

MINUTES OF A REGULAR MEETING OF THE BOARD OF EDUCATION OF ORONO
INDEPENDENT SCHOOL DISTRICT NO. 278
HELD ON MAY 8, 2023

Present: Kristine Flesher, Mike Bash, Ali Howe, Sarah Borchers, Laura Wallander, Todd Madson,
Wendy Lundsgaard

Absent: None

Community Members Questions and Comments

A member of the community addressed the board.

The Regular Meeting of the Board of Education of Orono Independent School District No. 278 was held on Monday, May 8, 2023 and called to order by Board Chair, Mike Bash, at 7:08 PM.

4. Consideration of the Agenda

UPON MOTION by Wendy Lundsgaard, seconded by Todd Madson, the board proceeded with the agenda as printed as no changes to the agenda were requested.

5. Consent Agenda

UPON MOTION by Sarah Borchers, seconded by Todd Madson the Consent Agenda was approved as follows:

- Approved Minutes from the Regular Meeting held on April 24, 2023
- Approved the appointment of Nicholas Hiniker, as full-time Eighth Grade Science Teacher at Orono Middle School, effective August 23, 2023
- Approved the appointment of Brittany Jensen, as full-time Special Education Teacher at Orono Schumann Elementary School, effective August 23, 2023
- Approved the change of assignment of Erin Head, full-time Peer Evaluator at Orono Public Schools, to full-time Art Teacher at Orono High School, effective August 28, 2023
- Approved the change of assignment of Brittany Oppen, 1.0 FTE Special Education Teacher at Orono High School, to 0.80 FTE Early Childhood Special Education Teacher at Orono Discovery Center, effective July 1, 2023
- Approved the resignation of Jamie Menne, full-time School Counselor at Orono High School, effective June 9, 2023
- Approved the resignation of Rebecca Burnham, full-time First Grade Teacher at Orono Schumann Elementary School, effective June 9, 2023
- Approved the resignation of Rebecca Townsend, full-time Special Education Teacher at Orono Intermediate School, effective June 9, 2023
- Approved the resignation of Molly Meyer, full-time School Psychologist at Orono Intermediate School and Orono Schumann Elementary School, effective June 15, 2023
- Approved the appointment of Jerome Young, as temporary Floating Custodian at Orono Elementary Center, effective May 8, 2023
- Approved the termination of Jerome Young, full-time Custodian at Orono Elementary Center, effective May 5, 2023
- Approved the resignation of Rebecca Maille, full-time Health Clerk at Orono Middle School, effective June 9, 2023
- Accepted Donations Totaling: \$16,134.81
- Approved Bill Vouchers: 315662-315757, 1656-1665, EP Register: 901896-901912 and Capital One: 52326-52334

6. Superintendent's Report on Excellence

Dr. Flesher began her report by sharing that last week, three Orono High School seniors were part of a signing ceremony for their National Letters of Intent to continue their academic and athletic pursuits in college. Jack Fischer has committed to the University of St. Thomas for track and field. Jack won the 300 m hurdles last year at the state meet and is hoping to compete for St. Thomas in hurdles, long jump and more. Isaiah Hagen is joining the Northern State basketball team in Aberdeen, South Dakota. Isaiah was a huge presence on the court this year as a member of Orono's state-third-place basketball team. Kaden Starcznski will be swimming for Oklahoma Christian University in Edmond, Oklahoma. Kaden was part of Orono's state-third-place boy's swim team and earned All-State honors by placing 5th in the 200 Free relay and 200 IM.

Next, Dr. Flesher offered congratulations to both middle school and high school theater departments for their outstanding performances of "Steel Magnolias" at high school and Disney's Descendents the Musical at middle school. Dr. Flesher also thanked Kelsie Balon Peck at the high school, Katy Sherman for her leadership and Claire Benway for her support of the middle school program.

Next, Dr. Flesher noted that senior Amelia Shafer was selected as one of six finalists in the state for the Hennepin Theatre Trust's Spotlight Education "Technical Theatre Career Pathway" program. This opportunity is for students with experience in technical theater—for example, stage management, lighting and sound. Congratulations to Amelia who did a beautiful job as Assistant Stage Manager for "Steel Magnolias."

Next, Dr. Flesher offered congratulations to senior Michael Rascher who was recently named Semifinalist in the U.S. Presidential Scholars Program. Michael is one of 628 Semifinalists in the U.S., selected from more than 5,000 candidates in the Class of 2023. He is one of only nine Semifinalists from Minnesota.

