

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF EDUCATION
INDEPENDENT SCHOOL DISTRICT NO. 271
Bloomington, Minnesota**

February 23, 2009

- I. ROLL CALL Pursuant to due call and notice thereof, and there being a quorum present, the Board of Education of Independent School District No. 271, was called to order by Chair Maureen Bartolotta at 7:00 p.m. on February 23, 2009, in the Community Room at the Educational Services Center, 1350 West 106th Street, Bloomington, Minnesota.
- Members Present Maureen Bartolotta, Chair; Jim Sorum, Vice Chair; Maureen Peterson, Clerk; Arlene Bush, Treasurer; Tim Culver, Mark Hibbs and Chuck Walter.
- Administration Present Les Fujitake, Pat Geraghty, Rod Zivkovich, Bruce Pappas and Tom Holton.
- Attorney Present David Holman.
(There are no abstentions unless otherwise stated.)
- II. PLEDGE OF ALLEGIANCE Recited.
- Arlene Bush moved, Chuck Walter seconded, that upon conclusion of the regular meeting, that the School Board enters a closed session for the purpose of negotiations discussion. Motion carried unanimously.
- III. APPROVAL OF THE AGENDA Arlene Bush moved, Jim Sorum seconded, to approve the agenda. Motion carried unanimously.
- IV. RECOGNITION OF STUDENTS/STAFF/PUBLIC
- The annual **Minnesota Scholastic Art Awards** program and its accompanying exhibition celebrates young Minnesota artists and their teachers. The awards competition is open to students in grades 7 through 12 from throughout Minnesota. This year there were more than 1,000 entries. The following seniors from Kennedy High School were award recipients: Jeff Prentice received four awards--Silver Key Award for Sketchbook of Buffalos and Merit Awards for Self-Portrait, Collage of Four Seasons and Portfolio of 10 Artworks. Gretchen Mach received the Silver Key Award for Ceramic Fruit Bowls. Connor Murphy received the Merit Award for Portfolio of Artwork. Kevin Chederquist, Kennedy High School Dean of Students, highlighted accomplishments of the award winners.
- The Kennedy High School Theater Company** present its winter play – *Cyrano*. Phil Schramm as *Cyrano* and Marcellina Reis as Roxanne performed a scene from the production, which will be performed February 26 through March 1.
- Career and Technical Education Highlights** — Debbie Belfry, the District's Career Development Coordinator, highlighted the rigorous certification requirements set forth by **Project Lead The Way (PLTW)**. Both of our high schools have earned certification. Kevin Chederquist, Kennedy High School Dean of Students, and Deb Holman, Assistant Principal at Jefferson were in attendance to accept plaques recognizing achievement of the standards.

Don Verdegan, Jefferson Industrial Technology teacher, highlighted Project Lead the Way programming. Jefferson students Sean Newton and Matt Bethke and Kennedy students Karin Bull and Andy Legault shared why they took an engineering course, what they gained and how they think about their future plans because they earned college credit from the University of Minnesota. Teachers making it possible for the District to earn PLTW certification are Don Verdegan and Kevin Coenen at Jefferson and Scott Etzel, Brad Pike and Kevin Baas at Kennedy.

Minnesota Department of Education School Finance Award

The Minnesota Department of Education and the Division of Program Finance extends congratulations to the business staff and the Board of Education for earning the School Finance Award for this year. The award reflects a compliance with Minnesota Statutes on selected finance issues and reflects a proactive stance by the District on positive fund balances, sound fiscal policies and practices, training initiatives and accountability. Congratulations to Rod Zivkovich and his staff.

School Board Recognition Week

The week of February 23-27 is School Board Recognition Week. Superintendent Les Fujitake expressed appreciation to School Board members for their commitment, dedication and hard work to build a quality educational system for all learners. School Board members received a book to share with their liaison schools.

V. PART A

1. Board Business Minutes

Personnel Items

Non-Resident

- a. Minutes of the Regular Meeting of the School Board on February 9, 2009.
- b. Licensed Personnel: Retirement, Resignations, Leave of Absence. Classified Personnel: Resignations, Employments, Change of Status.
- c. Non-Resident Student Attendance Agreements 2008-2009: Students entering Bloomington total 23 and 5 students leaving. Non-Resident Student Attendance Agreements 2009-2010: Students entering Bloomington total 25 and 1 student leaving.

2. Contracts/Agreements

MABE Database
Service with MN
Literacy Council

- a. RESOLVED, that the School Board of Independent School District No. 271 approves the MLC Adult Basic Education MABE Database Service Agreement with Minnesota Literacy Council. This agreement will allow SHAPE access to MABE software and companion files that meet current Minnesota and National Reporting System guidelines as of May 1, 2008. SHAPE will pay an annual fee for the use of MABE and related technical support/training. The fee is based on enrollment data submitted to MDE from the previous program year. The fee for fiscal year 2008-2009 is \$9,601.20. The term of this agreement shall commence July 1, 2008 and end June 30, 2009.

