

Regular School Board Meeting

Duluth Public Schools, ISD 709

Agenda

Tuesday, July 17, 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. Regular School Board Meeting of June 19, 2012 2
 - B. Special School Board Meeting of June 28, 2012 27
6. **Audience**
7. **Reading Communications, Petitions, Etc.** 29
8. **Report of the Superintendent**
 - A. Schedule of Meetings and Events 30
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 (*No Special Resolutions*)**
11. **Questions / Other**
12. **Adjournment**

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, June 19, 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 June 19, 2012 to order at 6:30 p.m., and the pledge of allegiance to the American flag was given.

Chair Wasson asked board members to notify her if they would be absent from board meetings.

M-Kasper, S-Westholm, to approve the agenda as presented.

Member Johnston asked that meetings be scheduled as far ahead of time as possible.

M-Johnston, S-None, to add an agenda item to discuss the cost overruns and over budget projections on the long range facilities plan. Fails due to lack of a second.

M-Johnston, S-None, to add an agenda item to add a resolution regarding budget deficits and limiting the transfer of funds from the general fund to the debt service fund. Fails due to lack of a second.

Chair Wasson stated that his requests to add these agenda items had been dealt with prior to the meeting and that they have been discussed previously and would not be added to the agenda.

M-Johnston, S-None, to request that the committee reports be approved as one item due to lack of discussion by the board, lack of information provided to him and inability to ask questions. Fails due to lack of a second.

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

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

Nay: Johnston

Chair Wasson asked school board members if there were any corrections or changes to the minutes of the Special School Board Meeting of May 15, 2012.

M-Kasper, S-Westholm, to approve the minutes of the May 15, 2012 Special School Board Meeting as presented. 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 May 15, 2012.

M-Kasper, S-Westholm, to approve the minutes of the May 15, 2012 Regular School Board Meeting as presented. 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 School Board Meeting of May 24, 2012.

M-Kasper, S-Cameron, to approve the minutes of the May 24, 2012 Special School Board Meeting as presented. 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 School Board Meeting of June 5, 2012.

M-Kasper, S-Westholm, to approve the minutes of the June 5, 2012 Special School Board Meeting as presented. 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 School Board Meeting of June 11, 2012.

M-Cameron, S-Westholm, to approve the minutes of the June 11, 2012 Special School Board Meeting as presented. Upon a vote, the same was approved – unanimously.

Public Comments

June 2012

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

Loren Martell, 623 East 7th Street, spoke to the board regarding his concern with the content of the public meetings that were held on the long range facilities plan.

Marcia Stromgren, no address provided, spoke to the board regarding her concerns with the buildings and spending in the district.

Communications, Petitions, Etc.

June 2012

Superintendent Gronseth acknowledged communications received.

Superintendent's Report

June 2012

- Congratulated all the graduates
- Gave an overview of activities taking place over the summer to keep kids learning
- Provided information regarding the summer breakfast and lunch programs

Education Committee Report

June 2012

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

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

Human Resources Committee Report

June 2012

Member Westholm presented the Human Resources Committee report, a copy of same being in the hands of each school board member.

Member Westholm presented the resolution:

R E S O L U T I O N

RE: Termination of Certified Probationary (Non-Tenured) Staff

WHEREAS, during the first three years of consecutive employment all teachers in the public schools in cities of the first class are deemed to be in a probational period of employment during which period the School Board may renew, or not renew, any teachers' annual contract as the School Board shall see fit; and that the District will lack a sufficient number of pupils to support all non tenured teachers currently employed by the District.

NOW, THEREFORE, BE IT RESOLVED by the School Board on Independent School District No. 709, St. Louis County, Minnesota, as follows:

1. The employment contracts of the following probationary teachers shall not be renewed and their employment shall terminate at the end of the school day on June 8, 2012, unless another date is indicated below, in which case the employment of the particular teacher shall terminate on that date.

Jessica Anderson – 0.8 FTE
(06/15/12)
John Babineau
Ronald Dougall (07/31/12)
Marie Frank – 0.6 FTE (06/30/12)
Jo Jones

Emily Lull
Lori Schminski - 0.8 FTE
Anthony Schollmeier
Mark Winkle

4-Minutes of the Regular School Board Meeting
June 19, 2012

Howard Zmudy

2. **BE IT FURTHER RESOLVED** the Clerk of the School Board shall notify such teachers in writing before July 1, 2012, of the termination of their employment.

Resolution #HR-6-12-3025

June 19, 2012

M-Westholm, S-Cameron, to approve Resolution HR-6-12-3025 – Termination of Certified Probationary (Non-Tenured) Staff.

Board discussion took place regarding the layoff list.

Upon a vote, the same was approved – 6-1 as follows:

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

Nay: Johnston

Member Westholm presented the resolution:

R E S O L U T I O N

RE: Termination of Certified Tenured Staff

WHEREAS, enrollment in the School District is declining;

WHEREAS, during the 2012-2013 school year, the District will lack a sufficient number of pupils to support all tenured teachers currently employed by the District;

WHEREAS, the School Board has found it necessary to discontinue certain positions;

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

1. The Board proposes that the employment of the following tenured teachers terminate effective at the end of the school day on June 8, 2012, unless another date is indicated below, due to discontinuance of position or lack of pupils.

Delaine Brown – 0.4 FTE

James Carlson

Cynthia Gritzmacher – 0.4 FTE

John Hoban – 0.7 FTE

Laurie Kovacovic – 0.4 FTE

Kimberly Kroll-Strukel

Jennifer Madole – 0.2 FTE

Catherine Nachbar

Ann Price – 0.1 FTE

Robert Pioro – 0.3 FTE

Michelle Riley

Jacalyn Ring

Kathryn Sandor

Susan Schmidt

Vincent Senski

Jolane Sundstrom – 0.3 FTE

Jeanne Tonkin – 0.4 FTE

LeAnn Udesen – 0.5 FTE

Christine Valento

Marcia Van Camp

Joanna Walters

2. The Clerk of the School Board shall notify all such teachers in writing of the proposed layoff, the grounds for the proposed layoff, and the right to request a hearing within ten (10) calendar days after receiving said notice. The Clerk shall also notify all such teachers that if they fail to request a hearing within ten (10) days, they will be deemed to have acquiesced in the Boards action.

Resolution #HR-6-12-3026

June 19, 2012

M-Westholm, S-Cameron, to approve Resolution HR-6-12-3026 – Termination of Certified Tenured Staff.

Board discussion took place regarding the layoff list.

M-Miernicki, S-Seliga Punyko, to call the question. Upon a vote, the same passed 6-1 as follows:

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

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

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

Member Westholm presented the resolution:

R E S O L U T I O N
RE: Discontinuance of Positions

WHEREAS, enrollment in the School District is declining;

WHEREAS, during the 2012-2013 school year, the District will lack a sufficient number of pupils to support all tenured teachers currently employed by the District;

WHEREAS, the School Board has found it necessary to discontinue certain positions;

NOW, THEREFORE, BE IT RESOLVED, by the School Board of Independent School District No. 709, St. Louis County, Minnesota, that the following programs and positions, or portions thereof, be discontinued effective at the end of the school day on June 8, 2012, unless another date is indicated below, in which case the position shall discontinue on that date.

