

SHAKOPEE PUBLIC SCHOOLS



SCHOOL BOARD AGENDA



Independent School District 720 – Shakopee Public Schools
Shakopee Public Schools District Office Board Room, 1200 Town Square, Shakopee, MN
55379

April 10, 2017
6:00 PM

Board of Education

1. CALL TO ORDER AND ROLL CALL - CHAIR SWANSON.
2. WE ARE SHAKOPEE SCHOOLS - GOOD NEWS ITEMS.
 2. 1. Student Recognitions
 - Recognition of State Level Participation**
 - Boys Swim & Dive:**
 - Liam Bergerson
 - Jack Bjelland
 - Brandon Gorter
 - Hans Hover
 - Teddy Johnson
 - Alex Kraft
 - Brennen McClay
 - Alan Purves
 - Garrett Riley
 - Lucas Rognrud
 - Gavin Wicklander
 - Wrestling:**
 - Brent Jones
 - Alex Lloyd
 - Alex Crowe
 - Carson Manville
 - Aaron Cashman
 - Abe Ngaima
 - Sam Webster
 - Max Crowe
3. CONSIDERATION OF AGENDA AS PRESENTED AND ADDITIONS.
4. CONSENT ITEMS
 4. 1. Personnel Items
 - 4.1.1 Acceptance of Resignations**
 - Last Name, First Name, Position, Location, Effective Date
 - Aleckson, Kelsey, Teacher, FACS, High School, 5/26/2017
 - Burcusa, Michael, Teacher, Science, High School, 5/26/2017
 - Carter, Jason, Teacher, Physical Education/Health, Pearson 6th Grade Center, 5/26/2017

Flemming, Kristi, Teacher, Grade 4, Sun Path Elementary School, 5/26/2017
Huss, Ryan, Technology System Admin, District Wide, 3/29/2017
Jeurissen, Jerome, Custodian, Red Oak Elementary School, 3/16/2017
Krzyzek, Kelly, Teacher, Grade 2, Sun Path Elementary School, 5/26/2017
Larson, Rachel, Program Support Assistant, Sun Path Elementary School, 4/04/2017
Neal, Desiree, Food Service Worker, Red Oak Elementary School, 3/17/2017
Riesgraf, Linda, Food Service Worker, West Junior High School, 3/24/2017
Rolf, Haley, Program Support Assistant, Jackson Elementary School, 3/23/2017
Saine, Betsy, Teacher, Intervention, Pearson 6th Grade Center, 5/26/2017
Volavka, Allison, Teacher, Special Services, West Junior High School, 5/26/2017
Waldorf, Haley, Program Support Assistant, Jackson Elementary School, 3/23/2017

Recommended Action

Accept the resignations as presented.

4.1.2 Approval of Certified Contract for the 2017-18 School Year

Last Name, First Name, Position, Location, Grade, Step, FTE, Effective, Salary Annual

Johnson, Anthony, Teacher, Instructional Coach, Red Oak Elementary School, MA, 8, 1.0, 7/1/2017, \$53,950.00, R

Recommended Action

Approve certified contract as presented.

4.1.3 Approval of Non-Certified Contracts

Last Name, First Name, Position, Location, Salary, Effective

Camey, Emily, Health Assistant, Central Family Center, \$20.14/hr, 3/14/2017, R

Clemens, Alan, Custodian, High School, \$16.59/hr, 3/27/2017, R

Lemke, Vaughn, Custodian, Red Oak Elementary School, \$16.09/hr, 3/27/2017, R

Pavlak, Amanda, Health Assistant, High School, \$17.98/hr, 4/03/2017, R

Recommended Action

Approve the non-certified contracts as presented.

4.1.4 Approval of Long Term Substitute Contracts

Name LTS, Replacing, Position, Location, Approx. Dates,

Grade/Step, Approx. Days, FTE, Salary
Colburn, Heidi, Ulrich, Renelle, Teacher, English, High School,
3/13/2017 through approx. 5/08/2017, BA Step 3, 36, 1.0,
\$212.04/day
Miller, Kristian, Lissick, Jacki, Teacher, Physical Education, West
Junior High School, 3/26/2017 through Approx. 5/04/2017, MA Step
3, 26, 1.0, \$254.10/day

Recommended Action

Approve the long term substitute contracts as presented.

4.1.5 Approval of 2016-17 Spring Co-Curricular Assignments

Last Name, First Name, Position
Allen, Susan, Co-Head Coach Boys Tennis
Allen, Philip, Assistant Boys Lacrosse
Amundsen, Thom, Play Director
Arnfelt, Jennifer, Co-Head Coach Boys Tennis
Betz, Emily, Head Girls Track/Field
Brown, Andrew, Junior High Golf
Carey, Melissa, Assistant Softball
Carter, Jason, Assistant Boys Golf
Casey, Jeffrey, Junior High Softball
Chukuske, Ryan, Assistant Track/Field
Cole, Robert, Assistant Play Director
Courteau, Donnat, Assistant Girls Golf
DeMars, Stephanie, Junior High Track/Field
Duehr, Elizabeth, HOSA Advisor
Fish, Joshua, Junior High Golf
Fordyce, Rebecca, Junior High Track/Field
Gardner, Matthew, Junior High Baseball
Gaugler, Miranda, Junior High Track/Field
Gerleman, Alex, Assistant Boys Tennis
Grosskurth, Dereck, Assistant Softball
Haskins, Zachary, Head Boys Track/Field Coach
Honza, George, Assistant Track/Field
Jackson, James, Junior High Track/Field
Javner, Cassidy, Prom Advisor
Johnson, Neil, Head Coach Softball
Krmopotich, Colleen, Assistant Girls Lacrosse
Laughlin, Wade, Assistant Track/Field
Laursen, Dave, Technical Director
Loonan, Benjamin, Assistant Track/Field
Loonan, John, Assistant Track/Field
Lundberg, Phillip, Junior High Baseball
Mawdsley, Mike, Assistant Boys Lacrosse
McDonald, Emily, Assistant Track/Field
Menden, Courtney, Assistant Boys Tennis

Miller, Jon, Head Girls Golf
 Mitchell, Steffon, Junior High Boys Tennis
 Morales, Lauren, Assistant Track/Field
 Pierce, Katherine, Assistant Girls Lacrosse
 Pollock, Sean, Head Boys Lacrosse
 Puch, Timothy, Assistant Boys Lacrosse
 Rangel, John, Junior High Track/Field
 Rosholt, Kirk, Junior High Softball
 Russell, Daniel, Assistant Girls Lacrosse
 Ryan, Kyle, Assistant Baseball
 Sage, Joseph, Head Boys Golf
 Schleper, Thomas, Head Baseball
 Schmitz, Eric, Assistant Baseball
 Schneider, Tara, Head Girls Lacrosse
 Sonnenberg, Samantha, Assistant Track/Field
 Stone, Jody, Junior High Baseball
 Stromgren, Kenneth, Junior High Baseball
 Thom, Josh, Assistant Baseball
 Tyson, Josh, Junior High Track/Field
 Ungar, James, Assistant Baseball
 Wachter, Jeffrey, Assistant Track/Field
 Wagener, Robert, Assistant Baseball
 Walker, Robert, Assistant Softball
 Walker, Ashley, Assistant Softball
 Whittler, Tayler, Assistant Track/Field

Recommended Action

Approve the 2016-17 co-curricular assignments as presented.

4.1.6 Request for Unpaid Leave of Absence

Paula David, Program Support Assistant, is requesting a one-year unpaid leave of absence for the entire 2017/18 school year. Paula will be working on the completion of her Elementary Education and Middle School Math teaching licensure degree.

