

**MINUTES OF THE REGULAR MEETING OF THE SCHOOL BOARD
INDEPENDENT SCHOOL DISTRICT 271
Bloomington, Minnesota**

December 10, 2018

- I. ROLL CALL Pursuant to due call and notice thereof, and there being a quorum present, the School Board of Independent School District 271, was called to order by Chair Dawn Steigauf at 7:00 p.m. on December 10, 2018, in the Arlene Bush Board Room at the Educational Services Center, 1350 West 106th Street, Bloomington, Minnesota.
- Members Present Dawn Steigauf, Chair; Nelly Korman, Vice Chair; Maureen Bartolotta, Clerk; Dick Bergstrom, Treasurer; Beth Beebe, Tom Bennett, and Jim Sorum.
- Administration Present Les Fujitake, Eric Melbye, Rod Zivkovich, Mary Burroughs, and Rick Kaufman.
- II. PLEDGE OF ALLEGIANCE Recited.
- III. APPROVAL OF THE AGENDA Dick Bergstrom moved, Beth Beebe seconded, to approve the agenda. Motion carried unanimously.
- IV. RECOGNITION OF STUDENTS/STAFF/PUBLIC The School Board recognizes friends of the Bloomington Public Schools. Tonight we recognize the Bloomington Workforce Center. Kellie McGowan, Director of Metro South Adult Basic Education, provided an overview of the collaborative efforts in better preparing learners for employment, especially for those students in the Career Pathways Program.
- Friend Tom Reese, Work Development Specialist, was involved in career and workforce fairs and helped to provide healthcare experiences and events for students. This is an exciting year of partnering with the Bloomington Workforce Center to provide new opportunities for the people who work and live in Bloomington and surrounding cities.
- Public One student from Mr. Storlien's classes at Jefferson attended the meeting fulfilling a requirement of our 12th grade government classes; observing a governmental meeting such as School Board, City Council, court proceedings.
- V. PART A
1. *Board Business*
- Minutes a. Minutes of the Regular School Board Meeting on November 26, 2018.
- Personnel Actions b. Classified Personnel: Resignations, Employments, Changes of Status.
2. *Field Trips Approval* RESOLVED, that the School Board of Independent School District 271 approves field trips per the attached list (on file).
3. *Contracts/Agreements*
- Facilities Use a. RESOLVED, that the School Board of Independent School District 271 approves the Facilities Use Agreement between the Board of Trustees of the Minnesota State Colleges and Universities on behalf of Hennepin Technical College and Independent School District 271. The Facilities Use Agreement is in effect from January 7, 2019 through June 27, 2019.
- Agreement
- Hennepin Technical College/Metro South

City/Older Adult
Fitness Programs

b. RESOLVED, that the School Board of Independent School District 271 approves the renewal Agreement between the City of Bloomington and Independent School District 271-Older Adult Fitness Programs. The term of the Agreement is in January 1, 2019 through December 31, 2020.

Tom Bennett moved, Nelly Korman seconded, to approve Part A items in accordance with all of the written material submitted to the School Board. Motion carried unanimously.

VI. PART B
Reserve Teacher
Wage Increase

Tom Bennett moved, Dick Bergstrom seconded, that the School Board of Independent School District 271 authorizes the full day beginning wage rate for reserve teachers to be \$135.00 per day for the first 40 days and to be \$140.00 per day after 40 accumulated workdays, and \$145.00 per day for Bloomington School retirees effective December 17, 2018. In addition, a \$15.00 incentive will be added to reserve teachers who work on Fridays. Motion carried unanimously.

This increase is necessary to retain the core of quality reserve teachers we employ, to attract high-quality new reserve teachers, to respond to a steady decrease of reserve teachers available for employment and to reward reserve teachers for working on our hardest to fill day of the week.

Intent to Issue
General Obligation
Alt Facilities
Bonds 2019A

Maureen Bartolotta moved, Dick Bergstrom seconded, the following: RESOLVED by the School Board of Independent School District 271, State of Minnesota, as follows:

The School Board hereby finds and declares that it is necessary and expedient for Independent School District 271 (the "District") to issue its fully registered general obligation alternative facilities bonds (the "Bonds") pursuant to Minnesota Statutes, Section 123B.59, subdivision 3 and Chapter 475, as amended, to fund a portion of the costs of the following projects, as included in its ten-year facility plan approved by the School Board and the Commissioner of Education, and related financing costs:

- Miscellaneous deferred maintenance projects at various District facilities as included in the District's approved ten-year facility plan.

