of \$240,691,537.86 be approved by the Board and communicated to the County and to the Minnesota Department of Education by the required deadlines.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** that the Board of Education, Special School District No. 1 certifies the recommended 2021 payable 2022 final property tax levy which totals \$240,691,537.86 and authorizes the signing and submittal of the Levy Limitation and Certification Report to the County and to the Minnesota Department of Education by the required deadlines.

Signed by:

\_\_\_\_\_  
Kim Ellison  
Board of Education Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
Josh Pauly  
Board of Education Clerk

\_\_\_\_\_  
Date

## Minneapolis Public Schools Property Tax Levy

Levy Description	2018	2019	% Change	2020	% Change	2021	% Change	2022	% Change
Transition Levy	6,798,712	7,092,654	4%	6,473,779	-9%	5,968,125	-8%	6,105,074	2%
Local Optional	15,498,726	16,057,813	4%	25,243,568	57%	23,893,574	-5%	23,824,219	0%
Equity	1,728,192	1,908,830	10%	1,807,414	-5%	1,262,418	-30%	1,505,703	19%
Operating Capital Levy	5,119,193	5,849,059	14%	6,228,057	6%	6,675,137	7%	7,954,939	19%
Alt Teacher Compensation	3,483,695	3,348,353	-4%	3,328,107	-1%	3,177,886	-5%	2,768,739	-13%
Adjustment - Other (Memo)	(565,124)	(239,563)	-58%	(1,031,824)	331%	(360,695)	-65%	565,328	-257%
Abatements & Advanced Abatements	693,864	1,031,627	49%	688,197	-33%	454,948	-34%	928,868	104%
Achievement & Integration Levy	5,844,358	3,924,922	-33%	4,212,192	7%	4,580,003	9%	3,209,505	-30%
Reemployment Insurance Levy	600,790	523,353	-13%	561,729	7%	241,032	-57%	1,116,022	363%
Leased Space Levy & Adj	686,067	327,232	-52%	140,769	-57%	95,290	-32%	431,549	353%
Long Term Facilities Maintenance	2,750,700	3,228,747	17%	1,327,948	-59%	5,306,399	300%	3,446,008	-35%
Safe Schools Levy	1,295,255	1,341,688	4%	1,258,018	-6%	1,193,185	-5%	1,114,046	-7%
Judgment Levy	646,550	712,954	10%	-	-100%	391,627	-	-	-100%
MPLS TRA & PERA/MERF Levy	7,088,400	7,088,400	0%	7,088,400	0%	7,088,400	0%	7,088,400	0%
Other Post Employment Benefits	3,194,029	3,336,489	4%	5,523,446	66%	2,548,413	-54%	2,953,972	16%
Career Technical	749,398	730,522	-3%	637,865	-13%	648,293	2%	844,188	30%
Referendum - Voter Approved	58,533,685	81,566,517	39%	65,447,803	-20%	59,626,350	-9%	64,481,288	8%
Referendum - Board Approved	(82,378)	(130,071)	58%	-	-100%	-	-	-	-
Referendum - Capital Project Levy	-	12,000,000	16%	13,916,463.11	16%	14,849,591.25	7%	15,677,757	6%
<b>General Fund Total</b>	<b>114,064,112</b>	<b>149,699,526</b>	<b>31%</b>	<b>142,851,932</b>	<b>-5%</b>	<b>137,639,976</b>	<b>-3.65%</b>	<b>144,015,606</b>	<b>4.63%</b>
Basic Community Education Levy	2,860,923	2,860,923	0%	2,860,923	0%	2,860,923	0%	2,959,399	3%
Early Childhood Family Levy	1,714,917	1,673,222	-2%	1,840,436	10%	1,780,932	-3%	1,817,862	2%
Handicapped Adults Levy	30,000	30,000	0%	30,000	0%	30,000	0%	30,000	0%
School-Age Care	536,121	856,797	60%	726,988	-15%	683,025	-6%	618,395	-9%
Home Visiting	73,425	76,679	4%	86,959	13%	84,046	-3%	86,277	3%
Abatement & Advanced Abatements	25,889	44,050	70%	22,727	-48%	14,484	-36%	29,289	102%
<b>Community Service Fund Total</b>	<b>5,241,275</b>	<b>5,541,672</b>	<b>6%</b>	<b>5,568,034</b>	<b>0%</b>	<b>5,453,410</b>	<b>-2.06%</b>	<b>5,541,222</b>	<b>1.61%</b>
General Debt Service Levy	80,750,517	79,062,789	-2%	82,348,704	4%	78,602,411	-5%	91,134,710	16%
Pension Bond Levy	2,347,663	2,373,525	1%	2,402,317	1%	2,346,188	-2%	-	-100%
<b>Debt Service Fund Total</b>	<b>83,098,180</b>	<b>81,436,314</b>	<b>-2%</b>	<b>84,751,020</b>	<b>4%</b>	<b>80,948,599</b>	<b>-4.49%</b>	<b>91,134,710</b>	<b>12.58%</b>
<b>Total Property Tax Levy</b>	<b>202,403,566</b>	<b>236,677,511</b>	<b>17%</b>	<b>233,170,987</b>	<b>-1%</b>	<b>224,041,985</b>	<b>-3.92%</b>	<b>240,691,538</b>	<b>7.43%</b>

Note: % change is calculated from the previous years levy.

