

**MINNETONKA INDEPENDENT SCHOOL DISTRICT #276**  
**District Service Center**  
**5621 County Road 101**  
**Minnetonka, Minnesota**

**Minutes of February 4, 2021 Regular Board Meeting**

The School Board of Minnetonka Independent School District #276 met in regular session at 7:00 p.m. on Thursday, February 4, 2021 in the Community Room at the District Service Center, 5621 County Road 101, Minnetonka, Minnesota. Chairperson Chris Vitale presided. Other Board members present were: Mark Ambrosen, Katie Becker, John Holcomb, Mike LeSage, Christine Ritchie, Lisa Wagner and Superintendent Dennis Peterson, ex officio. The meeting was also livestreamed on the District's YouTube channel.

Prior to the meeting, Board members recognized, via a video, AP Scholars; DECA State Qualifiers; and Debate State Qualifiers.

Chairperson Vitale then called the meeting to order and asked that everyone stand and recite the Pledge of Allegiance to the flag.

1. **AGENDA**

Wagner moved, LeSage seconded, that the School Board approve the agenda, as presented. Upon vote being taken thereon, the motion carried unanimously.

2. **SCHOOL REPORT: SCENIC HEIGHTS**

Scenic Heights Principal Joe Wacker and staff member Jason Reader updated the Board on the transition to an in-person learning model. They highlighted the planning that took place to make the transition happen and reported on how the first week has gone in the model. School Board members Ritchie, Wagner, LeSage and Becker all thanked Principal Wacker for everything he and the Scenic Heights teachers and staff—as well as teachers and staff throughout the District—have done to make this new instructional model work.

3. **COMMUNITY COMMENTS**

Chairperson Vitale noted that this opportunity for comment was available to community members who wished to address the Board on any item on that night's agenda.

Shorewood resident Beth Robertson-Martin then addressed the Board. She spoke about her support for more inclusive school policies, including Policy #604, and the need for the District to do more to achieve racial equity. She also read names of other community members who she said also supported this effort.

4. **SEVENTH READING OF POLICY #604: INCLUSIVE EDUCATION PROGRAM**

The Board reviewed the policy and agreed to adopt it with the inclusion of the following language, which had been recommended by the District’s legal counsel:

*Add the words “teaching about” before the word “contributions” in Section III. A*

Wagner moved, Ambrosen seconded, that the Board approve Policy #604: Inclusive Education Program with the addition of the recommended language. Upon vote being taken thereon, the motion carried unanimously. Vice Chair Ambrosen thanked Board member Ritchie for her work in revising the policy.

5. **UPDATE ON LEARNING MODEL IMPLEMENTATION**

Superintendent Peterson updated the Board on the implementation of the new learning model and provided a status report on employee testing for COVID and an update on employee vaccinations. Highlights included the following:

- Return of in-person learning has been enthusiastically received
- Many thanks to administrators and staff who have made this happen
- All schools have seen an increase in car traffic, with more parents dropping off and picking up their children
- We are well under the capacity on elementary busses
- There are some high school teachers who are streaming their lessons from home to students in the school
- Weekly saliva testing is available at no charge for District staff
- All District sites are continuing to require masks and temperature checks
- Shields are available for all staff—but few staff are wearing them
- The State of MN has taken over the vaccination rollout
- All District employees received an email with a link to sign up for an appointment to receive the vaccine and employees are now waiting to be notified
- On Monday, March 15, the District plans to transition middle and high school students from the hybrid model to an in-person model, if allowed by the Governor
- March 11 and 12 will be planning days for both middle and high school teachers, if the plan to return to in-person learning on March 15 is approved by the Governor

Board members thanked Dr. Peterson for the update and also thanked all District administrators, teachers and other staff who have worked so hard to implement the plan thus far.

6. **AUTHORIZATION OF SALE OF 2021B CERTIFICATES OF PARTICIPATION REFUNDING BONDS**

Executive Director of Finance and Operations Paul Bourgeois presented the next seven agenda items to the Board. By way of background, he explained that on January 7, 2021,

the Board had approved the purchase of the building at 19685 Highway 7 in Shorewood, MN and conversion of that building into an educational facility to house the Transition to Adult Program. The purchase of that building for \$1,700,000 and conversion at a cost of \$500,000 will require the issuance of the \$2,200,000 2021C Certificates of Participation. It is financially advantageous for the approximately \$138,900 estimated annual 2021C payments to be paid for out of Operating Capital funds, because that will in turn free up approximately \$131,632 in General Fund revenues to be used to cover other costs in the General Fund.

In order to make the 2021C payments out of Operating Capital, it is necessary to refund and restructure the 2013A Certificates of Participation that were issued to fund the construction of the Excelsior Elementary School multipurpose room and kitchen addition. The estimate of the refunding transaction calculated by the District financial advisory R. W. Baird is that the 2013A COP Bond refunding transaction will result in annual payments being lowered from an average of approximately \$243,095 down to an average of approximately \$151,539 for the new 2021B COP Refunding Bonds, or a reduction of approximately \$89,556. This is sufficient to be able to layer the 2021C COP payments into the annual Operating Capital Budget. In addition, the transaction will lower the interest rate from the current 2.97% down to an estimated 2.17% and produce a modest net present value of savings estimated at \$7,072.63.

