

Intermediate District 287

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Intermediate District 287

Regular Meeting

Thursday, November 12, 2009 6:30 PM

Intermediate District 287 School Board Meeting Agenda

Thursday, November 12, 2009 at 6:30 PM
Regular Meeting
District Service Center Board Room

- | | | | |
|----|--|---|----|
| 1. | CALL TO ORDER | | |
| 2. | APPROVAL OF GENERAL MEETING AGENDA | | 3 |
| | * Agenda General Board Meeting for November 12, 2009 | | |
| 3. | OPEN FORUM | | |
| 4. | APPROVAL OF CONSENT AGENDA | | 5 |
| | * General Board Meeting Minutes from October 22, 2009 | * | |
| | Routine Human Resource Activities for November 12, 2009 | | |
| | * Charlene Myklebust, Director of Mental Health and Partnerships | | |
| 5. | SHARE THE SUCCESS & RECOGNITIONS - None | | |
| 6. | SUPERINTENDENT'S REPORT | | 13 |
| | * Decision Resources Survey | * | |
| | Superintendent Communication Memo | | |
| 7. | INSTRUCTIONAL REPORT | | 15 |
| | * C-Train Report | | |
| 8. | ADMINISTRATIVE SERVICES REPORT | | |
| A. | Financial Report | | 16 |
| | * Approval of Routine Monthly Finance/ADM Activities Report | | |
| | * Prior Year Unaudited Fund Balance Report | * | |
| | Equity Transfer from the General Fund to Food Service | | |
| | * Approval of Edgewood Purchase Agreement | | |
| | * Parameters Resolution Authorizing the Certificate Sale and the
Conditions of the Award of the for Financing the Edgewood Purchase | | |
| B. | Facilities Report | | 60 |
| | * North Education Center (NEC) Estimate | | |
| | * TSP November 2nd Meeting Minutes | | |
| | * NEC Discussion | | |
| | * Financial Analysis | | |

C.	Human Resource Report - Closed Session	105
	The school Board may hold a closed meeting to consider strategy for labor negotiations. Minn. Stat. §13D.03.	
9.	BOARD BUSINESS	
A.	Policy Review & Revision - None	
B.	Board Reports	
	1. Chair Report	
	2. AMSD Report	107
C.	District News	112
	* School Board Planning Calendar	
	* November Calendar	
D.	Once Around the Table	
10.	ADJOURNMENT	

Intermediate District 287

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GENERAL MEETING OF THE BOARD

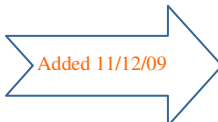
THURSDAY, November 12, 2009


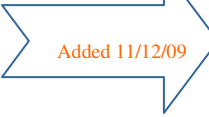

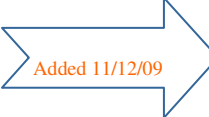
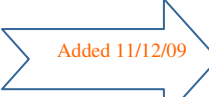


6:30PM @ DSC

AGENDA

A = Action
R = Roll Call
I = Information
- Page #

1. **CALL TO ORDER**A
2. **APPROVAL OF GENERAL MEETING AGENDA**A-4
3. **OPEN FORUM FOR COMMUNITY COMMENTS**I
4. **APPROVAL OF CONSENT AGENDA**A
 - 4.1 General Board Meeting Minutes from October 22, 2009 -6
 - 4.2 Routine Human Resource Activities for November 12, 2009 -9
 - 4.3 Charlene Myklebust, Director of Mental Health and Partnerships -12
5. **SHARE THE SUCCESS & RECOGNITIONS** - None
6. **SUPERINTENDENT'S REPORT** - (5 minutes)
 - 6.1 Decision Resources SurveyI-14
A memo is provided to be alert for requests from Decision Resources.
 - 6.2 Superintendent Communication Memo.....I-15
A memo recently sent to member district Superintendents is provided as information.
7. **INSTRUCTIONAL REPORT** - (10 minutes)
 - 7.1 C-Train Report.....I-16
In partnership with Hennepin County and Best Buy Corporation, Intermediate District 287 now offers a series of career and technical education programs at the South Education Center (SEC). The career and technical education programs at SEC, called C-Train, are designed to provide high school students with opportunities to develop career skills leading to industry recognized certificates while earning credit and working toward high school graduation. A written report will be presented to the Board. Questions will be welcomed.
8. **ADMINISTRATIVE SERVICES REPORTS** - (20 minutes)
 - 8.1 Financial Report
 - 8.1a Approval of Routine Monthly Finance & ADM Activities Report.....A-17
Janet Johnson will provide an overview of the monthly finance report.
 - 8.1b Prior Year Unaudited Fund Balance Report.....A-27
Janet Johnson will provide an overview of the unaudited fund balance for FY 09.
 - 8.1c Equity Transfer from the General Fund to Food Service.....R-29
Recommendation to approve the Equity Transfer from the General Fund to Food Service.



	<p>8.1d Approval of Edgewood Purchase Agreement.....R-30 On November 4th the Osseo School Board approved a purchase agreement for the Edgewood Education Center. The resolution is brought to the 287 Board for action. The actual purchase agreement will be loaded on Tuesday, November 10, 2009.</p>
	<p>8.1e Parameters Resolution Authorizing the Certificate Sale and the Conditions of the Award of the for Financing the Edgewood Purchase.....R-58 The activities necessary to complete the purchase of Edgewood School from the Osseo school district are well under way. In order to facilitate the financing activities we are asking the Board to pass a parameters resolution. This resolution sets the maximum dollar amount and interest rate for this debt issue. It also authorizes District 287 Administration to execute a bond purchase agreement for the purchase of Certificates of Participation (COP's) to finance the Edgewood purchase. The dollar limit is set at a level that covers both the purchase price of Edgewood and related costs including debt issuance. The interest rate is set at a "not to exceed" level and hopefully, will be lower. The sale of the COP's is set for December 10, 2009.</p>
<p>8.2 Facilities Report (45 minutes)</p>	
	<p>8.2a North Education Center (NEC) Estimate.....I-61 A second estimate on the potential Winnetka renovation will be provided to the Board.</p>
<p>8.2b TSP November 2nd Meeting Minutes.....I-80 Peyton Robb, Don Draayer, Linda Johnson, and Michèle Kunz participated in a meeting with TSP and administration. The meeting was designed for Board members to better understand the estimates received from TSP. Peyton Robb provided summary minutes and will report on the meeting.</p>	
	<p>8.2c NEC Discussion.....I-81 Subsequent to the TSP discussion with Board members, Linda Johnson talked with New Hope officials about the viability of a conditional use permit for the commercial site. Linda will give an overview of the discussion. A letter from the City of New Hope and North Area Facilities Study Q & A is provided as information.</p>
	<p>8.2d Financial Analysis.....I-101 A financial analysis will be provided that will demonstrate the impact on the lease levy.</p>
<p>8.3 Human Resource Report (Closed Session – 30 minutes).....I-103 The School Board may hold a closed meeting to consider strategy for labor negotiations. Minn. Stat. §13D.03.</p>	
<p>9. BOARD BUSINESS - (5 minutes)</p>	
<p>9.1 Policy Review & Revision - None</p>	
<p>9.2 Board Reports</p>	
<p>9.2a Chair Report.....I</p>	
	<p>9.2b AMSD Report (Ann Bremer)I 9.2b.1 AMSD October 2009 Connection Newsletter.....I-105</p>
<p>9.3 District News.....I</p>	
<p>9.3a School Board Planning Calendar.....I-110</p>	
	<p>9.3b November 12, 2009 Calendar.....I-112 9.3c Local 2209 Uniflier November 2009.....I-113</p>
<p>9.4 Once Around the Table.....I</p>	
<p>10. ADJOURNMENT.....A</p>	
<p><u>Recommended Action:</u> Board Chair calls meeting adjourned @ _____ PM</p>	

DISTRICT 287 REGULAR BOARD MEETING
Intermediate District 287
October 22, 2009
MINUTES

1. CALL TO ORDER

Vice-Chair Don Draayer called the regular meeting to order at 6:30 PM in the District Service Center Board Room. A quorum was declared with the following members in attendance:

286	Brooklyn Center	Greg Thielsen
272	Eden Prairie	Barbara Gabbert
273	Edina	Peyton Robb
276	Minnetonka	Don Draayer
278	Orono	Michèle Kunz
280	Richfield	Nancy Rowley
283	St. Louis Park	Pam Rykken
284	Wayzata	Carter Peterson
277	Westonka	Ann Bremer

Absent: 271/Bush, 270/S. Johnson, 279/Antolak, and 281/L. Johnson

Guests:

287 Administration: Sandra Lewandowski, Laura Keller-Gautsch, Jane Holmberg, Char Myklebust, Anne Becker, Janet Johnson, Tom Shultz, and Wauneen Mgeni

287 Staff Members: Michelle Axell, and Cindy Stevenson

2. APPROVAL OF GENERAL MEETING AGENDA

The general meeting agenda was presented for approval. *Motion by Ann Bremer, seconded by Peyton Robb, to approve the meeting agenda. All in favor. Motion carried unanimously.*

3. OPEN FORUM FOR COMMUNITY COMMENTS - None

4. APPROVAL OF CONSENT AGENDA

The Consent Agenda was presented for approval. The Consent Agenda included the general meeting minutes from October 8, 2009 and approval of the Routine Human Resource Activities for October 22, 2009. *Motion by Michèle Kunz, seconded by Carter Peterson, to approve the consent agenda as presented. All in favor. Motion carried unanimously.*

5. SHARE THE SUCCESS & RECOGNITIONS - None

6. SUPERINTENDENT'S REPORT

Superintendent Lewandowski briefly gave an overview on two separate meetings of area superintendents: 1) the first meeting with all of the Hennepin County superintendents and Hennepin County officials; and 2) the second meeting with only member district superintendents.

Sandy briefly gave an overview on initiating a formal member district satisfaction survey by Decision Resources to provide a baseline of information related to strategic plan measures.

Sandy recommended to the Board a change in the "Get on the Bus" events. The change will provide extended time at one site for a more indepth look into programming.

Sandy briefly gave an overview on the analysis of District 287 fall student enrollments. Programs are significantly above plan enrollment in Special Education, at plan enrollment in the Area Learning Center, and slightly under plan enrollment in Career and Tech programs.

Superintendent Lewandowski introduced Michelle Axell, Administrative Intern. Michelle presented to the Board a overview on the progress of two transportation efficiency studies. The goal is to determine if 1) internal mid-day transportation of students to meet IEP goals should move to a fully contracted system; and 2) if there is cost-effectiveness to a regional transportation approach to transporting students to and from 287 programs.

7. INSTRUCTIONAL REPORT

Superintendent Lewandowski introduced Dr. Jane Holmberg, Executive Director of Teaching and Learning. Jane briefly gave an overview of the Region 11 Math and Science Teacher Academy and introduced Mrs. Cindy Stevenson, Project Coordinator. Cindy presented to the Board on the second year training focus of the Region 11 Math and Science Teacher Academy. The year-long training for area teachers is in two areas: 1) grades 3-5 algebra concepts; and 2) middle and high school integration of science, technology, engineering, and math (STEM). Cindy also presented a video made to highlight the professional learning community aspect of the training.

8. ADMINISTRATIVE SERVICE REPORTS

Financial Report

Ms. Janet Johnson, Director of Finance Services, presented the monthly financial report for October 2009. *Motion by Carter Peterson, seconded by Greg Thielsen, to approve the monthly financial report as presented. All in favor. Motion carried unanimously*

Janet presented and recommended approval to the Board that District 287 has been awarded \$3,855 from the Minnesota State Arts Board and \$13,620 from the Federal CSPD Part B Section 419 Discretionary funding. *Motion by Nancy Rowley, seconded by Greg Thielsen, to approve the Minnesota State Arts Board and Federal CSPD Part B Section 419 Discretionary funding as presented. All in favor. Motion carried unanimously.*

Facilities Report

Mr. Tom Shultz, Facilities Administrator, provided an overview of two cost estimates prepared by TSP architectural firm for a potential North Education Center. The first is an estimate for remodeling a commercial building. The second is a cost estimate for new construction. The Board directed district administration to request a second estimate for remodeling the commercial building. The target timeline for making a decision is December.

Ms. Janet Johnson, Director of Finance Services, and Mr. Tom Shultz, Facilities Administrator, provided a brief update on the status of the negotiations to purchase the Edgewood Educational Center from the Osseo School District.

9. BOARD BUSINESS

Chair Report

Board member Robb and Gabbert briefly gave an overview of the 2209 Union & Board Breakfast held on Tuesday, October 20.

AMSD Report - None

Organizational Report - None

Once Around the Table

Barbara Gabbert

Carter Peterson - I'm up for election, not a lot of information regarding the election in any of the newspapers.

Don Draayer

Greg Thielsen - IB Certification Team visit at the Brooklyn Center Junior/High School, expect to have certification in a few months. Community School initiative is moving forward, expect to have an on-site school clinic early 2010.

Michèle Kunz - H1N1 – The week of October 12th, Orono reported 21% absentee in High School and Elementary 16%.

Ann Bremer

Nancy Rowley - Gave a brief update on Richfield Dual Language Program retention rate.

Pam Rykken - St. Louis Park started working on a new strategic plan in January 2009.

Peyton Robb - Had a legislative meeting with the districts three legislators, discussed the adjustment for inflation over time for per pupil basis and showing how flat the growth has been in actual class room dollars.

Sandy Lewandowski

Char Myklebust

Jane Holmberg

Laura Keller-Gautsch

Anne Becker

Janet Johnson

Tom Shultz

Wauneen Mgeni

10. ADJOURNMENT

Motion was heard and seconded to adjourn the meeting. Meeting adjourned at 8:30 PM.

The next general meeting will be held on November 12, 2009, at 6:30 PM in the DSC Board Room.

Submitted by
Wauneen Mgeni
Secretary to the Board

Signed: Chair _____ Clerk _____

Date _____ Date _____

**ROUTINE HUMAN RESOURCES ACTIVITIES FOR THE INTERMEDIATE DISTRICT 287
SCHOOL BOARD – November 12, 2009**

LICENSED

1. New Hires:

A. Regular

- MARK D. FUNK, Instructor DCD at South Education Center, **additional position due to increased enrollment**, effective September 25, 2009 – 1.0 FTE.**
- SHAUN P. PAKENHAM, Instructor EBD at Hosterman Education Center, **additional position due to increased enrollment**, effective October 22, 2009 – 1.0 FTE.
- CHARLENE MYKLEBUST, Director of Mental Health and Partnerships, **new position** effective November 2, 2009 – 1.0 FTE.

B. Reinstatement of Licensure Waivers

-

Reinstatement

-

C. Temporary

- AZIZ ARSLAN, Independent Study Coordinator at Brooklyn Center High School, effective October 6, 2009 through June 30, 2010.
- BRIAN BURNS, RAMP-UP Tutor effective November 3, 2009 through April 15, 2010.
- YILIN CHANG, Online Chinese Instructor effective September 8, 2009 through January 30, 2010.
- MELISSA DUCKWILEY, Independent Study English Instructor at Brooklyn Center High School, effective October 28, 2009 through June 30, 2010.
- CAROLINE GIESE, Independent Study English Instructor at Cooper High School, effective from September 29, 2009 through June 30, 2010.
- KELLY GRIESBACH, RAMP-UP Tutor effective November 3, 2009 through April 15, 2010.
- NOEL HOFFELD, RAMP-UP Tutor effective November 3, 2009 through April 15, 2010.
- MAYUMI HUYNH, Japanese Instructor at various sites, effective October 1, 2009 through June 10, 2010.
- SHEILA LINDELL, RAMP-UP Tutor effective October 5, 2009 through November 30, 2009.
- CANDACE LOVETT, RAMP-UP Tutor effective November 3, 2009 through April 15, 2010.

- JULIE MURPHY, RAMP-UP Tutor effective November 3, 2009 through April 15, 2010.
- KERRY NEWSTROM, Independent Study English Instructor at Brooklyn Center High School, effective October 28, 2009 through June 30, 2010.
- PATTI SANNER, RAMP-UP Tutor effective November 3, 2009 through April 15, 2010.
- JEFFREY M. SIMPSON, Independent Study Math Instructor at Cooper High School, effective October 13, 2009 through June 30, 2010.
- MARGARET TEMPLE, Online Social Studies Instructor effective September 15, 2009 through January 30, 2010.
- BENJAMIN VENNES, Independent Study Social Studies Instructor at Brooklyn Center High School, effective October 28, 2009 through June 30, 2010.
- JEAN WESTERLUND, RAMP-UP Tutor effective November 3, 2009 through April 15, 2010.
- COLLEEN S. BAUMTROG, Executive Director of Administrative Services, additional 6.5 days effective September 1, 2009 through November 6, 2009, for work related to Human Resources/Negotiations and other Administrative issues.

D. Substitutes

- Yoshiko Shakal

2. Extended Leaves of Absence:

A. Unpaid

- KELLY JONES, Instructor D/HH at the District Service Center, .2 FTE effective November 2, 2009 through June 10, 2010.

3. Separations:

A. Dismissal

-

B. Resignation

-

C. Retirement (Regular/Disability)

- MARY W. PETERSON, School Social Worker, effective June 10, 2010.

4. Other:

A.

* Indicates delay due to background check

** Indicates delay due to approval of Community Expert Request/license.

NON-LICENSED STAFF:

1. New Hires:

A. Regular

- EMILIA WOODS, Education Assistant at South Education Center, **refill for M. Carruth**, effective October 13, 2009 Step 10 Lane 4 + 90 credits- .875 FTE.
- RONDALE AUSTIN, Education Assistant at Hosterman Education Center, **additional position due to increased enrollment**, effective October 26, 2009 Step 5 Lane 1 - .875 FTE.
- JOSEPH TURNER, Education Assistant at Hosterman Education Center, **additional position due to increased enrollment**, effective October 26, 2009 Step 4 Lane 4 +90 credits - .875 FTE.

B. Temporary

- JOSHUA NAVARRETE, Education Assistant at Hosterman Education Center, effective October 22, 2009.
- JESSICA KOLB, Education Assistant at Hosterman Education Center, effective October 23, 2009.

C. Substitutes

- | | | | |
|-----------------|---------------|---------------|-------------------|
| • Leavale Hicks | Jesse Dolinar | Subor Freeman | |
| • Ed Schuenke | Rickkea Hill | Amy Winberg | Sefika Zejnilovic |

2. Extended Leaves of Absence:

A. Unpaid

-

3. Separations:

A. Dismissal

-

B. Resignation

-

C. Retirement (Regular/Disability)

- PATRICIA ORTH, Clerical at the District Service Center, effective December 31, 2009.

4. Other:

A.

Intermediate District 287

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INTER-OFFICE MEMORANDUM

DATE: October 30, 2009

TO: Sandra Lewandowski, Superintendent

FROM: Anne C. Becker, ^{ACB} Director of Human Resources

RE: Dr. Charlene Myklebust, Director of Mental Health and Partnerships

I am requesting your approval for Char Myklebust to serve in the position of Director of Mental Health and Partnerships for Intermediate District 287. This is a new position for the District effective November 1, 2009 and is full-time (1.0 FTE).

The Director of Mental Health and Partnerships is a new position, but it was created by combining the most important duties of the Director of Professional Learning and Director of Social Emotional Learning positions, as well as responsibilities for building cooperative partnerships and performing special projects. The duties of this position are in furtherance of the District's strategic plan and its commitment to a shared services model that combines premier student-centered services with the cost-effectiveness of partnerships with other regional entities.

Since 1980, Char has been an employee of the Hopkins School District. Starting in 2000, District 287 entered into an employee loan agreement with Hopkins to bring Char's extensive mental health and education experience to work for 287. Over the course of the employee loan agreement, Char has served in many different capacities for 287, as a Mental Health Supervisor, Director of Professional Learning, and most recently, as its Director of Social Emotional Learning. Char retired from the Hopkins School District effective October 31, 2009, and 287's employee loan agreement with Hopkins for Char's services ended at that time.

We are thrilled that Char has agreed to embark on a new career with District 287. Even though Char is new to employment with the District, she is already very familiar with 287's programs, services and staff. In her past positions as the Director of Professional Learning and Social Emotional Learning for the District, Char has supervised the development of evidence-based social emotional learning (SEL) programs and curriculum standards, Safe Schools programs, mental health services, Hennepin County partnerships, and professional learning opportunities. Char has served on the District's cabinet and actively participated in the creation of 287's strategic plan.

Char's qualifications are stellar, and the experience and knowledge she brings to this position are unparalleled. Char received her doctorate in psychology from the Adler School of Professional Psychology in 2002, and her M.A. in Counseling Psychology from the Adler Institute in 1986. Char is currently an adjunct professor at St. Mary's and St. Thomas Universities, teaching classes in Special Education Behavior Management, Childhood Growth and Development and Classroom Management Strategies for Students with Emotional and Behavioral Disorders. She has also been an adjunct instructor at Hamline University and the Adler School of Professional Psychology. Char received the Minnesota Associations of Children's Mental Health Educator of the Year Award in 2007.

I highly recommend Char Myklebust for the District's Director of Mental Health and Partnerships. Her background in mental health and education and the work she has done with the District already have prepared her well for this position. She has the knowledge, skills, background, and experience that this position requires.

Thank you for considering this request.

Intermediate District 287

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M E M O R A N D U M

Date: November 5, 2009
To: 287 School Board
From: Sandy Lewandowski, Superintendent
Re: **Strategic Plan**

One major measurement of our strategic plan is to assess member district satisfaction, and, whether 287 is vital to the missions of local districts. To assist us with that measurement over time, we have secured Decision Resources to complete a baseline survey. **Decision Resources will be setting up appointments for telephone interviews with the following groups:**

- **member district superintendents**
- **teaching & learning directors**
- **special education directors**
- **one randomly selected local school board member from each district**
- **287 school board members**

I am alerting you to this request and would appreciate your participation in the survey. You may also wish to communicate this request to your Superintendents and local Board members.

Thank you in advance for helping us secure this important information. As always, if I can answer any questions for you, please give me a call.

Intermediate District 287

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M E M O R A N D U M

Date: November 5, 2009
To: 287 Member District Superintendents
From: Sandy Lewandowski, ^{Sandy}Superintendent
Re: **Three Items of Importance**

Superintendent Meetings

Thank you to those who participated in the October 8th Superintendent meeting. The minutes from the afternoon meeting are attached for your review. While minutes were not taken at the morning session with Hennepin County, it was clear that every participant felt the discussions should continue. With that in mind, **I have Hennepin County scheduled to attend our Friday, January 22nd regularly scheduled meeting. The meeting is scheduled for 8:30 a.m. - 11:30 a.m.** The agenda is still open. I would welcome any volunteers to assist in designing the outcomes for the meeting.

287 Facilities

The 287 north area facility planning is nearing a decision point with our school board. This month we anticipate both the 287 and 279 School Board will approve a purchase of the Edgewood Education Center from the Osseo School District. The long term cost of this purchase will be less than an ongoing leasing arrangement. The purchase will keep the member district lease levy stable for this particular building. A larger decision on a replacement for our Hosterman Education Center may be made in December. Business Directors will be discussing this decision on Friday, November 6th. The 287 School Board will be looking for consultation from business directors on this issue. **The 287 School Board meets on December 10th. I am asking that each 287 Board Member participate in a discussion with their local Superintendent and Business Director to ensure a complete discussion at the local level.** I would greatly appreciate your assistance in making sure that discussion occurs by early December.

From my vantage point, I am committed to the early promise that we will only bring forward a proposal that keeps the total lease levy utilized by 287 at its current level assuming normal inflationary factors. An updated Q & A document is attached that will also be distributed to business directors and the 287 School Board.

Strategic Plan

One major measurement of our strategic plan is to assess member district satisfaction, and, whether we are vital to your local missions. To assist us with that measurement over time, we have secured Decision Resources to complete a baseline survey. **Decision Resources will be setting up appointments for telephone interviews with the following groups:**

- member district superintendents
- teaching & learning directors
- special education directors
- one randomly selected local school board member from each district
- 287 school board members

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C-Train Summary

Students who participated in C-Train courses from January 2009-November 2009

Certified Nursing Assistant/Home Health Aide=26

Introduction to Telecommunications=13

Microsoft Office Specialist =22

Students who received state/national certifications:

CNA/HHA=23

Introduction to Telecommunications=10

Students who completed C-Train courses and graduated are attending Normandale Community College, Minneapolis Community Technical College, Dunwoody and North American University.

C-Train Courses offered Spring 2010:

CNA/HHA

Introduction to Telecommunications

Introduction to Copper Cabling

Introduction to Fiber Optics

Law Enforcement

Microsoft Office Specialist

Anatomy and Physiology

Pharmacy Technician

Work Readiness/Job Placement:

A component of the C-Train course requires students to create a resume and start their career portfolio. All students have the opportunity to participate in a career internship thru our partnership with Tree Trust. Job placement assistance is available to each student who successfully completes C-Train courses.

Tuition for C-Train Courses:

If a student under the age of 21 meets any of the 12 ALC admission qualifiers, the C-Train classes are available to the student as part of his/her educational program. In this instance, the tuition that normally follows the student for any ALC program supports enrollment in C-Train classes.

If a student does not meet one of the 12 ALC qualifiers, the tuition that normally follows the students for stand-alone Career and Technical programs supports enrollment in C-Train classes.

Future programming plans:

Add First Responder and Graphic Arts

Serve adults through partnership with Richfield/Bloomington Community Education, SHAPE Adult Basic Education, Normandale Community College and Bloomington Workforce Center

Grant Opportunities being pursued:

1. MDE Health Careers Partnership Grant-develop curricula that provides career exploration and training in national skill standards for health care and long term care
2. Youth Build-specialized training in construction and building trades
3. Department of Employment and Economic Development (DEEDS) FAST TRAC=stackable credentials for adults

For additional information, please call Ann Runck, Program Coordinator, at 612-355-5937 or alrunck@district287.org

**INTERMEDIATE DISTRICT 287
PLYMOUTH, MINNESOTA
BOARD OF EDUCATION**

Regular Meeting – November 12, 2009

AGENDA SECTION: ADMINISTRATIVE SERVICES REPORTS

ITEM: 8.1a Approval of Routine Monthly Finance & ADM Activities

PRESENTED BY: Janet A. Johnson, Director of Finance

1. Background Information

The October Budget vs. Actual Reports are presented for Board information and review. These reports indicate that year-to-date revenue in all funds (excluding the SEC building project) totals \$32,252,015, or 47.0% of the revenue budget of \$68,645,483. Year-to-date expenditures in all funds (excluding the SEC building project), total \$19,116,024 or 28.3% of the expenditure budget of \$67,594,041.

The reports show actual amounts (Revenue on one sheet and Expenditures on the other), and their percentage of budget. The Prior Year Actual column represents June 30, 2009. These numbers are still preliminary. The numbers will be adjusted as we finalize the year and work on the audit. Additional detail is available on request.

