

**Board Meeting Minutes
November 11, 2011**

The Board of Education of Independent School District No. 299, Caledonia, Minnesota, met in a special school board meeting to canvass the November 8, 2011, election results in the District Office of the Elementary Building. The meeting was called to order by Chair Michelle Werner at 12:00 p.m. The school board members present were Melissa Marschall, Kelley McGraw, Jean Meyer, and Michelle Werner. Also present were Karen Schiltz and Barb Meyer. Absent were Directors John Klug, Scott Longhorn, and Spencer Yohe.

APPROVAL OF AGENDA

Moved by Jean Meyer, seconded by Melissa Marschall to approve the agenda as amended to include the adoption of the resolution awarding the sale, determining the form and details, authorizing the execution, delivery, and registration, and providing for the payment of a \$495,000 taxable general obligation school building bond. Motion carried by a unanimous vote.

TOPICS TO BE ADDRESSED

Resolution Canvassing Returns of Votes of School District Special Election

Member Jean Meyer, moved the adoption of the following resolution:

**RESOLUTION CANVASSING RETURNS
OF VOTES OF SCHOOL DISTRICT SPECIAL ELECTION**

BE IT RESOLVED by the School Board of Independent School District No. 299, State of Minnesota, as follows:

1. It is hereby found, determined and declared that the special election of the voters of this school district held on November 8, 2011, was in all respects duly and legally called and held.
2. As specified in the attached Abstract and Return of Votes Cast, at said election a total of 924 voters of the school district voted on the question of renewal of the expiring referendum revenue authorization of the school district for taxes payable in 2013 and thereafter (SCHOOL DISTRICT BALLOT QUESTION 1), of which 727 voted in favor, 194 voted against the same, and there were 3 completely blank or defective ballots. Said proposition, having (not) received the approval of at least a majority of such votes, is hereby declared to have carried (failed).
3. As specified in the attached Abstract and Return of Votes Cast, at said election a total of 924 voters of the school district voted on the question of authorizing the issuance of school building bonds for a school acquisition and betterment program (SCHOOL DISTRICT BALLOT QUESTION 2), of which 760 voted in favor, 158 voted against the same, and there were 6 completely blank or defective ballots related to this question. Said proposition, having (not) received the approval of at least a majority of such votes, is hereby declared to have carried (failed).
4. The clerk is hereby directed to certify the results of the election to the county auditors of each county in which the school district is located in whole or in part. The clerk is also directed to report the results of the referendum revenue authorization election to the Commissioner of Education within fifteen (15) days of the date hereof.

The motion for the adoption of the foregoing resolution was duly seconded by Member Melissa Marschall and upon vote being taken thereon, the following voted in favor thereof: Kelley McGraw, Melissa Marschall, Jean Meyer, and Michelle Werner. The following voted against the same: None. Absent were Directors John Klug, Scott Longhorn, and Spencer Yohe. Whereupon said resolution was declared duly passed and adopted.

Resolution Awarding the Sale, Determining the Form and Details, Authorizing the Execution, Delivery, and Registration, and Providing for the Payment of a \$495,000 Taxable General Obligation School Building Bond, Series 2011B

Member Kelley McGraw introduced the following resolution and moved its adoption:

RESOLUTION AWARDING THE SALE, DETERMINING THE FORM AND DETAILS, AUTHORIZING THE EXECUTION, DELIVERY AND REGISTRATION, AND PROVIDING FOR THE PAYMENT OF A \$495,000 TAXABLE GENERAL OBLIGATION SCHOOL BUILDING BOND, SERIES 2011B

BE IT RESOLVED by the School Board of Independent School District No. 299, State of Minnesota, as follows:

Section 1. Authorization and Sale.

1.01 Authorization. This Board hereby determines to sell and issue a taxable general obligation school building bond of Independent School District No. 299 (the "Issuer" or the "District") in the principal amount of \$495,000 (the "Bond"), which was authorized by the voters of the District at a special election held November 8, 2011, for the acquisition and betterment of school sites and facilities.

1.02 Sale. In accordance with Minnesota Statutes, Section 475.60, Subdivision 2(6), as amended, the interest on the Bond cannot be represented to be excluded from gross income for purposes of federal income taxation and the Issuer is therefore authorized to issue the Bond herein authorized without advertisement for bids and by negotiation. The offer of Merchant's Bank, N.A., Winona, Minnesota (the "Purchaser"), to purchase the Bond at a price of \$495,000, plus interest accrued to settlement, and upon the further terms and conditions set forth in this resolution is hereby accepted and the sale of the Bond is hereby awarded to said Purchaser.