Mr. Bourgeois recommended that the Board authorize the sale of the 2021B COP Refunding Bonds to garner the net present value savings, reduce the interest rate from 2.97% on the 2013A COP Bonds down to an estimated 2.17% on the 2021B bonds, and provide payment capacity in Operating Capital to make it possible for Operating Capital revenues to pay for the 2021C COP bonds, which in turn will result in approximately \$131,632 annual savings to the General Fund. The resolution authorizing the sale of the 2021B COP Refunding Bonds was prepared by the District's bond counsel Dorsey & Whitney, LLP.

Wagner moved, LeSage seconded, that the Board approve the following resolution:

*RESOLUTION RELATING TO SCHOOL DISTRICT PROPERTY AND IMPROVEMENTS AND THE REFINANCING THEREOF; AUTHORIZING A LEASE-PURCHASE AGREEMENT AND THE CREATION OF REFUNDING CERTIFICATES OF PARTICIPATION; AND APPROVING AND AUTHORIZING THE EXECUTION OF DOCUMENTATION RELATING THERETO*

*BE IT RESOLVED by the School Board (the "Board") of the Independent School District No. 276 (Minnetonka), Minnesota (the "District"), as follows:*

*SECTION 1. AUTHORITY; PURPOSE. The District is authorized by Minnesota Statutes, Section 465.71, to execute lease-purchase agreements for the purpose of financing and refinancing real and personal property. This Board hereby finds it in the best interest of the District to enter into a Lease-Purchase Agreement (the "Lease") and issue refunding certificates of participation therein ("Certificates") for the purpose of prepaying or discharging the Refunded Lease (as defined herein) and refunding in advance of maturity all or a part of the District's outstanding Certificates of Participation, Series 2013A (the "Refunded*

Certificates”). The Refunded Certificates were created in a Lease-Purchase Agreement dated as of January 1, 2013, between the District, as lessee, and Wells Fargo Bank, National Association, as trustee (the “Trustee”), as lessor (the “Refunded Lease”).

**SECTION 2. SALE AUTHORIZATION AND PARAMETERS.** *In order to accomplish the purposes set forth above, the Board desires to proceed with the sale of the Certificates in the Lease to Robert W. Baird & Co. Incorporated, in Milwaukee, Wisconsin (“Baird”), by direct negotiation. The Superintendent or Executive Director of Finance & Operations and a Board officer are hereby authorized to approve the sale of Certificates in an aggregate principal amount not to exceed \$2,545,000, provided that the true interest cost of such Certificates to the District is less than or equal to 3.50% per annum. The Superintendent or Executive Director of Finance & Operations and a Board officer are hereby authorized to execute a purchase agreement for the sale of the Certificates in a single taxable series to Baird, provided the parameters of sale set forth herein are satisfied.*

**SECTION 3. RATIFICATION OF SALE.** *After approval of the sale of the Certificates by the Superintendent or Executive Director of Finance & Operations and a Board officer, the Board will take action at its next regularly scheduled meeting to adopt the necessary approving resolution as prepared by special counsel to the District, Dorsey & Whitney LLP.*

**SECTION 4. OFFICIAL STATEMENT.** *Baird is authorized to prepare and distribute, on behalf of the District, an Official Statement related to the sale of the Certificates.*

**SECTION 5. NATURE OF DISTRICT’S OBLIGATIONS.** *The Lease and the obligations of the District thereunder will be special, limited obligations of the District, subject to termination at the end of each fiscal year in the event this Board does not appropriate funds sufficient to continue the Lease for the following fiscal year. The full faith and credit and ability of the District to levy ad valorem taxes without limitation as to rate or amount are not pledged to the payment of the Lease or any obligation of the District thereunder.*

**SECTION 6. EXPIRATION OF AUTHORITY.** *If the Superintendent or Executive Director of Finance & Operations and a Board officer have not approved the sale of the Certificates to Baird and executed the related purchase agreement by December 31, 2021, this resolution and all approvals hereunder shall expire.*

Upon vote being taken thereon, the motion carried unanimously.

**7. AUTHORIZATION OF SALE OF 2021C CERTIFICATES OF PARTICIPATION BONDS FOR PURCHASE AND CONVERSION OF SHOREWOOD BUILDING**

Mr. Bourgeois began by saying that the purchase of the Shorewood building for \$1,700,000 and conversion at a cost of \$500,000 will require the issuance of the \$2,200,000 2021C Certificates of Participation.

The District’s financial advisory R W Baird has estimated that the bonds can be sold at an estimated interest rate of 2.13%, with average annual payments of approximately \$138,900.

While this average payment is approximately \$7,268 higher than the annual current rental payments for the space that the current program resides at, the bond payments will remain approximately flat over the 20-year bond payment schedule, whereas the rental payments would continue to increase over time.

As a result, there are significant long-term savings to the District in owning versus renting. There are also significant transportation savings from having a location in the middle of the District. The central location will be much more convenient for students and staff and will allow transportation routes for the Transition to Adult program to be reduced from 9 buses using 2/3 of the time of a three-tier route down daily to 4 buses using 1/3 of the time of a three-tier route daily. The transportation savings to the General Fund are estimated at approximately \$241,177 in FY22.

The 2021C COP Bonds will be sold in late May 2021 and close on June 29, 2021. The timing of the bond closure allows for the purchase and any conversion costs that occur in FY21 to be paid out of the bond and maintaining a positive year-end FY21 Construction Fund Balance, while allowing for the first bond payment to be scheduled for July 1, 2022, which is in Fiscal Year 2023.