DDA

Attachments

2. Fiscal Impact/Funding Source: None

3. RECOMMENDED ACTION: The Board approve the Finance & Donation Report items as presented.

Motion by: _____ Yes ____ Passed ____

Second by: _____ Yes ____ Failed ____

Abstentions: _____

REPORT: EXPREV 006 REVENUE SUMMARY BY FUND - Board Report
STATEMENT OF REVENUE
DIST 287 Intermediate District 287 ACCOUNTING PERIOD 10/01/09 TO 10/31/09

RUN: WED 110409 14:01 PAGE 1

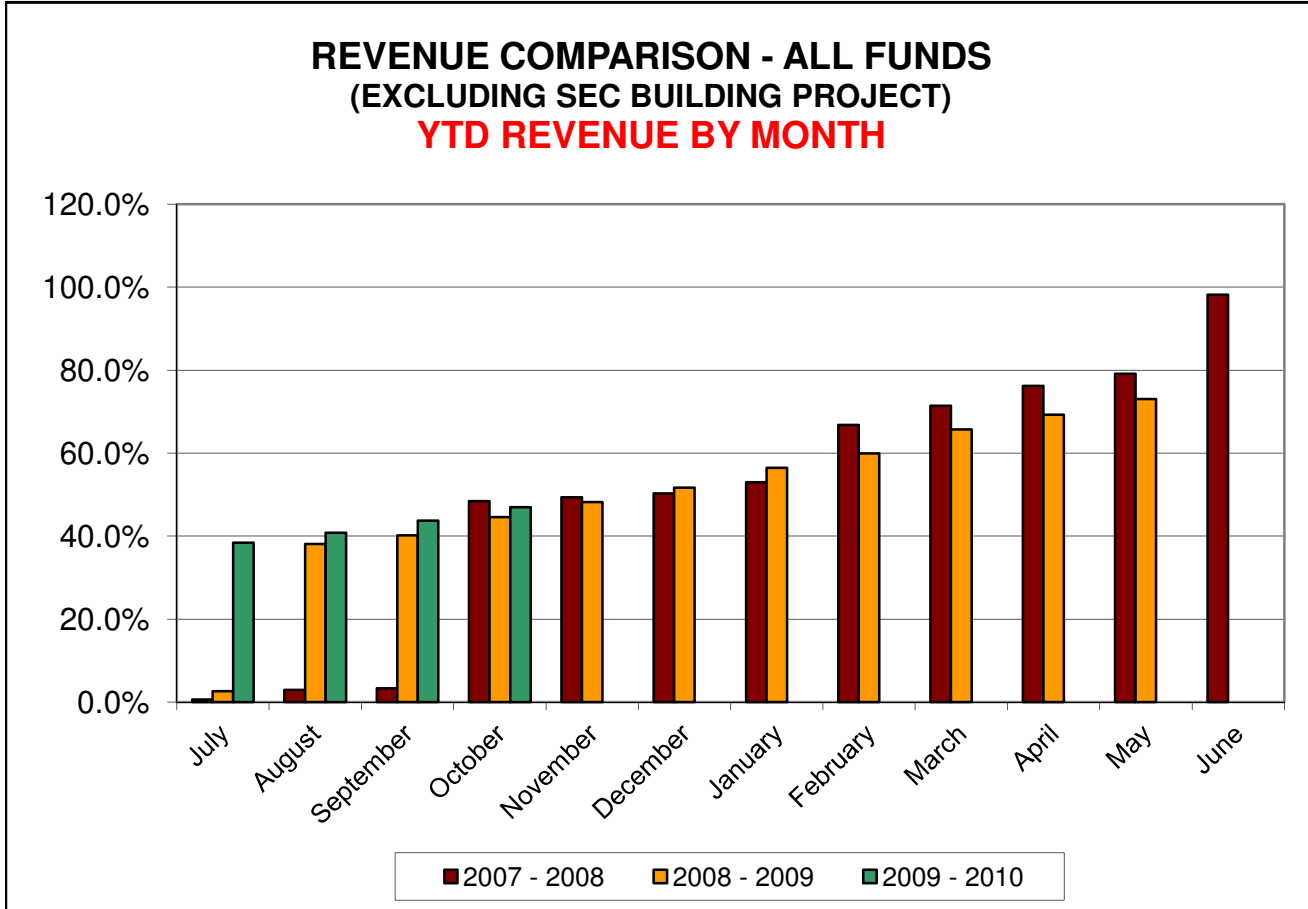
ACCT STATUS: All Account Statuses ACCOUNT RANGES: 01 TO 51-999
ZERO BALANCES: Suppress Zero Balances INCLUDE/EXCLUDES: EXL FD 11 11
SORTED BY: ACCOUNT FD
SUBTOTALLED BY: ACCOUNT FD
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FD	PRIOR YEAR ACTUAL	REVISED BUDGET	10/01/09 TO 10/31/09	FISCAL YEAR 200907 RECEIVED THRU 10/31/09	REMAINING ON 10/31/09	PERCENT REMAINING
01 GENERAL FUND	17,467,227.38	17,855,366	74,023.36	24,512,524.44	6,657,158.44-	37.28-%
02 FOOD SERVICE FUND	302,050.35	292,083	1,279.35	2,265.90	289,817.10	99.22 %
04 COMMUNITY SERVICE FUND	266,239.17	298,238	63,868.67	80,463.77	217,774.23	73.02 %
09 AGENCY FUND - FLEX FUND	345,077.73	0	28,707.73	75,126.42	75,126.42-	0.00 %
12 ALC-ACADEMIC	7,079,991.62	6,594,462	18,738.23	268,011.54	6,326,450.46	95.93 %
13 CAREER & TECH	2,041,177.52	2,096,042	50,000.00	50,847.00	2,045,195.00	97.57 %
14 SPECIAL EDUCATION	43,835,532.02	41,480,492	1,917,092.73	7,172,593.31	34,307,898.69	82.70 %
20 INTERNAL SERVICE FUND	455,152.13	0	81,907.51	87,927.94	87,927.94-	0.00 %
30 KEYSTONE ITD	789,702.24	0	0.00	0.00	0.00	0.00 %
51 STUDENT CLUBS	33,018.69	28,800	648.01	2,254.81	26,545.19	92.17 %
*** REPORT TOTALS:	72,615,168.85	68,645,483	2,236,265.59	32,252,015.13	36,393,467.87	53.01 %

DISTRICT 287

REVENUE COMPARISON - ALL FUNDS EXCLUDING SEC BUILDING PROJECT

Month	2007 - 2008		2008 - 2009		2009 - 2010	
	\$ Amount	% of Budget	\$ Amount	% of Budget	\$ Amount	% of Budget
July	400,609	0.6%	1,848,739	2.6%	26,339,259	38.4%
August	1,432,190	3.0%	25,269,197	38.1%	1,662,122	40.8%
September	235,664	3.3%	1,488,574	40.2%	2,014,369	43.7%
October	27,973,935	48.4%	3,156,289	44.6%	2,236,266	47.0%
November	612,106	49.4%	2,534,489	48.2%		
December	542,422	50.3%	2,467,467	51.6%		
January	1,662,562	52.9%	3,455,875	56.5%		
February	8,585,201	66.8%	2,420,448	59.9%		
March	2,880,213	71.4%	4,158,279	65.7%		
April	2,946,944	76.2%	2,528,874	69.3%		
May	1,848,504	79.1%	2,695,389	73.1%		
June	11,826,805	98.2%				
TOTAL	60,947,155	98.2%	52,023,620	73.1%	32,252,015	47.0%
BUDGET	62,060,730		71,203,550		68,645,483	



REPORT: EXPREV 007 EXPENDITURE SUMMARY BY FUND - Board Rept
 STATEMENT OF EXPENDITURES
 DIST 287 Intermediate District 287 ACCOUNTING PERIOD 10/01/09 TO 10/31/09

RUN: WED 110409 14:01 PAGE 1

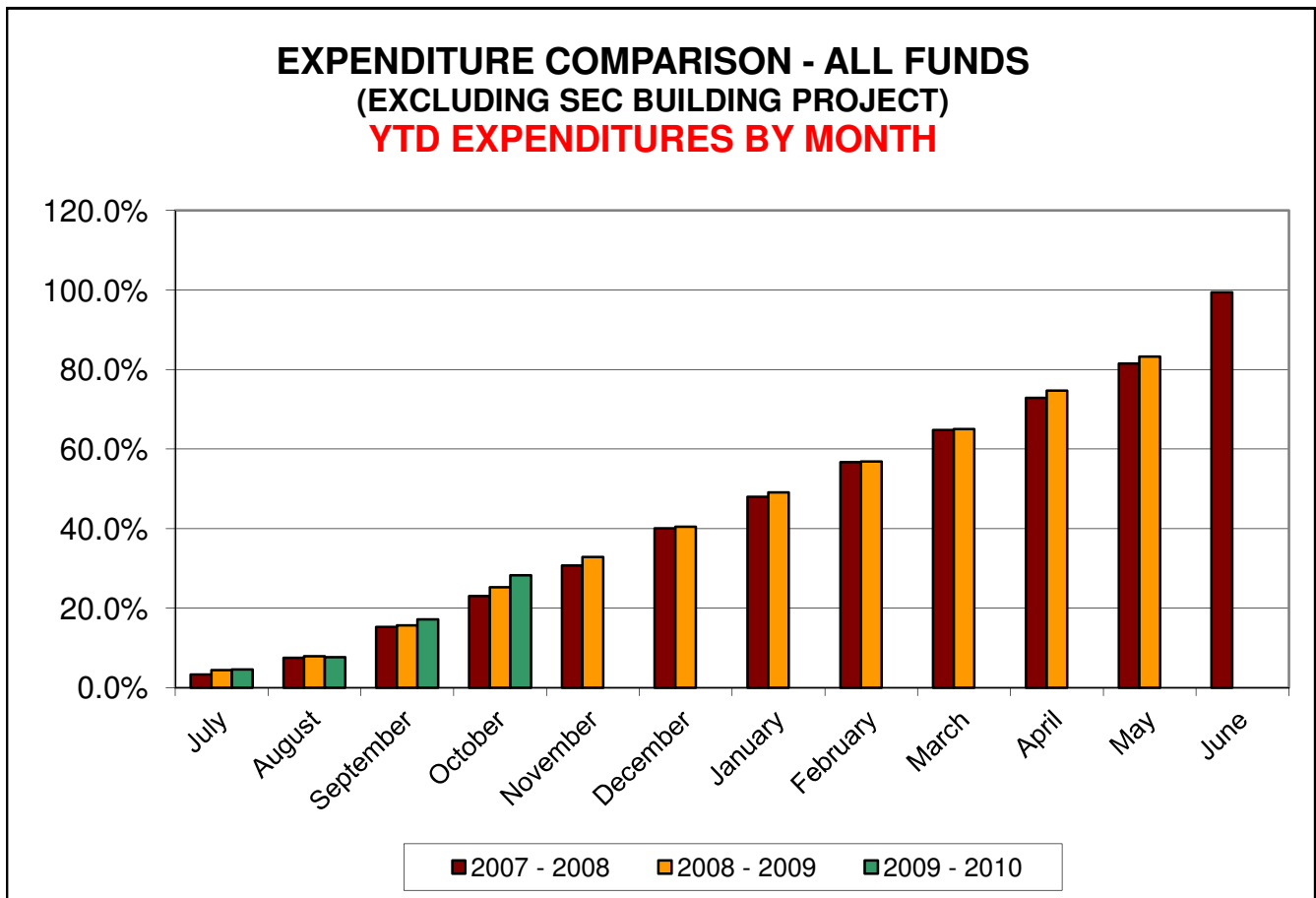
ACCT STATUS: All Account Statuses ACCOUNT RANGES: 01 TO 51-999
 ZERO BALANCES: Suppress Zero Balances INCLUDE/EXCLUDES: EXL FD 11 11
 SORTED BY: ACCOUNT FD
 SUBTOTALLED BY: ACCOUNT FD
 SERIES TOTALS: <None Selected>
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FD	PRIOR YEAR ACTUAL	REVISED BUDGET	10/01/09 TO 10/31/09	EXPENDED THRU 10/31/09	FISCAL YEAR 200907 ENCUMBERED THRU 10/31/09	REMAINING ON 10/31/09	PERCENT REMAINING
01 GENERAL FUND	17,801,219.15	18,088,590	2,199,823.75	6,171,089.92	2,047,550.38	9,869,949.70	54.56 %
02 FOOD SERVICE	302,050.35	292,083	20,606.20	43,329.53	158,733.74	90,019.73	30.81 %
04 COMMUNITY SERVICE FUND	340,961.20	306,254	45,174.88	131,747.47	32,843.59	141,662.94	46.25 %
09 AGENCY FUND - FLEX FUND	341,688.38	0	29,153.99	75,572.68		75,572.68	0.00 %
12 ALC-ACADEMIC	7,224,666.69	6,384,932	642,420.18	1,842,498.15	159,767.50	4,382,666.35	68.64 %
13 CAREER & TECH	2,006,377.55	1,790,533	156,559.67	402,849.45	40,538.92	1,347,144.63	75.23 %
14 SPECIAL EDUCATION	41,043,925.36	40,702,849	4,276,919.27	10,218,714.15	674,556.16	29,809,578.69	73.23 %
20 INTERNAL SERVICE FUND	492,265.73	0	75,573.35	26,894.89		26,894.89	0.00 %
30 KEYSTONE IDT	789,702.24	0	50,000.00	200,000.00	400,000.00	600,000.00	0.00 %
51 STUDENT CLUBS	30,181.55	28,800	1,501.03	3,328.05	65.00	25,406.95	88.21 %
*** REPORT TOTALS:	70,373,038.20	67,594,041	7,497,732.32	19,116,024.29	3,514,055.29	44,963,961.42	66.52 %

DISTRICT 287

EXPENDITURE COMPARISON - ALL FUNDS EXCLUDING SEC BUILDING PROJECT

Month	2007 - 2008		2008 - 2009		2009 - 2010	
	\$ Amount	% of Budget	\$ Amount	% of Budget	\$ Amount	% of Budget
July	2,008,388	3.3%	3,131,464	4.5%	3,110,761	4.6%
August	2,561,280	7.5%	2,428,763	7.9%	2,109,112	7.7%
September	4,716,139	15.3%	5,457,295	15.7%	6,398,418	17.2%
October	4,726,362	23.0%	6,728,518	25.3%	7,497,732	28.3%
November	4,673,596	30.7%	5,330,730	32.8%		
December	5,674,687	40.1%	5,361,530	40.5%		
January	4,836,357	48.0%	6,044,579	49.1%		
February	5,284,415	56.7%	5,459,050	56.8%		
March	4,912,859	64.8%	5,770,557	65.1%		
April	4,917,092	72.9%	6,755,660	74.7%		
May	5,233,528	81.5%	6,017,108	83.2%		
June	10,913,129	99.4%				
TOTAL	60,457,830	99.4%	58,485,254	83.2%	19,116,024	28.3%
BUDGET	60,816,267		70,271,671		67,594,041	



INTERMEDIATE DISTRICT 287

Partner in Education

DATE: **November 4, 2009**

TO: Members of the School Board

FROM: Janet A. Johnson, Director of Finance

RE: **Cash Report - October** Claims, Payroll, Receipts, Investments and Cash Position

A. Recommendation: Request the Board approve payment of the items listed below:

- | | |
|--|---|
| 1. Claim payments for: October 2009 | Totaling <u><u>\$ 4,559,807.21</u></u> |
| a) <i>Check #'s 475081 - 475520, 70005099 - 70005256
and Electronic Wire Transfers out - #'s 2067 - 2077</i> | |
| 2. Payroll for: October 2009 | Totaling <u><u>\$ 2,050,045.55</u></u> |
| a) <i>Check #'s 674962 - 674977</i> | |
| b) <i>Direct Deposit #'s 158104 - 159816</i> | |
| 3. Receipts for: October 2009 | Totaling <u><u>\$ 10,697,877.31</u></u> |
| a) <i>Receipt #'s 125280 - 125458
and Electronic Wire Transfers in</i> | |
| 4. Investments at end of month | Totaling <u><u>\$ 4,902,195.65</u></u> |

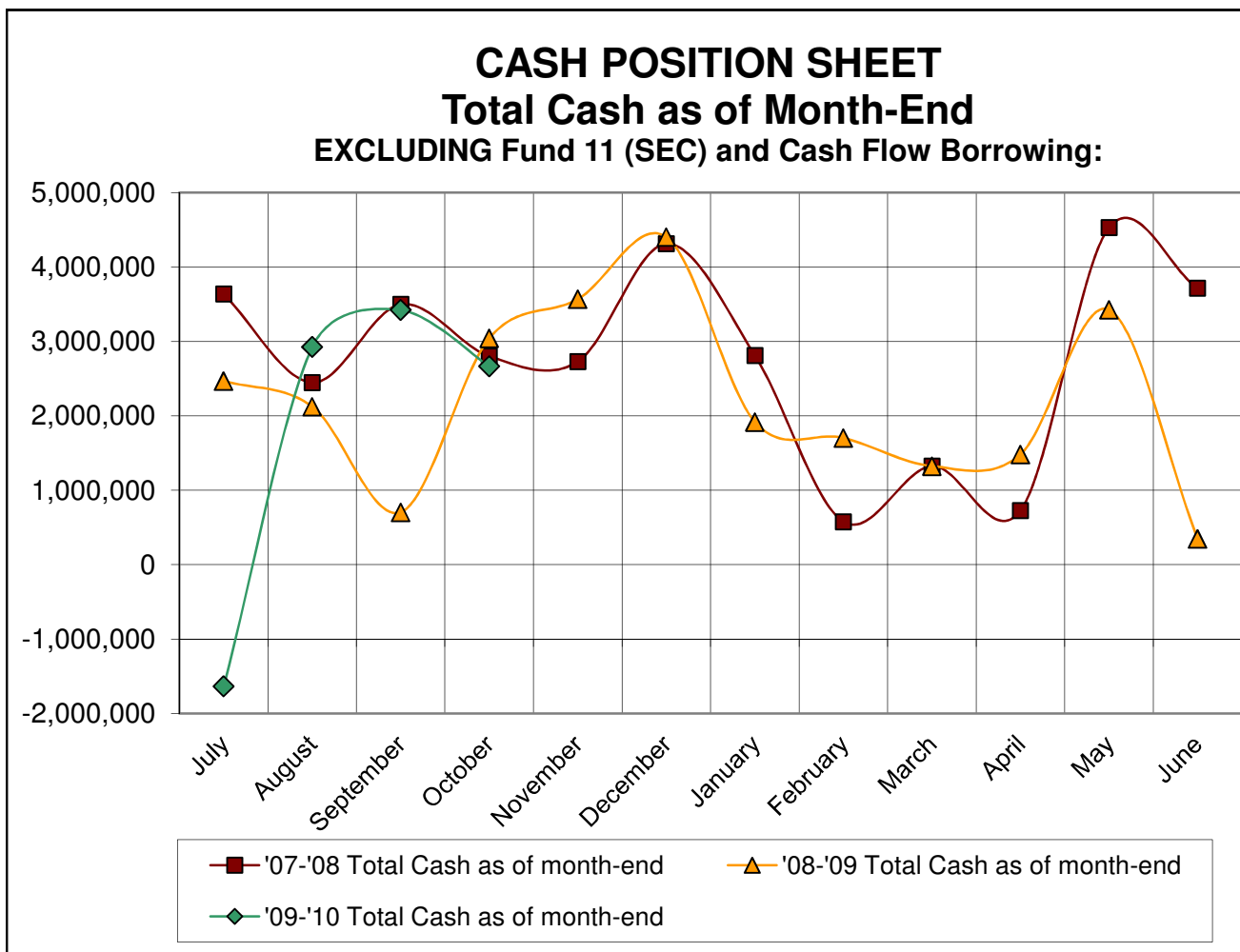
Expenditures, wire transfers, payroll, claims receipts and investments have been prepared under the direction of Dave Anderson and is presented for approval by the School Board. Dave and I would be glad to answer any questions.

Intermediate District 287

Cash Position Sheet- Monthly Total Net Cash- All Accounts
(EXCLUDING Fund 11 - SEC):

<u>Date</u>	<u>'07-'08 Total Cash as of month-end</u>	<u>'08-'09 Total Cash as of month-end</u>	<u>'09-'10 Total Cash as of month-end</u>
July	3,634,310	2,466,323	-1,635,886
August	2,446,506	2,120,954	2,924,129
September	3,498,121	703,434	3,420,767
October	2,800,950	3,040,273	2,663,437 *
November	2,729,418	3,565,934	
December	4,311,267	4,399,671	
January	2,810,576	1,915,347	
February	575,941	1,701,975	
March	1,323,615	1,323,076	
April	727,725	1,481,056	
May	4,527,215	3,423,055	
June	3,711,348	347,873	

* excludes Aid Anticipation Certificate proceeds of \$4,902,195.65 in October, 2009



INTERMEDIATE DISTRICT 287

OCTOBER 2009 ACTIVITY

WIRE TRANSFERS IN:

DATE	AGENCY	TO	EF#	AMOUNT	DESCRIPTION
10/14/2009	EDUCATION AID	MSDLAF	4254871	1,730,541.89	01S360 SPEC EDUC FY10
	EDUCATION GAP	US BANK		35,438.05	INV#66168 US DEPT OF ED/ELEM MENTAL HEALTH PROJ
10/29/2009	EDUCATION AID	MSDLAF	4282040	822,993.53	01S360 SPEC EDUC FY09 RECEIVABLE
	EDUCATION AID	MSDLAF	4282040	21,500.97	01S211 GEN ED AID 10 50/50 COMPENSATORY REV
10/30/2009	PERSHING LLC	US BANK		4,902,195.65	AID ANTICIPATION CERTIFICATE OCT09

MTD TOTALS 7,512,670.09

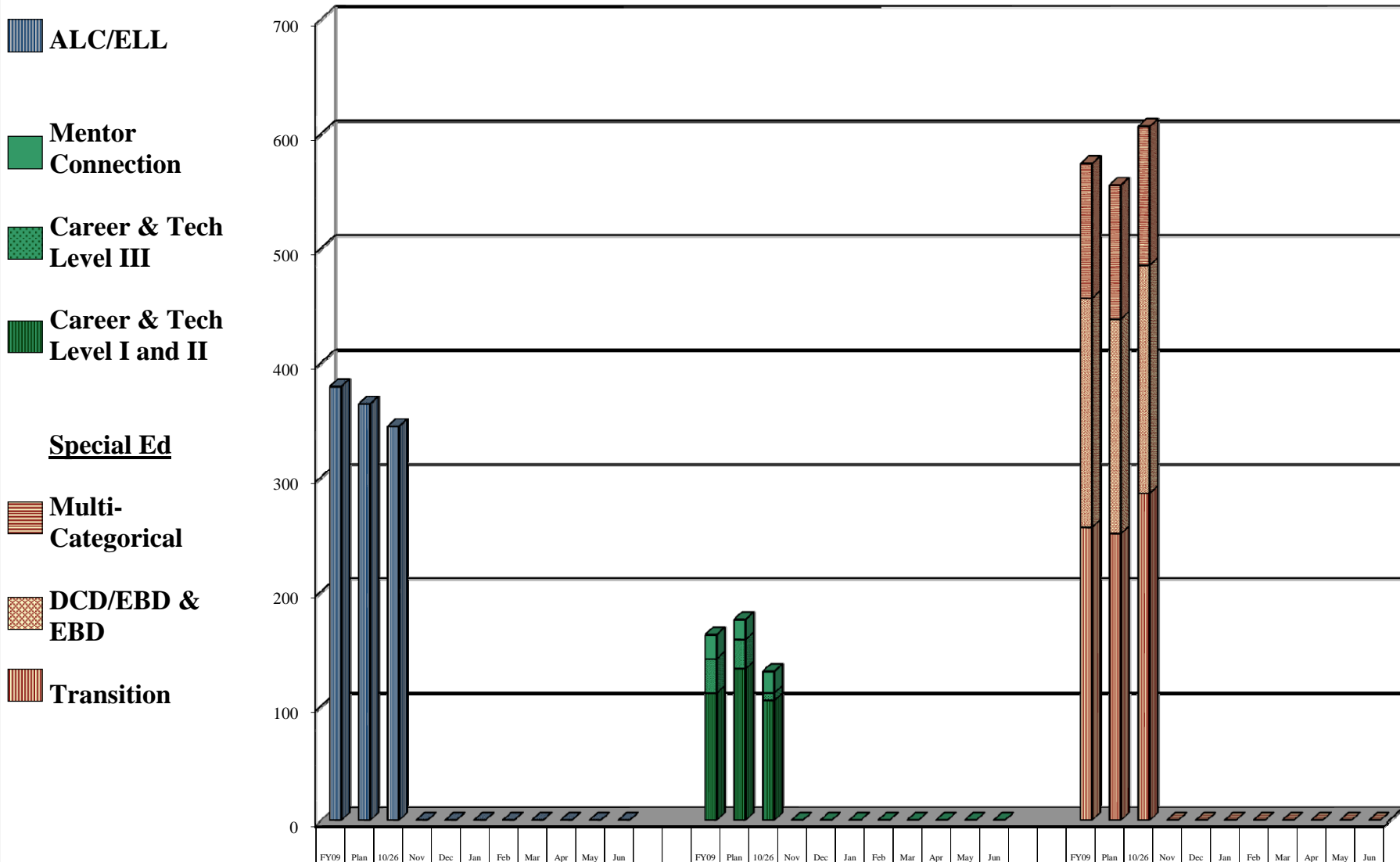
WIRE TRANSFERS OUT:

DATE	FROM	AGENCY	EF#	AMOUNT	DESCRIPTION
10/15/2009	MSDLAF	MN DEPT OF REVENUE	2067	58,133.97	STATE WITHHOLDING TAXES
	MSDLAF	US BANK	2068	351,884.52	FEDERAL TAXES
	MSDLAF	US BANK		1,011,663.17	DIRECT DEPOSIT PAYROLL
	MSDLAF	ING	2069	11,269.88	MN STATE RETIREMENT(ING)
	MSDLAF	US BANK	2070	45,108.98	CORP. HEALTH SYSTEMS MAY09
	MSDLAF	EBC	2071	89,532.18	EMPLOYEE & EMPLOYER 403B
10/31/2009	MSDLAF	US BANK	2072	107.73	US BANK ARP CHGS VOUCHER ACCT AUG09
10/31/2009	MSDLAF	WELLS FARGO	2073	1,010,271.54	WELLS FARGO PAYMENT
	MSDLAF	MN DEPT OF REVENUE	2074	60,327.50	STATE WITHHOLDING TAXES
	MSDLAF	US BANK	2075	364,295.86	FEDERAL TAXES
	MSDLAF	US BANK		1,025,503.85	DIRECT DEPOSIT PAYROLL LESS STOP PAYMENT
	MSDLAF	EBC	2076	19,745.72	EMPLOYEE & EMPLOYER 403B
	MSDLAF	ING	2077	95,689.68	MSRS MN STATE RETIREMENT FUND
	MSDLAF	US BANK	4053	85.61	US BANK ARP CHGS VOUCHER ACCT MAY09
	MSDLAF	US BANK	3041	14.95	US BANK ARP CHGS RECEIPT ACCT MAY09

MTD TOTALS 4,143,635.14

Intermediate District 287 2009-10 Monthly Program ADM Data by Division

(does not include services)



	ALC/ELL												CAREER & TECH												SPECIAL EDUCATION											
	FY09	Plan	10/26	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY09	Plan	10/26	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY09	Plan	10/26	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun			
Multi-Categorical																							117.52	116.91	121.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
DCD/EBD & EBD																							200.10	187.49	199.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Transition																							255.95	250.42	285.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Mentor Connection												21.15	17.51	18.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00														
Level III												29.87	25.44	6.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00														
Level I and II												111.05	132.37	104.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00														
ALC/ELL	378.91	363.71	344.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00																									

DONATIONS
INTERMEDIATE DISTRICT 287
2009-2010

October 2009

DON. DATE	DESCRIPTION	VIN#	EST VALUE	DONOR	SS# OR FED ID#	PROGRAM
10/08/09	DUPLICATION OF DISKS		\$ 250.00	TECKWARE DISTRIBUTING		HONORS MENTOR/GIFTED
			\$ 250.00			

INTERMEDIATE DISTRICT 287
PLYMOUTH, MINNESOTA
BOARD OF EDUCATION

Regular Meeting – November 12, 2009

AGENDA SECTION: ADMINISTRATIVE SERVICES

ITEM: 8.1b Recommendation for Board Acceptance of the Unaudited Fund Balance Report for FY09

PRESENTED BY: Janet A. Johnson, Director of Finance

1. Background Information

The unaudited fund balance for FY09 will be presented for Board information. The report shows that the Unreserved – Undesignated General Fund Balance at June 30, 2009 was \$4,691,375 or 7.02%. The final audit report will be presented at the December 10, 2009 Board meeting.

