

ORONO INDEPENDENT SCHOOL DISTRICT NO. 278

CONDENSED MINUTES OF THE REGULAR MEETING OF THE BOARD OF EDUCATION HELD ON

SEPTEMBER 10, 2018

Present: Bob Tunheim, Martha Van de Ven, Mike Bash, Dick Lewis, Sarah Borchers, Laura Wallander, Karen Orcutt, John Morstad

The regular meeting of the Board of Education of Orono Independent School District No. 278 was held on Monday, September 10, 2018 and called to order by board chairman, Bob Tunheim, at 7:03 p.m.

UPON MOTION by Martha Van de Ven, seconded by Dick Lewis, the consent agenda was approved as follows:

- Approved minutes from the Regular Meeting on August 20, 2018
- Approved the minutes from the Special Board Meeting August 28, 2018
- Approved the appointment of Luke Manthe, as full-time special education teacher at Orono High School, effective August 27, 2018.
- Approved the appointment of Cindy Hoffman, as .60 FTE part-time science teacher at Orono High School, effective August 27, 2018.
- Approved the appointment of Nancy Johnson, retired teacher, as .4 FTE reading intervention teacher at Orono Intermediate School, effective September 4, 2017 through May 25, 2018.
- Approved the appointment of Kimberly Jensen, as full-time, long-term substitute teacher at Orono Schumann Elementary School, effective from approximately August 27, 2018, through approximately November 9, 2018.
- Approved the appointment of Taylor Stolhammer, as full-time, long-term substitute teacher at Orono Schumann Elementary School, effective from approximately August 27, 2018, through approximately November 9, 2018.
- Approved the appointment of Rita Blackstad, as full-time, long-term substitute teacher at Orono Middle School, effective from approximately August 27, 2018, through approximately December 20, 2018.
- Approved the appointment of Katherine Willow, as full-time general music teacher at Orono Intermediate School, effective August 31, 2018.
- Approved the appointment of Paul Rapp, as special education paraeducator at Orono High School, effective September 4, 2018.
- Approved the appointment of Susan Hornbaker, as short hour cook at Schumann Elementary School, effective August 30, 2018.
- Approved the appointment of Angela Reader, as classroom paraeducator at Orono Middle School, effective September 6, 2018.
- Approved the change of assignment of Teresa Smith, classroom paraeducator at Orono Intermediate School, to special education paraeducator at Orono Schumann Elementary School, effective September 4, 2018.
- Approved the resignation of Christine Denizard, classroom paraeducator at Orono Intermediate School, effective September 15, 2018.
- Approved the resignation of Corliss Tuttle, special education paraeducator at Orono Schumann School, effective October 31, 2018.
- Approved the following fall coaching contracts:

Soccer - Boys

Paul Vassar, JV Coach
Neil Vassar, C Team Coach
William Marshall, B Team Coach

Tennis - Girls

Jack Roach, Assistant Coach

Volleyball - Girls

Aaron Wayne, Assistant Coach

- Approved donations totaling \$210.00

- Approved bill vouchers 302563-302760, 1077-1081, EP register V900277-900279

5. Superintendent's Report on Excellence

6. Board Members Questions and Comments

7. Community Members Questions and Comments

8. Old Business

8.A. Superintendent's Goals

Dr. Karen Orcutt, Superintendent, presented the 2018-2019 Superintendent's Goals for a second reading and approval. The goals were first presented at the August 20, 2018 Board Meeting for a first reading.

UPON MOTION by Sarah Borchers, seconded by Martha Van de Ven, the 2018-2019 Superintendent's Goals were approved as presented.

Motion carried.

8.B. Other Old Business as Necessary

No other old business was brought forward.

9. New Business

9.A. Abatement Hearing Action

John Morstad, Director of Business Services and Greg Crowe, Senior Municipal Advisor from Ehlers presented information regarding the Property Tax Abatement and Sale Parameters for the Tax Abatement Bonds.

Mr. Crowe and the board entered into discussion regarding the Abatement process.