Recommended Action

Approve the unpaid leave of absence for the 2017-18 school year.

4.1.7 Sick Leave Bank Memorandum of Understanding

Recommended Action

Approve the food service contract sick leave bank memorandum of understanding as presented.

4. 2. Approval of minutes of the March 13, 2017 Business Meeting and March 20, 2017 Board Learning Session. 10

Recommended Action

Approve the minutes of the March 13, 2017 Business Meeting and March 20, 2017 Board Learning Session as presented.

- 4. 3. Consideration of bills and authorization to pay same.
Recommended Action
 Approve the bills and authorize to pay same as presented.
- 4. 4. Approval of wires report. 15
Recommended Action
 Approve the wires report as presented.
- 4. 5. Approval of 2017-18 YMCA Pre-School Contract. 16
Recommended Action
 Approve the 2017-18 YMCA Contract as presented.
- 5. OLD BUSINESS DISCUSSION ITEMS
- 5. 1. 2017-18 Shakopee High School Student Registration Update 22
 Shakopee High School Principal Jeff Pawlicki and Assistant Principal Stuart Lang will present an update regarding the 2017-18 student registration process.
 Presenter: Shakopee High School Principal Jeff Pawlicki and Assistant Principal Stuart Lang
 Time: 15 minutes
- 5. 2. Budget Update
 School Board Chair Scott Swanson and Finance Committee Chair Reggie Bowerman will provide a budget update.
 Presenter: School Board Chair Scott Swanson, Finance Committee Chair Reggie Bowerman and Todd Netzke from School Management Services
 Time: 15 minutes
- 5. 3. Staffing Update
 Executive Director of Administrative Services Scott Hare will present a staffing update.
 Presenter: Executive Director of Administrative Services Scott Hare
 Time: 10 minutes
- 5. 4. Ford NGL Steering Committee Update
 School Board Member Reggie Bowerman will provide an update on the recent Ford NGL Steering Committee meeting.
 Presenter: School Board Member Reggie Bowerman
 Time: 5 minutes
- 6. OLD BUSINESS ACTION ITEMS
- 6. 1. BOC Recommendation on Outside Facilities 25
 Assistant Superintendent John Bezek will present a recommendation from BOC (Bond Oversight Committee) regarding the \$150,000 capital funds contribution to the City of Shakopee for the cooperative construction of an additional baseball field at TahPah Park. This baseball field will serve as a replacement for the field lost due to construction at Shakopee High School.
Recommended Action

Approve the \$150,000 capital fund contribution to the City of Shakopee for the cooperative construction of an additional baseball field at TahPah Park.

Presenter: Assistant Superintendent John Bezek

Time: 5 minutes

7. NEW BUSINESS DISCUSSION ITEMS

7. 1. Recognition of Eagle Creek Elementary as a Minnesota School of Excellence

Superintendent Rod Thompson will recognize Eagle Creek Elementary as a Minnesota School of Excellence. Established by the Minnesota Elementary School Principals Association (MESPA), the Minnesota School of Excellence Program is recognized by the Minnesota Department of Education, as well as the National Association of Elementary School Principals. The program promotes excellence through a rigorous evaluation process that showcases dynamic schools of the 21st century.

Presenter: Superintendent Rod Thompson

Time: 10 minutes

8. NEW BUSINESS ACTION ITEMS

8. 1. Policy Update

38

Policy Committee Member Tony Pass will present School District Policy 705 Investments for First Reading.

Recommended Action

Approve the First Reading of School District Policy 705 Investments as presented.

Presenter: Policy Committee Chair Tony Pass

Time: 5 minutes

8. 2. District Health Insurance Update

51

Executive Director of Administrative Services Scott Hare will present a recommended from the districtwide insurance committee for selection of vendor and rate adjustments for 2017-18.

Recommended Action

Approve the selection of Preferred One as the district's health insurance carrier and approve rate adjustments as presented.

Presenter: Executive Director of Administrative Services Scott Hare

Time: 10 minutes

8. 3. Third Party Investigation of the Organizational Health of the District

Recommended Action

School Board Chair Scott Swanson will provide a high level overview of an investigation being opened by the board. Authorize Knutson, Flynn & Dean to enter into an agreement with NeuVest for the purpose of conducting a third party investigation into the overall organizational health of the district.

Presenter: School Board Chair Scott Swanson

Time: 10 minutes

9. RECOGNITION OF VISITORS TO BOARD MEETING.
10. OTHER
11. COMMITTEE REPORTS
12. UPCOMING MEETINGS AND IMPORTANT DATES
 - April 17, 2017 School Board Retreat 6:00PM
 - April 24, 2017 Neil Johnson Complex Dedication Ceremony 5:30PM
 - April 24, 2017 School Board Learning Session 6:00PM
 - April 25, 2017 50th Year Anniversary for Sweeney Elementary
 - May 8, 2017 School Board Business Meeting 6:00PM
 - May 12, 2017 Recognition and Retiree Celebration
 - May 22, 2017 School Board Learning Session 6:00PM
 - May 27, 2017 Shakopee High School Commencement
13. ADJOURNMENT

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is entered into between the Service Employees International Union Local #284 (SEIU) and the Independent School District #720, Shakopee Public Schools and provides a modification of the Master Contract as follows:

Article IV LEAVES OF ABSENCE

Section 1. Sick Leave: Food Service personnel and cleaning aides will be credited with twelve (12) days of sick leave at the beginning of each school year. Sick leave credit for any period of employment that is less than a full year shall be earned at the rate of 1.2 days per month worked. Unused sick leave may accumulate to a maximum of one hundred thirty-five (135) days. ~~one hundred thirty (130) days.~~ The accumulation of unused sick leave will be calculated from the beginning of employment. For any absence for illness of over two (2) days, the employee may be required by the Human Resources Director to provide a doctor's excuse.

By signing below, the parties agree to the terms of this Memorandum of Understanding.

SEIU
Minnesota

For Independent School District No. 720,
Minnesota

_____ Date: _____
SEIU Business Agent

_____ Date: _____
Chairman

_____ Date: _____
Union Steward

_____ Date: _____
Clerk

_____ Date: _____
Union Steward

Minutes of Board Business Meeting

School Board Shakopee Public Schools

A Board Business Meeting of the School Board of Shakopee Public Schools was held Monday, March 13, 2017, beginning at 6:00 PM in the Shakopee Public Schools District Office Board Room, 1200 Town Square, Shakopee, MN 55379.

1. CALL TO ORDER AND ROLL CALL - CHAIR SWANSON.

PRESENT: Bowerman, Hallett, McKeand, Pass, Romansky, Tucker and Swanson

ABSENT:

2. WE ARE SHAKOPEE SCHOOLS - GOOD NEWS ITEMS.

2. 1. Recognition of Volunteer Week

Volunteer Week in Shakopee Schools will be celebrated April 23-29, 2017. In recognition of the tremendous work that the more than 1800 volunteers do in service to our students and staff, Sonia Hellerud requested the Board move a Resolution of Appreciation Honoring School District Volunteers.

Recommended Action

Bowerman/McKeand moved to approve the Resolution of Appreciation honoring school district volunteers as presented; motion passed unanimously.