2. Fiscal Impact/Funding Source:

3. RECOMMENDED ACTION: The Board accepts the unaudited fund balance report for FY09.

Motion by: _____ Yes ____ Passed ____

Second by: _____ Yes ____ Failed ____

Abstentions: _____

INTERMEDIATE DISTRICT 287
UNAUDITED FUND BALANCES JUNE 30, 2009
FY09

PROGRAM	BEGINNING FUND BALANCE 7/1/2008	FY09 REVENUE			FY09 EXPENDITURES			FY09 FUND BALANCE			Sep & Sev Pay	ADJ. FUND BALANCE 6/30/2009	
		REVISED BUDGET	UNAUDITED ACTUAL REVENUE	BUDGET TO ACTUAL VARIANCE	REVISED BUDGET	UNAUDITED ACTUAL EXPENDITURES	BUDGET TO ACTUAL VARIANCE	REVISED BUDGET FD BAL 6/30/2009	UNAUDITED ACTUAL 6/30/2009	FUND BALANCE CHANGE	FY09 TRANSFERS PROPOSED		
GENERAL FUND UNRESERVED - UNDESIGNATED													
DISTRICTWIDE ADMIN / OPS	\$ -	\$ 18,056,654	\$ 16,130,117	\$ (1,926,537)	\$ 17,380,571	\$ 16,522,625	\$ (857,946)	\$ 676,083	\$ (392,508)	\$ (392,508)	\$ (60,081)	\$ (452,589)	
ALC/ACADEMIC EDUCATION	\$ (113,294)	\$ 6,834,047	\$ 7,079,992	\$ 245,945	\$ 7,429,170	\$ 7,224,667	\$ (204,503)	\$ (708,417)	\$ (257,969)	\$ (144,675)	\$ (66,866)	\$ (324,835)	
CAREER & TECH	\$ 256,947	\$ 2,170,353	\$ 2,041,178	\$ (129,175)	\$ 2,046,773	\$ 2,006,378	\$ (40,395)	\$ 380,527	\$ 291,747	\$ 34,800	\$ 41,538	\$ 333,285	
SPECIAL EDUC	\$ 2,746,033	\$ 42,184,057	\$ 43,835,532	\$ 1,651,475	\$ 41,299,352	\$ 41,043,925	\$ (255,427)	\$ 3,630,738	\$ 5,537,640	\$ 2,791,607	\$ (402,126)	\$ 5,135,514	
TOTAL UNRESERVED - UNDESIGNATED	\$ 2,889,686	\$ 69,245,111	\$ 69,086,818	\$ (158,293)	\$ 68,155,866	\$ 66,797,595	\$ (1,358,272)	\$ 3,978,931	\$ 5,178,910	\$ 2,289,224	\$ (487,535)	\$ 4,691,375	7.02%
GENERAL FUND UNRESERVED - DESIGNATED:													
Property Acct	\$ 922,305	\$ -	\$ -	\$ -	\$ 159,695	\$ 108,039	\$ (51,656)	\$ 762,610	\$ 814,266	\$ (108,039)	\$ -	\$ 814,266	
Sep/Severance	\$ 1,635,989	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,635,989	\$ 1,635,989	\$ -	\$ 487,535	\$ 2,123,524	
Student Clubs	\$ 41,074	\$ 28,800	\$ 33,019	\$ 4,219	\$ 28,800	\$ 30,182	\$ 1,382	\$ 41,074	\$ 43,911	\$ 2,837	\$ -	\$ 43,911	
TOTAL UNRESEVED - DESIGNATED	\$ 2,599,368	\$ 28,800	\$ 33,019	\$ 4,219	\$ 188,495	\$ 138,220	\$ (50,275)	\$ 2,439,673	\$ 2,494,166	\$ (105,202)	\$ 487,535	\$ 2,981,701	
GENERAL FUND RESERVED -													
for Health & Safety	\$ 1,245	\$ 142,265	\$ 133,986	\$ (8,279)	\$ 142,265	\$ 133,988	\$ (8,277)	\$ 1,245	\$ 1,243	\$ (2)	\$ -	\$ 1,243	
for Safe Schools	\$ -	\$ 1,200,124	\$ 1,203,124	\$ 3,000	\$ 1,198,987	\$ 1,088,080	\$ (110,907)	\$ 1,137	\$ 115,044	\$ 115,044	\$ -	\$ 115,044	
TOTAL RESERVED	\$ 1,245	\$ 1,342,389	\$ 1,337,110	\$ (5,279)	\$ 1,341,252	\$ 1,222,068	\$ (119,184)	\$ 2,382	\$ 116,287	\$ 115,042	\$ -	\$ 116,287	
TOTAL GENERAL FUND	\$ 5,490,299	\$ 70,616,300	\$ 70,456,947	\$ (159,353)	\$ 69,685,613	\$ 68,157,883	\$ (1,527,730)	\$ 6,420,986	\$ 7,789,363	\$ 2,299,064	\$ -	\$ 7,789,363	
NONMAJOR FUNDS:													
Food Services	\$ -	\$ 308,193	\$ 302,050	\$ (6,143)	\$ 308,193	\$ 302,050	\$ (6,143)	\$ -	\$ -	\$ -	\$ -	\$ -	
Community Serv	\$ 3,142	\$ 279,057	\$ 266,239	\$ (12,818)	\$ 277,865	\$ 289,448	\$ 11,583	\$ 4,334	\$ (20,067)	\$ (23,209)	\$ -	\$ (20,067)	
TOTAL NONMAJOR FUNDS	\$ 3,142	\$ 587,250	\$ 568,290	\$ (18,960)	\$ 586,058	\$ 591,499	\$ 5,441	\$ 4,334	\$ (20,067)	\$ (23,209)	\$ -	\$ (20,067)	
TOTAL GOVERNMENTAL FUNDS	\$ 5,493,441	\$ 71,203,550	\$ 71,025,236	\$ (178,314)	\$ 70,271,671	\$ 68,749,381	\$ (1,522,290)	\$ 6,425,320	\$ 7,769,296	\$ 2,275,855	\$ -	\$ 7,769,296	

1) The District's year end position incorporates a conservative estimate of revenue from State sources for MDE Special Education Tuition. We await the determination on an appeal stating that the MDE system did not generate adequate revenue to cover the portion of general operating costs that would have been covered under the District's previous invoicing system.

2) The Fund Balance grew to 7.02% based on expenditures being held below budgeted levels in all divisions and MA billing revenue greatly exceeding budget.

3) The Board Policy of reaching a 6% Fund Balance has been achieved.

**INTERMEDIATE DISTRICT 287
PLYMOUTH, MINNESOTA
BOARD OF EDUCATION**

Regular Meeting – November 12, 2009

AGENDA SECTION: ADMINISTRATIVE SERVICES

ITEM: Recommendation for Board Approval of an
Equity Transfer for FY09

PRESENTED BY: Janet A. Johnson, Director of Finance

1. Background Information

Recommendation for approval on an Equity Transfer from General Fund to Food Service Fund in the amount of \$172,143.95 for FY09. In the event of a negative fund balance at year end in the Food Services Fund, districts are required to transfer dollars from the General Fund to bring the Food Service Fund to zero. The District 287 Board approved a similar transfer at the end of FY08. During FY09 District 287 carefully studied the Food Service program and went through an RFP process. There were no responses to the RFP. The District continues to study its Food Service options. The fundamental issue appears to be that we do not have the critical mass of students that allow a food service program to operate at a break even level.

2. Fiscal Impact/Funding Source: None

3. RECOMMENDED ACTION: The Board approves an Equity Transfer from the General Fund to Food Service Fund in the amount of \$172,143.95 for FY09.

Motion by: _____ Yes ____ Passed ____

Second by: _____ Yes ____ Failed ____

Abstentions: _____

**INTERMEDIATE DISTRICT 287
PLYMOUTH, MINNESOTA
BOARD OF EDUCATION**

Regular Meeting – November 12, 2009

AGENDA SECTION: ADMINISTRATIVE SERVICES

ITEM: 8.1d Approval of Resolution for Edgewood

Purchase Agreement

PRESENTED BY: Janet A. Johnson, Director of Finance

1. Background Information

Last spring the District 287 Board directed administration to negotiate with the Osseo School District for the purchase of Edgewood School. We were entering the second year of a lease agreement with Osseo for Edgewood and it appeared to be mutually beneficial to proceed to purchase the site. We are pleased to bring forward the attached purchase agreement. The final purchase price is \$5,375,000 plus \$44,350 for personal property minus \$163,563.80 in rent credit for a total of \$5,255,786.20.

The Osseo School Board approved this agreement at a meeting earlier this week. Closing is scheduled for January 7, 2010.

2. Fiscal Impact/Funding Source: This purchase will reduce and provide stability in overall lease costs.

3. RECOMMENDED ACTION: That the Board pass the resolution to authorize the execution of the purchase agreement for Edgewood School.

Motion by: _____ Yes ____ Passed ____

Second by: _____ Yes ____ Failed ____

Abstentions: _____

PURCHASE AGREEMENT
(District 287)

THIS PURCHASE AGREEMENT (this "Agreement") is made as of the ____ day of November, 2009 (the "Effective Date"), by and between Independent School District No. 279, a Minnesota municipal corporation and political subdivision of the State of Minnesota ("Seller"), and Intermediate District 287, a Minnesota municipal corporation and political subdivision of the State of Minnesota ("Buyer").

In consideration of this Agreement, Seller and Buyer agree as follows:

1. Sale of School Property. Seller agrees to sell to Buyer and Buyer agrees to buy from Seller, the following:

- 1.1 Real Property. The real estate located at 6601 Xylon Avenue North, Brooklyn Park, Minnesota, legally described on Exhibit A attached hereto and depicted on Exhibit B attached hereto and all fixtures which make up part of the building located on such real estate (collectively the "Real Property").
- 1.2 Personal Property. The personal property described on Exhibit C attached hereto which is located in the building on the School Property (the "Personal Property").
- 1.3 Permits. Seller's interests in all transferable permits and licenses in effect for or issued in connection with the ownership or operation of the School Property ("Permits").
- 1.4 Warranties. Seller's interest in all transferable warranties and guaranties given to, assigned to or benefiting Seller or the School Property regarding the acquisition, construction, design, use, operation, management or maintenance of the School Property ("Warranties").
- 1.5 Plans. Seller's interest, if any, in the as-built blueprints, plans and specifications regarding the School Property ("Plans").
- 1.6 Records. All records of Seller regarding the School Property, including all records regarding management and leasing, real estate taxes and assessments, insurance, maintenance, repairs, capital improvements and services, but excluding tax returns and such other records as are normally viewed as confidential ("Records").

Collectively, the Real Property, the Personal Property, the Permits, the Warranties, the Plans, and the Records are called the "School Property."

2. Purchase Price and Manner of Payment. The Buyer shall pay the Seller \$5,375,000.00 for the Real Property and \$44,350.00 for the Personal Property, which is a total of \$5,419,350.00 ("Purchase Price"). Upon approval and execution of this Agreement by Buyer and Seller, Buyer shall pay Seller \$50,000.00 in earnest money to be deposited with the Escrow Agent as set forth in the Earnest Money Escrow Agreement attached hereto as Exhibit D. Said earnest money and the interest earned thereon shall be paid to Seller and deducted from the

Purchase Price at Closing. The following additional deductions shall also be made from the Purchase Price:

- 2.1 \$163,563.80 which is a deduction from the Purchase Price for the rent paid by Buyer pursuant to Section 5(d) of a lease of the Real Property between Seller and Buyer dated June 10, 2008, as amended by a First Addendum dated June 11, 2009 (the "Lease"), as calculated in Exhibit E, attached hereto; and
- 2.2 The balance of the Purchase Price shall be paid to Seller by Buyer at Closing in good funds (certified or cashier's check or wire transfer) in the amount of \$5,205,786.20, not including the interest earned from the earnest money, which shall be calculated and deducted from the Purchase Price at Closing.
3. Obligations of Seller. The Seller shall provide the following documentation as hereinafter provided:
 - 3.1 Representations and Warranties. The representations and warranties of Seller contained in the Agreement must be true now and on the Closing Date in all material respects as if made on the Closing Date and Seller shall have delivered to Buyer on the Closing Date a certificate dated the Closing Date, signed by an authorized representative of Seller, certifying that such representations and warranties are true as of the Closing Date in all material respects (the "Closing Certificate").
 - 3.2 Title. Title shall have been found marketable, or been made marketable, in accordance with the requirements and terms of Section 7 below.
 - 3.3 Performance of Seller's Obligations. Seller shall have performed all of the obligations required to be performed by Seller under this Agreement in all material respects. Included within the obligations of Seller under this Agreement shall be the following:
 - 3.3.1 Seller agrees to cooperate with Buyer as reasonably necessary to permit Buyer's to investigate the School Property. Seller shall make available to Buyer and Buyer's agents without charge copies of all plans and specifications, records, inventories and permits in Seller's possession relating to the School Property and any Hazardous Substances affecting the School Property on or before November 30, 2009.
 - 3.3.2 Seller shall deliver to Buyer the Title Evidence required in Section 7 hereof on or before November 30, 2009.
 - 3.3.3 Seller shall deliver to Buyer true and correct copies of all Permits, Warranties, Plans and Records in Seller's possession for Buyer's review and analysis on or before November 30, 2009.
 - 3.3.4 Seller shall maintain replacement value insurance on the Real Property throughout the term of this Agreement until Closing.

4. Buyer's Contingencies Which Must Be Exercised by Written Notice to Seller on or before December 15, 2009 (the "Contingency Date"):

- 4.1 Testing. Buyer shall have determined that it is satisfied with the results of, and matters disclosed by, environmental site assessments, soil tests, engineering inspections, Hazardous Substances and environmental reviews of the School Property, all such tests, assessments, inspections and reviews to be obtained at Buyer's sole cost and expense. Buyer acknowledges that it has reviewed the building inspection report by INSPEC dated October 8, 2008 and accepts the conditions described in such report and will not cite such conditions as a basis for terminating the Purchase Agreement.
- 4.1.1 Buyer shall pay all costs and expenses of such investigation and testing and shall promptly repair and restore any damage to the School Property caused by Buyer's testing and return the School Property to substantially the same condition as existed prior to such entry. Buyer shall indemnify, defend and hold Seller harmless, from any claim for damage to person or property arising from any investigation or inspection of the School Property conducted by Buyer, its agents or contractors, including the cost of attorney fees.
- 4.1.2 Copies of any written reports, studies or test results obtained by Buyer in connection with its inspection of the School Property or investigation relating to the School Property shall be delivered to Seller promptly upon receipt of same at no cost to Seller.
- 4.2 Document Review. Buyer shall have determined, in its sole judgment, on or before the Contingency Date, that it is satisfied with its review and analysis of the Contracts, Permits, Warranties, Plans and Records.
- 4.3 Third Party Approvals. Buyer shall have obtained from any third party, at its sole cost and expense, on or before the Contingency Date, all consents, agreements, approvals, easements and adequate assurances that are legally necessary for Buyer's use of the School Property for its intended use.

If, on or before the Contingency Date, Buyer determines that any of the contingencies listed in this Section have not been satisfied in Buyer's sole discretion, then this Agreement may be terminated, at Buyer's option, by written notice from Buyer to Seller, which notice must be given no later than the Contingency Date. If Buyer does not give written notice of termination on or before the Contingency Date, all of such contingencies will be deemed to have been satisfied and the parties shall proceed to close this transaction in accordance with the terms of this Agreement. If Buyer terminates this Agreement in accordance with this Section, the Seller shall return Buyer's earnest money and interest earned thereon to Buyer and neither party shall have any further rights or obligations regarding this Agreement or the School Property. All the contingencies set forth in this Agreement are specifically stated and agreed to be for the sole and exclusive benefit of the Buyer and the Buyer shall have the right to unilaterally waive any contingency by written notice to Seller.

5. Closing. The closing of the purchase and sale contemplated by this Agreement (the "Closing") shall occur on January 7, 2010 or such date on which the parties may agree (the "Closing Date"). Seller agrees to deliver possession of the School Property to Buyer on the Closing Date.

5.1 Seller's Closing Documents. On the Closing Date, Seller shall execute and deliver to Buyer the following (collectively, "Seller's Closing Documents"), all in form and content reasonably satisfactory to Seller and Buyer:

5.1.1 Deed. A limited warranty deed conveying the Real Property to Buyer, free and clear of all encumbrances, except the Permitted Encumbrances defined in Section 7 of this Agreement.

5.1.2 Bill of Sale. A bill of sale conveying the Personal Property to Buyer, free and clear of all encumbrances.

5.1.3 Assignment of Contracts. An Assignment and Assumption of Contracts conveying the Contracts to Buyer to the extent transferable, free and clear of all encumbrances.

5.1.4 Assignment of Permits. An Assignment and Assumption of Permits conveying the Permits, to the extent assignable, to Buyer, free and clear of all encumbrances.

5.1.5 Assignment of Warranties. An Assignment of Warranties assigning the Warranties, to the extent assignable, to Buyer, free and clear of all encumbrances.

5.1.6 Termination of Lease. A Termination of Lease which acts to terminate all obligations under the Lease except those obligations accruing through the Closing Date including monetary obligations. Monetary obligations are to be prorated to the Closing Date (where applicable).

5.1.7 Seller's Affidavit. An Affidavit of Title by Seller stating that on the Closing Date there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving Seller or the School Property; that there has been no skill, labor or material furnished to the School Property for which payment has not been made or for which mechanics' liens could be filed; and that there are no other unrecorded interests in the School Property, together with whatever standard owner's affidavit (ALTA Form) which may be required by the Title Company to issue an Owner's Policy of Title Insurance with the standard exceptions waived.

5.1.8 Prepaid Rents. All prepaid rents under the Lease prorated to the Closing Date per Section 6.3 herein.

5.1.9 Original Documents. Original copies of all Contracts, Permits, Warranties, Plans and Records in Seller's possession.

- 5.1.10 FIRPTA Affidavit. A non-foreign affidavit, properly executed, containing such information as is required by Internal Revenue Code Section 1445(b)(2) and its regulations.
- 5.1.11 IRS Form. A Designation Agreement designating the Title Company as the "reporting person" for purposes of completing Internal Revenue Service Form 1099.
- 5.1.12 Well Certificate. If Seller is aware that there are wells on the School Property within the meaning of Minnesota Statutes Chapter 1031, a Well Certificate in the form required by law.
- 5.1.13 Lead Paint Disclosure Statement. Any lead paint disclosure statement required by law.
- 5.1.14 Other Documents. Any other documents reasonably required in order to complete the transaction contemplated by this Agreement.
- 5.2 Buyer's Closing Documents. On the Closing Date, Buyer shall execute, as appropriate and deliver to Seller the following (collectively, "Buyer's Closing Documents"):
 - 5.2.1 Purchase Price. The Purchase Price in good funds (certified or cashier's check or wire transfer).
 - 5.2.2 Assignment and Assumption Agreements. The Assignment and Assumption of the Contracts and the Assignment and Assumption of Permits, pursuant to which Buyer will assume all obligations of Seller under the Contracts and Permits that arise on or after the Closing Date.
 - 5.2.3 Other Documents. Such affidavits of Purchaser, Certificates of Value or other documents as may be reasonably required in order to complete the transaction contemplated by this Agreement.
 - 5.2.4 IRS Form. A Designation Agreement designating Title Company the "reporting person" for purposes of completing Internal Revenue Form 1099.

6. Prorations. Seller and Buyer agree to the following prorations and allocation of costs regarding this Agreement:

- 6.1 Title Insurance and Closing Fees. Seller shall pay the cost to record any document required to establish marketable title in Seller, the cost of updating the abstract and any deed tax payable on sale of the Real Property. The parties shall share equally any closer's fees and each shall bear its own attorneys' fees. The Buyer shall pay the title insurance premium and the cost to record the limited warranty deed.

- 6.2 Real Estate Taxes and Special Assessments. Seller shall pay, on or before the Closing Date, all levied special assessments, constituting a lien against the Real Property as of the Effective Date, including, without limitation, any installments of special assessments that are payable with general real estate taxes in the year in which Closing occurs. The Real Property is currently tax-exempt, but in the event that there were any general real estate taxes payable in all years prior to the year in which the Closing occurs, they shall be paid by Seller. Any general real estate taxes payable in the year in which Closing occurs shall be paid by Buyer.
- 6.3 Base Rents. All base rent and other revenues and rents under the Lease for the month in which Closing occurs shall be prorated as of the Closing Date with Seller entitled to the portion allocable to the period prior to the Closing Date. If, at the Closing Date, Buyer is delinquent in any payments required of it, then Buyer shall remit such amounts to Seller at Closing.
- 6.4 Additional Tenant Amounts; Deposits. If operating expenses, including real estate taxes and special assessments are chargeable to Buyer as a tenant under the Lease, Buyer shall reimburse Seller on the Closing Date the amount of all such operating expenses accruing prior to the Closing Date, already paid by Seller. Seller shall pay operating expenses chargeable to Seller as Landlord under the Lease which accrue prior to Closing, prorated as of the Closing Date, Buyer shall assume all other operating expenses not allocated to Seller. At the request of either Seller or Buyer within 30 days after the amount of operating expenses and reimbursement from Buyer is determined and verified, the parties shall re-prorate those items based upon the facts as finally determined.
- 6.5 Recording Costs. Seller shall pay the cost of recording all documents necessary to vest marketable title in Buyer and cure title objections, if any. Buyer shall pay the cost of recording all other documents.
- 6.6 Attorneys' Fees. Each of the parties shall pay its own attorneys' fees, except that in an action to enforce this Agreement, the prevailing party shall be entitled to recover from the defaulting party costs and reasonable attorneys' fees incurred by the non-defaulting party to enforce its rights regarding such default.
7. Title Examination. Title Examination shall be conducted as follows:
- 7.1 Seller's Title Evidence. Within 20 days of the Effective Date, Seller shall furnish the following (collectively, "Title Evidence") to Buyer:
- 7.1.1 Title Insurance Commitment. A commitment ("Title Commitment") for an ALTA Form B 2006 Owner's Policy of Title Insurance issued by the Title Company insuring title to the Real Property in the amount of the Purchase Price, together with legible copies of all documents referenced therein and proper searches for bankruptcies, judgments, liens and assessments
- 7.1.2 Survey. A copy of any existing land survey of the Real Property in Seller's possession or control.

Buyer, at its option, also may obtain, at its expense, a new survey of the Real Property, prepared by a reputable Minnesota registered land surveyor showing such matters as Buyer may desire. Any new survey shall be certified and delivered to Seller as well as Buyer and any other parties that Buyer may designate.

7.2 Buyer's Objections. No later than 20 days after receiving the title commitment, Buyer must make written objections ("Objections") to the marketability of title to the Real Property based on the Title Evidence. If Buyer elects to obtain a new survey, objections based upon the survey must be made within 20 days after receipt of said survey but in no event later than the Contingency Date. Buyer's failure to make Objections within such time period will constitute waiver of Objections. However, any matter which is not referenced in the Title Commitment and is first recorded, discovered or disclosed after the effective date of the Title Commitment may be objected to by Buyer in the manner described herein. Buyer need not object to mortgages or other liens. If not sooner satisfied, Seller shall cause the Real Property to be released from any mortgages or other liens against the Real Property at the Closing. Any matter shown on such Title Evidence, other than a mortgage or other lien and not objected to by Buyer shall be a "Permitted Encumbrance" hereunder. Within 10 days after receipt of Buyer's Objections, Seller shall notify Buyer in writing if Seller elects not to cure the Objections. If such notice is given within said 10 day period, Buyer may either waive the Objections or terminate this Agreement by giving written notice of termination to Seller within 10 days after Seller's notice is given to Buyer. If written notice by Seller is not given within the 10 day period, Seller shall use commercially reasonable efforts to correct any Objections within 30 days after the expiration of the 10 day period ("Cure Period"). If the Title Company is willing to issue a title insurance policy to Buyer that does not except from title insurance coverage an item Buyer has objected to, the objection relating to such item shall be deemed cured. If the Objections are not cured within the Cure Period, Buyer shall have the option to do any of the following:

7.2.1 Terminate this Agreement by giving written notice to Seller within 10 days after the expiration of the Cure Period and, except as provided in Section 3.3.3 hereof, neither Seller nor Buyer shall have further rights or obligations hereunder. In such event Seller shall return all earnest money and interest earned thereon to Buyer.

7.2.2 Waive the objections and proceed to close without reduction in the Purchase Price.

Buyer shall make its election within 10 days after expiration of Seller's Cure Period. A failure to make an election within such period shall be deemed an election to proceed to close pursuant to subsection 7.2.2.

7.3 Permitted Encumbrances shall also be deemed to include the following:

7.3.1 The lien of real estate taxes not yet due and payable;

7.3.2 The lien of special assessments not required herein to be paid by Seller.

7.3.3 Easements for roadway, drainage and utility purposes which do not interfere with the current use of the School Property; and

7.3.4 Restrictive covenants which do not interfere with the current use of the Real Property.

8. Operation Prior to Closing. During the period from the Effective Date to the Closing Date or earlier termination of this Agreement (the "Executory Period"), Seller and Buyer shall operate and maintain the School Property in the ordinary course of business in accordance with the terms of the Lease. Seller shall not be obligated to make capital expenditures or repairs which ultimately are the obligation of the Buyer under the Lease. Seller shall execute no contracts or other agreements regarding the School Property during the Executory Period not required by the Lease which would bind Buyer or require post closing possession of or entry upon the School Property by any party other than Buyer without the written consent of Buyer. Buyer shall have five business days after the actual receipt of each proposed contract or agreement to notify Seller of Buyer's approval or rejection of said Lease, contract or agreement.

9. Representations and Warranties by Seller. Seller represents and warrants to Buyer that the following are true in all material respects now and, as modified by any changes about which Seller notifies Buyer in writing following after the date hereof, will be true in all material respects on the Closing Date:

9.1 Authority. Seller is a Minnesota independent school district, duly created under and subject to the laws of the State of Minnesota; Seller has the requisite power and authority to enter into and perform this Agreement and those Seller's Closing Documents signed by it; such documents have been or will be duly authorized by all necessary action on the part of Seller and have been or will be duly executed and delivered; such execution, delivery and performance by Seller of such documents does not conflict with or result in a violation of any judgment, order, or decree of any court or arbiter to which Seller is a party; such documents are valid and binding obligations of Seller, and are enforceable in accordance with their terms, subject to bankruptcy, reorganization, insolvency, moratorium and other laws affecting the rights and remedies of creditors generally and principles of equity.

9.2 Leases. There are no leases encumbering the School Property, other than the Lease.

9.3 Contracts. Seller has made or will make available to Buyer a correct and complete copy of each Contract and its amendments. The Contracts are in full force and neither Seller, nor to the best of Seller's knowledge without investigation, any other party to the Contracts, is in default under the Contracts.

- 9.4 Permits. Seller has made or will make available to Buyer a correct and complete copy of each Permit in Seller's possession and its amendments. The Permits are in full force, and to the best of Seller's knowledge without investigation, Seller is not in violation of the Permits. Seller has received no notice of violation of such permits. To the best of Seller's knowledge without investigation, no other permits, including environmental permits, are required from any governmental entity in order to operate the School Property as it is now operated.
- 9.5 Utilities. Seller has received no notice of actual or threatened curtailment of any utility service now supplied to the School Property.
- 9.6 Environmental Laws. Subject to Section 9.6.4 herein:
- 9.6.1 To the best of Seller's knowledge without investigation, no toxic or hazardous substances or wastes, pollutants or contaminants including, without limitation, asbestos, lead paint, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products, and any hazardous substance as defined in any Environmental Law (collectively, "Hazardous Substances") have been generated, treated, stored, transferred from, released or disposed of, or otherwise placed, deposited in or located on the Real Property in violation of any Environmental Law, nor to the best of Seller's knowledge without investigation, has any activity been undertaken on the Real Property that would cause or contribute to the Real Property becoming a treatment, storage or disposal facility within the meaning of any Environmental Law. The term "Environmental Law" shall mean any and all federal, state and local laws, statutes, codes, ordinances, regulations, rules, policies, consent decrees, judicial orders, administrative orders or other requirements relating to the environment or to human health or safety associated with the environment, as currently in effect.
- 9.6.2 To the best of Seller's knowledge without investigation, there have been no discharges, releases or threatened releases of Hazardous Substances from the Real Property, and to the best of Seller's knowledge without investigation, there are no Hazardous Substances or conditions in or on the Real Property that may support a claim or cause of action under any Environmental Law.
- 9.6.3 To the best of Seller's knowledge without investigation, the Real Property is not now and never has been listed on any list of sites contaminated with Hazardous Substances, nor used as a landfill, dump, disposal or storage site for Hazardous Substances. Seller shall deliver to Buyer at Closing any documents in Seller's possession concerning the presence, location and quantity of asbestos containing materials, and presumed asbestos containing materials, in the Real Property.

- 9.6.4 Seller and Buyer acknowledge that based on the age of the building on the Real Property, there may be asbestos building materials or lead paint in the building and on the Real Property. Seller has not ordered or received any asbestos or lead paint study(ies) concerning the Real Property, except the Asbestos Report pursuant to the AHERA Act of 1986, Seller makes no representation as to the existence or condition of asbestos building materials or lead paint on, in, or about the Real Property, except as disclosed in the above-referenced AHERA Report and Seller represents that, to the best of its knowledge without investigation, no asbestos or lead paint materials have been introduced into the building from and after said AHERA Report. Except as specified above, Buyer agrees that it is Buyer's responsibility to ascertain whether any asbestos or lead paint is present on, in, or about the Real Property and the extent to which there is or may be a health or economic risk presented by the presence of asbestos or lead paint in the Real Property. To the extent there is asbestos or lead paint on, in, or about the Real Property, it shall be Buyer's sole responsibility to remediate or remove such asbestos or lead paint at Buyer's sole cost, if such remediation or removal is required by any law or lender.
- 9.7 Rights of Others to Purchase School Property. Seller has not entered into any other contracts for the sale of the School Property, nor are there any rights of first refusal or options to purchase the School Property or any other rights of others that might prevent the sale of the School Property contemplated by this Agreement.
- 9.8 Use of School Property. To the best of Seller's knowledge without investigation, the School Property is usable for its current uses without violating any federal, state, local or other governmental building, zoning, health, safety, platting, subdivision or other law, ordinance or regulation, or any applicable private restriction, and such use is a legal conforming use.
- 9.9 Proceedings. There is no action, litigation, investigation, condemnation or proceeding of any kind pending or, to the best of Seller's knowledge without investigation, threatened against Seller or any portion of the School Property.
- 9.10 Agents and Employees. No management agents or other personnel employed in connection with the operation of the School Property have the right to continue such employment with Buyer after the Closing Date. There are no claims against Seller for brokerage commission or other payments with respect to the leasing or sale of the School Property which will survive and remain unpaid after the Date of Closing.
- 9.11 Wells. The Seller certifies that the Seller does not know of any wells on the Real Property within the meaning of Minnesota Statutes Section 103I. This representation is intended to satisfy the requirements of that statute.

- 9.12 Storage Tanks. To the best of Seller's knowledge without investigation, there are no underground storage tanks located on the Real Property.
- 9.13 Reports. Seller has delivered to Buyer or will deliver to Buyer on or before November 30, 2009, copies of all environmental reports and studies relating to the Real Property which are in the possession of Seller.
- 9.14 Individual Sewage Treatment Systems. Solely for purposes of satisfying the requirements of Minnesota Statutes Section 115.55, Seller represents that to the best of its knowledge without investigation, sewage from the Real Property goes to a facility approved by the Minnesota Pollution Control Agency and that there is no individual sewage treatment system on the Real Property.
- 9.15 Title. Seller owns fee title to the real estate which makes up the School Property.

For purposes of this Agreement "to the best of Seller's knowledge" means only the knowledge of Ron Breheim, Coordinator of Maintenance Services and Kim Riesgraf, Asst. Superintendent Administration. Seller represents and warrants that Ron Breheim is the management employee most likely to have knowledge of the matters pertaining to which Seller's representations and warranties are made herein and that Kim Riesgraf is the management employee in charge of selling real estate assets.

