

**Board Meeting Minutes  
July 16, 2012**

The Board of Education of Independent School District No. 299, Caledonia, Minnesota, met in a regular school board meeting in the Middle/High School Media Center. The meeting was called to order by Chair Michelle Werner at 7:00 p.m. The school board members present were John Klug, Scott Longhorn, Melissa Marschall, Kelley McGraw, Jean Meyer, Michelle Werner, and Spencer Yohe. Also present were Superintendent Ben Barton, Paul DeMorett, Nancy Runningen, Barb Meyer, Karen Schiltz, Emily Bialkowski, Chuck Schulte, Janelle Field Rohrer, Roger Knutson, and Brad Harguth.

**APPROVAL OF AGENDA**

Moved by Scott Longhorn, seconded by Kelley McGraw to approve the agenda as amended to include going into closed session for negotiation's strategy. Motion carried by a unanimous vote.

**APPROVAL OF PAST MEETING MINUTES**

Moved by Jean Meyer, seconded by Scott Longhorn to approve the minutes of the June 18, 2012, regular school board meeting. Motion carried by a unanimous vote.

**TREASURER'S REPORT & AUTHORIZATION OF ACCOUNTS PAYABLE**

Moved by Spencer Yohe, seconded by Scott Longhorn to approve the electronic transfers and bills due and payable amounting to \$392,630.10 including check numbers 54416 through 54499 along with electronic transfers from MSDLAF to Merchants Bank in the amount of \$475,000.00. Motion carried by a unanimous vote.

**PUBLIC COMMENT**

Mr. Chuck Schulte addressed the board with regard to the Maximum Effort Capital Loan and requested that the board consider rolling this loan into a bond. He shared with the board the December, 2001, board meeting minutes when the board approved the formation of the School District's Curriculum Committee.

**PERSONNEL ITEMS**

**Resignations**

Moved by Spencer Yohe, seconded by Scott Longhorn to accept the resignation of Jimmy Westland as the head girls' track coach effective immediately with thanks for his service and dedication to the school district. Motion carried by a unanimous vote.

Moved by Jean Meyer, seconded by John Klug to accept the resignation of Julia Benson as a part-time teacher effective immediately with thanks for her service and dedication to the school district. Motion carried by a unanimous vote.

**Co-curricular Coaching Contracts for the 2012-2013 School Year**

Moved by Jean Meyer, seconded by Scott Longhorn to approve the following co-curricular coaching contracts for the 2012-2013 school year contingent upon the needs of the program and the participation numbers in these activities and to table the knowledge bowl advisor positions until the August 20, 2012, regular school board meeting:

- |                   |  |
|-------------------|--|
| ➤ School Musical: | Rachel (Grippen) Storlie at IV/1 at \$1,879.32 |
| ➤ Band:           | Dustin Moburg at I/1 at \$1,237.91             |
| ➤ Choir:          | Ross Martin at I/2 at 1,237.91                 |

- FFA Advisor: Bradley Harguth at VI/7 at \$3,604.74
- Jr. Class Advisor: Rachel (Grippen) Storlie at V/1 at \$2,092.75
- Jazz Band: Dustin Moburg at VI/6 at \$3,305.95
- Jazz Symposium: Ross Martin at VI/2 at \$3,001.52
- Marching & Pep Band: Dustin Moburg at IV/1 at \$1,879.32
- Student Council: Sue Link at VI/15 at \$3,604.74

Motion carried by a unanimous vote.

## **ACTION ITEMS**

### **Section 125 Flex Plan Amendment**

Member Jean Meyer introduced the following resolution and moved its adoption:

#### **ACTION TAKEN AND RESOLUTION ADOPTED BY CONSENT OF THE BOARD OF DIRECTORS OF INDEPENDENT SCHOOL DISTRICT NO. 299**

The undersigned, being all of the members or a designated member of the Board of Independent School District No. 299 (the "Employer"), hereby adopt the following Resolution by unanimous consent and direct that this Consent Resolution be adopted and the 125 Plan be amended.

WHEREAS, the Employer previously adopted a Code Section 125 Plan, also known as a Flexible Spending Account, (the "Plan");

WHEREAS, Internal Revenue Code Section 125(i) was amended by the Patient Protection and Affordable Care Act of 2010 (the "Act") for purposes of limiting employee contributions to health Flexible Spending Accounts (FSAs) to a total of \$2,500.00 per plan year, per Plan participant; and

WHEREAS, further clarification came from the Internal Revenue Service in Notice 2012-40 issued June 2012 which clarified the limit need not be effective until a plan starts a new plan year beginning in the year 2013; and

WHEREAS, the Employer 125 Plan was previously amended to implement the health FSA employee contribution limit effective September 1, 2012; and

WHEREAS, effective upon execution of this Resolution the Employer desires to amend the Plan as set forth in the attached Amendment and Summary of Material of Modifications to make the mandated changes for employee contributions to the health FSA, consistent with the requirements set forth in the Act, as well as, further guidance provided by IRS Notice 2012-40 effective September 1, 2013.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors has hereby reviewed the attached Amendment and Summary of Material Modifications and does hereby approve the adoption of the Amendment as set forth therein;

BE IT FURTHER RESOLVED, that the officers of the Employer are authorized and directed to take any and all action as may be necessary to effectuate this Resolution.

