

SCHOOL BOARD MINUTES

Monday, August 18, 2008

The Board of Education of Independent School District #299, Caledonia, Minnesota, met in a regular school board meeting in the Caledonia Area Elementary Media Center.

The meeting was called to order by Chair Naomi Fruechte at 7:02 p.m. Members present were Naomi Fruechte, Matt Hendel, John Klug, Joyce Knutson, Jean Meyer, Michelle Werner, and Charlie Wray. Also present were Superintendent Michael Moriarty and Principal Ronald Helmers arriving at 7:55 p.m. Others present were Karen Schiltz, Barb Meyer, Gary Woodward from HVED, Tom Burgen from Ehlers and Associates, Don Moore, Tom Murphy, and Janelle Field Rohrer. Absent were Connie Hesse and Nancy Runningen.

APPROVAL OF AGENDA

Moved by Charlie Wray, seconded by Jean Meyer to approve the agenda as amended to include Shannon Staggemeier as a new hire. Motion carried by a unanimous vote.

APPROVAL OF PAST MEETING MINUTES

Moved by Charlie Wray, seconded by John Klug to approve the minutes of the July 21, 2008, regular school board meeting. Motion carried by a unanimous vote.

TREASURER'S REPORT & AUTHORIZATION OF ACCOUNTS PAYABLE

Moved by Matt Hendel, seconded by Michelle Werner to approve the electronic transfers and bills due and payable amounting to \$331,728.70 including check numbers 47684 through 47826. Motion carried by unanimous vote.

PUBLIC COMMENT

Tom Burgen from Ehlers and Associates discussed with the board the resolution relating to the aid anticipation certificates.

Gary Woodward from Hiawatha Valley Ed District (HVED) shared with the board what programs and services their organization provides our school district.

Michael's Engineering was unable to attend the board meeting.

Mr. Don Moore shared with the board his ideas with regard to parking on the south end of the middle/high school varsity football/soccer/track complex. The board informed Mr. Moore that the building and grounds committee reviewed the capital budget and prioritized items with this project being a low priority due to the fact of it not being a safe place for people to park and felt there are a lot of liability issues if the school district allowed this to happen. The school board also felt that school district money should not be used toward this project.

PERSONNEL ITEMS

Resignations

Moved by Joyce Knutson, seconded by Charlie Wray to accept the resignation of Maria Stemper as the part-time elementary secretary effective August 18, 2008, with thanks for her years of service. Motion carried by a unanimous vote.

Moved by Charlie Wray, seconded by Joyce Knutson to accept the resignation of Al Campbell as the junior high volleyball coach effective immediately with thanks for his years of service. Motion carried by a unanimous vote.

Moved by Jean Meyer, seconded by Matt Hendel to accept the resignation of Sarah Fruechte as the 9th grade girls' basketball coach effective immediately with thanks for her years of service. Motion carried by a unanimous vote.

Moved by Michelle Werner, seconded by John Klug to accept the resignation of Tom Schultz as the assistant baseball coach effective immediately with thanks for his years of services. Motion carried by a unanimous vote.

Moved by Michelle Werner, seconded by Matt Hendel to accept the resignation of Becky Breaser as junior class advisor effective immediately with thanks for her years of service. Motion carried by a unanimous vote.

Moved by Jean Meyer, seconded by Michelle Werner to accept the resignation of Marilyn Burg as middle/high school head cook effective immediately with thanks for her years of service. Motion carried by a unanimous vote.

New Hires

Moved by Charlie Wray, seconded by Jean Meyer to ratify the contract for Tammy Twite as a part-time special educational assistant beginning the 2008-2009 school year at V/0 at \$9.95 per hour based on the support staff master agreement from 2006-2008. Motion carried by a unanimous vote.

Moved by Joyce Knutson, seconded by John Klug to ratify the contract for Jason Cognac as the yearbook advisor beginning the 2008-2009 school year at VI/0 at \$3,001.52. Motion carried by a unanimous vote.

Moved by Jean Meyer, seconded by Matt Hendel to ratify the contract for Tammy Stadtler as a part-time job-share special educational assistant beginning the 2008-2009 school year at V/2 at \$10.35 per hour based on the support staff master agreement from 2006-2008. Motion carried by a unanimous vote.

Moved by John Klug, seconded by Michelle Werner to ratify the contract for Judy VonArx as a part-time job-share special educational assistant beginning the 2008-2009 school year at V/1 at \$10.16 per hour based on the support staff master agreement from 2006-2008. Motion carried by a unanimous vote.