Seller's representations shall be true, accurate and complete as of the date of this Agreement, in all material respects and, as modified by any notices given by Seller to Buyer, on the Closing Date in all material respects. If anytime prior to Closing, Buyer shall determine that any representation herein made by Seller was not true in all material respects when made, the Buyer's sole remedy shall be to terminate this Agreement by giving notice to Seller and seeking any applicable remedies for breach from Seller. The earnest money paid by Buyer shall be returned to Buyer with interest. If at any time prior to Closing, Buyer discovers that a representation made by Seller was true when made but is no longer true, Buyer's sole remedy shall be to terminate this Agreement. The earnest money paid by Buyer shall be returned to Buyer with interest. Seller shall indemnify and defend Buyer, its successors and assigns, from and against, and will hold Buyer, its successors and assigns, harmless from, any expenses or damages, including reasonable attorneys' fees, that Buyer incurs because of the breach of any of the above representations and warranties, whether such breach is discovered before or after Closing. Consummation of this Agreement by Buyer with knowledge of any such breach by Seller constitutes a waiver or release by Buyer of any claims arising from such consummations.

Notwithstanding the above paragraph, all representations and warranties shall terminate on the first anniversary of the Closing Date except for those representations and warranties contained in Section 9.1 and Section 9.6 which shall terminate on the fourth anniversary of the Closing Date pursuant to applicable statutes of limitations.. Any claim by Buyer not made by written notice delivered to Seller before the date the representation or warranty terminates shall be deemed waived.

10. "As Is, Where Is". IT IS EXPRESSLY AGREED THAT, EXCEPT AS TO MATTERS COVERED BY SELLER'S EXPRESS WARRANTIES HEREIN AND IN THE

CLOSING DOCUMENTS, BUYER WILL ACCEPT THE SCHOOL PROPERTY TRANSFERRED BY SELLER TO BUYER, "AS IS, WHERE IS, AND WITH ALL FAULTS" AS OF THE CLOSING DATE. BY ACCEPTING A DEED. BUYER AGREES THAT IT WILL HAVE SATISFIED ITSELF THROUGH THE EXERCISE OF ITS RIGHT OF INSPECTION AS TO THE PHYSICAL CONDITION, LOCATION, USABILITY, AND ALL OTHER MATTERS PERTAINING OR RELATING TO THE SCHOOL PROPERTY. EXCEPT FOR THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN THE CLOSING DOCUMENTS, SELLER HAS NOT MADE ANY REPRESENTATION OR WARRANTY REGARDING THE SCHOOL PROPERTY. EXCEPT FOR THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT, SELLER HEREBY DISCLAIMS, AND BUYER FOREVER WAIVES AND RELEASES, ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE SCHOOL PROPERTY, INCLUDING, BUT NOT LIMITED TO, THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR USE.

11. Representations and Warranties by Buyer. Buyer represents and warrants to Seller that Buyer is a Minnesota municipal corporation; that Buyer has the requisite power and authority to enter into this Agreement and the Buyer's Closing Documents signed by it; such documents have been duly authorized by all necessary action on the part of Buyer and have been or will be duly executed and delivered; such execution, delivery and performance by Buyer of such documents does not conflict with or result in a violation of any judgment, order or decree of any court or arbiter to which Buyer is a party; such documents are valid and binding obligations of Buyer, and are enforceable in accordance with their terms.

12. Damage.

12.1 If, prior to the Closing, the building on the School Property is substantially damaged by fire, casualty, the elements or any other cause, Seller shall immediately give notice to Buyer of such fact and at Buyer's option (to be exercised by delivery of written notice to Seller from Buyer within 15 days after Seller's notice of damage), this Agreement shall terminate, in which event Seller shall exchange repayment of the earnest money with interest for a Cancellation of the Purchase Agreement executed by Buyer. Thereafter, neither party shall have any further obligations under this Agreement except to perform any applicable indemnity of the other party contained in this Purchase Agreement.

12.2 If Buyer fails to elect to terminate despite such damage, or if the building on the Real Property is damaged but not substantially, Seller shall promptly commence to repair such damage or destruction and return the Real Property to its condition prior to such damage. If such damage shall be completely repaired prior to the Closing, then there shall be no reduction in the Purchase Price and Seller shall retain the proceeds of all insurance related to such damage. If such damage is not able to be completely repaired prior to the Closing, but Seller is diligently proceeding to repair, then Seller shall complete the repair after the Closing and shall be entitled to receive the remaining proceeds of all insurance related to such damage after repair is completed. Pending completion of repairs, 150 percent of the estimated cost of repairs shall be escrowed from the closing proceeds until

such time as the repairs have been completed. If Seller shall fail to diligently proceed to repair such damage, then Buyer shall have the right to require a closing to occur and 150 percent of the estimated cost for labor and materials shall be escrowed from closing proceeds until completion. In either event, Seller shall be responsible for any additional costs if the escrowed funds are insufficient to complete the repairs, up to the amount of the proceeds paid to it by its insurer for the damage to the Real Property. This provision shall survive closing. In no event shall Seller be required to escrow funds in excess of the net sale proceeds, Seller shall be permitted to pay the costs of construction from such escrow, such process to be administered by Title Company. For purposes of this Section, the words "substantially damaged" means damage that would cost \$200,000 or more to repair.

- 12.3 Notwithstanding the above, if the building on the Real Property is more than 50 percent damaged, as determined by the County Assessor or a construction expert acceptable to both Buyer and Seller, either party to this Purchase Agreement may terminate this Purchase Agreement by written notice to the other party delivered within 30 days of the occurrence which caused such damage. If the Purchase Agreement is terminated, Seller shall exchange repayment of the earnest money with interest for a Cancellation of the Purchase Agreement executed by Buyer. Thereafter, neither party shall have any further obligations under this Agreement except to perform any applicable indemnity of the other party contained in this Purchase Agreement. Seller shall be entitled to all insurance proceeds and shall have no obligation to Buyer to repair such damage.

13. Condemnation. If, prior to the Closing, eminent domain proceedings are commenced against all or any material part of the School Property, Seller shall immediately give notice to Buyer of such fact and at Buyer's option (to be exercised within 15 days after Seller's notice), this Agreement shall terminate, in which event neither party will have further obligations under this Agreement. The earnest money paid by Buyer shall be returned to Buyer with interest. If Buyer shall fail to give such notice, then there shall be no reduction in the Purchase Price, and Seller shall assign to Buyer at the Closing all of Seller's right, title and interest in and to any award made or to be made in the condemnation proceedings. Prior to the Closing, Seller shall not designate counsel, appear in, or otherwise act with respect to the condemnation proceedings without Buyer's prior written consent. For purposes of this section, the words "a material part" means a part if acquired by a condemning authority would materially hinder school operations at the School Property.

14. Commissions. Both Buyer and Seller represent that they have not entered into a contract with any real estate broker, whereby the broker is entitled to a commission resulting from the transaction contemplated by this Agreement. Each Party agrees to indemnify, defend and hold harmless the other party against any claim made by a real estate broker for a commission or fee based on alleged acts or agreements with the indemnifying party.

15. Remedies.

- 15.1 Buyer's Remedies. If Seller shall fail to consummate this Agreement for any reason except Buyer's default or the termination of this Agreement pursuant to a right to terminate given herein, Buyer may, as Buyer's sole and exclusive remedy, either: (a) terminate this Agreement by giving 30 days' written notice to Seller, pursuant to Minnesota Statutes, Section 559.21, as amended from time to time, in which event the earnest money shall be promptly released to Buyer with interest and upon such release, neither party shall be further obligated to the other (except for Buyer's and Seller's indemnities set forth in this Agreement); or (b) enforce specific performance of this Agreement, provided, however, that Buyer shall have a right to specific performance against Seller only if Buyer has given Seller 90 days' written notice of the default, Seller has failed to timely cure such default, and Buyer has filed such action for specific performance within 90 days of the scheduled Closing. Buyer specifically waives any right to make a claim against Seller for compensatory or consequential damages or any other type of monetary claim, except for the indemnity obligations set forth in this Agreement.
- 15.2 Seller's Remedy. If Buyer fails to consummate this Agreement for any reason except Seller's default or the termination of this Agreement pursuant to a right to terminate given herein, Seller's sole and exclusive remedy shall be to terminate this Agreement by giving 30 days' written notice to Buyer, pursuant to Minnesota Statutes, Section 559.21, as amended from time to time, in which case the earnest money shall be paid and released to Seller. Seller specifically waives any right to make a claim against Buyer for compensatory or consequential damages or any other type of monetary claim, except for any indemnity obligations set forth in this Agreement.
- 15.3 Indemnification Remedy. Notwithstanding the foregoing provisions of this Section 15, in the event of any default by Buyer or Seller under or in connection with any indemnification pursuant to this Agreement, and in the event of any failure by the defaulting party to cure such default within 30 days after the date of notice of default by the non-defaulting party to the defaulting party, the non-defaulting party shall be entitled to seek and recover all legal and equitable relief available under applicable law, including, without limitation, monetary damages.
16. School Board Approval. This Agreement is conditioned upon its approval by the school boards of both Seller and Buyer. If either of the school boards fails to approve this Agreement, it shall be null and void except for Buyer's indemnities set forth in Section 3.3.3. Seller and Buyer shall each put the subject of such approval on the first school board meeting agenda.
17. Assignment. Buyer may not assign its rights under this Agreement, without prior consent of Seller.
18. Survival. All of the terms of this Agreement and warranties and representations herein contained shall survive and be enforceable after the Closing.

19. Notices. Any notice required or permitted hereunder shall be given by personal delivery upon an authorized representative of a party hereto; or if mailed by United States mail postage prepaid; or if transmitted by facsimile copy followed by mailed notice; or if deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to Seller:

Independent School District No. 279
Kim W. Riesgraf, Assistant Superintendent - Administration
11200 - 93rd Avenue North
Maple Grove, MN 55369

With a copy to:

James R. Steilen
Briggs and Morgan, P.A.
2200 IDS Center
Minneapolis, MN 55402

If to Buyer:

Intermediate District 287
Sandy Lewandowski
1820 Xenium Lane North
Plymouth, MN 55441

With a copy to:

Sarah J. Sonsalla
Kennedy & Graven, Chartered
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

Notices shall be deemed effective on the earlier of the date of receipt or the date of deposit, as aforesaid; provided, however, that if notice is given by deposit, the time for response to any notice by the other party shall commence to run one business day after any such deposit. Any party may change its address for the service of notice by giving notice of such change 10 days prior to the effective date of such change.

20. Captions. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

21. Entire Agreement; Modification. This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the School Property. There are no verbal agreements that change this

Agreement and no waiver of any of its terms will be effective unless in a writing executed by the parties.

22. Binding Effect. This Agreement binds and benefits the parties and their successors and assigns.

23. Controlling Law. This Agreement has been made under the substantive laws of the State of Minnesota, and such laws shall control its interpretation.

Signature Page to Purchase Agreement

BUYER:
INTERMEDIATE DISTRICT 287

By: _____
Its: Chair

and

By: _____
Its: Clerk

Date: _____

SELLER:
INDEPENDENT SCHOOL DISTRICT NO. 279

By: _____
Its: Chair

and

By: _____
Its: Clerk

Date: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE SCHOOL PROPERTY

That North 726.5 feet of the East 720 feet of the Southwest Quarter of the Northeast Quarter (SW $\frac{1}{4}$ of the NE $\frac{1}{4}$) of Section 31, Township 119, Range 21, Hennepin County, Minnesota.

EXHIBIT B

DEPICTION OF THE SCHOOL PROPERTY

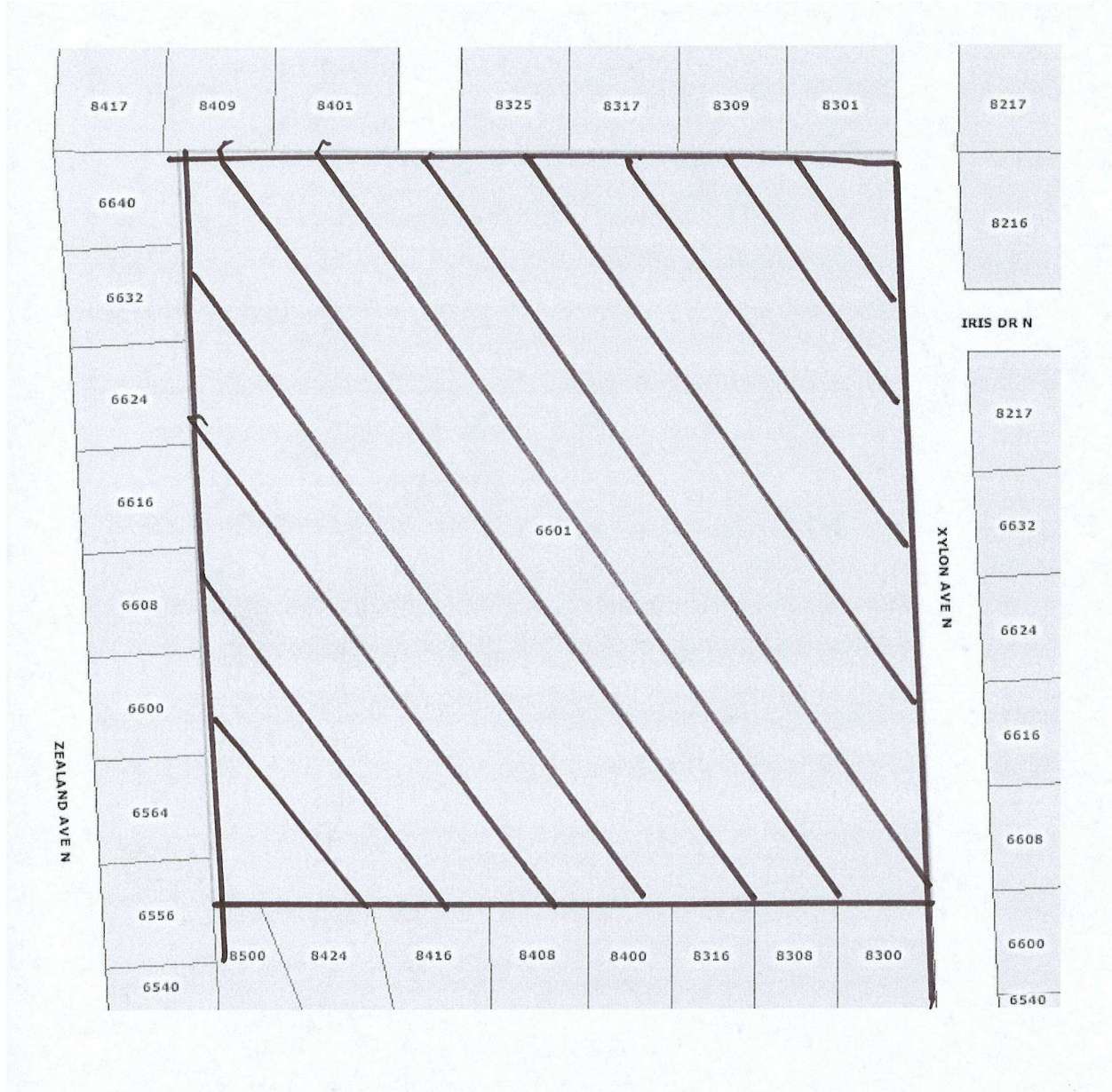


EXHIBIT C

PERSONAL PROPERTY TO BE PURCHASED BY BUYER FROM SELLER

The following is the list of the Personal Property and the price for each item that is being purchased by Buyer from Seller pursuant to this Agreement:

Kitchen Equipment:

1.	Serving Counter/Condiment/Salad/Cashier Cart (1):	\$40,000.00
2.	Food Warmer (1):	\$3,000.00
3.	Steamer (1):	\$12,000.00
4.	Steam Jacketed Kettle (1):	\$5,000.00
5.	Hobart Mixer (1):	\$8,000.00
6.	Milk Cooler (1):	\$2,200.00
7.	Food Prep Tables (3):	\$1,500.00
8.	Dough Rounder (1):	\$5,000.00
9.	Storage Racks and Shelving:	\$6,000.00
10.	Small Wares/Flour Bins:	\$6,000.00
SUB-TOTAL		<u>\$88,700.00</u>
Discount (50 percent)		- \$44,350.00
TOTAL		<u>\$44,350.00</u>

EXHIBIT D

EARNEST MONEY ESCROW AGREEMENT

DATE: _____, 2009

TO: Commercial Partners Title Insurance Company (“Escrow Agent”)

FROM: Intermediate District 287 (“Buyer”)
Independent School District No. 279 (“Seller”)

Escrow Agent is requested to act as our escrow agent to receive, hold and disburse funds in accordance with these instructions.

1. Buyer shall deposit with Escrow Agent the sum of Fifty Thousand and 00/100 Dollars (\$50,000.00) as earnest money (“Earnest Money”). The Earnest Money, upon receipt by Escrow Agent, shall be invested in Escrow Agent’s customary money market account. Escrow Agent shall acknowledge to Seller, in writing, receipt of the Earnest Money when it is delivered to Escrow Agent.

2. Escrow Agent shall not be responsible for any penalties or loss of interest or any delays in withdrawing funds which may be incurred upon withdrawal of the Earnest Money in accordance with instructions given hereunder except to the extent attributable to Escrow Agent’s negligence.

3. In accordance with the Purchase agreement between Buyer and Seller of even date herewith (the “Purchase Agreement”), Buyer may elect to terminate the Purchase Agreement by notice of a failed contingency to Seller given on or before the Contingency Date as provided in the Purchase Agreement (the “Contingency Date”). If Buyer elects to terminate the Purchase Agreement prior to the Contingency Date, Buyer shall deliver a notice of termination of the Purchase Agreement to Seller and Escrow Agent.

4. In the event Escrow Agent receives written notice of termination of the Purchase Agreement, default, non-performance or dispute from Seller or Buyer accompanied by a demand for delivery to such other party of the Earnest Money, Escrow Agent is immediately to give written notice to the other party of such claim and accompanying demand. In the event the other party fails to dispute or object to such claim and demand within seven days from the date of Escrow Agent’s written notice, Escrow Agent is authorized to deliver the Earnest Money and earned interest to the party making such claim and demand. In the event the other party disputes or objects to the aforesaid claim and demand within the seven day period prescribed herein, Escrow Agent is not to deliver the Earnest Money deposited hereunder or earned interest without receipt of a mutual agreement of the parties, in writing, or appropriate court order.

5. Seller and Buyer shall each be responsible for payment of one-half of any escrow fee hereunder.

6. All notices and demands herein required shall be in writing and shall be sent by United States mail, postage prepaid, overnight courier guaranteeing next day delivery, telecopy or by personal delivery:

If to Seller: I.S.D. No. 279 – Osseo-Maple Grove
11200 – 93rd Avenue North
Maple Grove, MN 55369
Attention: Assistant Superintendent/Administration

With a Copy to: James R. Steilen
Briggs and Morgan, P.A.
2400 IDS Center
Minneapolis, Minnesota 55402

If to Buyer: Intermediate District 287
Attn: Sandy Lewandowski, Superintendent
1820 Xenium Lane North
Plymouth, Minnesota 55441

With a Copy to: Sarah J. Sonsalla
Kennedy & Graven, Chartered
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

If to Escrow Agent at: Commercial Partners Title, LLC
200 South Sixth Street, Suite 1300
Minneapolis, MN 55402

All notices shall be deemed given three business days following deposit in the United States mail with respect to certified or registered letter, one business day following deposit if delivered to an overnight courier guaranteeing next day delivery and on the same day if sent by personal delivery or telecopy (with proof of transmission). Attorneys for each party shall be authorized to give notices for each such party.

7. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns under the Purchase Agreement.

8. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota, and, in the event that any provision hereof shall be deemed illegal or unenforceable, said provision shall be severed herefrom and the remainder of this Agreement shall be enforced in accordance with the intentions of the parties as herein expressed.

9. This Agreement may not be amended or altered except by an instrument in writing executed by all the parties hereto.

10. Escrow Agent may commingle the Earnest Money deposits with other deposits or with its own funds provided, however, nothing herein shall diminish Escrow Agent's obligation to apply the full amount of the Earnest Money and accrued interest in accordance with the terms of these escrow trust instructions.

11. If any party shall bring suit against the other to enforce the terms of this Agreement, the losing party shall pay to the prevailing party the prevailing party's costs and expenses (including, without limitation, reasonable attorneys' fees and costs) incurred in enforcing this Agreement.

BUYER:

Intermediate District 287

By: _____

Its: Chair

By: _____

Its: Clerk

SELLER:

Independent School District No. 279

By: _____

Its: Chair

By: _____

Its: Clerk

ACCEPTANCE

Agreed and accepted this ____ day of _____, 2009.

ESCROW AGENT:

COMMERCIAL PARTNERS TITLE, LLC

By: _____

Name: _____

Its: _____

EXHIBIT E

CALCULATION OF RENT CREDIT

[TO BE RECALCULATED BY SELLER BASED ON NEW CLOSING DATE OF JANUARY 7, 2010]

1. Rent Credit = Total Base Rent paid pursuant to the Lease between July 1, 2008 and January 7, 2010 x .15

2. $((\$652,977) + (\$70,263.72) \times (6) + (\$70,263.72) \times (7) \div (31)) (.15)$

= $((1,074,559) + \$15,866) (.15)$

= $(\$1,090,425) \times (.15)$

= \$163,563.80

Rent Credit Calculation Assumptions

a. Base Rent from July 1, 2008 to June 30, 2009 = \$652,977

b. Base Rent from July 1, 2009 to June 30, 2010 = \$843,164.64 or \$70,263.72/mo.

EXTRACT OF MINUTES OF A MEETING
OF THE SCHOOL BOARD
OF INTERMEDIATE DISTRICT NO. 287

HELD: NOVEMBER 12, 2009

Pursuant to due call and notice thereof, a regular meeting of the Board of Intermediate District No. 287, State of Minnesota, was duly held on November 12, 2009, at ____ o'clock p.m.

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION APPROVING THE PURCHASE OF THE EDGEWOOD SCHOOL PROPERTY LOCATED AT: 6601 XYLON AVENUE NORTH, BROOKLYN PARK FROM INDEPENDENT SCHOOL DISTRICT NO. 279

WHEREAS, Intermediate District 287 (the "District") has found that student enrollment in its programs have increased and will exceed projections for 2009-10; and

WHEREAS, the District's long-term enrollment outlook suggests that member districts will continue to look to the District to educate high-need students that are most effectively served in customized facilities; and

WHEREAS, the District has been leasing the Edgewood School Property located at 6601 Xylon Avenue North in the City of Brooklyn Park (the "Property") from Osseo Area Schools, Independent School District No. 279 ("Osseo") since the fall of 2008 when Osseo closed the school; and

WHEREAS, while leasing the Property, the District has found that the Property and its amenities meets its needs and will continue to meet its needs in the future; and

WHEREAS, Osseo has agreed to sell the Property to the District at a purchase price of \$5,375,000.00 and has also agreed to sell certain equipment associated with the Property to the District at a purchase price of \$44,350.00; and

WHEREAS, the District will receive a credit of \$163,563.80 against the purchase price of the Property for the rent that it had paid to Osseo while leasing the Property; and

WHEREAS, the purchase of the Property by the District will be more cost-effective for the District than continuing to lease it; and

WHEREAS, the purchase of the Property will bring stability for the District's students by providing them with a long-term location; and

NOW, THEREFORE, BE IT RESOLVED by the School Board of Intermediate District 287, State of Minnesota, as follows:

1. The Purchase Agreement with Osseo for the purchase of the Property and the equipment is hereby approved; and

2. The Chair and the Clerk are hereby authorized to execute the Purchase Agreement and any other documents necessary to effectuate the purchase of the Property and the equipment.

The motion for the adoption of the foregoing resolution was duly seconded by Member _____, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

**INTERMEDIATE DISTRICT 287
PLYMOUTH, MINNESOTA
BOARD OF EDUCATION**

Regular Meeting – November 12, 2009

AGENDA SECTION: ADMINISTRATIVE SERVICES

ITEM: 8.1e Parameters Resolution for Edgewood Financing

PRESENTED BY: Janet A. Johnson, Director of Finance

1. **Background Information**

The activities necessary to complete the purchase of Edgewood School from the Osseo school district are well under way. In order to facilitate the financing activities we are asking the Board to pass a parameters resolution. This resolution sets the maximum dollar amount and interest rate for this debt issue. It also authorizes District 287 Administration to execute a bond purchase agreement for the purchase of Certificates of Participation (COP's) to finance the Edgewood purchase. The dollar limit is set at a level that covers both the purchase price of Edgewood and related costs including debt issuance. The interest rate is set at a "not to exceed" level and hopefully, will be lower. The sale of the COP's is set for December 10, 2009.

2. **Fiscal Impact/Funding Source:** Provides parameters for the financing of the purchase of Edgewood School.

3. **RECOMMENDED ACTION:** The Board passes the attached resolution setting the parameters for the issuance of certificates of participation series 2010A.

Motion by: _____ Yes ____ Passed ____

Second by: _____ Yes ____ Failed ____

Abstentions: _____

CERTIFICATION OF MINUTES RELATING TO
THE ISSUANCE OF A LEASE PURCHASE FINANCING AND
CERTIFICATES OF PARTICIPATION

Issuer: Intermediate School District No. 287, Minnesota

Governing Body: School Board

Kind, date, time and place of meeting: A regular meeting held on November 12, 2009, at 6:30 p.m. at the School District offices.

Members present:

Members absent:

Documents Attached:

Minutes of said meeting (pages):

RESOLUTION NO. _____

RESOLUTION STATING THE INTENTION OF THE SCHOOL BOARD TO ISSUE A
LEASE PURCHASE FINANCING AND CERTIFICATES OF PARTICIPATION

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the certificates referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said certificates; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer on this 12th day of November, 2009.

School District Clerk

Member _____ introduced the following resolution and moved its adoption, which motion was seconded by Member _____:

RESOLUTION STATING THE INTENTION OF THE SCHOOL BOARD TO ISSUE A
LEASE PURCHASE FINANCING AND CERTIFICATES OF PARTICIPATION

BE IT RESOLVED by the School Board of Intermediate School District No. 287, Minnesota (the District), as follows:

SECTION 1. PURPOSE. It is hereby determined to be in the best interests of the District to enter into a Lease Purchase Agreement, Ground Lease Agreement and a Trust Agreement, and to sell and issue its Certificates of Participation, in one or more series, Evidencing the Proportionate Interest of the Registered Owners thereof in Lease Payments to be made by Intermediate School District No. 287, Minnesota pursuant to a Lease Purchase Agreement (the Certificates) in the total aggregate principal amount not to exceed \$5,500,000. The proceeds of the Certificates will provide funds to acquire certain real estate located at 6601 Xylon Avenue North, Brooklyn Park, Minnesota.

SECTION 2. AUTHORIZATION. The Superintendent and Executive Director of Administrative Services are hereby authorized to approve the sale of the Certificates in an aggregate principal amount of not to exceed \$5,500,000 and to execute a bond purchase agreement for the purchase of the Certificates with Piper Jaffray & Co., in Minneapolis, Minnesota (the Purchaser), provided the True Interest Cost does not exceed 5.00% net of any subsidy to the District.

SECTION 3. RATIFICATION OF SALE. Upon approval of the sale of the Certificates by the Superintendent and Executive Director of Administrative Services, the School Board will take action at its next regularly scheduled meeting thereafter to adopt the a resolution ratifying the sale of the Certificates.

SECTION 4. EXPIRATION. If the Superintendent and Executive Director of Administrative Services have not approved the sale of the Certificates to the Purchaser and executed the related bond purchase agreement by January 12, 2009, this resolution shall expire.

Upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted.

Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

M E M O R A N D U M

Date: November 10, 2009

To: Sandra Lewandowski, Superintendent

From: Thomas Shultz, Facilities Administrator

RE: Overview of Comparison Cost Estimates for a North Facility

As directed by the District 287 Board on October 22, 2009, District administration contracted with an alternate design firm, Wold Architects & Engineers, to provide estimates on two potential locations for a North Education Center. District staff met with Wold on October 29 to provide information regarding program needs, building specifications, and SEC. Wold visited the possible commercial site, and, toured the building and grounds to provide them with a basis for their estimating process. This firm also visited the potential site for a new building so they could also provide an estimated cost for this option.

The estimate for a remodeled commercial site provided by Wold shows a *lower estimated price per square foot (\$140) than the TSP estimate (\$170)*. The cost for interior work and all related electrical and mechanical areas is the same for each potential site. The difference between the two firms is somewhat lessened because Wold's pricing reflects a flat economic factor, or no inflationary impact on the pricing provided.

This approach also holds true in the new construction comparison. The estimates for a *new NEC* from Wold Architects and Engineers (\$170) reflect pricing based on a flat economic factor; or, shows *no inflationary impact on the pricing provided*. Taking this methodology into consideration when comparing the estimates for a new NEC, both firms can be considered essentially equal due to the fact that TSP (\$185) did include an inflationary factor in their estimate.

Both estimates are provided.