Dr. Flesher also shared that last week, Orono was thrilled to honor the academic accomplishments of juniors and seniors. You can review the names of all honorees in the "District News" portion of our website. This year, junior academic awards were granted to 100 students who earned a cumulative grade point average of 3.5 or above by the end of first semester, junior year. The program also highlighted students achieving AP Scholar honors. The Junior Book Awards are announced for the first time at the event. Congratulations to this year's honorees:

- Dartmouth Book Award: Emily Middleton
- Harvard Book Award: Joseph Mariani
- Yale Book Award: Spencer Bowe
- St. Lawrence Book Award: Grace Bickett
- Bowdoin Book Award: Carys Summers

129 seniors were recognized for earning one or more of the following designations:

- Academic Letter
- Honor Graduate
- AP Scholar honors
- National Merit Finalist or Commended Scholar
- AP Capstone Diploma candidate
- It is also our tradition to recognize Eagle Scouts, Girl Scout Gold Awards, foreign exchange students, and military appointments.

Next, Dr. Flesher shared that Orono High School band director Tim Arnold has been named a quarterfinalist in the 2024 Music Educator Award™ presented by the Recording Academy and GRAMMY Museum. Mr. Arnold is one of 212 chosen from 2,000 nominations nationwide. The award was established to recognize current educators who have made a significant and lasting contribution to the field of music education.

Dr. Flesher also shared that on May 4, 2023, Moody's Investors Service affirmed Orono Schools' long-term issuer rating of Aa2. This is a high distinction with only 2% of schools across the state of Minnesota. Moody's examines the district financial management to provide an external grade or feedback. A grading of this Aa2 indicates a high level of confidence in prudent financial management. This translates directly to highly competitive interest rates and demand for the district's bond. Dr. Flesher thanked Mr. Jim Westrum, Orono's Executive Director of Business Services, for his expertise, guidance and support through the Moody's review process.

Finally, Dr. Flesher offered congratulations and heartfelt thanks to the Orono PTO on an outstanding Fun Fest! The planning committee worked tirelessly to imagine a fun event for families and secure volunteers to accommodate interest.

Dr. Flesher concluded her report by providing a summary of upcoming events

7. Board Members Questions and Comments

Policy Committee Meeting Update: Sarah Borchers shared that the Policy Committee met last week to discuss the 900 policy series. Ms. Borchers also shared that they are planning to work through the 700 policy series this fall, and that the committee is very pleased with the work they've been able to get done, especially as it pertains to the superintendent's goal to related to policy review.

Facilities & Finance Committee Meeting Update: Todd Madson provided a high-level overview of the most recent meeting of the Facilities & Finance Committee, and noted that the results of that meeting would be discussed in detail later in the meeting. He shared that the decisions made by administration surrounding the projects to take on were made very thoughtfully.

Todd Madson shared that he attended the phase III and phase IV MSBA leadership training sessions with Ms. Lundsgaard. He noted that the training offered great perspective and a sense of gratitude for the Orono School District's board, staff, administration, and community. Mr. Madson also commented on the recent Fun Fest, and noted that he was very pleased with the level of community involvement.

Ali Howe did not have anything to report.

Sarah Borchers did not have anything to report.

Laura Wallander also commented on Fun Fest, and extended a thank you to voters in the district for allowing the district to build the Orono Activities Center, noting that it is an incredible space and the perfect location for this event.

Wendy Lundsgaard also commented on her and Mr. Madson's attendance at the MSBA leadership training, and shared that she found it greatly helpful and made many good connections with board members across the state. She also shared that she attended Fun Fest as a parent volunteer, and commented that the bar for future Fun Fest events has been set very high.

8. Old Business

8. A – Other Old Business as Necessary

No other old business was brought forward.

9. New Business

9. A - Policy Review

Dr. Aaron Ruhland, Executive Director of Learning & Accountability brought the following policies to the board for a first reading and shared proposed revisions.

- Policy 901: Community Education
- Policy 902: Use of School Facilities and Equipment

- Policy 903: Visitors to School District Buildings and Sites
- Policy 904: Community Notification of Predatory Offenders
- Policy 905: Rewards

9. B – Resolution Awarding the Sale of General Obligation Capital Notes, Facilities Maintenance and Capital Facilities Bonds, Series 2023A

Member Sarah Borchers introduced the following resolution and moved its adoption:

RESOLUTION AWARDING THE SALE OF GENERAL OBLIGATION CAPITAL NOTES, FACILITIES MAINTENANCE AND CAPITAL FACILITIES BONDS, SERIES 2023A, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$5,555,000; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; AND PROVIDING FOR THEIR PAYMENT

BE IT RESOLVED by the School Board (the “Board”) of Independent School District No. 278 (Orono Public Schools), Hennepin County, Minnesota (the “District”), as follows:

Section 1. Findings, Determinations; Sale of Bonds.