Mr. Bourgeois recommended that the Board authorize the sale of the 2021C COP Bonds to fund the purchase of the building at 19685 Highway 7 in Shorewood, MN and the conversion of that building to an educational facility for the Transition to Adult program. The resolution authorizing the sale of the 2021C COP Bonds was prepared by the District's bond counsel Dorsey & Whitney, LLP.

Ambrosen moved, Holcomb seconded, that the Board approve the following resolution:

*RESOLUTION RELATING TO THE FINANCING OF A PROPOSED  
PROJECT TO BE UNDERTAKEN BY THE DISTRICT; ESTABLISHING  
COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER  
THE INTERNAL REVENUE CODE*

*BE IT RESOLVED by the School Board (the "Board") of the Independent School District No. 276 (Minnetonka), Minnesota (the "District"), as follows:*

*1. Recitals.*

*(a) The Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the "Reimbursement Regulations") dealing with the issuance of tax-exempt obligations all or a portion of the proceeds of which are to be used to reimburse the District for project expenditures made by the District prior to the date of issuance of such obligations.*

*(b) The Reimbursement Regulations generally require that the District make a declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued series of tax-exempt obligations within 60 days after payment of the expenditures, that such obligations be issued and the reimbursement allocation be made*

from the proceeds of such obligations within the reimbursement period (as defined in the Reimbursement Regulations) and that the expenditures reimbursed be capital expenditures or costs of issuance of the obligations.

(c) *The District desires to comply with requirements of the Reimbursement Regulations with respect to the project hereinafter identified.*

2. Official Intent Declaration.

(a) *The District proposes to acquire and improve the approximately 8,149 square foot Shorewood Building and real property related thereto for school purposes (the "Project"), to make original expenditures with respect to such Project prior to the issuance of tax-exempt obligations, and reasonably expects to issue tax-exempt obligations to finance such Project in the maximum principal amount of \$2,200,000.*

(b) *Other than (i) de minimis amounts permitted to be reimbursed pursuant to Section 1.150-2(f)(1) of the Reimbursement Regulations or (ii) expenditures constituting preliminary expenditures as defined in Section 1.150-2(f)(2) of the Reimbursement Regulations, the District will not seek reimbursement for any original expenditures with respect to the Project paid more than 60 days prior to the date of adoption of this resolution. All original expenditures for which reimbursement is sought will be capital expenditures or costs of issuance of the tax-exempt obligations issued to finance the Project.*

3. Budgetary Matters. *As of the date hereof, there are no District funds reserved, pledged, allocated on a long term basis or otherwise set aside (or reasonably expected to be reserved, pledged, allocated on a long term basis or otherwise set aside) to provide permanent financing for the original expenditures related to the Project other than pursuant to the issuance of the tax-exempt obligations. Consequently, it is not expected that the issuance of the tax-exempt obligations will result in the creation of any replacement proceeds.*

4. Reimbursement Allocations. *The District's Executive Director of Finance & Operations or his or her designee shall be responsible for making the "reimbursement allocations" described in the Reimbursement Regulations, being generally the transfer of the appropriate amount of proceeds of tax-exempt obligations to reimburse the source of temporary financing used by the District to make payment of the original expenditures relating to the Project. Each reimbursement allocation shall be made not later than (i) 18 months after the date of the original expenditure or (ii) 18 months after the date the Project is placed in service or abandoned (but in no event later than three years after the original expenditure is paid) and shall be evidenced by an entry on the official books and records of the District maintained for the tax-exempt obligations issued to finance the Project and shall specifically identify the original expenditures being reimbursed.*

Upon vote being taken thereon, the motion carried unanimously.

8. **AUTHORIZATION OF REIMBURSEMENT RESOLUTION FOR 2021C CERTIFICATES OF PARTICIPATION BONDS**

Mr. Bourgeois noted that the purchase of the Shorewood Building will require the issuance of the \$2,200,000 2021C Certificates of Participation. The 2021C COP Bonds will be sold in late May 2021 and close on June 29, 2021. The timing of the bond closure allows for the purchase and any conversion costs that occur in FY21 to be paid out of the bond and maintaining a positive year-end FY21 Construction Fund Balance, while allowing for the first bond payment to be scheduled for July 1, 2022, which is in Fiscal Year 2023.

Since the purchase will close and design and some construction costs will occur in 2021 before the 2021C closing date of June 29, 2021, it is necessary to approve a reimbursement resolution so any costs incurred before the closing date can be paid for by the bond proceeds.

Mr. Bourgeois recommended that the Board approve the reimbursement resolution for the 2021C Certificates of Participation, which was prepared by the District's bond counsel Dorsey & Whitney, LLP.

