

Regular School Board Meeting

Duluth Public Schools, ISD 709

Agenda

Tuesday, April 24, 2012

District Services Center

709 Portia Johnson Dr.

Duluth, MN 55811

6:30 PM

- 1. Call to Order**
- 2. Roll Call**
- 3. Pledge of Allegiance**
- 4. Approval of the Agenda**
- 5. Reading and Approving Minutes**
 - A. Special School Board Meeting of March 20, 2012 2
 - B. Regular School Board Meeting of March 20, 2012 3
 - C. Redistricting of Member Elective Districts Public Hearing of April 16, 2012 12
 - D. Special School Board Meeting of April 17, 2012 13
- 6. Audience**
- 7. Reading Communications, Petitions, Etc. 16**
- 8. Report of the Superintendent**
 - A. Schedule of Meetings and Events 17
- 9. Report of Standing Committees**
 - A. Education Committee (*see separate report*)
 - B. Human Resources Committee (*see separate report*)
 - C. Business Committee (*see separate report*)
- 10. Special Resolutions**
 - A. Resolution B-4-12-3005 - School Board Member Attendance at MSBA Phase III and Phase IV Orientations 19
 - B. Resolution B-4-12-3007 - Authorizing the Issuance and Sale of Full Term Capital Appreciation Certificates of Participation, Series 2012A, in a Principal Amount Not to Exceed \$12,801,327, to Finance a Portion of the Project Costs for Congdon Elementary and Grant (now Myers-Wilkins) Elementary. 20
 - C. Resolution B-4-12-3008 - Authorizing the Issuance and Sale of Certificates of Participation, Series 2012B, in an Amount Not to Exceed \$6,340,000, to Finance a Portion of the Project Costs for Congdon Elementary and Grant (now Myers-Wilkins) Elementary 28
- 11. Questions / Other**
- 12. Adjournment**

Minutes of the Special School Board Meeting

Of the School Board of Independent School District No. 709 held at the Historic Old Central High School, 215 North First Avenue East, Duluth, Minnesota 55802, on

Tuesday, March 20, 2012

Members Present:

Art Johnston
Tom Kasper
Mike Miernicki
Judy Seliga Punyko
Ann Wasson
Bill Westholm

Others Present:

Bill Gronseth, Superintendent
Bill Hanson, Deputy Clerk
Melinda Thibault, Secretary

Members Absent:

Mary Cameron

- Chair Wasson called the special school board meeting of March 20, 2012 to order at 5:30 p.m.

Member Miernicki presented the resolution:

RESOLUTION
Executive (Closed) Session

RESOLVED, By the School Board of Independent School District 709, St. Louis County, Minnesota, that the School Board shall meet in Executive (Closed) Session on Tuesday, March 20, 2012 at approximately 5:30 p.m. in the Board Conference Room of the Historic Old Central High School for the purpose of discussion related to

- A. Discussion Related to the Acquisition of Property as listed on attachment, conducted pursuant to MN Statute 13D.05, Subd. 3(c)

Resolution B-3-12-2990

March 20, 2012

M-Miernicki, S-Kasper, to approve the Resolution B-3-12-2990 - Executive Closed Session. Upon a vote the same passed 6-0.

- Chair Wasson adjourned the Special School Board meeting of March 20, 2012 at 5:32 p.m.

Minutes of the Regular School Board Meeting

Of the School Board of Independent School District No. 709 held at the Historic Old Central High School, 215 North First Avenue East, Duluth, Minnesota 55802, on

Tuesday, March 20, 2012

Members Present:

Mary Cameron
Tom Kasper
Mike Miernicki
Art Johnston
Judy Seliga Punyko
Ann Wasson
Bill Westholm

Others Present:

Bill Gronseth, Superintendent
Bill Hanson, Deputy Clerk
Melinda Thibault, Secretary

Student Representatives

Alex Livesay

- Chair Wasson called the regular school board meeting of March 20, 2012 to order at 6:30 p.m., and the pledge of allegiance to the American flag was given.

The Nettleton World Beat Drummers performed for the school board.

Chair Wasson asked school board members if there were any corrections or changes to the minutes of the special school board meeting of February 28, 2012.

M-Seliga Punyko, S-Kasper, to approve the minutes of the February 28, 2012 Special School Board Meeting. Upon a vote, the same was approved – unanimously.

Chair Wasson asked school board members if there were any corrections or changes to the minutes of the Regular School Board Meeting of February 28, 2012.

Member Johnston noted that on page five, second to the last paragraph Item 2.A.2, it should read the Mr. Leider stated that the budget from the proposed June 27th budget includes the increased cost.

M-Seliga Punyko, S-Kasper, to approve the minutes of the February 28, 2012 Regular School Board Meeting as corrected. Upon a vote, the same was approved – unanimously.

Chair Wasson asked school board members if there were any corrections or changes to the minutes of the Special Meeting of March 6, 2012.

M-Kasper, S-Westholm, to approve the minutes of the March 6, 2012 Special Meeting. Upon a vote, the same was approved – unanimously.

M- Kasper, S-Cameron, to approve the agenda as presented. Upon a vote, the same was approved – unanimously.

Public Comments

March 2012

Chair Wasson reminded the audience to follow the civility code and that they have three minutes to speak.

Terri Akervik, Music Specialist for the District, spoke to the board regarding the World Beat Drummers performance and thanked the board members for their support of the arts programs.

Pat Kendall and Nick Lansing, 3630 East 4th Street, of the Duluth for Education group, spoke to the board to ask the board to support promoting a levy referendum for the ballot this fall.

Alison Aune, 5409 London Road, spoke to the board to ask the board to keep the arts in the schools and spoke about her concern with the proposed elimination of the elementary specialists.

Sara Strother, 822 Baylis Street, spoke to the board regarding the importance of arts in the schools.

Anita Stech, 2420 East 6th Street, Speak Your Peace Program, spoke to the board urging them to vote yes to accept the Nine Tools of Civility.

Alan Netland, 1414 Boulevard Place, part of the Duluth for Education Levy Committee, spoke to the board regarding the need to pass a levy in the fall.

Loren Martell, 623 East 7th Street, spoke to the board regarding his belief that the school board has to rebuild trust with the community.

Joe and Kathy Thibault, 5131 Oakley Street, spoke to the board regarding their concerns with the need to keep cutting the budget and the need to pass a levy.

Marcia Stromgren, No address provided, spoke to the board regarding her concern with the increased costs in the review and comment for Congdon and Myers Wilkins Elementary Schools, concerns about budget cuts, water on Piedmonts gym floor, and copper siding on the new Lincoln Middle School.

Communications, Petitions, Etc.

March 2012

Superintendent Gronseth stated that no communications have been received.

Superintendent's Report

March 2012

Superintendent Gronseth thanked the World Beat Drummers for their performance and all those involved with that group.

- Kindergarten Roundup is in progress in our schools, and the dates are on the District website.
- Commissioner Brenda Cassellius will be in town meeting with administration and holding a public meeting at 3:30 pm, on Thursday, March 22nd, at Denfeld High School for a listening tour.
- Superintendent Gronseth continues to meet with groups within the city and looks forward to continue those meetings and the feedback he has received on how to support education in Duluth.
- Superintendent Gronseth has asked District Administrators to go out to the schools and spend time in a classroom to help gain knowledge of how things work in the schools and classrooms.

Education Committee Report

March 2012

Member Kasper presented the Education Committee report, a copy of same being in the hands of each school board member.