2. 2. Student Recognitions

*2016-17 MSHSL Region 2AA - Triple "A" Winners

Andrew Pierson

Alysa Janke

*Minnesota Band Directors Association South Central Region Honor Band Participants

Liz Boldon

Rohan Sastri

Gavin Stadler

Andy Hanson

Spencer Holm

Lily Tran

Jessica Vermuelen

Aiden Schmitz

3. RECOGNITION OF VISITORS TO BOARD MEETING.

Members of the community who wished to address the Board were recognized at this time.

4. CONSIDERATION OF AGENDA AS PRESENTED AND ADDITIONS.

Hallett/Romansky moved to approve the agenda as presented; motion passed unanimously.

5. CONSENT ITEMS

McKeand/Pass moved to approve the consent agenda as presented; motion passed unanimously.

5. 1. Personnel Items

5.1.1 Acceptance of Retirements

Last Name, First Name , Position, Location, Effective

Block, Joanne, Teacher, Speech Language Pathologist, Pearson 6th Grade Center, 5/26/2017

Moffitt, Candace, Teacher, Music, Sweeney Elementary School, 5/26/2017

Wysocki, Dale, Custodian, High School, 2/27/2017
Youngsma, Lynnette, Teacher, Science, High School, 5/26/2017

Recommended Action

Accepted the retirements and thank them for their service to the district as presented.

5.1.2 Acceptance of Resignations

Last Name, First Name, Position, Location, Effective Date

Betlock, Lisa, Program Support Assistant, Red Oak Elementary School, 3/10/2017

Dueffert, Kimberly, Teacher, Grade 4, Jackson Elementary School, 5/26/2017

Heisler, Allison, Teacher, Grade 5, Eagle Creek Elementary School, 5/26/2017

Mitchell, Sheri, Program Support Assistant, Jackson Elementary School, 5/26/2017

Phat, Sulin, Avid Tutor, East/West Junior High School, 3/01/2017

Robling, Laurie, Program Support Assistant, Central Family Center, 2/27/2017

Saine, Betsy, Teacher, Intervention, Pearson 6th Grade Center, 5/26/2017

Schmidt, Katie, Program Support Assistant, Pearson 6th Grade Center, 3/02/2017

Shaughnessey, Megan, Teacher, Grade 2, Jackson Elementary School, 5/26/2017

Simpson, Carissa, Teacher, Grade 1, Sun Path Elementary School, 5/26/2017

Wyman, Jonathon, Teacher, Language Arts, West Junior High School, 5/26/2017

Recommended Action

Accepted the resignations as presented.

5.1.3 Approval of Certified Contract

Last Name, First Name, Position, Location, Grade, Step, FTE, Effective, Salary Annual

Bocock, Julie, School Nurse, West Junior High School, MA, 23, 1.0, 2/27/2017, \$23,987.00 prorated 1.0 FTE, 63 days, R

Carlson, Kristin, Building Substitute Teacher, Sun Path Elementary School, N/A, N/A, 1.0, 3/02/2017, 125.00/day, R

Stadtherr, Elizabeth, Building Substitute Teacher, Sweeney Elementary School, N/A, N/A, 1.0, 2/13/2017, 125.00/day, R

Recommended Action

Approved certified contract as presented.

5.1.4 Approval of Non-Certified Contracts

Last Name, First Name, Position, Location, Salary, Effective

Gray, Janelle, Program Support Assistant, Central Family Center, \$14.30/hr, 3/01/2017, New position to support YMCA as specified in the agreement at no additional impact to the general fund

Recommended Action

Approved the non-certified contracts as presented.

5.1.5 Approval of Director of Finance and Operations

Last Name, First Name, Position, Location, Effective, Salary

Johnson, Suzanne, Director of Finance and Operations, District Wide, 6/01/2017, \$130,000.00

Recommended Action

Approved the Director of Finance and Operations as presented.

5.1.6 Approval of Long Term Substitute Contracts

Name LTS, Replacing, Position, Location, Approx. Dates, Grade/Step, Approx. Days, FTE, Salary

Read, Sadie, Schmitz, Lyndie, Teacher, Media Specialist, Pearson 6th Grade Center, 4/14/2014 through approx. 5/26/2017, BA Step 3, 31, 1.0, 212.04/day

Kleckler, Jennifer, Otting, Kailey, Teacher, Grade 3, Jackson Elementary School, 4/12/2017 through approx. 5/26/2017, BA Step 4, 33, 1.0, 218.04/day

Tanberg, Susan, Gangl, Jillian, Teacher, DAPE, Sweeney Elementary School, 2/13/2017 through approx. 5/5/2017, BA Step 3, 56, 1.0, 212.04/day

Recommended Action

Approved the long term substitute contracts as presented.

5. 2. Approval of minutes of the February 13, 2017 Business Meeting February 27, 2017 Board Learning Session.

Recommended Action

Approved the minutes of the February 13, 2017 Business Meeting February 27, 2017 Board Learning Session as presented.

5. 3. Consideration of bills and authorization to pay same.

Recommended Action

Approved the bills and authorize to pay same as presented.

5. 4. Approval of Wires Report.

Recommended Action

Approved the wires report as presented.

5. 5. Approval of Change Order #4

Change Order #4 for the High School Additions and Renovations in the amount of \$145,925.70 is presented for approval.

Recommended Action

Approved Change Order #4 as presented.

5. 6. Approval of Change Order #5

Change Order #5 for the Vaughan Field Stadium/Concessions Improvements in the amount of \$106,820.00 is presented for approval.

Recommended Action

Approved Change Order #5 as presented.

5. 7. Approval of the 2017-2020 Achievement & Integration Plan

Recommended Action

Approved the 2017-2020 Achievement & Integration Plan as presented.

6. OLD BUSINESS DISCUSSION ITEMS

6. 1. Shakopee High School Central Kitchen Project Update

Wold Architects & Engineers and ICS Consulting presented an update on the high school central kitchen project.

7. OLD BUSINESS ACTION ITEMS

7. 1. The Academies of Shakopee Academy Champions

Superintendent Rod Thompson presented the St. Francis Regional Medical Center as The Academies of Shakopee Health Science Academy Champion and the HomeTown Bank as The Academies of Shakopee Business & Entrepreneurship Academy Champion for board approval.

Recommended Action

The board approved by consensus the St. Francis Regional Medical Center as The Academies of Shakopee Health Science Academy Champion and the HomeTown Bank as The Academies of Shakopee Business & Entrepreneurship Academy Champion as presented and thanked them both for their support of the students, families of the Shakopee Schools and the entire Shakopee community; motion passed unanimously.

8. NEW BUSINESS DISCUSSION ITEMS

9. NEW BUSINESS ACTION ITEMS

10. OTHER

11. COMMITTEE REPORTS

12. UPCOMING MEETINGS AND IMPORTANT DATES

Bowerman/Hallett moved to change March 20, 2017 School Board Retreat to a School Board Learning Session at 6:00PM with location to be determined; motion passed unanimously.

March 20, 2017	School Board Learning Session	6:00PM
April 10, 2017	School Board Business Meeting	6:00PM
April 17, 2017	School Board Retreat	6:00PM
April 24, 2017	School Board Learning Session	6:00PM

13. ADJOURNMENT

At 7:18PM, Hallett/Pass moved to adjourn as presented; motion passed unanimously.

Minutes of School Board Learning Session

School Board Shakopee Public Schools

A School Board Learning Session of the School Board of Shakopee Public Schools was held Monday, March 20, 2017, beginning at 6:00 PM in the Shakopee West Jr. High School Auditorium, 200 10th Avenue East, Shakopee, MN 55379.