SPECIAL SCHOOL DISTRICT NO. 1

Board of Education

December 14, 2021

**Authorizing a Memorandum of Agreement (MOA) with Metro Urban Indian Directors (MUID) Phillips Indian Educators (PIE)**

**WHEREAS:** This historic agreement between the Minneapolis Public School District and the American Indian Community of Minneapolis, represented by the Metropolitan Urban Indian Directors (MUID), and its member organizations, recognizes that educational failure has condemned generations of American Indian people to poverty and diminished life opportunities and that this failure must finally be put to an end; and

**WHEREAS:** This agreement also recognizes that the education of American Indian students is a responsibility shared by the federal government, state government, the Minneapolis School District, the broader American Indian community, and American Indian families, and that only through a joint commitment to work together with a focus on American Indian students' success will we succeed in overcoming this legacy of educational failure; and

**WHEREAS:** This agreement further recognizes that the education of American Indian children continues to present significant challenges to the school district due to the disconnect between American Indian cultural values and practices and western paradigms of education and that the wisdom and insights of American Indian educators and other American Indian community members are required to assist the district in meeting its educational responsibilities to American Indian students; and

**WHEREAS:** This is the fourth such agreement entered into by the Minneapolis Public Schools and the Minneapolis Urban Indian Directors.

**WHEREAS:** The intention of this renewed MOA is to build on the positive developments of collaborative partnership we have seen in the last 15 years and to create goals for continuous improvement that will result in significant gains in American Indian student outcomes.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors, Special School District No. 1 hereby agrees to the terms and conditions in the Memorandum of Agreement (2021-0059A) between Minneapolis Public Schools and Metro Urban Indian Directors and authorizes its Chair and Clerk to execute the agreement.

SPECIAL SCHOOL DISTRICT NO. 1  
Board of Education

Signed by:

\_\_\_\_\_  
Kim Ellison  
Board of Education Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
Josh Pauly  
Board of Education Clerk

\_\_\_\_\_  
Date

## **MEMORANDUM OF AGREEMENT**

Between

Minneapolis Public Schools

And

Metropolitan Urban Indian Directors

This historic MEMORANDUM OF AGREEMENT between the Minneapolis Public School District and the American Indian Community of Minneapolis, represented by the Metropolitan Urban Indian Directors (MUID), and its member organizations, recognizes that educational failure has condemned generations of American Indian people to poverty and diminished life opportunities and that this failure must finally be put to an end.

This agreement also recognizes that the education of American Indian students is a responsibility shared by the federal government, state government, the Minneapolis School District, the broader American Indian community, and American Indian families, and that only through a joint commitment to work together with a focus on American Indian students' success will we succeed in overcoming this legacy of educational failure. With the highest dropout rates and the lowest graduation rates of any group, it is not an overstatement to say that education of American Indian students in Minneapolis is in a state of crisis, and we are in imminent danger of losing yet another generation of children to the educational failures of the past.

This agreement further recognizes that the education of American Indian children continues to present significant challenges to the school district due to the disconnect between American Indian cultural values and practices and western paradigms of education and that the wisdom and insights of American Indian educators and other American Indian community members are required to assist the district in meeting its educational responsibilities to American Indian students.

This is the fourth such agreement entered into by the Minneapolis Public Schools and the Minneapolis Urban Indian Directors. The first agreement was signed in 2006, and was the first of its kind in the country. The second agreement was signed in 2012 and established the MOA as a perpetual agreement to be reviewed and updated every five years. The third was signed in 2016 with amendments in 2019 to add the middle school pathway sites after Anishinabe Academy was changed from a PreK-8 to a PreK-5 in the fall of 2018.

The MOA has been successful in increasing communication and collaboration between the partners, enhancing family engagement and professional development, and creating a greater sense of shared understanding. There has been incremental improvement in student achievement in some areas, but much more progress needs to be made. The intention of this renewed MOA is to build on the positive developments of collaborative partnership we have seen in the last 15 years and to create goals for continuous improvement that will result in significant gains in American Indian student outcomes. The

past year was unique due to the implementation of the CDD and the continued COVID19 pandemic. For these reasons we will be doing a full review within the first 2 years of this renewed MOA to identify adjustments that may need to be made. In this renewal there will also be the creation of an implementation plan by the end of July 2022.

THIS AGREEMENT is hereby made and entered into by the Minneapolis Public Schools, hereafter referred to as “MPS” and the Metropolitan Urban Indian Directors, hereinafter referred to as “MUID” and its member organizations who will partner to implement a more effective model of education based on best practices that will result in significant improvements in educational outcomes for American Indian students.