Member Kasper presented the resolution:

RESOLUTION

Acceptance of Grant Awards to Duluth Public Schools

WHEREAS, Minnesota Statute 465.03 requires a school district to accept grants by resolution expressed in the terms prescribed by the donor in full; and,

WHEREAS, acceptance of the grant in accordance with the donor's terms is in the best interest of the Duluth Public Schools:

NOW, THEREFORE, BE IT RESOLVED that the Duluth Public Schools does accept the below-described grants from said organizations in accordance with the terms set forth herein.

BE IT FURTHER RESOLVED that the Duluth Public Schools wishes to extend its grateful appreciation to these various organizations.

	Organization	Author/Contact	Project Title	Award Amount	Terms
1	Perpich Center for Arts Education	Susan Mackert, Executive Director, Perpich Center for Arts Education/Ed Crawford	Perpich Center for Arts Education Grant	\$135,000	Funds from this grant award will be used to support the Duluth Public Schools becoming a regional site that will provide arts education and professional development experiences not only to Duluth Public Schools staff, but also to staff in some of our surrounding school districts.

2	Flint Hills Resources	Kris Teberg	2012 Flint Hills Resources Science Matters Camp-In Grant	All costs associated 2012 Flint Hills Resources Science Matters Camp-In that all fourth and fifth grade Lakewood Elementary students will participate in.	Funds from this grant award will cover the costs associated with an overnight field trip that Lakewood Elementary fourth grade students will participate in (transportation, meals, tours, lodging, and a live theater production, etc.)
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Resolution E-3-12-2984

March 20, 2012

M-Kasper, S-Miernicki, to approve Resolution E-3-12-2984 - Acceptance of Grant Awards to Duluth Public Schools. Upon a vote taken, the same was approved –unanimously.

M-Kasper, S-Miernicki, to approve the remainder of the Education Committee Report as presented. Upon a vote, the same was approved – unanimously.

Human Resources Committee Report

March 2012

Member Westholm presented the Human Resources Committee report, a copy of same being in the hands of each school board member. Member Westholm noted that the action items for the approval of the Paraprofessional and Food Service contracts are being removed and will be brought back at the next regular meeting.

M-Westholm, S-Kasper, to approve the Mental Health Practitioner Substitute new hourly rate of \$12.00 hour.

Member Johnston asked what the rate was prior to this. Tim Sworks, Human Resources Certified Manager, explained that it is a new rate.

Upon a vote, the same was approved – unanimously.

M-Westholm, S-Kasper, to approve the remainder of the Human Resources Committee Report as presented. Upon a vote, the same was approved – unanimously.

Business Committee Report

March 2012

Member Seliga Punyko presented the Business Committee report, a copy of same being in the hands of each school board member.

M-Seliga Punyko, S-Kasper, to approve the Business Committee Report, withholding the resolutions, as presented.

Member Johnston withheld Items 3.A.1), 4.B.2), 4.B.4), 6.D. and 6.F.

Member Johnston withheld Item 3.A.1) – Policy 3085 to request a separate vote and an amendment.

M-Johnston, S-Cameron, to offer the following amendment to the last paragraph - School Board Members and other participants in executive closed session meetings shall follow all applicable provisions of the Minnesota Government Data Practices Act and the Minnesota Open Meeting Law.

Member Johnston explained why he wanted the wording added. Member Cameron asked that the reference to the open meeting law be removed from his motion. Member Johnston explained why he referenced that law. Member Johnston offered to remove the Open Meeting Law reference from the motion.

Upon a vote on the amended motion, the same failed 1 - 6 as follows:

Yea: Johnston

Nay: Cameron, Kasper, Seliga Punyko, Miernicki, Wasson, Westholm

M-Johnston, S-Kasper, to add the verbiage back in that a stenographer shall make a record of all proceedings.

Discussion took place on the proposed amendment.

Upon a vote on the proposed amendment the same failed 1-6 as follows:

Yea: Johnston

Nay: Cameron, Kasper, Seliga Punyko, Miernicki, Wasson, Westholm

M-Miernicki, S-Seliga Punyko, to call the question.

Member Johnston appealed calling the question. Chair Wasson overruled his appeal. Member Johnston appealed Chair Wassons ruling.

Upon a vote to uphold the Chairs ruling and call the question, the same passed 6-1 as follows:

Yea: Cameron, Kasper, Seliga Punyko, Miernicki, Wasson, Westholm

Nay: Johnston

Upon a vote on Policy 8095 as presented, the same passed 6-1 as follows:

Yea: Cameron, Kasper, Seliga Punyko, Miernicki, Wasson, Westholm

Nay: Johnston

Member Johnston withheld Item 4.B.2) – Eastern Middle School (Ordean East Middle School) to note his concern with the amount of change orders and to ask if it is within the budget. Kerry Leider, Facilities Management Supervisor, stated that the change orders are reflected in the JCI Cost Status Report and noted that the report shows where the budget is for this project. Member Johnston stated that this change order is part of the budget that is at the MN Department of Education for approval as part of the review and comment. Kerry Leider stated that it is not part of the review and comment currently at the department.

Member Johnston withheld Item 4.B.4)a. – Lincoln Park Middle School change order to ask if it was an increase of scope of work for and if it was in the original design. Mr Leider explained that it is not the actual change order it is a request to proceed, and that it wasn't in prior bid packages but was part of the project. Member Johnston asked if it is within the budget and Mr. Leider stated it is.

Upon a vote on the business committee report as presented, withholding the resolutions, the same was approved – 6-1 as follows:

Yea: Cameron, Kasper, Miernicki, Seliga Punyko, Wasson, Westholm
Nay: Johnston

Member Seliga Punyko presented the resolution:

RESOLUTION

Joint Powers Collaborative Agreement with the City of Duluth

WHEREAS, in December 2008, the Duluth School Board approved Resolution #B-12-08-2581- Resolution of Intent Between the City of Duluth and Independent School District #709 Relating to the Establishment and Operation of Jointly Used Facilities and Services for the Citizens of Duluth; and

WHEREAS, Independent School District #709 and the City of Duluth have been working since 2008 to define terms of a Joint Powers Collaborative Agreement that will permit the two entities to collaborate and coordinate in the provision of social, educational, vocational, neighborhood and recreational services (“Programs”) and joint use facilities (“Facilities”) to members of the community in order to eliminate duplication of effort and maximize the effectiveness of the services provided; and

WHEREAS, the collaboration on Programs and joint use of Facilities will be implemented over a period of years and will be memorialized in Joint Powers Collaborative - Specific Purpose Agreements outlining the parties specific rights and obligations, which will be considered addendums to this master Joint Powers Collaborative Agreement; now, therefore

BE IT RESOLVED, by the School Board of Independent School District No. 709, St. Louis County, State of Minnesota, that the Joint Powers Collaborative Agreement, as presented at the March 12, 2012 Business Committee Meeting and attached hereto is hereby approved.

B-3-12-2986

March 20, 2012

M-Seliga Punyko, S-Kasper, to approve Resolution B-3-12-2986 – Joint Powers Collaborative Agreement with the City of Duluth. Upon a vote, the same was approved – unanimously.

Member Seliga Punyko presented the resolution:

RESOLUTION

Adoption of the Considerations and Investments for the Fiscal Year 2013 Budget

BE IT RESOLVED, by the School Board of Independent School District No. 709, St. Louis County, State of Minnesota, that the attached considerations and investments for the fiscal year 2013 budget as presented to the School Board, be adopted.

BE IT FURTHER RESOLVED, by the School Board of Independent School District No. 709, St. Louis County, State of Minnesota, that the School Board directs Administration to continue working with any effected bargaining units to resolve those items that require contractual agreement.