<i>Art</i>	<i>2.8 FTE</i>	<i>FTE</i>	
<i>Business Education</i>	<i>0.1 FTE</i>	<i>Math</i>	<i>1.8 FTE</i>
<i>Elementary</i>	<i>3.0 FTE</i>	<i>Music</i>	<i>3.8 FTE</i>
<i>English</i>	<i>1.4 FTE</i>	<i>Physical Education/Health</i>	<i>1.2 FTE</i>
<i>Family Consumer Science</i>	<i>0.8 FTE</i>	<i>Science</i>	<i>1.6 FTE</i>
<i>German Language</i>	<i>0.8 FTE</i>	<i>Social Studies</i>	<i>2.0 FTE</i>
<i>Guidance Counselor</i>	<i>0.4 FTE</i>	<i>Spanish Language</i>	<i>1.4 FTE</i>
<i>Industrial Arts</i>	<i>0.6</i>	<i>Special Services</i>	<i>4.9 FTE</i>
		<i>Vocational Education</i>	<i>0.2 FTE</i>

M-Westholm, S-Miernicki, to approve Resolution HR-6-12-3027 – Discontinuance of Positions.

Board discussion took place regarding the resolution.

Upon a vote, the same was approved – 6-1 as follows:

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

M-Westholm, S-Kasper, to approve the remainder of the Human Resources Committee Report as presented. Upon a vote, the same was approved – 6-1 as follows:

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

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.

Member Seliga Punyko presented the resolution:

RESOLUTION

Financial Institution Account and Line of Credit

WHEREAS, the School Board has received a proposal from Commerce Bank, 811 Main Street, Kansas City, MO 64105 to establish a commercial account for a Control Pay Accounts Payable system; and

WHEREAS, it is the desire of the School Board to reduce the economic burden on the resources of the School District by increasing efficiency and reducing the administrative costs of the School District and to respond to the demands of the day-to-day operations in accordance with the procurement process as established by Minnesota Statutes; and

WHEREAS, the School Board recognizes the economic financial savings and benefits to be gained by establishing a Control Pay system;

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

1. The Chair and Clerk are authorized to enter into an Agreement with Commerce Bank to establish a Commercial Card Account and related Line of Credit for the purpose of utilizing a Control Pay Accounts Payable system.
2. The Business Services Director or designee shall establish procedures and internal controls to implement this program to ensure compliance with applicable law and allow for easily verifiable audits.
3. The School Board hereby expressly authorizes the Chair and Clerk to execute the Commercial Card Account Agreement.

B-6-12-3028

June 19, 2012

M-Seliga Punyko, S-Cameron, to approve Resolution B-6-12-3028 – Financial Institution Account Line of Credit. Upon a vote, the same was approved – unanimously.

Member Seliga Punyko presented the resolution:

**LOCAL RESOLUTION TO AMEND JOBZ ZONE
Sub-Zone of Approval to Amend the Job Opportunity Building Zones in St. Louis County,
City of Duluth, Public School District 709, Minnesota**

Whereas, job creation, business development, and individual wealth growth in the City of Duluth, Minnesota have been less than the national and state averages; and,

Whereas, the resulting effects of such lagging job creation, business development, and individual wealth growth have harmed and are forecasted to continue to harm the economy of the City of Duluth, Minnesota; and,

Whereas, the Job Opportunity Building Zone (JOBZ) Program created in Minnesota Session Laws 2003, 1st Special Session, Chapter 21, Article 1 allows for the formation of tax free zones; and,

Whereas, the location of business development is difficult to predict.

Be it Resolved that the Duluth Public School District 709, Minnesota, at its meeting held on the 19th day of June, 2012, upon careful consideration and review, approves removing 25.6 acres of the 40.0 JOBZ acres from the Canadian National JOBZ subzone #100 (parcel # 010-2746-01330 and 01440) in addition to 1.5 acres from Atlas JOBZ Subzone #101 (Parcel # 010-2746-01260) and transferring 27.1 acres to the newly created Maintenance Facility JOBZ subzone #100.2 (parcel #010-2747-00050, parcel #010-2747-00020, and parcel #010-2747-00080) in the City of Duluth.

Be it Further Resolved, that the business seeking to access the JOBZ tax exemptions and tax credits are subject to proper review and approval by the City of Duluth and are required to enter into a Business Subsidy Agreement and any other agreements deemed necessary by the City of Duluth.

Be it Further Resolved, that the Duluth Public School District 709 agrees to provide all of the local tax exemptions and credits required and provided for under the Job Opportunity Building Zones (JOBZ) Legislation and agrees to forego the tax benefits resulting from the local and state tax exemptions and credits provided under the Job Opportunity Building Zones (JOBZ) Legislation.

B-6-12-3029

June 19, 2012

M-Seliga-Punyko, S-Westholm, to approve Resolution B-6-12-3029 – Local Resolution To Amend Jobz Zone Sub-Zone Of Approval To Amend The Job Opportunity Building Zones In St. Louis County, City Of Duluth, Public School District 709, Minnesota.

Member Johnston asked for a description of the property in question. Bill Hanson, Director of Business Services explained the JOBZ subzone.

Upon a vote, the same was approved - unanimously.

Member Seliga Punyko presented the resolution:

RESOLUTION

Authorizing the Purchase of Real Property from Christ Lutheran Church

WHEREAS, the School Board by Resolution B-6-07-2452 adopted a Long-range Facilities Plan for the District, and therein also directed the District's administrative staff to commence with the identification and negotiation of land to be acquired as identified in the Plan; and

WHEREAS, the Administration working with Johnson Controls and the District's Legal Counsel have identified property and negotiated terms to purchase the property described above; and

WHEREAS, said property will be used for school purposes including the purposes set forth in Minnesota Statute Section 123B.51.

NOW, THEREFORE, BE IT RESOLVED that the School Board hereby authorizes the purchase of real property referred to as the Christ Lutheran Church Recreational Field, said purchase to be consistent with the terms agreed upon in Executive Closed Session on March 20, 2012 further described as The Northeast Quarter of the Northwest Quarter of the Southeast Quarter of Section 30, Township 50 North, Range 14 West of the Fourth Principal Meridian, except the westerly 198 feet thereof and except that part platted as AUDITOR'S PLAT NUMBER 32, St. Louis County, Minnesota, and except that part of said Northeast Quarter that lies southerly of the extended north line of Lot 8 of said AUDITOR'S PLAT NUMBER 32. Said parcel contains 106914 square feet or 2.45 acres, more or less. Subject to a 33 foot wide highway easement over, under, and across the northerly 33 feet of said Northeast Quarter of the Northwest Quarter of Southeast Quarter. Together with a 66 foot wide highway easement over, under, and across the easterly 66 feet of the westerly 198 feet of said Northeast Quarter of the Northwest Quarter of Southeast Quarter and;

BE IT FURTHER RESOLVED that the School Board authorizes the School Board Chair to execute a purchase agreement and all other documents required for closing this purchase transaction.

B-6-12-3033

June 19, 2012

M-Seliga-Punyko, S-Kasper, to approve Resolution B-6-12-3033 - Authorizing the Purchase of Real Property from Christ Lutheran Church.

Board discussion took place regarding the property and the safety of the crossing.

Upon a vote, the same was approved – unanimously.

Member Seliga Punyko presented the resolution:

RESOLUTION

Authorizing the Application for Conveyance and Purchase of Tax Forfeited Land – Near Homecroft School

WHEREAS, Minnesota Statute 123B.51 SCHOOLHOUSES AND SITES; USES FOR

SCHOOL AND NONSCHOOL PURPOSES; CLOSINGS provides that the board may locate and acquire necessary sites of schoolhouses or enlargements, or additions to existing schoolhouse sites by lease, purchase or condemnation under the power of eminent domain; and

WHEREAS, there exist currently a parcel of Tax Forfeited Land contiguous to the Homecroft School site, said parcel legally described as Lot 566, Homecroft Park, Town of Rice Lake also known as Parcel 520-0130-01770; and

WHEREAS, Pheasants Forever is a group interested in the District purchasing this .8 acre parcel of land wherein they will donate the funds required for this land purchase; and

WHEREAS, the acquisition of said parcel by the District will provide additional space for outdoor education for Homecroft Elementary School students

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS: The School Board hereby authorizes the Administration to make Application for Conveyance and Purchase of this Tax Forfeited Land and hereby authorizes the School Board Chair to sign the applications and execute all other documents required for completing and closing these transactions.