#### I. **SCOPE OF AGREEMENT**

THIS AGREEMENT is intended to improve the education of all American Indian students district wide and therefore will apply to the education of identified American Indian students in all schools under the oversight of the Minneapolis Public School Board. This includes regular public schools, community partnership schools, and schools contracted (CAP) by the Minneapolis Public Schools.

#### II. **DATE AND SCOPE**

THIS AGREEMENT will become effective as of January 1, 2022. The agreement is perpetual, to be reviewed annually and renewed by the partners every five years.

#### III. **TERMS OF AGREEMENT**

MPS will designate four (4) research-based American Indian Best Practice school sites with an emphasis on American Indian culture and language that are academically rigorous and culturally responsive. A Best Practice site for American Indian students requires not only an inclusion of cultural content within all curriculum, but a staff who understands how to teach culturally as well. Best Practices for American Indian students include holistically designed lessons that include kinesthetic learning, and place-based experiential curriculum that incorporates American Indian languages and that expands the concept of relationships well beyond human-to-human interaction. Examples are referenced in **Appendix A**.

The four named best practice sites are intended to demonstrate the integration of culture and academic rigor, and to provide examples for replication in other schools. The four Best Practice schools are identified as: Anishinabe Academy (preK-5); South High School All Nations (9-12); and two contract/alternative sites, Takoda Prep of AIOIC (9-12) and Na-way-ee Center School (7-12).

MPS will also designate four (4) American Indian Pathways school sites (2 middle and 2 high school). The four schools are identified as: Northeast Middle School (6-8) and Sanford Middle School (6-8), Edison High School (9-12) and South High School Open/Liberal Arts Programs (9-12). The intent of the pathways sites is to create opportunities for American Indian students in additional geographic areas of the district. These sites provide a pathway of language and culture offerings but are not as immersive into all curriculum as the best practice sites. Additional Best Practice or pathway sites may be identified and included based on negotiations by the parties involved in this agreement.

Each year, the District will guarantee pathway middle school placement of all current Anishinabe Academy fifth graders at whichever of the two American Indian Pathway Middle School sites corresponds to their home address, with district transportation provided. The District will also guarantee pathway of current 8th graders from the pathway middle schools to any best practice or pathway high schools, providing space is available.

a. Prior to school request time in February of each year, Anishinabe Academy, Northeast and Sanford staff, supported by the appropriate District departments, will collaborate to communicate both in person and by letter with the families of current fifth and eighth graders about the details of the automatic pathway within the MOA.

b. All Anishinabe Academy fifth graders will be assigned to one of the two American Indian Pathway sites (Northeast or Sanford) that correspond to their home address unless they choose otherwise.

c. All 8th grade students attending Sanford or Northeast will be assigned to one of the best practice or pathways sites that correspond with their home address unless they choose otherwise.

d. All other American Indian students placed into their community schools will have the option to select an American Indian Pathway or Best Practice school that corresponds to their home address through the school-choice process. There would be guaranteed transportation providing space is available at that school.

#### IV. COMPONENTS OF BEST PRACTICE AND PATHWAY SITES.

A. District led Best Practice & Pathway sites will be defined by the following:

- a. **Group participation:** Principal or designee from the Best Practice and Pathway sites will participate quarterly (at minimal) in the MUID education subgroup (Phillips Indian Educators, hereafter referred to as "PIE") to discuss their school site's implementation of strategies and goals within the MOA. PIE meetings are held two times a month.
- b. **Relationships and Cultural Contextualization:** Positive, culturally appropriate relationships are foundational components of an American Indian school/community. The value of student-student relationships and American Indian student achievement are recognized strategies to ensure success. These relationships will be actualized through the establishment of an American Indian student cohort and regularly designated space to support the social-emotional needs of students. Participation in American Indian cultural revitalization education is a choice that is made by students and families and should be honored as a choice throughout their education timespan.
- c. **American Indian Language:** The revitalization and maintenance of American Indian Language is essential to provide for a culturally contextualized learning environment. As such the continuation of language education, both revitalization and maintenance, is required as an offering at all Best Practice and Pathway schools. Dakota and Ojibwe languages will be given priority.