1.03 Compliance with Law. All acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed precedent to the issuance of the Bond having been done, having happened and having been performed in regular and due form, time and manner as required by law, it is necessary for this Board to establish the form and terms of the Bond, to provide for the security thereof, and to provide for the issuance of the Bond forthwith.

Section 2. Bond Terms. The \$495,000 principal amount of the negotiable, taxable general obligation school building bond sold on this date shall be designated Taxable General Obligation School Building Bond, Series 2011B, shall be dated November 17, 2011, as the date of original issue, and shall be issued forthwith in bearer form. The Bond shall mature without option of prepayment on November 18, 2011. There shall be one (1) Bond issued in the denomination of \$495,000, which shall bear interest from the date of original issue until paid at the rate of 3.500

percent (3.500%) per annum. Interest will be calculated on the basis of a 365-day year and will be rounded pursuant to the rules of the MSRB. Interest shall be payable at maturity on November 18, 2011.

Section 3. Paying Agent. The Bond and the interest thereon are payable at the office of the Business Manager of the Issuer in Caledonia, Minnesota. On or before November 18, 2011, without further action of this Board, the Issuer shall transmit to the Purchaser from the Debt Redemption Fund of the Issuer moneys sufficient for the payment of all principal and interest then due.

Section 4. Form of Bond. The Bond to be issued hereunder shall be typed and shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
HOUSTON COUNTY
INDEPENDENT SCHOOL DISTRICT NO. 299
(CALEDONIA)

\$495,000

TAXABLE GENERAL OBLIGATION SCHOOL BUILDING BOND, SERIES 2011B

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>DOLLAR AMOUNT OF INTEREST ON THIS BOND PAYABLE AT MATURITY</u>
3.500%	NOVEMBER 18, 2011	NOVEMBER 17, 2011	\$47.47

KNOW ALL PERSONS BY THESE PRESENTS that Independent School District No. 299, State of Minnesota, a duly organized and existing independent school district, whose administrative offices are located in Caledonia, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to bearer, without option of prepayment, the principal amount specified above, on the maturity date specified above and to pay interest thereon from the date of original issue until the principal is paid at the rate of interest specified above, calculated on the basis of a 365-day year. Both principal and interest on this Bond are payable upon presentation and surrender hereof at the principal office of the Business Manager of the Issuer in Caledonia, Minnesota, acting as paying agent, or any successor paying agent duly appointed by the Issuer. The principal of and interest on this Bond are payable in lawful money of the United States of America.

Issuance; Purpose. This Bond is issued to finance the acquisition and betterment of school sites and facilities, and is issued pursuant to resolutions duly adopted by the School Board and authority conferred by more than the requisite majority vote of the qualified electors of the Issuer voting on the question of their issuance at an election duly and legally called and held therein on November 8, 2011, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling.

General Obligation. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of the principal and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Not Qualified Tax-Exempt Obligation. The Bond of this Issue has not been designated by the Issuer as a "Qualified Tax-Exempt Obligation" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Bond by financial institutions.

THE SCHOOL DISTRICT HAS ELECTED TO ISSUE THIS BOND AS A TAXABLE OBLIGATION, AND ACCORDINGLY THE INTEREST ON THE BOND IS INTENDED TO BE INCLUDED IN GROSS INCOME FOR FEDERAL INCOME TAXATION PURPOSES AND, TO THE SAME EXTENT, IN NET TAXABLE INCOME FOR STATE INCOME TAXATION PURPOSES.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the Issuer enforceable in accordance with its terms, have been done, have happened and have been performed in regular and due form, time and manner as required by law, and this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its actual original issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, Independent School District No. 299, State of Minnesota, by its School Board, has caused this Bond to be executed in its behalf by the manual signatures of the Chair and Clerk, the Issuer having no seal or said seal having been intentionally omitted as permitted by law, all as of November 17, 2011.