Moved by Charlie Wray, seconded by Matt Hendel to ratify the contract for Shannon Staggemeier as a part-time, job-share elementary secretary beginning August 25, 2008, at VI/P at \$10.05 per hour based on the support staff master agreement from 2006-2008. Motion carried by a unanimous vote.

Memorandum of Understanding

Moved by Charlie Wray, seconded by John Klug to approve the Memorandum of Understanding with Mr. Ken VanDenBoom to work with Mr. Dave Meyer during the transition period of athletic director during the 2008-2009 school year in the amount of \$1,000.00. Motion carried by a unanimous vote.

Medical Leave of Absence

Moved by Jean Meyer, seconded by Michelle Werner to approve the medical leave of absence request from Mr. Scott Martin for four to six weeks beginning the 2008-2009 school year. Motion carried by a unanimous vote.

ACTION ITEMS

Policy #514 – Student Records

Moved by Charlie Wray, seconded by Matt Hendel to adopt the revised Policy #514 – Student Records as follows:

The following definitions shall be used to clarify this policy:

1. "Dependent student" means an individual who during each of the five (5) calendar months during the calendar year in which the taxable year of the parent begins is a full-time student at an educational institution or is pursuing a full-time instruction on-farm training under the supervision of an accredited agent of an educational institution or of a state or political subdivision of the state.
2. "Directory information" means information contained in an education record of a student which would not generally be considered harmful or an invasion of privacy if disclosed. It includes, but is not limited to: the student's name, address, telephone number, date and place of birth, major field of study, participation in officially recognized activities and sports, weight and height of members of athletic teams, dates of attendance, degrees and awards received and the most recent previous educational agency or institution attended. Directory information does not include personally identifiable data which references religion, race, color, social position, or nationality.
3. "Education records" means those records which are directly related to a student and are maintained by the school district or by a party acting for the district.
4. "Eligible student" means a student who has attained the age of eighteen (18) or is attending an institution of post-secondary education.

The school district shall collect and maintain such pupil records as it deems necessary to meet the needs and maximize the potential for each of its students. These records shall include, but not be limited to, information concerning personal and health data, academic achievement, attendance, standardized test scores, and participation in school activities.

State law provides that all data collected, created, received, or maintained by a school district is public unless classified by state or federal law as not public or private or confidential. State law classifies all data on individuals maintained by a school district which relates to a student as private data on individuals. This data may not be disclosed to parties other than the parent or eligible student without consent, except pursuant to a valid court order, certain state statutes authorizing access, and federal law.

The school district shall be responsible for a plan for the maintenance and security of student records. The principal of each school shall have the duty of maintaining and securing the privacy and/or confidentiality of student records.

Disclosure of Records

The school district may disclose its students' educational records to other school officials, including its service providers, teachers, and independent contractors whom the district has determined to have a legitimate educational need for this information. Additional disclosures of students' educational records will occur on an as needed basis, pursuant to the express authorizations contained in 34 CFR 99.

1. Private Records

Education records are records which are classified as private data on individuals by state law and which are accessible only to the student subject of the data and the student's parent if the student is not an eligible student. The school district may not disclose private records or their contents except as summary data, without the prior written consent of the parent or the eligible student.

An individual student's records shall be available for review and/or copies made available to the student's parent or guardian or to an eligible student under the procedures established by the school district. The parents of an adult student who is also a dependent student are entitled to gain access to the educational records of such student without first obtaining the consent of the student.

The school district shall obtain a signed and dated written consent of the parent of a student or the eligible student before disclosing personally identifiable information from the education records of the student.

2. Confidential Records

Confidential records are those records and data which are made not public by state or federal law, and which are inaccessible to the student and the student's parents or an eligible student. Reports pertaining to a neglected and/or physically and/or sexually abused child shall be accessible only to the appropriate welfare and law enforcement agencies. Such data shall be confidential and will not be made available by the school district. The data subject, however, may obtain a copy of the report from either the local welfare agency, county sheriff, or the local police department subject to Minnesota law.

Inspection, Review, and Request to Amend Data

The school district shall permit the parent of a student, an eligible student, or the parent of an eligible student who is also a dependent student, who is or has been in attendance in the school district to inspect or review the education records of the student, except those records which are made confidential by law.

The school district shall provide a process for parents of a student or an eligible student to challenge the data and request that the school district amend the records.

The rights of parents of students and eligible students to examine data, and procedures to challenge items in the individual student record, shall be published annually in the official school district newsletter.

Destruction and Retention of Records

The school district shall comply with state and federal laws regarding the destruction and retention of student records. Notification of Adoption of School District General Retention Schedule forms shall be submitted to the proper state agencies.