9.A.1. Resolution Approving Property Tax Abatement

Member Mike Bash introduced the following resolution and moved its adoption:

RESOLUTION RELATING TO PROPERTY TAX ABATEMENT FOR PARKING LOT PROJECTS; GRANTING THE ABATEMENT

BE IT RESOLVED by the School Board (the "Board") of Independent School District No. 278 (Orono Public Schools), State of Minnesota (the "District"), as follows:

Section 1. Authorization and Recitals.

1.01. The District, pursuant to Minnesota Statutes, Sections 469.1812 to 469.1815, as amended (the "Act"), is authorized to grant an abatement of certain property taxes levied against net tax capacity imposed by the District on parcels of property by the adoption of a resolution specifying the terms of the abatement.

1.02. The District intends to undertake the construction of and improvements to District parking lots and related work (the "Improvements"), and related financing costs, benefiting certain properties within the District boundaries identified on EXHIBIT A attached hereto (collectively, the "Property").

1.03. The District has proposed to finance the Improvements by granting an abatement of the property taxes imposed by the District on the Property (the "Proposed Property Tax Abatement"), and by issuing bonds to provide an amount equal to the sum of said Proposed Property Tax Abatement.

1.04. Pursuant to the Act, this Board on September 10, 2018, conducted a public hearing on the desirability of granting the Proposed Property Tax Abatement. Notice of the public hearing was duly published as required by law in a newspaper of general interest and readership in the District, at least ten days but not more than thirty days prior to the date of the public hearing. The form of said Notice and the publication of said Notice prior to the date of adoption of this resolution is ratified and confirmed in all respects.

Section 2. Findings.

On the basis of the information compiled by the District and elicited at the public hearing referred to in Section 1.04, it is hereby found, determined and declared:

2.01. The District expects that the benefits to the District associated with granting the Proposed Property Tax Abatement are at least equal to or exceed the associated costs to the District.

2.02. The granting of the Proposed Property Tax Abatement is in the public interest because it will finance and provide public infrastructure and help provide access to services for residents of the District.

2.03. The nature and extent of the public benefits which the District expects to result from the Proposed Property Tax Abatement are the construction of and improvements to District parking lots and related work, and related financing costs, which will enable District residents to continue to conveniently and safely access these facilities which are regularly utilized by the public for school and community events.

2.04. The Property is not located in a tax increment financing district.

2.05. The granting of the Proposed Abatement will not cause the aggregate amount of abatements granted by the District under the Act to exceed the greater of (i) ten percent (10%) of the District's net tax capacity for each taxes payable year to which the abatement applies, or (ii) \$200,000.

2.06. It is in the best interests of the District to grant the tax abatement authorized in this resolution.

2.07. Under Section 469.1813, Subdivision 9 of the Act, it is not necessary for the District to obtain the consent of any owner of the Property to grant an abatement.

Section 3. Granting of Tax Abatement.

3.01. A property tax abatement (the "Abatement") is hereby granted in respect of property taxes levied by the District on the Property for ten (10) years, commencing with taxes payable in 2019 and concluding with taxes payable in 2028. The total Abatement amount shall not exceed \$3,094,787 over ten (10) years.

3.02. The District shall retain the Abatement and apply it to payment of all or a portion of the costs of acquiring or constructing the Improvements or to the payment of bonds of the District issued to finance costs of acquiring or constructing the Improvements, whether such bonds are issued pursuant to the Act, or other law, as authorized by Section 469.1815, Subdivision 2 of the Act.

3.03. The Abatement may not be modified or terminated by the Board during its term.

The motion for the adoption of the foregoing resolution was duly seconded by

Member Sarah Borchers, and upon vote being taken thereon, the following voted in favor thereof: Sarah Borchers, Dick Lewis, Bob Tunheim, Martha Van de Ven, Mike Bash and Laura Wallander

and the following voted against the same: None

EXHIBIT A

Description of the Property

Property ID Nos.