B-6-12-3034

June 19, 2012

M-Seliga-Punyko, S-Kasper, to approve Resolution B-6-12-3034 – Authorizing the Application for Conveyance and Purchase of Tax Forfeited Land – Near Homecroft School. Upon a vote, the same was approved – unanimously.

Member Seliga Punyko presented the resolution:

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT TO INSTALLMENT PURCHASE CONTRACT AND A SUPPLEMENT TO DECLARATION OF TRUST AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF \$12,800,424.50 FULL TERM CAPITAL APPRECIATION CERTIFICATES OF PARTICIPATION, SERIES 2012A

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

Section 1. A. Pursuant to the authority contained in Minnesota Statutes, Section 126C.40, Subd. 6 (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.

B. The District has approved a Long-Range Facilities Plan (the “Plan”) and the Commissioner of Education has approved the District’s borrowing of \$111,442,577 under the Act to finance the purchase of real and personal property for the projects set forth in the Plan as described in the Original Contract, as hereinafter defined (the “Original Project”).

C. By Resolution No. B-5-08-2541, adopted May 29, 2008, the School Board determined that it was necessary, expedient and in the best educational interests of the District’s pupils and residents that the District enter into an installment purchase contract pursuant to the Act to finance the costs of the Original Project and issuing full term certificates of participation in the installment payments under the installment purchase contract in the maximum principal amount of \$111,440,000 pursuant to a declaration of trust.

D. Pursuant to the Act, the District applied to the Commissioner of Education for

permission to make an additional levy for the installment payments under the Original Contract to finance the Original Project and the Commissioner authorized the Original Project and the levy.

E. The District selected U.S. Bank National Association, St. Paul, Minnesota (the "Trustee") to act as vendor and the trustee as follows: the Trustee, as vendor, entered into an Installment Purchase Contract (the "Original Contract") with the District regarding the acquisition, construction and equipping of the Original Project, and the District and the Trustee entered into a Declaration of Trust dated as of June 1, 2008 (the "Original Declaration"), pursuant to which Full Term Certificates of Participation in the installment payments under the Original Contract in the principal amount of \$111,440,000 (the "2008 Certificates"), were executed and delivered by the Trustee.

F. The District has approved an amendment to the Plan and modified the projects to be financed under the Original Contract and the Commissioner of Education approved the amendment to the Plan and the modification to the Original Project and has approved the District's borrowing of an additional \$5,000,000 under the Act to finance the Original Project, as modified, and as described in the First Amendment to Contract, as hereinafter defined.

G. By Resolution No. B-9-10-2819 adopted September 13, 2010, the School Board determined that it was necessary, expedient and in the best educational interests of the District's pupils and residents that the District enter into an amendment to the Original Contract to provide additional funds to purchase the real and personal property described in the Plan, as amended, and issuing full term certificates of participation in the installment payments under a supplement to the Original Declaration in the maximum principal amount of \$5,000,000.

H. The Trustee, as vendor, and the District, as vendee, entered into an Amendment to Installment Purchase Contract dated as of October 1, 2010 (the "First Amendment to Contract") to revise and restate the installment payments, modify the description of the Original Project and amend other related matters, such amendment shall modify the Original Contract. The District and the Trustee entered into a Supplement to Declaration of Trust dated as of October 1, 2010 (the "First Supplement to Declaration"), pursuant to which the Full Term Certificates of Participation, Series 2010C, in the installment payments under the Contract in the principal amount of \$5,000,000 (the "2010C Certificates") were executed and delivered by the Trustee.

I. Pursuant to the Act, the District applied to the Commissioner of Education for permission to make an additional levy for the Installment Payments under the Original Contract, as amended, to finance a portion of the costs of the acquisition and improvements to Congdon Elementary and Grant Elementary (now Myers-Wilkins Elementary).

J. By Resolution No. B-4-12-3007 adopted April 24, 2012, as amended by Resolution No. B-6-12-3031 adopted June 11, 2012, the School Board determined that it was necessary, expedient and in the best educational interests of the District's pupils and residents that the District enter into an amendment to the Original Contract, as amended, to provide additional funds to purchase real and personal property for Congdon Elementary and Grant Elementary (now Myers-Wilkins Elementary) which are a portion of the Project and issuing full term capital appreciation certificates of participation in the Installment Payments under a supplement to the Original Declaration, as supplemented, in the maximum original principal amount of \$12,801,327 and an estimated accreted amount at maturity of \$23,595,000.

K. The Trustee, as vendor, and the District, as vendee, shall enter into an Amendment to Installment Purchase Contract dated as of June 1, 2012 (the "Second Amendment to Contract"), to revise and restate the Installment Payments, modify the description of the Original Project, as amended (the "Project"), and amend other matters, such amendment shall modify the Original Contract, as amended (the Original Contract, as amended, and as amended

by the Second Amendment to Contract, is herein referred to as the “Contract”). The District and the Trustee shall enter into a Supplement to Declaration of Trust dated as of June 1, 2012 (the “Second Supplement to Declaration”), pursuant to which Full Term Capital Appreciation Certificates of Participation, Series 2012A, in the Installment Payments under the Contract in the original principal amount of \$12,800,424.50 and a total accreted amount at maturity of \$21,700,000.00 (the “2012A Certificates”), shall be executed and delivered by the Trustee (the Original Declaration, as supplemented by the First Supplement to Declaration and the Second Supplement to Declaration, are herein referred to as the “Declaration”).

L. Pursuant to the Act, the District has applied to the Commissioner of Education for permission to make an additional levy for the additional installment payments under the Second Amendment to Contract to finance a portion of the Congdon Elementary and Grant Elementary (now Myers-Wilkins Elementary), which is a portion of the Project, and the Commissioner has authorized the modified Original Project and the levy.

M. Forms of the following documents relating to the financing have been prepared and submitted to the School Board:

(1) The Second Amendment to Contract proposed to be made and entered into between the District and the Trustee; and

(2) The Second Supplement to Declaration proposed to be made and entered into between the District and the Trustee.

Section 2. A. Northland Securities, Inc., financial consultant to the District, has given notification to at least five firms determined by Northland Securities, Inc. to be prospective bidders on the Certificates at least two days (omitting Saturdays, Sundays, and legal holidays) before the date set for receipt of bids on the 2012A Certificates.

B. The District has solicited bids for the sale of the Certificates and an offer has been received from Piper Jaffray & Company of Minneapolis, Minnesota (the “Purchaser”), to purchase the 2012A Certificates at a cash price of \$12,640,419.19, plus accrued interest on the total principal amount from June 27, 2012, to the date of delivery and upon condition that the 2012A Certificates are payable at the times and on the terms set forth in the Contract and the Declaration.