1.01 Background. It is hereby determined that:

(a) Capital Notes.

(i) The District is authorized under the provisions of Minnesota Statutes, Chapter 475, as amended (the “Act”) and Minnesota Statutes, Section 123B.61, as amended (“Section 123B.61”), to issue general obligation capital notes for the purpose of financing capital equipment purchases.

(ii) On April 10, 2023, the District adopted a resolution (the “Intent Resolution”) stating the intention of the District, in part, to issue its general obligation capital notes (the “Capital Notes Portion”), in the aggregate principal amount of \$1,000,000, pursuant to the Act and Section 123B.61, to provide funds for the acquisition of technological equipment for instruction and to pay related financing costs (the “Capital Notes Project”).

(b) Facilities Maintenance Bonds.

(i) The District is authorized under the provisions of the Act and Minnesota Statutes, Section 123B.595, as amended (“Section 123B.595”), to issue general obligation facilities maintenance bonds for the purpose of financing certain facilities and site maintenance projects approved by the Commissioner of Education (the “Commissioner”).

(ii) Pursuant to the Intent Resolution, the Board also stated its intention, in part, to issue general obligation facilities maintenance bonds (the “Facilities Maintenance Portion”), in the aggregate principal amount not to exceed \$4,165,000, pursuant to the Act and Section 123B.595, to finance the costs of certain facilities and site maintenance projects of the District and related financing costs (the “Facilities Maintenance Project”) which are included in the District’s ten-year facilities plan for Fiscal Year 2024.

(c) Capital Facilities Bonds.

(i) The District is authorized under the provisions the Act, and Minnesota Statutes, Section 123B.62, as amended (“Section 123B.62”), to issue general obligation capital facilities bonds for the purpose of financing certain capital projects approved by the Commissioner.

(ii) Within the Intent Resolution, the Board also stated its intention to issue general obligation capital facilities bonds (the “Capital Facilities Portion”), in the aggregate principal amount not to exceed \$445,000, pursuant to the Act and Section 123B.62 to finance facilities projects and related financing costs (the “Capital Facilities Project”). The Capital Notes Project, the Facilities Maintenance Project, and the Capital Facilities Project are hereinafter collectively referred to as the “Projects.”

(iii) The District has caused notice of its intent to issue capital facilities bonds to be published in the official newspaper of the District as required by Section 123B.62. A qualified petition not having been received within thirty (30) days of the adoption of the resolution tentatively authorizing the issuance of the Capital Facilities Portion, the Capital Facilities Portion has been finally authorized as provided by Section 123B.62.

(c) Pursuant to the Intent Resolution, the Board found and determined that the Capital Notes Portion, the Facilities Maintenance Portion, and the Capital Facilities Portion shall be issued as a single bond issue and designated as the “General Obligation Capital Notes, Facilities Maintenance and Capital Facilities Bonds, Series 2023 (the “Bonds”).

(d) Pursuant to the Intent Resolution, the District covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55, as amended (“Section 126C.55”) which provides for payment by the State of Minnesota in the event of a potential default of a school district obligation. The District understands that as a result of its covenant to be bound by said provisions, these provisions shall be binding as long as the Bonds remain outstanding.

(e) The District is authorized by Section 475.60, subdivision 2(9), of the Act to sell the Bonds other than pursuant to a competitive sale because the District has retained Ehlers and Associates, Inc. (the “Municipal Advisor”) to serve as the District’s independent municipal advisor in connection with the sale of the Bonds. The actions of the District staff and the Municipal Advisor in negotiating the sale of the Bonds are ratified and confirmed in all aspects.