1. CALL TO ORDER AND ROLL CALL - CHAIR SWANSON

PRESENT: Bowerman, Hallett, McKeand, Pass Romansky, Tucker and Swanson

ABSENT:

2. Consideration of Agenda as presented.

Tucker/Romansky moved to approve the agenda as presented; motion passed unanimously.

2. 1. Budget Presentation

2. 2. Public Question & Answer

3. Other

4. UPCOMING MEETINGS AND IMPORTANT DATES

April 10, 2017 School Board Business Meeting 6:00PM

April 17, 2017 School Board Retreat 6:00PM

April 24, 2017 School Board Learning Session 6:00PM

5. ADJOURNMENT

At 10:22PM, Hallett/Pass moved to adjourn; motion passed unanimously.

March 2017 Wires

Wires In

Mar 17 17 State Check	\$ 4,113,811.52	
Misc Mar 17 State Check	452,730.72	
Mar 30 17 State Check	4,874,499.08	
MSDLAF Int Mar 17	2,054.23	
MSDLAF Building Int Mar 17	(17,300.48)	
Mar 2017 Health Trust Interest	2.14	
Mar 2017 Dental Trust Interest	2.04	
PFM OPEB Int Mar 17	13,753.18	
Total Wires In		\$ 9,439,552.43

Wires Out

Mar 2 17 Payroll	\$ 1,500,000	
Mar 1 17 Board Checks	500,000	
Mar 6 17 Taxes	1,200,000	
Mar 16 17 Payroll	1,500,000	
Mar 17 17 Board Checks	600,000	
Mar 20 17 Payroll Taxes	1,100,000	
Mar 31 17 Payroll	1,800,000	
Mar 22 17 Board Checks	200,000	
Mar 31 17 Board Checks	200,000	
Mar 17 Dental Trust	65,000	
Mar 17 Health Trust	680,000	
Mar 17 15 Bldg Expense	3,725,000	
Total Wires Out		\$ 13,070,000.00
Net March 2017		\$ (3,630,447.57)

Subject: Fwd: 2017/2018 SY Contract
Date: Thursday, March 16, 2017 at 5:31:10 PM Central Daylight Time
From: Bezek,John
To: Koehn, Sarah
Attachments: ISD 720 2017-18 Contract.doc, ATT00001.htm, YMCA 720 2016-17 Contract.pdf, ATT00002.htm

Probably for the next business meeting on one the board chair needs to be changed from Reggie to Scott on the signature page

Sent from my iPhone

Begin forwarded message:

From: "Greeley, Bob" <bgreeley@shakopee.k12.mn.us>
Date: March 16, 2017 at 5:22:48 PM CDT
To: "Bezek,John" <jbezek@shakopee.k12.mn.us>, "Burlager, Mike" <mburlage@shakopee.k12.mn.us>
Cc: "Greeley, Bob" <bgreeley@shakopee.k12.mn.us>
Subject: FW: 2017/2018 SY Contract

John & Mike:

I have completed negotiations with the YMCA on the 2017-18 school age child care contract. The current 2016-17 contract is attached for comparisons. The new contract has the YMCA paying us \$115,000, up from \$109,000 with the current year contract. The new contract also includes the four in-service days in 2017-18 (early release and how we are covering that).

Everything else is basically the same from the 2016-1 contract, with the exception of some small increases in what families pay the YMCA to participate in the program.

The contact covers the school year at all five elementary buildings and two locations in the summer months. On non-school weekdays days during the school year, they use two school sites.

Let me know if you have any questions.

This (2017-18 contract) should be approved by the school board at the next opportunity. This could be a consent item, as I believe it has been the past few years. Thanks.

Bob Greeley

2017-2018 AGREEMENT BETWEEN
THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE GREATER TWIN CITIES, THE
RIVER VALLEY BRANCH, AND THE INDEPENDENT SCHOOL DISTRICT 720
SHAKOPEE

TERM: One-year minimum beginning **September 1, 2017 through August 31, 2018** with review by the Director of Community Education and the Director of Community Programs, The Young Men's Christian Association of the Greater Twin Cities, The River Valley Branch. (YMCA)

It is agreed the Shakopee School District shall provide space for School Age Care (SAC) activities to the YMCA.

The YMCA:

1. It is the intent of the YMCA to provide SAC for grades K-5 on days when school is in session and K-6 on school release days. The YMCA will also provide care during summer months for grades entering K-8. School year locations are Jackson, Red Oak, Sweeney, Sun Path, and Eagle Creek. Summer programs will be operated in a minimum of two schools. Summer location may rotate each year as agreed upon by School District and YMCA. Appropriate public school location in the Shakopee School District may be provided as alternatives to these locations as the School District sees fit.
2. The YMCA will provide extended afterschool care for the 4 early release dates added to the 2017-2018 school year. Extended care will be available at 2 locations (Jackson Elementary and Red Oak Elementary) and students will be bussed to these locations. Care for this will only be available to current participants registered in the YMCA programs. YMCA will provide the bussing for students on these days.
3. The School District shall provide appropriate space as may be determined between the Community Education Director and the YMCA for a period starting on **September 1, 2017 through August 31, 2018**. Program Hours will be as follows:

Grades K-5

6:15 AM-until school starts

After school- until 6:15 PM

6:15 AM-6:15 PM on release days (grades K-6)

Care will be provided for grades K-5 at Jackson, Red Oak, Sun Path, Sweeney, and Eagle Creek schools or appropriate public school location.

District 720 will offer one school location for the YMCA to run a release day program in the event of a school closing due to severe/cold day temperatures.

Summer grades entering K-8

6:15am-6:15pm

2 or more school buildings to be announced

4. A non-refundable one-time registration fee of \$50.00 per child will be charged to all participants.

School Year Grades K-5

A non-refundable one-time registration fee of \$50.00 per child will be charged to all participants.

AM	\$11.50	
PM	\$11.50	
Non-school days		(includes field trip and bussing costs)
	\$41.00	

Summer

A non-refundable one-time registration fee of \$50.00 per child will be charged to all Summer Power, Summer Uproar, and Summer Power Kindergarten participants.

Weekly fees for Summer Power

3 days	\$142
4 days	\$171
5 days	\$207

Uproar will be as follows:

3 days	\$147
4 days	\$173
5 Days	\$209

*A minimum of 3 days per week will be required for Uproar, Summer Power and Kindergarten.

4. The total payment by the YMCA to ISD 720 under this agreement will be the following:

Fee \$115,000 for annual rental space.

Monthly payments, due to ISD 720 the first of each month will be:

\$9,583.33 September 2017-August 2018.

Totaling 12 payments distributed monthly throughout the length of the contract.

5. The school district shall provide the normal custodial and maintenance services. Additional requested services should be paid for the YMCA after first receiving written permission from the school district. Custodial charges incurred by the SAC program will be billed to the YMCA three times per year in November, February, and May.
6. The YMCA shall make arrangements directly with the respective lead custodian and Community Education Director for the storage of any materials.
7. The YMCA agrees to reimburse the school district for the cost of repairing any damages caused by the SAC program.
8. The Community Education Director will serve as the district liaison to SAC.
9. Shakopee parents will be kept informed about the program through a parent handbook and other parent communications.
10. Parent evaluations will be conducted at least once a school year. A summary of the parent evaluations will be provided to the Director of Community Education as a representative of the school district.
11. Jackson, Eagle Creek, Red Oak, Sun Path, and Sweeney or other public school location, will provide use of a TV/DVD and access to computers and technology for the YMCA program. An annual training will occur at the expense of the YMCA.
12. The kitchen will be provided for use for occasional cooking projects and will be supervised by YMCA staff. The YMCA Site Coordinators will have a training session provided by the appropriate staff on the kitchen equipment including the stove and ovens prior to the beginning of the summer program. The YMCA will be responsible for all clean up and condition of equipment with a final inspection at the end of the summer program in August.
13. All staff members involved in the operation of the program will be employees of the YMCA of The Greater Twin Cities. The YMCA agrees to comply with all applicable laws, including insurance liability and workers compensation laws.
14. The YMCA agrees to release, hold harmless and indemnify Shakopee Schools, its individual Board of Education members, all employees, demands, action or causes of action, of any kind; arising from the operation of the program. To the extent authorized by law, statutes, and constitution of the State of Minnesota, this does not extend to any personal injuries caused by Shakopee Schools as a result of any defect in, condition of, or failure by Shakopee Schools to provide physical maintenance of its school facilities.