Constructive Ideas, Inc.
901 Jefferson Avenue, Suite 300
St. Paul, Minnesota 55102
(651) 225-4740 • Fax 225-4741

Project: Options for North Education Center
Recap Comparison of Remodel or New Construction

Architect: Wold Architects & Engineers
St. Paul, Minnesota

Review Using Percentage for Administrative			
Cost Category	Remodel		New
Construction Cost - Shell - Remodel or New	2,113,879		6,249,598
Construction Cost - Interiors	14,312,852		14,312,852
Furniture	350,000		350,000
Computers			
Technology	600,000		600,000
Security Systems	214,174		214,174
Signage	35,000		35,000
Consulting			
Administrative @ 11% (Fees & Management)	1,938,850		2,393,779
Building Acquisition or Site Purchase	3,500,000		1,250,000
Contingency	(bond interest)		(bond interest)
Totals	23,064,755		25,405,403

Review Using Percentage for Administrative			
Cost Category	Remodel		New
Construction Cost - Shell - Remodel or New	2,113,879		6,249,598
Construction Cost - Interiors	14,312,852		14,312,852
Furniture	350,000		350,000
Computers			
Technology	600,000		600,000
Security Systems	214,174		214,174
Signage	35,000		35,000
Building Acquisition or Site Purchase	3,500,000		1,250,000
Consulting			
Administrative	2,380,385		2,380,385
Contingency	(bond interest)		(bond interest)
Totals	23,506,290		25,392,009

TSP
18707 Old Excelsior Blvd
Minneapolis, Minnesota 55345
(952) 474-3291 • Fax (952) 474-3928

Project: Options for North Education Center
Recap Comparison of Remodel or New Construction

Cost Category	Remodel		New
Construction Cost	20,400,000		22,200,000
Furniture	350,000		350,000
Computers			
Technology	600,000		600,000
Security Systems	214,174		214,174
Signage	35,000		35,000
Site Purchase	3,500,000		1,250,000
Consulting/			
Administrative	2,380,385		2,380,385
Construction			
Contingency	(bond interest)		(bond interest)
Totals	27,479,559		27,029,559

Intermediate
School
District #287

5121 Winnetka Ave N.
**Cost Analysis
Study**

November 9, 2009



Wold Architects and Engineers
305 St. Peter Street
Saint Paul, MN 55102
651-227-7773

Study Scope

As part of its facilities plan, Intermediate District 287 has planned a facility in the north end of the district to house several programs. The District is considering two options. A new, purpose built facility or re-use of an existing building. A purpose built facility would be based on the South Education Center design. Any re-use of an existing facility would attempt to consider the South Education Center as a standard of quality. We understand the objective for the re-use option will utilize similar quality materials and building systems as the South Education Center.

Wold Architects and Engineers was asked to perform an independent analysis of costs for the re-use option. The detail findings of this analysis are contained in this report.

Executive Summary

The primary factors in the comparison of new vs. the Winnetka site are the land cost and the cost of the building shell. A new building would have a significantly more advanced building shell than the Winnetka building. Therefore our analysis proposes upgrading the shell to meet energy code and improve maintenance. Based on this assumption we project that using the Winnetka Avenue site would be less expensive by approximately \$1,885,000.

Subject Building

The re-use option is based on an industrial office/manufacturing facility at 5121 Winnetka Ave North in New Hope Minnesota. The 114,400 square foot facility is constructed of precast concrete wall panels and bar joist and metal deck roofs. A portion of the building is two story and has been primarily used as office and laboratory spaces. Approximately one third of the two story portion has had the upper floor deck removed to create a two story space broken by the remaining columns and beams. The balance of the facility is one and a half story manufacturing/warehouse space.

The site consists of approximately 10 acres on Winnetka Avenue. A driveway to a landlocked property behind exists along the south side of the site. This drive and the need for access will limit the ability to develop property on the south side of the building. Much of the area adjacent to the building is paved including a sizable paved parking and staging area behind the building. The proposed uses would likely require removal of some paving to create play areas.

The exterior envelope of the building is comprised of un-insulated concrete panels. These panels would not meet current energy codes, nor will they meet the District's standards; improvements will likely be needed to obtain a building permit. The roof has been replaced in sections over the years. The roof has reportedly been replaced from 1993 to 2000. Therefore the newest portions are nearing 10 years old. Warranties and detailed information were not available for analysis. For the purposes of this study a total replacement of the roof was assumed. The building is fitted with minimal windows, creating a daylit environment similar to the South Education Center would be challenging. Also, the rectangular floor plan will make it impossible to provide any form of day lighting to many interior spaces.

The interior spaces are generally painted over the substrate of either the concrete pre-cast panels, or gypsum board partitions. With the exception of some portions of the office spaces, the gypsum board is in poor condition and would likely require complete replacement as part of the renovations process. Floors consist of bare concrete, carpet and vinyl composite tile. With a few exceptions, all floor finishes are in poor condition and would require stripping to bare concrete and new finishes installed. Ceilings are either exposed structure or lay in suspended ceilings. All finished ceilings are in poor condition and would require replacement as part of the renovation process.

The mechanical and electrical systems are aging and not suited to the intended use of the facility. These systems would likely require complete replacement. In general the systems are not of the quality and efficiency standard utilized in the South Education Center, and to move toward equity of the buildings total replacement would be necessary.

Observations of Proposed Facility

The facility was designed as a manufacturing and commercial office building. The Winnetka Avenue building will not easily lend itself to quality of exterior views and day lighting that is present at the South Education Center. The quality of materials and systems are not consistent with the standards of Intermediate District 287. Total gutting of the facility would be necessary to create a new education center from this building. The portions of the building that remain would be the building structure and portions of the envelope including the exterior finish and window and door systems. Because the wall system is of a very rudimentary nature, significant upgrading of the exterior walls will be necessary. Mechanical and electrical systems are aging, not suited to the intended use, and not of equivalent quality to the South Education Center, and would require complete replacement.

Additional Investigation

Building Envelope: The exterior wall systems of the building are rudimentary by modern institutional facility standards. In order to minimize risks to the District it may be advisable to test the facility for moisture intrusion at exterior walls and window systems. Some areas of the building are finished in gypsum board. If not detailed correctly this type of system can contain mold.

Hazardous Materials: The manufacturing processes present for many years in the building produced hazardous materials. These may be found on interior surfaces, as well as around the site. The extent that these may still exist on site is unknown. A thorough assessment of hazardous materials and projections of required abatements would be advisable. If abatement of the building or remediation of site conditions were necessary they may significantly add to the costs projected in this report.

Methodology

In order to determine a likely cost of construction known information was reviewed. Wold was provided information as follows:

- Real estate brochure on the property containing square footage and other statistics
- A proposed space program for the facility
- Specifications of the South Education Center project
- Two floor plans of the South Education Center
- A tour of the facility was given on Wednesday October 28, 2009
- A meeting was held with Tom Shultz on Thursday October 29, 2009

Additional information was gathered from the ISD 287 website, and zoning ordinances for the City of New Hope were reviewed online.

To develop the probably cost of construction a cost per square foot methodology was used. This method builds unit costs based on “typical” wall and systems configurations similar to the South Education Center. Those unit costs are then multiplied across the square footage of the building. For the purposes of this study, bidding was estimated to occur in spring 2010. This is an effective way to estimate building costs for a facility that has not yet been designed.

Cost and Market Conditions

As a cross check to the unit costs, comparisons with peer building types were made to validate the outcomes. For this study, school buildings with LEED certification were used for comparison. Traditionally we would inflate these costs to obtain market adjusted numbers. Due to economic conditions, and the slow state of the construction industry, we have not seen construction inflation for approximately the last two years. The estimates in this report reflect the flat inflation. Historically inflation over a two year period would be 8% to 12%. We expect that favorable market conditions will keep construction costs flat through mid 2010. It is unknown how construction costs may inflate when the economy begins to pick up.

Prototype Building Elements

In order to develop the unit costs, assumptions were made about the quantity of building elements and finishes. Takoffs of the building envelope and floor square footage were developed. Interior costs were estimated individually for the various “departments” indicated in the space program. Every attempt was made to parallel interior materials and level of quality with the South Education Center project to provide a baseline comparison.

Analysis of Costs

Is it less expensive to renovate the existing warehouse space than building new? The answer to this question is yes. However, there are limitations and risks that will come with the re-used building shell and site.

Cost estimate detail can be found in Appendix A of this report. For comparison purposes we have also provided a re-calculated “new building” cost. This comparison utilizes our recent experience with a new LEED certified school facility that utilized geothermal heating and cooling. We did not have access to detailed information about the TSP estimate, and therefore cannot provide insight into the cost differences between the new building costs. Our comparison fixes the total building size at 118,000 square feet to match the program size provided, and give an “apples to apples” comparison of new vs renovated.

For the analysis we assumed that only the building structure would be re-used from the existing facility. The building envelope as a whole is not up to the standards of the District, therefore we assumed cladding the existing precast wall panels with insulation and cladding equivalent to \$22 per square foot. This would provide for a variety of materials including metal panel, stucco, or some brick. The estimate assumes 75% of the facility would be re-skinned, and 25% would be removed and replaced with aluminum and glass. The interior costs were then calculated and combined with the exterior envelop upgrade costs.

Cost Summary:

Review Using Fixed Administrative Costs		
Cost Category	Remodel	New
Construction Cost - Shell - Remodel or New	2,113,879	6,249,598
Construction Cost - Interiors	14,312,852	14,312,852
Furniture	350,000	350,000
Computers		
Technology	600,000	600,000
Security Systems	214,174	214,174
Signage	35,000	35,000
Building Acquisition or Site Purchase	3,500,000	1,250,000
Consulting		
Administrative	2,380,385	2,380,385
Contingency	(bond interest)	(bond interest)
Totals	23,506,290	25,392,009

As you can see, the interior construction cost is identical between the two options. The difference in the two options is the land cost and the costs associated with creating the building shell.

Land costs are based on the TSP estimate. Negotiations may yield differences in actual land costs.

Conclusion

The building shell is the primary factor in the comparison. Our analysis indicates that the building shell for the new building would be \$6,249,598. For the renovated facility, part of the shell cost is in the building acquisition number, but to meet ISD 287 standards, upgrades would be required. In order to provide improved exterior wall systems and a new high quality roof you would need to spend an estimated \$2,113,879. By combining the land cost and building shell costs, a comparison can be made.

Review of Shell and Land costs		
Cost Category	Remodel	New
Construction Cost - Shell - Remodel or New	2,113,879	6,249,598
Building Acquisition or Site Purchase	3,500,000	1,250,000
Totals	5,613,879	7,499,598

There is a \$1,885,719 savings in re-utilizing the Winnetka Avenue Site. This costs appears to include the purchase of more acreage than the comparison building. But also comes with the liabilities of the existing building and site.

Appendix A

[Cost estimating detail]

Constructive Ideas, Inc.
 901 Jefferson Avenue, Suite 300
 St. Paul, Minnesota 55102
 (651) 225-4740 • Fax 225-4741

Project: Options for North Education Center
 Recap Comparison of Remodel or New Construction

Architect: Wold Architects & Engineers
 St. Paul, Minnesota

Review Using Percentage for Administrative			
Cost Category	Remodel		New
Construction Cost - Shell - Remodel or New	2,113,879		6,249,598
Construction Cost - Interiors	14,312,852		14,312,852
Furniture	350,000		350,000
Computers			
Technology	600,000		600,000
Security Systems	214,174		214,174
Signage	35,000		35,000
Consulting			
Administrative @ 11% (Fees & Management)	1,938,850		2,393,779
Building Acquisition or Site Purchase	3,500,000		1,250,000
Contingency	(bond interest)		(bond interest)
Totals	23,064,755		25,405,403

Review Using Fixed Administrative			
Cost Category	Remodel		New
Construction Cost - Shell - Remodel or New	2,113,879		6,249,598
Construction Cost - Interiors	14,312,852		14,312,852
Furniture	350,000		350,000
Computers			
Technology	600,000		600,000
Security Systems	214,174		214,174
Signage	35,000		35,000
Building Acquisition or Site Purchase	3,500,000		1,250,000
Consulting			
Administrative	2,380,385		2,380,385
Contingency	(bond interest)		(bond interest)
Totals	23,506,290		25,392,009

Constructive Ideas, Inc.
 901 Jefferson Avenue, Suite 300
 St. Paul, Minnesota 55102
 (651) 225-4740 • Fax 225-4741

Project: Options for North Education Center
 Structure & Enclosure Comparison

Architect: Wold Architects & Engineers
 St. Paul, Minnesota

	Remodel Purchased Building				Build New Structure		
	Actual Area		Cost / Unit	Total Remodel	New Const. Bldg Area	Average \$/SF of Structure	Total New
Site, paving & utilities					116,764	13.81	1,612,900
Concrete - Fdns & SOG					116,764	6.24	760,134
Supported Slabs					116,764	4.05	607,173
Exterior walls - solid					116,764	14.98	1,593,829
Structure					116,764	5.79	770,642
Glass & Enclosure					116,764	3.72	450,709
Roofing					116,764	3.98	393,495
Vertical Transportation					116,764	0.62	60,717
Existing - Renovation & Remodel							
Parking and Landscaping	118,416	sf	1.5	177,624			
Interior Demo	118,416	sf	3.5	414,456			
Remove & replace roof	90,452	sf	5.75	520,099			
Upgrade exterior - 75% of Exist	23,850	sf	22	524,700			
Add Windows - 25% of Exist ext	7,950	sf	60	477,000			
Totals	118,416			2,113,879	17.85		6,249,598
							53.52

Constructive Ideas, Inc.
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 St. Paul, Minnesota 55102
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Project: Options for North Education Center
 Program Analysis

Architect: Wold Architects & Engineers
 St. Paul, Minnesota

Area	Function	No. Rms	Size	Total	Unit Cost	Total	Area \$ / SF
Sun							
	Classroom	14	750	10,500	115	1,207,500	
	Large Sensory Rm	1	750	750	115	86,250	
	Multi-purpose Rm	0	2,500	-	115	-	
	Equipment Storage	1	200	200	115	23,000	
	Commons	0	800	-	100	-	
	Kitchenette	0	100	-		-	
	Toilets - Students	6	55	330	180	59,400	
	Toilets - Staff	2	55	110	180	19,800	
	Office - Facilitator	1	120	120	115	13,800	
	Office - Social Worker	2	100	200	115	23,000	
	Office - Behavioral Specialist	1	100	100	115	11,500	
	Break-out Room	7	64	448	115	51,520	
	Teacher - para office	7	180	1,260	115	144,900	
	General Storage	1	400	400	70	28,000	
	Circulation Factor			4,325	120	519,048	
Total Area				18,743		2,187,718	116.72

CIP / Strive							
	Classroom - (6 STRIVE / 6 CIP)	12	750	9,000	115	1,035,000	
	Small Classroom	4	200	800	115	92,000	
	Large Sensory / motor	1	800	800	115	92,000	
	Kitchenette	0	800	-		-	
	Toilets - Students (single use)	6	55	330	180	59,400	
	Toilets - Staff -	2	55	110	180	19,800	
	Office - Facilitator	1	120	120	115	13,800	
	Office - Social Worker	2	100	200	115	23,000	
	Break-out Room	6	100	600	115	69,000	
	Teacher Work Station	6	180	1,080	85	91,800	
	Para work station (Inc. above)	0	10	-		-	
	Para storage	12	2	24	70	1,680	
	General storage	1	400	400	70	28,000	
	Circulation			4,039.20	120	484,704	
Total Area				17,503		2,010,184	114.85

Options / Invest / Elem						
Classroom	10	750	7,500	115	862,500	
Large sensory room	0	800	-		-	
Commons	1	400	400	100	40,000	
Kitchenette	0	100	-		-	
Toilet - student - (single use)	4	55	220	180	39,600	
Toilet - staff	2	55	110	180	19,800	
Office - Facilitator	1	120	120	115	13,800	
Office - Social Worker	2	100	200	115	23,000	
Break-out Room	5	120	600	115	69,000	
Teacher work staion	9	50	450	85	38,250	
Para work station	18	10	180	85	15,300	
Para storage	18	2	36	70	2,520	
General storage	1	100	100	70	7,000	
Circulation			2,975	120	356,976	
Total Area			12,891		1,487,746	115.41

Family Networks						
Classroom	2	750		115	-	
Home living (shared bldg. wide)	1	400		115	-	
Break-out	2	400		115	-	
Toilets - staff	2	55		180	-	
Office - facilitator	2	120		115	-	
Office - therapist	4	120		115	-	
Office - therapist	6	100		115	-	
Teacher work station	4	50		85	-	
Case manager work station	7	50		85	-	
Para work station	8	10		85	-	
Para storage	8	2		70	-	
General storage	1	100		70	-	
Work room	1	100		85	-	
Circulation factor				120	-	
Total area			-		-	

North Vista Education Center							
	Classroom	8	900	7,200	115	828,000	
	Science lab	1	1000	1,000	325	325,000	
	Prep room	1	100	100	325	32,500	
	Commons	1	800	800	100	80,000	
	Toilets - students	2	225	450	180	81,000	
	Toilets - staff	2	55	110	180	19,800	
	Waiting	1	64	64	100	6,400	
	Reception	1	64	64	115	7,360	
	Office - facilitator	2	120	240	115	27,600	
	Office - case manager	2	100	200	115	23,000	
	Office - counselor	2	100	200	115	23,000	
	Office - work experience coord	2	100	200	115	23,000	
	Office - itinerant	1	100	100	115	11,500	
	Staff work / communications room	1	100	100	85	8,500	
	Storage	1	100	100	70	7,000	
	Circulation factor			3,278	120	393,408	
Total Area				14,206		1,897,068	133.54

Daycare							
	Daycare rooms (40 newborn/toddler)	5	800	4,000	165	660,000	
	Observation / check-in	1	300	300	140	42,000	
	Lactation	1	64	64	140	8,960	
	Laundry	1	64	64	300	19,200	
	Food prep	1	200	200	250	50,000	
	Food serving	1	100	100	250	25,000	
	Toilet	4	55	220	240	52,800	
	Circulation factor			1,484	140	207,816	
Total Area				6,432		1,065,776	165.69

Career Training							
	Culinary Arts	1	1000	1,000	200	200,000	
	Nursing	1	1000	1,000	125	125,000	
	Cosmetology	1	1000	1,000	140	140,000	
	Attain lab	1	500	500	140	70,000	
	Material / tool shed	2	300	600	70	42,000	
	Toilets - student	2	180	360	180	64,800	
	Toilets - staff	2	55	110	180	19,800	
	Circulation factor			1,371.0	120	164,520	
Total area				5,941		826,120	139.05

Administration						
Office - principal	2	120	240	115	27,600	
Office - psychologist	2	100	200	115	23,000	
Police - liaison	1	100	100	115	11,500	
Co-located offices for mental health	5	100	500	115	57,500	
Support staff work stations	2	64	128	85	10,880	
Work / Mail Room	1	150	150	140	21,000	
Storage	1	100	100	70	7,000	
Circulation Factor			425.40	120	51,048	
Total Area			1,843		209,528	113.66

Common / Support Spaces						
Gym - full size	1	7350	7,350	140	1,029,000	
Gym - fitness storage	1	700	700	90	63,000	
Fitness	1	1000	1,000	120	120,000	
Media Center / Literacy Library	1	1500	1,500	140	210,000	
Media specialist	1	160	160	115	18,400	
Curriculum storage	1	400	400	85	34,000	
Prep Kitchen	1	2000	2,000	230	460,000	
Cafeteria	1	2500	2,500	200	500,000	
Staff Dining / break room	1	400	400	140	56,000	
School store	1	100	100	115	11,500	
Jitterbug coffee bar	1	100	100	180	18,000	
Toilets - public	2	180	360	180	64,800	
Building engineer office	1	100	100	90	9,000	
Janitor closet	3	64	192	115	22,080	
Receiving / Loading Dock	1	500	500	65	32,500	
General Storage	1	1000	1,000	70	70,000	
Building Reception / security	1	100	100	100	10,000	
Building Commons	1	800	800	100	80,000	
Conference room - small	0	120	-	125	-	
Conference room - medium	4	280	1,120	125	140,000	
Conference room - large	1	350	350	125	43,750	
Health Office	1	1300	1,300	115	149,500	
Circulation factor			6,609.60	120	793,152	
Total Area			28,642		3934682	137.38

Mechanical / Electrical						
Air			7204	65	468,260	
Water			2058	65	133,770	
Electrical			550	65	35,750	
Technology			750	75	56,250	
Total Area			10,562		694,030	65.71

Area and Cost Recap for Interior Spaces						
	SUN			18,743		2,187,718
	CIP / STRIVE			17,503		2,010,184
	OPTIONS / INVEST / ELEM			12,891		1,487,746
	FAMILY NETWORKS			-		-
	NORTH VISTA EDUCATION CENTER			14,206		1,897,068
	DAYCARE			6,432		1,065,776
	CAREER TRAINING (C-TRAIN)			5,941		826,120
	ADMINISTRATION			1,843		209,528
	COMMON SUPPORT SPACE			28,642		3,934,682
	MECHANICAL / ELECTRICAL			10,562		694,030
Total All Program Areas				116,764		14,312,852
						122.58



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October 20, 2009

Sandra Lewandowski, Superintendent
Intermediate District 287
1820 Xenium Lane North
Plymouth, MN 55441-3708

Dear Superintendent Lewandowski,

The space program and cost estimate recently completed by TSP for the Winnetka Avenue Option allows a reasonable comparison of constructing a new building modeled after the South Education Center verses remodeling an existing building to serve the same function.

While commercial property values are at a significant low and the appeal to purchase an existing building is high please be aware of some draw backs to repurposing this building type in order to meet the needs of the District's unique learners. Below is a list of pros and cons for each option in order to assist the District in its decision:

Winnetka Avenue Option

Pros

- The District is able to purchase this property at a remarkably low price because of the surplus of commercial properties on the market.
- The property is in a central location near major traffic arteries allowing easy access for buses and to public transportation.
- The low upfront cost to purchase this property allows for the extensive remodeling required.
- Warehouse buildings, by nature, have large volumes of space with internal flexibility and can be configured in numerous ways.
- The large volumes of space also allow internal layouts to be highly efficient and hold more program space.
- The seller is motivated; thus making the ownership transfer relatively quick.

Cons:

- The large block of space offers limited access to daylight and views.
- The building clearly communicates its current purpose as a warehouse and will need its image changed to communicate its new role as an educational facility.
- The existing internal layout will not work for the District and will need to be completely demolished.
- The existing mechanical system will not serve an educational facility and will need to be replaced.
- It is assumed the building electrical service is adequate but the power distribution system within the building will need to be replaced.
- No building backbone exists for technology, communications, security, etc.
- The building consists of precast concrete panels which limit the size and quantity of additional windows.

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Des Moines, IA

- The existing roof is in questionable condition and will need to be replaced in the near future. Regardless of the roofs life expectancy, a considerable portion will need to be replaced due to the anticipated need for new mechanical penthouses.
- The site currently reflects its use as a warehouse. Numerous loading docks with the grade lowered to serve semi-trailer trucks will need to be filled in and re-graded for new purposes.
- Even though much of the site is currently paved it is suited for shipping and receiving as apposed to dropping off and picking up students.
- The City of New Hope may be reluctant to approve a Conditional Use Permit for this project.

New Construction Option

Pros

- A new facility offers the District the opportunity to duplicate the successes at the South Education Center.
- Since the North Education Center will be modeled after the South Education Center, many decisions have already been made in terms of cost, size, building organization, support and program spaces, building systems, etc. This allows for a more efficient design process.
- The spaces are designed to be appropriate for each of the programs needs including access to daylight and views.
- Assuming the Hosterman site, a Conditional Use Permit would likely be approved given its current use as a school.

Cons

- If a site is not yet identified, the site selection process will lengthen the schedule.
- New construction will require more time for site design.
- New construction costs are higher than remodeling costs

The following cost comparison is based on a space program of 120,000 square feet developed on 10/15/09 for a North Education Center. Square foot costs are extrapolated from the two estimates (Winnetka Avenue Option and reusing the SEC) and are used to establish present day construction costs for the Remodeling and New options respectively:

	Remodel	New
Construction Cost	\$ 20,400,000	\$ 22,200,000
Furniture	\$ 350,000	\$ 350,000
Computers	\$ -	\$ -
Technology	\$ 600,000	\$ 600,000
Security System	\$ 214,174	\$ 214,174
Signage	\$ 35,000	\$ 35,000
Site Purchase	\$ 3,500,000	\$ 1,250,000
Consulting/ Administrative	\$ 2,380,385	\$ 2,380,385
Contingency	(bond interest)	(bond interest)
Total	\$ 27,479,559	\$ 27,029,559

In Summary:

While the warehouse purchase price is appealing, in reality the value the District is purchasing is the location, site and shell of the building because most of the building and some of the site must be demolished in order make it meet the programs needs. The cost of demolition offsets the low purchase price and equalizes the value of the property. New construction, though slightly more expensive, offers a facility similar to the South Education Center and all of its benefits.

A handwritten signature in black ink, appearing to read "Mark Thiede". The signature is fluid and cursive, with the first name "Mark" and last name "Thiede" clearly distinguishable.

Mark Thiede, Associate

Draft Meeting Minutes
November 2, 2009

Subject: Construction Estimate for North Facilities New and Remodel

Present: TSP - Mark Thiede & Rick W, Sandy Lewandowski, Tom Shultz, Linda Johnson, Don Draayer, Michèle Kunz, and Peyton Robb.

Hosterman School is not a long term solution for 287, an alternative must be found.

The new north building will not be large enough to house all programs in the north area. The size of the building is being controlled by the overall costs to member Districts (lease levy will not be increased commitment). Additional dollars will be required on the front end of the financing to meet the levy commitment with what is being planned.

Administration has funding sources in mind.

Transportation costs to north member will be reduced with a facility in the New Hope area.

Both potential sites would be built to be filled to capacity at opening but non-member enrolment can be adjusted going forward that could open up space in the new site.

The new building construction estimate:

The building would be 120,000 square feet built very much like SEC (109,000 Sq Ft).

Options to make the building rectangular could save some money.

The site at Hosterman's conditional use permit should be approved by the city of New Hope without long delays.

The site is 10+ acres

The cost estimate per square foot is \$185

Remodel Site:

The building is designed for 114,000 square feet with about one fifth with two floors.

Space is tight but workable.

The building systems for HVAC need replacement so geothermal option was specified at about the same cost for conventional HVAC.

LEED Certification for existing building factored into costs.

Roof deck probably needs replacement. Sky lights and 4 new roof top circulation units would be added.

Natural lighting would be less available for all rooms.

Building would be gutted and more complicated to construct.

Estimates were based upon rough programmatic space needs

Site requires extensive exterior grading and asphalt changes.

Conditional permitting may a tough process based upon New Hope's City Manager's resistance to removing property from the tax roles. Zoning code does permit school use. This site would require political coordination to make possible.

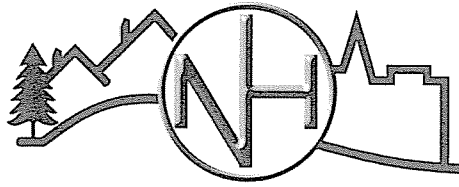
Additional detail design cost (schematic design detail level) for the permitting process would be required before we can submit to New Hope.

Timing for permitting process would be months.

Site is 8.5 acres

The cost estimate per square foot is \$170

Construction bids are still coming in very low so costs for either option could well be 10%-15% lower if done sooner than later.



November 6, 2009

Thomas W. Shultz
Facilities Administrator
Intermediate District 287
1820 Xenium Lane North
Plymouth, MN 55441

RE: 5121 Winnetka Avenue North

Dear Mr Shultz:

I am sending this correspondence per the request of 287 Board Chair Linda Johnson. I understand that Intermediate District 287 is interested in acquiring the building at 5121 Winnetka Avenue North for the possible conversion of that building into a school/ educational center for the district. Additionally, the proximity of this building to the current Hosterman School facility is very appealing to the District.

To aid in your site selection process the following issues should be considered by the District.

The building at 5121 Winnetka is in the city's industrial zoning district. The industrial zoning district does not allow public educational facilities as a permitted use or a conditional use. To legally convert this building to a public educational use would require the property to be rezoned. While rezoning is a possibility, the rezoning of only one parcel of property is generally considered spot zoning, and spot zoning is not an acceptable practice.

This property is in District 5 of the city's newly adopted Comprehensive Plan. The use proposed would not be consistent with the Comprehensive Plan and therefore would require a Comprehensive Plan amendment in addition to the previously noted rezoning.

Staff has no way of predicting the outcome of the public process for a comprehensive plan amendment/rezoning request but this City Council as with previous Councils have not shown

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Thomas W. Shultz
November 6, 2009
Page 2 of 2

any interest in converting property tax paying industrial property into non-tax paying properties of any sort. City staff would encourage District 287 to consider existing tax exempt properties within the city for your possible relocation.

For further information/discussion of zoning related matter please contact Curtis Jacobsen, Director of Community Development for the City of New Hope at 763-531-5119 or by e-mail at cjacobsen@ci.new-hope.mn.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Kirk McDonald", written in a cursive style.