C. The 2012A Certificates shall be issued as capital appreciation obligations which shall mature on February 1 in the years and in the total accreted amounts at maturity set forth in the following table, which table also sets forth, for each maturity, the total original Principal Portion of the Installment Payments thereof, the total accreted amount at maturity (which accreted amount at maturity is also referred to herein as “accreted maturity amount”), and the yield to maturity applicable to each accreted maturity amount, as follows:

Payment Date (February 1)	Total Accreted Amount at Maturity	Total Original Principal Portion	Yield To Maturity
2021	\$735,000.00	\$536,344.20	3.70%
2022	\$1,785,000.00	\$1,243,895.10	3.80%
2023	\$2,000,000.00	\$1,328,340.00	3.90%
2024	\$2,000,000.00	\$1,263,560.00	4.00%
2025	\$2,485,000.00	\$1,499,722.35	4.05%
2026	\$4,020,000.00	\$2,315,278.80	4.10%
2027	\$4,235,000.00	\$2,308,879.65	4.20%
2028	\$4,440,000.00	\$2,304,404.40	4.25%
TOTAL	\$21,700,000.00	\$12,800,424.50	

D. The 2012A Certificates shall bear interest from the date of original issue at the yield to maturity stated therefore in Section 2.C. above. The Interest Portion of the Installment Payment on the 2012A Certificates of each maturity shall be compounded at the yield to maturity applicable to that maturity, as set out in Section 2.C. above, on each February 1 and August 1 (each referred to herein as a "Compounding Date"), commencing on August 1, 2012. The Interest Portion of the Installment Payment on the 2012A Certificates shall be payable, together with the Principal Portion, only at maturity, upon optional redemption thereof, or on a Calamity Prepayment. The 2012A Certificates, the accreted amount of each 2012A Certificate as of a Compounding Date shall be the original principal amount thereof plus interest compounded in accordance with the foregoing provisions and accrued to said Compounding Date. As of any other date, it shall be the accreted amount as of the most recent Compounding Date prior to said date (or the principal amount if such date precedes the first Compounding Date), plus simple interest thereon at a rate equal to the yield to maturity set forth in Section 2.C. (calculated upon the basis of a 360-day year of twelve 30-day months and rounded pursuant to the rules of the Municipal Securities Rulemaking Board) accrued from and after said Compounding Date (or the date of original issue if such date precedes the first Compounding Date) to the redemption date.

E. For purposes of complying with Minnesota Statutes, Section 475.54, Subd. 1, the maturity schedule for the 2012A Certificates shall be combined with the other full term certificates of participation of the District issued and outstanding.

F. Redemption. (i) The 2012A Certificates maturing in the years 2021 and 2022 shall not be subject to redemption and prepayment before maturity, but those maturing in the year 2023 and in subsequent years shall each be subject to redemption and prepayment at the option of the District on February 1, 2022, and on any date thereafter, in whole or in part, and if in part, at the option of the District and in such manner as the District shall determine at a price of par plus the accreted amount calculated under the Declaration to the date of redemption, as provided for in the Declaration.

(ii) In the event of damage to all or a portion of the Project and the District makes the certification and election at the times and in the manner set forth in the Contract, the 2012A Certificates, or a portion thereof, shall be subject to prepayment on any date, at par plus the accreted amount calculated under the Declaration to the date of redemption, as provided for in the Declaration.

G. The District, after due consideration, finds such offer reasonable and proper and the offer of the Purchaser is hereby accepted. The Chair and the Clerk are authorized to execute on the part of the District a contract for the sale of the Certificates in accordance with the Purchaser's proposal.

Section 3. It is hereby found, determined and declared by the School Board that:

A. It is desirable and in the best interests of the District to enter into the Second Amendment to Contract and the Second Supplement to Declaration;

B. The terms of the Second Amendment to Contract and the Second Supplement to Declaration are found to be advantageous to the District and are hereby approved; and

C. The Installment Payments under the Contract are absolute and unconditional as provided for in Article III of the Contract and are not subject to annual appropriation of the District.

Section 4. A. For the prompt and full payment of the installment payments under the Contract when due, there is hereby levied a direct, annual, ad valorem tax, as an additional levy pursuant to Minnesota Statutes, Section 126C.40, and other laws, upon all taxable property within the District which shall be extended upon the tax rolls and collected with and as part of

the other general property taxes in the District for the years and in the amounts set forth on Exhibit A hereto.

B. The District maintains a Debt Service Fund on its books and records. A separate account was created within the Debt Service Fund and is designated as the "Installment Purchase Contract Account" (the "Contract Account"). The tax levies provided for in this Section 4 are hereby pledged to, and shall be used for no purpose other than, the payment of Installment Payments under the Contract; provided, however, that if any such Installment Payment shall become due when there is not sufficient money in the Contract Account, the Treasurer may pay the same from any other funds of the District and said funds shall be reimbursed for such advance out of the proceeds of the taxes herein levied or appropriated.

C. Except as permitted by Minnesota Statutes, Section 475.61, Subd. 3, such tax levies shall be irrevocable as long as the Contract remains in effect.

Section 5. The Second Amendment to Contract and the Second Supplement to Declaration are hereby approved. The Chair and the Clerk are hereby authorized and directed to execute and deliver the Second Amendment to Contract and the Second Supplement to Declaration substantially in the forms now on file with the Clerk, with such necessary and appropriate omissions, modifications, insertions and additions as do not materially affect the substance of the transaction, consistent with the Act, as the Chair in his discretion shall determine. The execution of the Second Amendment to Contract and the Second Supplement to Declaration by the Chair, with the advice of the Attorney for the District, shall be conclusive evidence of such determination. All of the provisions of the Second Amendment to Contract and the Second Supplement to Declaration, when executed and delivered as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated herein and shall be in full force and effect from the date of execution and delivery thereof. The District approves the 2012A Certificates being registered as depository obligations with The Depository Trust Company, New York, New York, as set forth in the Declaration.

Section 6. The Chair and the Clerk are hereby authorized to execute and deliver, on behalf of the District, such other documents as are necessary or appropriate in connection with the Second Amendment to Contract and the Second Supplement to Declaration, and the issuance, sale and delivery of the 2012A Certificates.

Section 7. All covenants, stipulations, obligations and agreements of the District contained in this Resolution and the Contract and the Declaration shall be deemed to be the covenants, stipulations, obligations and agreements of the District to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the District upon execution and delivery of the Second Amendment to Contract and the Second Supplement to Declaration. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the District or its officers by the provisions of this Resolution or of the aforementioned documents to be executed and delivered by the District shall be executed or performed by the District or by such officers of the District, or such board, body, authority or agency thereof as may be required by law to exercise such powers and to perform such duties.

Section 8. Except as herein otherwise expressly provided, nothing in this Resolution or in the Contract and the Declaration, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation, other than the District, the Trustee, the Purchaser, or any holder of the 2012A Certificates issued under the provisions of this Resolution, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof, that the aforementioned documents and all of their provisions being intended to be and being for the sole and exclusive benefit of the District, the Trustee, the Purchaser, and any holder

from time to time of the 2012A Certificates issued under the provisions of this Resolution.

Section 9. The officers and other agents or employees of the District are hereby authorized to do all acts and things required of them by or in connection with this Resolution, the Second Amendment to Contract and the Second Supplement to Declaration, and the 2012A Certificates, without further action of the Board, for the full, punctual and complete performance of all the terms, covenants and agreements contained in the 2012A Certificates, the aforementioned documents and this Resolution, including but not limited to the execution and delivery of amendments to the Contract to add real property to the Contract and the execution and delivery of deeds and ground leases as provided for in the Contract.

Section 10. In the event any of the officers of the District authorized to execute the documents on behalf of the District under this Resolution shall for any reason be unable to do so, any other officer of the District authorized to act for such designated officer is hereby directed and authorized to do so on behalf of the District with the same effect as if executed by the officer authorized to do so in this Resolution.

Section 11. All actions of the members, officers, employees and staff of the District heretofore taken and in furtherance of this financing are hereby approved, ratified and confirmed.

Section 12. A. The Clerk of the District is directed to file in the office of the County Auditor of St. Louis County a certified copy of this Resolution and such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the 2012A Certificates herein authorized have been duly entered on his register.