B-3-12-2987

March 20, 2012

M-Seliga-Punyko, S-Westholm, to approve Resolution B-3-12-2986 – Adoption of the Considerations and Investments for the Fiscal Year 2013 Budget.

Superintendent Gronseth reviewed the changes that were made to the list since they had last reviewed it.

Board discussion took place regarding the proposed budget considerations and investments including:

- Splitting up technology upgrades between school years
- Lobbyist Services and Costs
- Transfers from General Fund to Debt Service Fund
- Putting available funds back into classrooms/staffing ratios
- The need to pass an operating referendum in the fall

M-Johnston, to amend the resolution - be it resolved that the board will rescind Resolution B-12-11-2955 that will free up 4.5 million dollars. Fails due to lack of a second.

Chair Wasson stated that the money from that transfer has already been earmarked and could not be spent again. Mr. Hanson explained that those funds do not affect next years budget. Student Advisor Livesay stated that the District needs to pass a levy referendum in the fall, and that if the public knew where the money would be used it might gain more support. Member Johnston voiced his concern that no one would second his motion to rescind the transfer. Member Miernicki indicated that it would be a moot point because the payments are already in motion. Mr. Hanson stated that they could choose not to transfer those funds in future years but that would affect the tax impact.

Upon a vote on the original resolution as presented, the same was approved 6-1 as follows:

Yea: Cameron, Kasper, Miernicki, Seliga Punyko, Wasson, Westholm

Nay: Johnston

Special Resolutions
March 2012

Member Cameron presented the resolution:

RESOLUTION
School Board Reaffirmation
Accepting the Nine Tools of Civility

WHEREAS, in June 2010, the School Board of Independent School District No. 709 reaffirmed their acceptance of the *Nine Tools of Civility*; and

WHEREAS, the residents of Independent School District No. 709 continue to place a high value on respect and civility in their lives and they understand that these characteristics are essential to any healthy community; and

WHEREAS, the School Board of Independent School District No. 709 supports opportunities for civil discourse and discussion in the community and within the School District; and

WHEREAS, the School Board of Independent School District No. 709 addresses sometimes controversial issues about which people often feel passionately – which at times leads to uncivil behavior; and

WHEREAS, an atmosphere of incivility and disrespect can have a damaging effect on the proceedings, on the quality of debate, and on the practice of democracy itself.

NOW, THEREFORE, BE IT RESOLVED, that the School Board of Independent School District No. 709 continues to recognize the *Nine Tools of Civility* that will provide increased opportunities for civil discourse in order to find positive resolutions to the issues that face our community. These Tools include:

1. Pay attention
2. Listen
3. Be inclusive
4. Don't gossip
5. Show respect
6. Be agreeable
7. Apologize
8. Give constructive criticism
9. Take responsibility

BE IT FURTHER RESOLVED, that the School Board of Independent School District No. 709 shall continue to promote the use and adherence of the *Nine Tools of Civility* in conducting the business of the School Board.

Resolution B-3-12-2985

March 20, 2012

M-Cameron, S-Kasper, to approve resolution B-3-12-2985 – School Board Reaffirmation – Accepting the Nine Tools of Civility.

M-Johnston, to amend the resolution to - add a number ten that states follow laws, our bylaws and policies. Fails due to second.

Upon a vote on the resolution as presented, the same was approved – unanimously.

Other
March 2012

- Chair Wasson adjourned the Regular School Board Meeting of March 20, 2012 at 8:34 p.m.

Minutes of the Redistricting of Member Elective Districts Public Hearing

Of the School Board of Independent School District No. 709 held at the Central Administration Building, 215 N. First Ave. East, Duluth, Minnesota 55802, on

Monday, April 16, 2102 at 5:30 p.m.

Members Present:

Tom Kasper
Art Johnston
Michael Miernicki
Judy Seliga Punyko
Bill Westholm

Others Present:

William Gronseth, Superintendent
Bill Hanson, Deputy Clerk
Melinda Thibault, Secretary

Members Absent:

Mary Cameron
Member Wasson

Vice Chair Kasper called the Redistricting of Member Elective Districts Public Hearing to order at 5:30 p.m. and roll call was taken.

Administrative Proposal

Vice Chair Kasper deferred to Bill Hanson, CFO/Executive Director of Business Services to present the administrative proposal. Mr. Hanson explained that board members were provided with a copy of the map in the mail showing the newly proposed boundaries for board member election districts. He reviewed the proposed changes and asked if the board had any questions on the proposed redistricting.

Public Testimony

There was no public testimony.

Discussion took place regarding the proposed boundaries.

Vice Chair Kasper adjourned the Redistricting of Member Elective Districts Public Hearing of April 16, at 6:15 p.m.

Minutes of the Special School Board Meeting

Of the School Board of Independent School District No. 709 held at the Historic Old Central High School, 215 North First Avenue East, Duluth, Minnesota 55802, on

Tuesday April 17, 2012

Members Present:

Mary Cameron
Art Johnston
Tom Kasper
Mike Miernicki
Judy Seliga Punyko
Ann Wasson
Bill Westholm

Others Present:

Bill Gronseth, Superintendent
Bill Hanson, Deputy Clerk
Melinda Thibault, Secretary

➤ Chair Wasson called the special school board meeting of April 17, 2012 to order at 5:42 p.m.

Member Kasper presented the resolution:

RESOLUTION
Executive (Closed) Session

WHEREAS, Pursuant to Minnesota Statutes section 13D.03 subdivision 1(b) allowing a closed session for discussing contract parameters for pending labor negotiations with all impacted bargaining units.

WHEREAS, Pursuant to Minnesota Statutes section 13D.05 subdivision 2(a)(3) closing a meeting for discussing private educational data.

WHEREAS, Pursuant to Minnesota Statutes section 13D.05 subdivision 2(b) allowing a closed session for preliminary consideration of allegations against employees of the District.

NOW, THEREFORE, BE IT RESOLVED, By the School Board of Independent School District 709, St. Louis County, Minnesota, that the School Board shall meet in Executive (Closed) Session on Tuesday, April 17, 2012 at approximately 5:00 p.m. (or to follow the Education Committee meeting) in the Board Conference Room of Historic Old Central High School for the purpose of discussion related to contract parameters for pending labor negotiations with all impacted bargaining units; for discussion related to private educational data; and, for preliminary consideration of allegations against employees of the District.

Resolution HR-4-12-3003

April 17, 2012

M-Kasper, S-Westholm, to approve Resolution B-4-12-3003 – Executive Closed Session.

Member Johnston asked if public comment could be allowed. Chair Wasson stated that there could not be public discussion regarding the items on the agenda.

Upon a vote on the resolution as presented, the same was approved – unanimously.

The board recessed into closed session at 5:46

The board reconvened at 6:41

Tim Sworsky, Human Resources Certified Manager, reviewed the violations as listed related to Charles Tolo, as the head basketball coach at East High School.

Member Westholm presented the resolution:

RESOLUTION NON-RENEWING COACHING CONTRACT

WHEREAS, Charles Tolo was hired by the School District as Head Coach of the Varsity Boys' Basketball Team at East High School for the 2011-12 school year.

NOW, THEREFORE, BE IT RESOLVED by the School Board of Independent School District No. 709, Duluth, as follows:

1. Pursuant to Minnesota Statutes section 122A.33, subdivision 3, the coaching contract of Charles Tolo is hereby non-renewed effective at the end of the 2011-12 school year.
2. The School Board has reviewed and hereby approves the written notice informing Charles Tolo of the non-renewal of his coaching contract. The Duluth East Principal is directed to sign the written notice of non-renewal on behalf of the School Board.
3. The Duluth East Principal, or her designee, is directed to serve Charles Tolo with a copy of this Resolution and the written notice informing him of the non-renewal of his coaching contract. Service on Charles Tolo shall be accomplished by regular and certified mail and shall take place within fourteen (14) calendar days of the adoption of this Resolution.