3. *Finance*

Gifts & Donations

a. RESOLVED, that the School Board of Independent School District No. 271 accepts gifts and donations, as indicated in the background, in the amount of \$16,156.33.

Receipts/Disbursements

b. Receipts and Disbursements as submitted.

Jim Sorum moved, Chuck Walter seconded, to approve Part A items in accordance with all of the written material submitted to the School Board. Motion carried unanimously.

VI. PART B

Providing for
Sale of General
Obligation Taxable
OPEB Bonds

Mark Hibbs moved, Arlene Bush seconded the following resolution:
BE IT RESOLVED, the Board of Education of Independent School District No. 271, State of Minnesota, determines that it is necessary and expedient to sell and issue its taxable general obligation bonds in the total aggregate principal amount of \$12,650,000 (the "Bonds"), in order to fund the District's actuarially determined liabilities to pay postemployment benefits to its employees or officers after their termination of service, as authorized pursuant to Minnesota Statutes, Section 475.52, Subdivision 6. Upon authorization by the School Board, the sale of the bonds will be conducted in accordance with the guidelines set forth below (received February 18, 2009).

1. Authorization. This Board hereby finds and determines that it is necessary and expedient for Independent School District No. 271 (the "Issuer" or the "District") to sell and issue its taxable general obligation bonds in the total aggregate principal amount of \$12,650,000 (the "Bonds"), in order to fund the District's actuarially determined liabilities to pay postemployment benefits to its employees or officers after their termination of service, as authorized pursuant to Minnesota Statutes, Section 475.52, Subdivision 6. As used herein, the term "postemployment benefits" means benefits giving rise to a liability under Statement No. 45 of the Governmental Accounting Standards Board ("GASB"). The proceeds of the Bonds not appropriated to Fund 47 in the award resolution shall be deposited in a revocable trust (the "Trust") established pursuant to Section 471.6175, as amended. This Board has received a report dated January 13, 2009, prepared by the District's actuary, Van Iwaarden, specifying that the District's actuarially determined liabilities for postemployment benefits as of July 1, 2008, determined under the applicable standards of the Governmental Accounting Standards Board, is \$11,871,111. The proceeds of the Bonds to be deposited in the Trust will not exceed this specified amount.

2. Sale. The District has retained Ehlers & Associates, Inc. (Ehlers) in Roseville, Minnesota, as its independent financial advisor for the Bonds. Ehlers is authorized to solicit proposals in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9). If the issuance of the Bonds is approved, the School Board shall meet at the time and place specified in the Official Statement to receive and consider proposals for the purchase of the Bonds.

3. Official Statement; Tabulation of Proposals. Ehlers is authorized to prepare and distribute an Official Statement and to open, read and tabulate the proposals for presentation to the Board.

4. Minnesota School District Credit Enhancement Program.

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

(b) The District further covenants to comply with all procedures now or hereafter established by the Departments of Finance and Education of the State of Minnesota pursuant to Minnesota Statutes, Section 126C.55, subdivision 2(c) and otherwise to take such actions as necessary to comply with that section. The chair, clerk, superintendent or business manager is authorized to execute any applicable Minnesota Department of Education forms.

Motion carried unanimously.

During the past 10 years, Ehlers and Associates (Ehlers), as our Financial Consultants, organized four major bond sales to finance our capital renovation program. In 2005-2006, as part of their on-going services, Ehler's identified four interest savings opportunities to pay off existing bonds that carry relatively high interest rates by issuing new refunding bonds at lower interest rates. The District is required to implement GASB 45 in financial year 2008-09. The implementation requires the District to account for Other Post Employment Benefits (OPEB) liabilities on our financial statements. The district can account for these costs on a "pay as you go" basis or set up a trust and sell bonds for actuarial liability. The District recommendation is to fund this liability by issuing OPEB Bonds. The bond proceeds will be placed in a trust and be used to pay future obligations. The cost of issuing the bonds will be offset with reductions in "pay as you go" levy items. The reduction will not impact current operations or safety. This resource shift will reduce current and future costs in the General and Other Operating Funds. An additional resolution to sell the bonds and set up the trust will be presented during the March 16, 2009 workshop and the March 23, 2009 meeting.

Naming Auditor
for 2008-2009

Jim Sorum moved, Maureen Peterson seconded that the School Board of Independent School District No. 271 appoints Kern, DeWenter, Viere, Ltd. to perform a general financial audit for 2008-2009 conforming to State and Federal guidelines. The audit fee for school district records will be \$37,700.00. Motion carried unanimously.

The proposed 2008-2009 audit fees represent a 2% increase over the 2007-2008 audit fees. The increase in fees is the result of GASB 45 implementation requirements. This implementation requires the District and Auditors to modify the financial statements to account for Other Post Employment Benefits (OPEB) liability. The District is required to implement these modifications in 2008-2009. Kern, DeWenter, Viere, Ltd. has been our auditor since 1995-1996.