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

Resolution Authorizing and Awarding Sale of General Obligation Aid Anticipation Certificates of Indebtedness, Series 2012A; and Fixing Form and Terms Thereof in Connection with The Minnesota Tax and Aid Anticipation Borrowing Program Sponsored by the Minnesota School Boards Association and Greater Minnesota Service Cooperatives

Member Scott Longhorn then introduced the following resolution and moved its adoption:

RESOLUTION AUTHORIZING AND AWARDING SALE OF  
GENERAL OBLIGATION AID ANTICIPATION  
CERTIFICATES OF INDEBTEDNESS, SERIES 2012A AND FIXING FORM  
AND TERMS THEREOF IN CONNECTION WITH THE  
MINNESOTA TAX AND AID ANTICIPATION BORROWING PROGRAM  
SPONSORED BY THE MINNESOTA SCHOOL BOARDS ASSOCIATION AND  
GREATER MINNESOTA SERVICE COOPERATIVES

RECITALS

WHEREAS, the School District is authorized to issue aid anticipation certificates of indebtedness to provide money for school purposes in anticipation of the collection of state aids for schools and federal aids to be distributed by or through the State Department of Education; and

WHEREAS, Minnesota Statutes, Section 126C.56, Subd. 2, authorizes the School District to issue the aid anticipation certificates of indebtedness herein authorized by negotiation and without advertisement for bids; and

WHEREAS, the Minnesota School Boards Association and the Greater Minnesota Service Cooperatives have endorsed the Minnesota Tax and Aid Anticipation Borrowing Program (the "Program") whereby participating school districts, by simultaneously issuing their aid anticipation certificates of indebtedness, may be able to reduce their debt service and issuance costs below what could be achieved if they issued separately; and

WHEREAS, the Program requires the execution and delivery of Certificates of Participation evidencing proportionate interests in payments of principal and interest on certain aid anticipation certificates of indebtedness issued by the participating school districts in connection with the Program, including the Aid Anticipation Certificates described herein; and

WHEREAS, the Program requires that each participating school district enter into a Trust Agreement with U.S. Bank National Association, Saint Paul, Minnesota, as trustee (the "Trustee"), in substantially the form presented to this Board and on file at the office of the Clerk (the "Trust Agreement"); and

WHEREAS, the principal amount of Aid Anticipation Certificates to be issued by the School District pursuant to this resolution shall not exceed \$2,155,600; and

WHEREAS, the principal amount of said Aid Anticipation Certificates to be issued hereunder does not exceed either (a) 75% of the aids receivable by the School District in the school year in which borrowed (2012-2013), as estimated and certified by the Commissioner of Education of the State of Minnesota, less the principal amount of any outstanding aid anticipation certificates payable therefrom, or (b) 5% of the previous year's cash expenditures plus the maximum cumulative cash flow deficit of the School District.

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

#### THE PROGRAM

1.1. This Board finds that it is desirable and expedient to participate in the Program and to simultaneously with other school districts issue its Aid Anticipation Certificates of Indebtedness, Series 2012A (the "Aid Anticipation Certificates") and to authorize the execution of and delivery of Certificates of Participation, Aid Anticipation Series 2012A (the "Certificates of Participation"), evidencing proportionate ownership interests in payments of principal and interest to be made by the School District in connection with the Aid Anticipation Certificates, pursuant to the provisions of the Trust Agreement. Subject to the provisions of Section 2.8 hereof, the Aid Anticipation Certificates shall at all times be registered in the name of the Trustee and held by the Trustee for the benefit of the holders of the Certificates of Participation.

1.2. This Board hereby approves the form of Trust Agreement. The Trust Agreement shall be executed in the name and on behalf of the School District by the Chair or, in the absence of the Chair, any other officer, and attested by the Clerk or any other officer, in substantially the form on file, but with all such changes therein, not inconsistent with law, as may be approved by the officer executing the same, which approval shall be conclusively evidenced by the execution thereof. Such changes in the Trust Agreement may provide for changes in certain terms of the Aid Anticipation Certificates which will not have a material adverse affect on the School District, including changes in the time for the performance of certain acts.

1.3. U.S. Bank National Association, Saint Paul, Minnesota is hereby appointed as trustee under the Trust Agreement and as the paying agent and registrar for the Certificates of Participation and as the authenticating agent, paying agent and registrar for the Aid Anticipation Certificates under Minnesota Statutes, Chapter 475.

#### THE AID ANTICIPATION CERTIFICATES

2.1. Piper Jaffray & Co. (the "Purchaser") has stated an intention to make an offer to purchase the Aid Anticipation Certificates of the School District in accordance with the terms set forth in the Proposal Form and Acceptance set forth as Exhibit A hereto, which, together with similar obligations of other school districts, are to be evidenced by the Certificates of Participation described in the Trust Agreement. An offer to purchase the Aid Anticipation Certificates, if made, will be made by telephone or facsimile communication to the Clerk or Chair of the interest rate and purchase price. If the interest rate offered does not exceed 6.00% per annum and the purchase price is not less than 99.9% of the principal amount thereof, the offer is hereby accepted and the Chair or Clerk is authorized and directed to accept the same on behalf of the School District by inserting the interest rate and purchase price in the Proposal Form and Acceptance, executing the Proposal Form and Acceptance on behalf of the School District and returning a completed copy thereof to the Purchaser. If the Chair or Clerk is not available to execute such acceptance on the date distributed the acceptance may, with the approval of the Chair, be executed by the Superintendent or Business Manager.

2.2. The Aid Anticipation Certificates shall be in an amount not to exceed \$2,155,600 shall be dated as of the date of delivery (which is expected to be August 30, 2012), shall mature on September 10, 2013, and shall bear interest at the rate per annum accepted by the Chair or Clerk on behalf of the School District and recorded in the Proposal Form and Acceptance, payable at maturity, without option of prior payment. Interest shall be calculated on the basis of a year of twelve 30-day months. The Aid Anticipation Certificates shall be numbered from R-1 upwards and may be issued in any denomination or denominations. The principal amount of the Aid Anticipation Certificates shall be reduced if and to the extent necessary to obtain an approving legal opinion of bond counsel as to the

legality thereof and the tax exempt status of interest thereon. The principal amount may also be reduced in a manner which reflects any premium at which the Certificates of Participation are offered for sale.

