

## **Regular School Board Meeting**

Duluth Public Schools, ISD 709

### Agenda

Tuesday, January 20, 2015

District Services Center

709 Portia Johnson Dr.

Duluth, MN 55811

6:30 PM

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **Approval of the Agenda**
5. **Reading and Approving Minutes**
  - A. Special School Board Meeting / Executive Closed Session - December 16, 2014 2
  - B. Regular School Board Meeting - December 16, 2014 3
  - C. Special School Board Meeting - December 22, 2014 14
  - D. Annual Organizational Meeting - January 5, 2015 17
6. **School and Community Recognition**
7. **Audience**
8. **Reading Communications, Petitions, Etc.** 24
9. **Report of the Superintendent**
  - A. Schedule of Meetings and Events 25
10. **Report of Standing Committees**
  - A. Education Committee (*see separate report*)
  - B. Human Resources Committee (*see separate report*)
  - C. Business Committee (*see separate report*)
11. **Special Resolutions - None**
12. **Questions / Other**
13. **Adjournment**

**Minutes of the Special School Board Meeting**

Of the School Board of Independent School District No. 709 held at the Historic Old Central High School, 215 North First Avenue East, Duluth, Minnesota 558016, on

Tuesday, December 16, 2014

Members Present:

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

Others Present:

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

- Chair Miernicki called the special school board meeting of December 16, 2014 to order at 5:30 p.m.

Member Welty presented the resolution:

**RESOLUTION**  
**Executive (Closed) Session**

WHEREAS, Pursuant to Minnesota Statutes section 13D.05 subdivision 3.(a), a public body may close a meeting to evaluate the performance of an individual who is subject to its authority. The public body shall identify the individual to be evaluated prior to closing a meeting. At its next open meeting, the public body shall summarize its conclusions regarding the evaluation.

NOW, THEREFORE, BE IT RESOLVED, By the School Board of Independent School District 709, St. Louis County, Minnesota, that the School Board shall meet in Executive (Closed) Session on December 16, 2014 at approximately 5:30 p.m. in the Board Conference Room of Historic Old Central High School for a meeting with Superintendent William L. Gronseth regarding his annual performance evaluation.

Resolution HR-12-14-3221

December 16, 2014

**M-Welty, S-Westholm, to approve Resolution HR-12-14-3221 – Executive Closed Session.**  
**Upon a vote, the same was approved – unanimously.**

- Chair Miernicki adjourned the Special School Board meeting of December 16, 2014 at 5:33 p.m.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Clerk

## Minutes of the Regular School Board Meeting

Of the School Board of Independent School District No. 709 held at the Historic Old Central High School, 215 North First Avenue East, Duluth, Minnesota 55802, on

Tuesday, December 16, 2014

Members Present:

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

Others Present:

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

Student Representatives:

Paul Manning  
Kobe Tremble

➤ Chair Miernicki called the regular school board meeting of December 16, 2014 to order at 6:30 p.m., and the pledge of allegiance to the American flag was given.

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

Chair Miernicki asked school board members if there were any corrections or changes to the minutes of the Regular School Board Meeting of November 18, 2014.

**M-Harala, S-Westholm, to approve the minutes of the November 18, 2014 Regular School Board Meeting as presented. Upon a vote, the same was approved as presented - unanimously.**

Chair Miernicki asked school board members if there were any corrections or changes to the minutes of the Special School Board Meeting of November 25, 2014.

**M-Westholm, S-Loeffler-Kemp, to approve the minutes of the November 25, 2014 Special School Board Meeting as presented. Upon a vote, the same was approved as presented - unanimously.**

Chair Miernicki asked school board members if there were any corrections or changes to the minutes of the Special School Board Meeting of December 2, 2014.

**M-Westholm, S-Seliga Punyko, to approve the minutes of the December 2, 2014 Special School Board Meeting as presented. Upon a vote, the same was approved as presented – 6-1 as follows:**

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

**Nay: Johnston**

**School and Community Recognition**  
**December 2014**

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Ed Crawford Members of the Board, this month I'm pleased to present our two Student School Board representatives for recognition. Teachers, principals, administrators and school board members consider subjects and decisions which have a direct impact on our schools and our students. As we do so, we seek out research, best practices, the advice of community leaders and of parents and families and, because they are directly impacted, we seek out the voice of students. Kobi Tremble, Denfeld High School, and Paul Manning, Duluth East High School, have well and ably served as student representatives to the School Board for the past year. In this leadership role, they invested time and effort to learn more about how our school district operates and how decisions are made. They shared information with their peers and brought a thoughtful student perspective to our meetings. Their participation this year has helped immensely as we consider decisions impacting student achievement, school climate and effective systems. Many thanks to Kobi and Paul for their service to the Duluth School Board. We wish you the very best in your future endeavors.

Members of the Board, we also have Anne Krafthefer, a teacher at Lester Park Elementary School, and Bernie Burnham, President of the Duluth Federation of Teachers, here tonight to make a special presentation. They are joined by representatives from Thrivent, CHUM and Second Harvest. One in five children in St. Louis County is at risk of going hungry. In the spirit of addressing this community concern, Anne Krafthefer helped organize the first annual Feeding Local Kids event. Fifth grade Lester Park students worked with WDIO-TV to help write and film a PSA to promote the event. Thrivent Financial and the Duluth Federation of Teachers provided funds for donation bags. On the Limit helped design the bags and ready them for delivery. Over forty classrooms and student organizations took part in the event. Donations totaled \$2,675, which was split between CHUM and the Second Harvest Backpack program – enough to provide more than 300 children with a weekend's portion of food. Over 200 pounds of food was collected and delivered to CHUM through this event.