- d. **Transportation:** To honor our commitment to provide American Indian students access to the Best Practice and Pathway sites, students will be provided transportation to these sites by the District.
- e. **Professional Development:** Schools will partner with MPS American Indian Education Department as needed to continue to offer professional development for teachers and school staff. The lens encompassed is such that the learning is not linear but discovered through seeking understanding. Professional development opportunities will include pedagogy, subject and content specific lessons and integration of cultural contextualization of standards. The District's Professional Development office will consult with the Indian Education Department when planning district wide training to avoid conflict with training specific to the MOA.
- f. **Quarterly Meetings:** School site teams, specifically those working directly with students from both District and community programs, will commit the time needed to meet quarterly to review data and assess student progress in relationship to the goals identified in the MOA. The targeted outcome of the meeting is to identify interventions and opportunities to be implemented and connect students to resources as needed; for those either below and/or exceeding grade level standards.
- g. **Engagement:** Every School Site recognizes that family is a critical component to student success and will demonstrate this as a priority in the following ways:
  - i. School sites will designate a liaison to encourage American Indian family involvement to support student achievement and attendance.
  - ii. School Sites will identify strategies to welcome and engage American Indian families as outlined in their family engagement plan (FEP) within their School Improvement Plan (SIP).
- h. **Increasing Student Academic Outcomes:** All school sites, including Best Practice and Pathway sites, will align their goals with the MOA and include specific, individualized goals and strategies for each American Indian student attending their school to improve American Indian student outcomes district wide, at every school. School Improvement goals and strategies will be set in the fall, reviewed quarterly and will be presented annually to the district. In addition, the All Nations program will complete an annual Program Improvement Plan.

B. Additionally, Best Practices Sites will have the following:

- a. **Universal Instructional Practices Tool:** A universal instructional practice tool will be used for coaching and continuous improvement of teachers. The tool and process will be identified in the implementation plan.
- b. **Stable teaching force:** Positive, culturally appropriate relationships are essential components of a school community. There is direct connection between stable student-teacher relationships and American Indian student achievement, therefore all Best Practice and Pathway Sites will hire teachers through the Interview and Select process to ensure mutual consent and facilitate the best match possible of teachers and

sites or programs. Members of the American Indian community will be invited to participate on interview teams, ensuring community input into hiring decisions.

Teachers at Best Practice & Pathway sites will be asked to sign an agreement acknowledging the unique status of the sites and their commitment to the MOA and to the integration of cultural relevance and academic rigor. This agreement will be signed with their contract and collected by MPS Human Resource office. All staff will be given a copy of the MOA and will commit to attending an orientation to the Best Practice or Pathway site as well as participation in the observation and coaching cycle outlined in the implementation plan. Teachers will agree to participate in American Indian language learning through language tables or other means, and to make use of the language/s in their classroom. Teachers will also commit to attending professional development sessions as offered through MPS American Indian Education and Phillips Indian Educators. MPS will recognize these professional development sessions as priority for staff of American Best Practice sites.

Commitment and compliance with these requirements will allow MPS teachers to be protected from district-wide layoff, bumping and placement of excess teachers. Minneapolis Public Schools considers these programs as Native and Heritage Language Literacy (NHLL) programs under the teacher collective bargaining agreement (15.10.1) and shall seek to establish a special designation for American Indian Best Practice & Pathway sites in its contract with the Minneapolis Federation of Teachers that puts in place the above requirements for teachers at American Indian Best Practice sites and necessary MPS Human Resource to avoid disruptions to these programs from district-wide layoff, bumping or excess placement procedures.

## **V. COMMUNICATION AND PARTNERSHIP PROTOCOL**

- A. Phillips Indian Educators is the designated MUID education subcommittee and will make regular reports to MUID on the progress of the MOA implementation at monthly meetings.
- B. The MUID education subcommittee will meet monthly with the MPS Superintendent and his/her designees for discussion and problem solving on matters related to the implementation of the MOA.
- C. MUID and the MPS Board of Education will hold an annual meeting to review progress of the implementation of the MOA. These meetings shall include a review of data reflecting the status of American Indian students in Minneapolis Public Schools as outlined in the Mutual Accountability section below.
- D. The MPS Board of Education shall designate a board member as the official liaison to MUID and the MUID education subcommittee (PIE).

- E. The MUID education subcommittee will meet annually with representatives from MPS and the principals and school leadership teams of Best Practice Sites to mutually identify priority accelerated performance targets for each school year of the agreement.
- F. The MUID education subcommittee will meet quarterly with the principals and leadership teams of Indigenous Best Practice sites for an in depth review of the site level data and a discussion of mutual improvement strategies.
- G. MPS will share aggregate student data with the greater Minneapolis American Indian community on an annual basis.
- H. Members of PIE and the Department of American Indian Education be included in MPS curriculum adoption deliberations and curriculum transformation/creation initiatives that have a potential impact on the learning experiences
- I. The District and community partners named in this agreement will negotiate an agreement for the sharing of student data that is essential for monitoring the design, implementation, and success of interventions.
- J. Should conflict occur between the two parties, steps shall be taken in order to arrive at a mutually agreeable solution. If the parties are unable to reach agreement themselves, neutral outside facilitation/mediation will be engaged to resolve disagreements on programs or policies that impact the implementation of the MOA and have direct impact on American Indian students in MPS.
- K. Representation throughout the Hiring of the Indian Education Director & MOA School Administration: A minimum of one member of PIE shall be included in the interview process for the selection hiring of the American Indian Education Director and any leadership positions at named school sites. The representation of the American Indian community served shall be heard. The individual recommended shall attend an introductory meeting with the members of PIE and MUID and ongoing participation.
- L. Prioritizing work with American Indian based agencies to do culturally related work with Minneapolis Public Schools recognizing the expertise and inherent value of services that the American Indian community, including tribal affiliated groups provide to the District's American Indian students. The intent of this cause is to reaffirm the commitment of both parties to continue to work together to provide these valuable services to the District's American Indian students. The services provided through the support and recommendations of MUID include but are not limited to:
  - a. Educational Programming
  - b. Mental Health Services/Social Emotional Learning
  - c. Cultural Enrichment
  - d. Employment Services
  - e. College/Career Readiness and Transition