Becker moved, LeSage seconded, that the Board approve the following resolution:

*RESOLUTION RELATING TO THE FINANCING OF A PROPOSED PROJECT  
TO BE UNDERTAKEN BY THE DISTRICT; ESTABLISHING COMPLIANCE  
WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL  
REVENUE CODE*

*BE IT RESOLVED by the School Board (the "Board") of the Independent School District No. 276 (Minnetonka), Minnesota (the "District"), as follows:*

1. Recitals.

*(a) The Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the "Reimbursement Regulations") dealing with the issuance of tax-exempt obligations all or a portion of the proceeds of which are to be used to reimburse the District for project expenditures made by the District prior to the date of issuance of such obligations.*

*(b) The Reimbursement Regulations generally require that the District make a declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued series of tax-exempt obligations within 60 days after payment of the expenditures, that such obligations be issued and the reimbursement allocation be made from the proceeds of such obligations within the reimbursement period (as defined in the Reimbursement Regulations) and that the expenditures reimbursed be capital expenditures or costs of issuance of the obligations.*

*(c) The District desires to comply with requirements of the Reimbursement Regulations with respect to the project hereinafter identified.*

2. Official Intent Declaration.

(a) *The District proposes to acquire and improve the approximately 8,149 square foot Shorewood Building and real property related thereto for school purposes (the "Project"), to make original expenditures with respect to such Project prior to the issuance of tax-exempt obligations, and reasonably expects to issue tax-exempt obligations to finance such Project in the maximum principal amount of \$2,200,000.*

(b) *Other than (i) de minimis amounts permitted to be reimbursed pursuant to Section 1.150-2(f)(1) of the Reimbursement Regulations or (ii) expenditures constituting preliminary expenditures as defined in Section 1.150-2(f)(2) of the Reimbursement Regulations, the District will not seek reimbursement for any original expenditures with respect to the Project paid more than 60 days prior to the date of adoption of this resolution. All original expenditures for which reimbursement is sought will be capital expenditures or costs of issuance of the tax-exempt obligations issued to finance the Project.*

3. Budgetary Matters. *As of the date hereof, there are no District funds reserved, pledged, allocated on a long term basis or otherwise set aside (or reasonably expected to be reserved, pledged, allocated on a long term basis or otherwise set aside) to provide permanent financing for the original expenditures related to the Project other than pursuant to the issuance of the tax-exempt obligations. Consequently, it is not expected that the issuance of the tax-exempt obligations will result in the creation of any replacement proceeds.*

4. Reimbursement Allocations. *The District's Executive Director of Finance & Operations or his or her designee shall be responsible for making the "reimbursement allocations" described in the Reimbursement Regulations, being generally the transfer of the appropriate amount of proceeds of tax-exempt obligations to reimburse the source of temporary financing used by the District to make payment of the original expenditures relating to the Project. Each reimbursement allocation shall be made not later than (i) 18 months after the date of the original expenditure or (ii) 18 months after the date the Project is placed in service or abandoned (but in no event later than three years after the original expenditure is paid) and shall be evidenced by an entry on the official books and records of the District maintained for the tax-exempt obligations issued to finance the Project and shall specifically identify the original expenditures being reimbursed.*

Upon vote being taken thereon, the motion carried unanimously.

9. **AUTHORIZATION OF SALE OF 2021D CERTIFICATE OF PARTICIPATION BONDS FOR MOMENTUM CONSTRUCTION**

Mr. Bourgeois noted that on January 7, 2021, the Board had approved the construction of a 10,365 square foot addition to the Pagel Center to house classes of the Momentum Design and Skilled Trades Program. The total cost of the building is estimated to be approximately \$4,000,000 inclusive of design, permitting and construction. To manage the overall outstanding par value of the bonds at year end June 30, 2021, \$4,000,000 COP Bonds will be issued in two tranches.



The 2021D COP Bonds in the amount of \$1,250,000 will be the first tranche. It will be sold in May 2021 and will close on June 29, 2021 in FY2021. These bonds will be included in the District's total outstanding bond par value on June 30, 2021. A reimbursement resolution will be passed to allow these bond proceeds to be used for any design, permitting and construction costs that may have been incurred prior to the closing date.

The 2021E COP Bonds in the amount of \$2,750,000 will be the second tranche. It will also be sold in May 2021 but will close on July 1, 2021 in FY22. These bonds will be included in the District's outstanding bond par value on June 30, 2022. A reimbursement resolution will be passed to allow these bond proceeds to be used for any design, permitting and construction costs that may have been incurred prior to the closing date and not paid for by the 2021D COP Bonds.

By selling the two tranches in May and closing on June 29, 2021 and July 1, 2021 respectively, it will allow the first payment for both tranches to be scheduled for July 1, 2022 in FY2023. The payment for both tranches will come from the Lease Levy which will be preliminarily set in September 2021 and be officially set in December 2021. By selling the two tranches prior to the September preliminary levy, the first payments for both the 2021D and 2021E COP Bonds can be included in the September 2021 preliminary levy.

Of further note is that there are three COP bonds currently paid for out of the Lease Levy (2012A, 2013D, and 2014B) that are reaching their call dates in February and March 2022. These COP Bonds will be refunded and restructured in September 2021 in time to have the inclusion of the new lower payments of the refunding bonds included in the September preliminary levy as part of the Lease Levy. These three restructurings will ensure that all COP payments schedule to be paid by the Lease Levy will stay within the \$212 per Adjusted Pupil Unit statutory cap for the Lease Levy.

The District's financial advisory R W Baird has estimated that the 2021D bonds can be sold at an estimated interest rate of 1.79%, with average annual payments of approximately \$79,287.

Mr. Bourgeois recommended that the School Board authorize the sale of the 2021D COP Bonds to fund the construction of the Momentum Design and Skilled Trades addition. The resolution authorizing the sale of the 2021D COP Bonds was prepared by the District's bond counsel Dorsey & Whitney, LLP.