1.02. Award to the Purchaser and Interest Rates. The proposal of TD Securities (USA) LLC (the “Purchaser”), to purchase the Bonds of the District is hereby found and determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of \$6,012,283.75 (par amount of the Bonds of \$5,555,000, plus original issue premium of \$485,058.75, less an underwriter’s discount of \$27,775.00), plus accrued interest, if any, to date of delivery for Bonds bearing interest as follows:

<u>Year</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Interest Rate</u>
2024	5.000%	2029	5.000%
2025	5.000%	2030	5.000%
2026	5.000%	2031	4.000%
2027	5.000%	2032	4.000%
2028	5.000%		

True interest cost: 2.6805167%

1.03. Purchase Contract. The execution and delivery of a Proposal Form, dated as of May 8, 2023 (the “Purchase Agreement”), between the District and the Purchaser, is hereby ratified and confirmed in the form set

forth in EXHIBIT A to this resolution (the "Resolution"). The Bonds shall be issued and delivered in accordance with the terms and conditions of the Purchase Agreement and this Resolution. The amount proposed by the Purchaser in excess of the minimum bid shall be credited to the Debt Service Fund hereinafter created or deposited in the Construction Fund hereinafter created, as determined by the Treasurer in consultation with the Municipal Advisor. The Municipal Advisor is directed to receive and retain the good faith payment of the Purchaser in accordance with the terms of the Purchase Agreement, pending completion of the sale of the Bonds.

1.04. Terms and Principal Amounts of the Bonds. The District shall forthwith issue and sell the Bonds pursuant to the Act, Section 123B.595, and Section 123B.61, and Section 123B.62, in the total principal amount of \$5,555,000, originally dated June 1, 2023, in the denomination of \$5,000 each or any integral multiple thereof, numbered No. R-1 upward, bearing interest as above set forth, and maturing serially on February 1 in the years and amounts as follows:

Year	Amount	Year	Amount
2024	\$ 325,000	2029	\$ 835,000
2025	\$ 1,065,000	2030	\$ 700,000
2026	\$ 1,010,000	2031	\$ 195,000
2027	\$ 425,000	2032	\$ 205,000
2028	\$ 795,000		

(a) \$945,000 of the principal amount of the Bonds, constituting the Capital Notes Portion, maturing on February 1 in the years and in the amounts set forth below, are being used to finance the Capital Notes Project:

Year	Amount	Year	Amount
2024	\$160,000	2029	\$175,000
2025	\$140,000	2030	---
2026	\$150,000	2031	---
2027	\$155,000	2032	---
2028	\$165,000		

(b) \$4,165,000 of the principal amount of the Bonds, constituting the Facilities Maintenance Portion, maturing on February 1 in the years and in the amounts set forth below, are being used to finance the Facilities Maintenance Project:

Year	Amount	Year	Amount
2024	\$ 90,000	2029	\$580,000
2025	\$860,000	2030	\$700,000
2026	\$790,000	2031	\$195,000
2027	\$195,000	2032	\$205,000
2028	\$550,000		

(c) \$445,000 of the principal amount of the Bonds, constituting the Capital Facilities Portion, maturing on February 1 in the years and in the amounts set forth below, are being used to finance the Capital Facilities Project:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2024	\$75,000	2029	\$80,000
2025	\$65,000	2030	---
2026	\$70,000	2031	---
2027	\$75,000	2032	---
2028	\$80,000		

1.05. Schedule of Maturities. The schedule of maturities satisfies the requirements of Section 475.54, subdivision 1 of the Act.

1.06. Optional Redemption. The District may elect on February 1, 2030, and on any day thereafter to prepay Bonds due on or after February 1, 2031. Redemption may be in whole or in part and if in part, at the option of the District and in such manner as the District shall determine. If less than all Bonds of a maturity are called for optional redemption, the District shall notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be prepaid. DTC shall determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments shall be at a price of par plus accrued interest to the date of optional redemption.

Section 2. Registration and Payment.

2.01. Registered Form. The Bonds shall be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. Each Bond shall be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond shall be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond shall be dated as of the date of original issue. The interest on the Bonds is payable on February 1 and August 1 of each year, commencing February 1, 2024, to the registered owners of record thereof as of the close of business on the fifteenth day immediately preceding each interest payment date, whether or not such day is a business day.

2.03. Registration. The District shall appoint a bond registrar (the "Registrar"), authenticating agent (the "Authenticating Agent"), and paying agent (the "Paying Agent"). Except as specifically provided otherwise in Section 7 hereof, the effect of registration and the rights and duties of the District and the Registrar with respect thereto are as follows:

(a) Register. The Registrar must keep at its principal corporate trust office a bond register (the "Bond Register") in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred, or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of a Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bonds. When Bonds are surrendered by the registered owner for exchange the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. Bonds surrendered upon transfer or exchange shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the District.