The Shakopee Schools, its individual Board of Education members, all employees, agrees to release, hold harmless and indemnify the YMCA, its directors, officers,

employees demands, actions or causes of action, of any kind; arising from the operation of the program including, but not limited to, transportation to and from the program.

15. The YMCA agrees to provide its own public and automotive liability insurance coverage's at an amount deemed appropriate by the YMCA and the YMCA shall name Independent School District 720 as an "additional insured" on its insurance policies and, furthermore, shall provide the school district with a Certificate of Insurance delineating this contractual provision.
16. The school district agrees to provide its own public liability insurance coverage at an amount deemed appropriate by the school district and the school district shall name The Young Men's Christian Association of Metropolitan Minneapolis and The River Valley Branch as an "additional insured" on its insurance policy and, furthermore shall provide the YMCA with a certificate of Insurance delineating this contractual provision.
17. An annual report of the program will be presented to the Community Education Advisory Council and Board of Education in the spring of each year.
18. The YMCA agrees to comply with all applicable State and Federal laws and regulations, including those of the State of Minnesota governing child and day care program operations. The YMCA will obtain and maintain all necessary (if any) licenses from the State of Minnesota and any other applicable authority in order to operate a child and day care program in the State of Minnesota. The YMCA agrees at all times to operate the program in accordance with these licensing requirements.
19. Any changes in the School Age Care Agreement and fee structure must be reviewed and approved by the Shakopee School District Board of Education prior to student registration for the upcoming program.
20. The Young Men's Christian Association of the Greater Twin Cities, The River Valley Branch will have access to existing Extended Day Disabled dollars through District 720 as allowed by the state statute. The Young Men's Christian Association of Metropolitan Minneapolis, The River Valley Branch will submit quarterly statements to receive appropriate reimbursement. Such service may include: Children with disabilities or children experiencing family or related problems of a temporary nature that participate in the extended day program.
21. The YMCA has agreed to provide School Age Care in our existing morning programs for students in District 720 that become displaced from their homes and are considered "homeless" by state guidelines. The YMCA will provide care at no charge to these families for up to twelve weeks while the family is in transition.

22. The YMCA will provide emergency care to children who participate in after school community education programs. Care would be provided by the YMCA if an instructor cancels programs before parents can make appropriate arrangements to pick up their child. Community Education will inform parents of this procedure when parents sign up for classes. Community Education will provide emergency contact information to the YMCA for all participants who may need emergency care.

Scott Swanson
Board of Education Chair

David Grote
District Childcare Supervisor
The Young Men's Christian Association of The
Greater Twin Cities, The River Valley Branch

Robert Greeley
Community Education Director

Mary Erickson Executive Director
The Young Men's Christian Association of the
Greater Twin Cities, The River Valley Branch

Dr. Rod Thompson
Superintendent of Schools

Greg Waibel
Chief Operating Officer
The Young Men's Christian Association of The
Greater Twin Cities

High School Staffing and Registration Update:

- Jan. 2017* Students begin registering for 2017-18 school year
- Feb. 2017* Registration clean-up (tracking down students without full registrations)
- Feb. 2017* Received tentative staffing allocations from the District Office - staffing is based on 10th - 12th grade student enrollment for 2017-18 school year
- Mar. 2017* Determine section needs based on student requests
- Mar. 2017* Continually working with HR to determine building needs (based on new enrollments and withdrawals)
- Mar. 2017* Meet with department chairs to discuss tentative FTE and predict teaching assignments

Determinations as of April 3rd:

- * All levels of German courses are running
- * Sections have been added back to the Tech Ed. department
- * Class sizes will continue to be monitored throughout the spring and summer as new enrollments and withdrawals take place.

Course Requests Through the Years:

2013-14 School Year:

200 sections available for students registration

19 total sections not running due to low student registrations

2014-15 School Year:

208 sections available for students registration

17 total sections not running due to low student registrations

2015-16 School Year:

212 sections available for students registration

18 total sections not running due to low student registrations

2016-17 School Year:

221 sections available for students registration

21 total sections not running due to low student registrations

2017-18 School Year:

218 sections available for students registration

14 total sections not running due to low student registrations

SHAKOPEE HIGH SCHOOL EXPANSION CONSTRUCTION PROGRESS

25

April 10, 2017

NEW SOUTH CLASSROOM TOWER



NEW SOUTH CLASSROOM TOWER



NEW ACTIVITIES SOUTH ENTRANCE



NEW WEIGHT ROOM AND SOUTH ENTRANCE



WEST SIDE OF FIELD HOUSE



FIELD HOUSE VIEW FROM NORTHWEST



ATHLETICS CORRIDOR IN FRONT OF NEW CONCESSIONS



ATHLETICS CORRIDOR EAST OF NEW COMPETITION GYM



INTERIOR FIELD HOUSE



34



NEW COMPETITION GYM



35



NEW COMPETITION GYM



36



CORRIDOR WITH HOLE IN FLOOR LOOK INTO COMMONS AREA



Adopted: 1-14-08

MSBA/MASA Model Policy 705

Orig. 1995

Revised: 6-13-16

Rev. 2016

705 INVESTMENTS

I. PURPOSE

The purpose of this policy is to establish guidelines for the investment of school district funds.

II. GENERAL STATEMENT OF POLICY

The policy of this school district is to comply with all state laws relating to investments and to guarantee that investments meet certain primary criteria.

III. SCOPE

This policy applies to all investments of the surplus funds of the school district, regardless of the fund accounts in which they are maintained, unless certain investments are specifically exempted by the school board through formal action.

IV. AUTHORITY; OBJECTIVES

- A. The funds of the school district shall be deposited or invested in accordance with this policy, Minnesota Statute Ch. 118A and any other applicable law or written administrative procedures.
- B. The primary criteria for the investment of the funds of the school district, in priority order, are as follows
 1. Safety and Security. Safety of principal is the first priority. The investments of the school district shall be undertaken in a manner that seeks to ensure the preservation of the capital in the overall investment portfolio.
 2. Liquidity. The funds shall be invested to assure that funds are available to meet immediate payment requirements, including payroll, accounts payable, and debt service.
 3. Return and Yield. The investments shall be managed in a manner to attain a market rate of return through various economic and budgetary cycles, while preserving and protecting the capital in the investment portfolio and taking into account constraints on risk and cash flow requirements.

V. DELEGATION OF AUTHORITY

- A. The Director of Business Services of the school district is designated as the investment officer of the school district and is responsible for investment decisions and activities under the direction of the school board. The investment officer shall operate the school district's investment program consistent with this policy. The investment officer may delegate certain duties to a designee or designees but shall remain responsible for the operation of the program.
- B. All officials and employees that are a part of the investment process shall act professionally and responsibly as custodians of the public trust and shall refrain from personal business activity that could conflict with the investment program or which could reasonably cause others to question the process and integrity of the investment program. The investment officer shall avoid any transaction that could impair public confidence in the school district.