The Truth In Taxation presentation was made by Bill Hanson, CFO/Executive Director of Business Services.

**Public Comments**  
**December 2014**

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Joan Peterson, 3025 East 2<sup>nd</sup> Street, spoke to the board regarding the behavior of school board members and asked them to be civil toward all employees and students and asked them to set a good example.

Loren Martell, 625 East 7<sup>th</sup> Street, spoke to the school board regarding his concern with the decision to try to remove Member Johnston from the board.

Barb Hauck, 32 West College Street, spoke to the school board regarding her concern with the behavior of some board members.

**Communications, Petitions, Etc.**  
**December 2014**

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Chair Miernicki stated that there no communications had been received.

**Superintendent's Report**  
**December 2014**

December is a busy month!. There are many programs and activities in the schools. I have gotten out to a few of them and it is always heart-warming to see so many people gather in our schools to attend holiday programs. There is always a lot of student artwork to see and the music is so fun! I want to recognize all the staff and volunteers that work to make these events a success! I know it is a lot of work! On that note, I have heard from a few people in the community who thought that schools were telling students they couldn't say "Merry Christmas" to people. I looked into this and didn't find anything that would suggest this was the case. Students are free to express themselves in their assignments, their artwork, and their greetings. Our schools serve many students and families from a wide variety of cultural and religious backgrounds. We do plan our programs to be a celebration that can be enjoyed by a diverse audience no matter what their beliefs. There are several more programs in the coming week or so -- I hope people take the opportunity to get into the spirit of the season by attending! I also want to thank the many student groups who have been serving others in the community this month. We have had many families buying gifts for giving trees, food drives, students making blankets for distribution, ringing Salvation Army bells, and many other great projects. I'll close with a quick reminder that Winter Break starts on December 24th and students return to school on Monday, January 5th.

**Education Committee Report**  
**December 2014**

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

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

Member Welty withheld Item 1.A.1)

Member Westholm withheld Item 2.A.1)

Member Welty withheld Item 1.A.1) – World Language Immersion Program to review the discussion held at the committee meeting. Member Seliga Punyko noted that she would like to see the program expanded. Student Advisor Manning noted that he is very excited to see the programs implemented. Discussion continued regarding the benefits of the program.

Member Westholm withheld Item 2.A.1) – Policy 5040 Transfers Within the School District to note that implementing the guidelines is positive and that it will be helpful to all involved.

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

**Human Resources Committee Report**  
**December 2014**

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

Member Welty presented the resolution:

**RESOLUTION**  
**Non-Certified Business Division Administrators' Association**

***RESOLVED***, By the School Board of Independent School District 709, St. Louis County, Minnesota, that the Collective Bargaining Agreements between Independent School District 709 and the Non-Certified Business Division Administrators' Association, a summary of which is in the hands of all School Board members, be approved and adopted for the periods of July 1, 2013 to June 30, 2015, and July 1, 2015 to June 30, 2017 inclusive, and that the Chairperson and Clerk of the School Board be hereby authorized to execute said Agreement on behalf of the School District.

HR-12-14-3219

December 16, 2014

**M-Welty, S-Johnston, to approve HR-12-14-3219 – Non-Certified Business Division Administrator's Association. Upon a vote, the same was approved – unanimously.**

**M-Welty, S-Westholm, to approve the remainder of the Human Resource Committee report.**

Member Miernicki withheld Item 3.A.

Member Harala withheld 2.B.

Member Johnston withheld Item 3.B.

Member Harala withheld Item 2.B. – Approval of the Superintendent's performance review to note that because it is a personnel issue it is held in a closed session. She thanked the Superintendent for his service.

Chair Miernicki withheld Item 3.A. – Discussion of revisions to the next Superintendent's Review to note that the board will be attending a MSBA conference that will have a session on this subject and will look at it further after that conference. Member Johnston noted some items he would like to see included.

Member Johnston withheld Item 3.B. - Discussion of teacher FTE comparison to note the increase in FTE and his hope that it will continue to increase in the future. Discussion continued regarding staffing issues.

**Upon a vote, the same was approved - unanimously.**

**Business Committee Report**  
**December 2014**

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

Member Loeffler-Kemp presented the resolution:

**RESOLUTION**  
Acceptance of Donations to Duluth Public Schools

WHEREAS, Minnesota Statute 465.03 requires a school district to accept donations by resolution expressed in the terms prescribed by the donor in full; and,

WHEREAS, acceptance of the donations in accordance with the donor's terms is in the best interest of the Duluth Public Schools:

NOW, THEREFORE, BE IT RESOLVED that the Duluth Public Schools does accept the below-described donations from said organizations in accordance with the terms set forth herein.

BE IT FURTHER RESOLVED that the Duluth Public Schools wishes to extend its grateful appreciation to these various organizations.

SCHOOL	FIRST NAME	LAST NAME/ORG.	RESTRICTION	AMOUNT
Lester Park	Peter/Jill	Passi/Hinners	None	\$30.00
Lester Park	Emily/Ted	McKay/Cash	None	\$50.00
Lester Park	Joan	Luther	None	\$50.00
Lester Park	Darlene/James	Cash	None	\$20.00
Lester Park	Curtis/Beth	Cash	None	\$100.00
Lester Park	Gretchen	Cash	None	\$150.00
Lester Park	Debbie	Dearmond	KG Supplies	\$5.00
Lester Park	Debbie	Dearmond	KG Supplies	\$5.00
Lester Park	Rebekka	Stumme	KG Supplies	\$10.00
Lester Park	James/Brandelyn	Grandaw	KG Supplies	\$10.00
Lester Park	Erick/Andrea	Filby	KG Supplies	\$10.00
Lester Park	Rotary Club #25 of Duluth		Forest Bridge	\$2,500.00

Resolution B-12-14-3216

December 16, 2014

**M-Loeffler-Kemp, S-Seliga Punyko, to approve Resolution B-12-14-3216 – Acceptance of Donations to Duluth Public Schools. Upon a vote, the same was approved - unanimously.**

Member Loeffler-Kemp presented the resolution:

**RESOLUTION**  
Certified Tax Levy 2014 Payable 2015

BE IT RESOLVED, By the School Board of Independent School District No. 709, St. Louis County, Minnesota, to hereby set the Tax Levy for 2014 Payable 2015 at \$32,853,480.86.