(e) Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The District and the Registrar may treat the person in whose name a Bond is registered in the Bond Register as the absolute owner of the Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes, and payments so made to a registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees, and Charges. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Bonds sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to the transfer or exchange.

(h) Mutilated, Lost, Stolen, or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen, or lost the Registrar shall deliver a new Bond of like amount, number, maturity date, and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen, or lost upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen, or lost, upon filing with the Registrar evidence satisfactory to it that the Bond was destroyed, stolen, or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance, and amount satisfactory to it and as provided by law, in which both the District and the Registrar must be named as obligees. Bonds so surrendered to the Registrar shall be cancelled by the Registrar and evidence of such cancellation must be given to the District. If the mutilated, destroyed, stolen, or lost Bond has already matured or been called for redemption in whole in accordance with its terms it is not necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed shall be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) to the registered owner of each Bond to be redeemed at the address shown on the Bond Register and, if publication of the notice of redemption is required by law, by publishing the notice of redemption as required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, shall not affect the validity of the proceedings for the redemption of Bonds. Bonds so called for redemption shall cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

2.04. Appointment of Initial Registrar, Paying Agent, and Authenticating Agent. The District appoints Bond Trust Services Corporation, Roseville, Minnesota, as the initial Registrar, Paying Agent, and Authenticating Agent with respect to the Bonds. The Board Chair and the Clerk are authorized to execute and deliver, on behalf of the District, a contract with Bond Trust Services Corporation, as the initial Registrar, Paying Agent, and Authenticating Agent with respect to the Bonds. Upon merger or consolidation of the Registrar, Paying Agent, and Authenticating Agent with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar,

Paying Agent, and Authenticating Agent. The District agrees to pay the reasonable and customary charges of the Registrar, Paying Agent, and Authenticating Agent for the services performed. The District reserves the right to remove the Registrar, Paying Agent, or Authenticating Agent upon thirty (30) days' notice and upon the appointment of a successor Registrar, Paying Agent, or Authenticating Agent, in which event the predecessor Registrar, Paying Agent, or Authenticating Agent must deliver all cash and Bonds in its possession to the successor Registrar, Paying Agent, or Authenticating Agent and the Registrar must deliver the Bond Register to the successor Registrar. On or before three (3) business days prior to each principal or interest due date, without further order of the Board, the Treasurer must transmit to the Paying Agent money sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication, and Delivery. The Bonds shall be prepared under the direction of the Clerk and executed on behalf of the District by the signatures of the Board Chair and the Clerk, provided that those signatures may be printed, engraved, or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of a Bond, that signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond shall not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Authenticating Agent. Certificates of authentication on different Bonds need not be signed by the same representative of the Authenticating Agent. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so prepared, executed, and authenticated the Clerk shall deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

Section 3. Form of Bond.

3.01. Execution of the Bonds. The Bonds shall be printed or typewritten in substantially the form attached hereto as EXHIBIT B.

3.02. Approving Legal Opinion. The Clerk is authorized and directed to obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, and cause the opinion to accompany each Bond.

Section 4. Payment; Security; Funds; Pledges and Covenants.

4.01. Debt Service Fund. The Bonds shall be payable from the General Obligation Capital Notes, Facilities Maintenance and Capital Facilities Bonds, Series 2023A Debt Service Fund (the "Debt Service Fund") hereby created. The District will maintain the following accounts in the Debt Service Fund: The "Capital Notes Project Account," the "Facilities Maintenance Project Account," and the "Capital Facilities Project Account" (collectively, the "Project Accounts"). Amounts in the Capital Notes Project Account are irrevocably pledged to the Capital Notes Portion of the Bonds, amounts in the Facilities Maintenance Project Account are irrevocably pledged to the Facilities Maintenance Portion of the Bonds, and amounts in the Capital Facilities Project Account are irrevocably pledged to the Capital Facilities Portion of the Bonds.

(a) Capital Notes Project Account. Proceeds of ad valorem taxes hereinafter levied for the payment of the debt service on the Capital Notes Portion of the Bonds are hereby pledged to the Capital Notes Project Account of the Debt Service Fund. The amounts to be applied to pay the principal of and interest on the Capital Notes Portion of the Bonds shall be deposited in the Capital Notes Project Account of the Debt Service Fund at least three (3) business days prior to each respective interest payment date and principal payment date. There is appropriated to the Capital Notes Project Account of the Debt Service Fund amounts over the minimum purchase price of the Bonds paid by the Purchaser to the extent designated for deposit in the Capital Notes Project Account of the Debt Service Fund in accordance with Section 1.03 hereof.