Bid Award
Electrical Switchgear
Olson Middle School

Maureen Peterson moved, Arlene Bush seconded, that the School Board of Independent School District No. 271 accepts the Premier Electrical Corporation, Brooklyn Park, Minnesota, bid of \$224,187 to replace the electrical switchgear at Olson Middle School, and authorizes Administration to enter into a contract with Premier Electrical Corporation to accomplish this work. Motion carried unanimously.

This project is identified in our State approved Alternative Facilities Plan. The electrical equipment being replaced was also identified in our five-year assessment needs plan and involves replacing feeder cables, transformers and the main switch. The equipment has exceeded its intended lifespan and this work will reduce the chances of an unplanned power outage due to equipment failure. Funding for this project is from the Alternative Facilities Fund. The bid specifications were reviewed by our District attorney and insurance agent.

Activity Center
Membership Rates

Mark Hibbs moved, Maureen Peterson seconded, that the School Board of Independent School District No. 271 approves the Bloomington Activity Center Membership rates and fees effective April 1, 2009. Motion carried unanimously.

This proposal eliminates the 6-month membership and offers monthly membership fees. This will provide current members and potential new members flexibility in determining how to take advantage of the Activity Center facilities. A new proposed "jump-start" fee will be imposed when a membership is restarted after being discontinued for a period of time. Small increases are being recommended for the 12-month rates. This will continue to make the membership program an attractive alternative to higher priced, full-service health clubs while staying competitive with other smaller, niche establishments. Two "added value" concepts are being proposed to the membership program--offer a 20% discount on specific Community Education Aquatic programs and offer a 20% discount on selected Adult Lifelong Learning fitness classes, and the addition of two annual memberships to be donated to high school fundraising efforts – one family and one single.

Common Ground
2009 Education
Initiatives

Mark Hibbs moved, Maureen Peterson seconded, that the School Board of Independent School District No. 271 endorses the Common Ground for 2009 Education Initiatives for the Minnesota Chamber of Commerce and the Association of Metropolitan School Districts. Motion carried unanimously.

Common Ground for the 2009 Education Initiatives is a collaboration between the Minnesota Chamber of Commerce and the Association of Metropolitan School Districts. The initiative focuses on the need for the Minnesota Legislature and the Governor to set priorities on critical challenges to develop an educated workforce to help build the future of Minnesota. Primary focuses are full funding for special education, teacher quality—Q Comp, and close/eliminate the student achievement gap. The School Board discussed this topic at its February 17 Board Workshop. Other School Boards passing resolutions of endorsement include St Louis Park, Wayzata and Anoka-Hennepin.

VII. BOARD COMMITTEE
REPORTS

Chuck Walter reported on meetings of the Community Financial Advisory Committee (CFAC) and the Board's Legislative Committee. A tentative date for the committee to meet with local legislators has been set for March 27. Arlene Bush attended meetings of the Long Term Financial Planning Group, CFAC, Board's Legislative Committee and the District 287 Board. Maureen Peterson highlighted the Youth Advisory Council meeting, Labor Management Committee meeting, and encouraged citizens to visit the District website for Budgeting for Success information. Mark Hibbs reported on the AMSD meeting and the February 24th Tax Hearing hosted by Representative Ann Lenczewski for the purpose of gathering input on the Governor's proposed budget and what the State should be doing about the deficit for the biennium. School Board Chair Maureen Bartolotta will testify at the hearing. Local legislators are hosting a Town Hall forum on February 28th at the Old Town Hall. Maureen Bartolotta highlighted the Bloomington Loves Its Kids event that recognized students Emily Fischer, Oak Grove Middle School, and Michael Riebel, Kennedy High School. Also recognized were Mentors for the STRIVE Program at the high schools.

VIII. SUPERINTENDENT'S
REPORT

Superintendent Les Fujitake highlighted District activities. Budgeting for Success is a process that has been implemented as the District seeks and plans for stability during financially challenging times. The District has received responses to our request for input from staff, students and public. Budget balancing actions are being proposed. Opportunities for public engagement with School Board members regarding the Budgeting for Success process are scheduled for Monday, April 13, at Oak Grove Middle School, 6:00-7:30 p.m. and Tuesday, April 14, at Valley View Middle School, 6:00-7:30 p.m.

Today, at the request of Senator Kathy Stalzman, the Superintendent gave testimony to a joint Senate/House working group session regarding the integration law and the charter school law.

The Kennedy/Jefferson wrestling team has qualified for state competition for the first time in 23 years. Congratulations to Coach Chuck Vavrosky, Assistant Coaches and the team.

IX. OTHER None.

X. ADJOURNMENT There being no further business to come before the School Board, the meeting was adjourned at 7:55 p.m.

Maureen Peterson, Clerk