Wagner moved, Becker seconded, that the Board approve the following resolution:

*RESOLUTION RELATING TO SCHOOL DISTRICT PROPERTY AND IMPROVEMENTS AND THE REFINANCING THEREOF; AUTHORIZING A LEASE-PURCHASE AGREEMENT AND THE CREATION OF REFUNDING CERTIFICATES OF PARTICIPATION; AND APPROVING AND AUTHORIZING THE EXECUTION OF DOCUMENTATION RELATING THERETO*

*BE IT RESOLVED by the School Board (the "Board") of the Independent School District No. 276 (Minnetonka), Minnesota (the "District"), as follows:*

*SECTION 1. AUTHORITY; PURPOSE. The District is authorized by Minnesota Statutes, Section 465.71, to execute lease-purchase agreements for the purpose of financing and refinancing real and personal property. This Board hereby finds it in the best interest of the District to enter into a Lease-Purchase Agreement (the "Lease") and issue certificates of participation therein ("Certificates") for the purpose of financing the construction of an approximately 10,300 square foot classroom addition for the trades at Minnetonka High School (the "Project").*

*SECTION 2. SALE AUTHORIZATION AND PARAMETERS. In order to accomplish the purposes set forth above, the Board desires to proceed with the sale of the Certificates in the Lease to Robert W. Baird & Co. Incorporated, in Milwaukee, Wisconsin ("Baird"), by direct negotiation. The Superintendent or Executive Director of Finance & Operations and a Board officer are hereby authorized to approve the sale of Certificates in an aggregate principal amount not to exceed \$1,250,000, provided that the true interest cost of such Certificates to the District is less than or equal to 3.25% per annum. The Superintendent or Executive Director of Finance & Operations and a Board officer are hereby authorized to execute a purchase agreement for the sale of the Certificates in a single tax-exempt series to Baird, provided the parameters of sale set forth herein are satisfied.*

*SECTION 3. RATIFICATION OF SALE. After approval of the sale of the Certificates by the Superintendent or Executive Director of Finance & Operations and a Board officer, the Board will take action at its next regularly scheduled meeting to adopt the necessary approving resolution as prepared by special counsel to the District, Dorsey & Whitney LLP.*

*SECTION 4. OFFICIAL STATEMENT. Baird is authorized to prepare and distribute, on behalf of the District, an Official Statement related to the sale of the Certificates.*

*SECTION 5. NATURE OF DISTRICT'S OBLIGATIONS. The Lease and the obligations of the District thereunder will be special, limited obligations of the District, subject to termination at the end of each fiscal year in the event this Board does not appropriate funds sufficient to continue the Lease for the following fiscal year. The full faith and credit and ability of the District to levy ad valorem taxes without limitation as to rate or amount are not pledged to the payment of the Lease or any obligation of the District thereunder.*

*SECTION 6. EXPIRATION OF AUTHORITY. If the Superintendent or Executive Director of Finance & Operations and a Board officer have not approved the sale of the Certificates to Baird and executed the related purchase agreement by December 31, 2021, this resolution and all approvals hereunder shall expire.*

Upon vote being taken thereon, the motion carried unanimously.

10. **AUTHORIZATION OF REIMBURSEMENT RESOLUTION FOR 2021D CERTIFICATE OF PARTICIPATION BONDS**

Mr. Bourgeois noted that on January 7, 2021, the School Board had approved the construction of a 10,365 square foot addition to the Pagel Center to house classes for the Momentum Design and Skilled Trades Program.

The 2021D COP Bonds will be sold in late May 2021 and close on June 29, 2021. The timing of the bond closure allows for any design, permitting and construction costs that occur in FY21 to be paid out of the bond and maintaining a positive year-end FY21 Construction Fund Balance, while allowing for the first bond payment for the 2021D Bonds to be scheduled for July 1, 2022, which is in Fiscal Year 2023.

Since the purchase will close and design and some construction costs will occur in 2021 before the 2021D closing date of June 29, 2021, it is necessary to approve a reimbursement resolution so any costs incurred before the closing date can be paid for by the bond proceeds.

Mr. Bourgeois recommended that the Board approve the reimbursement resolution for the 2021D Certificates of Participation, which was prepared by the District's bond counsel Dorsey & Whitney, LLP.

Ambrosen moved, LeSage seconded, that the Board approve the following resolution:

*RESOLUTION RELATING TO THE FINANCING OF A PROPOSED PROJECT  
TO BE UNDERTAKEN BY THE DISTRICT; ESTABLISHING COMPLIANCE  
WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL  
REVENUE CODE*

*BE IT RESOLVED by the School Board (the "Board") of the Independent School District No. 276 (Minnetonka), Minnesota (the "District"), as follows:*

1. Recitals.

*(a) The Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the "Reimbursement Regulations") dealing with the issuance of tax-exempt obligations all or a portion of the proceeds of which are to be used to reimburse the District for project expenditures made by the District prior to the date of issuance of such obligations.*

*(b) The Reimbursement Regulations generally require that the District make a declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued series of tax-exempt obligations within 60 days after payment of the expenditures, that such obligations be issued and the reimbursement allocation be made from the proceeds of such obligations within the reimbursement period (as defined in the Reimbursement Regulations) and that the expenditures reimbursed be capital expenditures or costs of issuance of the obligations.*