(b) Facilities Maintenance Project Account. Proceeds of ad valorem taxes hereinafter levied for the payment of the debt service on the Facilities Maintenance Portion of the Bonds are hereby pledged to the Facilities Maintenance Project Account of the Debt Service Fund. The amounts to be applied to pay the principal of and interest on the Facilities Maintenance Portion of the Bonds shall be deposited in the Facilities Maintenance Project Account of the Debt Service Fund at least three (3) business days prior to each respective interest payment date and principal payment date. There is appropriated to the Facilities Maintenance Project Account of the Debt Service Fund amounts over the minimum purchase price of the Bonds paid by the Purchaser to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03 hereof. There is also appropriated to the Facilities Maintenance Project Account of the Debt Service Fund: (a) amounts, if any, transferred from the general fund account for long-term facilities maintenance to the Facilities Maintenance Project Account of the Debt Service Fund, pursuant to Section 123B.595, subdivision 10(a)(4); (b) any long-term facilities maintenance equalized aid receivable under Section 123B.595, subdivision 9; and (c) all other moneys as shall be appropriated by the Board to the Facilities Maintenance Project Account of the Debt Service Fund from time to time.

(c) Capital Facilities Project Account. Proceeds of ad valorem taxes hereinafter levied for the payment of the debt service on the Capital Facilities Portion of the Bonds are hereby pledged to the Capital Facilities Project Account of the Debt Service Fund. The amounts to be applied to pay the principal of and interest on the Capital Facilities Portion of the Bonds shall be deposited in the Capital Facilities Project Account of the Debt Service Fund at least three (3) business days prior to each respective interest payment date and principal payment date. There is appropriated to the Capital Facilities Project Account of the Debt Service Fund amounts over the minimum purchase price of the Bonds paid by the Purchaser to the extent designated for deposit in the Capital Facilities Project Account of the Debt Service Fund in accordance with Section 1.03 hereof. There is also appropriated to the Capital Facilities Project Account of the Debt Service Fund all total operating capital revenue as shall be appropriated by the Board to the Capital Facilities Project Account of the Debt Service Fund from time to time pursuant to Minnesota Statutes, Section 126C.10, subd. 14(16)(i), as amended.

4.02. Construction Fund. The District hereby creates the General Obligation Capital Notes, Facilities Maintenance and Capital Facilities Bonds, Series 2023A Construction Fund (the "Construction Fund"). The District will maintain the following accounts in the Construction Fund: The "Capital Notes Project Account," the "Facilities Maintenance Project Account," and the "Capital Facilities Project Account."

(a) Capital Notes Project Account. Proceeds of the Capital Notes Portion of the Bonds (reduced by the appropriation made in accordance with Section 5.04 to pay costs of issuance and the appropriation, if any, of any portion of the Capital Notes Portion of the Bonds made in accordance with Section 4.01 hereof) shall be deposited in the Capital Notes Project Account of the Construction Fund and used solely to pay costs of the Capital Notes Project. Any balance remaining in the Capital Notes Project Account of the Construction Fund after completion of the Capital Notes Project may be used for any other public use authorized by law and approved by resolution adopted or vote taken in the manner required to authorize the application of the proceeds of the Capital Notes Portion of the Bonds for such new use and purpose, or credited to the Capital Notes Project Account of the Debt Service Fund or other District debt service fund, all in accordance with Section 475.65 of the Act.

(b) Facilities Maintenance Project Account. Proceeds of the Facilities Maintenance Portion of the Bonds (reduced by the appropriation made in accordance with Section 5.04 to pay costs of issuance and the appropriation, if any, of any portion of the Facilities Maintenance Portion of the Bonds made in accordance with Section 4.01 hereof) shall be deposited in the Facilities Maintenance Project Account of the Construction Fund and used solely to pay costs of the Facilities Maintenance Project. Any balance remaining in the Facilities Maintenance Project Account of the Construction Fund after completion of the Facilities Maintenance Project may be used for any other public use authorized by law and approved by resolution adopted or vote taken in the manner required to authorize the application of the proceeds of the Facilities Maintenance Portion of Bonds for such new use and purpose, or credited to the Facilities Maintenance Project Account of the Debt Service Fund or other District debt service fund, all in accordance with Section 475.65 of the Act.