2.3. The Aid Anticipation Certificates are issued in anticipation of the receipt of state aids for schools and federal aids to be distributed by or through the State Department of Education. The Aid Anticipation Certificates are not issued for the purpose of borrowing against the aids of one District fund to increase the available cash balance in another District fund. The District is authorized to issue Aid Anticipation Certificates in an aggregate amount not to exceed seventy five percent of the aids receivable by the District in the school year in which borrowed (2012-2013), as estimated and certified by the Commissioner of Education of the State of Minnesota. The Aid Anticipation Certificates are general obligations of the School District and the full faith and credit of the School District is hereby pledged to the full and prompt payment of the principal thereof and interest thereon.

2.4. The District shall utilize the provisions of Minnesota Statutes, Section 126C.55, and shall file with the Department of Education any necessary application or other forms. The District hereby covenants and obligates itself to notify the Commissioner of Education of any potential default in the payment of the principal of or interest on the Aid Anticipation Certificates and to use the provisions of Minnesota Statutes, Section 126C.55, to guarantee payment of the principal and interest on the Aid Anticipation Certificates when due. The District further covenants to deposit with the Trustee three business days prior to the maturity of the Aid Anticipation Certificates an amount sufficient to make the payment of principal and interest then due, or to notify the Commissioner of Education that it will be unable to make all or a portion of that payment. The Trust Agreement shall include the provisions required by Subdivision 7 of Minnesota Statutes, Section 126C.55. The District shall do all other things which may be necessary to perform the obligations hereby undertaken under Minnesota Statutes, Section 126C.55, including any requirements hereafter adopted by the Commissioner of Management & Budget or the Commissioner of Education.

2.5. The Aid Anticipation Certificates, the form of certification by the authenticating agent and the provisions for assignment of the Aid Anticipation Certificates shall be, respectively, in substantially the following form (the text of which may be typewritten or printed on the face, or on the back, or partly on the face and partly on the back):

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

No. R-1 \$ \_\_\_\_\_

GENERAL OBLIGATION AID ANTICIPATION  
CERTIFICATE OF INDEBTEDNESS, SERIES 2012A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
%	September 10, 2013	August 30, 2012

REGISTERED OWNER: U.S. BANK NATIONAL ASSOCIATION OF SAINT PAUL, as Trustee  
PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that Independent School District No. 299 (Caledonia), a public school corporation having its office in the City of Caledonia, Minnesota, acknowledges itself to be indebted and for value received promises to pay to the registered owner specified above, or registered assigns, without option of prior payment, the principal sum specified above, on the maturity date specified above, and to pay interest thereon from the Date of Original Issue specified above until the principal amount is paid at the interest rate specified above, computed on a year of twelve 30-day months, interest due and payable on September 10, 2012, and on the maturity date

specified above. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on U.S. Bank National Association, Saint Paul, Minnesota, as bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the "Registrar").

This Aid Anticipation Certificate is one of a duly authorized series in the aggregate principal amount of \$ \_\_\_\_\_, all of like tenor and effect except as to serial number and denomination, issued to provide money for school purposes in anticipation of the receipt of state aids for schools and federal aids to be distributed by or through the State Department of Education, pursuant to and in full conformity with the Constitution and Laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Sections 126C.50 to 126C.56, as amended, and a resolution authorizing the issuance of the same, entitled "Resolution Authorizing and Awarding Sale of General Obligation Aid Anticipation Certificates of Indebtedness, Series 2012A and Fixing Forms and Terms Thereof in Connection with the Minnesota Tax and Aid Anticipation Borrowing Program sponsored by the Minnesota School Boards Association and the Greater Minnesota Service Cooperatives," heretofore duly adopted by the School Board of the School District (the "Resolution").

This Aid Anticipation Certificate is transferable, as provided by the Resolution, only upon books of the School District kept at the office of the Registrar, by the registered owner hereof in person or by the owners' duly authorized attorney, upon surrender of this Aid Anticipation Certificate for transfer at the office of the Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Registrar duly executed by, the registered owner hereof or the owners' duly authorized attorney, and, upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, one or more fully registered Aid Anticipation Certificates of the same series and of the same aggregate principal amount and interest rate will be issued to the designated transferee or transferees.

The Aid Anticipation Certificates of this series are issuable only as fully registered Aid Anticipation Certificates without coupons in any denomination or denominations. As provided in the Resolution and subject to certain limitations therein set forth, the Aid Anticipation Certificates of this series are exchangeable for a like aggregate principal amount of Aid Anticipation Certificates of this series of a different authorized denomination, as requested by the registered owner or the owners' duly authorized attorney upon surrender thereof to the Registrar.

This Aid Anticipation Certificate is a general obligation of the School District, the full faith and credit of the School District having been pledged to the full and prompt payment of the principal hereof and interest hereon, but is primarily payable out of state and federal aids distributed by and through the State Department of Education and other available funds which are pledged and appropriated to the equal and ratable payment of the Aid Anticipation Certificates and interest thereon as provided in the Resolution.

IT IS HEREBY FURTHER 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 Aid Anticipation Certificate have been done, have happened and have been performed in regular and due form, time and manner as required by law; and that the issuance of this Aid Anticipation Certificate does not cause the indebtedness of the School District to exceed any constitutional or statutory limitation of indebtedness.

This Aid Anticipation Certificate shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the Authenticating Agent's Certificate.