Motion carried by a unanimous vote.

Resolution Relating to the Election of School Board Members and Calling the School District General Election

Director Michelle Werner introduced the following resolution and moved its adoption:

RESOLUTION RELATING TO THE ELECTION OF SCHOOL BOARD MEMBERS AND CALLING THE SCHOOL DISTRICT GENERAL ELECTION

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

1. It is necessary for the school district to hold its general election for the purpose of electing three (3) school board members for terms of four (4) years each.

The clerk shall include on the ballot the names of the individuals who file affidavits of candidacy on said general election during the period for filing such affidavits, as though they had been included by name in this resolution.

The clerk shall not include on the ballot the names of individuals who file timely affidavits of withdrawal in the manner specified by law.

2. Even Year: The general election is hereby called and elected to be held in conjunction with the state general election on Tuesday, the 4th day of November, 2008.

3. Even Year: Pursuant to Minnesota Statutes, Section 205A.11, the precincts and polling places for this general 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 for the state general election.

4. The clerk is hereby authorized and directed to cause written notice of said general election to be provided to the county auditor of each county in which the school district is located, in whole or in part, at least fifty-three (53) days before the date of said election. The notice shall include the date of said general election and the office or offices to be voted on at said general election.

The clerk is hereby authorized and directed to cause notice of said general election to be posted at the administrative offices of the school district at least ten (10) days before the date of said general 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 general election and to cause a sample ballot to be posted in each polling place on election day. The sample ballot shall not be printed on the same color paper as the official ballot. The sample ballot for a polling place must reflect the offices, candidates and rotation sequence on the ballots used in that polling place.

The clerk is hereby authorized and directed to cause notice of said general 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 offices to be filled set forth in the form of ballot below, and shall include information concerning each established precinct and polling place.

The clerk is authorized and directed to cause the rules and instructions for use of the optical scan voting system to be posted in each polling place on election day.

5. The clerk is authorized and directed to acquire and distribute such election materials as may be necessary for the proper conduct of this election, and generally to cooperate with election authorities conducting 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 election officials regarding preparation and distribution of ballots, election administration and cost sharing.

6. The clerk is further authorized and directed to cause or 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, color and instructions as may be necessary to accommodate an optical scan voting system.

SCHOOL DISTRICT BALLOT








INDEPENDENT SCHOOL DISTRICT NO. 299
(CALEDONIA)
GENERAL ELECTION
NOVEMBER 4, 2008

INSTRUCTIONS TO VOTERS

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



SCHOOL BOARD MEMBER
VOTE FOR UP TO THREE *

	CANDIDATE U
	CANDIDATE V
	CANDIDATE W
	CANDIDATE X
	_____
	write-in, if any
	_____
	write-in, if any
	_____
	write-in, if any

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 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 so that the judges' initials are visible when the ballots are enclosed in a secrecy sleeve.

7. The name of each candidate for office at this election shall be rotated with the names of the other candidates for the same office in the manner specified in Minnesota law.

8. If the school district will be contracting to print the ballots for this election, the clerk is hereby authorized and directed to prepare instructions to the printer for layout of the ballot. Before a contract in excess of \$1,000 is awarded for printing ballots, the printer shall furnish, in accordance with Minnesota Statutes, Section 204D.04, a sufficient bond, letter of credit, or certified check acceptable to the clerk in an amount not less than \$1,000 conditioned on printing the ballots in conformity with the Minnesota election law and the instructions delivered. The clerk shall set the amount of the bond, letter of credit, or certified check in an amount equal to the value of the purchase.

9. Even Year: The individuals designated as judges for the state general election shall act as election judges for this 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 them to the school board for canvass in the manner provided for other school district elections.

The motion for the adoption of the foregoing resolution was duly seconded by Member Jean Meyer. On a roll call vote, the following voted in favor: Naomi Fruechte, Matt Hendel, John Klug, Joyce Knutson, Jean Meyer, Michelle Werner, and Charlie Wray. The following voted against: None. Whereupon said resolution was declared duly passed and adopted.