VI. STANDARD OF CONDUCT

The standard of conduct regarding school district investments to be applied by the investment officer shall be the "prudent person standard." Under this standard, the investment officer shall exercise that degree of judgment and care, under the circumstances then prevailing, that persons of prudence, discretion, and intelligence would exercise in the management of their own affairs, investing not for speculation and considering the probable safety of their capital as well as the probable investment return to be derived from their assets. The prudent person standard shall be applied in the context of managing the overall investment portfolio of the school district. The investment officer, acting in accordance with this policy and exercising due diligence, judgment, and care commensurate with the risk, shall not be held personally responsible for a specific security's performance or for market price changes. Deviations from expectations shall be reported in a timely manner and appropriate actions shall be taken to control adverse developments.

VII. MONITORING AND ADJUSTING INVESTMENTS

The investment officer shall routinely monitor existing investments and the contents of the school district's investment portfolio, the available markets, and the relative value of competing investment instruments.

VIII. INTERNAL CONTROLS

The investment officer shall establish a system of internal controls which shall be documented in writing. The internal controls shall be reviewed by the school board and shall be annually reviewed for compliance by the school district's independent auditors. The internal controls shall be designed to prevent and control losses of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions by officers, employees, or others. The internal controls may include, but shall not be limited to, provisions relating to controlling collusion, separating functions, separating transaction authority from accounting and record keeping, custodial safekeeping,

avoiding bearer form securities, clearly delegating authority to applicable staff members, limiting securities losses and remedial action, confirming telephone transactions in writing, supervising and controlling employee actions, minimizing the number of authorized investment officials, and documenting transactions and strategies.

IX. PERMISSIBLE INVESTMENT INSTRUMENTS

The school district may invest its available funds in those instruments specified in Minn. Stat. §§ 118A.04 and 118A.05, as these sections may be amended from time to time, or any other law governing the investment of school district funds. The assets of an other postemployment benefits (OPEB) trust or trust account established pursuant to Minn. Stat. § 471.6175 to pay postemployment benefits to employees or officers after their termination of service, with a trust administrator other than the Public Employees Retirement Association, may be invested in instruments authorized under Minn. Stat. Ch. 118A or § 356A.06, Subd. 7. Investment of funds in an OPEB trust account under Minn. Stat. § 356A.06, Subd. 7, as well as the overall asset allocation strategy for OPEB investments, shall be governed by an OPEB Investment Policy Statement (IPS) developed between the investment officer, as designed herein, and the trust administrator. See Appendix A.

X. PORTFOLIO DIVERSIFICATION; MATURITIES

- A. Limitations on instruments, diversification, and maturity scheduling shall depend on whether the funds being invested are considered short-term or long-term funds. All funds shall normally be considered short-term except those reserved for building construction projects or specific future projects and any unreserved funds used to provide financial-related managerial flexibility for future fiscal years.
- B. The school district shall diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities.
 - 1. The investment officer shall prepare and present a table to the school board for review and approval. The table shall specify the maximum percentage of the school district's investment portfolio that may be invested in a single type of investment instrument, such as U.S. Treasury Obligations, certificates of deposit, repurchase agreements, banker's acceptances, commercial paper, etc. The approved table shall be attached as an exhibit to this policy and shall be incorporated herein by reference.
 - 2. The investment officer shall prepare and present to the school board for its review and approval a recommendation as to the maximum percentage of the total investment portfolio that may be held in any one depository. The approved recommendation shall be attached as an exhibit or part of an exhibit to this policy and shall be incorporated herein by reference.
 - 3. Investment maturities shall be scheduled to coincide with projected school district cash flow needs, taking into account large routine or scheduled

expenditures, as well as anticipated receipt dates of anticipated revenues. Maturities for short-term and long-term investments shall be timed according to anticipated need. Within these parameters, portfolio maturities shall be staggered to avoid undue concentration of assets and a specific maturity sector. The maturities selected shall provide for stability of income and reasonable liquidity.

XI. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS

The school district will use competitive methods in selection of investment instruments.

XII. QUALIFIED INSTITUTIONS AND BROKER-DEALERS

- A. The school district shall maintain a list of the financial institutions that are approved for investment purposes.
- B. Prior to completing an initial transaction with a broker, the school district shall provide to the broker a written statement of investment restrictions which shall include a provision that all future investments are to be made in accordance with Minnesota statutes governing the investment of public funds. The broker must annually acknowledge receipt of the statement of investment restrictions and agree to handle the school district's account in accordance with these restrictions. The school district may not enter into a transaction with a broker until the broker has provided this annual written agreement to the school district. The notification form to be used shall be that prepared by the State Auditor. A copy of this investment policy, including any amendments thereto, shall be provided to each such broker.

XIII. SAFEKEEPING AND COLLATERALIZATION

- A. All investment securities purchased by the school district shall be held in third-party safekeeping by an institution designated as custodial agent. The custodial agent may be any Federal Reserve Bank, any bank authorized under the laws of the United States or any state to exercise corporate trust powers, a primary reporting dealer in United States Government securities to the Federal Reserve Bank of New York, or a securities broker-dealer defined in Minn. Stat. § 118A.06. The institution or dealer shall issue a safekeeping receipt to the school district listing the specific instrument, the name of the issuer, the name in which the security is held, the rate, the maturity, serial numbers and other distinguishing marks, and other pertinent information.
- B. Deposit-type securities shall be collateralized as required by Minn. Stat. § 118A.03 for any amount exceeding FDIC, SAIF, BIF, FCUA, or other federal deposit coverage.
- C. Repurchase agreements shall be secured by the physical delivery or transfer against payment of the collateral securities to a third party or custodial agent for safekeeping. The school district may accept a safekeeping receipt instead of

requiring physical delivery or third-party safekeeping of collateral on overnight repurchase agreements of less than \$1,000,000.

XIV. REPORTING REQUIREMENTS

- A. The investment officer shall generate daily and monthly transaction reports for management purposes. In addition, the school board shall be provided a bi-annually report that shall include data on investment instruments being held as well as any narrative necessary for clarification.
- B. The investment officer shall prepare and submit to the school board a bi-annually investment report that summarizes recent market conditions, economic developments, and anticipated investment conditions. The report shall summarize the investment strategies employed in the most recent quarter and describe the investment portfolio in terms of investment securities, maturities, risk characteristics, and other features. The report shall summarize changes in investment instruments and asset allocation strategy approved by the investment officer for an OPEB trust in the most recent quarter. The report shall explain the quarter's total investment return and compare the return with budgetary expectations. The report shall include an appendix that discloses all transactions during the past quarter. The report will also include a summary of advisory fees and expenses. Each quarterly report shall indicate any areas of policy concern and suggested or planned revisions of investment strategies. Copies of the report shall be provided to the school district's auditor.
- C. Within ninety (90) days after the end of each fiscal year of the school district, the investment officer shall prepare and submit to the school board a comprehensive annual report on the investment program and investment activity of the school district for that fiscal year. The annual report shall include 12-month and separate quarterly comparisons of return and shall suggest revisions and improvements that might be made in the investment program.
- D. If necessary, the investment officer shall establish systems and procedures to comply with applicable federal laws and regulations governing the investment of bond proceeds and funds in a debt service account for a bond issue. The record keeping system shall be reviewed annually by the independent auditor or by another party contracted or designated to review investments for arbitrage rebate or penalty calculation purposes.