B. The Chair, the Clerk, the Treasurer and other officers of the District are authorized and directed to prepare and furnish, with regard to the issuance of the 2012A Certificates, certified copies of all proceedings and records of the District relating to the 2012A Certificates and such other affidavits, certificates and opinions as may be required to show the facts relating to the legality, tax exemption and marketability of the 2012A Certificates as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; that all such certified copies, certificates, affidavits and opinions, including and heretofore furnished, shall constitute representations of the District as to the truth of all statements made by the District and contained herein.

Section 13. The School Board has covenanted and has obligated itself in Resolution No. B-4-12-3007 adopted April 24, 2012, as amended by Resolution No. B-6-12-3031 adopted June 11, 2012, to be bound by the provisions of Minnesota Statutes, Section 126C.55. The School Board hereby reaffirms such covenants and obligations.

Section 14. The District hereby authorizes the circulation of the final Official Statement in connection with the sale and delivery of the 2012A Certificates.

Section 15. Tax Covenants.

A. The District covenants and agrees with the holders of the 2012A Certificates that the District will (i) take all action on its part necessary to cause the interest on the 2012A Certificates to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the 2012A Certificates and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the 2012A Certificates to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the 2012A Certificates and investment earnings thereon on certain specified purposes.

B. No portion of the proceeds of the 2012A Certificates shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period

until such proceeds are needed for the purpose for which the 2012A Certificates were issued, and (ii) in addition to the above, in an amount not greater than the lesser of five percent of the proceeds of the Certificates or \$100,000. To this effect, any proceeds of the 2012A Certificates and any sums from time to time held in the Contract Revenue Fund or the Prepayment Fund by the Trustee (or any other District fund or account which will be used to pay principal and interest to become due on the 2012A Certificates) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable temporary periods of minor portion made available under the federal arbitrage regulations. In addition, the proceeds of the 2012A Certificates and money in the Contract Revenue Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the 2012A Certificates to be federally guaranteed within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

C. The School Board covenants and certifies to and for the benefit of the owners of the 2012A Certificates that no use will be made of the proceeds of the Certificates, which will cause the 2012A Certificates to be arbitrage bonds within the meaning of Section 148(a) of the Code and the Treasury Regulations promulgated thereunder. Pursuant to such covenant, the School Board hereby agrees to comply throughout the term of the issue of the 2012A Certificates with the requirements of Section 148 of the Code and any Treasury Regulations promulgated thereunder and Article V of the Declaration.

Section 16. Continuing Disclosure. The District acknowledges that the 2012A Certificates are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the "Rule"). The Rule governs the obligations of certain underwriters to require that issuers of municipal bonds enter into agreements for the benefit of the bondholders to provide continuing disclosure with respect to the bonds. To provide for the public availability of certain information relating to the 2012A Certificates and the security therefor and to permit underwriters of the 2012A Certificates to comply with the Rule, which will enhance the marketability of the 2012A Certificates, the Chair and the Clerk are hereby authorized and directed to execute a Continuing Disclosure Certificate substantially in the form of the Certificate currently on file in the office of the District.

B-6-12-3016

June 19, 2012

M-Seliga-Punyko, S-Westholm, To Approve Resolution B-6-12-3016 – Resolution Authorizing The Execution And Delivery Of An Amendment To Installment Purchase Contract And A Supplement To Declaration Of Trust And Approving The Issuance, Sale And Delivery Of \$12,800,424.50 Full Term Capital Appreciation Certificates Of Participation, Series 2012A.

Bond counsel reviewed the results of the sale. Board discussion took place regarding the sale.

Upon a vote, 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 AUTHORIZING THE EXECUTION AND DELIVERY OF AN
AMENDMENT TO LEASE PURCHASE AGREEMENT AND SUPPLEMENT TO
DECLARATION OF TRUST AND APPROVING THE ISSUANCE, SALE AND DELIVERY
OF \$6,340,000 CERTIFICATES OF PARTICIPATION, SERIES 2012B

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

Section 1. A. 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.

B. The District has approved a Long-Range Facilities Plan (the "Plan") and the Commissioner of Education has approved the District's borrowing of \$35,404,371 under the Act to finance the purchase of real and personal property for the improvement of the school facilities; such improvements which constitute the Project being described in the Original Lease (as hereinafter defined).

C. By Resolution No. B-8-09-2680, adopted September 17, 2009, the School Board determined that it was necessary, expedient and in the best educational interests of the District's pupils and residents that the District enter into a lease purchase agreement pursuant to the Act to finance the costs of the Project, with the interest component of the rental payments being tax-exempt under the Internal Revenue Code of 1986, as amended, and issuing certificates of participation in the rental payments under the lease purchase agreement in the maximum principal amount of \$35,400,000 pursuant to a declaration of trust.

D. The District selected Associated Trust Company, National Association, Milwaukee, Wisconsin (the "Trustee") to act as lessor and the trustee as follows: the Trustee, as lessor, entered into a Lease Purchase Agreement dated as of October 1, 2009 (the "Original Lease") with the District regarding the acquisition, construction and equipping of the Project, and the District and the Trustee entered into a Declaration of Trust dated as of October 1, 2009 (the "Original Declaration"), pursuant to which the Certificates of Participation, Series 2009B in the Rental Payments under the Original Lease in the principal amount of \$35,400,000 (the "2009 Certificates"), were executed and delivered by the Trustee.

E. By Resolution No. B-9-10-2820 adopted September 13, 2010, the School Board determined that it was necessary, expedient and in the best educational interests of the District's pupils and residents that the District enter into an amendment to the Original Lease to provide additional funds to purchase the real and personal property described in the Plan, as amended, and issuing certificates of participation in the rental payments under a supplement to the Original Declaration in the maximum principal amount of \$1,605,000.

F. The Trustee, as lessor, and the District, as lessee, entered into an Amendment to Lease Purchase Agreement dated as of October 1, 2010 (the "First Amendment to Lease"), to revise and restate the rental payments, such amendment shall modify the Original Lease. The District and the Trustee also entered into a Supplement to Declaration of Trust dated as of October 1, 2010 (the "First Supplement to Declaration"), pursuant to which the Certificates of Participation, Series 2010D in the rental payments under the Lease in the principal amount of \$1,605,000 (the "2010D Certificates") were executed and delivered by the Trustee.

G. The District has approved an amendment to the Plan and the Commissioner of

Education has approved the District's borrowing of an additional \$6,430,000 under the Act to finance additional costs for Congdon Elementary and Grant Elementary (now Myers-Wilkins Elementary).

H. By Resolution No. B-4-12-3008 adopted April 24, 2012, as amended by Resolution No. B-6-12-3032 adopted June 11, 2012, the School Board determined that it was necessary, expedient and in the best educational interests of the District's pupils and residents that the District enter into an amendment to the Original Lease, as amended, to provide additional funds to purchase the real and personal property for the items listed for Congdon Elementary and Grant Elementary (now Myers-Wilkins Elementary), which are a portion of the Project and issuing certificates of participation in rental payments under a supplement to the Original Declaration, as supplemented, in the maximum principal amount of \$6,340,000.

I. The Trustee, as lessor, and the District, as lessee, shall enter into an Amendment to Lease Purchase Agreement dated as of June 1, 2012 (the "Second Amendment to Lease"), to revise and restate the rental payments, such amendment shall modify the Original Lease, as modified by the First Amendment to Lease (the Original Lease, as modified by the First Amendment to Lease and the Second Amendment to Lease, is herein referred to as the "Lease"). The District and the Trustee shall enter into a Supplement to Declaration of Trust dated as of June 1, 2012 (the "Second Supplement to Declaration"), pursuant to which the Certificates of Participation, Series 2012B, in the rental payments under the lease in the principal amount of \$6,340,000 (the "2012B Certificates") shall be executed and delivered by the Trustee (the Original Declaration, as supplemented by the First Supplement to Declaration and the Second Supplement to Declaration, is herein referred to as the "Declaration").