Aid Anticipation Certificates

Member Jean Meyer introduced the following resolution and moved its adoption, which motion was seconded by Member John Klug:

RESOLUTION RELATING TO \$1,380,000 GENERAL OBLIGATION AID ANTICIPATION CERTIFICATES OF INDEBTEDNESS, SERIES 2008A; AUTHORIZING THE ISSUANCE, AWARDING THE SALE AND ESTABLISHING THE TERMS THEREOF

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

SECTION 1. AUTHORIZATION. It is hereby found, determined and declared that certain state aids for schools receivable by the District during the July 1, 2008 to June 30, 2009 school year will not be received in time to meet necessary expenditures for the purposes for which such aids are receivable. The District is authorized, pursuant to Minnesota Statutes, Sections 126C.50 through 126C.56, to borrow money by the issuance of its aid anticipation certificates of indebtedness in a principal amount not greater than 75% of the amount of such aids receivable by the District during the 2008-2009 fiscal year and has determined to issue its General Obligation Aid Anticipation Certificates of Indebtedness, Series 2008A in the amount of \$1,380,000 (the Certificates) against aids receivable for the Operating Funds. The principal amount of the Certificates issued pursuant to this resolution is within said statutory borrowing limitation.

SECTION 2. SALE. The District has retained Ehlers & Associates, Inc., as independent financial advisor in connection with the sale of the Certificates. Pursuant to the Official Statement which were distributed to potential purchasers by Ehlers & Associates, Inc., sealed proposals for the purchase of the Certificates were received at or prior to the time specified for opening proposals. The proposals have been opened and publicly read and considered, and the purchase price, interest rate and net interest cost under the terms of each proposal have been determined. The most favorable offer received is that of Janney Montgomery Scott, LLC, in Blue Bell, Pennsylvania, (the Purchaser) to purchase the Certificates at a price of \$1,383,920.00, plus accrued interest on all Certificates to the day of delivery and payment, with interest at the annual rate of 2.750% payable at maturity. Such offer is hereby accepted, and the Chairperson and Clerk are hereby authorized and directed to execute a contract on the part of the District for the sale of the Certificates to the Purchaser.

SECTION 3. CERTIFICATE TERMS. The Certificates shall be prepared under the supervision of the Clerk and shall bear interest at the rate stated in Section 2 hereof from date of issue until paid. The Certificates shall be dated August 29, 2008, shall mature on September 28, 2009, without option of prior payment, and shall be in the denomination of \$5,000 or any integral multiple thereof. The Certificates shall be issuable only in fully registered form, and the ownership of the Certificates shall be transferred only upon the bond register of the District hereinafter described. Upon presentation and surrender of each Certificate, the principal amount thereof and the interest thereon shall be payable to the registered owner thereof by check or draft issued by the registrar, transfer agent and paying agent hereinafter described.

SECTION 4. APPOINTMENT OF INITIAL REGISTRAR. The District hereby appoints Bond Trust Services Corporation, in Roseville, Minnesota as the initial registrar, transfer agent and paying agent (the Registrar). The Chairperson and Clerk are authorized to execute and deliver, on behalf of the District, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The District agrees to pay the reasonable and customary charges of the Registrar for the services performed. The District reserves the right to remove any Registrar upon thirty (30) days notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Certificates in its possession to the successor Registrar and shall deliver the certificate register to the successor Registrar.

SECTION 5. REGISTRAR, TRANSFER AGENT AND PAYING AGENT. The effect of registration and the rights and duties of the District and the Registrar with respect thereto shall be as follows:

(a) The Registrar shall keep at its principal corporate trust office a register in which the Registrar shall provide for the registration of ownership of and the registration of transfers and exchanges of Certificates entitled to be registered, transferred or exchanged.

(b) Upon surrender for transfer of any Certificate duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the

registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Certificates of a like aggregate principal amount as requested by the transferor.

(c) All Certificates surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the District.

(d) When any Certificate is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Certificate or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(e) The District and the Registrar may treat the person in whose name any Certificate is at any time registered in the register as the absolute owner of such Certificate, whether such Certificate shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Certificate and for all other purposes, and any such payment so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the District upon such Certificate to the extent of the sum or sums so paid.

(f) For every transfer or exchange of Certificates, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(g) In case any Certificate shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Certificate of like amount and tenor in exchange and substitution for and upon cancellation of any such mutilated Certificate or in lieu of and in substitution for any such Certificate lost, stolen or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Certificate lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Certificate was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the District and the Registrar shall be named as obligees. All Certificates so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the District. If the mutilated, lost, stolen or destroyed Certificate has already matured, it shall not be necessary to issue a new Certificate prior to payment.

SECTION 6. SECURITIES DEPOSITORY. The following provisions shall apply, unless otherwise designated by the Purchaser:

(a) For purposes of this section the following terms shall have the following meanings:

"Beneficial Owner" shall mean, whenever used with respect to a Certificate, the person in whose name such Certificate is recorded as the beneficial owner of such Certificate by a Participant on the records of such Participant, or such person's subrogee.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Certificates.

"DTC" shall mean The Depository Trust Company of New York, New York.