Section 5. Preparation and Execution of Bond. The Clerk is directed to cause the Bond to be prepared. The Bond shall be executed on behalf of the Issuer by the manual signatures of the Chair and Clerk of the School Board. In the event of disability or resignation or other absence of either such officer, the Bond may be signed by the manual or facsimile signature of that officer who may act on behalf of such absent or disabled officer. In case either such officer whose signature or facsimile of whose signature shall appear on the Bond shall cease to be such officer before the delivery of the Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if that officer had remained in office until delivery. If the Issuer has adopted a corporate seal, it shall be omitted on the Bond as permitted by law.

Section 6 Delivery. The Bond when so prepared and executed shall be delivered by the Treasurer of the Issuer to the Purchaser thereof upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

Section 7. Debt Redemption Fund; Pledge of Full Faith and Credit.

7.01 Debt Redemption Fund. The Bond and the interest thereon shall be payable from the Debt Redemption Fund of the Issuer, which shall be maintained by the Treasurer separate and apart from all other funds of the Issuer so long as the Bond issued hereunder is outstanding and unpaid. Money in the Debt Redemption Fund shall be used for no purpose other than payment of principal and interest on obligations of the Issuer, including the Bond issued pursuant to this resolution. If any payment of principal or interest on the Bond shall become due when there is not sufficient money in the Debt Redemption Fund to make such payment, the Treasurer shall pay the same from the General Fund of the Issuer, and the General Fund shall be reimbursed for such advances out of the proceeds of the taxes levied for the payment of such Bond.

7.02 Appropriation of Funds on Hand; No Tax Levy. There is hereby irrevocably appropriated and pledged to the repayment of the Bond from funds presently on hand and available for this purpose in the Issuer's Debt Redemption Fund an amount equal to 105% of the amount needed to meet when due the principal and interest payment on the Bond, and also any additional amounts necessary and available in said Debt Redemption Fund. This amount pledged is sufficient to pay the principal and interest on the Bond when due and the levy which would otherwise be required pursuant to Minnesota Statutes, Section 475.61, subdivision 3, is reduced in its entirety by this amount irrevocably appropriated for this purpose.

7.03 Pledge of Full Faith and Credit; Tax Levies. For the prompt and full payment of the principal of and interest on the Bond as the same respectively become due, the full faith and credit and taxing powers of the Issuer shall be and are hereby irrevocably pledged.

7.04 Construction Fund. The proceeds of the Bond shall be credited to the Issuer's Construction Fund and be used to pay costs incurred in the acquisition and betterment of school sites and facilities approved by the voters.

Section 8. Filing of Resolution; County Auditor Certificate. The Clerk is hereby authorized and directed to file with the County Auditor of each county in which the Issuer is located in whole or in part a certified copy of this resolution, together with such other information as said County Auditor shall require, and to obtain from said County Auditor a certificate that said Bond has been entered upon the County Auditor's Bond Register.

Section 9. Obligations Cease. When the principal and interest on the Bond has been repaid in full, all pledges, covenants and other rights granted by this resolution shall cease.

Section 10. Nondesignation as Qualified Tax-Exempt Obligation. In that the Bond is to be issued as a fully taxable obligation for federal and state income tax purposes, the Bond of this Issue is not designated as a "Qualified Tax-Exempt Obligation" for the purposes of Section 265 of the Code relating to the deduction of interest expenses allocable to the Bond by financial institutions.

Section 11. Authentication of Transcript. The officers of the Issuer and each said County Auditor are hereby authorized and requested to prepare and furnish to the Purchaser of said Bond, and to the attorneys approving legality of the issuance thereof, certified copies of all proceedings and records of the Issuer relating to said Bond and such other affidavits, certificates and information

as may be required to show the facts relating to the legality and marketability of said Bond as they appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the Issuer as to the facts recited therein.

Section 12. Continuing Disclosure. The Board hereby finds and determines that because the Bond is issued in an aggregate principal amount of less than \$1,000,000, the issuance of the Bond is exempt from the provisions of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission.

The motion for the adoption of the foregoing resolution was duly seconded by Member Melissa Marschall, and upon vote being taken thereon, the following voted in favor thereof: Melissa Marschall, Kelley McGraw, Jean Meyer and Michelle Werner. The following voted against the same: None. Directors John Klug, Scott Longhorn and Spencer Yohe were absent. Whereupon said resolution was declared duly passed and adopted.

ADJOURNMENT

Moved by Jean Meyer, seconded by Melissa Marschall to adjourn the meeting at 12:05 p.m. Motion carried by a unanimous vote.

Jean Meyer, Clerk