

REGULAR BOARD MEETING  
December 16, 2013  
(Unapproved)

The Pelican Rapids Board of Education held a regular meeting on December 16, 2013 in the boardroom at the high school at 6:30 p.m. Board members present: Mitch Monson, Kathy Ouren, Dena Johnson, Jon Karger, Charlie Blixt and Mike Forsgren. Board members absent: None. Others present: Superintendent Wanek, Brian Korf, Sheila Flatau, Steph Winjum, Barb Ripley, Derrick Nelson, Cary Haugrud, Marni Neubauer and Lou Hoglund.

The meeting was called to order and the Pledge of Allegiance was led by Kathy Ouren.

Dena Johnson moved to approve the agenda as presented. The motion was seconded by Charlie Blixt and carried.

Brian Korf presented his principal's report.

Stephanie Winjum presented information regarding the 2014-15 proposed tax levy certification.

Jon Karger moved to approve the consent agenda consisting of the following items:

Approve board minutes of the regular meeting on November 18, 2013 and the special meeting on November 12, 2013

Approve payment of the November 30<sup>th</sup> and December bills as presented

Financial reports

Approve donations:

To SADD - \$25 from Long Weekend Sportswear

To SADD - \$25 from Erickson Insurance

To SADD - \$50 from Pelican Valley LLC

To SADD - \$25 from Pelican Rapids Press

To SADD - \$50 from Rapids Brake & Alignment

To SADD - \$100 from Wells Fargo

To SADD - \$50 from Southtown C Store

To SADD - \$100 from Pelican Drug

To SADD - \$25 from Seifert Realty

To SADD - \$250 from Super Septic

To Scholarships - \$10 from Roger & Kathy Bergren-memorial Eloise Isaacson

To Band - \$500 from Kim Korynta

To Homecoming - \$100 from Bell State Bank

Personnel:

Approve a leave of absence for Maria Soto from approximately 1/2/14 to 3/14/14

Hire Azucena Escobar as an elementary para to replace Maria Soto when she is on leave.

Hire Marni Neubauer as School Patrol advisor

Accept the resignation of Sandy Anderson as elementary para and supervisor as of December 31, 2013

Hire Megan Williams as a Pre-K para due to additional enrollment

Hire Julie Jones for custodial work January 2014 to September 2014

The motion was seconded by Charlie Blixt and carried.

Dena Johnson moved to approve the levy certification for 2014-15 as presented. The motion was seconded by Mitch Monson and carried.

Jon Karger moved to approve the revised 2013-14 budget as presented. The motion was seconded by Charlie Blixt and carried.

Charlie Blixt moved to approve a Quit Claim Deed to clear the title for property in Friberg Township. The motion was seconded by Dena Johnson and carried.

Dena Johnson moved to approve a contract with ICS Consulting, Inc. for services related to the renovation bond. The motion was seconded by Jon Karger and carried.

Jon Karger moved to approve a contract with Wold Architects Engineers for services related to the renovation bond. The motion was seconded by Mike Forsgren and carried.

Dena Johnson moved change the date of the regular meeting in January from the 20<sup>th</sup> (Martin Luther King Day) to January 22<sup>nd</sup> at 6:30 pm. The motion was seconded by Mitch Monson and carried.

Member Dena Johnson moved the adoption of the following resolution:

RESOLUTION ESTABLISHING PROCEDURES FOR  
REIMBURSEMENT OF CERTAIN EXPENDITURES  
FROM PROCEEDS OF FUTURE BOND ISSUES  
OR OTHER BORROWINGS

BE IT RESOLVED by the School Board of Independent School District No. 548, State of Minnesota, as follows:

1. Purpose. The Internal Revenue Service has issued Treasury Regulations Section 1.150-2 (the "Regulations") to provide rules governing Bonds issued after June 30, 1993, the proceeds of which are allocated to reimburse an Issuer for certain expenditures made prior to the date of issue of those Bonds. An allocation of the proceeds of a Bond issue to reimburse certain previously paid expenditures must comply with the Regulations to be an expenditure of Bond proceeds. If a Bond meets the requirements of the Regulations, the Bond proceeds are deemed to be spent when they are allocated to reimburse the prior expenditure. The Board of Independent School District No. 548 (the "District") desires to establish procedures necessary to

comply with those Regulations. The terms used in this resolution shall be as defined in the Regulations.