"Participant" shall mean any broker-dealer, bank or other financial institution for which DTC holds Certificates as securities depository.

“Representation Letter” shall mean the Representation Letter pursuant to which the sender agrees to comply with DTC’s Operational Arrangements.

(b) The Certificates shall be initially issued as separately authenticated fully registered Certificates, and one Certificate shall be issued in the principal amount of each stated maturity of the Certificates. Upon initial issuance, the ownership of such Certificates shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Certificates registered in its name for the purposes of payment of the principal of or interest on the Certificates, selecting the Certificates or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Certificates under this resolution, registering the transfer of Certificates, and for all other purposes whatsoever; and neither the Registrar nor the District shall be affected by any notice to the contrary. Neither the Registrar nor the District shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Certificates under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Certificates, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Certificates, with respect to any notice which is permitted or required to be given to owners of Certificates under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Certificates, or with respect to any consent given or other action taken by DTC as registered owner of the Certificates. So long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Certificate, and shall give all notices with respect to such Certificate, only to Cede & Co. in accordance with DTC’s Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the District’s obligations with respect to the principal of and interest on the Certificates to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Certificate for each separate stated maturity evidencing the obligation of the District to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Certificates will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the District determines that it is in the best interest of the Beneficial Owners that they be able to obtain Certificates in the form of bond certificates, the District may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Certificates in the form of certificates. In such event, the Certificates will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Certificates at any time by giving notice to the District and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Certificates will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC by the President or Clerk is hereby authorized and directed.

(e) In the event that any transfer or exchange of Certificates is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Certificates to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Certificates in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Certificates, or another securities depository as owner of all the Certificates, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Certificates in the form of bond certificates and the method of payment of principal of and interest on such Certificates in the form of bond certificates.

SECTION 7. EXECUTION AND DELIVERY. The Certificates shall be executed by the signatures of the Chairperson and the Clerk, provided that such signatures may be printed, engraved or lithographed facsimiles thereof. Notwithstanding such execution, no Certificate shall be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on such Certificate has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Certificates need not be signed by the same representative. The executed certificate of authentication on each Certificate shall be conclusive evidence that it has been authenticated and delivered under this resolution. When the Certificates have been fully executed and authenticated, they shall be delivered to the Purchaser upon receipt of payment of the purchase price, including accrued interest to the date of delivery. The Purchaser shall not be required to see to the application of the proceeds of the Certificates.

SECTION 8. FORM OF CERTIFICATES. The Certificates shall be prepared in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
HOUSTON COUNTY

INDEPENDENT SCHOOL DISTRICT NO. 299 (CALEDONIA)

GENERAL OBLIGATION AID ANTICIPATION
CERTIFICATE OF INDEBTEDNESS, SERIES 2008A

R-1 \$1,380,000

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
%	September 28, 2009	August 29, 2008	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION THREE HUNDRED EIGHTY THOUSAND DOLLARS

Independent School District No. 299 (Caledonia), in Houston County, State of Minnesota (the School District), a duly organized and existing independent school district, hereby acknowledges itself to be indebted and for value received, hereby promises to pay to the registered owner named above, or registered assigns, the principal amount specified above, on the maturity date specified above, without option of prior payment, with interest thereon at the rate per annum specified above, payable on the maturity date specified above, to the person in whose name this Certificate is registered at the close of business on the date which is 15 days prior to the maturity date specified above (whether or not a business day) upon presentation and surrender of this Certificate. The interest hereon and, upon presentation and surrender hereof at the principal office 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 Bond Trust Services Corporation, Roseville, Minnesota, as bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the Registrar). For the prompt and full payment of the principal and interest as the same become due, the full faith and credit and taxing powers of the School District have been and are hereby irrevocably pledged.

This Certificate is one of an issue in the aggregate principal amount of \$1,380,000, issued pursuant to and in accordance with the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Sections 126C.50 through 126C.56, and pursuant to a resolution duly adopted by the School Board of the School District on August 18, 2008 (the Resolution), for the purpose of anticipating receipt of certain unpaid state aids for schools receivable by the School District for the school year in which this Certificate is issued.

The Certificates are issuable only in fully registered form, in denominations of \$5,000 or any integral multiple thereof.

The Certificates have been designated by the District as "qualified tax exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

As provided in the Resolution and subject to certain limitations set forth therein, this Certificate is transferable upon the books of the School District at the principal office of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney; and may also be surrendered in exchange for Certificates of other authorized denominations. Upon such transfer or exchange, the School District will cause a new Certificate or Certificates to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The School District and the Registrar may deem and treat the person in whose name this Certificate is registered as the absolute owner hereof, whether this Certificate is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the School District nor the Registrar shall be affected by any notice to the contrary.