(c) *The District desires to comply with requirements of the Reimbursement Regulations with respect to the project hereinafter identified.*

2. Official Intent Declaration.

(a) *The District proposes to construct an approximately 10,300 square foot classroom addition for the trades at Minnetonka High School (the "Project"), to make original expenditures with respect to such Project prior to the issuance of tax-exempt obligations, and reasonably expects to issue tax-exempt obligations to finance such Project in the maximum principal amount of \$4,000,000.*

(b) *Other than (i) de minimis amounts permitted to be reimbursed pursuant to Section 1.150-2(f)(1) of the Reimbursement Regulations or (ii) expenditures constituting preliminary expenditures as defined in Section 1.150-2(f)(2) of the Reimbursement Regulations, the District will not seek reimbursement for any original expenditures with respect to the Project paid more than 60 days prior to the date of adoption of this resolution. All original expenditures for which reimbursement is sought will be capital expenditures or costs of issuance of the tax-exempt obligations issued to finance the Project.*

3. Budgetary Matters. *As of the date hereof, there are no District funds reserved, pledged, allocated on a long term basis or otherwise set aside (or reasonably expected to be reserved, pledged, allocated on a long term basis or otherwise set aside) to provide permanent financing for the original expenditures related to the Project other than pursuant to the issuance of the tax-exempt obligations. Consequently, it is not expected that the issuance of the tax-exempt obligations will result in the creation of any replacement proceeds.*

4. Reimbursement Allocations. *The District's Executive Director of Finance & Operations or his or her designee shall be responsible for making the "reimbursement allocations" described in the Reimbursement Regulations, being generally the transfer of the appropriate amount of proceeds of tax-exempt obligations to reimburse the source of temporary financing used by the District to make payment of the original expenditures relating to the Project. Each reimbursement allocation shall be made not later than (i) 18 months after the date of the original expenditure or (ii) 18 months after the date the Project is placed in service or abandoned (but in no event later than three years after the original expenditure is paid) and shall be evidenced by an entry on the official books and records of the District maintained for the tax-exempt obligations issued to finance the Project and shall specifically identify the original expenditures being reimbursed.*

Upon vote being taken thereon, the motion carried unanimously.

11. **AUTHORIZATION OF SALE OF 2021E CERTIFICATES OF PARTICIPATION BONDS FOR MOMENTUM CONSTRUCTION**

Mr. Bourgeois noted that on January 7, 2021, the Board had approved the construction of a 10,365 square foot addition to the Pagel Center to house classes for the Momentum Design and Skilled Trades Program. The total cost of the building is estimated to be approximately

\$4,000,000 inclusive of design, permitting and construction. In order to manage the overall outstanding par value of bonds at year end June 30, 2021, \$4,000,000 COP Bonds will be issued in two tranches.

The 2021D COP Bonds in the amount of \$1,250,000 will be the first tranche. It will be sold in May 2021 and will close on January 29, 2021 in FY2021. These bonds will be included in the District's total outstanding bond par value on June 30, 2021. A reimbursement resolution will be passed to allow these bond proceeds to be used for any design, permitting and construction costs that may have been incurred prior to the closing date.

The 2021E COP Bonds in the amount of \$2,750,000 will be the second tranche. It will also be sold in May 2021 but will close on July 1, 2021 in FY22. These bonds will be included in the District's outstanding bond par value on June 30, 2022. A reimbursement resolution will be passed to allow these bond proceeds to be used for any design, permitting and construction costs that may have been incurred prior to the closing date and not paid for by the 2021D COP Bonds.

By selling the two tranches in May and closing on June 29, 2021 and July 1, 2021 respectively, it will allow the first payment for both tranches to be scheduled for July 1, 2022 in FY2023. The payment for both tranches will come from the Lease Levy which will be preliminarily set in September 2021 and be officially set in December 2021. By selling the two tranches prior to the September preliminary levy, the first payments for both the 2021D and 2021E COP Bonds can be included in the September 2021 preliminary levy.

Of further note is that there are three COP bonds currently paid for out of the Lease Levy (2012A, 2013D, and 2014B) that are reaching their call dates in February and March 2022. These COP Bonds will be refunded and restructured in September 2021 in time to have the inclusion of the new lower payments of the refunding bonds included in the September preliminary levy as part of the Lease Levy. These three restructurings will ensure that all COP payments schedule to be paid by the Lease Levy will stay within the \$212 per Adjusted Pupil Unit statutory cap for the Lease Levy.

The District's financial advisory RW Baird has estimated that the 2021E bonds can be sold at an estimated interest rate of 1.88%, with average annual payments of approximately \$171,750.

Mr. Bourgeois recommended that the Board authorize the sale of the 2021E COP Bonds to fund the construction of the Momentum Design and Skilled Trades addition.