- f. Utilize Indian Education to connect to resources

M. Recognizing the importance of American Indian practices in the lives of students and the American Indian community and as part of the best practice pedagogical strategies, this MOA states the protection of the 'Expression of Culture' hereby defined but not limited to:

- a. Drumming and/or singing
- b. Smudging and/or offerings
- c. Talking Circles
- d. Cultural Symbols of Honor for Significant Events (i.e. Eagle Feathers, Medallions, Plumes)
- e. Seven Ways of Knowing (Relating, Language, Behavior, Knowing, Doing, Responsibility, Thinking)
- f. Additional representation of American Indian Practice as appropriate

## VI. **MUTUAL ACCOUNTABILITY**

Despite a much-improved working relationship between the American Indian community and the Minneapolis Public Schools, American Indian students in Minneapolis continue to have one of the largest opportunity gaps of any racial/ethnic group in the system.

Bold and courageous action is urgently needed to secure the promise of quality education for American Indian children. This must begin from the fundamental belief that American Indian children are just as capable as any others, and that we must set high expectations that challenge them and all of us to much higher levels of accomplishment. Incremental progress based on past performance is no longer acceptable. American Indian children need and deserve our highest aspirations.

The metrics and annual performance targets established through this MOA encompass the critical indicators of Indian student success. The annual performance targets included as **Appendix B** to this document reflect the district wide performance targets for American Indian students district wide over the next five years. With this MOA we are intentionally focusing on the specific metrics that most closely correlate with American Indian student success. The metrics include the following:

- Improved attendance for all American Indian students including Best Practice and Pathway Sites,
- Improved reading for grades PreK-8, and
- Credit earned for students in grades 9-12 toward high school graduation in four years
- Core course credit earned in grades 9-12 toward high School graduation in four years
- Contract/Alternative schools will measure credits earned versus credits attempted.
- Disaggregated data will be monitored in all metrics mentioned above for students receiving special education services and identified as homeless and highly mobile.

- Disaggregated data by school will be monitored with specific goals for American Indian students at each site.

Student and family engagement measures will also be utilized based on a determination made with ARE on the best method of measurement for both qualitative and quantitative data.

District wide American Indian student performance will continue to be aligned and measured with the goals stated in the District's strategic plan, and reported to the school board and the American Indian community on an annual basis. Program evaluation will be integrated to determine which interventions are working and should be "scaled-up" and which should be eliminated. Evaluation will be conducted by the Accounting, Research, & Evaluation (ARE) Department of MPS and include both district-sponsored interventions and those sponsored by American Indian community agencies. Examples of programs to be evaluated include the High Five Language Immersion programs at Anishinabe Academy, MIGIZI's Native Academy program at South and Nawayee Center School, Hennepin County Be At School Partnership with Division of Indian Work, among others.

With regards to the two Contract Alternative School Programs, Nawayee Center School and Takoda Prep of AIOIC, evaluation processes regarding their contracts aligned with the goals and spirit of the MOA will be incorporated in the overall evaluation of the MOA. These processes will be employed on an annual basis as a means of collaborating with the sites to sustain or achieve success with and for Indigenous students. Included within these processes are annual site visits by their MPS partners (including the Department of American Indian Education) for the purpose of learning how best to support them in their efforts. Additionally, quarterly collaborative evaluations of attendance and credit attainment data (both in aggregate and by individual student) will be tabulated, shared, and examined for the purposes of optimizing both school and student performance. Finally, each site will collaborate in a formal assessment with MPS staff - utilizing a (to be determined) standardized set of school-wide metrics for Contract Alternative Programs - in order to evaluate the overall efficacy of each site. These formalized evaluations are for the specific purpose of determining contract renewal eligibility, as well as the length of the contract offered. These evaluations are to be conducted collaboratively in order to continuously identify and bring forward Best Practices for the education of Indigenous students and support those Best Practices so identified.

Use of an instructional evaluation tool (to be determined or developed collaboratively within the implementation plan) at MOA best practice sites will also be used to help determine the sites potential impact on teacher professional practice and student achievement. New supplemental academic support programs that might be developed over the course of the five-year MOA term may also be included.