Notwithstanding any other provisions of this Certificate, so long as this Certificate is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Certificate, and shall give all notices with respect to this Certificate, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the District.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by law to be done, to exist, to happen and to be performed precedent to and in the issuance of this Certificate in order to make it a valid and binding general obligation of the School District according to its terms have been done, have happened, do exist and have been performed in regular and due form, time and manner as required by law; and that the issuance of this Certificate does not cause the indebtedness of the School District to exceed any constitutional or statutory limitation.

This Certificate shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, Independent School District No. 299 (Caledonia), Minnesota, by its School Board, has caused this Certificate to be executed by the signatures of the Chairperson of the School Board and the Clerk.

INDEPENDENT SCHOOL DISTRICT
NO. 299 (CALEDONIA), MINNESOTA

Jean Meyer, Clerk

Naomi Fruechte, Chairperson of the School Board

CERTIFICATE OF AUTHENTICATION

This is one of the Certificates delivered pursuant to the Resolution mentioned within.

interest on the Certificates and shall be maintained by the School District Treasurer separate and apart from all other funds of the District. There shall be credited to the Debt Service Fund any amount in excess of \$_____ received by the District in the sale of the Certificates. At such time as state aids for schools distributable to the District for the current school year, receipts of which are to be recorded as assets of the Operating Funds of the District pursuant to the Uniform Financial Accounting and Reporting System for Minnesota school districts, and which remain to be received, are in the amount of 105% of the principal and interest due on the Certificates issued to fund the deposit to the Operating Funds, on their maturity date, there shall be deposited in the Debt Service Fund all subsequent receipts of such aids or other moneys of the District legally available therefore, until the balance in the Debt Service Fund is sufficient to pay all principal and interest due on the Certificates at maturity.

The full faith and credit of the District are pledged to the payment of the Certificates, and, in accordance with Minnesota Statutes, Section 475.61, the District hereby covenants and agrees that in the event of a deficiency in moneys to pay principal of and interest on the Certificates when due, it will levy and cause to be extended upon all taxable property within its corporate limits such ad valorem taxes as may be required for the payment of such principal and interest in full.

SECTION 11. TAX COVENANTS AND ARBITRAGE MATTERS.

11.01. Restrictive Action. The District covenants and agrees with the owners from time to time of the Certificates that it will not take, or permit to be taken by any of its officers, employees or agents, any action which would cause the interest on the Certificates to become includible in gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the Code), and applicable Treasury Regulations (the Regulations), and covenants to take any and all actions within its powers to ensure that the interest on the Certificates will not become includible in gross income for federal income tax purposes under the Code and the Regulations.

11.02. Statement of Capital Expenditures and Arbitrage Certificate. The Board estimates that the principal amount of the Certificates does not exceed (i) the largest amount by which working capital expenditures in the Operating Funds of the District exceed available amounts for payment thereof during the period for which such aids are anticipated and during which the Certificates will be outstanding, and (ii) the amount of a working capital reserve equal to five percent of the District's working capital expenditures in the Operating Funds for the prior fiscal year, all as contemplated by the Regulations. The District Treasurer is directed to prepare a statement of estimated capital expenditures during the period for which such aids and other funds are anticipated and during which the Certificates will be outstanding for the purpose of verifying the correctness of this estimate. In the event that such statement does not verify such estimate, the principal amount of the Certificates shall be reduced to such amount as will not exceed the amount permitted by the Regulations. Prior to the issuance of the Certificates, the Chairperson and the Clerk, being the officers of the District charged with the responsibility for issuing the Certificates pursuant to this resolution, shall execute and deliver to the Purchaser a certificate as contemplated by the Regulations stating the facts, estimates and circumstances in existence on the date of issuance and delivery of the Certificates which indicate that the proceeds of the Certificates will not be used in a manner that would cause the Certificates to be "arbitrage bonds" within the meaning of the Code and Regulations.

11.03. Arbitrage Rebate Exemption. (a) It is hereby found that the District has general taxing powers, that no Certificate is a "private activity bond" within the meaning of Section 141 of the Code, that 95% or more of the net proceeds of the Certificates are to be used for local governmental activities of the District; and that the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by the District during the year 2008 is not reasonably expected to exceed \$5,000,000. Therefore, the District shall not be required to comply with the arbitrage rebate requirements of Section 148(f) of the Code.