IN WITNESS WHEREOF, Independent School District No. 299 (Caledonia), by its School Board, has caused this Aid Anticipation Certificate to be executed on its behalf by the Chair and Clerk of the School District, both by manual or facsimile signature, and by the manual signature of the Authenticating Agent, said School District having no corporate seal or said seal having been intentionally omitted as permitted by law, all as of the Date of Original Issue specified above.

Dated: August 30, 2012

INDEPENDENT SCHOOL DISTRICT NO. 299

By: \_\_\_\_\_  
Chair  
and \_\_\_\_\_  
Clerk

AUTHENTICATING AGENT'S CERTIFICATE

This is one of the Aid Anticipation Certificates described in the within mentioned Resolution.

Dated: August 30, 2012

U.S. BANK NATIONAL ASSOCIATION  
Authenticating Agent  
By \_\_\_\_\_  
Authorized Signature

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
(Please Print or Typewrite Name and Address of Transferee)

the within Aid Anticipation Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney to transfer the within Aid Anticipation Certificate on the books kept for registration thereof, with full power of substitution in the premises.

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

\_\_\_\_\_  
Please Insert Social Security Number or Other Identifying Number of Assignee

\_\_\_\_\_  
Notice: The signature to this assignment must correspond with the name as it appears on the face of the within Certificate in every particular, without alteration or any change whatever.

Signature Guaranteed:

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

2.6. The principal of said Aid Anticipation Certificates shall be payable at the office of U.S. Bank National Association, Saint Paul, Minnesota (the “Registrar”) and interest on said Aid Anticipation Certificates shall be mailed to the registered holders thereof at the addresses as they appear on the register maintained by the Registrar; and the School District shall pay the reasonable charges of said bank for its services as authenticating agent, transfer agent, paying agent and registrar.

2.7. The Aid Anticipation Certificates shall be prepared under the direction of the Clerk of the School District, and when so prepared shall be executed on behalf of the School District by the manual or facsimile signatures of the Chair and Clerk of the School Board, and by the manual signature of an authorized representative of the Registrar, which is hereby designated as the authenticating agent pursuant to Minnesota Statutes, Section 475.55, the School District having no official seal, or, if the District has a seal, the seal being omitted as permitted by law. The Aid Anticipation Certificates shall originally be registered in the name of the Trustee and prepared in typewritten form. When the Aid Anticipation Certificates shall have been so prepared and executed, they shall be delivered by the Clerk and Treasurer to the Trustee in exchange for the purchase price and upon receipt of the signed legal opinion of Faegre Baker Daniels LLP and the Purchaser shall not be required to see to the proper application of the proceeds.

2.8. As long as any of the Aid Anticipation Certificates issued hereunder shall remain outstanding, the School District shall maintain and keep at the office of the Registrar an office or agency for the payment of the principal of and interest on such Aid Anticipation Certificates, as in this Resolution provided, and for the registration and transfer of such Aid Anticipation Certificates, and shall also keep at said office of the Registrar books for such registration and transfer. Upon surrender for transfer of any Aid Anticipation Certificate at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owners’ duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, the School District shall execute and the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more fully registered Aid Anticipation Certificates of the same series, of any authorized denominations and of a like aggregate principal amount and interest rate. The Aid Anticipation Certificates, upon surrender thereof at the office of the Registrar may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Aid Anticipation Certificates of the same series of any authorized denominations. In all cases in which the privilege of exchanging Aid Anticipation Certificates or transferring fully registered Aid Anticipation Certificates is exercised, the School District shall execute and the Registrar shall deliver Aid Anticipation Certificates in accordance with the provisions of this Resolution. For every such exchange or transfer of Aid Anticipation Certificates, the School District or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of



making such exchange or transfer. Except as described below in Section 2.9 in the event of an exchange of Certificates of Participation for Aid Anticipation Certificates of the corresponding series, the cost of preparing each new Aid Anticipation Certificate upon each exchange or transfer, and any other expenses of the School District or the Registrar incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the School District.

2.9. The Certificates of Participation, upon surrender thereof at the office of the Registrar, may, at the option of the registered owner thereof, be exchanged for Aid Anticipation Certificates of the corresponding series in an aggregate principal amount equal to the percentage interest held by the registered owner of the Certificates of Participation in the Aid Anticipation Certificates as indicated on such Certificates of Participation. The School District shall execute and the Registrar shall authenticate and deliver (a) one Aid Anticipation Certificate in the name of the registered owner of the Certificates of Participation of the corresponding series requesting the exchange and (b) one Aid Anticipation Certificate in the name of the Trustee in the aggregate principal amount equal to the balance of the Aid Anticipation Certificates of the series held by the Trustee and represented by outstanding Certificates of Participation of the corresponding series. Notwithstanding any other provisions of this Resolution, the cost of preparing new Aid Anticipation Certificates upon each exchange requested by a registered owner of Certificates of Participation, and any other expenses of the School District or the Registrar or Trustee incurred in connection therewith (including fees of bond counsel or other legal counsel or any applicable tax or other governmental charge) shall be paid by the registered owner of the Certificates of Participation requesting the exchange as a condition precedent to the exercise of the privilege of making such exchange.

2.10. Interest on any Aid Anticipation Certificate which is payable, and is punctually paid or duly provided for, shall be paid to the person in whose name that Aid Anticipation Certificate (or one or more Aid Anticipation Certificates for which such Aid Anticipation Certificate was exchanged) is at the time of payment registered. Each Aid Anticipation Certificate delivered under this Resolution upon transfer of or in exchange for or in lieu of any other Aid Anticipation Certificate shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Aid Anticipation Certificate and each such Aid Anticipation Certificate shall bear interest from such date so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

2.11. As to any Aid Anticipation Certificate, the School District and the Registrar and their respective successors, each in its discretion, may deem and treat the person in whose name the same for the time being shall be registered as the absolute owner thereof for all purposes and neither the School District nor the Registrar nor their respective successors shall be affected by any notice to the contrary. Payment of or on account of the principal of any Aid Anticipation Certificate shall be made only to or upon the order of the registered owner thereof, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Aid Anticipation Certificate to the extent of the sum or sums so paid.