J. Forms of the following documents relating to the financing have been prepared and submitted to the School Board:

(1) The Second Amendment to Lease proposed to be made and entered into between the District and the Trustee, as lessor; and

(2) The Second Supplement to Declaration proposed to be made and entered into between the District and the Trustee, as trustee.

Section 2. The District has solicited bids for the sale of the 2012B Certificates and an offer has been received from Hutchinson, Shockey, Erley & Co. of Chicago, Illinois (the "Purchaser"), to purchase the 2012B Certificates at a cash price of \$6,243,816.15, plus accrued interest on the total principal amount from June 27, 2012, to the date of delivery and upon condition that the 2012B Certificates mature and bear interest as follows and are payable at the times and on the terms set forth in the Lease and the Declaration.

C. The 2012B Certificates to be issued shall mature on March 1 in the respective years and amounts stated and shall bear interest at the annual rates as follows:

<i>Year</i>	<i>Amount</i>	<i>Interest Rate</i>
2014	\$260,000	3.000%
2015	\$265,000	3.000%
2016	\$270,000	3.000%
2017	\$270,000	3.000%
2018	\$275,000	4.000%
2019	\$285,000	4.000%
2020	\$290,000	4.000%
2021	\$300,000	4.000%
2022	\$310,000	4.250%

2023	\$320,000	4.500%
2024	\$330,000	4.750%
2025	\$340,000	5.000%
2027	\$725,000	5.000%
2029	\$785,000	5.125%
2032	\$1,315,000	5.250%

D. Redemption. (i) The 2012B Certificates maturing in the years 2014 through 2021 shall not be subject to redemption and prepayment before maturity, but those maturing, or subject to mandatory redemption, in the year 2022 and in subsequent years shall each be subject to redemption and prepayment at the option of the District on March 1, 2021, and on any date thereafter, in whole or in part, and if in part, at the option of the District and in such manner as the District shall determine at a price of par plus accrued interest to the date of redemption, as provided for in the Declaration.

(ii) In the event of damage to all or a portion of the Project and the District makes the certification and election at the times and in the manner as set forth in the Lease, the 2012B Certificates, or a portion thereof, shall be subject to prepayment on any date, at par plus accrued interest to the date of redemption, as provided for in the Declaration.

(iii) The 2012B Certificates maturing on March 1 in the years 2027, 2029 and 2032 shall be subject to mandatory redemption prior to maturity pursuant to the requirements of the Declaration at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Trustee shall select for redemption, by lot or other manner deemed fair, on March 1 in each of the following years the following stated principal amounts:

For the 2012B Certificates maturing on March 1, 2027:

Year	Amount
2026	\$355,000
2027*	\$370,000

* Final Maturity

For the 2012B Certificates maturing on March 1, 2029:

Year	Amount
2028	\$385,000
2029*	\$400,000

* Final Maturity

For the 2012B Certificates maturing on March 1, 2032:

Year	Amount
2030	\$420,000
2031	\$435,000
2032*	\$460,000

* Final Maturity

E. The District, after due consideration, finds such offer reasonable and proper and the offer of the Purchaser is hereby accepted. The Chair and the Clerk are authorized to execute on the part of the District a contract for the sale of the 2012B Certificates in accordance with the Purchaser's proposal.

Section 3. It is hereby found, determined and declared by the School Board that:

A. It is desirable and in the best interests of the District to enter into the Second Amendment to Lease and the Second Supplement to Declaration;

B. The terms of the Second Amendment to Lease and the Second Supplement to Declaration are found to be advantageous to the District and are hereby approved; and

C. The Rental Payments under the Lease are subject to annual appropriation by the District and the Lease is subject to termination at the end of each fiscal year of the District.

Section 4. There was created and shall be continued a separate Rental Payment Account (the "Account") for payment of the Rental Payments under the Lease, which shall be a separate segregated account within the District's general fund. The monies in the Account shall be used for no purpose other than the payment of the Rental Payments and the other payments under the Lease. The Chief Financial Officer/Executive Director of Business Services is authorized and directed to transfer monies of the District to the Account, as from time to time authorized by the District's budget, in the amounts so authorized to pay the Rental Payments and the other payments due under the Lease.

Section 5. The Second Amendment to Lease and the Second Supplement to Declaration are hereby approved. The Chair and the Clerk are hereby authorized and directed to execute and deliver the Second Amendment to Lease and the Second Supplement to Declaration substantially in the forms now on file with the Clerk, with such necessary and appropriate omissions, modifications, insertions and additions as do not materially affect the substance of the transaction, consistent with the Act, as the Chair in his discretion shall determine. The execution of the Second Amendment to Lease and the Second Supplement to Declaration by the Chair, with the advice of the Attorney for the District, shall be conclusive evidence of such determination. All of the provisions of the Second Amendment to Lease and the Second Supplement to Declaration, when executed and delivered as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated herein and shall be in full force and effect from the date of execution and delivery thereof. The District approves the 2012B Certificates being registered as depository obligations with The Depository Trust Company, New York, New York, as set forth in the Declaration.

Section 6. The Chair and the Clerk are hereby authorized to execute and deliver, on behalf of the District, such other documents as are necessary or appropriate in connection with the Second Amendment to Lease and the Second Supplement to Declaration, and the issuance, sale and delivery of the 2012B Certificates.

Section 7. All covenants, stipulations, obligations and agreements of the District contained in this Resolution and the Lease and the Declaration shall be deemed to be the covenants, stipulations, obligations and agreements of the District to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be

binding upon the District upon execution and delivery of the Second Amendment to Lease and the Second Supplement to Declaration. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the District or its officers by the provisions of this Resolution or of the aforementioned documents to be executed and delivered by the District shall be executed or performed by the District or by such officers of the District, or such board, body, authority or agency thereof as may be required by law to exercise such powers and to perform such duties.

Section 8. Except as herein otherwise expressly provided, nothing in this Resolution or in the Lease and the Declaration, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation, other than the District, the Trustee, the Purchaser, or any holder of the 2012B Certificates issued under the provisions of this Resolution, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof, that the aforementioned documents and all of their provisions being intended to be and being for the sole and exclusive benefit of the District, the Trustee, the Purchaser, and any holder from time to time of the 2012B Certificates issued under the provisions of this Resolution.

Section 9. The officers and other agents or employees of the District are hereby authorized to do all acts and things required of them by or in connection with this Resolution, the Second Amendment to Lease and the Second Supplement to Declaration, and the 2012B Certificates, without further action of the Board, for the full, punctual and complete performance of all the terms, covenants and agreements contained in the 2012B Certificates, the aforementioned documents and this Resolution.

Section 10. In the event any of the officers of the District authorized to execute the documents on behalf of the District under this Resolution shall for any reason be unable to do so, any other officer of the District authorized to act for such designated officer is hereby directed and authorized to do so on behalf of the District with the same effect as if executed by the officer authorized to do so in this Resolution.

Section 11. All actions of the members, officers, employees and staff of the District heretofore taken and in furtherance of this financing are hereby approved, ratified and confirmed.

Section 12. A. The Clerk of the District is directed to file in the office of the County Auditor of St. Louis County a certified copy of this Resolution and such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the 2012B Certificates herein authorized have been duly entered on his register.