- A. **Community partners:** MPS will enter and maintain partnerships with American Indian community based organizations to provide supplementary educational programming and advocacy to support the work at Best Practice sites and district wide to support the ultimate goal of improved educational outcomes for American Indian students.
- B. **American Indian Family Engagement:** MPS and MUID will partner to encourage and enhance opportunities for American Indian families to engage in their children's education. MPS will continue to develop learning opportunities for American Indian families such as the Parents of Tradition class, which is offered through Early Childhood Family Education (ECFE) Department. MPS will hold American Indian Awareness & Family Involvement Week during the third week in November each year as an opportunity and expectation to celebrate and bring awareness of the contributions of American Indian students, families, and community members to our school district and to particularly welcome American Indian families into our schools. MPS will continue to support a position outside of American Indian Education Department specifically targeting American Indian family engagement across the district and offering Parent Academy/Connecting Parents to Educational Opportunities (CPEO) specifically for American Indian families.
- C. **The elected members of MPS American Indian Parent Committee (AIPAC) shall** serve as the district-wide leadership group and parent advisory council for the creation of additional outreach and advocacy for our American Indian families.
- D. **American Indian Student Engagement:** Based on input received from American Indian youth, MPS and MUID partnered to create a district wide American Indian student leadership group named Ogichida Oyate American Indian Indian Council to channel the leadership and voices of young people in our community. The American Indian student leadership group will meet at least four times per year to provide input into the Memorandum of Agreement implementation and progress, American Indian Education department programming, and to develop community wide initiatives and opportunities for all American Indian students.

VII. **MAINTENANCE OF RECORDS**

- A. The MUID education subcommittee shall maintain an accessible collection of best practice research and materials (PIE Website) for review and dissemination to all schools within MPS upon request.
- B. MPS will maintain records on overall American Indian academic achievement, student progress and trend data, and will document the overall change process for replication at all site across the district.

Signed by: \_\_\_\_\_

Kim Ellison, Chairperson

\_\_\_\_\_

Date

MPS Board of Education

Signed by: \_\_\_\_\_

Josh Pauly, Clerk

\_\_\_\_\_

Date

MPS Board of Education

Signed by: \_\_\_\_\_

Joe Hobot, Chair

\_\_\_\_\_

Date

Metropolitan Urban Indian Directors

Signed by: \_\_\_\_\_

Robert Lilligren, Vice-Chair

\_\_\_\_\_

Date

Metropolitan Urban Indian Directors

## APPENDIX A

# Best Practices for American Indian Education

### **Purpose of the Seven Ways of Knowing:**

This Seven Ways of Knowing Framework is grounded in traditional Anishinaabe and Dakota and is viewed as a valid way of seeing the world that will guide educators in supporting the reclamation, revitalization, maintenance, and preservation of languages and cultures thereby increasing American Indian student success through culturally relevant and academically rigorous instruction.

Dakota and Ojibwe languages and cultures are continually evolving, which may result in changing worldviews. In recognition of the diversity of evolving Dakota and Ojibwe perspectives, the Seven Ways of Knowing Framework accommodates changing perspectives while retaining a fundamental connection to traditional cosmologies.

The intent of the Seven Ways of Knowing Framework is to provide focus and direction for student learning outcomes based on a traditional learning continuum. A continuum that recognizes that learning is a holistic and natural process that builds upon existing knowledge; holistic; not compartmentalized and is purposeful, engaging and fluid, not rigid; learning that integrates multiple sources, processes and ways of knowing, weaves spiritual, intellectual, emotional, social-cultural, and physical experiences together, provides a system for building relationships, rigor and responsibility that is relevant and responsive to the whole; promotes self-discipline, leadership, social and civic responsibility, critical thinking and accountability; scaffolds learning upon existing knowledge and prior experiences; intertwines processes for learning, teaching, evaluating, and reflecting; and embraces experiences that nourish the heart, mind, body and spirit. The Seven Ways of Knowing Framework will standardize learning experiences regarding the teaching of Dakota and Ojibwe languages, cultures and history in an integrated culturally relevant and academically rigorous way.

### **Rationale:**

Language and culture are inseparable. The revitalization, preservation, and maintenance of a language are necessary conditions for the survival of a culture and, therefore, a strong foundation for American Indian student success. The Seven Ways of Knowing framework and corresponding Seven Core Values are tools that will enable teachers to guide students to explore and experience the school curriculum through their traditional languages and cultural perspectives. The success of American Indian students must be fostered by all educators. In order for this to happen a implementation plan must be

created that includes a collective vision which includes stated goals, measurements, evaluation, and reporting tied to the seven core values below.

### **Integrating the Seven Core Values into the Classroom:**

**Respect:** Respect is crucial for American Indian students to feel they have a place within our schools. Respect and high expectations are essential to student success. Educators can promote respect and a positive learning experience for American Indian students by ensuring that language and culture are represented in the classroom, by acknowledging that students come to school with experiences and knowledge that should be recognized and honored by teachers, and by encouraging students to share their strengths with others.

**Love:** Love is a commitment to supporting and demonstrating, as educators, our belief in our American Indian student success through an understanding of their individual learning styles, setting high expectations and having a genuine presumption that American Indian students are fully capable of meeting high expectations set by the teacher and capable of being autonomous learners.