The Bonds would be issued in the total aggregate principal amount of not to exceed \$25,300,000. The District will conform to all aspects of the attached Extract of Meeting Minutes and Exhibit A.

Motion carried unanimously.

BOND SALE GUIDELINES

- 1) Sale.** The District has retained Ehlers & Associates, Inc. (Ehlers) in Roseville, Minnesota, as its independent financial advisor for the Bonds. Ehlers is authorized to solicit proposals in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9). If the issuance of the Bonds is approved, the School Board shall meet at the time and place specified in the Official Statement to receive and consider proposals for the purchase of the Bonds.

- 2) **Official Statement; Tabulation of Proposals.** Ehlers is authorized to prepare and distribute an Official Statement and to open, read and tabulate the proposals for presentation to the School Board.
- 3) **Minnesota School District Credit Enhancement Program.** (a) The District hereby covenants and obligates itself to notify the Commissioner of Education of a potential default in the payment of principal and interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee payment of the principal and interest on the Bonds when due. The District further covenants to deposit with the Bond Registrar or any successor paying agent three (3) days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Commissioner of Education that it will be unable to make all or a portion of that payment. The Bond Registrar for the Bonds is authorized and directed to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal or interest on the Bonds or if, on the day two (2) business days prior to the date a payment is due on the Bonds, there are insufficient funds to make that payment on deposit with the Bond Registrar. The District understands that as a result of its covenant to be bound by the provisions of Minnesota Statutes, Section 126C.55, the provisions of that section shall be binding as long as any Bonds of this issue remain outstanding.
(b) The District further covenants to comply with all procedures now or hereafter established by the Departments of Finance and Education of the State of Minnesota pursuant to Minnesota Statutes, Section 126C.55, subdivision 2(c) and otherwise to take such actions as necessary to comply with that section. The chair, clerk, superintendent or business manager is authorized to execute any applicable Minnesota Department of Education forms.

Motion carried unanimously.

In 2012, the District provided the School Board with options to address the District's preferred maintenance needs. The School Board approved at their December 10, 2012 meeting a \$15 million a year Alternative Facility Plan to address stated needs. Administration, working with our financial consultant (Ehlers), determined the best way to fund these projects was through a combination of pay-as-you go levy and Alternative Facility Bonds. The financing plan is to sell bonds every other year for ten years. This will help the District fund two years of projects without incurring issuance cost each year. This is the fourth Bond Issue under this plan. The District and our financial advisor will review our option biannually.

**CERTIFICATION OF MINUTES RELATING TO GENERAL OBLIGATION
FACILITIES MAINTENANCE BONDS, SERIES 2019A**

**ISSUER: INDEPENDENT SCHOOL DISTRICT NO. 271
(BLOOMINGTON PUBLIC SCHOOLS)
BLOOMINGTON, MINNESOTA**

GOVERNING BODY: SCHOOL BOARD

KIND, DATE, TIME AND PLACE OF MEETING:

A regular meeting held December 10, 2018, at 7:00 o'clock p.m., in the School District.

MEMBERS PRESENT: Beth Beebe, Jim Sorum, Dick Bergstrom, Nelly Korman, Dawn Steigauf, Maureen Bartolotta, and Tom Bennett.

MEMBERS ABSENT: None.

Documents Attached: Extract of Minutes of said meeting.

RESOLUTION STATING THE INTENTION OF THE SCHOOL BOARD TO ISSUE GENERAL OBLIGATION BONDS TO FINANCE PROJECTS INCLUDED IN THE DISTRICT'S APPROVED TEN-YEAR FACILITY PLAN; COVENANTING AND OBLIGATING THE DISTRICT TO BE BOUND BY AND TO USE THE PROVISIONS OF MINNESOTA STATUTES, SECTION 126C.55 TO GUARANTEE THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BONDS

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the obligations referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said obligations; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS MY HAND officially as such recording officer this 10th day of December, 2018.

Maureen Bartolotta
School District Clerk

EXTRACT OF MINUTES OF A MEETING OF THE SCHOOL BOARD OF INDEPENDENT SCHOOL DISTRICT NO. 271 (BLOOMINGTON PUBLIC SCHOOLS) STATE OF MINNESOTA HELD: DECEMBER 10, 2018

Pursuant to due call and notice thereof, a regular meeting of the School Board of Independent School District No. 271 (Bloomington Public Schools), State of Minnesota, was held on December 10, 2018 at 7:00 o'clock p.m. Member Maureen Bartolotta introduced the following resolution and moved its adoption:

RESOLUTION STATING THE INTENTION OF THE SCHOOL BOARD TO ISSUE GENERAL OBLIGATION BONDS TO FINANCE PROJECTS INCLUDED IN THE DISTRICT'S APPROVED TEN-YEAR FACILITY PLAN; COVENANTING AND OBLIGATING THE DISTRICT TO BE BOUND BY AND TO USE THE PROVISIONS OF MINNESOTA STATUTES, SECTION 126C.55 TO GUARANTEE THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BONDS

BE IT RESOLVED by the School Board of Independent School District No. 271, State of Minnesota, as follows:

1. The Board hereby finds and declares that it is necessary and expedient for Independent School District No. 271 (the "District") to issue its fully registered general obligation facilities maintenance bonds (the "Bonds") pursuant to Minnesota Statutes, Section 123B.595, subdivision 5 and Chapter 475, as amended, to fund the costs of the following projects included in its approved ten-year facility plan and related financing costs:

- deferred maintenance projects at various school district facilities included in the District's ten-year facility plan approved by the Commissioner of Education

The Bonds would be issued in the total aggregate principal amount of not to exceed \$25,300,000. The issuance of the Bonds is hereby authorized.

2. The ten-year facility plan approved by the Board is incorporated in this resolution as though fully specified herein. The administration is authorized and directed to submit to the Commissioner such additional information as may be necessary to secure the approval of the Commissioner for the ten-year facility plan and this bond issuance, as required by Minnesota Statutes, Section 123B.595. The submission of a proposed plan and a request for approval prior to the date of this resolution is ratified and approved in all respects.

3. The District further covenants to comply with all procedures now or hereafter established by the Minnesota Department of Education pursuant to Minnesota Statutes, Section 123B.595 and otherwise to take such actions as necessary to comply with that statute. The chair, clerk, superintendent or business manager is authorized to execute any applicable Minnesota Department of Education forms.

4. The clerk is hereby authorized and directed to cause a notice substantially in the form of the Notice attached hereto as EXHIBIT A and incorporated herein by reference to be published as a legal notice one (1) time in the official newspaper of the District as soon as reasonably practicable after the date of adoption of this resolution, but at least twenty (20) days before the earliest of the solicitation of bids, the issuance of bonds or the final certification of levies. Any publication of said notice prior to the date of adoption of this resolution is hereby ratified and approved in all respects.

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

6. If the issuance of the Bonds is approved, the Board shall meet at the time and place specified in the Official Statement to receive and consider proposals for the purchase of the Bonds. The terms and provisions specified in the Official Statement are hereby adopted as the terms and conditions of the Bonds and of the sale thereof, and shall be made available to all prospective purchasers of the Bonds. Ehlers & Associates, Inc., is authorized to prepare an Official Statement and to open, read and tabulate the proposals for presentation to the Board.

7. (a) The District hereby covenants and obligates itself to notify the Commissioner of Education of a potential default in the payment of principal and interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee payment of the principal and interest on the Bonds when due. The District further covenants to deposit with the Bond Registrar or any successor paying agent three (3) days prior to the date on which a payment is

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

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

The motion for the adoption of the foregoing resolution was duly seconded by Member Dick Bergstrom and, upon vote being taken thereon, the following voted in favor thereof: Beth Beebe, Jim Sorum, Dick Bergstrom, Nelly Korman, Dawn Steigauf, Mauren Bartolotta, and Tom Bennett. and the following voted against the same: None. whereupon said resolution was declared duly passed and adopted.

EXHIBIT A
NOTICE OF INTENT TO ISSUE FACILITIES MAINTENANCE BONDS
TO FINANCE PROJECTS INCLUDED IN THE DISTRICT'S
TEN-YEAR FACILITY PLAN

INDEPENDENT SCHOOL DISTRICT NO. 271
(BLOOMINGTON PUBLIC SCHOOLS)
STATE OF MINNESOTA

NOTICE IS HEREBY GIVEN that the School Board of Independent School District No. 271, State of Minnesota (the "District"), adopted a resolution (the "Resolution") on December 10, 2018, stating the intention of the School Board to issue general obligation facilities maintenance bonds (the "Bonds") in the total principal amount of not to exceed \$25,300,000 pursuant to Minnesota Statutes, Section 123B.595 and Chapter 475, as amended. The proceeds of the Bonds will be used to fund the costs of the following projects at various School District facilities as included in the District's approved ten-year facility plan and related financing costs:

- deferred maintenance projects at various school district facilities included in the District's ten-year facility plan approved by the Commissioner of Education

The total amount of District indebtedness as of February 1, 2019, will be \$114,085,000. If these proposed Bonds were issued after that date, the total indebtedness of the District at that time would be \$139,385,000.