(b) If notwithstanding the provisions of paragraph (a) of this Section 11.03, the arbitrage rebate provisions of Section 148(f) of the Code apply to the Certificates, the District hereby covenants and agrees to make the

determinations, retain records and rebate to the United States the amounts at the times and in the manner required by said Section 148(f).

11.04. Qualified Tax-Exempt Obligations. The District hereby designates the Certificates as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and hereby finds that the reasonably anticipated amount of tax-exempt obligations which are not private activity bonds (not treating qualified 501(c)(3) bonds under Section 145 of the Code as private activity bonds for the purpose of this representation) which will be issued by the District during calendar year 2008 does not exceed \$10,000,000.

SECTION 12. CERTIFICATION OF PROCEEDINGS.

12.01. County Auditor’s Registration. The Clerk is hereby authorized and directed to file a certified copy of this resolution with the County Auditor of Houston County and to obtain from the County Auditor a certificate that the Certificates have been duly entered upon the bond register as required by law.

12.02. Proceedings. The officers of the District and the County Auditor are hereby authorized to furnish to the Purchaser and to Dorsey & Whitney LLP, the attorneys approving the legality of the issuance of the Certificates, certified copies of any resolution of the District relating thereto, and such certificates and affidavits as to other matters appearing in their official records or otherwise known to them as may be reasonably required to evidence the legality and marketability of the Certificates. All such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed to constitute representations and recitals of the District as to the correctness of all statements contained therein.

12.03. Authorization of Payment of Certain Costs of Issuance of the Certificates. The District authorizes the Purchaser to forward the amount of Certificate proceeds allocable to the payment of issuance expenses to U.S. Trust Company, Minneapolis, Minnesota, on the closing date for further distribution as directed by the District’s financial advisor, Ehlers & Associates, Inc.

12.04. Official Statement. The Official Statement relating to the Certificates, dated August 7, 2008, prepared and distributed by Ehlers & Associates, Inc. financial advisor to the District, is hereby approved and the officers of the District are hereby authorized in connection with the delivery of the Certificates to sign such certificates as may be necessary with respect to the accuracy and completeness of the Official Statement.

SECTION 13. CONTINUING DISCLOSURE. The following undertakings are assumed by the District with respect to the Certificates:

(a) Rule 15c2-12; Limited Exemption.

(i) Background. The Securities and Exchange Commission (the SEC) has promulgated amendments to Rule 15c2-12 under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (as in effect and interpreted from time to time, the Rule) which govern the obligations of certain underwriters to require that issuers of municipal securities enter into agreements for the benefit of holders of the municipal securities to provide continuing disclosure with respect to the securities.

(ii) Applicability of the Rule. This Board hereby finds, determines and declares that the Certificates are exempt from the application of paragraph (b)(5) of the Rule by reason of the exemption granted in paragraph (d)(3) thereof. The exemption from the Rule for the Certificates is conditioned upon the District agreeing to provide certain continuing disclosure as hereinafter provided. The District has complied in all material respects with any undertaking previously entered into by it under the Rule.

(b) Purpose and Beneficiaries.

(i) Covenant. To provide for the public availability of certain information relating to the Certificates and the security therefor and to permit underwriters of the Certificates to comply with the Rule, which will enhance the marketability of the Certificates, the District hereby makes the covenants and agreements contained in this Undertaking for the benefit of the Owners (as hereinafter defined) from time to time of the outstanding Certificates.

(ii) Enforcement of Undertaking. If the District fails to comply with any provisions of this Undertaking, any person aggrieved thereby, including the Owners of any outstanding Certificates, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this Undertaking. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this Undertaking constitute a default under the Certificates or under any other provision of this resolution.

(iii) Definition of "Owner". As used in this Undertaking, Owner or Certificateowner means, in respect of a Certificate, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar.

"Beneficial Owner" means, in respect of a Certificate, any person or entity which:

- (A) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Certificate (including persons or entities holding Certificates through nominees, depositories or other intermediaries), or
- (B) is treated as the owner of the Certificate for federal income tax purposes.

(c) Information To Be Disclosed. The District will provide, either directly or indirectly through an agent designated by the District, in a timely manner, to the Municipal Securities Rulemaking Board and to the state information depository then designated or operated by the State of Minnesota as contemplated by the Rule, if any, notice of the occurrence of any of the following events which is a Material Fact (as hereinafter defined):

- (A) principal and interest payment delinquencies;
- (B) non-payment related defaults;
- (C) unscheduled draws on debt service reserves reflecting financial difficulties;
- (D) unscheduled draws on credit enhancements reflecting financial difficulties;
- (E) substitution of credit or liquidity providers, or their failure to perform;
- (F) adverse tax opinions or events affecting the tax-exempt status of the security;
- (G) modifications to rights of security holders;
- (H) bond calls;
- (I) defeasances;
- (J) release, substitution, or sale of property securing repayment of the securities; and
- (K) rating changes.