Kirk McDonald
City Manager

Encl: Industrial Zoning Regulation
Comprehensive Plan District 5

CC: Linda Johnson, Intermediate District 287 School Board Chair

North Area Facilities Study Q & A

November 2009

Background | Guided by the 2006 Board approved facility plan, 287 has been examining its use of facilities and resources. The following information helps determine if we are making the best use of the \$2 million currently spent per year on North Area Facilities, and/or if we should purchase and remodel Hosterman, purchase and remodel a commercial property, or build a new building on the Hosterman site.

This Question & Answer document covers several topics related to the North Area Facilities Study that have been compiled from January 2009 to November 2009. This information has been shared in various forms with the 287 Board and Business Directors at various times during the past 11 months. This is a summary document that includes the following topics: Background Information, Square Foot Requirements & Associated Costs, Options to Remodel Hosterman, Purchase & Remodel Commercial Property vs. Build New to Replace Hosterman, Cost Considerations Related to Funding & Levy Amounts and Enrollment Trends.

Decision Making Process & Timelines

Business Directors Advisory Committee (BDAC) met June 5, 2009 to provide consultation and input to the District 287 School Board on the North Area Facilities study. BDAC concurred with the School Board on the following:

- Proceed with negotiating the purchase of Edgewood.
- Renew one-year leases for Edgewood, Hosterman and North Vista.
- Pursue the QSCB federal application for interest credit bonds to support the potential borrowing needed for a replacement of the Hosterman/North Vista facility.

The 287 Board directed administration to purchase Edgewood on September 10, 2009.

A business director meeting is scheduled for Friday, November 6. At that meeting four major items will be studied. These include:

- Long-term enrollment projections.
- Comparison norms for proposed 287 facilities versus regular/special education guidelines.
- Cost estimates for remodeling versus construction.
- Springsted cost scenarios that show how debt will be addressed to ensure the commitment that the lease levy in total will not exceed current levels plus normal inflationary factors.

The 287 School Board will review these same documents on November 12 at a regularly scheduled Board meeting. At the November 12 Board meeting, the Board will be asked if they are ready to bring the facility decision to a vote at the December 10 meeting. If the School Board indicates they are ready for action on this decision, a communication to that effect will be sent by the 287 Superintendent to all member district Superintendents. Superintendents will be asked to ensure a conversation occurs between their local 287 Board representative, the local Business Director and themselves to secure sufficient communication and agreement at the local level prior to a final decision on December 10.

Square Foot Requirements & Associated Costs

1. What are the square footage requirements for projected enrollment trends (minimum of five years) in the North Area?

Projected Enrollment | BDAC discussed member districts’ obligations to one another and, specifically, the mutual obligation to keep one another informed about what 287 programs they may not need in the future. BDAC asked 287 to prepare five-year enrollment projections.

District 287 administration has analyzed prior years actual enrollment at Hosterman and North Vista and produced a linear trend line showing estimated enrollment for this site. We chose this method rather than relying on planning data to date due to the difficulty associated with planning projections. For example, between February and June 2009, special education ADMs increased by 25 students.

Combined North vista and Hosterman Enrollment											
Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
ADM	249.51	256.46	278.55	269.68	239.96	248.83	250.99	249.22	247.46	245.69	243.93
* Year 2010 estimate is based on average ADM increase during the school year ** Infant and toddler ADMs are not included (10/26/2009 actual ADMs = 30) *** ADMs for years 2011-2015 are projected based on linear trendline data											

Square Footage Requirements | Given our enrollment projections, we estimate that we will continue to need at least 115,000-200,000 square feet for “Hosterman-like” students for the next 20 years. Some students require a full-size room completely for themselves. Other higher functioning students can be served effectively in smaller space.

A statement in the recent Moody’s report captures the essence of our enrollment future: “During the past five years, ISD 287 enrollment levels have fluctuated somewhat, ranging from 9,614 students in fiscal 2007 to 10,238 students in fiscal 2008. However, Moody’s believes that enrollment levels are unlikely to drop significantly, given the essential nature of the programs provided by ISD 287, as well as the overall enrollment trends of the Hennepin County school districts that use ISD 287 programs.”

District 287 recently adopted a new strategic plan and updated a new Memorandum of Agreement (MOA). All 13 members signed the MOA in July 2008 indicating support for the ongoing need of a consortium. The current use of Intermediate District 287 will change from time to time and district to district. This should be the goal of an Intermediate.

2. How do District 287’s gross square foot per student in SEC, Hosterman, North Vista and the proposed north site compare to standards for school buildings?

Two sources were consulted to address this question, MDE and Roger Worner, retired superintendent and Educational System Consultant. While approaching the type of school somewhat differently, both confirmed that the square footage for SEC and the north site under discussion falls well within the parameters for a typical school building.

The MDE data below were obtained from the department’s *“Guide for Planning School Construction Projects in Minnesota,”* Section III, January 2003 and refers to a typical high school building. The 287 data reflect actual student enrollment 2009.

	Enrollment	Gross Sq Ft Per Student	Bldg Gross Sq Ft
MDE	Less than 500	200-320	100,000-160,000
SEC	438	254.67	109,000
Hosterman	255	691.76	176,400
North Vista + ELC	190	63.68	12,100
North Site	436	250	109,000

Retired Superintendent and Educational System Consultant, Roger Worner, has provided the following information that addresses square footage guidelines for regular school buildings and references special education space needs in his comments.

“Regular education facility square footage standards suggest a range of approximately 150-225 square foot/student (elementary to secondary). These figures are used in computing the construction of an entire building (not just a single classroom or teaching space). Depending on the type of special education programs/students/severity of disability/staff served, the square footages required may be 150-200% those amounts. As you would be aware, for example, a typical kindergarten classroom (regular), serving 20 students, would be allocated 1,200 sq. ft. of classroom space. An elementary autism program, serving 6-8 students, would likely be allocated a similar amount of space. Overcrowding autistic, EBD, TBI, DCD, and other programs is not only hurtful to programming, it may be dangerous to both students and staff.”

3. What are the MDE square foot requirements for an average classroom?

MDE has a square foot requirement of 900 sq. ft. for a typical elementary and secondary classroom. We are not aware of any such requirement specifically for special education or area learning center students. However, we have learned from our first building project some comparisons that might be useful:

SUN classrooms: approx. 700 sq. ft. maximum

Transition classrooms: lg. 500 -600 sq. ft., sm. 175 sq. ft.

ALC classrooms: 700 – 800 sq. ft.

4. What are the current (2009-2010) costs per square foot in our north end facilities?

- Hosterman \$14.96 (68, 287sq ft leased) (176,400 sq ft actual bldg size)
- Edgewood \$14.60 (50,229 sq ft leased) (57,751 sq ft actual bldg size)
- NWTC \$16.33
- North VISTA \$10.33
- North VET \$ 9.12

These costs reflect varied lease language and build out costs. *(Updated June 2009)*

5. What efficiencies have we realized in moving to larger sites?

- Improved flexibility and instructional options for students and member districts.
- More efficient student/staff ratios.
- Less duplication of operational services; i.e., copiers, printers, tech support, and maintenance staff.
- Less duplication of student support services; i.e., nurses, School Resource Officers.
- Less duplication of instructional support services; i.e., English Language Learner staff, Social-Emotional Learner support staff.
- Crisis response is more comprehensive.
- Substitute costs have decreased.
- Program interaction opportunities.

Options to Remodel Hosterman, Purchase & Remodel Commercial Property vs. Build New to Replace Hosterman

6. What research has been conducted into the availability of commercial property to fit our proposed needs?

An original search was conducted in February 2009 for available commercial property to fit District 287's criteria (100,000 – 120,000 sq. ft. and in areas close to our member districts in the north area). Nine potential sites were indentified with the site at 5121 Winnetka Ave N providing the best match due to location and square footage.

A second search was completed in June 2009 with seven potential sites indentified and the 5121 Winnetka Ave N site remains the best match for our needs as stated above.

Most recent locations are as follows:

- 5121-5125 Winnetka Ave N, New Hope
- 865 Xenium Lane, Plymouth
- 13405 15th Ave N, Plymouth
- 8401 Jefferson Hwy, Maple Grove
- 1260 Grey Fox Rd, Arden Hills
- 1220 Lund Blvd NW, Anoka
- 8299 Central Ave NE, Spring Lake Park

7. What fees would the District have to pay for a detailed estimate for renovation of the commercial property on Winnetka Ave?

On July 23, 2009, the 287 Board authorized the District to have TSP estimate the cost of a remodeling of this property for a fee of \$10,000. TSP Architects' preliminary programming work was completed on October 21, 2009 and included cost estimates for both the Winnetka site remodel and a new building on the Hosterman site. On October 22, 2009 the 287 Board authorized the District to engage another architectural firm to verify the TSP cost estimate for the Winnetka site. This estimate is due on or about November 11, 2009.

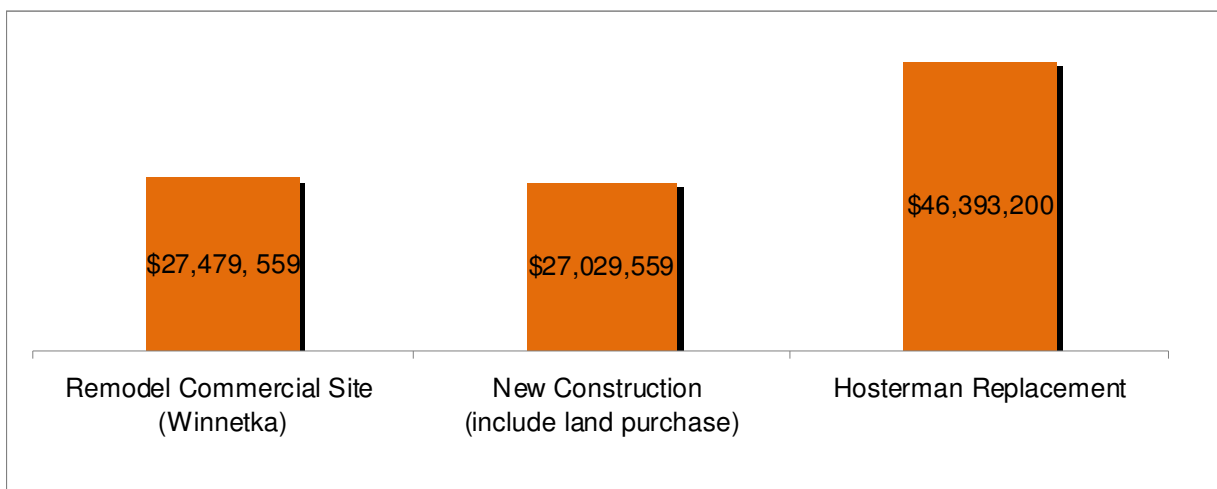
8. What did the TSP analysis show about the cost differential between building and renovating?

The cost differential is dependent on conditions of an existing facility. One fact of a renovation is it could be done more quickly if the site is providing a good exterior which allows interior work to proceed more quickly than new construction. The cost is truly dependent upon the design and features built into the facility.

Based on the TSP report, October 20, 2009 which assumes a 109,000 sq ft building, the following are the basic cost differences:

- Approximate renovation cost of Hosterman not including purchase price - \$26,636,400 (TSP estimate based on 2006 data gathered for Lincoln Hills projected to 2008)
- Approximate cost of a land purchase and new building - \$27,029,559
- Approximate purchase of commercial building at the Winnetka site and renovation at varying levels of customization/quality - \$ 27,479,559

The renovation cost of Hosterman at \$26,636,400 would be approximately 57% of a new building of equal square footage. Such a newly constructed building (of equal square footage) would cost \$46,393,200. This figure is only for comparison purposes and is not the level of square footage needed should a decision to build new is made by the School Board.



Scenarios of Potential Cost Impacts for Hosterman (TSP 10/20/09 estimates)

9. What are the advantages of an existing building such as Hosterman as compared to a custom-designed building?

The perceived advantage of an older building, such as Hosterman, is that we are being frugal, maintaining a relatively low cost per square foot and that we have the flexibility to get out of the lease relatively quickly. While this perception may or may not be accurate, it is significant in this year's economic environment.

The not so obvious reality of Hosterman is that lease costs are projected to rise 5% for FY10 and perhaps more in the coming years. This should be viewed as the cost of staying put. The unseen but needed capital improvements, such as windows and electrical system, will require an investment that may not meet a cost-benefit analysis. Similarly, there is much unneeded space at Hosterman that we are paying to maintain.

On the other hand, while a "new, specifically designed" building may be perceived as costly, efficiencies with energy, designed space tailored to our students needs without waste and a facility that is attractive to parents is a distinct advantage. A strategic investment in the future with ownership and asset development may prove to be a wise use of dollars over time, and, may be looked at in the future as an economically wise decision. See the 10-20-09 TSP letter to Superintendent Lewandowski for more pros and cons.

10. Why aren't we staying at Hosterman and remodeling it?

A study of this option determined that it would be cost prohibitive because it would cost an estimated \$26,636,400 to remodel Hosterman vs. costs in the \$27,500,000 range to either build a new building or renovate a commercial property.

11. Could we analyze the potential buildings that might be available from the members (the oldest ones) for their location? Could another district's buildings be considered beyond Osseo and Robbinsdale?

The MDE has a listing of all school sites for the state and when narrowed down to our member districts then sorted by size, location and availability. Further analysis could be done; however, in initial analysis completed by administration the Hosterman property has continued to meet the preliminary criteria of size, location, and availability.

Other district's buildings being considered need to be in a location that works for the needs of our student and member districts. Transportation is one of the biggest issues, both for the member districts (distance) and the students (bus lines).

Size is also a consideration along with age and condition. When MDE’s list of sites is sorted by size the list is limited to a few, eleven between 115,600 sq. ft. and 177,000 sq. ft.

Location	Sellable	District	District Name	Building Name	Age	Sq. Ft.
no	no	278	1 Orono	Orono High School	39.05	176,994
yes	yes	281	1 Robbinsdale	Hosterman	48.00	176,400
possibly	no	279	1 Osseo	Brooklyn Junior High	35.93	176,104
no	no	283	1 Saint Louis Park	Saint Louis Park Junior High	44.88	173,016
no	no	284	1 Wayzata	Wayzata West	43.15	167,000
possibly	no	286	1 Brooklyn Center	Earle Brown	5.00	150,000
possibly	no	284	1 Wayzata	Wayzata East	39.92	146,111
no	no	278	1 Orono	Orono Intermediate School	48.76	125,610
no	no	279	1 Osseo	District Educational Service Center	24.71	124,857
no	no	278	1 Orono Schools	Orono Middle School	8.00	122,000
no	no	272	1 Eden Prairie	Cedar Ridge	18.96	115,599

12. How do the current facilities compare to member district facilities?

On average, the age of Hosterman (48 years) and Edgewood (44 years) exceeds the average age of buildings in member districts. For example, the average age of schools in Robbinsdale is 41 years, and the average age of schools in Osseo is 27.7 years. Buildings of this generation that have not been part of an ongoing update and renovation program are outdated in many ways which add greatly to the cost of renovation, modernization and customization.

13. What are the full zoning options in New Hope for the proposed commercial site?

Sec. 4-20. I, industrial district.

- a. **Purpose.** The purpose of the *I*, industrial district is to provide for the establishment of heavy industrial and manufacturing development use which, because of the nature of the product or character of activity, requires isolation from residential or non-compatible commercial uses. The *I* district is also intended to provide for large scale activities of a sociological nature not suited to other districts, but reasonably compatible with the same characteristics suitable for general industrial use.
- b. **Permitted uses.** The following are permitted uses in an *I* district:
 - 1) Radio and television antenna farm.
 - 2) Research, medical, dental or optical laboratories.
 - 3) Trade school/training schools/specialty schools.**
 - 4) Warehouses.

- 5) Essential services.
- 6) Governmental and public utility buildings and structures.
- 7) Building materials/appliance and furniture retail sales.
- 8) Engraving, printing and publishing.
- 9) Wholesale business.
- 10) Manufacturing etc. The manufacturing, compounding,
- 11) assembly, packaging, processing, treatment or storage of
- 12) products and materials.
- 13) Automobile major repair.
- 14) Office business.

14. How might we be flexible in any solution: leasing or building?

Currently District 287 is investigating commercial sites for possible locations for programs. In the past five years, District 287 has moved toward owning buildings and leasing a smaller number of sites. Looking to the future, District 287 should maintain a mix of owned and leased sites to continue to provide flexibility for our programming.

Whether District 287 builds a new building or renovates an existing building to meet our needs, an updated HVAC system, modern equipment for all the systems and a design that will provide the district flexibility to meet our changing needs allows District 287 to operate in as flexible an environment as we possibly can.

A new building or a renovated commercial site also provides District 287 to meet current building requirements; i.e. ADA guidelines, hazardous material avoidance and life safety issues.

Perception of building size comparisons can be dangerous. The SEC, at 109,000 square feet, would compare very differently to a member district K-12 school of similar size. Student needs, use of space, flexibility, etc., would all make a difference. We couldn't fit easily into a typical K-12 school any better than a K-12 school could fit into the SEC.

Cost Considerations Related to Funding and Levy Amounts

15. How will the state funding structures impact enrollment and programming in 10 years?

State funding structures change very slowly. Many of our programs today revolve around specialized needs and/or student choice. Both of these areas continue to have legislative support, albeit inadequate. Also, the student population that needs specialized programming for complex educational needs is showing no sign of decreasing at 287. The new 287 Strategic Plans calls upon 287 to meet the unique needs of our member districts and the financial constraints of our member districts are and will continue to be paramount in our planning and programming.

16. How might we demonstrate and communicate the parameter of cost neutrality for proposed new buildings?

By working from a known plan and acquiring trustworthy estimates for a similar building, 287 has compared the lease purchase payment requirements to lease costs both today and into the future.

District 287 staff will work with a team of real estate professionals and design professionals to find the most cost effective option to meet the District’s current and future needs. Meetings with BDAC and SEDAC are scheduled for November 2009 and this subject will be discussed.

What are the lease levy impacts?

The data in the chart below reflect the 287 lease levy data for 2008—payable in 2009 as of Aug 2009.

District (% ADMs in North Area) Non-Member ADMs (19.3%)	FY10 AMCPU (est.)	\$43.00/ AMCPU*	287 Lease Levy 8 2008 Pay 2009	\$43 Lease Levy Balance	Additional \$150/Res PU for Member Districts Lease Costs**
Bloomington (2.6%)	11,974.32	\$514,895.76	\$393,926.92	\$120,968.84	\$1,815,444.00
Brooklyn Center (3.8%)	2,204.65	\$94,799.95	\$157,430.86	\$(62,630.91)	\$291,445.50
Eden Prairie (0.8%)	11,284.80	\$485,246.40	\$460,720.40	\$24,526.00	\$1,691,968.50
Edina (0.5%)	9,268.21	\$398,533.03	\$180,129.18	\$218,403.85	\$1,178,871.00
Hopkins (3.1%)	8,682.04	\$373,327.72	\$166,143.62	\$207,184.10	\$1,246,380.00
Mnettonka (0.8%)	9,334.25	\$401,372.75	\$173,273.64	\$228,099.11	\$1,303,758.00
Orono (0.2%)	3,067.16	\$131,887.88	\$24,498.49	\$107,389.39	\$375,366.00
Osseo (31.7%)	24,664.31	\$1,060,780.33	\$1,011,724.61	\$49,055.72	\$4,025,749.50
Richfield (1.9%)	4,789.20	\$205,935.60	\$281,498.32	\$(75,562.72)	\$711,666.00
Robbinsdale (23.1%)	14,795.96	\$636,226.28	\$772,144.14	\$(135,917.86)	\$2,219,466.00
St Louis Park (1.2%)	4,952.12	\$212,941.16	\$122,428.79	\$90,512.37	\$713,701.50
Wayzata (9.88%)	11,567.87	\$497,415.83	\$403,293.99	\$94,121.84	\$1,620,031.50
Westonka (1.10%)	2,578.55	\$110,877.65	\$174,009.38	\$(63,131.73)	\$424,930.50
		\$5,124,240.34	\$4,321,222.34	\$803,018.00	\$17,618,778.00

17. What is the impact on the lease levy for member districts if we build or purchase a site?

Building or purchasing a site in the North area would help slow the increase in the lease levy rates District 287 charges to the member districts. It could make the lease levy rates predictable and constant, rather than subject to inflationary pressures.

Additionally, one downside to the leasing Edgewood and Hosterman is that the districts owning those buildings cannot currently claim the lease levy on their own students being served in those buildings. This is a cost of between about 100,000-150,000 dollars per year for each district. If 287 purchased the properties from those districts, they would be able to claim the lease levy on their own students.

18. Under what conditions would the non-leviable amounts increase?

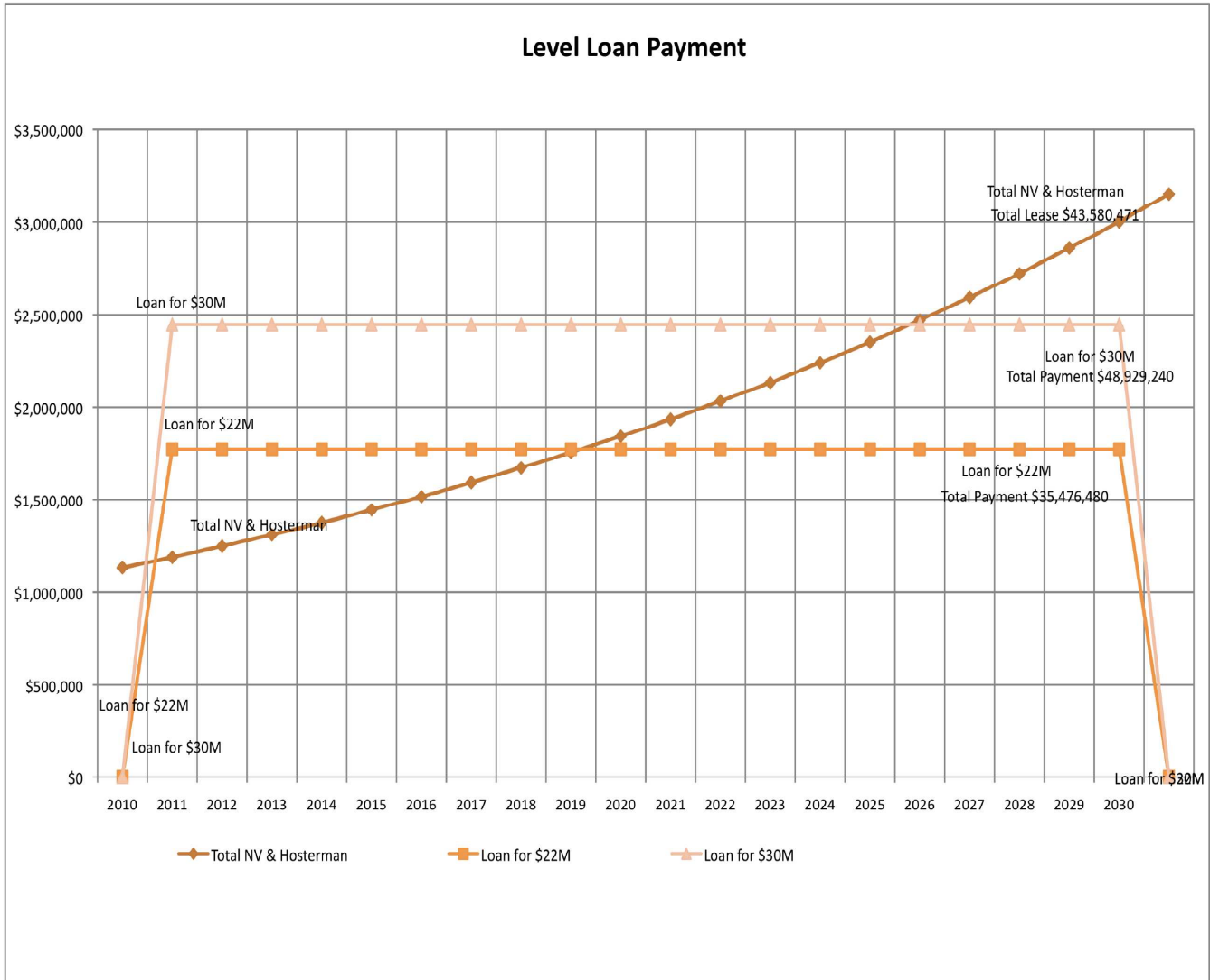
Non-leviable amounts would increase if we had to vacate a site; i.e., if we left Hosterman and the new site was more expensive to lease, own and/or operate, the amount would increase.

Operating expenses and lease rates for sites increase over time.

Improvements and/or modifications to meet our needs are passed along to 287 based on the lease term, level of modifications required, and if we own the site, the size of the loan and related payments. For example, simply staying at Hosterman will likely result in a lease rate increase of five percent annually, or more, if additional improvements (such as new windows or roof) are needed.

19. How does the level loan payment structure meet the parameter of not exceeding current levy costs?

Costs associated with the level loan payment structure would exceed the projected lease costs for the first nine years and then be lower than the projected lease costs for the remaining eleven years. Loan payments could be structured to eliminate this; however this option would cost approximately \$4,000,000 more over the length of the loan.



20. What are the definitions of the three major federal types of bonding with the federal stimulus dollars?

1) QUALIFIED ZONE ACADEMY BONDS (QZABs)

Program Descriptions: The federal government subsidizes these bonds by providing tax credits to bond holders that are approximately equal to the interest schools would ordinarily pay bond holders.

Eligibility: QZAB bonds may be used on behalf of schools have 35 percent of their students eligible for free or reduced-cost lunches under the National School Lunch Act at the site in which improvements are made. Eligible schools must have an education program and education plan designed in cooperation with business and receive a private business contribution that is not less than 10 percent of the proceeds of the bond.

Uses: Renovation school buildings, Purchasing equipment, Developing curricula & Training school personnel

2) QUALIFIED SCHOOL CONSTRUCTION BONDS (QSCBs) (287 is pursuing this route.)

Program Descriptions: The QSCB Program is a new tax credit program created by the American Recovery and Reinvestment Act of 2009. Like QZABs, they provide bondholders with a tax credit in lieu of an interest payment.

Eligibility: All school districts and school buildings are eligible regardless of size of poverty levels.

Uses: New construction, Facility rehabilitation, repair, Equipment & Land acquisition

3) BUILD AMERICAN BONDS (BABs)

Section 1531 of Title 1 of Division B of the ARRA authorizes school districts to issue taxable bonds that provide federal subsidies for a portion of the borrowing costs. The federal subsidy for BABs can take the form of a tax credit to bondholders (similar to QZABs or QSCBs but of a smaller magnitude) or a federal subsidy payment made directly to the school district.

Tax Credit - A subsidy of Federal tax credits to bondholders in an amount equal to 35 percent of the total coupon interest payable by the school on taxable governmental bonds (net of tax credit). Federal subsidy to issuing school is about 25% of total return to investor (interest paid by school + tax credit).

Direct Payment (regular) - A tax credit paid to state or local governmental issuers by the Treasury Department in an amount equal to 35 percent of the total coupon interest payable to investors in these taxable bonds.

Direct Payment (Recovery Zone Economic Development Bonds) - A deeper refundable credit subsidy than the regular direct payment. The Federal subsidy is equal to 45 percent of the total coupon interest payable to investors in these taxable bonds.

21. Will 287 use any of these stimulus dollars to fund construction of a Hosterman replacement?

As we have learned more about Federal Stimulus dollars, we understand that 287 will not apply for Qualified Zone Academy Bonds (QZABs). We have applied for Qualified School Construction Bonds (QSCBs). These are dollars that can be used for school building renovation construction. While we were not awarded QZAB funds in the first payout time frame we are still on the list for possible funding in 2010. Should we receive any of these dollars, they would be used to mitigate the impact of any loan payment. The Build America Bonds (BABs) are now part of the funding mechanism and

may be used if they are determined to be beneficial. Administration is examining other potential operating fund dollars to help offset the difference.

22. How do the energy efficiencies impact the total operating costs?

Energy efficiencies and a preventive maintenance program not only save the District operating costs, but long-term capital replacement costs are also lessened.

The varied leases District 287 currently hold all differ as to how the operating costs are determined. One lease can be all inclusive while another lease will include none of the operating costs (janitorial, utilities, taxes, etc.).

23. Might changes in the economy and in construction techniques yield additional cost savings since our experience with the SEC building?

Advances in construction techniques and the economy could yield additional cost savings. Current real estate prices are down, creating better value for District 287. Due to the low volume of construction projects, the current costs of remodeling an acquired building would also be a better value now than in the past or waiting until a time in the future. At this time construction projects which are being bid are showing pricing at levels 15% – 20% below Means (construction standard method for cost estimating) estimates costing methods.