2. Official Intent Requirement. The Regulations, in those situations in which they are applicable, require a District to declare a reasonable official intent (the "Official Intent Declaration") to reimburse itself for certain previously paid expenditures from the proceeds of subsequent Bonds or other borrowings of the District (the "Bonds"). The Board hereby authorizes the superintendent or the business manager to make the District's Official Intent Declarations or to delegate that responsibility from time to time to other appropriate District officers or employees. Each Official Intent Declaration shall comply with the requirements of the Regulations, including, without limitation, the following:

- a) Each Official Intent Declaration shall be made not later than sixty (60) days after the date the District pays the applicable expenditure and shall state that the District reasonably intends to reimburse itself for those expenditures with the proceeds of a future borrowing;
- b) Each Official Intent Declaration shall, at a minimum, contain a general functional description of the property, project or program for which the expenditure to be reimbursed is paid (for example, "acquisition and betterment of school facilities" or a specific identifiable project). In the alternative, a description is sufficient if it identifies the fund or account from which the expenditure is to be paid and a general functional description of that fund or account (for example: General Fund - general school district operations and maintenance; General Fund - Reserve for Operating Capital - school district equipment and capital improvements);
- c) Each Official Intent Declaration shall contain a statement of the maximum principal amount of debt to be issued for the purposes of the specified property, project or program;
- d) Each Official Intent Declaration shall be considered public data and shall be made available for public inspection in compliance with the Minnesota Government Data Practices Act at the main administrative offices of the District within a reasonable period of time, but not to exceed 30 days, after the date of said declaration. An Official Intent Declaration shall remain available for public inspection until at least the day after the issuance of the Bonds from which the prior expenditures are to be reimbursed, and shall be made available to the Bond counsel for that issue.

It is the intention of the Board that an Official Intent Declaration shall be made only if, as of the date of the declaration, the District reasonably expects that it will reimburse the expenditure with Bond or borrowing proceeds. The Board understands that the determination as to whether the expectation to reimburse is reasonable is based on all relevant facts and circumstances, including the purpose for the declaration, the history of actual reimbursement of

other expenditures for which official intent was declared and which were actually paid, and the District's actions taken toward reimbursement of the expenditures.

3. Reimbursement Period Requirement. The administration shall advise the Board from time to time on timing issues relating to reimbursements for which Official Intent Declarations have been made, including recommendations on the timing of the issuance of Bonds so that the reimbursement allocations occur not earlier than the dates on which the expenditures are paid and not later than eighteen (18) months after the later of (a) the date on which the expenditure is paid or (b) the date on which the property is placed in service or abandoned (but in no event more than three (3) years after the original expenditure, except as provided in Treas. Reg. 1.150-2(2)(d)(ii) and (iii). The officials designated above to make the Official Intent Declarations shall also be responsible for making the appropriate reimbursement allocations to reimburse the source of temporary financing used by the District to make the payments for the prior expenditures. Each allocation shall be evidenced by an entry on the official books, records or accounts of the District maintained for such reimbursement Bonds; shall specifically identify the actual prior expenditure being reimbursed or, in the case of a reimbursement of a particular fund or account, the fund or account from which the expenditure was previously paid. This allocation shall be effective to relieve the Bond proceeds involved from any restrictions under the Bond resolution or other relevant legal documents for those Bonds and under any other state statute applicable to unspent proceeds of that Bond issue.