B. The Chair, the Clerk, the Treasurer and other officers of the District are authorized and directed to prepare and furnish, with regard to the issuance of the 2012B Certificates, certified copies of all proceedings and records of the District relating to the 2012B Certificates and such other affidavits, certificates and opinions as may be required to show the facts relating to the legality, tax-exempt status and marketability of the 2012B Certificates as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; that all such certified copies, certificates, affidavits and opinions, including those heretofore furnished, shall constitute representations of the District as to the truth of all statements made by the District and contained herein.

Section 13. The District hereby authorizes the circulation of the final Official Statement in connection with the sale and delivery of the 2012B Certificates.

Section 14. Tax Covenants.

A. The District covenants and agrees with the holders of the 2012B Certificates that the District will (i) take all action on its part necessary to cause the interest on the 2012B Certificates to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the 2012B Certificates and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the 2012B Certificates to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the 2012B Certificates and investment earnings thereon on certain specified purposes.

B. No portion of the proceeds of the 2012B Certificates shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the 2012B Certificates were issued, and (ii) in addition to the above, in an amount not greater than the lesser of five percent of the proceeds of the 2012B Certificates or \$100,000. To this effect, any proceeds of the 2012B Certificates and any sums from time to time held in the Lease Revenue Account or the Prepayment Account by the Trustee (or any other District funds or accounts which will be used to pay principal and interest to become due on the 2012B Certificates) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable temporary periods of minor portion made available under the federal arbitrage regulations. In addition, the proceeds of the 2012B Certificates and money in the Lease Revenue Account shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the 2012B Certificates to be federally guaranteed within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

C. The School Board covenants and certifies to and for the benefit of the owners of the 2012B Certificates that no use will be made of the proceeds of the 2012B Certificates which will cause the 2012B Certificates to be arbitrage bonds within the meaning of Section 148(a) of the Code and the Treasury Regulations promulgated thereunder. Pursuant to such covenant, the School Board hereby agrees to comply throughout the term of the issue of the 2012B Certificates with the requirements of Section 148 of the Code and any Treasury Regulations promulgated thereunder and Section 5.01 of the Declaration.

Section 15. Continuing Disclosure. The District acknowledges that the 2012B Certificates are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the "Rule"). The Rule governs the obligations of certain underwriters to require that issuers of municipal obligations enter into agreements for the benefit of the bondholders to provide continuing disclosure with respect to the obligations. To provide for the public availability of certain information relating to the 2010D Certificates and the security therefor and to permit underwriters of the 2012B Certificates to comply with the Rule, which will enhance the marketability of the 2012B Certificates, the Chair and the Clerk are hereby authorized and directed to execute a Continuing Disclosure Certificate substantially in the form of the Certificate currently on file in the office of the District.

M-Seliga-Punyko, S-Kasper, To Approve Resolution B-6-12-3017 – Resolution Authorizing The Execution And Delivery Of An Amendment To Lease Purchase Agreement And Supplement To Declaration Of Trust And Approving The Issuance, Sale And Delivery Of \$6,340,000 Certificates Of Participation, Series 2012B.

Bond counsel reviewed the sale. Board discussion took place regarding the bond sale.

Upon a vote, 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
Adoption of the Fiscal Year 2013 Budget

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

B-6-12-3030

June 19, 2012

M-Seliga Punyko, S-Kasper, to approve Resolution B-6-12-3030 – Adoption of the Fiscal Year 2013 Budget. Upon a vote, the same was approved 6-1 as follows:

Board discussion took place regarding the budget proposal.

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

Nay: Johnston

Member Seliga Punyko presented the resolution:

RESOLUTION
Authorizing the Sale of Real Property Located at 2401 Ensign Street

WHEREAS, the School Board by Resolution B-6-07-2452 adopted a Long-range Facilities Plan for the District, and therein also directed the District's administrative staff to commence with the identification and negotiation of land to be acquired as identified in the Plan; and

WHEREAS, the Administration working with Johnson Controls and the District's Legal Counsel identified property and negotiated terms and by Resolution #B-1-09-2601 the School Board authorized the purchase of real property located at 2401 Ensign Street; and

WHEREAS, said property will no longer be used for purposes set forth in Minnesota Statute Section 123B.51.

NOW, THEREFORE, BE IT RESOLVED that the School Board hereby authorizes the real property located at 2401 Ensign Street to be sold for \$153,900.00, said property described as Assessor's Parcel No. 010-0140-00130, further described as East 79 feet of South ½ of Lot 10 and East 79 feet of Lots 11 and 12, Auditors Plat #32, City of Duluth, in St. Louis County, and;

BE IT FURTHER RESOLVED that the School Board authorizes the School Board Chair to execute a purchase agreement and to sign all other documents required for closing this sale transaction.

B-6-12-3036

June 19, 2012

M-Seliga Punyko, S-Cameron, to approve Resolution B-6-12-3036 - Authorizing the Sale of Real Property Located at 2401 Ensign Street. Upon a vote, the same was approved 6-1 as follows:

Member Johnston asked where the information regarding the item was. Administration explained that it had been mailed to him.

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

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

Member Johnston withheld Items 1.G., 6. D., E., and F.

Member Johnston withheld Item 1.G. – Fund Raisers to ask about fund raising restrictions. Jody LeBlanc explained the fund raising standards.

Member Johnston withheld Item 6.D. – Facilities Management and Capital Project Status Report to ask about an energy report he requested. Kerry Leider, Facilities Management Supervisor stated that he would get the report to him.

Member Johnston withheld Item 6.E. JCI LRFP – no comment

Member Johnston withheld Item 6.F. – Change Orders Relating to the Long Range Facilities Plan to ask about a report totaling all the change orders by project. Kerry Leider stated that Member Johnston could go to his office and to review that information with him.

Member Wasson asked that board members go through the Superintendent to request data and not individual administrators.

Upon a vote on the remainder of the business committee report as presented, the same was approved 6 – 1 as follows:

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

Special Resolutions
June 2012

Member Seliga Punyko presented the resolution:

RESOLUTION ADOPTING POST-ISSUANCE DEBT COMPLIANCE PROCEDURES

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

The School Board of Independent School District No. 709 (Duluth) (the “District”) has chosen to take steps to help ensure that all tax-exempt obligations will be in compliance with all applicable state and federal regulations.

Background

The Internal Revenue Service (IRS) is responsible for enforcing compliance with the Internal Revenue Code and most other regulations governing certain obligations (As example: tax-exempt obligations, Build America Bonds, Recovery Zone Development Bonds and various “Tax Credit” Bonds). The IRS expects issuers and beneficiaries of these obligations to adopt and implement post-issuance debt compliance procedures to safeguard against post-issuance violations.

Post-Issuance Debt Compliance Objectives

The District desires to monitor these obligations to ensure compliance with the IRS Code and all other regulations governing such obligations. To help ensure compliance, the District has developed procedures which apply to these obligations including bonds, notes, loans, lease purchase contracts, lines of credit, commercial paper or any other form of debt that is subject to compliance.

Post-Issuance Debt Compliance

The CFO/Executive Director of Business Services of the District is designated as the District’s agent who is responsible for post-issuance compliance of these obligations.

The CFO/Executive Director of Business Services shall assemble all relevant documentation, records and activities required to ensure post-issuance debt compliance as further detailed in the “Post-Issuance Debt Compliance Procedures” attached hereto. At a minimum, the Post-Issuance Debt Compliance Procedures for each qualifying obligation will address the following:

1. General Post-Issuance Compliance;
2. Proper and timely use of bond proceeds and bond-financed property;
3. Arbitrage yield restriction and rebate;
4. Timely filings and other general requirements;
5. Additional undertakings or activities that support points 1 through 4 above;
6. Other requirements that become necessary in the future.

