

SCHOOL BOARD MINUTES

Monday, February 23, 2009

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

The meeting was called to order by Chair Naomi Fruechte at 7:00 p.m. Members present were Naomi Fruechte, Matt Hendel, John Klug, Jean Meyer, Michelle Werner, Charlie Wray, and Spencer Yohe. Also present were Superintendent Michael Moriarty, Nancy Runningen, and Principals Connie Hesse and Ronald Helmers. Others present were Craig Moorhead, Karen Schiltz, Janelle Field Rohrer, Todd Meiners, Tammy Twite, Kim Kranz, and Rick and Shelly Munson.

APPROVAL OF AGENDA

Moved by Jean Meyer, seconded by Spencer Yohe to approve the agenda as presented. Motion carried by a unanimous vote.

APPROVAL OF PAST MEETING MINUTES

Moved by Charlie Wray, seconded by Matt Hendel to approve the minutes of the January 26, 2009, regular school board meeting. Motion carried by a unanimous vote.

TREASURER'S REPORT & AUTHORIZATION OF ACCOUNTS PAYABLE

Moved by Spencer Yohe, seconded by Charlie Wray to approve the electronic transfers and bills due and payable amounting to \$496,932.35, including check numbers 48737 through 48867 along with electronic transfers from MSDLAF to Merchants Bank in the amount of \$560,000.00. Motion carried by a unanimous vote.

PUBLIC COMMENT

The school board members toured the middle school building to see what space could be utilized for other classes. A lengthy discussion took place during the tour regarding how these empty classrooms could be used in the years to come.

PERSONNEL ITEMS

Spring Sport Coaching Contracts for the 2008-2009 School Year

Moved by Jean Meyer, seconded by Spencer Yohe to ratify the following spring coaching contracts for the 2008-2009 school year: Baseball: Elliott Kranz, head coach, IV/4 at \$3,116.10, Tom Schultz, assistant coach, II/1 at \$1,879.32 and Zach Hauser, jr. high coach, I/2 at \$1,665.89; Boys' Golf: Mitch Mullins, head coach, IV/17 at \$3,284.60 and Jennifer Snook, boys and girls assistant golf coach, II/5 at \$2,047.83; Girls' Golf: Ken VanDenBoom, head coach, IV/35 at \$3,284.60; Boys' Track: Carl Fruechte, head coach, IV/9 at \$3,284.60 and Reese Wait, boys and girls assistant track coach, II/4 at \$2,047.83; Girls' Track: Paul Stevens, head coach, IV/31 at \$3,284.60. Motion carried by a unanimous vote.

New Hires

Moved by Matt Hendel, seconded by Charlie Wray to ratify the hiring of Alanna Anderson as the long-term teacher substitute for middle/high school art at BA/0 at \$22.93 per hour beginning February 4, 2009. Motion carried by a unanimous vote.

ACTION ITEMS

2009-2010 School Calendar

Moved by Michelle Werner, seconded by John Klug to approve the 2009-2010 school calendars as presented (Draft #1 – school starts before the Labor Day Holiday and Draft #2 – school starts after the Labor Day Holiday). Motion carried by a unanimous vote.

Agreement to Continue Meeting with Other Districts

Moved by Charlie Wray, seconded by Spencer Yohe to continue discussing cost efficiency and saving measures with other interested school districts. Motion carried by a unanimous vote.

Adopt the Revised 2008-2009 Budget

Moved by Jean Meyer, seconded by Michelle Werner to adopt the revised 2008-2009 budget as presented:

	2008-09 Adopted Budgeted Revenues	2008-2009 Revised Budgeted Revenues	Increase (Decrease) In Revenues	2008-09 Adopted Budgeted Expenditures	2008-2009 Revised Budgeted Expenditures	Increase (Decrease) In Expenses	2008-2009 Revised Fund Balance Inc/(Decrease)
General Fund	7,775,537	7,888,003	112,466	7,774,433	7,872,885	98,452	15,118
Food Service	416,608	416,608	0	403,406	403,986	580	12,622
Community Services	307,054	306,361	-694	293,504	304,608	11,104	1,752
Debt Retirement	1,605,510	1,605,510	0	1,590,028	1,590,028	0	15,482
Scholarship Fund	13,495	13,495	0	13,495	13,495	0	0
Concession Stand Fund	0	0	0	0	0	0	0
Activity Fund	40,550	40,550	0	40,550	40,550	0	0
Total	10,158,754	10,270,526	111,772	10,115,416	10,225,552	110,136	44,974

Motion carried by a unanimous vote.