HR-4-12-3004

April 17, 2012

M-Westholm, S-Kasper, to approve Resolution B-4-12-3004 – Resolution Non-Renewing Coaching Contract.

Member Johnston stated that he wanted to hear from Mr. Tolo. Mr. Sworsky explained that he would be able to respond to the board through a process after the board makes their decision. Member Johnston expressed his concern with the fact that no one has looked at extenuating circumstances and the lack of evidence. Member Cameron stated she would not support the resolution due process issues and lack of consistency in the district.

Upon a vote on the resolution as presented, the same was approved 5-2 as follows:

Yea: Kasper, Miernicki, Seliga Punyko, Wasson, Westholm

Nay: Cameron, Johnston

Member Westholm presented the resolution:

RESOLUTION NON-RENEWING COACHING CONTRACT

WHEREAS, Will Starks was hired by the School District as Assistant Coach of the Varsity Boys' Basketball Team at East High School for the 2011-12 school year.

NOW, THEREFORE, BE IT RESOLVED by the School Board of Independent School District No. 709, Duluth, as follows:

1. The coaching contract of Will Starks is hereby non-renewed effective at the end of the 2011-12 school year.
2. The School Board has reviewed and hereby approves the written notice informing Will Starks of the non-renewal of his coaching contract. The Duluth East Principal is directed to sign the written notice of non-renewal on behalf of the School Board.
3. The Duluth East Principal, or her designee, is directed to serve Will Starks with a copy of this Resolution and the written notice informing him of the non-renewal of his coaching contract. Service on Will Starks shall be accomplished by regular and certified mail and shall take place within fourteen (14) calendar days of the adoption of this Resolution.

B-4-12-3006

April 17, 2012

M-Westholm, S-Kasper, to approve Resolution B-4-12-3006 – Resolution Non-Renewing Coaching Contract.

Member Johnston stated that he would not support the resolution due to lack of evidence and not looking at extenuating circumstances.

Upon a vote on the resolution as presented, the same was approved 5-2 as follows:

Yea: Kasper, Miernicki, Seliga Punyko, Wasson, Westholm

Nay: Cameron, Johnston

- Chair Wasson adjourned the Special School Board meeting of April 17, 2012 at 6:55 p.m.

7. Communications, Petitions, etc.

03/19/12 Copy of letter addressed to Duluth School Board from Crystal and John Reich, expressing their concerns over the financial decisions made by the District, including additional funding for the Red Plan and proposed elimination of specialist positions, and their reasons for sending their student to a charter school.

DULUTH PUBLIC SCHOOLS, ISD 709
SCHEDULE OF MEETINGS AND EVENTS

All meetings are scheduled at Historic Old Central High School unless otherwise noted.

Week of April 23 – April 27, 2012

Tuesday	April 24	4:15 p.m.	Parent Advisory Council on Special Education (PACSE) Room 203C
Tuesday	April 24	4:45 p.m.	Committee of the Whole – Room 318 (Agenda Attached) <ul style="list-style-type: none"> • Board Training – Intercultural Development • Series 2012A/2012B Information (Beginning at approximately 6:10 p.m.)
Tuesday	April 24 (4 th Tuesday)	6:30 p.m.	Regular School Board Meeting (Agenda Attached) Board Room
Thursday	April 26	5:30 p.m.	Education Equity Advisory Committee Board Room

Week of April 30 – May 4, 2012

Monday	April 30	6:30 p.m.	Public Hearing on the Proposed Closing of Morgan Park Middle School 1243 – 88 th Avenue West (Media Center)
Tuesday	May 1	5:00 p.m.	Indian Education Parent Committee Room 113a
Wednesday	May 2	11:00 a.m. (new time)	PTSA City Wide Council Board Room
Thursday	May 3	5:00 p.m.	Education Equity Advisory Monitoring Subcommittee Room 302

Week of May 7 – May 11, 2012

Monday	May 7	4:15 p.m.	Human Resources Committee Board Room
Monday	May 7	4:30 p.m. (or to follow the Human Resources Comm. Mtg)	Business Committee Board Room
Tuesday	May 8	4:15 p.m.	Education Committee Board Room
Thursday	May 10	5:00 p.m.	Education Equity Advisory Budget Subcommittee Room 302

Week of May 14 – May 18, 2012

Tuesday	May 15	6:30 p.m.	Regular School Board Meeting Board Room
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Week of May 21 – June 1, 2012

Thursday	May 31	5:30 p.m.	Education Equity Advisory Committee Board Room
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Week of June 4 – June 8, 2012

Monday	June 4	2:00 p.m.	Chester Creek Academy & Merritt Creek Academy Graduation Ceremony Merritt Creek Academy
Tuesday	June 5	7:30 p.m.	ALC / Unity Graduation Ceremony DECC Lake Superior Ballroom
Wednesday	June 6	2:00 p.m.	Woodland Hills Academy Graduation Ceremony Woodland Hills Academy
Wednesday	June 6	7:30 p.m.	East Graduation Ceremony DECC Auditorium
Thursday	June 7	7:30 p.m.	Denfeld Graduation Ceremony Denfeld Auditorium

Week of June 11 – June 15, 2012

Monday	June 11	4:15 p.m.	Human Resources Committee Board Room
Monday	June 11	4:30 p.m. <i>(or to follow the Human Resources Comm. Mtg)</i>	Business Committee Board Room
Tuesday	June 12	4:15 p.m.	Education Committee Board Room

Week of June 18 – June 22, 2012

Tuesday	June 19	6:30 p.m.	Regular School Board Meeting Board Room
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Week of June 25 – June 29, 2012

No meetings scheduled at this time.

*Office of the Superintendent
April 19, 2012*

RESOLUTION**Board Member Attendance at MSBA Phase III and Phase IV Orientations**

RESOLVED, That Independent School District 709, St. Louis County, Minnesota, pay costs incurred, as per District policy, for school board members to attend the Minnesota School Boards Association Phase III and Phase IV Orientations in April 2012.

Resolution B-4-12-3005

April 24, 2012

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
FULL TERM CAPITAL APPRECIATION CERTIFICATES OF PARTICIPATION,
SERIES 2012A, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$12,801,327, TO FINANCE
A PORTION OF THE PROJECT COSTS FOR CONGDON ELEMENTARY AND GRANT
(NOW MYERS-WILKINS) ELEMENTARY

BE IT RESOLVED, by the School Board (the "School Board") of Independent School District No. 709, St. Louis County, Minnesota (the "District"), as follows:

Section 1. Authority. Under and pursuant to the authority contained in Minnesota Statutes, Section 126C.40, Subd. 6, as amended (the "Act"), the District is authorized to purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement upon application to, and approval by, the Minnesota Commissioner of Education. The District has approved a Long-Range Facilities Plan (the "Plan") and the Minnesota Commissioner of Education has approved the District entering into an installment contract in the amount of \$111,442,577 under the Act to finance the purchase of real and personal property as set forth in the Plan (other than costs for the new Piedmont/Lincoln Elementary School and the new West Middle School, which was subsequently approved and financed). The District determined to acquire, construct and equip the projects approved by the Minnesota Commissioner of Education, pursuant to the Act, through an Installment Purchase Contract, dated as of June 1, 2008 (the "Installment Purchase Contract"), between U.S. Bank National Association ("U.S. Bank"), as vendor, and the District. In order to provide funds for the projects, the District authorized the issuance of \$111,440,000 Full Term Certificates of Participation, Series 2008B, dated June 1, 2008, pursuant to a Declaration of Trust by and between U.S. Bank, as trustee, and the District (the "Declaration of Trust"). The District approved an amendment to the Plan and the Commissioner of Education approved the District financing of an additional \$5,000,000 under the Act to provide additional funds for the purchase of real and personal property as set forth in the Plan, as amended. Pursuant to such authority, the District entered into an Amendment to Installment Purchase Contract dated as of October 1, 2010, between U.S. Bank, as vendor, and the District, as vendee, which amended the Installment Purchase Contract. In order to provide the additional funds for the projects, the District authorized the issuance of \$5,000,000 Full Term Certificates of Participation, Series 2010C, dated October 1, 2010, pursuant to a Supplement to Declaration of Trust between U.S. Bank, as trustee, and the District, dated as of October 1, 2010. The District has submitted a request for a review and comment for Congdon Elementary and Grant (now Myers-Wilkins) Elementary and the Minnesota Commissioner of Education has approved the District's financing of an additional \$12,801,327 in principal amount of certificates of participation under the Act to provide additional funds for the purchase of real and personal property for such projects.