The CFO/Executive Director of Business Services shall apply the Post-Issuance Debt Compliance Procedures to each qualifying obligation and maintain a record of the results. Further, the CFO/Executive Director of Business Services will ensure that the Post-Issuance Debt Compliance Procedures are updated on a regular and as needed basis.

The CFO/Executive Director of Business Services, or any other individuals responsible for assisting the CFO/Executive Director of Business Services in maintaining records needed to ensure post-issuance compliance, are authorized to expend funds as needed to attend training or secure use of other educational resources for ensuring compliance such as consulting, publications, and compliance assistance.

B-6-12-3035

June 19, 2012

M-Seliga Punyko, S-Kasper, To Approve Resolution B-6-12-3035– Resolution Adopting Post-Issuance Debt Compliance Procedures. Upon a vote, the same was approved – unanimously.

Other

June 2012

➤ Chair Wasson adjourned the Regular School Board Meeting of June 19, 2012 at 8:19 p.m.

Minutes of the Special School Board Meeting

27

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

Thursday, June 28, 2012

Members Present:

Mary Cameron
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:

Art Johnston

- Chair Wasson called the special school board meeting of June 28, 2012 to order at 5:30 p.m.
- Public Comment as Related to Agenda Items Listed Below - None
- **Bid #1215 – Myers-Wilkins Elementary School Bid Package #1 – Additional Bids**
 - Contract #0332 – Cast-in-Place Concrete – Kelleher Construction, Inc – \$778,840.00
 - Contract #340 – Precast Concrete Plank – Molin Concrete Products Company - \$149,688.00
 - Contract #0510 – Steel Erection – Industrial Construction Specialists, LLC - \$89,200.00
 - Contract #0512 – Steel Supply – D & M Iron Works, Inc - \$236,823.00
 - Contract #0610 – Carpentry – Crossroad Construction, Inc - \$407,500.00
 - Contract #0710 – Damproofing and Waterproofing – Kremer and Davis, Inc - \$62,000.00
 - Contract #0790 – Caulking and Sealants – Sunrise Specialty Contracting, Inc - \$58,150.00
 - Contract #0810 – Doors, Frames and Hardware Supply – Sell Hardware, Inc - \$192,900.00
 - Contract #0833 – Coiling/Overhead/Sectional Doors – Lipe Brothers Construction, Inc. - \$12,500.00
 - Contract #0964 – Wood Flooring – Haldeman-Homme, Inc dba Anderson Ladd - \$49,201.00
 - Contract #0990 – Painting/Wall Covering – Steinbrecher Painting, Inc - \$122,000.00
 - Contract #1000 – Miscellaneous Specialties – Supply – Building Material Supply, Inc - \$34,250.00
 - Contract #1010 – Visual Display Boards – Supply – W.E. Neal Slate Co. - \$27,290.00
 - Contract #1022 – Folding Panel Partitions – Hufcor Minnesota, LLC- \$9,405.00
 - Contract #1050 – Lockers – Olympus Lockers & Storage Products, Inc - \$42,637.00
 - Contract #1166 – Gymnasium Equipment – The Center Stage Manufacturing Company, LLC - \$35,900.00
 - Contract #1168 – Site Furnishings – Urban Companies, LLC - \$36,000.00

Contract #1224 – Roller Window Shades – Lipe Brothers Construction, Inc. – \$35,300.00

Contract #1230 – Casework Supply – LSI Corporation of America, Inc. - \$267,014.00

Contract #1420 – Elevators – Schindler Elevator Corporation - \$75,927.00

Contract #2100 – Fire Protection – A.W. Kuettel & Sons, Inc - \$150,484.00

Contract #2200 – Plumbing and Heat Piping – Shannon’s, Inc - \$1,442,000.00

Contract #2600 – Electrical and Technology - Belknap Electric, Inc - \$1,496,170.00

Contract #3162 – Concrete-Filled Steel Piles – Veit & Company, Inc - \$271,620.00

Contract #3230 – Playground Equipment – Landscape Structures, Inc - \$232,120.00

Contract #3231 – Fences and Gates – Keller Fence Company, Inc - \$44,300.00

Contract #3291 – Landscaping – Urban Companies, LLC - \$42,400.00

Contract #3301 – Site Utilities – Ulland Brothers, Inc - \$427,680.00

Recommendation: It is recommended the School Board approve entering into contracts with the firms listed above based on their low responsive bids as shown on the Bid Tab and Letter of Recommendation, as provided in response to Bid#1215 – Myers-Wilkins Elementary School Bid Package #1. The total cost of the contracts related to Bid #1215– Myers-Wilkins Elementary School Bid Package #1 as listed above is \$6,829,299.00, which remains within the overall budget district-wide and the budget designated for this project.

M-Westholm, S-Kasper, to approve the Contract Awards – Myers-Wilkins Elementary School Bid Package #1 – Additional Bids. Upon a vote, the same was approved 6-0.

- **Bid #1222 – Congdon Park Elementary – Bid Package #1 – Additional Bids**
Work Scope #1 – Site Earthwork, Excavation and Utilities – Northland Constructors of Duluth, LLC - \$881,400.00
Work Scope #3 – Concrete – Kelleher Construction, Inc - \$331,000.00

Recommendation: It is recommended the School Board approve entering into contracts with the firms listed above based on their low responsive bids as shown on the Bid Tab and Letter of Recommendation, as provided in response to Bid#1222 – Congdon Park Elementary – Bid Package #1. The total cost of the contracts with alternate related to Bid#1222 – Congdon Park Elementary – Bid Package #1 as listed above is \$1,212,400.00, which remains within the overall budget district-wide and the budget designated for this project.

M-Kasper, S-Westholm, to approve the Contract Awards – Congdon Park Elementary School Bid Package #1 – Additional Bids. Upon a vote, the same was approved 6-0.

- Chair Wasson adjourned the Special School Board meeting of June 28, 2012 at 5:38 p.m.

7. Communications, Petitions, etc.

No communications received.

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 July 16 – July 20, 2012

Tuesday	July 17	6:30 p.m.	Regular School Board Meeting (Agenda Attached) Board Room
---------	---------	-----------	---

Week of July 23 – July 27, 2012

No meetings scheduled at this time.

Week of July 30 – August 3, 2012

No meetings scheduled at this time.

Week of August 6 – August 10, 2012

No meetings scheduled at this time.

Week of August 13 – August 17, 2012

Monday	August 13	4:15 p.m.	Human Resources Committee Board Room
--------	-----------	-----------	---

Monday	August 13	4:30 p.m. <i>(or to follow the Human Resources Comm. Mtg)</i>	Business Committee Board Room
--------	-----------	--	----------------------------------

Tuesday	August 14	4:15 – 6:00 p.m. only <i>(No Mtgs 6:00-8:00 pm Primary Elections)</i>	Education Committee Board Room
---------	-----------	---	-----------------------------------

Week of August 20 – August 24, 2012

Tuesday	August 21	6:30 p.m.	Regular School Board Meeting Board Room
---------	-----------	-----------	--

Week of August 27 – August 31, 2012

No meetings scheduled at this time.

Week of September 3 – September 7, 2012

No meetings scheduled at this time.

Week of September 10 – September 14, 2012

Monday	September 10	4:15 p.m.	Human Resources Committee Board Room
--------	--------------	-----------	---

Monday	September 10	4:30 p.m. <i>(or to follow the Human Resources Comm. Mtg)</i>	Business Committee Board Room
--------	--------------	--	----------------------------------

Tuesday	September 11	4:15 p.m.	Education Committee Board Room
---------	--------------	-----------	-----------------------------------

Week of September 17 – September 21, 2012

Tuesday	September 18	6:30 p.m.	Regular School Board Meeting Board Room
---------	--------------	-----------	--

*Office of the Superintendent
July 12, 2012*