(c) Capital Facilities Project Account. Proceeds of the Capital Facilities Portion of the Bonds (reduced by the appropriation made in accordance with Section 5.04 to pay costs of issuance and the appropriation, if any, of any portion of the Capital Facilities Portion of the Bonds made in accordance with Section 4.01 hereof) shall be deposited in the Capital Facilities Project Account of the Construction Fund and used solely to pay costs of the Capital Facilities Project. Any balance remaining in the Capital Facilities Project Account of the Construction Fund after completion of the Capital Facilities Project may be used for any other public use authorized by law and approved by resolution adopted or vote taken in the manner required to authorize the application of the proceeds of the Capital Facilities Portion of the Bonds for such new use and purpose, or credited to the Capital Facilities Project Account of the Debt Service Fund or other District debt service fund, all in accordance with Section 475.65 of the Act.

4.03. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bonds, as the same respectively become due, the full faith and credit and taxing powers of the District are hereby irrevocably pledged. If a payment of principal of or interest on the Bonds becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the Treasurer must pay such principal or interest from the general fund of the District, and the general fund shall be reimbursed for those advances out of the proceeds of the Taxes (as hereinafter defined) levied herein, when collected.

4.04. Pledge of Taxes. For the purpose of paying the principal of and interest on the Bonds, there are levied direct annual irrevocable ad valorem taxes (the "Taxes") upon all of the taxable property in the District, to be spread upon the tax rolls and collected with and as part of other general taxes of the District. The Taxes shall be credited to the applicable Project Accounts of the Debt Service Fund above provided and shall be levied in the years and amounts attached hereto as EXHIBIT C to this Resolution, and, in the event the Taxes so levied are ever insufficient to pay the principal of and interest on the Bonds, additional Taxes are hereby authorized to be levied without limitation as to rate or amount. Said tax levies shall be irrevocable as long as any of these Bonds are outstanding and unpaid, provided that the District reserves the right and power to reduce the levies in the manner and to the extent permitted by the Act (specifically, Section 475.61 of the Act).

4.05 Additional Considerations – Capital Facilities Portion; Levy Reductions. The tax levies specified in EXHIBIT C concerning the Capital Facilities Portion of the Bonds, plus any levies to be made by the District pursuant to Minnesota Statutes, Section 123B.61, as amended, for each year do not exceed the maximum amount specified in Minnesota Statutes, Section 123B.62(d). The District's levies for each year must be reduced in the manner specified in Section 123B.62(d), by the sum of (1) the amount of the tax levies certified for payment of the principal and interest on the Capital Facilities Portion of the Bonds pursuant to EXHIBIT C, and (2) any excess amount in the Debt Service Fund used to retire the Capital Facilities Portion of the Bonds, other than amounts used to pay capitalized interest. The District shall take such actions as may be necessary to notify the Commissioner of the issuance of the Capital Facilities Portion of the Bonds and the certification of the debt service levies specified herein.

4.06. Debt Service Coverage. It is determined that the estimated collection of Taxes levied in accordance with Section 4.04 hereof shall produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levies herein provided shall be irrevocable until all of the Bonds are paid, provided that at the time the District makes its annual tax levies the Treasurer may certify to the County Auditor/Treasurer of Hennepin County, Minnesota (the "County Auditor") that the District made an irrevocable appropriation of a specified amount to the Debt Service Fund of money actually on hand or if there is on hand any excess amount in the Debt Service Fund and the County Auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

4.07. Registration of Resolution. The Clerk is authorized and directed to file a certified copy of this Resolution with the County Auditor and to obtain the certificate required by Section 475.63 of the Act.

Section 5. Authentication of Transcript.

5.01. District Proceedings and Records. The officers of the District are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds certified copies of proceedings and records of the District relating to the Bonds and to the financial condition and affairs of the District, and such other certificates, affidavits, and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds, and such instruments, including any heretofore furnished, shall be deemed representations of the District as to the facts stated therein.

5.02. Certification as to Official Statement. The Board Chair, the Clerk, and the Treasurer, or any of their authorized designees, are authorized and directed to certify that they have examined the final Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the final Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the final Official Statement and further that said final Official Statement did not (as of the date of the final Official Statement) and does not contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the final Official Statement is to be used, or which is necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading.

5.03. Other Certificates. The Board Chair, the Clerk, and the Treasurer, or any of their authorized designees, are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the District or incumbency of its officers, at the closing the Board Chair, the Clerk, and the Treasurer shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the Treasurer shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

5.04. Payment of Costs of Issuance. The District authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to Wells Fargo Bank, National Association, on the closing date for further distribution as directed by the Municipal Advisor.