Section 2. The Plan of Finance. The School Board hereby determines that it is necessary, expedient, and in the best educational interest of the District's pupils and residents that the District enter into an Amendment to the Installment Purchase Contract under the Act to provide additional funds to purchase the real and personal property for Congdon Elementary and Grant (now Myers-Wilkins) Elementary, and as approved by the Minnesota Commissioner of Education. Full Term Capital Appreciation Certificates of Participation, Series 2012A (the

“Certificates of Participation”), will be issued pursuant to a Supplement to the Declaration of Trust as additional certificates under the Declaration of Trust. The principal amount of the Certificates of Participation to be issued shall not exceed \$12,801,327 and such Certificates of Participation shall evidence the proportionate interest of the registered owners thereof in the Installment Payments to be made by the District under the Installment Purchase Contract, as amended.

Section 3. Official Terms of Offering. The District’s administrative staff is hereby authorized and directed to work with Northland Securities, Inc., independent financial advisor to the District, and Fryberger, Buchanan, Smith & Frederick, P.A., bond counsel, to solicit bids and arrange for the sale of the Certificates of Participation in substantial compliance with the Notice of Sale attached hereto as Exhibit A. The Chief Financial Officer/Executive Director of Business Services, after consulting with the District’s financial advisor and bond counsel, is authorized to modify the terms of the Notice of Sale prior to accepting the bids, including, but not limited to, reducing the size of the issue and rescheduling the sale. The bids shall be received by the Chief Financial Officer/Executive Director of Business Services or his designee until 11:00 a.m. central time on May 15, 2012, and consideration for the award of the Certificates of Participation will be by the School Board at 6:30 p.m. central time on the same date.

Section 4. Repayment of Obligations. The form, specifications and provisions for payment of the Amendment to the Installment Purchase Contract and the Certificates of Participation and the form of the Supplement to the Declaration of Trust shall be set forth in a subsequent resolution of the School Board.

Section 5. Consideration of Bids. The School Board shall meet on May 15, 2012, in accordance with the Notice of Sale, to consider bids for the purchase of the Certificates of Participation and to take whatever actions are necessary for the acceptance or rejection of the bids.

Section 6. Credit Enhancement. (a) The Board Chair, Superintendent or Chief Financial Officer/Executive Director of Business Services are hereby authorized and directed to submit a Minnesota School District Credit Enhancement Program Application for Default Preclusion to the Minnesota Department of Education, as provided by Minnesota Statutes, Section 126C.55.

(b) The District hereby covenants and obligates itself to notify the Minnesota Commissioner of Education of a potential default in the payment of principal and interest on the Certificates of Participation and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee payment of the principal and interest on the Certificates of Participation when due. The District further covenants to deposit with the trustee/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 Minnesota Commissioner of Education that it will be unable to make all or a portion of that payment. The trustee, as bond registrar for the Certificates of Participation, is authorized and directed to notify the Minnesota Commissioner of Education if it becomes aware of a potential default in the payment of principal or interest on the Certificates of Participation, or if, on the day two (2) business days prior to the date a payment is due on the

Certificates of Participation, there are insufficient funds to make that payment on deposit with the trustee. 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 Certificates of Participation remain outstanding.

(c) The District further covenants to comply with all procedures now or hereafter established by the Department of Finance and the Department of 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 Chief Financial Officer/Executive Director of Business Services are authorized to execute any applicable Minnesota Department of Education forms regarding such program.

Adopted: April 24, 2012

Motion made by Member _____, seconded by Member _____, to approve Resolution #B-__-__-____, as presented. Upon a vote taken, the same was approved as follows:

Yeah:

Nay:

Clerk

Chair

M:\DOCS\05953\000053\ROL\S50038.DOCX

EXHIBIT A
NOTICE OF SALE

\$12,801,327*

FULL TERM CAPITAL APPRECIATION CERTIFICATES OF PARTICIPATION, SERIES 2012A
EVIDENCING THE PROPORTIONATE INTEREST OF REGISTERED OWNERS
THEREOF IN INSTALLMENT PAYMENTS TO BE MADE BY

INDEPENDENT SCHOOL DISTRICT NO. 709, DULUTH, MINNESOTA
(Book-Entry Only)

PURSUANT TO AN INSTALLMENT PURCHASE CONTRACT, AS AMENDED

NOTICE IS HEREBY GIVEN that these Certificates will be offered for sale according to the following terms:

TIME AND PLACE:

Bids will be opened by the District's CFO/Executive Director of Business Services, or designee, on Tuesday, May 15, 2012, at 11:00 A.M., CT, at the offices of Northland Securities, Inc., 45 South 7th Street, Suite 2000, Minneapolis, Minnesota 55402. Consideration of the Bids for award of the sale will be by the School Board at its meeting at the District Offices beginning Tuesday, May 15, 2012 at 6:30 P.M., CT.

SUBMISSION OF BIDS

Bids may be:

- a) submitted to the office of Northland Securities, Inc.,
- b) faxed to Northland Securities, Inc. at 612-851-5918,
- c) for bids submitted prior to the sale, the final price and coupon rates may be submitted to Northland Securities, Inc. by telephone at 612-851-5900 or 612-851-4907, or
- d) submitted electronically.

Notice is hereby given that electronic bids will be received via PARITY™, or its successor, in the manner described below, until 11:00 A.M., CT, on Tuesday, May 15, 2012. Bids may be submitted electronically via PARITY™ or its successor, pursuant to this Notice until 11:00 A.M., CT, but no Bid will be received after the time for receiving Bids specified above. To the extent any instructions or directions set forth in PARITY™, or its successor, conflict with this Notice, the terms of this Notice shall control. For further information about PARITY™, or its successor, potential bidders may contact Northland Securities, Inc. or i-Deal® at 1359 Broadway, 2nd floor, New York, NY 10018, telephone 212-849-5021.

Neither the District nor Northland Securities, Inc. assumes any liability if there is a malfunction of PARITY™ or its successor. All bidders are advised that each Bid shall be deemed to constitute a contract between the bidder and the District to purchase the Certificates regardless of the manner in which the Bid is submitted.

* The District reserves the right to increase or decrease the original principal amount of the Bonds. Any such increase or decrease may be made in any maturity and will affect the maturity values. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread.

BOOK-ENTRY SYSTEM

The Certificates will be issued by means of a book-entry system with no physical distribution of certificates made to the public. The Certificates will be issued in fully registered form and one certificate, representing the aggregate principal amount of the Certificates maturing in each year, will be registered in the name of Cede & Co. as nominee of Depository Trust Company (“DTC”), New York, New York, which will act as securities depository of the Certificates.