4. Capital Expenditure Requirement.

a) General. An original expenditure to be reimbursed from Bond proceeds must be a capital expenditure, a cost of issuance for a Bond or an expenditure defined in the applicable Treasury Regulation.

b) Capital Expenditures. The term "capital expenditure" as used in the Regulations means any cost of a type that is properly chargeable to a capital account. Whether an expenditure is a capital expenditure is determined at the time the expenditure is paid. Capital expenditures do not include expenditures for items of current operating expense that are not properly chargeable to a capital account. Costs incurred to acquire, construct or improve land, buildings, and equipment generally are capital expenditures. Under the Regulations, the issuance costs of issuing reimbursement Bonds are also treated as capital expenditures.

c) Preliminary Expenditures. The Official Intent Requirement does not apply to preliminary expenditures that are reimbursed with proceeds of a Bond that finances all or a portion of the property, project or program with respect to which the preliminary expenditures were incurred. The term "preliminary expenditures" includes architectural, engineering, surveying, soil testing, reimbursement Bond issuance, and similar costs that are incurred prior to commencement, rehabilitation or acquisition of a property, project or program, but does not include land acquisition, site preparation and similar costs incident to commencement of construction. Preliminary expenditures include only amounts that do not exceed in the aggregate twenty percent (20%) of the issue price of that portion of a Bond issue or Bond issues

that finance the property, project or program with respect to which the preliminary expenditures were incurred.

d) Transition Rule Expenditures. The Official Intent Requirement also does not apply to certain expenditures paid by the Issuer if the expenditures comply with the transition rule provisions of the Regulations.

The motion for the adoption of the foregoing resolution was duly seconded by Member Mike Forsgren, and upon vote being taken thereon, the following voted in favor thereof:

Ouren, Karger, Blixt, Forsgren, Johnson, Monson

and the following voted against the same:

None

whereupon said resolution was declared duly passed and adopted.

Member Dena Johnson introduced the following resolution and moved its adoption:

**RESOLUTION PROVIDING FOR SALE OF GENERAL OBLIGATION  
SCHOOL BUILDING BONDS; 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. 548, State of Minnesota, as follows:

1. The Board hereby finds and declares that it is necessary and expedient for Independent School District No. 548 (the "District") to sell and issue its fully registered general obligation bonds in the total aggregate principal amount of \$21,950,000, to be issued pursuant to authority granted by the voters of the District on November 5, 2013, for the acquisition and betterment of school sites and facilities.

2. The Board, having been advised by SPRINGSTED Incorporated, its independent financial advisor, hereby determines that this issue shall be privately sold after receipt of written proposals, as authorized pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, as amended.

3. The Board shall meet at the time and place specified in the Terms of Proposal attached hereto to receive and consider proposals for the purchase of said Bonds.

4. The terms and provisions of the Terms of Proposal, in substantially the form attached hereto, are hereby adopted as the terms and conditions of said Bonds and of the sale thereof, and shall be made available to all prospective purchasers of the Bonds.

5. (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 its General Obligation School Building Bonds, Series 2014A (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.

6. SPRINGSTED Incorporated, is authorized to prepare an Official Statement and to open, read and tabulate the proposals for presentation to the Board.

The motion for the adoption of the foregoing resolution was duly seconded by Member Jon Karger, and upon vote being taken thereon, the following voted in favor thereof:

Ouren, Karger, Blixt, Forsgren, Monson, Johnson  
and the following voted against the same:

None  
whereupon said resolution was declared duly passed and adopted.

Derrick Nelson presented his Asst. Principal/Activities Director report.

Stephanie Winjum presented her Business Manger report.

Deb Wanek presented her Superintendent report.

Dena moved to authorize Deb Wanek to complete the application for the 4-day school week. The motion was seconded by Charlie Blixt and carried.

The meeting was adjourned.

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Kathy Ouren, Chair

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Charlie Blixt, Clerk