B-12-14-3217

December 16, 2014

**M-Loeffler-Kemp, S-Seliga Punyko, to approve B-12-14-3217 – Certified Tax Levy 2014 Payable 2015.**

Discussion took place regarding the resolution.

**Upon a vote the same passed 6-1 as follows:**

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

**Nay: Johnston**

Member Loeffler-Kemp presented the resolution:

RESOLUTION OF INDEPENDENT SCHOOL DISTRICT NO. 709  
APPROVING THE TERMS OF OFFERING OF GENERAL OBLIGATION AID  
ANTICIPATION CERTIFICATES OF INDEBTEDNESS, SERIES 2015A,  
IN THE APPROXIMATE AMOUNT OF \$4,400,000

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

Section 1. Authority. Under and pursuant to the authority contained in Minnesota Statutes, Sections 126C.50 through 126C.56, as amended (the “Act”), and Minnesota Statutes, Chapter 475, the board of any school district may borrow money upon aid anticipation certificates in anticipation of receipt of state aid for schools as defined by Minnesota State and federal school aids to be distributed by or through the Minnesota Department of Education (the “Department”).

Section 2. The Certificates. A. The School Board hereby determines that it is necessary to borrow, pursuant to the Act, upon aid anticipation certificates of indebtedness in an approximate amount of \$4,400,000 in anticipation of receipt of state aids for schools and of federal school aids to be distributed by or through the Department during the July 1, 2014 to June 30, 2015 fiscal year (the “School Aids”), which are necessary for timely payments of anticipated expenditures from the District’s operating funds (the “Funds”). Such amount does not exceed 75% of the School Aids which are receivable by the District in such fiscal year as estimated by the Commissioner of the Department.

B. The School Board hereby determines that it is necessary and expedient that the District issue general obligation aid anticipation certificates of indebtedness as described in Section 2A above in a single issuance of General Obligation Aid Anticipation Certificates of Indebtedness, Series 2015A, in an approximate amount of \$4,400,000 (the “Certificates”).

Section 3. Official Terms of Offering. The District’s administrative staff is hereby authorized and directed to work with PMA Securities, Inc., independent financial advisor to the District, and Fryberger, Buchanan, Smith & Frederick, P.A., bond counsel, to solicit bids and arrange for the sale of the Certificates in substantial compliance with the Notice of Sale attached hereto as Exhibit A. The bids shall be received by the Chief Financial Officer/Executive Director of Business Services or his designee until 10:00 a.m. central time on January 20, 2015, and consideration for the award of the Certificates will be by the School Board at 6:30 p.m. central time on the same date.

Section 4. Repayment of Certificates. The form, specifications and provisions for repayment of the Certificates shall be set forth in a subsequent resolution of the School Board.

Section 5. Credit Enhancement. A. The Board Chair, Superintendent or Chief

Financial Officer/Executive Director of Business Services are hereby authorized and directed to submit a Minnesota School District Credit Enhancement Program Application for Default Preclusion to the Minnesota Department of Education, as provided by Minnesota Statutes, Section 126C.55.

B. The District hereby covenants and obligates itself to notify the Commissioner of Education of a potential default in the payment of principal and interest on the Certificates and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee payment of the principal and interest on the Certificates when due. The District further covenants to deposit with the bond registrar or any successor paying agent three (3) days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Commissioner of Education that it will be unable to make all or a portion of that payment. The bond registrar for the Certificates is authorized and directed to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal or interest on the Certificates, or if, on the day two (2) business days prior to the date a payment is due on the Certificates, there are insufficient funds to make that payment on deposit with the bond registrar. The District understands that as a result of its covenant to be bound by the provisions of Minnesota Statutes, Section 126C.55, the provisions of that section shall be binding as long as any Certificates of this issue remain outstanding.

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

B-12-14-3218

December 16, 2014

**NOTICE OF SALE**

\$4,400,000\*

GENERAL OBLIGATION AID ANTICIPATION CERTIFICATES OF INDEBTEDNESS, SERIES 2015A  
INDEPENDENT SCHOOL DISTRICT 709  
(DULUTH), MINNESOTA  
(Book-Entry Only)

NOTICE IS HEREBY GIVEN that the School Board of Independent School District No. 709 (Duluth), Minnesota (the "Issuer"), will be offering for sale General Obligation Aid Anticipation Certificates of Indebtedness, Series 2015A (the "Obligations"), according to the following terms:

**TIME AND PLACE:**

Bids will be opened by the Chief Financial Officer/Executive Director of Business Services, or designee, on Tuesday, January 20, 2015, at 10:00 A.M., Central Time, at the offices of PMA Securities, Inc., 770 North Jefferson Street, Suite 200, Milwaukee, Wisconsin 53202. Consideration of the bids for award of the sale will be by the School Board at a meeting at the District Offices beginning Tuesday, January 20, 2015 at 6:30 P.M.

**SUBMISSION OF BIDS:**

Bids may be:  
a) submitted to the office of PMA Securities, Inc.,

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\* The Issuer reserves the right to increase or decrease the principal amount of the Obligations. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread.