Individual purchases of the Certificates may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the District through U.S. Bank, N.A., St. Paul, Minnesota (the “Paying Agent/Registrar”), to DTC, or its nominee as registered owner of the Certificates. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The successful bidder, as a condition of delivery of the Certificates, will be required to deposit the certificates with DTC. The District will pay reasonable and customary charges for the services of the Paying Agent/Registrar.

AUTHORITY/PURPOSE/SECURITY

The Certificates are being issued pursuant to Minnesota Statutes, Sections 126C.40 Subd. 6 and 126C.55, as amended. Proceeds will be used, along with other available funds of the District, to finance various improvements to Myers-Wilkins Elementary (formerly Grant Elementary) and Congdon Elementary pursuant to the District’s facilities plan. The Certificates will be special limited obligations of the District payable solely from the Installment Payments due under the Amendment to Contract. The District will pledge the receipt of certain taxes levied pursuant to Minnesota Statutes, Section 126C.40, and with the approval of the Commissioner of Education, to the payments of the Installment Payments. **The District’s obligation to make the Installment Payments is not subject to annual appropriation.** In addition, the District has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 (Minnesota School District Credit Enhancement Program), and to use the provisions of that Statute pursuant to which the State of Minnesota will appropriate money to the payment of the principal and interest on the Certificates when due if the District is unable to make a principal or interest payment on the Certificates.

DETAILS OF THE CERTIFICATES

The Certificates will be dated June 6, 2012 and shall bear interest from their date of settlement. Interest on the Certificates shall be compounded on August 1, 2012, and semiannually thereafter on February 1 and August 1 of each year, and is payable, together with principal, only at maturity or upon prior redemption. The “original principal” as used herein is that principal amount which, when accreted at its associated interest rate until its scheduled maturity date, results in a payment described hereinafter as its “maturity value.” These maturity values will be in \$5,000 denominations or integral multiples thereof.

MATURITIES

The Certificates are being issued in the aggregate original principal amount of approximately \$12,801,327*. The rates specified by the successful purchaser will determine the original principal

* The District reserves the right to increase or decrease the original principal amount of the Bonds. Any such increase or decrease may be made in any maturity and will affect the maturity values. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread.

amount and the maturity value of each Certificate. The maturity values will be paid on February 1 in the estimated amounts (to be finalized post-sale) and the years as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2021	\$ 735,000	2024	\$2,680,000	2027	\$4,235,000
2022	1,785,000	2025	3,350,000	2028	4,470,000
2023	2,320,000	2026	4,020,000		

Within 24 hours of award, the successful purchaser shall provide a table of accreted values for a \$5,000 maturity value of each maturity as of each February 1 and August 1 through its maturity date based on semiannual compounding at the interest rate specified for such Certificates, from the assumed settlement date of June 6, 2012. In case of discrepancy, the District's calculation of accreted values shall be controlling.

INTEREST PAYMENTS

Interest is due semiannually on each February 1 and August 1, commencing August 1, 2012, to registered owners of the Certificates appearing of record in the Bond Register as of the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding such interest payment date.

INTEREST RATES

All rates must be in integral multiples of 1/20th or 1/8th of 1%. *Rates must be in level or ascending order.* All Certificates of the same maturity must bear a single uniform rate from date of issue to maturity.

ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER BIDS

The District reserves the right to increase or decrease the original principal amount and make adjustments to the maturity value of the Certificates, in order to provide approximately \$12,801,327 in original principal amount. Any such increase or decrease will be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread. Such adjustments shall be made promptly after the sale and prior to the award of Bids by the District and shall be at the sole discretion of the District. The successful bidder may not withdraw or modify its Bid once submitted to the District for any reason, including post-sale adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

OPTIONAL REDEMPTION

Certificates maturing on February 1, 2023 through 2028 are subject to redemption and prepayment at the option of the District on February 1, 2022 and any date thereafter, at a price of 100% of the accreted value as of the date of redemption. Redemption may be in whole or in part of the Certificates subject to prepayment. If redemption is in part, the maturities and principal amounts within each maturity to be redeemed shall be determined by the District and if only part of the Certificates having a common maturity date are called for prepayment, the specific Certificates to be prepaid shall be chosen by lot by the Bond Registrar.

CUSIP NUMBERS

If the Certificates qualify for assignment of CUSIP numbers such numbers will be printed on the Certificates, but neither the failure to print such numbers on any Certificate nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of

and pay for the Certificates in accordance with terms of the purchase contract. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the successful bidder.

DELIVERY

Delivery of the Certificates will be within forty days after award, subject to an approving legal opinion by Fryberger, Buchanan, Smith & Frederick, P.A., Bond Counsel. The legal opinion will be paid by the District and delivery will be anywhere in the continental United States without cost to the successful bidder at DTC.

TYPE OF BID

Bids of not less than 98.75% of the original principal amount of \$12,801,327 must be filed with the undersigned prior to the time of sale. Bids must be unconditional except as to legality. Bids for the Certificates should be delivered to Northland Securities, Inc. and addressed to:

William Hanson, CFO/Executive Director of Business Services
 ISD No. 709, Duluth
 215 North 1st Avenue East
 Duluth, Minnesota 55802

A good faith deposit (the "Deposit") in the amount of \$250,000 in the form of a federal wire transfer (payable to the order of the District) is only required from the apparent winning bidder, and must be received within two hours after the time stated for the receipt of Bids. The apparent winning bidder will receive notification of the wire instructions from the Financial Advisor promptly after the sale. If the Deposit is not received from the apparent winning bidder in the time allotted, the District may choose to reject their Bid and then proceed to offer the Certificates to the next lowest bidder based on the terms of their original bid, so long as said bidder wires funds for the Deposit amount within two hours of said offer.

The District will retain the Deposit of the successful bidder, the amount of which will be deducted at settlement and no interest will accrue to the successful bidder. In the event the successful bidder fails to comply with the accepted Bid, said amount will be retained by the District. No Bid can be withdrawn after the time set for receiving Bids unless the meeting of the District scheduled for award of the Certificates is adjourned, recessed, or continued to another date without award of the Certificates having been made.

AWARD

The Certificates will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis. The District's computation of the interest rate of each Bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Certificates will be awarded by lot. The District will reserve the right to: (i) waive non-substantive informalities of any Bid or of matters relating to the receipt of Bids and award of the Certificates, (ii) reject all Bids without cause, and (iii) reject any Bid which the District determines to have failed to comply with the terms herein.

INFORMATION FROM SUCCESSFUL BIDDER

The successful bidder will be required to provide, in a timely manner, certain information relating to the initial offering price of the Certificates necessary to compute the yield on the Certificates pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

Resolution B-4-12-3007

April 24, 2012

OFFICIAL STATEMENT

By awarding the Certificates to any underwriter or underwriting syndicate submitting a Bid therefor, the District agrees that, no more than seven business days after the date of such award, it shall provide to the senior managing underwriter of the syndicate to which the Certificates are awarded, the Final Official Statement in an electronic format as prescribed by the Municipal Securities Rulemaking Board (MSRB).

FULL CONTINUING DISCLOSURE UNDERTAKING

The District will covenant in the resolution awarding the sale of the Certificates and in a Continuing Disclosure Undertaking to provide, or cause to be provided, annual financial information, including audited financial statements of the District, and notices of certain material events, as required by SEC Rule 15c2-12.