2.12. There is hereby created a special bookkeeping account within the General Fund of the School District, to be known as the Aid Anticipation Certificates of Indebtedness, Series 2012A Sinking Fund Account (the "Account"). The School District hereby pledges the proceeds of current tax levies and future state aid receipts and other school funds which may become available for the payment when due of principal and interest on the Aid Anticipation Certificates and, if necessary, shall issue additional obligations in anticipation of such revenues in order to meet such payments. All such funds shall be credited to the Account at the times and in the amounts such that the estimated available funds to be received by the District prior to September 10, 2013, together with the amounts then on deposit in the

Aid Anticipation Certificates of Indebtedness, Series 2012A Account, will at all times equal or exceed 105% of the principal and interest due on the Aid Anticipation Certificates at maturity. On or before September 10, 2013, any other funds required, together with the balance in said Account, to pay principal and interest on the Aid Anticipation Certificates at maturity shall be deposited in said Account. Amounts therein shall be used for no other purpose than to make the required deposit in the Debt Service Account of the School District established under the Trust Agreement as provided below and as provided in the Trust Agreement. Moneys on deposit to the credit of said Account may be invested by the School District in any securities eligible for investment of School District funds (“Qualified Investments”) maturing or redeemable at the option of the holder prior to the maturity of the Aid Anticipation Certificates. Qualified Investments so purchased shall be deemed at all times to be part of said Account, but may from time to time be sold or otherwise converted into cash whereupon the proceeds derived from such sale or conversion shall be credited to the Account. Any interest accruing on and any profit realized from Qualified Investments to the credit of the Account in excess of the amounts required to be transferred to the Debt Service Account referred to below may be applied by the School District to any other lawful purpose. The School District shall verify the amount on hand in said Account and the place and manner of investments of said Account within five days of receipt a written request from the Trustee requesting such information.

2.13. There is created under the Trust Agreement a special fund, to be known as the Debt Service Account of the School District. At least three business days prior to the maturity of the Aid Anticipation Certificates, an amount from the Aid Anticipation Certificates of Indebtedness, Series 2012A Sinking Fund Account of the District created pursuant to Section 2.12, sufficient to pay principal of and interest on the Aid Anticipation Certificate at maturity, shall be paid to the Trustee for deposit in the Debt Service Account of the District and applied in the manner provided in the Trust Agreement.

2.14. The proceeds of the Aid Anticipation Certificates, exclusive of proceeds deposited with the Trustee to pay interest due September 10, 2012, shall be deposited into the Operating Funds and/or General Fund and used for school purposes and invested in Qualified Investments pending the expenditure thereof. At the election of the Superintendent or Business Manager, proceeds of the Aid Anticipation Certificates (exclusive of accrued interest and costs of issuance) and the amounts from time to time on deposit in the Account created pursuant to Section 2.12 hereof, may be invested in the current Guaranteed Investment Agreement offered to school districts participating in the Program through the Minnesota School District Liquid Asset Fund Plus (the “Investment Agreement”). At the direction of the Business Manager or Superintendent as evidenced by the execution of an Investment Agreement Acceptance form as set forth in Exhibit B, the Trustee is authorized to execute the Investment Agreement on behalf of the School District. The officers of the School District are hereby authorized and directed to comply with the terms of the Investment Agreement relating to the investment and withdrawal of the moneys required to be deposited thereunder and to execute such other documents as may be necessary to evidence the acceptance thereof.

#### THE CERTIFICATES

3.1. The Trustee is authorized and directed to execute and deliver the Certificates of Participation, Aid Anticipation Series 2012A, on the School District’s behalf, pursuant to the terms of the Trust Agreement, in the aggregate principal amount specified in the Trust Agreement and substantially in the form and otherwise containing the provisions set forth in the form of the Certificate of Participation contained in the Trust Agreement, which terms and provisions are hereby approved and incorporated in this Resolution and made a part hereof.

3.2. Execution by the Executive Director of the Minnesota School Boards Association, or his delegate, of the Letter of Representations (as defined in the Trust Agreement) on behalf of the School District is ratified and confirmed and the Letter of Representations shall be applicable to the Certificates of Participation.

3.3. The Certificates of Participation shall be executed by the Trustee in accordance with the Trust Agreement. When so prepared and executed, the Certificates of Participation shall be delivered to the Purchaser upon payment of the purchase price thereof, pursuant to the terms of the Trust Agreement.

#### MISCELLANEOUS

4.1. The officers of the School District are hereby authorized and directed to prepare and furnish to the Purchaser of the Aid Anticipation Certificates and to the attorneys approving the same, certified copies of all proceedings and records of the School District relating to the power and authority of the School District to issue said Aid Anticipation Certificates and to execute and deliver the Trust Agreement and certificates as to matters within their knowledge or as shown by the books and records under their custody and control, including a certificate as to no-litigation and as to the Official Statement, and a non-arbitrage certificate, and such certified copies and certificates shall be deemed representations of the School District as to the facts stated therein.

4.2. The Clerk is hereby authorized and directed to certify a copy of this Resolution and to cause the same to be filed in the office of the County Auditor of each county in which the School District is located in whole or in part under Minnesota Statutes, Section 475.63, and to obtain a certificate as to registration of the Aid Anticipation Certificates.