Dated: December 10, 2018

BY ORDER OF THE SCHOOL BOARD
Maureen Bartolotta
School District Clerk
Independent School District No. 271
(Bloomington Public Schools)
State of Minnesota

Committed Funds

Dick Bergstrom moved, Maureen Bartolotta seconded, that the School Board of Independent School District 271 approves committed funds in the areas specified as follows:

1. \$140,965 for Wellness Dollars
2. \$110,702 for Band Uniform and Instrument Replacement
3. \$825,437 for Athletics and Activities
4. \$176,776 for Staff Development
5. \$764,885 for Site Department Carry Over Funds

Motion carried unanimously.

Last June, committed fund categories were identified. Now that the audit for 2017-2018 is complete, dollar amounts are designated for the identified categories.

Operating Transfers—
Community Service
Internal Service Funds

Jim Sorum moved, Nelly seconded, that the School Board of Independent School District 271 approves the operating transfers of \$305,097 from the General Fund to certain programs in the Community Service Fund for fiscal year 2017-2018. Motion carried unanimously.

The annual process of financially closing a school year requires District Administration to make recommendations to the School Board to transfer resources between our District's accounting funds. The transfer to the Community Service Fund was to provide revenue to offset General Fund costs associated with Pond and Southwood programs.

Audit Report
2017-2018

Jim Sorum moved, Maureen Bartolotta seconded, that the School Board of Independent School District 271 accepts the Auditor's Reports from BerganKDV, Ltd, which includes Audited Financial Statements, Audited Financial Statements of the Student Activity Accounts and accompanying Communication Letters for the Fiscal Year Ended June 30, 2018. Motion carried unanimously.

BerganKDV, Ltd. has completed a general financial audit for 2017-2018 conforming to State and Federal guidelines. Matt Mayer of BerganKDV presented highlights of the independent audit report indicating an unmodified, clean opinion, which is the best opinion that can be provided. This means that the District's financial statements are fairly presented and materially accurate giving a true picture of the District's operations and its financial health. He reported for 2017-2018, an unmodified opinion on a single audit performed in accordance with uniform guidance for Title I grants/services. The Office of the State Auditor requires auditing for compliance with statutes; no findings to report. Audit findings indicated no material weaknesses or significant deficiencies in internal control. In reviewing the year's performance, a few highlights included noting of the planned spend down of the budget authorized by the Board. Revenue was slightly more than expected. Spending was over budget by 1.5% to 2.0%, mostly due to Special Education costs as they are hard to predict in that they are demographically driven. Enrollment has increased 1% or less over the last three years. Mr. Mayer reviewed General Fund budget and actuals, resident student ADMS, average daily membership and pupil units, sources of revenue and expenditures stating approximately 68% of the general fund budget is expended for instruction, 4% for administration and 3% for support services. He also highlighted the general fund operation and the financial position, unrestricted fund balance as a percentage of unrestricted expenditures, long-term debt, tax levies, tax capacity rate, referendum tax rate and referendum market value, the food service fund and the community service fund. The District's fund balance is within the 5-8% parameter set by Board policy.

2018-2019 Mid-Year
Budget Adjustments

Dick Bergstrom moved, Tom Bennett moved seconded, that the School Board of Independent School District 271 approves adjusting the 2018-2019 budget for all funds by increasing revenues by \$2,195,294 and increasing expenditures by \$1,651,506. Motion carried unanimously.

Annually, Administration proposes adjustments to update our current year budgets. The four major budget adjustment categories are: Prior year carry over, Updated information, Grants/Donations/Revenue and Other. A worksheet (on file) reflects revised budgets by fund. Changes in the Community Services Fund are due to Kids' SAFARI and Early Learning revenue increases.

Property Tax
Levy Certification
Final 2018
Payable 2019/
Public Comment

Tom Bennett moved, Maureen Barolotta seconded, that the School Board Independent School District 271 approves the proposed final property tax levy for the 2018 payable 2019 levy of \$59,405,697. BE IT FURTHER RESOLVED, that in the event of any changes to levy amounts by the Minnesota Department of Education, it is the intent of the School Board of Independent School District 271 to levy the appropriate amount as allowed by law.

Rod Zivkovich, Executive Director of Finance and Support Services, reviewed the levy process and timeline. He then provided an overview of the 2018-2019 adopted budget including revenues by source and expenditures by program for all funds.

<u>PROPOSED 2018 PAYABLE 2019 LEVIES</u>	
Referendum	\$19,721,479
Referendum Other	8,964,127
Other	18,056,357
Community Services	1,955,533
Debt Services	<u>10,708,201</u>
Proposed Certified Levy	<u>\$59,405,697</u>

No one addressed the School Board for public comment.