Enrollment Trends

24. How does this proposal relate to the total population projection (potentially down 10%)?

- The ten-year enrollment data from MDE from 2001–02 through estimated 2010–11 shows a 1% decline in our member districts. It also shows that while some member districts are losing enrollment, others are gaining in enrollment. Many factors come into play when a district decides to close a school. Sometimes, the condition or the location of the building keeps it from being a viable option for 287 programs.
- *Money Matters 06.02, Minnesota School District Enrollment Trends* Greg Crowe, Fiscal Analyst Fiscal Analysis Department, Minnesota House of Representatives February 2006. By FY 2009, there are projected to be 272 districts with fewer students than in the previous year. It should be noted, however, that on a statewide basis, enrollment has begun to stabilize, and there are slight increases in the number of pupils in grades 1 through 6, an indication that stabilized statewide enrollment should continue.
- The Minnesota Association of School Business Officials (MASBO) presentation by David Stillman from BridgeWorks (www.generations.com) reported that the population size of the millennial generation (born 1982-2000) would be 76 million. This compares with Generation X (born 1965-1981) with 46 million and the Baby Boomers (born 1946-1964) at 80 million. This suggests that there will be a large increase in the school age population, or at least not a 10% decrease in school age youngsters. The question is, “Where will they go to school?”
- The MN State Demographic Center’s report on MN population projections, 2005-2035 states that by 2015, births will be at their highest levels since the baby boom era, that the most rapid

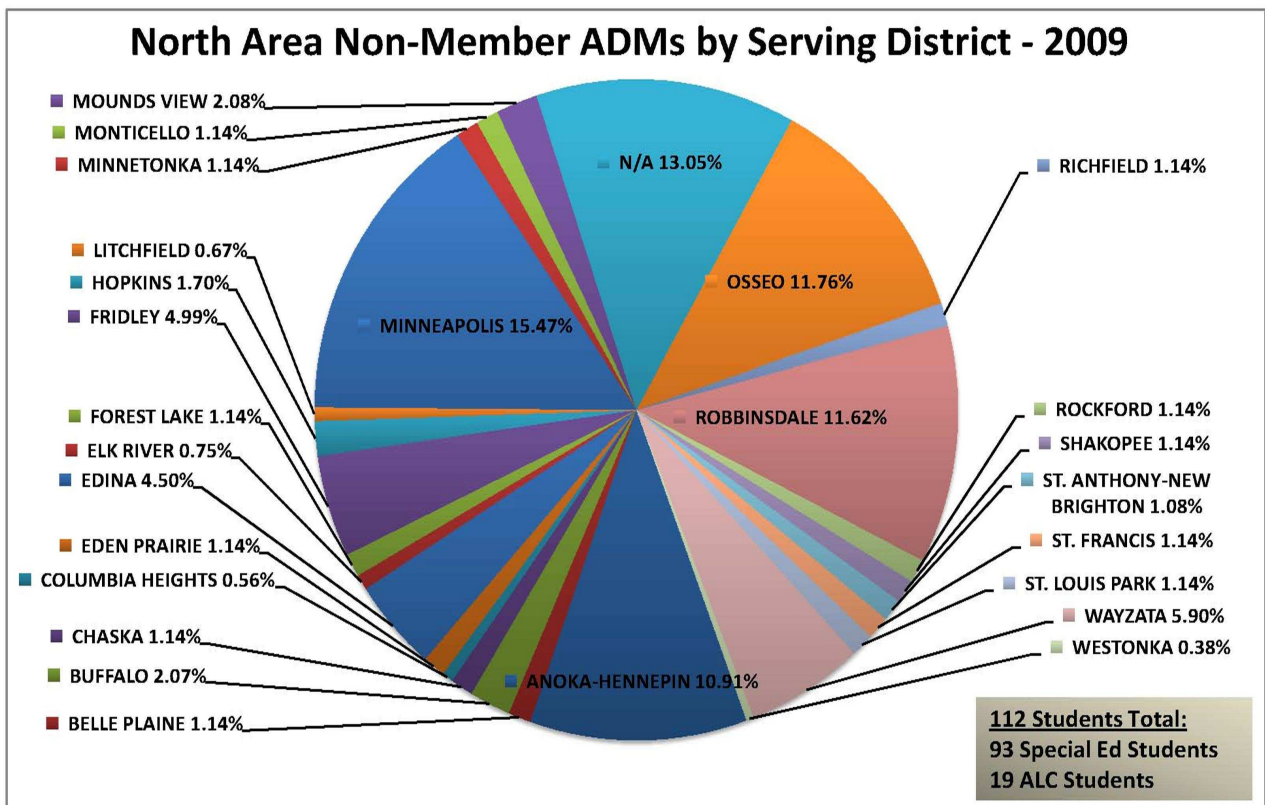
gains will occur in the suburbs in the Minneapolis – St. Paul region, that there will be about 9% more children in 2015 that there are now and that the projected population change for Hennepin County between 2005-2035 is +5.3%. While this data suggest an increase in the school age population in the coming years, it does not address the choices that parent will be making related to school choice. Such choices increasingly include charter schools and online learning options. Since District 287 serves a population that is disproportionately special education, we anticipate this trend to be less of an impact to us than to a K-12 district. There may be some impact, however, to the 287 Area Learning Center programs. To learn more about the overall demographic trends please go the following website:

<http://www.demography.state.mn.us/resource.html?id=19185>

25. What percent of the enrollment of 287 students on the North End would this address?

This proposal includes the students at Hosterman (175 ADMs) and North Vista (80 students + 30 Daycare ADMs). This is 60% of the north area 287 student population. Assuming that 287 purchases Edgewood as planned, 84% of the total 287 student enrollment would be attending school in a District owned facility and 16% would be attending in a leased facility.

26. What role does non-member enrollment play in facilities use?



The graph above illustrates the effect of non-member enrollments on North Area Facilities.

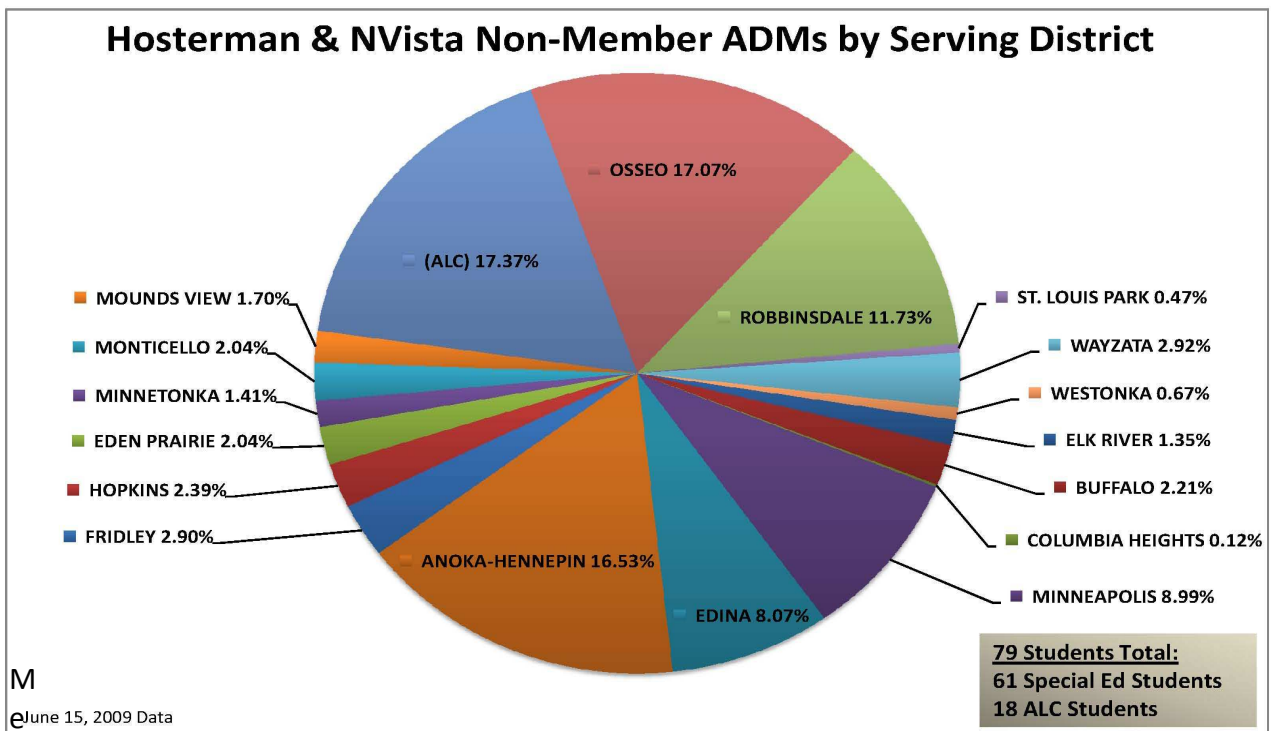
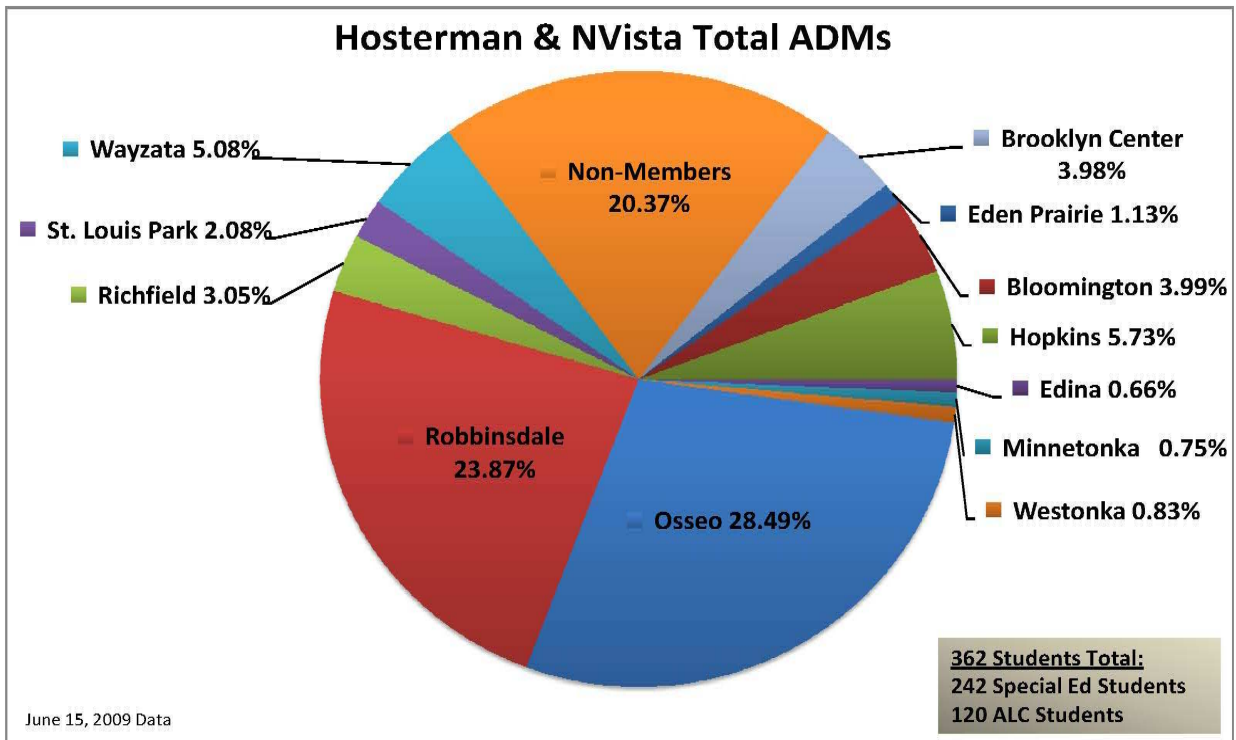
For all North Area Facilities, combined non-member use makes up 19% of the total utilization.

Of that 19%, member districts refer about 40% of non-member students. An additional 17% are student choice programs within the Area Learning Center.

Some of the remaining 43% of non-member students include:

- Deaf/Hard of Hearing students who are sent to 287 because we serve as the statewide deaf program for transition-age students and receive supplemental state funding to serve this population.
- Very complex students who are referred by non-members. Member district students are served first; however, if there are seats available, non-member students are accepted in order to distribute costs.

The graph below illustrates the effect of non-member enrollment at Hosterman and North Vista.



Member districts are referring about 39% of non-member students served at Hosterman and North Vista. An additional 17% of students served at these two locations are student choice enrollees at the Area Learning Center program at North Vista.

The total percent of non-member students enrolled at Hosterman and North Vista is 56%. They are coming via our member districts or are student choice enrollees.

When assessed against the total number of non-member students in the entire north area, about 9% are enrolled directly from non-member districts to Hosterman and North Vista.

27. How does community climate affect the receptivity to 287 programming?

Re-locating a site such as one of our north area facilities is particularly sensitive to neighborhoods. We have learned much about this factor over the past several years. This can be an explosive factor with “push back” should we not carefully assess neighborhood reaction and proactively seek neighborhood support. For example, extensive community engagement has been part of our work in the Edgewood neighborhood and concerns have diminished as a result of that work. Were we to seek a new building on the property, it would likely be unsuccessful due to neighbor feelings and concerns about bringing high risk students into the community.

The Hosterman neighborhood has been exceptionally accepting of the Hosterman student population. Should a new building be proposed on that site, the neighborhood could be supportive in such a project.

A commercial property purchase and renovation would depend on the surrounding neighbors. We have been successful in the Bren Road commercial neighborhood and have experience in how to approach another such project.

28. What relationship does facilities planning have to the strategic plan?

The strategic plan recognizes 287 as a premiere of provider of tailored services to member districts. The elements of (1) continuity of location and (2) fiscal predictability relate to our ability to be considered a premiere provider. A third element, incorporating flexibility into any building design, relates to customizing services to be able to serve changing student populations and member district needs. The extent to which the three elements are considered in facilities planning will be the extent to which the strategic plan influences the process.

Intermediate District 287

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**Intermediate District 287
LONG-TERM FACILITY
PLANNING**

MISSION STATEMENT: The Mission of Intermediate District 287, as a proactive partner with member school districts, is to creatively meet the **diverse and changing needs of those districts and their learners through collaboratively-delivered, high-quality services.**

Committee Goal: Identify a long-term facility planning strategy, which best meets the mission of Intermediate District 287.

DIRECTIONAL STATEMENTS

The long-term facility planning strategy should:

1. Prioritize and recognize the unique educational needs/styles of our learners in an age-appropriate setting.
2. Plan for a quality educational environment equal to the educational facilities of our member districts.
3. Recognize that our campus based career-technical programming should align with HTC academic plan.
4. Recognize the need for a central location for some populations, but geographically similar locations for member district ease of access.
5. Recognize the unique transportation costs and transportation needs of all member districts **and their students.**
6. Recognize that as new facilities are needed, the priority should be given to larger education centers where there is the ability to divide into distinct and segregated learning environments.
7. Work to obtain space in member district locations when possible.
8. Recognize the need for collaboration with member district superintendents and business departments to assure long-term revenue/expenditure implications.
9. Recognize the increasing regional need to co-locate support service partners such as county provided human services, corrections/police liaison officers, and community mental health agencies.
10. Establish parameters for leasing or buying both commercial and member district owned space.
11. Incorporate state and federal guidelines for unique populations.
12. Recognize the long-term commitment to HTC as indicated in the Joint Powers Act.

Memorandum

District Service Center
1820 Xenium Lane North
Plymouth, MN 55441-3708

To: Sandy Lewandowski

From: Janet A. Johnson



www.district287.org

Date: November 10, 2009

Re: North Facilities Financial Considerations

The attached graph represents the impact on total lease levy costs of two financing options for a \$27,000,000 building project on the north end of District 287. The graph represents these options compared to the option of continuing to lease the properties it currently is leasing. This graph was shared with member district Business Directors at their November 6, 2009 Advisory Committee meeting.

The blue line represents information from current property lease contracts and factors in 5% for inflation where future contracts are not yet set.

The red and green lines represent the financing options that are most expensive (red) and least expensive (green) over the life of the debt.

In both cases the financing options provide a lower annual cost in the eight to nine year time frame. The commitment that has been made by District 287 administration is that we would not proceed with a North Education Center building project if the cost exceeded current lease costs assuming a 5% inflation factor and thereby negatively impacting member districts lease levies.

In reviewing the debt schedules that support this graph the concern becomes the early years when new annual cost would exceed current annual cost. District administration has carefully analyzed the District's financial resources and has identified three resources that could be used to offset the additional cost and thus hold levies at the "no change" level until the point that would exceed the new building level. Those resources are:

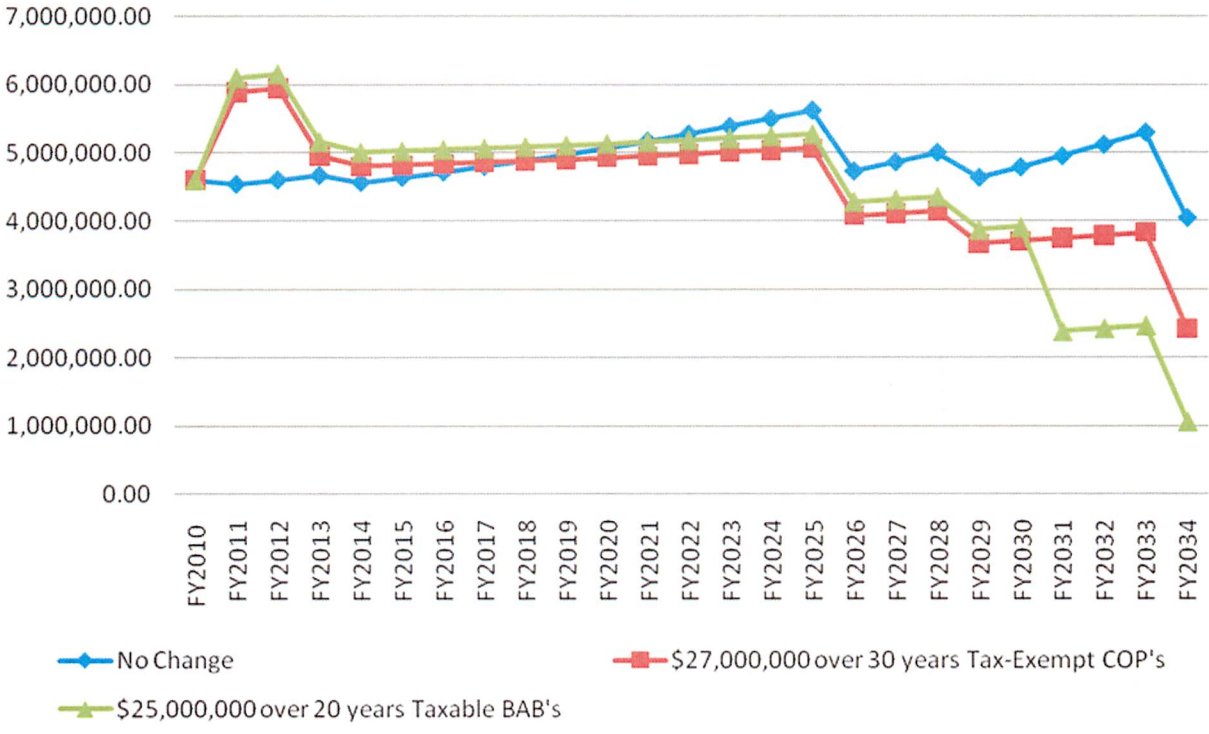
- 1) SEC Escrow – These dollars can be used to pay principal and interest on the debt for SEC, thereby offsetting an increase for debt related to an NEC.
- 2) MA Billing Revenue – The reporting required to produce MA billing revenue has been emphasized and enhanced over the last few years. The careful focus on this has produced an extraordinary increase in MA revenue. We believe this will provide a constant revenue stream for the foreseeable future. Providing appropriate educational space for 287 students and using these dollars to offset debt payments to keep levies constant conforms with the uses allowed in statute for MA revenue.
- 3) Fund Balance – The District's Fund Balance has improved over the last several years and some portion could be designated for this purpose.

The architects cost estimates and Springsted debt modelings are relatively new information. We continue to work with Springsted to arrive at the best use of debt and current resources.

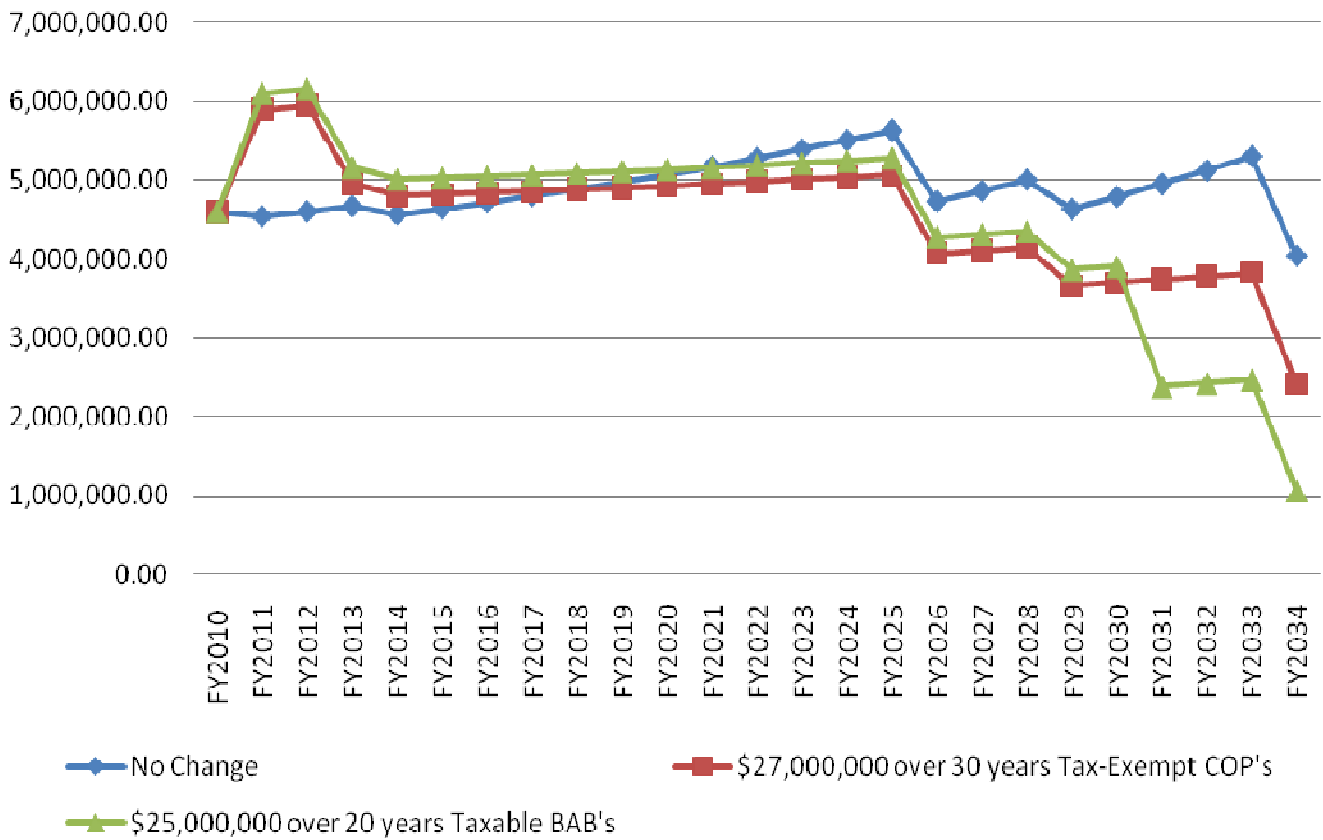
Administrative Conclusion:

Administration believes that the resources are available to offset initial cost increases and would support the Board if they chose to dedicate those resources accordingly.

Levy Lease Cost Comparison

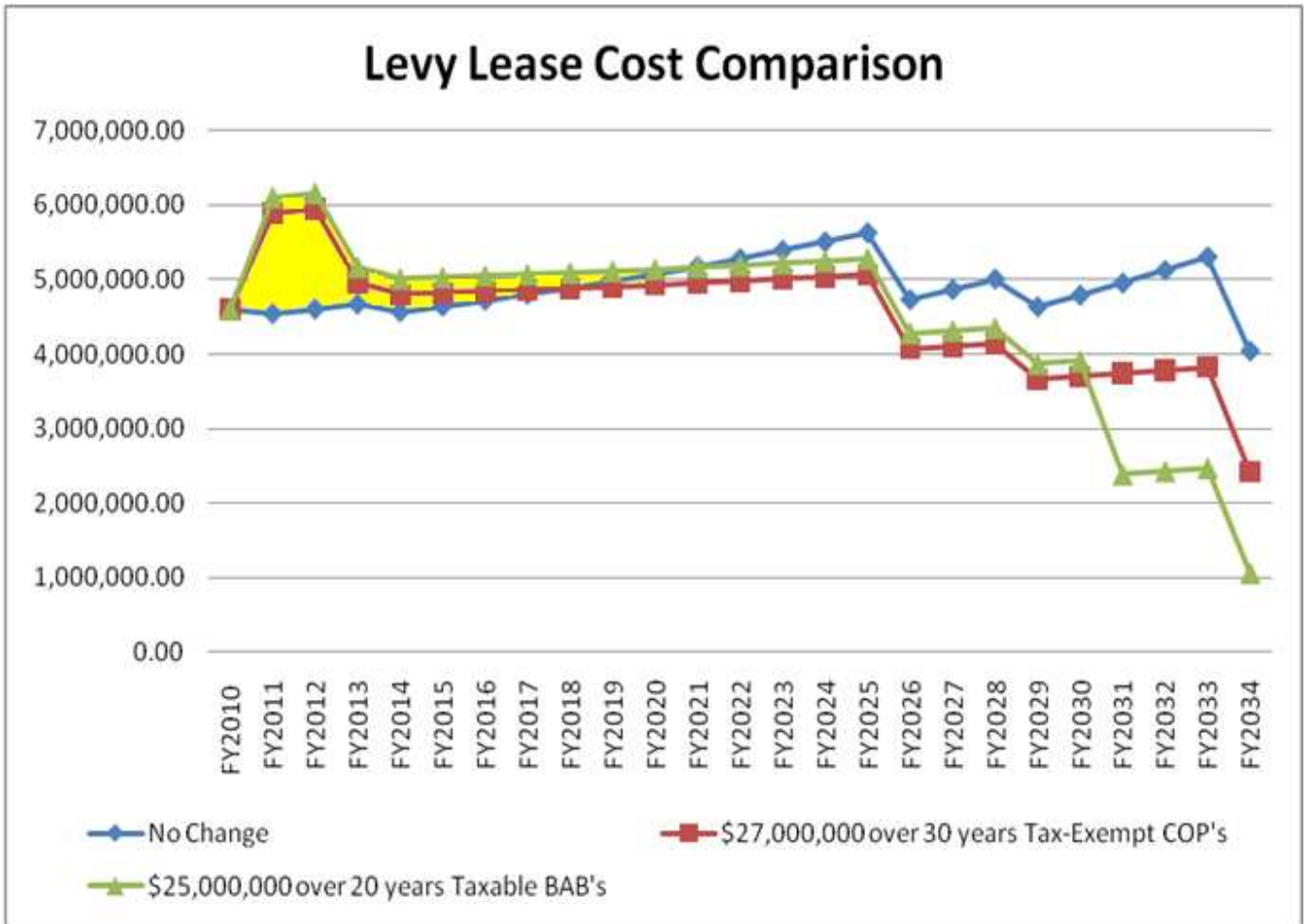


Levy Lease Cost Comparison



Levy Subsidy Required

- Lowest = \$3.6m over 7 years
- Highest = \$6.1m over 13 years



Levy Subsidy Required

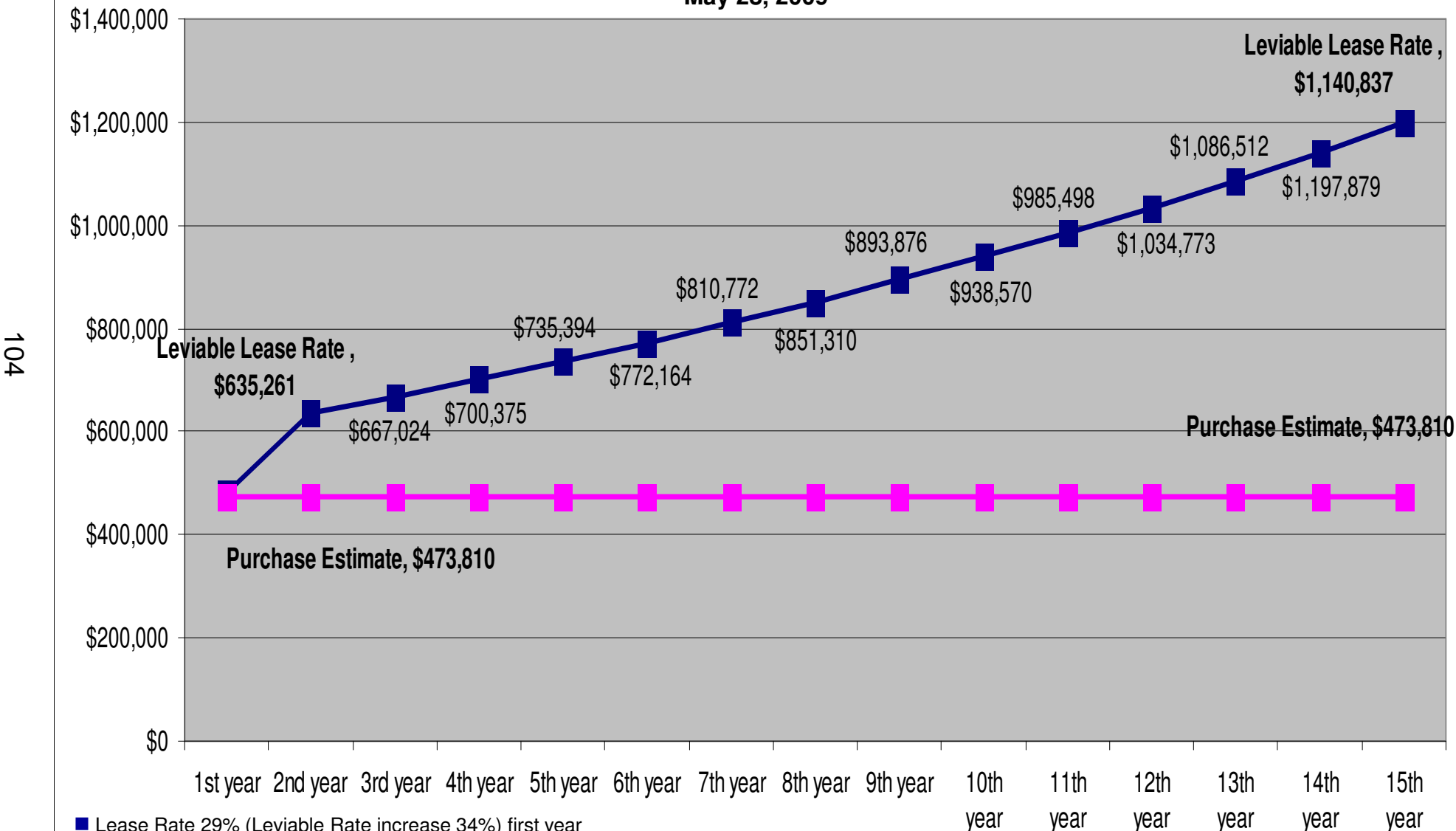
- Lowest = \$3.6m over 7 years
- Highest = \$6.1m over 13 years

Revenue Sources for Subsidy

- SEC Escrow is currently \$2.4m
- FY09 MA \$1.4m
- Fund Balance – at 7% FY 09 is approximately \$700,000 over the Board fund balance goal of 6%.

