

**INDEPENDENT SCHOOL DISTRICT NO. 271
Bloomington, Minnesota**

**MINUTES OF THE SPECIAL MEETING
BOARD OF EDUCATION
November 23, 2009**

Pursuant to due call and notice thereof, and there being a quorum present, the Special Meeting of the Board of Education of Independent School District No. 271, was called to order by Chair Maureen Bartolotta at 9:55 p.m. on Monday, November 23, 2009, at the Educational Services Center, 1350 West 106th Street, Bloomington, Minnesota. Members Present: Maureen Bartolotta, Chair; Jim Sorum, Vice Chair; Maureen Peterson, Clerk; Arlene Bush, Treasurer; Tim Culver, Mark Hibbs and Chuck Walter. School Attorney Present: Kingsley Holman. Administration Present: Les Fujitake, Bruce Pappas, Nancy Allen-Mastro, Stacy Colebrook-Robjent, Tom Holton and Joan Bernard.

Acceptance of Audit Report for 2008-2009

The School Board received the preliminary Audit Report 2008-2009 at the workshop conducted prior to the special meeting. It was determined that formal acceptance of the Audit Report 2008-2009 will take place at the regular meeting of the School Board on December 14, at which time the Audit Report will be in its final form and will be presented for the public by Matt Mayer of Kern, DeWenter, Viere, Ltd.

Operating Transfers-Community Services

Chuck Walter moved, Arlene Bush, seconded, that the School Board of Independent School District No. 271 approves the operating transfers of \$564,689 from the General Fund to certain programs accounted for in the Community Service Fund for fiscal year 2008-2009. 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. Transfers are necessary because Community Service revenue is received combined with General Fund revenues. The District deposits and records all this combined revenue into the General Fund. A transfer is subsequently made to record the revenue in Community Service. For example, the majority of SHAPE's revenue is initially received in the General Fund along with the District's state aid payments. At year-end, a transfer of resources from the General Fund to the Community Services Fund is required to recognize the amount of state aid generated by SHAPE students. Similarly, the District also makes transfers to recognize costs attributable to facilities such as Pond and Southwood Centers.

Transfer of Funds for Other Post-Employment Benefits (OPEB) Bond Payment

Tim Culver moved, Jim Sorum, seconded, that the School Board of Independent School District No. 271 approves the transfer of \$504,239 for the debt service payment on the OPEB bonds. Motion carried unanimously.

As a result of the bonding of the Districts OPEB obligation UFARS (Uniform Financial Accounting and Reporting Standards) dictates receipts from the bond are deposited to the District's operational funds (General, Food Service and Community Service) which, in turn, are expensed out to pay the trust for post-employment benefits. UFARS also requires the portion of the bond restricted for the initial debt service payment to be transferred out to be a separate fund (Fund 47) to service the debt. As a result, a transfer of \$504,239, representing the debt service portion of the bond proceeds, was made on June 30, 2009 to this new fund.

Designated Funds for Tobacco Settlement

Maureen Peterson moved, Arlene Bush, seconded, that the School Board of Independent School District No. 271 approves changing the name of the Tobacco Settlement designation to 'Wellness' to more closely align with the District's stated use of these designated funds. Motion carried unanimously.

In 2005-2006 working with our auditors, the District established a designated fund balance for Tobacco Settlement Dollars. These funds were the District's portion of the State settlement with tobacco companies. In 2007-2008 the District designated these dollars for employee wellness programs. Administration recommends a change in name from 'Tobacco Settlement' to 'Wellness' to more closely reflect the District's use of these funds.

Designated Funds for Uniform and Instrument Replacement

Jim Sorum moved, Tim Culver, seconded, that the School Board of Independent School District No. 271 approves an increase of \$6,410 in the designation for future Uniform and Instrument Replacement from the June 30, 2009 General Fund Balance. Motion carried unanimously.

In 2004-2005 working with our auditors, the District established a designated fund balance for high school uniforms and instrument replacement. These funds are generated through fees and the net of fees and expenditures results in an adjustment to the designation. The \$6,410 increase in the designation results in a balance of \$73,461 as of June 30, 2009. Uniform replacement will begin in Fiscal Year 2012-2013. District Administration recommends designating an additional \$6,410 for Uniform and Instrument Replacement.

Designated Funds for Workers' Compensation

Tim Culver moved, Jim Sorum, seconded, School Board of Independent School District No. 271 approves the new designation of \$35,000 from the June 30, 2009 General Fund Balance to cover the costs associated with analyzing the feasibility of self-funding our worker's compensation insurance. Motion carried unanimously.

This is a new designation request. The existing fully insured workers compensation policy expires June 30, 2010. The District's claims history and trends initially will be analyzed to determine if it makes sense to pursue self-funding. If it is determined that self-funding should be pursued further, this fund designation will provide for the needed actuarial study and other miscellaneous costs associated with this analysis. Administration recommends the designation of \$35,000 to cover costs associated with worker's compensation insurance feasibility analysis.

Designated Funds for Security Cameras

Jim Sorum moved, Arlene Bush seconded, that the School Board of Independent School District No. 271 approves the designation of \$250,000 from the June 30, 2009 General Fund Balance for the installation of security cameras and systems. Motion carried unanimously.

This is a new designation request to set aside \$250,000 from the General Fund Balance for the installation and upgrade of security systems at Pond Center, Jefferson High School, and all three middle schools. Kennedy High School security system upgrades were completed in Fiscal Year 2008-2009. Administration recommends designating \$250,000 for security systems.

Designated Funds for Energy Savings Initiative (Lighting)

Arlene Bush moved, Jim Sorum, seconded, that the School Board of Independent School District No. 271 approves the designation of \$1 million from the June 30, 2009 General Fund Balance for energy savings initiatives. Motion carried unanimously.

This is a new designation, requested by Administration, to set aside funds for lighting upgrades throughout the school district. Project costs are estimated at \$1 million and include changing out lighting ballasts and bulbs district-wide as well as gym and exit lighting district-wide. The pay back is estimated within 4-5 years.

Designated Funds for Drivers Education Vehicles

Mark Hibbs moved, Maureen Peterson seconded, that the School Board of Independent School District No. 271 approves the new designation of \$4,800 of our June 30, 2009 General Fund balance for Drivers Education vehicles. Motion carried unanimously.

In 2007-2008 the Drivers Education program paid off the remaining debt on the Drivers Education cars. For 2008-2009, the Drivers Education program set its rates and expenses to generate an operating margin. The purpose of this margin is to finance the replacement cost of the three (3) Drivers Education cars. Administration is recommending that an amount equal to this margin be designated in the 2008-2009 General Fund balance.

Adjournment

There being no further business to come before the School Board, the Special Meeting was adjourned at 10:30 p.m.

Maureen Peterson, Clerk