**Bravery:** Bravery is shown by educators when a commitment to change the nature of the curriculum occurs through the inclusion of Indigenous contributions, innovations, and inventions while being paired with the historically-factual representation of American Indian people.

**Wisdom:** Wisdom reminds us that we are lifelong learners. It emphasizes the value of sharing and engaging in dialogue with what we know and allows our students to share what they know. Wisdom can also be demonstrated through participating in ongoing research and professional development that can be incorporated into classroom practice.

**Humility:** Humility is not thinking less of oneself; it is thinking of oneself less. Humility is a key tenet in ensuring American Indian student success. As educators, we need to go beyond ourselves and ask American Indian organizations and communities for direction in the development of a culturally relevant rigorous curriculum. Educators who show humility admit we do not know everything and have much to learn from our students, our families, our colleagues and communities we serve.

**Honesty:** Honesty is to be authentic with ourselves, our beliefs about our students and the communities we serve; then proceed in a manner that is responsible and accountable to American Indian students and families. This requires a commitment to self awareness.

**Truth:** Truth is to examine the reality and lived experiences of a situation, including the fact that different people have different lived experiences and therefore different perspectives, each of which are valid and to be considered a truth. It emphasizes the process of coming to terms with how things really are and developing a plan for change.

### **Examples of Best Practices:**

Experiential Lessons: Structured, multi-sensory (more than the usual five senses) learning experiences (see experiential cycle attachment for a little more )

Place-Based: Lessons rooted in and related to places (especially the places where students live) (see Bdote Memory Memory Map)

Culturally Contextualized Learning Environments: Learning Environments that function at a high level of Indigenous cultural immersion (Use of Ceremony, songs, smudging Art, Music and relationships that are highly functional and culturally appropriate)

Incorporate American Indian languages: American Indian Languages should be spoken and modeled as much as is possible (Given that not all teachers are American Indian in most situations we ask that all learn some language and use in class where appropriate)

Incorporate multiple teaching (and learning) styles in lessons/learning experiences (Relates well to theory of Multiple Intelligences)

Find out how each student learns best and structure learning experiences that accommodate them

Teach Talking Circle and incorporate it into lessons to encourage respectful listening, speaking and discussion

Facilitate learning rather than disseminate knowledge (see Educational Facilitator)

Understand the Science of Relatedness (relationships to each other, the world and everything are at the core of Indigenous cultures and essential to the learning experience )

There is no learning without relationships as our (and probably most) kids learn best within the context of a relationship (Respect has to be earned/lived and must be reciprocal)

Teachers must be leaders of relationship building

**Cultural Responsiveness:** Local, national, and international research findings demonstrate that students are most successful in academically rigorous, culturally contextualized and responsive educational settings. Schools recruit, hire, and retain teachers who are willing to participate, develop, and maintain the cultural and language foundations. Further, a culturally responsive school fosters and supports opportunities for teachers to participate in professional activities and associations that expand their cultural knowledge and pedagogical skills. The following is a set of example hallmarks of a culturally responsive school:

Fosters ongoing participation, communication, and interaction with parents, families, elders, and community members.

Provides frequent, meaningful opportunities for students to learn in or about their heritage language and culture.

Roots pedagogical approach in American Indian cosmologies.

Recognizes the people-centered, group centered culture of American Indian students.

Recognizes and develops close relationships on a personal level with their students, their caregivers and their community.

Recognizes the strive for harmony and balance in life-the interdependence of physical, emotional, psychological, and spiritual well-being.

Recognizes the historical and compounded traumas present in the lives of Indigenous people.

Prioritizes hiring and retaining American Indian educators.

APPENDIX B

Districtwide Sites performance targets for American Indian Students:  
2022– 2027

Grade	Attendance Metrics	2020-2021	
		Baseline	tot n
PreK-12	% of students attending at least 95% of possible days	33%	1411
PreK-12 SP ED	% of students attending at least 95% of possible days - Special Ed only	32%	392
PreK-12	% of students with average daily attendance above 90% (non-chronic absenteeism)	49%	1411
PreK-12 SP ED	% of students with average daily attendance above 90% (non-chronic absenteeism) - Special Ed only	46%	392
K	% of student currently in kindergarten assessed before age 5		
Grade	K-8 Achievement Metrics	2020-2021	
		Baseline	test n
K-1	% of students meeting or exceeding standards on the earlyReading assessment	13%	39
K-1	% of students meeting or exceeding growth targets on earlyReading assessment	13%	39
K-1	% of students meeting or exceeding standards on KCoM and CoM assessments		
K-1	% of students meeting or exceeding growth targets on KCoM and CoM assessments	13%	39
2nd-8th	% of students meeting or exceeding standards on aMath assessment- Fall	11%	37
2nd-8th	% of students meeting or exceeding standards on aMath assessment- Winter	11%	37
2nd-8th	% of students meeting or exceeding standards on aReading assessment- Fall	11%	37