Sharing Agreement for Early Childhood Special Education Teacher for the 2008-2009 School Year Between Hiawatha Valley Education District and Caledonia School District No. 299

Member Jean Meyer introduced the Sharing Agreement for Early Childhood Special Education Teacher for the 2008-2009 School Year Between Hiawatha Valley Education District and Caledonia School District No. 299 and moved its adoption:

Hiawatha Valley Education District and Caledonia School District No. 299 hereby enter into an agreement that Caledonia School District will purchase 0.125 FTE of an Early Childhood Special Education teacher who will provide services in Caledonia in the program for young children with autism and needs for an intensive educational program.

0.25 FTE represents the portion of time and number of Caledonia students that the teacher provides instruction to. There are four children who are served in this program that meets four afternoons per week. The fifth afternoon is dedicated to home or day care visits, assessments, or professional development activities for the teacher, other staff or parents.

Jackie Thimmesch is the ECSE teacher who will be assigned a total of 0.50 FTE to this program that is located in the Caledonia Elementary School. During the 2008-2009 school year four children are served in this program. Their resident districts will pay for the proportional cost of Ms. Thimmesch's contract.

Each district will enter their portion of Ms. Thimmesch's salary on their EDRS reports in order to receive state aid on her salary.

Caledonia Salary: \$6,658.00 Benefits \$1,274.46 Total \$7,932.46 FTE 0.125FTE

The motion for the adoption of the foregoing sharing agreement was seconded by Member Charlie Wray. Upon vote being taken thereon, the following voted in favor thereof: Naomi Fruechte, Matt Hendel, John Klug, Jean Meyer, Michelle Werner, Charlie Wray and Spencer Yohe. The following voted against: None. Whereupon said sharing agreement was declared duly passed and adopted.

Agreement for Consulting Services Between Hildi Inc. and Caledonia Area Public Schools

Member Spencer Yohe introduced the Agreement for Consulting Services Between Hildi Inc. and Caledonia Area Public Schools and moved its adoption:

This Agreement for Consulting Services (“Agreement”) is entered into and dated February 3, 2009 by and between Hildi Inc. with offices located at 11800 Singletree Lane, Suite 305, Minneapolis, MN 55344 (hereinafter referred to as the “Consultant”) and Caledonia Area Public Schools with offices located at 511 West Main Street, Caledonia, MN 55921 (hereinafter referred to as the “Company”). Company and Consultant are jointly referred to as the “parties.”

IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE SUFFICIENCY OF WHICH IS HEREBY ACCEPTED, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. Description of Services. Consultant will perform certain services for Company upon terms and conditions specified herein and as such services are more particularly described in Exhibit(s), which are attached hereto and incorporated by this reference.

2. Prices and Payment. Company agrees to pay Consultant the fees set forth in the applicable Exhibit(s). Consultant anticipates invoicing the Company monthly for services provided. Payment will be due in full within fifteen (15) days of receipt of Consultant’s invoice. Company agrees to pay interest on all overdue amounts at a rate of twelve percent (12%) per annum or the rate allowed by law, which ever is less, plus costs of collection, court costs, and reasonable attorney fees on all such amounts.

Fee Proposal and Timeline

This fee proposal assumes that the Caledonia Area Public Schools has approximately less than 100 Plan Members with both Implicit Rate Subsidy and also Subsidized benefits under GASB 45. The School had revenue as determined for GASB No. 34 less than \$10 million.