- b) faxed to PMA Securities, Inc. at (414) 225-0057,
- c) for bids submitted prior to the sale, the final price and coupon rate may be submitted to PMA Securities, Inc. by telephone at (414) 225-0099, Ext. 1507, or
- d) be submitted electronically.

Notice is hereby given that electronic bids will be received via PARITY™, (or its successor) in the manner described below, until 10:00 A.M., local time on January 20, 2015. Bids may be submitted electronically via PARITY™ pursuant to this Notice until 10:00 A.M., local time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY™ conflict with this Notice, the terms of this Notice shall control. For further information about PARITY™, potential bidders may contact PMA Securities, Inc. or i-Deal® at 1359 Broadway, 2<sup>nd</sup> floor, New York, NY 10018, telephone (212) 849-5021.

Neither the Issuer nor PMA Securities, Inc. assumes any liability if there is a malfunction of PARITY™. All bidders are advised that each bid shall be deemed to constitute a contract between the bidder and the Issuer to purchase the Obligations regardless of the manner in which the bid is submitted.

**BOOK-ENTRY SYSTEM:** The Obligations will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Obligations will be issued in fully registered form and one certificate, representing the aggregate principal amount of the Obligations, will be registered in the name of Cede & Co. as nominee of Depository Trust Company (“DTC”), Jersey City, New Jersey, which will act as securities depository of the Obligations.

Individual purchases of the Obligations may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. The District will appoint a qualified bond registrar, transfer agent, authenticating agent and paying agent (the “Paying Agent/Registrar”). Principal and interest are payable by the Issuer through the Paying Agent/Registrar to DTC, or its nominee as registered owner of the Obligations. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The successful proposal maker, as a condition of delivery of the Obligations, will be required to deposit the bond certificates with DTC. The Issuer will pay reasonable and customary charges for the services of the Paying Agent/Registrar.

**DATE OF ORIGINAL ISSUE OF OBLIGATIONS:** February 23, 2015

**AUTHORITY/PURPOSE:** The Obligations are being issued pursuant to Minnesota Statutes, Sections 126C.50 through 126C.56, as amended, and Chapter 475, as amended. The Obligations will be issued in anticipation of receipt of state aids for schools and of federal school aid to be distributed by or through the Minnesota Department of Education during the July 1, 2014 to June 30, 2015 fiscal year, which are necessary for timely payments of anticipated expenditures from the Issuer’s operating funds.

**INTEREST PAYMENT:** June 1, 2015, to registered owners of the Obligations appearing of record in the bond register as of the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month.

**MATURITY DATE OF THE**

**OBLIGATIONS:** June 1, 2015.

**INTEREST RATE:** The interest rate on the Obligations must be a single rate, shall not exceed 2.00%, and be in integral multiples of 1/20th or 1/8th of 1%.

**ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER BIDS:**

The Issuer reserves the right to increase or decrease the principal amount of the Obligations. Any such increase or decrease will be made in multiples of \$5,000. If the principal amount is adjusted, the purchase price will also be adjusted to maintain the same gross spread. Such adjustment shall be made promptly after the sale and prior to award of bids by the Issuer and shall be at the sole discretion of the Issuer.

The successful bidder may not withdraw or modify its bid once submitted to the Issuer for any reason, including post bond adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

**REDEMPTION:** The Obligations are non-callable prior to maturity.

**CUSIP NUMBERS:** If the Obligations qualify for assignment of CUSIP numbers such numbers will be printed on the Obligations, but neither the failure to print such numbers on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of and pay for the Obligations in accordance with terms of the purchase contract. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the successful bidder.

**DELIVERY:** Within forty-five days after award (but expected to be on February 23, 2015) subject to approving legal opinion by Fryberger, Buchanan, Smith and Frederick, P.A., Bond Counsel. Legal opinion will be paid by the Issuer and delivery will be anywhere in the continental United States without cost to the successful bidder at DTC.

**TYPE OF BID:** Bids of not less than \$4,400,000 (100.0%) and no more than \$4,488,000 (102.0%) and accrued interest on the principal sum of \$4,400,000 must be filed with the undersigned prior to the time of sale. Bids must be unconditional except as to legality. No good faith deposit is required.

**AWARD:** The Obligations will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis. The Issuer's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Obligations will be awarded by lot. The Issuer will reserve the right to: (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Obligations, (ii) reject all bids without cause, and (iii) reject any bid which the Issuer determines to have failed to comply with the terms herein.

**INFORMATION FROM**

**SUCCESSFUL BIDDER:** The successful bidder will be required to provide, in a timely manner, certain information relating to the initial offering price of the Obligations necessary to compute the yield on the Obligations pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

**OFFICIAL STATEMENT** By awarding the Obligations to any underwriter or underwriting syndicate submitting a bid therefor, the Issuer agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Obligations are awarded copies of the Official Statement.

**CONTINUING DISCLOSURE:** The Issuer will covenant in the resolution awarding the sale of the Obligations and in a Limited Continuing Disclosure Undertaking to provide, or cause to be provided, notices of certain material events, as required by SEC Rule 15c2-12.

**BANK QUALIFIED TAX-EXEMPT OBLIGATIONS** The Issuer will designate the Obligations as qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Issuer reserves the right to reject any and all bids, to waive informalities and to adjourn the sale.