4.3. The officers of the School District are hereby authorized and directed to prepare and submit to the Secretary of the Treasury a statement meeting the information reporting requirements of Section 149(e) of the Internal Revenue Code of 1986, as amended, (the "Code") by the 15th day of the second calendar month after the close of the calendar quarter in which the Aid Anticipation Certificates are issued or other applicable date.

4.4. Springsted Incorporated is hereby authorized to prepare a Preliminary Official Statement and an Official Statement in connection with the sale of the Certificates of Participation to be presented to the Chair and Clerk for review. The Chair, or in the absence of the Chair, the Clerk is authorized to approve the forms of the Preliminary Official Statement and the Official Statement and to deliver a certificate as to the Official Statement to the Purchaser.

4.5. The School District hereby determines that the Aid Anticipation Certificates shall not be designated as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code.

4.6. Investments of the proceeds of the Aid Anticipation Certificates and investments of moneys in the Aid Anticipation Certificates of Indebtedness, Series 2012A Debt Service Account and the Debt Service Account of the District created pursuant to the Trust Agreement shall be limited as to amount and yield of investment in such manner and to the extent required so that no part of the outstanding Aid Anticipation Certificates and Certificates of Participation shall be deemed arbitrage bonds under Section 148 of the Code. This Board finds that the exception for small governmental units available under Section 148(f)(4)(D) of the Code is applicable to the Aid Anticipation Certificate because (i) the School District has general taxing powers, (ii) the Aid Anticipation Certificates are not private activity bonds under Section 141(a) of the Code, (iii) ninety-five percent or more of the net proceeds of the Aid Anticipation Certificates are to be used for local governmental activities of the

School District and (iv) the aggregate face amount of all tax-exempt bonds (other than private activity bonds) which will be issued by or allocated to the School District and any subordinate units during 2012 is not reasonably expected to exceed \$5,000,000.

The motion for the adopted of the foregoing resolution was duly seconded by Member John Klug. Upon vote being taken thereon the following voted in favor thereof: John Klug, Scott Longhorn, Melissa Marschall, Kelley McGraw, Lindsey Meyer, Michelle Werner, and Spencer Yohe. The following voted against the same: None. Whereupon said resolution, having received the favorable vote of at least two-thirds of the Members of the Board, was declared duly passed and adopted.

Health & Safety Budget

Moved by Scott Longhorn, seconded by Jean Meyer to adopt the Health & Safety budget as presented for the 2012-2013 school year. Motion carried by a unanimous vote.

School Crossing Guard Agreement Between the City of Caledonia and Independent School District No. 299

Member Spencer Yohe introduced the following agreement and moved its adoption:

SCHOOL CROSSING GUARD AGREEMENT BETWEEN THE CITY OF CALEDONIA  
AND INDEPENDENT SCHOOL DISTRICT NO. 299

WHEREAS, Minnesota Statute 471.59 authorizes two or more governmental units to jointly or cooperatively exercise powers which they possess; and

WHEREAS, the City of Caledonia and Independent School District No. 299 have a mutual interest in ensuring, to the greatest extent possible, the safety of children as they cross STH 44/76 traveling to and from school; and

WHEREAS, the City of Caledonia and Independent School District No. 299 believe that the use of responsible, adult crossing guards will help to ensure the safety of children traveling across STH 44/76.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. Duties and Responsibilities of Independent School District No. 299. Independent School District No. 299 will hire an adequate number of responsible adults to staff two crossing guard locations. Independent School District No. 299 shall, in its discretion, determine the qualifications and training of the guards. The guards hired pursuant to this Agreement shall be Independent School District employees and will be paid by Independent School District No. 299, subject to appropriate withholdings. The crossing guards shall be named as insureds on the school district's liability insurance coverage. All personnel issues regarding the crossing guards shall be handled by Independent School District No. 299. ISD #299 shall render periodic invoices at intervals conforming to its fiscal year. Invoices shall itemize total crossing guard hours per month during the period, rate per hour, total monthly wages, Social Security and Medicare, all extended to a Total Cost.
2. Duties and Responsibilities of the City of Caledonia. The City agrees to pay 50% of wages for up to and including two crossing guards at current, hourly rates established by ISD #299, including employer's share of Social Security and Medicare within thirty (30) days of the invoice date.
3. Hold Harmless/Indemnification. The School District agrees to hold the City harmless for any damages or injuries to school district's employees or property. It agrees to defend and indemnify

the City for any claims or causes of actions that result from the School District's actions under this agreement. The City will be named as an additional insured on the School District's liability policy for any actions under this Agreement.

4. Modification of Agreement. This agreement may only be modified by written consent of the parties.

5. Governing Law. This Agreement shall be governed by the laws of the State of Minnesota.

6. Term of Agreement. This Agreement shall take effect September 4, 2012, and shall terminate, unless renewed by mutual consent, on the last day of the 2012-2013 school year, including extensions for "make up" days.

7. No Contract. This Agreement is not intended to create or serve as a contract with any crossing guard hired by Independent School District No. 299.

The motion for adoption of the foregoing agreement was duly seconded by Jean Meyer and whereupon the agreement was duly passed.

Bread Product Bids

Moved by Scott Longhorn, seconded by John Klug to table the bread product bids until the August 20, 2012, regular school board meeting. Motion carried by a unanimous vote.

Dairy Products

Moved by Scott Longhorn, seconded by John Klug to accept the dairy product bid for the 2012-2013 school year from Ziebell's Foods as follows:

<u>Product</u>	<u>Ziebell's Foods</u>
1% milk, per ½ pint carton	\$0.182
Chocolate skim milk, per ½ pint carton	\$0.188
Skim milk, per ½ pint carton	\$0.173
1% milk, per gallon	\$3.318
8 oz. containers of orange juice	\$0.233
8 oz. plastic bottles of 1% milk	No Bid
8 oz. plastic bottles of chocolate skim milk	No Bid
8 oz. plastic bottles of skim milk	No Bid
12 oz. plastic bottles of 1% milk	\$1.036
12 oz. plastic bottles of chocolate skim milk	\$1.036
12 oz. plastic bottles of skim milk	\$1.036

Motion carried by a unanimous vote.