11-117-23-32-0020
11-117-23-34-0001
10-117-23-14-0020
09-117-23-21-0001
09-117-23-21-0012
08-117-23-44-0024
05-117-23-44-0008
33-118-23-13-0015
24-118-24-32-0013
16-117-23-22-0006
10-117-23-33-0005
16-117-23-22-0007
22-117-23-21-0001
02-117-23-33-001

9.A.2. Resolution Approving Sale Parameters for Tax Abatement Bonds

Member Dick Lewis introduced the following Resolution and moved its adoption:

RESOLUTION PROVIDING FOR SALE OF GENERAL OBLIGATION TAX ABATEMENT BONDS, SERIES 2018B; COVENANTING AND OBLIGATING THE DISTRICT TO BE BOUND BY AND TO USE THE PROVISIONS OF MINNESOTA STATUTES, SECTION 126C.5 TO GUARANTEE THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BONDS

BE IT RESOLVED, by the School Board of Independent School District No. 278, State of Minnesota, as follows:

1. The Board has determined that it is necessary and expedient to issue \$1,995,000 of General Obligation Tax Abatement Bonds, Series 2018B pursuant to Minnesota Statutes, Sections 469.1812 to 469.1815, and Chapter 475, as amended. The Bonds will provide funds to finance the construction of and improvements to District parking lots and related work, and related financing costs.

2. The Board, having been advised by Ehlers & Associates, Inc., the District's municipal advisor, hereby determines that this issue shall be privately sold after receipt of written proposals, as authorized pursuant to Minnesota Statutes, Section 475.60, Subdivision 2.

3. On approximately October 17, 2018, the Superintendent or Director of Business Services and a Board Officer are authorized and directed to receive all proposals presented in conformity with the Terms of Proposal contained in the Official Statement, the terms of which are ratified and confirmed in all respects, and to approve on behalf of the District the sale of the Bonds to the party submitting the most favorable proposal (the "Purchaser"). If the true interest rate of the most favorable of said proposals does not exceed 3.15% and a favorable recommendation to accept the proposal is received from Ehlers & Associates, Inc., the Superintendent or Director of Business Services and a Board Officer are authorized and directed to accept the same as though the price and interest rate had been included herein. In the Terms of Proposal, the District may reserve the right, after proposals were opened and prior to award, to increase or decrease the principal amount of the Bonds offered for sale or the amount of any individual maturity, with the increase or decrease to occur in multiples of \$5,000 in any of the maturities. The Superintendent or Director of Business Services and a Board Officer are authorized and directed to endorse an acceptance on both copies of the most favorable proposal and to send one copy to the Purchaser.

4. Upon approval of the sale of the Bonds by the Superintendent or Director of Business Services and a Board Officer, the Board will meet on October 22, 2018 to adopt the necessary approving resolution as drafted by the District's Bond Counsel.

5. The terms and provisions specified in the Official Statement are hereby adopted as the terms and conditions of the Bonds and of the sale thereof, and shall be made available to all prospective purchasers of the Bonds. Ehlers & Associates, Inc., is authorized to prepare an Official Statement and to open, read and tabulate the proposals for presentation to the Board.

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

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

The motion for the adoption of the foregoing resolution was duly seconded by Member Sarah Borchers, and upon vote being taken thereon, the following voted in favor thereof:

Sarah Borchers, Dick Lewis, Bob Tunheim, Martha Van de Ven, Mike Bash, and Laura Wallander

and the following voted against the same: none.

whereupon said resolution was declared duly passed and adopted.

9.B. Resolution Approving Sale Parameters for OPEB Bond Refunding

John Morstad, Director of Business Services and Greg Crowe, Senior Municipal Advisor from Ehlers presented information regarding the Sale Parameters for OPEB Bond Refunding.

Mr. Crowe and the board entered into discussion regarding the OPEB Bond Refunding. The board expressed appreciation to Mr. Morstad and Mr. Crowe for their work on the bonds.

Member Martha Van de Ven introduced the following resolution and moved its adoption:

RESOLUTION PROVIDING FOR SALE OF GENERAL OBLIGATION TAXABLE OPEB REFUNDING BONDS, SERIES 2018A; COVENANTING AND OBLIGATING THE DISTRICT TO BE BOUND BY AND TO USE THE PROVISIONS OF MINNESOTA STATUTES, SECTION 126C.55 TO GUARANTEE THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BONDS

BE IT RESOLVED by the School Board of Independent School District No. 278, State of Minnesota, as follows:

1. (a) The Board hereby finds and declares that it is necessary and expedient for Independent School District No. 278 (the "District") to sell and issue its fully registered General Obligation Taxable OPEB Refunding Bonds, Series 2018A (the "Refunding Bonds") in the total aggregate principal amount of \$3,030,000" (said amount being subject to adjustment in accordance with the Terms of Proposal) to provide funds to refund in advance of their stated maturities, through a current refunding, all of the bonds maturing in the years 2020 to 2029, aggregating \$2,950,000 in principal amount, of the District's General Obligation Taxable OPEB Bonds, Series 2008B, bearing a date of original issue of November 19, 2008 (the "Refunded Bonds"), and to provide funds to pay when due the interest payments on the Refunded Bonds to and including February 1, 2019.