Dated: December 16, 2014

BY ORDER OF THE SCHOOL BOARD OF ISD 709

/s/ William Hanson

Chief Financial Officer/Executive Director of Business Services

Additional information may be obtained from:  
PMA Securities, Inc.  
770 North Jefferson Street, Suite 200  
Milwaukee, Wisconsin 53202  
Telephone: (414) 225-0099, Ext. 1507

**M-Loeffler-Kemp, S-Welty, to approve B-12-14-3218 – Resolution Of Independent School District No. 709 Approving The Terms Of Offering Of General Obligation Aid Anticipation Certificates Of Indebtedness, Series 2015a, In The Approximate Amount Of \$4,400,000**

Discussion took place regarding the resolution.

**Upon a vote the same passed – unanimously.**

**M-Loeffler-Kemp, S-Harala, to approve the remainder of the Business Committee Report:**

Member Johnston withheld Items 1.A.1), F., Separate votes on 2.C.1) and 4.A.1)

Member Johnston withheld Item 1.A.1) – Preliminary Financial Statements (Audit) to note concerns with the report. Discussion continued regarding the report.

**Upon a separate vote on Item 2.C.1) – RFQ 4160 – School Transportation Services, the same was approved – unanimously.**

**Upon a separate vote on Item 4.A.1.) – Tech CTE LLC, the same was approved – unanimously.**

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

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

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

**Nay: Johnston**

**Special Resolutions**

**December 2014**

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Member Harala presented the resolution:

**R E S O L U T I O N**

**Board Member Attendance at MSBA Leadership Conference**

RESOLVED, That Independent School District 709, St. Louis County, Minnesota, pay costs incurred, as per District policy, for school board members to attend the Minnesota School Boards Association 2015 Leadership Conference in Minneapolis, Minnesota on January 15-16, 2015.

Resolution SP-12-14-3220

December 16, 2014

**M-Harala S-Seliga Punyko, to approve Resolution SP-12-14-3220 – Board Member Attendance at MSBA Leadership Conference. Upon a vote, the same was approved – unanimously.**

**Other**  
**December 2014**  
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Member Harala thanked Chair Miernicki for his service as Board Chair over the last year. Member Loeffler-Kemp thanked Chair Miernicki as well.

Student Advisor Paul Manning stated he appreciated his time on the board.

Student Advisor Kobe Tremble thanked everyone for all their hard work running the district.

Member Westholm thanked the students for their service.

Member Seliga Punyko thanked the students for their service. She also stated that the board needs to talk about the inappropriate behavior of board members. Member Johnston agreed.

- Chair Miernicki adjourned the Regular School Board Meeting of December 16, 2014 at 8:41 p.m.

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Chair

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Clerk

**Minutes of the Special School Board Meeting**

Of the School Board of Independent School District No. 709 held at the Historic Old Central High School, 215 North First Avenue East, Duluth, Minnesota 55802, on

Monday, December 22, 2014

**Members Present:**

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

**Others Present:**

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

- Chair Miernicki called the special school board meeting of December 22, 2014 to order at 4:30 p.m.

Member Welty requested that the meeting be open.

Member Johnston asked for an explanation of what the meeting was for. Member Welty asked to read the resolution that would be put forward prior to it being read in public. Chair Miernicki stated that the motion would be read and then he would be allowed to ask questions. Member Welty requested to know who called the meeting it was indicated that Members Harala, Loeffler-Kemp and Seliga Punyko requested the meeting. Member Johnston indicated that he believed the meeting was illegal. Kevin Rupp, Legal Counsel, stated that it was not illegal. Member Welty requested that he be given a copy of the resolution to read along with.

Member Loeffler-Kemp introduced the following Resolution and moved its adoption:

**RESOLUTION CENSURING A SCHOOL BOARD MEMBER**

WHEREAS, on November 26, 2014, Board Member Harry Welty published a public blog post disclosing the proposed sale price of real property owned by the District;

WHEREAS, as of November 26, 2014, the School Board had been working to develop and consider the proposed sale of the property during closed meetings in accordance with Minnesota Statutes section 13D.05, subd. 3(c)(3);

WHEREAS, on November 28, 2014, Mr. Welty published another public blog post in which he characterized his public disclosure of the proposed sale price as a “huge mistake” and “bone headed”;

WHEREAS, on December 1, 2014, School Board Members received a confidential letter from the District’s legal counsel related to an investigation concerning Board Member Art Johnston;

WHEREAS, the letter advised Board Members that it was subject to the attorney-client privilege and should not be disclosed unless the School Board formally voted to waive the privilege;

WHEREAS, on or about December 2, 2014, Mr. Welty disclosed a copy of the December 1, 2014 letter to the *Duluth News Tribune* without a vote by the School Board to waive the attorney-client privilege.

WHEREAS, the School Board has determined Mr. Welty's inappropriate disclosures of information provide a legitimate basis to censure him.

NOW, THEREFORE, BE IT RESOLVED by the School Board of Independent School District No. 709, as follows:

1. The School Board censures Mr. Welty for the following reasons:
  - a. On November 26, 2014, Mr. Welty publicly disclosed the proposed sale price for real property owned by the District at a time when the School Board was treating the proposed sale price as confidential information.
  - b. On or about December 2, 2014, Mr. Welty disclosed to the media a copy of a privileged and confidential letter from the District's legal counsel under circumstances in which the School Board did not vote to waive the attorney-client privilege.
2. Mr. Welty has been advised on several occasions of the importance of data privacy. The above described conduct demonstrates that Mr. Welty abdicated his responsibilities as a member of the School Board in favor of his personal interests.

HR-12-14-3223

December 22, 2014

The motion for the adoption of the foregoing Resolution was duly seconded by Member Welty  
Discussion took place regarding the resolution.