Motion carried unanimously.

Tonight's School Board action completes the levy process, which included:

- Submission of levy data and calculations of formulas that produced the preliminary levy certification document in September 2018.
- Mailing by the county auditor of Truth-in-Taxation statements in November 2018.
- Presentation of Fiscal 2018-2019 Budget and Proposed 2018 Payable 2019 Levy.

Levy submission represents a 4.2 increase mainly due to resubmission of Community Services numbers.

WBWF Annual
Report 2017-2018

Nelly Korman moved, Dick Bergstrom seconded, that the School Board of Independent School District 271 accepts the World's Best Workforce Annual Report for the 2017-2018 school year. Motion carried unanimously.

Rick Kaufman, Executive Director of Community Relations, indicated that Minnesota's World's Best Workforce law requires school districts to publish a report annually that includes results and progress made on the District's Strategic Plan during the previous school year. Each year, the District publishes The World's Best Workforce Annual Report as a special issue of *School Pages*. The report also is produced as an online publication. A link to the report will be provided on the district and school websites. The Pathways Advisory Committee has reviewed and approved the curriculum content that appears in the publication. Information from this publication will be included in a required report to the Minnesota Department of Education.

Board Community
Engagement Plan

Beth Beebe moved, Maureen Bartolotta seconded, that the School Board of Independent School District 271 adopts the updated School Board Community engagement Plan. Motion carried unanimously.

The School Board has established five (5) goals for the 2018-19 school year, including *Goal #4: Strengthen the School Board's Community Engagement Plan*. The plan was first adopted in 2010-11 with a revision adopted by the School Board June 23, 2014. The purpose of the Community Engagement Plan is to encourage School Board members – individually and collectively – to collaborate and dialogue with stakeholders and advocate on behalf of Bloomington Public Schools. Accordingly, the School Board endeavors to inform, consult, involve and collaborate as part of its community engagement activities. School Board members will have the opportunity to assist the

Community Education Services department and the Education Foundation of Bloomington with the Book Fest being held on March 2, 2019, at Oak Grove Middle School from 9 am to noon. The event will include authors and school site information, and parents will be able to register their child(ren) for summer programming.

VII. BOARD MEMBER REPORTS

School Board members reported on various meetings and activities. Tom Bennett attended the Jefferson Theater production of The Lion, The Witch and The Wardrobe. Tom Bennett, Beth Beebe and Dawn Steigauf attended the Kennedy High School holiday show, which featured a solo by student school board representation Ally Starks. Beth Beebe shared that the Bloomington Career and College Academy cosmetology program is filled and has a waiting list, she visited with bus drivers and thanked them for their service, and Bethany Church is helping to collect snow pants for students in need. Nelly Korman reported that the Board Legislative Committee met and has drafted a platform for the 2019 legislative session, which will be brought to the full membership of the School Board for action consideration in January. Ms. Korman reported that the Bloomington Public Schools Advocacy Council met on December 5 and Representative-Elect Steve Elkins attended the meeting; the AMSD meeting topics included election results and a presentation on how to engage with legislators. Dick Bergstrom provided a few suggestions for people who were considering their giving options—VEAP, Bloomington United for Youth, Cornerstone, PTAs, Education Foundation, Food for Thought. Dawn Steigauf highlighted visits to Poplar Bridge, Westwood, and Pond and attended meetings of the Kennedy High School PTA, Special Education Community Advisory Council, PTSA Council. She extended congratulations to Dennis Kane who is this year's recipient of the Bloomington Human Rights Commission Omar Bonderud Award.

VIII. SUPERINTENDENT'S REPORT

Superintendent Fujitake reminded the school community that winter break starts December 24 through January 4 with school resuming on Monday, January 7. On behalf of the School Board and Administration, he wished everyone a happy and safe winter break.

Superintendent Fujitake presented Administration's request pertaining to Board sessions. Dick Bergstrom moved, Maureen Bartolotta seconded, to establish a study session of the School Board on January 7 at 6 p.m. to prepare for the upcoming organizational meeting. Motion carried unanimously.

Dick Bergstrom moved, Maureen Bartolotta seconded, to establish a professional development session of the School Board on January 14 at 5:30 p.m. in Room 601. The topic is equity education. Motion carried unanimously.

IX. OTHER

None.

X. ADJOURNMENT

There being no further business to come before the School Board, the meeting was adjourned at 8:22 p.m.

Maureen Bartolotta, Clerk