2nd-8th	% of students meeting or exceeding standards on aReading assessment- Winter	11%	37
Grade	9-12 and College and Career Readiness Metrics	2020-2021	
		Baseline	tot n
9	% of students passing/earning credit in all 4 core subject areas (ELA, Math, Science, Social Studies) Q4	54%	117
9	% of students completing 9th grade on-track (on-track to graduate on-time in 4 years)	30%	117
10	% of students passing/earning credit in all 4 core subject areas (ELA, Math, Science, Social Studies) Q4	43%	105
10	% of students completing 10th grade credit ready (cumulative credits to graduate on-time in 4 years)	61%	105
11	% of students passing/earning credit in all 4 core subject areas (ELA, Math, Science, Social Studies) Q4	49%	89
11	% of students completing 11th grade credit ready (cumulative credits to graduate on-time in 4 years)	60%	89
12	% of students passing/earning credit in all 4 core subject areas (ELA, Math, Science, Social Studies) Q4	68%	127
12	% of students completing 12th credit ready (cumulative credits to graduate on-time in 4 years)	68%	127
11	% of 11 Grade American Indian students taking the ACT for All Exam	11%	8
11	Average Composite Score for Indian students taking the grade 11 ACT for All	15.8	8
11	% of 11 Grade Indian students earning a composite score of 21 or higher on the ACT for All test	13%	8
12	% of students entering 9 <sup>th</sup> grade who graduate from high school four years later (baseline is for the Class of 2020)	33%	66

12	% of students entering 9 <sup>th</sup> grade who graduate from high school five years later (baseline is for the Class of 2019)	52%	100
9-12	% of students enrolled in and earning passing grades in at least 1 advanced/dual college credit course	40%	270
12	% of students completing the FAFSA by end of senior year	41%	56
12	% of American Indian seniors who indicate they are fairly/very confident they are prepared for their post-secondary plan. - Senior Exit Survey (need to ensure that these metrics are present on surveys that are given in CAPs)	75%	47
12	% of American Indian seniors who completed at least one college scholarship application. - Senior Exit survey (need to ensure that these metrics are present on surveys that are given in CAPs)	36%	47
Grade	Engagement Metrics	2020-2021	
		Baseline	tot n
<del>12</del>	Add a metric related to extracurriculars with community partners (Garden Warriors, Golden Eagles, DIW, Migizi, etc.)		
12	% of American Indian seniors who participated in at least one extracurricular activity at some point while in high school (sports, theatre, a club, math team, etc.). - Senior Exit Survey (need to ensure that these metrics are present on surveys that are given in CAPs)	72%	47
8 & 11	Student Climate Index - % of American Indian students who often or almost always agree - items related to sense of belonging	Spring 22 Results	
8 & 11	Student Climate Index - % of American Indian students grades 4-12 who often or almost always agree - items related to racial and cultural background	Spring 22 Results	
Parents	Parent/Guardian Climate Index - % of American Indian parents/guardians who often or almost always agree - items related to sense of belonging	Spring 22 Results	

SPECIAL SCHOOL DISTRICT NO. 1  
Board of Education

January 11, 2022

**Resolution on 2022-2023 Budget Priorities**

**WHEREAS:** the Board has received fiscal projections and parameters in the FY2022-2023 Budget Pro-Forma; and

**WHEREAS:** the Board must adopt a balanced budget by June 30, 2022.

**NOW, THEREFORE BE IT RESOLVED,** that the Board of Directors of Special School District No. 1, hereby directs and empowers the Superintendent to bring forth a recommended budget for the 2022-2023 school year that prioritizes investment in the following current and planned areas:

- Measures needed to ensure the continued health and safety of students and staff
- Strategic plan goals and strategies
- Recommendations of the MPS Facility Names Advisory Committee, including establishment of a supportive fund for name changes processes
- Strategies and supports, including mental health services, needed to address the continued trauma experienced by our students
- Implementation of the School Climate Framework
- Academic plan and equitable education design implementation, including a focus on literacy, K-12 Math Curriculum Adoption, and 9-12 access to college credit coursework
- Curriculum transformation including the new Ethnic Studies course requirement and professional development focused on MPS Equity Competencies and culturally sustaining instruction
- Professional development to establish a district culture of anti-racist mindsets and actions
- Strategies to recruit and retain staff, especially staff of color
- Teacher Equity Plan actions
- Early childhood programs and services
- Predictable school-level staffing with discretionary allocations aligned to Board priorities and site council recommendations

Signed by:

\_\_\_\_\_

Board of Education Chair

\_\_\_\_\_

Board of Education Clerk

\_\_\_\_\_

Date

\_\_\_\_\_

Date

## Notification of Advisory Committee Appointments

Pursuant to the World's Best Workforce (WBWF) Advisory Committee charter section 4, the following members have been appointed to the committee, effective 12/1/2021.

Committee Member	Nominator	Seat
Sarah Vinueza	Arneson	District 1
Lynn Crockett	El-Amin	District 2