GASB Statement No. 45 says that Plans with less than 200 Plan Members must perform an actuarial valuation at least once every three years.

Upon receipt of all data needed for the project (see the Data Request), the actuarial valuation results can be prepared **within six weeks**. Any additional information requested (for example, changes in plan design, actuarial cost projections) could possibly extend this timeline.

Basic Actuarial Valuation Fees for GASB Statement No. 45

Valuation Date Basic Fee	Basic Fee
During 2009	\$3,000 to \$4,000 – assuming we use the Alternative Measurement Method and do not gather claims cost information

These Basic Actuarial Fees include the following:

- Teleconferencing with the actuaries on pending or anticipated issues which may affect the actuarial valuation/report. If any work is needed based on one of the outcomes of a teleconference, a fee will be agreed upon before any work is initiated.

- Pre-valuation conference call to discuss and gather information on actuarial assumptions, participant data, plan changes and any other information that may change the upcoming actuarial report calculations.
- A results meeting by conference call to discuss the results based on the assumptions, funding methods, asset method, and any other provisions discussed and noted at the pre-valuation conference call.
- An Actuarial Report including all information required by GASB Statements 43 and 45. Hildi Inc. will provide an electronic copy and three hard copies.
- Periodic memos and telephone calls to provide updates on developments that may affect future actuarial reports.

The Basic Actuarial Fees are also based on:

- The receipt of clean participant data in the format requested from the Hildi Inc. data request packet.

Fees for Additional Actuarial Services

Description	Fee
GASB 16 Valuation – Optional Payout of Unused Sick Leave Benefits	Provided upon request
GASB 27 Valuation Retirement Income Benefits	Provided upon request
Auditor Requests	Based on Hourly Rates
Attendance at Additional Meetings	Based on Hourly Rates
Contract Proposals	To be agreed upon after determination of scope

Hourly Rates for Additional Services

Description	Hourly Rate
Strategic Actuarial Consulting and Meeting time	\$250
Actuarial Calculations	\$100 - \$200
Data and Administrative work	\$100 – \$200

Travel and lodging expenses are not included in the basic fee and will be invoiced separately.

3. Travel Expenses. Company agrees to reimburse Consultant for its reasonable and necessary out-of-pocket lodging, transportation, and food incurred at the Company’s request. Consultant agrees to provide reasonable expense documentation. Whenever possible, Consultant agrees to take advantage of travel discounts. All air travel by Consultant shall be on major national or regional airlines, and Consultant and its representatives may keep their frequent flier miles earned for their personal usage.

4. Ownership of Work Product. Ownership of, and all rights in, the work product which is the subject matter of this Agreement (the “Work”), including trademarks, patents and copyrights applicable to same, shall belong exclusively to Company. The parties expressly agree to consider as a “work made for hire” any Work ordered or commissioned by the Company which qualifies as such under the United States copyright laws. To the extent that

the Work cannot be a “work made for hire” or where necessary for any other reason, Consultant will provide Company with all such assignments of rights, covenants and other assistance which may be required for Company, through trademark, patent or copyright applications or otherwise, to obtain the full benefit of the rights provided for herein. If the Work contains materials previously developed or copyrighted by Consultant or others, Consultant grants and agrees to grant to Company, or obtain for Company, an unrestricted, royalty-free license to use and copy such materials. Any license so granted or obtained shall include the right for Company to grant an unrestricted, royalty-free license to any affiliate of Company. Consultant is allowed to retain one copy of the Work for archival purposes. Consultant shall place a copyright notice on the Work at Company’s request. The Work shall be considered “Information” under the Section entitled “Nondisclosure.”