**M-Johnston, S-Welty, to delete the resolution and substitute this amendment**

1. Resolution Investigation of the Districts lack of compliance with the government data practices act. Whereas on February 26, 2013 a request was submitted to ISD 709, St. Louis County, concerning increases in cost relating to the long range facilities plan, soft costs of the long range facilities plan, soft costs, change orders, energy and sustainability designs and compliance with that. This request has only been partially honored almost most not at all complied with. Whereas on April 24, 2014 a request was submitted to ISD 709 concerning change orders between ISD 709 and Johnson Controls Inc. Whereas on August 11, 2014 a request was submitted to ISD 709, St. Louis County, requesting all emails, documents, memos, notes, call logs and meetings involving any school board member, any attorneys, the superintendent and his cabinet containing Art Johnston or Jane Bushey from September 5, 2013 to the present. Whereas August 18, 2014 a request was submitted to ISD 709 requesting all communication between ISD 709, attorney Kevin Rupp, Fafinski, Mark and Johnson and any contacts with the firm Fafinski Mark and Johnson containing to the investigation looking into the allegations concerning Member Art Johnston, and the fact that ISD has not responded to that request. Whereas on August 18, 2014 a request was submitted to ISD 709 requesting all communications including emails, memos, documents, notes, call logs, and meetings between ISD 709 superintendent members of his cabinet, including his staff including Lincoln Park Middle School administration, and any school board members concerning the elimination of the community outreach program and the fact that ISD has not responded to that request Whereas on September 2, 2014 a request was submitted to ISD 709 requesting all communications

between its employees, elected officials, agents of ISD 709 on one hand, the officers and employees of Johnson Controls on the other hand concerning the subject matters of change orders entered into between ISD 709 and Johnson Controls dated January 13, 2012 and November 30, 2009 and the fact that ISD has not responded to that request. Therefore be it resolved the School Board hereby authorizes an investigation into why these data practices act have not been complied with. With the investigation to be conducted by the law firm Dryer, Storassli, Knutson, and Pommerville, Ltd.

Discussion took place regarding the proposed amendment.

**Upon a vote on the proposed amendment, the same failed 2-5 as follows:**

**Yea: Johnston, Welty**

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

Discussion continued regarding the original resolution.

and upon a vote being taken thereon, the following voted in favor of the motion:

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

And the following voted against the motion:

Johnston

Whereupon said Resolution was declared duly passed and adopted.

**M-Seliga Punyko, S-Harala, to adjourn. Upon a vote the same was approved – unanimously.**

- Chair Miernicki adjourned the Special School Board meeting of December 22, 2014 at 5:30 p.m.

**Minutes of the School Board Annual Organizational Meeting**

Of the School Board of Independent School District No. 709 held at the Historic Old Central High School, 215 North First Avenue East, Duluth, Minnesota 55802, on

Monday, January 5, 2015 at 4:30 p.m.

**Members Present:**

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

**Others Present:**

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

➤ Chair Miernicki called the organizational meeting of the school board to order at 4:30 PM.

1. Call to Order by Member Miernicki as Temporary Chairperson
2. Roll Call
3. Approval of Agenda
4. Election of Chairperson
5. Election of Vice-Chairperson
6. Election of Clerk
7. Election of Treasurer
8. Appointment of Deputy Clerk
9. Appointment of Board Secretary
10. Resolution B-1-15-3224 – Setting Meeting Dates/Times
11. Resolution B-1-15-3225 – Designation of Depositories and Acceptance of Collateral
12. Resolution B-1-15-3226 – Designation of Authority to Perform Electronic Fund Transfers
13. Resolution B-1-15-3227 – Authorization for the Superintendent of Schools and Director of Business Services to Sign Contracts and Grants
14. Resolution B-1-15-3228 – Selection of District's Legal Counsel
15. Resolution B-1-15-3229 – Selection of District's Official Newspaper
16. Adjournment

**M-Westholm, S-Harala, to approve the agenda. Upon a vote to approve the agenda as presented the same was approved – unanimously.**

**5. Election of Chairperson**

Member Miernicki opened the nominations for the office of chairperson.  
Member Loeffler-Kemp nominated Member Seliga Punyko for the office of Chairperson.  
Member Welty nominated Member Harala for the office of Chairperson.  
Member Miernicki closed the nominations for the office of Chairperson.

**Member Miernicki announced that Member Seliga Punyko is elected as Chairperson 4-2-1 as follows:**

**Seliga Punyk: 4 - Loeffler-Kemp, Seliga Punyko, Westholm, Harala  
Harala: 2 - Johnston, Welty  
Loeffler-Kemp: 1 - Miernicki**

**6. Election of Vice Chairperson**

Chair Seliga Punyko opened the nominations for the office of Vice Chairperson  
Member Miernicki nominated Member Harala as Vice Chairperson  
Chair Seliga Punyko closed the nominations for the office of Vice Chairperson

**Chair Seliga Punyko announced that Member Harala is elected as Vice Chairperson 5-2 as follows:**

**Harala: 5 – Harala, Loeffler-Kemp, Miernicki, Seliga Punyko, Westholm  
Abstain: Welty, Johnston**

**7. Election of Clerk**

Chair Seliga Punyko opened the nominations for the office of clerk.  
Member Harala nominated Member Loeffler-Kemp for office of clerk.  
Chair Seliga Punyko closed the nominations for the office of clerk.

**Chair Seliga Punyko announced that Member Loeffler-Kemp was elected as Clerk 5-2 as follows:**

**Loeffler-Kemp: 5 – Harala, Loeffler-Kemp, Miernicki, Seliga Punyko, Westholm  
Abstain: 2 - Johnston, Welty**

**8. Election of Treasurer**

Chair Seliga Punyko opened the nominations for the office of treasurer.  
Member Seliga Punyko nominated Member Westholm for the office of treasurer.  
Chair Seliga Punyko closed the nominations for the office of treasurer.