XV. DEPOSITORIES

The school board shall annually designate one or more official depositories for school district funds. The Treasurer and the Director of Business Services of the school district may also exercise the power of the school board to designate a depository. The school board shall be provided notice of any such designation by its next regular meeting. The school district and the depository shall each comply with the provisions of Minn. Stat. § 118A.03 and any other applicable law, including any provisions relating to designation of a depository, qualifying institutions, depository bonds, and approval, deposit, assignment,

substitution, addition, and withdrawal of collateral.

XVI. ELECTRONIC FUNDS TRANSFER OF FUNDS FOR INVESTMENT

The school district may make electronic fund transfers for investments of excess funds upon compliance with Minnesota Statute § 471.38.

XVII. REVENUES FROM SCHOOL DISTRICT OWNED REAL ESTATE

Contracts for leasing or renting school buildings or land shall be approved by the school board.

Legal References: Minn. Stat. § 118A.01 (Public Funds; Depositories and Investments)
Minn. Stat. § 118A.02 (Authorization for Deposit and Investment)
Minn. Stat. § 118A.03 (Depositories and Collateral)
Minn. Stat. § 118A.04 (Investments)
Minn. Stat. § 118A.05 (Contracts and Agreements)
Minn. Stat. § 118A.06 (Delivery and Safekeeping)
Minn. Stat. § 356A.06, Subd. 7 (Authorized Investment Securities)
Minn. Stat. § 471.38 (Claims)
Minn. Stat. § 471.6175 (Trust for Postemployment Benefits)

Cross References: MSBA/MASA Model Policy 703 (Annual Audit)
MSBA Service Manual, Chapter 7, Education Funding
Minnesota Legal Compliance Audit Guide Prepared by the Office of the State Auditor

A. PURPOSE

The OPEB Trust is intended to provide for funding of non-pension post-employment benefits for employees who meet the age and service requirements outlined in the school district's plan documents. The main investment objective of the OPEB Trust is to achieve long-term growth of OPEB Trust assets by maximizing long-term rate of return on investments and minimizing risk of loss to fulfill the school district's current and long-term non-pension post-employment benefits obligations.

The purpose of this policy is to achieve the following:

1. Document investment objectives, performance expectations and investment guidelines for OPEB Trust assets.
2. Establish an appropriate investment strategy for managing all OPEB Trust assets, including an investment time horizon, risk tolerance ranges and asset allocation to provide sufficient diversification and overall return over the long-term time horizon of the OPEB Trust.
3. Establish investment guidelines to control overall risk and liquidity.
4. Establish periodic performance reporting requirements that will effectively monitor investment results and ensure that the investment policy is being followed.
5. Comply with all fiduciary, prudence, due diligence and legal requirements for OPEB Trust assets.

B. INVESTMENT AUTHORITY

The school board, investment officer, and investment advisor will oversee certain policies and procedures related to the operation and administration of the OPEB Trust. The school board and investment officer will have authority to implement the investment policy and guidelines in the best interest of the OPEB Trust to best satisfy the purposes of the OPEB Trust. In implementing this policy, the school board and investment officer believes it may delegate certain functions to:

1. An investment advisor to assist the school board and investment officer in the investment process and to maintain compliance with this policy. The investment advisor may assist in establishing investment policy, objectives, and guidelines; selecting investment managers; reviewing such managers over time; measuring and evaluating investment performance; and other tasks as deemed appropriate. The investment advisor may also select investment managers with discretion to purchase, sell, or hold specific securities that will be used to meet the OPEB Trust's investment objectives. The investment advisor must be registered with the Securities and Exchange Commission.
2. A custodian to physically maintain possession of securities owned by the OPEB Trust, collect dividend and interest payments, redeem maturing

securities, and effect receipt and delivery following purchases and sales, among other duties. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the OPEB Trust.

3. A trustee, such as a bank trust department to be trustee, to assume fiduciary responsibility for the administration of OPEB Trust assets.
4. Additional specialists such as attorneys, auditors, actuaries, retirement plan consultants, and others to assist the school board and investment officer in meeting its responsibilities and obligations to administer OPEB Trust assets prudently.

C. STATEMENT OF INVESTMENT OBJECTIVES

The investment objectives of the OPEB Trust are as follows:

1. To invest assets of the OPEB Trust in a manner consistent with the following fiduciary standards: (a) all transactions undertaken must be for the sole interest of OPEB Trust beneficiaries and defray reasonable expenses in a prudent manner, and (b) assets are to be diversified in order to minimize the impact of large losses from individual investments.
2. To provide for funding and anticipated withdrawals on a continuing basis for payment of non-pension post-employment benefits and related expenses.
3. To conserve and enhance the value of OPEB Trust assets in real terms through asset appreciation and income generation, while maintaining a moderate investment risk profile.
4. To minimize principal fluctuations over the Time Horizon (as defined below).
5. To achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in this policy under the section labeled "Performance Expectations".

D. INVESTMENT GUIDELINES

1. Time Horizon

The OPEB Trust's investment objectives are based on a 10-year investment horizon. Interim fluctuations should be viewed with appropriate perspective. The school board has adopted a long-term investment horizon such that the chances and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets.

2. Liquidity and Diversification

Assets will be invested in longer-term securities. Investments shall be diversified with the intent to minimize the risk of investment losses. Consequently, the total portfolio will be constructed and maintained to provide prudent diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments or industries.

3. Asset Allocation

The school board believes that to achieve the greatest likelihood of meeting the OPEB Trust’s investment objectives and the best balance between risk and return for optimal diversification, the OPEB Trust assets should be allocated into two broad classes called Investment Assets and Liquidity Assets. The Investment Assets will be invested in accordance with the targets for each asset class as follows to achieve an average total annual rate of return that is equal to or greater than the OPEB Trust’s actuarial discount rate as described in the section titled “Performance Expectations”. The Liquidity Assets will be held in cash equivalent investments and used to pay for benefits and OPEB Trust expenses.

Investment Assets
Enacted: 6/13/16

Asset Classes	Asset Weightings Range	Target
Domestic Equity	132% - 5322%	3317%
International Equity	05% - 3715%	1710%
REIT	0% - 5%	01.5%
Inflation Hedge	0% - 5%	01.5%
Fixed Income	350% - 790%	5070%
Cash Equivalent	0% - 20%	0%

The investment managers shall have discretion to temporarily invest a portion of the assets in cash equivalents when they deem it appropriate. The investment managers will be evaluated against their peers on the performance of the total funds under their direct management.

4. Rebalancing Philosophy

The asset allocation range established by this policy represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside policy ranges. When these divergences occur, the investment advisor will rebalance the asset mix to its appropriate targets and ranges. Similarly, if the cash requirement to handle liquidity needs falls to a level where near-term distributions cannot be met and no contributions are anticipated, the investment advisor will rebalance the fund to its appropriate targets and ranges.

When the investment advisor is notified of new contributions, the investment advisor will review the OPEB Trust allocation and fill the liquidity allocation first and the remaining investment allocations last.

5. Risk Tolerance
The OPEB Trust will be managed in a style that seeks to minimize principal fluctuations over the established Time Horizon and that is consistent with the OPEB Trust's investment objectives.
6. Performance Expectations
Over the long-term, a rolling five year period, the performance objective for OPEB Trust assets will be to achieve an average total annual rate of return that is equal to or greater than the OPEB Trust's actuarial discount rate. Additionally, it is expected that the annual rate of return on OPEB Trust assets will be commensurate with the then prevailing investment environment. Measurement of this return expectation will be judged by reviewing returns in the context of industry standard benchmarks, peer universe comparisons for individual investments and blended benchmark comparisons for the OPEB Trust in its entirety.