5. Nondisclosure. Any technical or business information, including, but not limited to, computer programs, files, specifications, drawings, sketches, models, samples, tools, cost data, customer information, financial data, business or marketing plans or other data, whether oral, written or otherwise (“Information”), furnished or disclosed to Consultant hereunder or in contemplation hereof, shall remain Company’s property. No license, express or implied, under any trademark, patent or copyright is granted by Company to Consultant by virtue of such disclosure. All such information in written, graphic or other tangible form shall be returned to the Company immediately upon request and copies shall be returned to the Company or, at Company’s option, certified by Consultant as having been located and destroyed. Consultant shall be allowed to retain one copy of the Information for archival purposes. Unless such Information was previously known to Consultant free of any obligation to keep it confidential, is lawfully obtained by Consultant from any source other than Company or has been or is subsequently made public by Company or a nonparty to this Agreement, is approved for release by written authorization of the Company, or is required by law to be disclosed in response to a valid order of a court of competent jurisdiction or authorized governmental agency, provided the Company receives adequate notice to allow it to request a protective order and the Consultant reasonably cooperates with the Company’s efforts to receive a protective order, it shall be kept confidential by Consultant for the benefit of Company, shall be used only in performing under this Agreement and shall not be used for other purposes except upon such terms as may be agreed upon by Company in writing. Consultant shall take reasonable steps to protect such Information to a similar extent that Consultant protects its own Information.

6. Liability. Consultant shall indemnify Company and its affiliates against, and shall hold Company and its affiliates harmless from, any loss, damage, expense or liability that may in any way arise out of or result from the performance of Consultant hereunder and caused by or resulting from the gross negligence or intentional misconduct of Consultant, including but not limited to any knowing infringement, or claim of infringement, of any patent, trademark, copyright, trade secret or other proprietary right of a third party or of Consultant or anyone claiming through Consultant who may be eligible to terminate any assignment or transfer made hereunder pursuant to the terms of the copyright laws up to the amount paid by the Company to the Consultant under a given applicable Exhibit(s). Consultant shall defend or settle, at its own expense, any action or suit against Company or its affiliates for which it is responsible hereunder. Company shall notify Consultant of any such claim, action or suit and shall reasonably cooperate with the Consultant (at Consultant’s expense) to facilitate the defense of any such claim.

7. Limitation. IN NO EVENT SHALL COMPANY OR CONSULTANT BE LIABLE, ONE TO THE OTHER, FOR INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE FURNISHING, PERFORMANCE OR USE OF ANY PRODUCTS OR SERVICES PROVIDED PURSUANT TO THIS AGREEMENT.

8. Limited Warranties. Consultant warrants and represents that it has full authority to enter into this Agreement and to consummate the transactions contemplated hereby and that this Agreement is not in conflict with any other agreement to which Consultant is a party or by which it may be bound. Consultant warrants and represents that Consultant has the proper skill, training and background so as to be able to perform in a competent and professional manner and that all work will be performed in accordance with professional standards in the industry and/or field.

9. Headings. Section headings used in this Agreement are for convenience only, have no legal significance, and in no way change the construction or meaning of the terms hereof.

10. Insurance. Upon request by Company, Consultant shall provide to Company, copies of certificates of insurance evidencing the workers compensation, general liability and automobile insurance coverage that Consultant has in effect and Consultant shall maintain such insurance in effect through the duration of the Agreement.

11. Amendment and Waiver. No provision of this Agreement may be modified, waived, terminated or amended except by a written instrument executed by the parties. No waiver of a material breach of any provision of this Agreement shall constitute a waiver of any subsequent breach of the same or other provisions hereof.

12. Relationship. The Consultant shall be and act as an independent contractor hereunder, and neither Consultant nor any employee, agent, associate, representative or subcontractor shall be deemed to be employees of the Company for any purpose whatsoever.

13. Force Majeure. Neither party will be liable for any failure or delay in performance due to any cause beyond its reasonable control, including, but not limited to acts of nature, strikes, fire, flood, explosion, riots, or wars, provided that personnel changes, including unanticipated employee departures, shall not be considered to be an event or condition of force majeure.