**Chair Seliga Punyko announced that Member Westholm was elected as Treasurer 5-2 as follows:**

**Westholm: 5 – Harala, Loeffler-Kemp, Miernicki, Seliga Punyko, Westholm  
Abstain: 2 - Johnston, Welty**

**9. Appointment of Deputy Clerk**

Chair Seliga Punyko appointed Bill Hanson as Deputy Clerk.

**10. Appointment of Board Secretary**

Chair Seliga Punyko appointed Melinda Thibault as School Board Secretary.

**11. Resolution B-1-15-3224 – Setting Meeting Dates/Times**

Member Welty presented the resolution as follows:

**RESOLUTION**  
**Selection of Meeting Dates/Times**

RESOLVED, By the School Board of Independent School District No. 709, St. Louis County, Minnesota, that the Regular meetings of the School Board shall be held the

third Monday of each month at 6:30 p.m. at the Central Administration Building unless otherwise scheduled by the School Board.

B-1-15-3224

January 5, 2015

**M-Welty, S-Miernicki, to approve Resolution B-1-15-3224, Selection of Meeting Dates/Times. Upon a vote taken, the same was approved – Unanimously.**

**12. Resolution B-1-15-3225 - Designation of Depositories and Acceptance of Collateral**

Member Miernicki presented the resolution as follows:

**RESOLUTION**

**Designation of Depositories and Acceptance of Collateral**

RESOLVED, By the School Board of Independent School District No. 709, St. Louis County, Minnesota, that Duluth Teachers Credit Union, US Bank, North Shore Bank of Commerce, Wells Fargo Bank, Park State Bank, BMO Harris Bank, Associated Bank, and Western Bank shall be depositories of the funds of this School District for up to a one year period commencing January 1, 2015, and said banks shall be required to deposit with said district collateral securities, subject to approval by the School Board, and kept in trust;

RESOLVED, That the collateral securities pledged by Duluth Teachers Credit Union and placed in trust at Federal Reserve Bank of Boston; North Shore Bank of Commerce and placed in trust at U S Bank N. A.; Key Bank and placed in trust at Federal Reserve Bank of Boston; all as provided by law and evidence by trust agreements executed by the Treasurer of the School Board, an officer of the depository bank, and acknowledged by an officer of the bank holding the securities in trust, shall be approved.

**DULUTH TEACHERS CREDIT UNION –**

\$250,000.00 FNSM, Cusip xxxxxxVM2, due 3/14/2017

\$500,000.00 FHOR, Cusip xxxxxxS36, due 8/07/2017

\$250,000.00 FNNT, Cusip xxxxxx7E5, due 11/28/2016

**NORTH SHORE BANK OF COMMERCE –**

\$100,000.00 FHLB, Cusip xxxxxxCV7, due 3/10/2017

**BMO HARRIS BANK –**

Authorized up to maximum of \$250,000 on deposit at any one time

**U S BANK –**

Authorized up to maximum of \$250,000 on deposit at any one time

**KEYBANK –**

Authorized up to maximum of \$250,000 on deposit at any one time

**WELLS FARGO BANK –**

Authorized up to maximum of \$250,000 on deposit at any one time

**PARK STATE BANK –**

Authorized up to maximum of \$250,000 on deposit at any one time

**WESTERN BANK –**

Authorized up to maximum of \$250,000 on deposit at any one time

RESOLVED, That the Treasurer, Clerk, and/or CFO/Executive Director of Business Services shall be authorized to arrange for the exchange, release, or placing of additional collateral, provided that in all instances such exchange, releases, or placing of additional collateral shall be approved by the school board and all new collateral shall be placed in trust with the respective aforementioned institutions.

B-1-15-3225

January 5, 2015

**M-Miernicki, S-Westholm, to approve Resolution B-1-15-3225 - Designation of Depositories and Acceptance of Collateral. Upon a vote taken, the same was approved – unanimously.**

**13. Resolution B-1-15-3226 - Designation of Authority to Perform Electronic Fund Transfers**

Member Westholm presented the resolution as follows:

**RESOLUTION**

**Designation of Authority to Perform Electronic Fund Transfers**

RESOLVED, By the School Board of Independent School District No. 709, St. Louis County, Minnesota, that the CFO/Executive Director of Business Services has the authority to designate a district employee/employees to initiate electronic fund transfers, as required by MS 471.38.

Resolution B-1-15-3226

January 5, 2015

**M-Westholm, S-Miernicki, to approve Resolution B-1-15-3226 - Designation of Authority to Perform Electronic Fund Transfers. Upon a vote taken, the same was approved – unanimously.**

**14. Resolution B-1-15-3227 - Authorization for the Superintendent of Schools and Director of Business Services to Sign Contracts and Grants**

Member Johnston presented the resolution as follows:

**RESOLUTION**

**Authorization for Superintendent of Schools and CFO/Executive Director of Business Services to Sign Contracts and Grants**

RESOLVED, By the School Board of Independent School District 709, St. Louis County, Minnesota, that to increase operational efficiency, it is requested that authorization to sign revenue contracts and expenditure contracts for the lease, purchase, and contract for goods or services within budgetary and policy limits up to \$25,000 be granted to the Superintendent of Schools and CFO/Executive Director of Business Services. This delegation of authorization is allowable under Minnesota Statute 123B.52 subd. 2. The superintendent's designee will review each contract before execution.

RESOLVED, By the School Board of Independent School District 709, St. Louis

County, Minnesota, that the Superintendent of Schools, or in his/her absence the CFO/Executive Director of Business Services, be designated the legal authorized representative to sign applications and execute grant documents for and in behalf of the school district in connection with federal and state laws and funding authorities and local, public, and private funding agencies that offer categorical financial support to this school district.