(b) The Refunded Bonds were originally issued in order to fund the District's actually determined liabilities to pay postemployment benefits to its employees or officers after their termination of service, as authorized pursuant to Minnesota Statutes, Section 475.52, Subdivision 6. The Board determines that the issuance of the Refunding Bonds is necessary and desirable for the reasons specified in Minnesota Statutes, Section 475.67, Subd. 3(b)(2), Subparagraph (j). The Refunded Bonds have not previously been refunded.

2. The Board, having been advised by Ehlers & Associates, Inc., its independent municipal advisor, hereby determines that this issue shall be privately sold after receipt of written proposals, as authorized pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, as amended.

3. On approximately October 17, 2018, the Superintendent or Director of Business Services and a Board Officer are authorized and directed to receive all proposals presented in conformity with the Terms of Proposal contained in the Official Statement, the terms of which are ratified and confirmed in all respects, and to approve on behalf of the District the sale of the Refunding Bonds to the party submitting the most favorable proposal (the "Purchaser"), provided that the total net savings included in the most favorable proposal is at least \$425,000, the present value benefit as a percentage of the present value of the refunded debt service is at least 10.3% and a favorable recommendation to accept the proposal is received from Ehlers & Associates, Inc. In the Terms of Proposal, the District may reserve the right, after proposals are open and prior to award, to increase or decrease the specified principal amount of the Refunding Bonds offered for sale or the amount of any individual maturity, with the increase or decrease to occur in multiples of \$5,000 in any of the maturities. The Superintendent or Director of Business Services and a Board Officer are authorized and directed to endorse an acceptance on both copies of the most favorable proposal and to send one copy to the Purchaser.

4. Upon approval of the sale of the Bonds by the Superintendent or Director of Business Services and a Board Officer, the Board will meet on October 22, 2018 to adopt the necessary approving resolution as drafted by the District's Bond Counsel.

5. The terms and provisions specified in the Official Statement are hereby adopted as the terms and conditions of the Bonds and of the sale thereof, and shall be made available to all prospective purchasers of the Bonds. Ehlers & Associates, Inc., is authorized to prepare an Official Statement and to open, read and tabulate the proposals for presentation to the Board.

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

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

The motion for the adoption of the foregoing resolution was duly seconded by Member Sarah Borchers, and upon vote being taken thereon, the following voted in favor thereof:

Sarah Borchers, Dick Lewis, Bob Tunheim, Martha Van de Ven, Mike Bash, and Laura Wallander

and the following voted against the same: none.

whereupon said resolution was declared duly passed and adopted.

9.C. Other New Businesses as Necessary

Board Member Sarah Borchers spoke on behalf of the Board and presented a paver to Dr. Karen Orcutt in appreciation for her work in the Orono School District.

The next regular School Board Meeting will be on Monday, September 24, 2018, in the District Office Assembly Room at 7:00 p.m.

The Board will convene prior to the regular meeting at 5:00 p.m. for the Teaching and Learning Data Retreat Workshop.

UPON MOTION by Mike Bash, seconded by Laura Wallander, the meeting was adjourned at 8:05 p.m.

Motion carried.

Robert Tunheim, Chair
Michael Bash, Clerk

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

The motion for the adoption of the foregoing resolution was duly seconded by Member Dick Lewis, and upon vote being taken thereon, the following voted in favor thereof:

Sarah Borchers, Dick Lewis, Bob Tunheim, Martha Van de Ven, Mike Bash, and Laura Wallander

and the following voted against the same: none.

whereupon said resolution was declared duly passed and adopted.

9.C. Other New Businesses as Necessary

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Motion carried.

Robert Tunheim, Chair
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