BANK QUALIFICATION

The District WILL NOT designate the Certificates as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CERTIFICATE INSURANCE AT UNDERWRITER'S OPTION

If the Certificates qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the successful bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the successful bidder of the Certificates. Any increase in the costs of issuance of the Certificates resulting from such purchase of insurance shall be paid by the successful bidder, except that, if the District has requested and received a rating on the Certificates from a rating agency, the District will pay that rating fee. Any other rating agency fees shall be the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Certificates have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Certificates.

The District reserves the right to reject any and all Bids, to waive informalities and to adjourn the sale.

Dated: April 24, 2012

BY ORDER OF ISD NO. 709, DULUTH, MINNESOTA

/s/ William Hanson

CFO/Executive Director of Business Services

Additional information may be obtained from:
Northland Securities, Inc.
45 South 7th Street, Suite 2000
Minneapolis, Minnesota 55402
Telephone No.: 612-851-5900

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
CERTIFICATES OF PARTICIPATION, SERIES 2012B,
IN AN AMOUNT NOT TO EXCEED \$6,340,000, TO FINANCE A PORTION
OF THE PROJECT COSTS FOR CONGDON ELEMENTARY AND GRANT (NOW
MYERS-WILKINS) ELEMENTARY

BE IT RESOLVED, by the School Board (the “School Board”) of Independent School District No. 709, St. Louis County, Minnesota (the “District”), as follows:

Section 1. Authority. Under and pursuant to the authority contained in Minnesota Statutes, Section 465.71, as amended (the “Act”), the District is authorized to purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement. The District has approved a Long-Range Facilities Plan (the “Plan”) and the Minnesota Commissioner of Education has approved the District entering into a lease purchase agreement in the amount of \$35,404,371 under the Act to finance a portion of the Plan. The District determined to acquire, construct and equip the projects approved by the Minnesota Commissioner of Education, pursuant to the Act, through a Lease Purchase Agreement, dated as of October 1, 2009 (the “Lease Purchase Agreement”) between Associated Trust Company, National Association, as lessor (“Associated”) and the District. In order to provide funds for the projects, the District authorized the issuance of \$35,400,000 Certificates of Participation, Series 2009B, dated October 1, 2009, pursuant to a Declaration of Trust by and between Associated, as trustee, and the District (the “Declaration of Trust”). The District approved an amendment to the Plan and the Commissioner of Education approved the District financing of an addition \$1,605,000 under the Act to provide additional funds for the purchase of real and personal property as set forth in the Plan, as amended. Pursuant to such authority, the District entered into an Amendment to Lease Purchase Agreement dated as of October 1, 2010, between Associated, as lessor, and the District, as lessee, which amended the Lease Purchase Agreement. In order to provide the additional funds for the projects, the District authorized the issuance of \$1,605,000 Certificates of Participation, Series 2010D, dated October 1, 2010, pursuant to a Supplement to Declaration of Trust between Associated, as trustee, and the District, dated as of October 1, 2010. The District has submitted a request for a review and comment for Congdon Elementary and Grant (now Myers-Wilkins) Elementary and the Minnesota Commissioner of Education has approved the District’s financing of an additional \$6,340,000 under the Act to provide additional funds for the purchase of real and personal property for such projects.

Section 2. The Plan of Finance. The School Board hereby determines that it is necessary, expedient, and in the best educational interest of the District’s pupils and residents that the District enter into an Amendment to the Lease Purchase Agreement to provide additional funds to purchase the real and personal property described in the Plan, as amended. Certificates of Participation, Series 2012B (the “Certificates of Participation”) will be issued pursuant to a Supplement to the Declaration of Trust. The principal amount of the Certificates of Participation to be issued shall not exceed \$6,340,000 and such Certificates of Participation shall evidence the proportionate interest of the registered owners thereof in the Rental Payments to be made by the District under the Lease Purchase Agreement, as amended.

Section 3. Official Terms of Offering. The District’s administrative staff is hereby authorized and directed to work with Northland Securities, Inc., independent financial advisor to the District, and Fryberger, Buchanan, Smith & Frederick, P.A., bond counsel, to solicit bids and arrange for the sale of the Certificates of Participation in substantial compliance with the Notice of Sale attached hereto as Exhibit A. The Chief Financial Officer/Executive Director of Business Services, after consulting with the District’s financial advisor and bond counsel, is authorized to modify the terms of the Notice of Sale prior to accepting the bids, including, but not limited to, reducing the size of the issue and rescheduling the sale. The bids shall be received by the Chief Financial Officer/Executive Director of Business Services or his designee until 11:00 a.m. central time on May 15, 2012, and consideration for the award of the Certificates of Participation will be by the School Board at 6:30 p.m. central time on the same date.

Section 4. Repayment of Obligations. The form, specifications and provisions for payment of the Amendment to the Lease Purchase Agreement and the Certificates of Participation and the form of the Supplement to the Declaration of Trust shall be set forth in a subsequent resolution of the School Board.

Section 5. Consideration of Bids. The School Board shall meet on May 15, 2012, in accordance with the Notice of Sale, to consider bids for the purchase of the Certificates of Participation and to take whatever actions are necessary for the acceptance or rejection of the bids.

Adopted: April 24, 2012.

Motion made by Member _____, seconded by Member _____, to approve Resolution #B-__-__-____, as presented. Upon a vote taken, the same was approved as follows:

Yeah:

Nay:

Clerk

Chair

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EXHIBIT A
NOTICE OF SALE

\$6,340,000*

CERTIFICATES OF PARTICIPATION, SERIES 2012B
EVIDENCING THE PROPORTIONATE INTEREST OF THE REGISTERED
OWNERS THEREOF IN RENTAL PAYMENTS TO BE MADE BY

INDEPENDENT SCHOOL DISTRICT NO. 709, DULUTH, MINNESOTA
(Book-Entry Only)

PURSUANT TO A LEASE PURCHASE AGREEMENT, AS AMENDED

NOTICE IS HEREBY GIVEN that these Certificates will be offered for sale according to the following terms:

TIME AND PLACE:

Bids will be opened by the District's CFO/Executive Director of Business Services, or designee, on Tuesday, May 15, 2012, at 11:00 A.M., CT, at the offices of Northland Securities, Inc., 45 South 7th Street, Suite 2000, Minneapolis, Minnesota 55402. Consideration of the Bids for award of the sale will be by the School Board at its meeting at the District Offices beginning Tuesday, May 15, 2012 at 6:30 P.M., CT.

SUBMISSION OF BIDS

Bids may be:

- a) submitted to the office of Northland Securities, Inc.,
- b) faxed to Northland Securities, Inc. at 612-851-5918,
- c) for bids submitted prior to the sale, the final price and coupon rates may be submitted to Northland Securities, Inc. by telephone at 612-851-5900 or 612-851-4907, or
- d) submitted electronically.

Notice is hereby given that electronic bids will be received via PARITY™, or its successor, in the manner described below, until 11:00 A.M., CT, on Tuesday, May 15, 2012. Bids may be submitted electronically via PARITY™ or its successor, pursuant to this Notice until 11:00 A.M., CT, but no Bid will be received after the time for receiving Bids specified above. To the extent any instructions or directions set forth in PARITY™, or its successor, conflict with this Notice, the terms of this Notice shall control. For further information about PARITY™, or its successor, potential bidders may contact Northland Securities, Inc. or i-Deal® at 1359 Broadway, 2nd floor, New York, NY 10018, telephone 212-849-5021.

Neither the District nor Northland Securities, Inc. assumes any liability if there is a malfunction of PARITY™ or its successor. All bidders are advised that each Bid shall be deemed to constitute a contract between the bidder and the District to purchase the Certificates regardless of the manner in which the Bid is submitted.