Wagner moved, Ritchie seconded, that the Board approve the following resolution:

*RESOLUTION RELATING TO SCHOOL DISTRICT PROPERTY AND IMPROVEMENTS AND THE REFINANCING THEREOF; AUTHORIZING A LEASE-PURCHASE AGREEMENT AND THE CREATION OF REFUNDING CERTIFICATES OF PARTICIPATION; AND APPROVING AND AUTHORIZING THE EXECUTION OF DOCUMENTATION RELATING THERETO*

*BE IT RESOLVED by the School Board (the "Board") of the Independent School District No. 276 (Minnetonka), Minnesota (the "District"), as follows:*

*SECTION 1. AUTHORITY; PURPOSE. The District is authorized by Minnesota Statutes, Section 465.71, to execute lease-purchase agreements for the purpose of financing and refinancing real and personal property. By resolution dated the date hereof, this Board has found it in the best interest of the District to enter into a Lease-Purchase Agreement (the "Lease") and issue certificates of participation therein ("Certificates") for the purpose of financing the construction of an approximately 10,300 square foot classroom addition for the trades at Minnetonka High School (the "Project"). This Board hereby further finds that it is in the best interest of the District to enter into an Amended and Restated Lease-Purchase Agreement (the "A&R Lease") and issue additional certificates of participation therein ("Additional Certificates") for the purpose of completing the financing of the Project. The Certificates and Additional Certificates shall be secured on a parity.*

*SECTION 2. SALE AUTHORIZATION AND PARAMETERS. In order to accomplish the purposes set forth above, the Board desires to proceed with the sale of the Additional Certificates in the A&R Lease to Robert W. Baird & Co. Incorporated, in Milwaukee, Wisconsin ("Baird"), by direct negotiation. The Superintendent or Executive Director of Finance & Operations and a Board officer are hereby authorized to approve the sale of Additional Certificates in an aggregate principal amount not to exceed \$2,750,000, provided that the true interest cost of such Additional Certificates to the District is less than or equal to 3.25% per annum. The Superintendent or Executive Director of Finance & Operations and a Board officer are hereby authorized to execute a purchase agreement for the sale of the Additional Certificates in a single tax-exempt series to Baird, provided the parameters of sale set forth herein are satisfied.*

*SECTION 3. RATIFICATION OF SALE. After approval of the sale of the Additional Certificates by the Superintendent or Executive Director of Finance & Operations and a Board officer, the Board will take action at its next regularly scheduled meeting to adopt the necessary approving resolution as prepared by special counsel to the District, Dorsey & Whitney LLP.*

*SECTION 4. OFFICIAL STATEMENT. Baird is authorized to prepare and distribute, on behalf of the District, an Official Statement related to the sale of the Additional Certificates.*

*SECTION 5. NATURE OF DISTRICT'S OBLIGATIONS. The A&R Lease and the obligations of the District thereunder will be special, limited obligations of the District, subject to termination at the end of each fiscal year in the event this Board does not appropriate funds sufficient to continue the A&R Lease for the following fiscal year. The full faith and credit and ability of the District to levy ad valorem taxes without limitation as to rate or amount are not pledged to the payment of the A&R Lease or any obligation of the District thereunder.*

*SECTION 6. EXPIRATION OF AUTHORITY. If the Superintendent or Executive Director of Finance & Operations and a Board officer have not approved the sale of the Additional*

*Certificates to Baird and executed the related purchase agreement by December 31, 2021, this resolution and all approvals hereunder shall expire.*

Upon vote being taken thereon, the motion carried unanimously.

**12. AUTHORIZATION OF REIMBURSEMENT RESOLUTION FOR 2021E CERTIFICATES OF PARTICIPATION BONDS**

Mr. Bourgeois noted that on January 7, 2021, the Board had approved the construction of a 10,365 square foot addition to the Pagel Center to house classes for the Momentum Design and Skilled Trades Program. The building will be paid for with two tranches of COP Bonds - \$1,250,000 2021D COP Bonds and \$2,750,000 2021E COP Bonds.

The 2021E COP Bonds will be sold in late May 2021 and close on July 1, 2021. The timing of the bond closure allows for any design, permitting and construction costs that occur in FY21 that might not be covered by the 2021D COP Bonds to be paid out of the 2021E Bonds, while allowing for the first bond payment for the 2021E Bonds to be scheduled for July 1, 2022, which is in Fiscal Year 2023.

Since the purchase will close and design and some construction costs will occur in 2021 before the 2021E closing date of July 1, 2021, it is necessary to approve a reimbursement resolution so any costs incurred before the closing date that are not covered by the 2021D COP bonds can be paid for by the 2021E bond proceeds.

Mr. Bourgeois recommended that the School Board approve the reimbursement resolution for the 2021E Certificates of Participation, which was prepared by the District’s bond counsel Dorsey & Whitney, LLP.

Becker moved, Holcomb seconded, that the Board approve the following resolution:

*RESOLUTION RELATING TO THE FINANCING OF A PROPOSED PROJECT TO BE UNDERTAKEN BY THE DISTRICT; ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE*

*BE IT RESOLVED by the School Board (the “Board”) of the Independent School District No. 276 (Minnetonka), Minnesota (the “District”), as follows:*

*1. Recitals.*

*(a) The Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the “Reimbursement Regulations”) dealing with the issuance of tax-exempt obligations all or a portion of the proceeds of which are to be used to reimburse the District for project expenditures made by the District prior to the date of issuance of such obligations.*

*(b) The Reimbursement Regulations generally require that the District make a declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued series of tax-exempt obligations within 60 days after payment of the expenditures, that such obligations be issued and the reimbursement allocation be made from the proceeds of such obligations within the reimbursement period (as defined in the Reimbursement Regulations) and that the expenditures reimbursed be capital expenditures or costs of issuance of the obligations.*