14. Notices. All notices and other communications required or permitted under this Agreement shall be in writing, and hand delivered or sent by registered or certified mail, return-receipt requested, postage prepaid, or by overnight delivery service and shall be effective upon receipt at the following addresses or as either party shall have notified the other party:

If to Company: Ms. Barb Meyer
Business Manager/Accountant
Caledonia Area Public Schools
511 West Main Street
Caledonia, MN 55921

If to Consultant: Hildi Inc.
11800 Singletree Lane
Suite 305
Minneapolis, MN 55344
Attn: Jill Urdahl, FSA
President/Consulting Actuary

15. Assignment. Consultant shall not assign this Agreement or delegate the services to be performed hereunder, in whole or in part, or any of its rights, interest, or obligations hereunder without Company's express written consent.

16. Law Government. This Agreement shall be governed by the laws of the State of Minnesota, without regard to or application of conflicts of law rules or principles.

17. Taxes. Consultant shall assume full responsibility for the payment of all taxes imposed by any federal, state, local taxes or foreign taxing authority and all contributions imposed or required under unemployment insurance, social security and income tax laws, with respect to performance of services for Company hereunder.

18. Termination. Any Exhibit(s) to this Agreement may be terminated by either party upon thirty (30) days written notice to the other party. This Agreement may be terminated by either party upon ninety (90) days written notice to the other party. Company agrees to pay for all services provided by Consultant and related travel

expenses incurred by Consultant through the date of termination of the Exhibit(s) and/or the Agreement as applicable.

19. Entire Agreement. This constitutes the entire agreement between the parties regarding the subject matter hereof. This Agreement shall be binding on the affiliates, administrators, executors, heirs, successors in interest, or assigns of Consultant.

IN WITNESS WHEREOF, authorized representatives of the Company and the Consultant have executed this Agreement in duplicate.

The motion for the adoption of the foregoing agreement for consulting services was seconded by Member Matt Hendel. Upon vote being taken thereon, the following voted in favor thereof: Naomi Fruechte, Matt Hendel, John Klug, Jean Meyer, Michelle Werner, Charlie Wray and Spencer Yohe. The following voted against: None. Whereupon said sharing agreement was declared duly passed and adopted.

ADMINISTRATIVE REPORTS

Mr. Helmers informed the board that Snow Days was a success. The junior class won the Family Feud contest and the Freshmen won the dodgeball contest. FFA Recognition Week is this week. Students are doing a preregistration of classes this week for the 2009-2010 school year and a schedule will be built based on their interests. Mr. Helmers discussed with the board how unexcused tardy and absences are being handled. The middle school discipline plan has changed to coincide with the high school discipline plan. He will update the board in a few months regarding how the discipline issues are going with these changes in place.

Mrs. Hesse informed the board that 95% of the parents attended elementary conferences. There were over one hundred people that attended the PACE Family Fun Night on Friday. Fitness Fever will finish this week. I Love To Read Month starts next week. The Elementary Science Fair and Open House will be held on March 3rd. She is in the process of rewriting the Alternative Delivery Services Grant for the 2009-2010 school year. She updated the board with regard to testing.

Superintendent Moriarty updated the board regarding information that was shared during the Town Meeting held at the middle/high school building on Saturday, February 21st. He shared with the board information he has received regarding the stimulus bill and how this will have an impact on our school district. A meeting will be scheduled with the Building and Grounds Committee to review the capital budget. He is working on the 2009-2010 budget and staffing reductions will be presented to the board for their approval at the March board meeting. Enrollment projections this year have been staying about the same as last year. There will be approximately 744 students enrolled for the 2009-2010 school year. Kindergarten Roundup will be held on March 20th.

Mrs. Runnigen informed the board that the Community Ed Advisory Council will meet on March 12th. ABE classes are held Tuesday and Thursday evenings. SAC Program continues to accept registrations. Current students in the Hand in Hand Preschool Program have begun registering for the 2009-2010 school year and new students will begin registering on March 17th. ECFE held a gymnastics night which was very successful and Building with a Buddy is scheduled for March 2nd. Preschool screening is scheduled for March 5th and 6th.

ADJOURNMENT

Moved by Jean Meyer, seconded by Michelle Werner to adjourn the meeting at 9:25 a.m. Motion carried by a unanimous vote.

Jean Meyer, Clerk