Edgewood Lease vs. Own Comparison

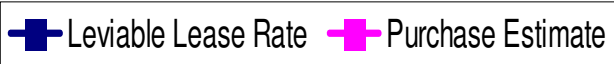
Board Discussion
May 28, 2009



■ Lease Rate 29% (Leviable Rate increase 34%) first year

■ 5% Lease Rate increase, per year after 1st year

■ Certificate of Participation (COP) for 15 years



Intermediate District 287

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M E M O R A N D U M

Date: November 2, 2009

To: Sandra Lewandowski, Superintendent

From: Dennis Dahlman, Consultant and Chief Negotiator
Colleen Baumtrog, Executive Director of Administrative Services
Anne Becker, Director of Human Resource

Re: Local 2209 Negotiations Update

We have had four negotiation sessions since our September 10 Board Session. Much of this time has been focused on medical insurance without much success. On October 27, 2009, agreed to seek the assistance of a State Mediator.

Wages and the Employer Insurance Contribution

The District has proposed a soft freeze in wages for both years and a dollar cap on medical insurance for year 2. The total cost of this proposal is approximately 5.3% over the two years. We have been very clear about our goal to provide a quality insurance program at a cost which is sustainable for the District.

The Union has proposed an across-the-board increase on the salary schedule of 2% in year 1 and 1.5% in year 2; the addition of a new top step at 2% in year 1, and the continuation of the same Employer percentage contribution towards medical insurance. The total cost of this package is 10.9%.

Medical Insurance

The last several sessions have focused on medical insurance. We have shared member district plan designs and cost structures. In addition, we have dialed up the work of the District Insurance Committee with the goal to try and find consensus around plan design to be implemented in the second year of the Agreement.

At our last session we were told the Union would not entertain an Employer cap on medical insurance. We were told they would be willing to look at reducing the Employer percentage but they couldn't agree to creating undue risk for their members by eliminating the percentage and moving to a dollar cap.

After a brief caucus, we expressed our extreme disappointment in their position and we talked about the need for third party assistance. Both parties agreed and we filed for mediation at the end of our meeting. It appears we may be able to have a mediator join us on November 10.

A number of issues are on the table including: wages, insurance contributions, leaves of absence, unit composition, in-building substitutes, work day hours, use of non-student days, adjustment to the grievance process, annual leave reimbursement, shortening the probationary period for Education Assistants, and enhancements to the 403(b) matching plan.

Summary

The three most significant issues we face are: (1) wages, (2) insurance contributions and (3) issues of time.

We are very disappointed in the outcome of our last session. We are hopeful a Mediator may help find some middle ground.

AMSD

CONNECTIONS

News and Updates from the Association of Metropolitan School Districts

November 2009
vol 7 • no 2

AMSD Calendar

November 20, 2009
Executive/Legislative Committee Meeting,
7:30 a.m., TIES Building,
St. Paul

December 4, 2009
Board of Directors Meeting, 7 a.m., TIES Building, St. Paul

December 18, 2009
Executive/Legislative Committee Meeting,
7:30 a.m., TIES Building,
St. Paul

SAVE THE DATE!
January 26, 2010
8:00 AM—12:00 PM
2010 AMSD Winter Conference
Online Learning - Fad or Future?
Grand Hall, TIES Building

AMSD's Mission

To advocate for state education policy that enables metropolitan school districts to improve student learning.



**Association of
Metropolitan School Districts**

AMSD 2010 Winter Conference - SAVE THE DATE! Tuesday, January 26, 2010

It is not too early to start planning to attend the AMSD 2010 Winter Conference! This year's conference will be held from 8:00 AM—12:00 PM on Tuesday, January 26, 2010, at the Grand Hall in the TIES Building. This year's conference will focus on **"Online Learning - Fad or Future?"** We are excited to have Gary Lopez as our keynote speaker. Gary is the executive director of the Monterey Institute for Technology and



Education. He is the past CEO of NETg, one of the leading providers of e-learning solutions to many of the largest companies in the world. Currently, he is leading development of the National Repository of Online Courses (NROC) and Hippocampus, a free resource for creating customized online curriculum.

More details about the conference, including registration information, will be included in the December edition of Connections! Looking forward to seeing you there!

From the Chair:

This month's research article deals with a topic that has generated a great deal of discussion among school officials and state policymakers. Education accounting shifts are not new as they have been used several times over the years to balance the state budget. Accounting shifts can save the state a very significant amount of money on a one time basis and help balance the state budget in tough economic times.

While accounting shifts do have a negative impact on a school district's bottom line, they have been used to avoid even more drastic cuts to education. The shifts that have been implemented this time around are unprecedented in that they were not enacted by the legislature. For the first time in the state's history, the shifts were implemented by the Governor through the unallotment process.

As the accompanying article shows, under current law and current budget forecast assumptions, the deferred payment will be restored in FY 2012 and school districts will return to the normal payment structure for the 2012-13 biennium. However, the looming state budget shortfall has caused some people to speculate that the deferred payment could, in fact, turn into a cut. Such a cut would be so catastrophic that it is hard to fathom.

Fortunately, there are several other alternatives for legislators to consider that would be far less harmful to our schools and our future. It is important that AMSD members continue to communicate with their legislators about the important role education plays in securing Minnesota's economic future and encourage them to act accordingly.

Jon Tynjala, school board member from Mounds View, is chair of AMSD.

Rigor and Choice Welcomed at Minnetonka Middle Schools

Students in Minnetonka middle schools are experiencing increased rigor, support, choice and flexibility—the result of a new middle school model adopted by the School Board last spring. "We set a goal two years ago for the District to take a look at how we're doing serving our middle school kids," said Board Chairwoman Pam Langseth. "We wanted to make sure that the programming we offer meets the needs of our learners and is truly world class."

That goal was largely driven by parents who had expressed concerns about the lack of flexibility, choice, and rigor for their children in the traditional middle school model. Many also believed that the middle schools could do more to prepare students for the high level of rigor they would face in high school. Finally, state and local standards for elementary years have raised student achievement, and Minnetonka middle schools are welcoming children with higher abilities than seen previously. The middle schools needed to respond.

Raising Rigor

Raising rigor in math is a focus for districts across the state. The new Minnetonka model provides three levels of math in sixth and seventh grades, and four levels at eighth grade, ensuring both struggling learners and the highest achievers are appropriately challenged. New "diagonal pathways" now allow motivated students to move up a level (e.g. from regular math into an advanced track) with independent study opportunities over the summer.

This year 79 entering sixth graders took advantage of the diagonal pathway to complete pre-algebra through independent study and test into sixth grade Algebra I. "This is quite an exciting challenge to offer sixth-graders algebra," shared middle school math teacher Tom Condon. "There is no ceiling for these kids." Students who are passionate about math now have the opportunity to complete Algebra I, Geometry and Higher Algebra II during middle school; finally the top 10 percent of the student population is being challenged to their true potential, just as the other 90 percent has been. With four eighth grade math levels, teachers are able to ensure that each student is appropriately challenged and inspired to successfully meet state math standards.



Honors level courses were also added in English and science at each grade, and a new Pre-AP U.S. History class in eighth grade will better prepare students for the rigor of high school Advanced Placement courses. Heterogeneous groups remain in all other courses. The new middle school model maintains traditional teaming in grades six and seven, but forgoes teams in eighth grade to accommodate more elective options.

In addition to core classes, every encore course was rewritten to increase rigor and relevance. An interdisciplinary STEM course was added, and family and consumer education now focuses on 21st century skills, global awareness, educated consumerism and interpersonal effectiveness. In the fine arts, new before school and single-gender choir options, small group and individual instrument lessons, drama and specialized visual arts courses all increased opportunities for excellence based on student interests and aspirations.

World language opportunities expanded to include a quarter-long introductory language course in seventh grade, in preparation for the full-year high school level one language options in eighth grade.

A Writing Center at each school opened and is staffed by a writing specialist who supports students and works with other teachers to increase non-fiction writing across the curriculum as an instructional strategy for all students. Finally, a high potential sixth grade seminar was designed to address both the intellectual and affective needs of gifted students.

(Continued on page 3)

"... the middle school model needed to change..."

Minnetonka Superintendent Dennis Peterson

Systemic Academic Interventions

With increased expectations for students, the district promised increased support and academic interventions. Preschool parents are regularly reminded that children will not learn to walk or talk at the same time. Likewise, middle school students may not achieve mastery in mathematics, reading or writing at the same time. Minnetonka is committed to ensuring every student achieves a year's growth (or more) in a year's time. For students who struggle in reading, math or study skills, targeted support classes provide a double-dose of reading or math to accelerate growth. NWEA Testing in both fall and spring allows the district to measure achievement and prescribe interventions. A morning homework help center, implementation of RtI (Response to Intervention), and access to technology such as Study Island are vital interventions.

Choice and Flexibility

An age-old debate in middle level philosophy revolves around choice and flexibility. Decisions are often driven by the master schedule and teacher schedules rather than student interests or goals. Minnetonka's middle school study included difficult decisions regarding exposure vs. elective opportunities. There is no clear cut advantage—both elective and exposure opportunities have value and drawbacks. Elective choices increase the probability that students will be engaged and view content as relevant. Exposure opportunities open students' minds to new interest areas that might otherwise never be discovered.

In planning the new model, Minnetonka leaders aligned their decisions with other district goals and strategic priorities. For example, a goal to provide world-class opportunities in the fine arts supported the decision to continue to require music through seventh grade and expand the visual arts offerings.

The new program has been well received by current and new families. "We were pleasantly surprised in September to see a 7 percent growth in enrollment," noted middle school Principal Bill Jacobson. Fifty-four students transferred from private schools into Minnetonka's public middle schools, 50 new open enrollment students transferred in, and dozens of new families moved into the district.

Looking forward

Minnetonka is a district with an aggressive strategic plan embodying significant change initiatives. The middle school study provided an opportunity to prepare for two major elementary programs that will dramatically impact the middle schools in a few short years: Those programs are the exceptionally gifted program and Spanish and Chinese Language Immersion programs. Students from the Navigator Program (exceptionally gifted) will enter middle school in the fall of 2010. In 2013, students from the district's highly successful immersion program will enter sixth grade. By 2015, almost half of the district's middle school students will enter sixth grade fluent in either Spanish or Chinese in addition to their native English language. Plans are already in place to maintain an immersion curriculum within both middle schools.

Focused on World-class Excellence

There are four essential characteristics of high performing middle schools: a rigorous academic program that encourages students to exceed their own expectations; a strong family-like community that ensures every student makes new friends and knows a sense of belonging and support; high quality teachers with high expectations and an ability to connect with middle school kids; and a diverse curriculum that allows students to wonder, discover, create and envision a future with a wide variety of potential interests.

Dr. Dave Peterson, University of St. Thomas director of administrative licensure who served as a consultant on this study told the Minnetonka School Board, the new Minnetonka middle school program possess all of these: "a strong commitment to academics, a sense of family to build social and emotional relationships, and a commitment to excellence by staff, students and teacher."

"We are preparing children to be leaders for the 21st century," noted Superintendent Dennis Peterson. "These children are different and the middle school model needed to change to meet the needs of these unique learners."

To learn more about the middle school program visit: www.minnetonka.k12.mn.us/mmw.

This month's member spotlight was submitted Pete Dymit and Bill Jacobson, Minnetonka Middle School Principals, and Janet Swiecichowski, Executive Director of Communications, Minnetonka Public Schools.

Sorting Out the Education Aid Payment Shift

After the last legislative session, Governor Pawlenty used the unallotment process to defer payments to school districts to help balance the state budget. The Governor indicated his intent was to “mimic” a payment shift that has been used previously in the legislative process to balance the state budget. While the payment deferral implemented by the Governor is similar in many respects to a legislatively enacted payment shift, there are some important differences. Most significantly, the unallotment process can only be used within the confines of an enacted budget. Consequently, education aid payments return to the 90/10 configuration in the 2012-13 biennium absent any action by the Governor and Legislature.

It should be noted that the Governor also used the unallotment process to implement a property tax recognition shift. This is another accounting shift that has been used over the years to bring the state budget into balance. The analysis below, however, deals only with the education aid payment deferral.

Basics of an education aid shift

- The Minnesota State government is on a cash accounting system. This means all transactions must be accounted for in the year they occur.
- Minnesota school districts use an accrual method of accounting. Under this system districts can accrue or “book” future payments in the current year.
- Because of the difference in the two accounting systems, the state can withhold payments from one fiscal year (*thus realizing a one time savings for that fiscal year*) and return to a “normal” payment schedule in the next fiscal year. School districts can accrue this future payment thus “booking” the full entitlement in the current fiscal year.
- The State has an existing practice of paying 90% of education aid entitlements in the current year and the remaining 10% in the succeeding fiscal year. This helps the state avoid over paying school districts by making payments on actual student counts rather than projected data.
- School district budgets are based on the existing 90% - 10% payment structure. When the state decreases the percent of the aid paid in the current fiscal year, it has an adverse impact on a district’s cash flow. This can cause school districts to incur short-term borrowing costs or to spend down fund balances that would have otherwise earned interest.

If the aid payment shift had been enacted legislatively, the payment schedule would have been changed from the current 90/10 configuration to a 73/27 payment structure and the shift would have been repaid at some point in the future when the state budget improved. Because this payment deferral was implemented by executive action, there is not a consensus among state policymaker as to whether or when the deferred payments will be restored. As the chart on the following page shows, under current law and current budget forecast assumptions, the deferred payment would be restored in FY 2012 and school districts would return to the 90/10 payment schedule. However, the projected budget shortfall for the 2012-13 biennium has caused some policymakers to discuss some of the alternatives listed on page 5.

AMSD Members: Anoka-Hennepin, Bloomington, Brooklyn Center, Burnsville, Columbia Heights, East Metro Integration District 6067, Eden Prairie, Edina, Elk River, Fridley, Hopkins, Intermediate District 287, Intermediate District 917 (Associate Member), Inver Grove Heights, Mahtomedi, Minneapolis, MSU Mankato Center for Engaged Leadership (Associate Member), Minnetonka, Mounds View, Northeast Metro Intermediate School District 916 (Associate Member), North St. Paul/Maplewood/Oakdale, Orono, Osseo Area Schools, Richfield, Robbinsdale, Roseville, Rosemount-Apple Valley-Eagan, Shakopee, South St. Paul, Spring Lake Park, St. Anthony/New Brighton, St. Cloud, St. Louis Park, St. Paul, Stillwater, TIES (Associate Member), Wayzata, West Metro Education Program, West St. Paul, and White Bear Lake.

Sorting Out the Education Aid Payment Shift

AMSD Education Aid Entitlement Shift Analysis

The chart below shows current law and current budget forecast assumptions.

Fiscal Year	Current year	Previous Year	Total Payment	(Sample) District Entitlement	Payment for Current Year	Final Payment Previous Year	Total State Payments	Revenue "booked" by Schools
2008	90%	10%	100%	\$ 1,000,000	\$ 900,000	\$ 100,000	\$ 1,000,000	\$ 1,000,000
2009	90%	10%	100%	\$ 1,000,000	\$ 900,000	\$ 100,000	\$ 1,000,000	\$ 1,000,000
2010	73%	10%	83%	\$ 1,000,000	\$ 730,000	\$ 100,000	\$ 830,000	\$ 1,000,000
2011	73%	27%	100%	\$ 1,000,000	\$ 730,000	\$ 270,000	\$ 1,000,000	\$ 1,000,000
2012	90%	27%	117%	\$ 1,000,000	\$ 900,000	\$ 270,000	\$ 1,170,000	\$ 1,000,000
2013	90%	10%	100%	\$ 1,000,000	\$ 900,000	\$ 100,000	\$ 1,000,000	\$ 1,000,000

Would not affect the revenue booked by school districts
(see Revenue "booked" by Schools column above)

If the Governor and the Legislature are not able to arrive at a budget agreement that funds forecast expenditures in the 2011 legislative session, the alternatives listed below could be considered.

Continue the shift at 73% - 27% indefinitely

Would not affect the revenue booked by school districts

Continue the shift at 73% - 27% in the short term and buy the shift back when the state budget improves

This would mimic the process that would occur under current state law if the shift had been enacted legislatively.

Would not affect the revenue booked by school districts

Leave statutory formulas unchanged, but appropriate only enough money in the 2011 education act to cover a 10% final payment for FY 2011.

Under this option, school districts would receive full payment of general education aid under the open and standing appropriation, but other aids would be prorated at 83%.

School districts would be cut approximately \$197 million

Enact legislation in 2011 eliminating the State's obligation to pay for 17% of aid entitlements for FY2011.

In other words, change the aid entitlements for FY2011 to 83% of the entitlements called for in the statutory formulas.

This would result in a final payment of 10% in the fall of 2011 for FY 2011 (83% - 73% paid during FY2011).

Restore the 90% - 10% funding for FY2012 and later.

School districts would realize a \$1.17 billion cut

** Information obtained from budget documents and consultations with House Research, House & Senate Fiscal Analysis, MDE, and MMB.
<http://www.mmb.state.mn.us/doc/budget/report-fba/july09-detail.pdf> [Association of Metropolitan School Districts (AMSD) 11/2/2009]

School Board Planning Calendar 2009

1 st Meeting of the Month	2 nd Meeting of the Month
<i>Only one Board meeting this month!</i>	JULY 23, 2009 Financial Report June Legislative Session Review & Implications for District Operations C-Train Update
<i>Only one Board meeting this month!</i>	AUGUST 27, 2009 Financial Report July EBD Presentation (Laura Keller-Gautsch – 15 minutes) Report on Crisis Planning (Michelle Axell – 10 minutes) Approval of Cash Flow Borrowing Resolution School Start Up Program Report “Top 5 Things Board Members Should Know About the Start of School”. (Colleen, Laura, and Jane)
SEPTEMBER 10, 2009 Superintendent Goals Closed Session on Negotiation	SEPTEMBER 24, 2009 Financial Report August PLC’s Instructional Report - Student Achievement & Measurement of Progress (will include AYP). (Jane & Laura) Resolution Authorizing 287 to purchase Edgewood (Don Lifto may come to Board Meeting)
OCTOBER 8, 2009 Prior Year Agenda Review Strategic Plan – Role of the School Board (Steven Barone)	OCTOBER 22, 2009 Financial Report September Strategic Plan Update MSTA – Instructional Report
NOVEMBER 12, 2009 <i>(Only one Board meeting this month!)</i>	
Financial Report October Facilities Management Update C-Train Report (Written Report) Parameters Resolution authorizing the certificate sale and the conditions of the award for financing the Edgewood Purchase.	Prior Year Unaudited Fund Balance Report OPEB Reporting & Funding Edgewood Purchase Agreement Approval
DECEMBER 10, 2009 <i>(Only one Board meeting this month!)</i>	
Financial Report November Facilities Management Update - Energy Audit Restraints and Seclusion – Instructional Report Legislative Initiatives & White Paper Review Consideration and award of the certifications for Edgewood purchase.	Prior Year Audit Review North Education Center Decision Digital Copy Certificate (Written Report) Community use of Facilities Bucket Teacher Contract Renewal

School Board Planning Calendar 2010

****Proposed Dates****

1 st Meeting of the Month	2 nd Meeting of the Month
<p>JANUARY 14, 2010 <i>Organizational Meeting</i></p> <ul style="list-style-type: none"> ○ Oath of Office ○ Election of Board Officers ○ Board’s Adoption of the current definition of directory info under the Family Educ. Rights & Privacy Act <p><i>Regular Meeting</i> Transition DHH – Kelsey Dahl (Instructional Report – Greta Palmben)</p>	<p>JANUARY 28, 2010</p> <ul style="list-style-type: none"> Finalize Legislative Annual Report Platform Strategic Plan Review & Measurement Report Financial Report December Pay Equity Implementation Report (every other year)
<p>FEBRUARY 11, 2010</p> <ul style="list-style-type: none"> FY10 Budget Revision FY11 Budget Assumptions Technology Use Policy Explanation Online Learning Instructional Report (Jane Holmberg) 	<p>FEBRUARY 25, 2010</p> <ul style="list-style-type: none"> Financial Report February Program Withdrawal Report Staff Reduction ULA Resolution Changes for following Year Facilities Management Update SUN – Instructional Report (Laura Keller-Gautsch)
<p>MARCH 11, 2010</p> <ul style="list-style-type: none"> Federal Stimulus Efficiency Efforts Status Report Program Planning Projections FY11 Financial Report January Capitol Improvement Recommendations HR–Past and Proposed Board Actions Tenured Permanent Staff Reduction ULA 	<p>MARCH 25, 2010</p> <ul style="list-style-type: none"> Reorganization & Reductions Financial Report February Long-Term Facility Recommendation Program Reduction Resolution Professional Development Update Open Track – Instructional Report
<p>APRIL 22, 2010 <i>(Only one Board meeting this month!)</i></p>	
<ul style="list-style-type: none"> Spotlight DVD Presentation Financial Report March Superintendent & Board Evaluation Update 	<ul style="list-style-type: none"> Minnesota Math and Science Teacher Academy Long Range Facilities Planning Presentation Proposed District 287 School Calendar 2010-2011
<p>MAY 13, 2010</p> <ul style="list-style-type: none"> Food Service Report 	<p>MAY 27, 2010</p> <ul style="list-style-type: none"> Financial Report April Audit Open Items & Requirements changes Staff Reduction ULA Resolution FY 10 Budget Revision Non- Tenured Non-Renewals & Probationary Non-Licensed Clerical Layoffs
<p>JUNE 10, 2010</p> <ul style="list-style-type: none"> Student Achievement in the Area of Reading 2010-11 Budget Final ULA Resolution for Licensed Staff Board Evaluation MDE Monitoring in Special Education 	<p>JUNE 24, 2010</p> <ul style="list-style-type: none"> Financial Report May Employment Guides for Unaffiliated and Admin. Superintendents Evaluation Summary Closed Session on Negotiations using Superintendent & School Board Evaluation to plan for Board Retreat outcomes.

INFORMATIONAL ITEMS TO REMEMBER:

**Update on Wells Fargo/Richfield Addendum
 City of Richfield Addendum to Master Plan**

INTERMEDIATE DISTRICT 287
November 12, 2009
SCHOOL BOARD CALENDAR

November 2009				
12	Thursday	General Board Meeting	6:30PM	Board Rm

December 2009				
10	Thursday	General Board Meeting	6:30PM	Board Rm

PROPOSED DATES				
January 2010				
14	Thursday	General Board Meeting	6:30PM	Board Rm
28	Thursday	General Board Meeting	6:30PM	Board Rm

February 2010				
04	Thursday	South Education Center Alternative Graduation	5:00PM	SEC Gym
11	Thursday	General Board Meeting	6:30PM	Board Rm
25	Thursday	General Board Meeting	6:30PM	Board Rm

March 2010				
11	Thursday	General Board Meeting	6:30PM	Board Rm
27	Thursday	General Board Meeting	6:30PM	Board Rm

April 2010				
20	Tuesday	Hosterman Appreciation Night Parent/Guardian/Caregiver	6:30PM – 8:00PM	Hosterman
22	Thursday	General Board Meeting	6:30PM	Board Rm

May 2010				
13	Thursday	General Board Meeting	6:30PM	Board Rm
26	Wednesday	North Vista Graduation	6:00PM	North Vista Ed Ctr
27	Thursday	General Board Meeting	6:30PM	Board Rm

June 2010				
03	Thursday	City West Academy Graduation	10:30AM	City West Academy @ Shady Oak
03	Thursday	South Education Center Alternative Graduation	5:00PM	SEC Gym
04	Friday	Prairie Center Alternative Graduation	10:00AM	Eden Prairie Community Center
09	Wednesday	Edgewood Graduation	6:30PM	HTC, North Campus
10	Thursday	General Board Meeting	6:30PM	Board Rm
24	Thursday	General Board Meeting	6:30PM	Board Rm

Local 2209 Unifier

November 2009



Got a PAYROLL QUESTION ?

TAMMY FIELD FROM 287 PAYROLL HAS THE ANSWERS!

If I am paid by time sheet, what are my cut-off dates and pay dates?

1st - 15th gets paid on the last day of the month. 16th - 31st gets paid the following 15th.

How are the Union Dues, TRA and PERA calculated?

The Union(s) provide me a listing of the amounts to be withheld for the staff that falls into those categories. The union should provide you documentation and how it is derived.

TRA and/or PERA is a flat percentage that is based on your gross pay.

What is the maximum I can contribute to my 403(b) retirement account per year?

The basic federal limit is \$16,500 per year. This can be raised by utilizing any catch-up provisions. Any rep from your 403(b) company can help you with this.... that's what they are there for!

How do I see or print my paychecks?

By logging into our MyView system; there you will see ALL your employment information. Just click into the Payroll tab to see your payments. To print the pay stub, you click the highlighted pay date. Anything that is highlighted on the MyView system goes to another screen.... go ahead and click around in MyView, you won't hurt the system!

If I close my checking account, how do I notify payroll of the change for direct deposit?

You can change your direct deposit info by completing a new form. All of my forms are located on the District 287 internal staff website. You can locate them by clicking on the Finance tab and scrolling down to the Payroll section. Or, just contact me and I can email you a form as well.

If I want to change my withholding amount, where do I find the W4 form?

You can locate this form in the same spot on the internal site where all my forms are. (See previous question.) The IRS website also has this form. Or, if you contact me, I can email it to you.



Tips from Tammy :

"Be sure to read & review your contract periodically so you don't miss out on any benefits that you may be eligible for!"

"Log into MyView and check your pay and leave time EVERY pay date. Don't rely on your bank to validate your deposits. MyView is a wonderful system that a majority of employers cannot offer. Please take advantage! And don't hesitate to contact me if you are having problems logging in. I would rather have employees getting into the system than putting it off! If you have any questions, please ask.... that's what I'm here for!"

Thanks to Dana Trattles for providing questions for this article.

Contact Tammy:
tmfield@district287.org or ext. 7199

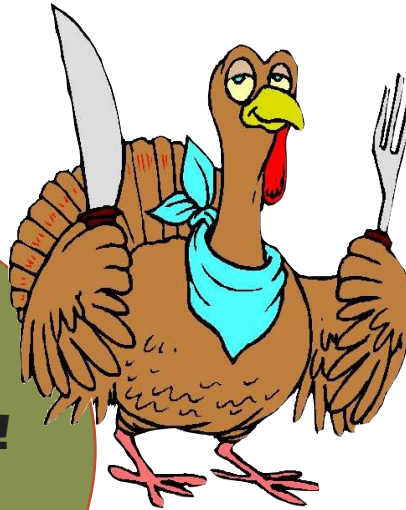
**Local 2209
General Membership Meeting**

**Wednesday, Dec 9th
4:30 pm
Minnetonka Community Center**

- * **Contract negotiations update**
- * **Closing of nominations for delegates to the
Education MN Representative Convention
(March 2010, Bloomington Sheraton)**

**HAPPY
THANKSGIVING!**

**FROM YOUR LOCAL
2209 STAFF**



**Local 2209 Executive Council
Members**

**Bruce Mulder, President
763-550-3120**

**Bob Bathke, Vice President
612-355-5856**

**Mary Neiman, Executive Officer A
952-653-1660**

**Bob Lauman, Executive Officer B
763-550-7361**

**Mark Hoffer, Treasurer
763-550-3174**

**Lois Lillie, Membership Secretary
763-550-7171**

Communications Coordinator:

**Laura Lazowski
763-550-7170 ext.2**

l lazowski@district287.org