*(c) The District desires to comply with requirements of the Reimbursement Regulations with respect to the project hereinafter identified.*

## 2. Official Intent Declaration.

*(a) The District proposes to construct an approximately 10,300 square foot classroom addition for the trades at Minnetonka High School (the "Project"), to make original expenditures with respect to such Project prior to the issuance of tax-exempt obligations, and reasonably expects to issue tax-exempt obligations to finance such Project in the maximum principal amount of \$4,000,000.*

*(b) Other than (i) de minimis amounts permitted to be reimbursed pursuant to Section 1.150-2(f)(1) of the Reimbursement Regulations or (ii) expenditures constituting preliminary expenditures as defined in Section 1.150-2(f)(2) of the Reimbursement Regulations, the District will not seek reimbursement for any original expenditures with respect to the Project paid more than 60 days prior to the date of adoption of this resolution. All original expenditures for which reimbursement is sought will be capital expenditures or costs of issuance of the tax-exempt obligations issued to finance the Project.*

3. Budgetary Matters. *As of the date hereof, there are no District funds reserved, pledged, allocated on a long term basis or otherwise set aside (or reasonably expected to be reserved, pledged, allocated on a long term basis or otherwise set aside) to provide permanent financing for the original expenditures related to the Project other than pursuant to the issuance of the tax-exempt obligations. Consequently, it is not expected that the issuance of the tax-exempt obligations will result in the creation of any replacement proceeds.*

4. Reimbursement Allocations. *The District's Executive Director of Finance & Operations or his or her designee shall be responsible for making the "reimbursement allocations" described in the Reimbursement Regulations, being generally the transfer of the appropriate amount of proceeds of tax-exempt obligations to reimburse the source of temporary financing used by the District to make payment of the original expenditures relating to the Project. Each reimbursement allocation shall be made not later than (i) 18 months after the date of the original expenditure or (ii) 18 months after the date the Project is placed in service or abandoned (but in no event later than three years after the original expenditure is paid) and shall be evidenced by an entry on the official books and records of the District maintained for the tax-exempt obligations issued to finance the Project and shall specifically identify the original expenditures being reimbursed.*



Upon vote being taken thereon, the motion carried unanimously.

### 13. **CONSENT AGENDA**

Wagner moved, Becker seconded, that the School Board approve the following recommendations included within the following Consent Agenda items:

- Minutes of January 7, 2021 Regular Meeting
- Study Session Summary of January 21, 2021
- Payment of Bills – in the sum of \$11,531,246.64.
- Recommended Personnel Items – as shown in Addendum A.
- Gifts and Donations for January 2021: \$15,000.00 from Medical Information Technology (Meditech) to be placed in the Minnetonka School District Technology Account. 300 face shields from Element Fitness to be given to the District. USS Minnesota Battleship print from Paul Bourgeois to be given to the District. \$1,000.00 from ERDI on behalf of Dr. Peterson to be placed in the MHS General Gifts and Donations Account. \$75.00 from Richard and Francine Rubinstein, \$100.00 from Katie McCartan, and \$250.00 from Pillars of Shorewood Landing, all to be placed in the MHS Theater Fund. \$7,078.27 from MHS Girls Hockey and \$5,926.77 from Minnetonka Hoops Booster Club, Inc., both to be placed in the MHS Assistant Coach Stipend Fund. \$44.00 from Box Tops for Education to be placed in the MMW Principal Discretionary Fund. \$1,000.00 from the Kopp Family Foundation to be placed in the MME Principal Discretionary Fund. \$1,200.00 from the Blackbaud Giving Fund and \$20.00 from Target Corporation Cyber Grants, both to be placed in the Deephaven Elementary Principal Discretionary Fund. \$1,095.00 from the MightyCause Charitable Foundation to be placed in the Excelsior Elementary School Social Worker Enrichment Fund. \$285.00 from Blackbaud Giving Fund, \$92.60 from the Benevity Fund, \$122.00 from the Merck Foundation, and \$34.83 from USAgain, LLC, all to be placed in the Minnewashta Elementary School Principal Discretionary Fund. \$50.00 from Tao Jiang, \$242.00 from Jonathon Clark, \$100.02 from Kurt Hoddinot, \$100.00 from Christina Ku, \$60.00 from Katherine Holmquist, \$60.00 from Stephanie Nelson, and \$25.00 from Anonymous, all to be placed in the Scenic Heights Elementary School Principal Discretionary Fund. Total Gifts and Donations thus far for 2020-21: \$125,372.34.
- Electronic Fund Transfers - as shown in Addendum B.
- iPad Sale
- American Indian Parent Committee Resolution
- Pay Equity Report

Upon vote being taken on the foregoing Consent Agenda items, the motion carried unanimously.

### 14. **BOARD REPORTS**

There were no Board reports this evening.

15. **SUPERINTENDENT'S REPORT**

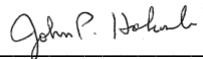
Superintendent Peterson stated that there are a number of ways for students to get out and enjoy school activities now and it's been fun to see our students enjoying those activities. He mentioned there had been good turnouts for the various athletic events, and some of those events also have streaming options.

16. **ANNOUNCEMENTS**

There were no announcements this evening.

17. **ADJOURNMENT**

Wagner moved, Ritchie seconded, adjournment at 8:22 p.m. Upon vote being taken thereon, the motion carried unanimously.



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John Holcomb, Clerk