* The District reserves the right to increase or decrease the original principal amount of the Certificates. Any such increase or decrease may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread.

BOOK-ENTRY SYSTEM

The Certificates will be issued by means of a book-entry system with no physical distribution of certificates made to the public. The Certificates will be issued in fully registered form and one certificate, representing the aggregate principal amount of the Certificates maturing in each year, will be registered in the name of Cede & Co. as nominee of Depository Trust Company (“DTC”), New York, New York, which will act as securities depository of the Certificates.

Individual purchases of the Certificates may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the District through Associated Trust Company, N.A., Milwaukee, Wisconsin (the “Paying Agent/Registrar”), to DTC, or its nominee as registered owner of the Certificates. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The successful bidder, as a condition of delivery of the Certificates, will be required to deposit the certificates with DTC. The District will pay reasonable and customary charges for the services of the Paying Agent/Registrar.

DATE OF ORIGINAL ISSUE OF CERTIFICATES

June 6, 2012

AUTHORITY/PURPOSE/SECURITY

The Certificates are being issued pursuant to Minnesota Statutes, Sections 465.71, as amended (the “Act”). Proceeds will be used, along with other available funds of the District, to finance various improvements to Myers-Wilkins Elementary (formerly Grant Elementary) and Congdon Elementary pursuant to the District’s facilities plan. Pursuant to the Act, Rental Payments under the Lease Purchase Agreement are subject to annual appropriation by the School Board and the District has a right to terminate the Lease Purchase Agreement at the end of any fiscal year during the term if the School Board does not appropriate moneys sufficient to pay the Rental Payments for the ensuing years. The Certificates are not a general obligation of the District, and the full faith and credit and ad valorem taxing powers of the District are not pledged to their payment. The Certificates are payable solely from the Rental Payments due under the Amendment to Lease. **The District’s obligation to make the Rental Payments is subject to annual appropriation.**

INTEREST PAYMENTS

Interest is due semiannually on each March 1 and September 1, commencing March 1, 2013, to registered owners of the Certificates appearing of record in the Bond Register as of the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding such interest payment date.

MATURITIES

Principal is due annually on March 1, inclusive, in each of the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2014	\$260,000	2021	\$300,000	2027	\$370,000
2015	265,000	2022	310,000	2028	385,000
2016	270,000	2023	320,000	2029	400,000
2017	270,000	2024	330,000	2030	420,000

2018	275,000	2025	340,000	2031	435,000
2019	285,000	2026	355,000	2032	460,000
2020	290,000				

Bids for the Certificates may contain a maturity schedule providing for any combination of serial certificates and term certificates, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

INTEREST RATES

All rates must be in integral multiples of 1/20th or 1/8th of 1%. *Rates must be in level or ascending order.* All Certificates of the same maturity must bear a single uniform rate from date of issue to maturity.

ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER BIDS

The District reserves the right to increase or decrease the principal amount of the Certificates. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread. Such adjustments shall be made promptly after the sale and prior to the award of Bids by the District and shall be at the sole discretion of the District. The successful bidder may not withdraw or modify its Bid once submitted to the District for any reason, including post-sale adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

OPTIONAL REDEMPTION

Certificates maturing on March 1, 2022 through 2032 are subject to redemption and prepayment at the option of the District on March 1, 2021 and any date thereafter, at a price of par plus accrued interest. Redemption may be in whole or in part of the Certificates subject to prepayment. If redemption is in part, the maturities and principal amounts within each maturity to be redeemed shall be determined by the District and if only part of the Certificates having a common maturity date are called for prepayment, the specific Certificates to be prepaid shall be chosen by lot by the Bond Registrar.

CUSIP NUMBERS

If the Certificates qualify for assignment of CUSIP numbers such numbers will be printed on the Certificates, but neither the failure to print such numbers on any Certificate nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of and pay for the Certificates in accordance with terms of the purchase contract. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the successful bidder.

DELIVERY

Delivery of the Certificates will be within forty days after award, subject to an approving legal opinion by Fryberger, Buchanan, Smith & Frederick, P.A., Bond Counsel. The legal opinion will be paid by the District and delivery will be anywhere in the continental United States without cost to the successful bidder at DTC.

TYPE OF BID

Bids of not less than \$6,232,220 (98.30%) and accrued interest on the principal sum of \$6,340,000 must be filed with the undersigned prior to the time of sale. Bids must be unconditional except as to legality. Bids for the Certificates should be delivered to Northland Securities, Inc. and addressed to:

William Hanson, CFO/Executive Director of Business Services
 ISD No. 709, Duluth
 215 North 1st Avenue East
 Duluth, Minnesota 55802

A good faith deposit (the "Deposit") in the amount of \$126,800 in the form of a federal wire transfer (payable to the order of the District) is only required from the apparent winning bidder, and must be received within two hours after the time stated for the receipt of Bids. The apparent winning bidder will receive notification of the wire instructions from the Financial Advisor promptly after the sale. If the Deposit is not received from the apparent winning bidder in the time allotted, the District may choose to reject their Bid and then proceed to offer the Certificates to the next lowest bidder based on the terms of their original bid, so long as said bidder wires funds for the Deposit amount within two hours of said offer.

The District will retain the Deposit of the successful bidder, the amount of which will be deducted at settlement and no interest will accrue to the successful bidder. In the event the successful bidder fails to comply with the accepted Bid, said amount will be retained by the District. No Bid can be withdrawn after the time set for receiving Bids unless the meeting of the District scheduled for award of the Certificates is adjourned, recessed, or continued to another date without award of the Certificates having been made.

AWARD

The Certificates will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis. The District's computation of the interest rate of each Bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Certificates will be awarded by lot. The District will reserve the right to: (i) waive non-substantive informalities of any Bid or of matters relating to the receipt of Bids and award of the Certificates, (ii) reject all Bids without cause, and (iii) reject any Bid which the District determines to have failed to comply with the terms herein.

INFORMATION FROM SUCCESSFUL BIDDER

The successful bidder will be required to provide, in a timely manner, certain information relating to the initial offering price of the Certificates necessary to compute the yield on the Certificates pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

OFFICIAL STATEMENT

By awarding the Certificates to any underwriter or underwriting syndicate submitting a Bid therefor, the District agrees that, no more than seven business days after the date of such award, it shall provide to the senior managing underwriter of the syndicate to which the Certificates are awarded, the Final Official Statement in an electronic format as prescribed by the Municipal Securities Rulemaking Board (MSRB).

FULL CONTINUING DISCLOSURE UNDERTAKING

The District will covenant in the resolution awarding the sale of the Certificates and in a Continuing Disclosure Undertaking to provide, or cause to be provided, annual financial information, including audited financial statements of the District, and notices of certain material events, as required by SEC Rule 15c2-12.

BANK QUALIFICATION

The District WILL NOT designate the Certificates as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CERTIFICATE INSURANCE AT UNDERWRITER'S OPTION

If the Certificates qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the successful bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the successful bidder of the Certificates. Any increase in the costs of issuance of the Certificates resulting from such purchase of insurance shall be paid by the successful bidder, except that, if the District has requested and received a rating on the Certificates from a rating agency, the District will pay that rating fee. Any other rating agency fees shall be the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Certificates have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Certificates.

The District reserves the right to reject any and all Bids, to waive informalities and to adjourn the sale.

Dated: April 24, 2012

BY ORDER OF ISD NO. 709, DULUTH, MINNESOTA

/s/ William Hanson

CFO/Executive Director of Business Services

Additional information may be obtained from:

Northland Securities, Inc.
45 South 7th Street, Suite 2000
Minneapolis, Minnesota 55402
Telephone No.: 612-851-5900