RESOLVED, By the School Board of ISD 709, St. Louis Country, Minnesota that a list of all the above contracts and grants hereby approved by the Superintendent or the CFO/Executive Director of Business Services will be provided as an informational item at the first possible regular school Board Meeting following the approval action.

Resolution B-1-15-3227

January 5, 2015

**M-Johnston, S-Loeffler-Kemp, to approve Resolution B-1-15-3227 - Authorization for the Superintendent of Schools and CFO/Executive Director of Business Services to Sign Contracts and Grants.**

Discussion took place regarding the resolution.

**Upon a vote taken on the resolution – the same was approved – unanimously.**

15. **Resolution B-1-15-3228 – Selection of District’s Legal Counsel**

Member Harala presented the resolution as follows:

**RESOLUTION**  
**Selection of District’s Legal Counsel**

RESOLVED, By the School Board of Independent School District No. 709, St. Louis County, Minnesota, that the following firms have been selected as legal counsel for the District.

Fryberger, Buchanan, Smith & Frederick, P.A.  
700 Lonsdale Building  
302 West Superior Street  
Duluth, MN 55802

Ratwik, Roszak & Maloney  
300 US Trust Building  
730 Second Avenue South  
Minneapolis, MN 55402

Dryer, Storaasli, Knutson & Pommerville  
202 West Superior Street, Suite 200  
Duluth, MN 55802

Rupp, Anderson, Squires & Waldspurger, P.A.  
527 Marquette Avenue South, Suite 1200  
Minneapolis, MN 55402  
612. 436.4300 (office)  
612.436.4340 (fax)

RESOLVED, that the authorized contact persons for the District are as follows:

Chair of the School Board  
Superintendent of Schools  
Executive Assistant to Superintendent  
Assistant Superintendent  
CFO/Executive Director of Business Services  
Director of Special Education  
Manager of Facilities  
Finance Manager  
Business Services Secretary  
Senior Human Resources Manager  
Human Resources Manager for Non-Certified Staff  
Human Resources Benefits Coordinator

Resolution B-1-15-3228

January 5, 2015

**M-Harala, S-Westholm, to approve Resolution B-1-15-3228 – Selection of District’s Legal Counsel.**

Discussion took place regarding the resolution.

**M-Johnston, S-Welty, to delete Rupp, Anderson, Squires & Waldspurger, P.A.**

Discussion took place regarding the proposed amendment.

**Upon a vote upon the proposed amendment, the same failed 2-5 as follows:**

**Yea: Johnston, Welty**

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

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

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

**Nay: Johnston, Welty**

**16. Resolution B-1-15-3229 – Selection of District’s Official Newspaper**

Member Welty presented the resolution as follows:

**RESOLUTION**  
**Selection of District’s Official Newspaper**

RESOLVED, By the School Board of Independent School District No. 709, St. Louis County, Minnesota, that the District’s official newspaper will continue to be the Duluth News Tribune.

Resolution B-1-15-3229

January 5, 2015

**M-Welty, S-Miernicki, to approve Resolution B-1-15-3229 – Selection of District’s Newspaper. Upon a vote taken on the resolution, the same was approved – unanimously.**

**17. Adjournment**

Chair Seliga Punyko adjourned the annual organizational school board meeting of January 5, 2015 at 5:08 p.m.

8. Communications, Petitions, etc.

*No communications received at this time.*

DULUTH PUBLIC SCHOOLS, ISD 709  
SCHEDULE OF MEETINGS AND EVENTS - REVISED

*All meetings are scheduled at Historic Old Central High School, 215 N 1<sup>st</sup> Avenue East, unless otherwise noted.*

**January 19 – January 23, 2015**

Tuesday	January 20	6:30 p.m.	Regular School Board Meeting (Agenda Attached) Board Room – 2 <sup>nd</sup> Floor
Thursday	January 22	5:30 p.m.	Education Equity Advisory Committee Board Room – 2 <sup>nd</sup> Floor

**January 26 – January 30, 2015**

Wednesday	January 28	4:15 p.m.	Parent Advisory Committee on Special Education (PACSE) Conference Room 203C
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**February 2 – February 6, 2015**

*No meetings scheduled at this time.*

**February 9 – February 13, 2015**

Monday	February 9	4:15 p.m.	Human Resources Committee Board Room – 2 <sup>nd</sup> Floor
Monday	February 9	4:30 p.m. <i>(or to follow the Human Resources Comm. Mtg)</i>	Business Committee Board Room – 2 <sup>nd</sup> Floor
Tuesday	February 10	4:15 p.m.	Education Committee Board Room – 2 <sup>nd</sup> Floor

**February 17 – February 20, 2015**

*No meetings scheduled at this time.*

**February 23 – February 27, 2015**

Tuesday	February 24	6:30 p.m.	Regular School Board Meeting Board Room – 2 <sup>nd</sup> Floor
Thursday	February 26	5:30 p.m.	Education Equity Advisory Committee Board Room – 2 <sup>nd</sup> Floor

**March 2 – March 6, 2015**

*No meetings scheduled at this time.*

**March 9 – March 13, 2015**

Monday	March 9	4:15 p.m.	Human Resources Committee Board Room – 2 <sup>nd</sup> Floor
Monday	March 9	4:30 p.m. <i>(or to follow the Human Resources Comm. Mtg)</i>	Business Committee Board Room – 2 <sup>nd</sup> Floor
Tuesday	March 10	<b>4:15 – 6:00 p.m. only</b> <i>(No Mtgs 6:00-8:00pm) Township Elections)</i>	Education Committee Board Room – 2 <sup>nd</sup> Floor

*Office of the Superintendent  
January 15, 2015*