Gasoline/Fuel Oil Bids

Moved by Spencer Yohe, seconded by Scott Longhorn to accept the gasoline/fuel oil bid for the 2012-2013 school year from Kwik Trip as follows:

<u>Product Name</u>	<u>Kwik Trip</u>
Posted pump price, July 10, 2012	\$3.439
Less Applicable Gasoline Tax	\$0.480
Less Discount Per Gallon	<u>\$0.060</u>
Net Price Per Gallon	\$2.899

**No. 2 Fuel in Tank Wagon Delivery**

Posted tank wagon price, July 10, 2012	N/A
Less Discount Per Gallon	N/A
Net Price Per Gallon	N/A

Motion carried by a unanimous vote.

**Approve Contract for Services with Hiawatha Valley Education District for the 2012-2013 School Year**

Member Scott Longhorn introduced the following agreement and moved its adoption:

CALEDONIA / HIAWATHA VALLEY EDUCATION DISTRICT  
Purchase of Service Agreement for Speech and Language  
2012-2013

Caledonia Public School District No. 299 and the Hiawatha Valley Education District #6013 (HVED) hereby enter into a purchase agreement for speech and language services. Because HVED serves as the providing district for the Early Childhood Special Education (ECSE) Program, ages birth to three years old, it will purchase the speech and language services needed for any students in HVED programs, as well as other needs if time permits. The Caledonia Public School District's Educational Speech and Language Pathologist, Ellen Soper, is under contract and employed by Caledonia Public School District No. 299, while HVED is sub-contracting for a portion of his/her services.

This agreement is based on the Caledonia Public School District #299 Master Agreement and the school calendar of 184 days, and an estimation of approximately 15.50 hours of service each month, for a total of up to approximately 140 hours of service purchased. It is estimated that the total cost for HVED will be \$7,059.50, based on the 2012-2013 contract for Ellen Soper's wages of \$5,228, OASDI/Medicare, TRA and LTD of \$1,554 prorated per hours worked in the HVED ECSE Program as part of her annual contract, and mileage based on 500 miles @ .555 cents per mile, \$277.50. The above salaries and benefits are based on the wages and benefits from 2011-2012 contract due to teacher negotiations not being settled at our school district.

2012-2013 Wages and benefits are currently under negotiation and upon agreement between the Caledonia Public School District and Education Association an updated Purchase of Service Agreement will be forthcoming.

The Caledonia Public School District will bill the Hiawatha Valley Education district in two billings for the actual hours worked and paid to Ellen Soper.

The motion for adoption of the foregoing agreement was duly seconded by Member Jean Meyer and whereupon the agreement was duly passed.

**2012-2013 Middle/High School Handbook and 2012-2013 Elementary School Handbook**

Moved by Scott Longhorn, seconded by Jean Meyer to approve the 2012-2013 Elementary Handbook as presented and the 2012-2013 Middle/High School Handbook changes as presented with the exception to keep the class officer language that is currently in place. Motion carried by a unanimous vote.

**EH&S Management Services Fiscal Years 2013-2015**

Moved by Jean Meyer, seconded by Scott Longhorn to approve the proposal as presented from Environmental, Health, and Safety (EH&S) Management Services for fiscal years 2013-2015. Motion carried by unanimous vote.

## **ADMINISTRATIVE REPORTS**

Mr. DeMorett informed the board that he is working on filling the teacher vacancies in the middle/high school building. He stated that he will have the schedules out this week to all the students, and summer school is in session for the high school students.

Mrs. Runnigen updated the board with regard to testing. The Drum and Bugle Corps group was here last Friday. Kindergarten Academy will be held from July 30<sup>th</sup> through August 4<sup>th</sup>. Prairie Fire Theatre will be starting on July 30<sup>th</sup>. She is working on state report submissions.

Superintendent Barton informed the board he will be presenting a contract to them for their approval at the August 20<sup>th</sup> school board meeting with Marko for copy/print/fax machines for our school district. The MSBA Summer Conference will be held on August 5<sup>th</sup> & 6<sup>th</sup>. He discussed with the board the idea of having board packets being on the website versus paper copy with supporting documents linked to the agenda, having a consent agenda with the opportunity to pull a single item out if needed, protocol for public comment during board meetings, and possibly having a board retreat. He informed the board that he will be having a staff breakfast on Monday, August 27<sup>th</sup>, and is looking for board members to assist with this.

## **OLD BUSINESS ITEMS**

The board held the first reading of the Attendance Policy #503 with the adoption to take place at the August 20<sup>th</sup> regular school board meeting.

### **Referendum Discussion/Update**

Mr. Fred Nolan, Executive Director of MREA, joined the board meeting via Skype and discussed with the board the school district's capital loan. They reviewed options for managing the district's debt and capital needs in future years. They reviewed different options that are available and the advantages and disadvantages of these options as a school district. It was the consensus of the board that the school district will have a one day bond authorization with the November 6<sup>th</sup> general election. Board members Melissa Marschall, Jean Meyer, and Michelle Werner will be on this committee.