A "Material Fact" is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Certificate or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a Material Fact is also an event that would be deemed "material" for purposes of the purchase, holding or sale of a Certificate within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

(d) Term; Amendments and Interpretation.

(i) Term of this Undertaking; Termination. The covenants of the District in this Undertaking shall remain in effect so long as any Certificates are outstanding. Notwithstanding the preceding sentence, however, the obligations of the District under this Undertaking shall terminate and be without further effect as of any date on which the District delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the District to comply with the requirements of this Undertaking will not cause participating underwriters in the primary offering of the Certificates to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

(ii) Amendments. This Undertaking may be amended or supplemented by the District from time to time, without notice to or the consent of the Owners of any Certificates, by a resolution of this Board filed in the office of the recording officer of the District accompanied by an opinion of Bond Counsel, who may rely on certificates of the District and others and the opinion may be subject to customary qualifications, to the effect that:

(a) such amendment or supplement:

- (1) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the District or the type of operations conducted by the District, or
- (2) is required by, or better complies with, the provisions of paragraph (d)(3) of the Rule;

(b) this Undertaking as so amended or supplemented would have complied with the requirements of paragraph (d)(3) of the Rule at the time of the primary offering of the Certificates, giving effect to any change in circumstances applicable under clause (a)(1) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and

(c) such amendment or supplement does not materially impair the interests of the Certificateowners under the Rule.

(iii) Interpretation. This Undertaking is entered into to comply with, and should be construed so as to satisfy the requirements of, paragraph (d)(3) of the Rule.

SECTION 14. STATE PAYMENT; DISTRICT AND REGISTRAR OBLIGATIONS. 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 Certificates and to use the provisions of Minnesota Statutes, Section 126C.55 (the State Payment Law), to guarantee payment, to the extent provided therein, of the principal of and interest on the Certificates when due. The District further covenants to deposit with the Registrar not less than three business days prior to September 28, 2009, an amount sufficient to make that payment or to notify the Commissioner of Education as provided in the State Payment Law that it will be unable to make all or a portion of such payment. The Registrar will notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal of and interest on the Certificates at maturity or, if on the date two business days prior to maturity, there are insufficient funds on deposit with the Registrar to pay the Certificates in full at maturity. The Registrar will cooperate with the District, the Commissioner of Education and the Commissioner of Finance in implementing the provisions of the State Payment Law. The District shall do all other things which may be necessary to perform the obligations hereby undertaken under the State Payment Law, including any requirements hereafter adopted by the Commissioner of Finance or the Commissioner of Education.

Upon vote being taken thereon, the following voted in favor thereof: Naomi Fruechte, Matt Hendel, John Klug, Joyce Knutson, Jean Meyer, Michelle Werner, and Charlie Wray. The following voted against the same: None. Whereupon the resolution was declared duly passed and adopted.

ADMINISTRATIVE REPORTS

Mr. Helmers informed the board that they are currently balancing class sizes and doing general preparation for the beginning of the new school year. New student orientation will be held in the evening on Tuesday, August 26th. He interviewed a long-term teacher substitute for Mr. Martin this evening and stated that this will be presented to the board for their approval at the September school board meeting.

Mr. Moriarty informed the board that the school district has received preliminary approval for the alternative services grant. Mr. Helmers and he will be attending the State AYP Workshop on Wednesday. Teachers will be returning the week of August 25th for workshop days. He stated that the school's insurance company agent handling the Allen case will be visiting the school district site in the near future and will update the board as more information becomes available. Mrs. Runnigen will be assuming part of the administrative duties of the ECFE/LR Program with other staff members in this department having increased hours beginning the 2008-2009 school year. The SMART Boards will be installed in each of the fifth grade classrooms on Wednesday. Mr. Dave Meyer, Athletic Director, will be attending the September school board meeting. The auditors finished their on-site work last week and will do the audit presentation at the school board meeting on October 20th.

NEW BUSINESS ITEMS

The board discussed the idea of erecting a recognition sign on the varsity football/soccer/track complex. It was the consensus of the board that Directors Matt Hendel and Michelle Werner will meet with the athletic director and the head coaches about the location of the sign and report back to the board.

ADJOURNMENT

Moved by Jean Meyer, seconded by John Klug to adjourn the meeting at 9:10 p.m. Motion carried by a unanimous vote.

Jean Meyer, Clerk