E. SELECTION OF INVESTMENT MANAGERS

The investment advisor shall prudently select appropriate investment managers to manage the assets of the OPEB Trust. Managers must meet the following criteria:

1. The investment manager must be a bank, insurance company, or investment adviser as defined by the Investment Advisers Act of 1940.
2. The investment manager must not compensate the investment adviser either directly or indirectly.
3. With respect to OPEB Trust assets invested in a mutual fund, the Manager must provide historical quarterly performance data for the mutual fund compliant with Securities and Exchange Commission ("SEC") standards.
4. The investment manager must provide historical quarterly performance data compliant with Global Investment Performance Standards (GIPS[®]), calculated on a time-weighted basis, based on a composite of all fully discretionary accounts of similar investment style and reported net of fees.
5. The investment manager must provide detailed information on history of the firm, key personnel, support personnel, key clients, and fee schedule (including most favored nation clauses). This information can be a copy of a recent Request for Proposal ("RFP") completed by the manager.
6. The investment manager must clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.
7. The investment manager for portfolios other than Pooled Vehicles (see Guidelines for Portfolio Holdings) must confirm that it has received, understands and will adhere to the policy and any manager specific policies by signing a consent form provided to the investment manager prior to investment of OPEB Trust assets.

F. GUIDELINES FOR PORTFOLIO HOLDINGS

The investment advisor shall make every effort to prudently select funds that follow the guidelines listed below.

1. **Pooled Vehicles**
Every effort shall be made, to the extent practical, prudent and appropriate, to select commingled funds and/or mutual funds that have investment objectives and policies that are consistent with this policy (as outlined in following sub-sections of the “Guidelines for Portfolio Holdings”). However, given the nature of commingled funds and mutual funds, it is recognized that there may be deviations between this policy and the objectives of these pooled vehicles. A commingled fund or mutual fund will not be included in OPEB Trust portfolio unless it complies with the Investment Company Act of 1940’s diversification requirement.
2. **Cash Equivalents**
Cash equivalents shall be held in funds complying with Rule 2(a)-7 of the Investment Company Act of 1940.
3. **Equities**
Pooled equity vehicles shall comply with the diversification rules outlined in the Investment Company Act of 1940. No more than 5% of the total stock portfolio valued at market may be invested in the common stock of any one corporation. Ownership of the shares of one company shall not exceed 2% of those outstanding. Not more than 25% of stock valued at market may be held in any one industry category. Other than these constraints, there are no quantitative guidelines suggested as to issues, industry or individual security diversification. However, prudent diversification standards should be developed and maintained by the investment manager(s).

The overall non-U.S. equity allocation should include a diverse global mix that is comprised of the stocks of companies from multiple regions and sectors. The emerging markets exposure as defined by Morgan Stanley Capital International Inc. (“MSCI”) should be limited to 35% of the non-U.S. portion of the portfolio.

4. **Fixed Income**
Fixed income investments shall be high quality pooled vehicles with a preponderance of the investments in (1) U.S. Treasury, federal agencies and U.S. Government guaranteed obligations, and (2) investment grade corporate issues including convertibles.

Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. The 5% limitation does not apply to

issues of the U.S. Treasury or other Federal Agencies. The overall rating of the fixed income assets shall be at least "A", based on the rating of one of the three rating agencies (Fitch, Moody's or Standard & Poor's). In cases where the yield spread adequately compensates for additional risk, securities where two of the three rating agencies (Fitch, Moody's or Standard & Poor's) have average BB- ratings, can be purchased up to a maximum of 10% of total market value of fixed income securities.

Active bond management is encouraged and may require transactions that will temporarily lower the return or change the maturity of the portfolio in anticipation of market changes.

5. REITs
Real estate assets will be held in pooled vehicles, primarily holding Real Estate Investment Trusts and servicing companies.
6. Inflation Hedge
Inflation hedging assets will include pooled vehicles holding among other assets: Treasury Inflation Protected Securities ("TIPS"), commodities or commodity contracts, index-linked derivative contracts, the equity of companies in businesses believed to hedge inflation.
7. Prohibited Investments
The following investments and transactions are not authorized and shall not be purchased: letter stock and other unregistered securities, direct commodities or commodity contracts, short sales, margin transactions, private placements (with the exception of Rule 144A securities), venture capital funds, private equity, or hedge funds. Derivatives, options or futures for the purpose of portfolio leveraging are prohibited. Neither direct real estate equity nor natural resource properties such as oil, gas or timber may be held except by purchase of publicly traded securities or within Pooled Vehicles, except for existing real estate holdings. The purchase of collectibles is also prohibited.
8. Safekeeping
All securities shall be held by a custodian approved by the school district and in consultation with the investment advisor for safekeeping of OPEB Trust assets. The custodian shall produce statements on a monthly basis, listing the name and value of all assets held, and the dates and nature of all transactions in accordance with the terms in the OPEB Trust Agreement. Assets of the OPEB Trust held as liquidity or investment reserves shall, at all times, be invested in interest-bearing accounts.

G. CONTROL PROCEDURES

1. Review of Investment Objectives
The investment advisor shall review annually the appropriateness of this policy for achieving the OPEB Trust's stated objectives. It is not expected

that this policy will change frequently. In particular, short-term changes in the financial markets should not require an adjustment in the investment policy.

2. Review of Investment Performance

The investment advisor shall report on a quarterly basis to the school board and/or Investment officer to review the total OPEB Trust investment performance. In addition, the investment advisor will be responsible for keeping the investment officer advised of any material change in investment strategy, investment managers, and other pertinent information potentially affecting performance of the OPEB Trust.

The investment advisor shall compare the investment results on a quarterly basis to appropriate benchmarks, as well as market index returns in both equity and debt markets. Examples of benchmarks and indexes that may be used include the S&P 500 Index for large cap equities, Russell 2000 Index for small cap equities, MSCI Europe, Australia, and Far East Index (EAFE) for international equities, Barclays Capital Aggregate Bond Index for fixed income securities, and the U.S. 91-day T-bill Index for cash equivalents.

3. Voting of Proxies

Investment manager(s) are expected to be aware of corporate provisions that may adversely affect stockholdings, including but not limited to “golden parachutes,” “super majorities,” “poison pills,” “fair price” provisions, staggered boards of directors, and other tactics. Proxies should be vigorously voted with the interest of preserving or enhancing the security’s value.

The investment manager(s) of a commingled funds or mutual fund that holds the assets of the OPEB Trust along with assets of other funds with conflicting proxy voting policies must reconcile the conflicting policies to the extent possible, and, if necessary, to the extent legally permissible, vote the proxies to reflect the policies in proportion to each fund’s interest in the pooled fund.

Board Update: Insurance

We recently went out for bids for our insurance vendor for the next three years. These bids were opened and discussed with the insurance committee. The insurance committee has chosen to stay with PreferredOne. Monday afternoon, we will have our final discussion on setting rates, which will then be brought to the board Monday evening for approval. We are most likely looking at a 10% increase for our 300/600 deductible plan and 5 or 6% for the other plans. The committee wants to continue to move members from the 300/600 plan to other plans as it more costly to run and has a negative impact on our insurance budget. Many districts have been moving away from these types of plans.

Scott Hare

Executive Director of Administrative Services
Shakopee Public Schools
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