### **Resolution Relating to the Issuance of School Building Bonds and Calling an Election Thereon**

Member Scott Longhorn moved the adoption of the following Resolution:

#### **RESOLUTION RELATING TO THE ISSUANCE OF SCHOOL BUILDING BONDS AND CALLING AN ELECTION THEREON**

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

1. The board hereby finds and determines that it is necessary and expedient for the school district to borrow money in an aggregate amount not to exceed \$495,000 and not to exceed any limitation upon the incurring of indebtedness which shall be applicable on the date or dates of the issuance of any bonds, for the purpose of providing funds for the acquisition and betterment of school sites, facilities and equipment. It is the intention of the school board that the principal and interest on any bonds issued pursuant to this authorization shall be repaid only from funds then on hand and available in the school district's debt redemption fund and that the bonds may be issued in one or more issues over a period not to exceed ten years from the date of authorization by the voters. The question on the borrowing of funds for this purpose shall be School District Ballot Question 1 on the school district ballot at the special election held to authorize said borrowing.

2. The ballot question shall be submitted to the qualified voters of the school district at a special election, which is hereby called and directed to be held in conjunction with the state general election on Tuesday, November 6, 2012.

3. Pursuant to Minnesota Statutes, Section 205A.11, the precincts and polling places for this special election are those polling places and precincts or parts of precincts located within the boundaries of the school district and which have been established by the cities or towns located in whole or in part within the school district. The voting hours at those polling places shall be the same as those for the state general election.

4. The clerk is hereby authorized and directed to cause written notice of said special election to be given to the county auditor of each county in which the school district is located, in whole or in part, and to the Commissioner of Education, at least seventy-four (74) days prior to the date of said election. The notice shall specify the date of said special election and the title and language for each ballot question to be voted on at said special election.

The clerk is hereby authorized and directed to cause notice of said special election to be posted at the administrative offices of the school district at least ten (10) days before the date of said special election.

The clerk is hereby authorized and directed to cause a sample ballot to be posted at the administrative offices of the school district at least four (4) days before the date of said special election and to cause two sample ballots to be posted in each polling place on election day. The sample ballots shall not be printed on the same color paper as the official ballot.

The clerk is hereby authorized and directed to cause notice of said special election to be published in the official newspaper of the school district, for two (2) consecutive weeks with the last publication being at least one (1) week before the date of said election.

The notice of election so posted and published shall state the question to be submitted to the voters as set forth in the form of ballot below, and shall include information concerning each established precinct and polling place.

5. The clerk is authorized and directed to acquire and distribute such election materials and to take such other actions as may be necessary for the proper conduct of this special election and generally to cooperate with state, city, township and county election authorities conducting the state general and other elections on that date. The clerk and members of the administration are authorized and directed to take such actions as may be necessary to coordinate this election with those other elections, including entering into agreements or understandings with appropriate municipal and county officials regarding preparation and distribution of ballots, election administration and cost sharing.

6. The clerk is further authorized and directed to cooperate with the proper election officials to cause ballots to be prepared for use at said election in substantially the following form, with such changes in form and instructions as may be necessary to accommodate the use of an optical scan voting system:




SPECIAL ELECTION BALLOT

INDEPENDENT SCHOOL DISTRICT NO. 299  
(CALEDONIA AREA PUBLIC SCHOOLS)

NOVEMBER 6, 2012

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**INSTRUCTIONS TO VOTERS**

To vote, completely fill in the oval(s) next to your choice(s) like this: 

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To vote for a question, fill in the oval next to the word "YES" on that question.  
To vote against a question, fill in the oval next to the word "NO" on that question.

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**SCHOOL DISTRICT BALLOT QUESTION 1  
APPROVAL OF SCHOOL DISTRICT BOND ISSUE**

YES

Shall the board of Independent School District No. 299 (Caledonia Area Public Schools) be authorized to issue its general obligation school building bonds in an amount not to exceed \$495,000 to provide funds for a phased program of acquisition and betterment of school sites, facilities and equipment, with said bonds to be repaid from funds on hand and available in the debt redemption fund of the school district?

NO

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Optical scan ballots must be printed in black ink on white material, except that marks to be read by the automatic tabulating equipment may be printed in another color ink. The name of the precinct and machine-readable identification must be printed on each ballot. Voting instructions must be printed at the top of the ballot card on each side that includes ballot information. The instructions must include an illustration of the proper mark to be used to indicate a vote. Lines for initials of at least two election judges must be printed on one side of the ballot card so that the judges' initials are visible when the ballots are enclosed in a secrecy sleeve.

7. The individuals designated as judges for the state general election shall act as election judges for this special election at the various polling places and shall conduct said election in the manner described by law. The election judges shall act as clerks of election, count the ballots cast and submit the results to the school board for canvass in the manner provided for other school district elections. The board shall canvass the election between the third and tenth day following the election.

The motion for the adoption of the foregoing resolution was duly seconded by Jean Meyer. On a roll call vote, the following voted in favor: John Klug, Scott Longhorn, Melissa Marschall, Kelley McGraw, Jean Meyer, Michelle Werner and Spencer Yohe. The following voted against: None. Whereupon said resolution was declared duly passed and adopted.

**NEW BUSINESS ITEMS**

The school board candidate filing period for the general election runs from July 31, 2012, through August 14, 2012. The Affidavit of Candidacy Forms can be filled out in the District Office and there is a \$2.00 filing fee.

**CLOSED SESSION FOR NEGOTIATIONS STRATEGY**

Moved by Scott Longhorn, seconded by Spencer Yohe to close the meeting at 9:16 p.m. for negotiations strategy. Motion carried by a unanimous vote.

Moved by Scott Longhorn, seconded by Melissa Marschall to convene the regular school board meeting at 10:03 p.m. Motion carried by a unanimous vote.

**ADJOURNMENT**

Moved by Scott Longhorn, seconded by Jean Meyer to adjourn the meeting at 10:04 p.m. Motion carried by a unanimous vote.

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Jean Meyer, Clerk