5.05. Electronic Signatures. The electronic signatures of the Board Chair, the Clerk, and the Treasurer, or any of their authorized designees, to this Resolution and any document or certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the District thereto. For purposes hereof, (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message.

Section 6. Tax Covenants.

6.01. Tax-Exempt Bonds. The District shall comply with all the necessary requirements and take all necessary actions (or decline to take prohibited actions) to ensure that interest on the Bonds shall not be includable in gross income for federal income tax purposes under Section 103 and Sections 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable Treasury Regulations promulgated thereunder (the "Regulations"). The District covenants and agrees with the holders from time to time of the Bonds that it shall not take or permit to be taken by any of its officers, employees, or agents any action which would cause the interest on the Bonds to become subject to federal income taxation under the Code and the Regulations, in effect at the time of such actions, and that it shall take or cause its officers, employees, or agents to take all affirmative action within their powers that may be necessary to ensure that such interest shall not become includable in gross income for federal income tax purposes under the Code and applicable Regulations, as presently existing or as hereafter amended and made applicable to the Bonds.

6.02. Continuing Requirements. The District shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code including, without limitation, requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds, and the rebate of excess investment earnings to the United States. The Board Chair, the Clerk, and the Treasurer, being officers of the District charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code and applicable Regulations stating the facts, estimates, and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the “gross proceeds” of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of the Code and the Regulations. The District covenants and agrees to retain such records, make such determinations, file such reports and documents, and pay such amounts at such times as are required under Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for an exception from the rebate requirement in accordance with one of the spending exceptions set forth in Section 1.148-7 of the Regulations. The District shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

6.03. Not Private Activity Bonds. The District further covenants not to use the proceeds of the Bonds or to cause or permit them or any of them to be used, in such a manner as to cause the Bonds to be determined to constitute “private activity bonds,” within the meaning of Sections 103 and 141 through 150 of the Code and the applicable Regulations promulgated thereunder.

6.04. Qualified Tax-Exempt Obligations. The District hereby designates the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. In order to qualify the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the District makes the following factual statements and representations:

- (a) the Bonds are not “private activity bonds” as defined in Section 141 of the Code;
- (b) the District designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;
- (c) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) which shall be issued by the District (and all subordinate entities of the District) during calendar year 2023 shall not exceed \$10,000,000; and
- (d) not more than \$10,000,000 of obligations issued by the District during calendar year 2023 shall be designated for purposes of Section 265(b)(3) of the Code.

Section 7. Book-Entry System; Limited Obligation of District.

7.01. DTC. The Bonds shall be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 1.04 hereof. Upon initial issuance, the ownership of each Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns (“DTC”). Except as provided in this section, all of the outstanding Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the District, the Registrar, and the Paying Agent shall have no responsibility or obligation to any broker-dealers, banks, and other financial institutions from time to time for which DTC holds Bonds as securities depository (the “Participants”) or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds; (ii) the delivery

to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar), of any notice with respect to the Bonds, including any notice of redemption; or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The District, the Registrar, and the Paying Agent may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent shall pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments shall be valid and effectual to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the Bond Register, shall receive a certificated Bond evidencing the obligation of this Resolution. Upon delivery by DTC to the Clerk of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." shall refer to such new nominee of DTC; and upon receipt of such a notice, the Clerk shall promptly deliver a copy of the same to the Registrar and Paying Agent.

7.03. Representation Letter. The District has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Representation Letter") which shall govern payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the District with respect to the Bonds shall agree to take all action necessary for all representations of the District in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

7.04. Transfers Outside Book-Entry System. In the event the District, by resolution of the Board, determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the District shall notify DTC, whereupon DTC shall notify the Participants, of the availability through DTC of Bond certificates. In such event the District shall issue, transfer, and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the District shall issue and the Registrar shall authenticate Bond certificates in accordance with this resolution and the provisions hereof shall apply to the transfer, exchange, and method of payment thereof.

7.05. Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and all notices with respect to the Bond shall be made and given, respectively in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 8. Continuing Disclosure.

8.01. Execution of Continuing Disclosure Certificate. For purposes of this Section, "Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate executed by the Board Chair and Clerk and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

8.02. District Compliance with Provisions of Continuing Disclosure Certificate. The District hereby covenants and agrees to comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate is not to be considered an event of default with respect to the Bonds; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this section.

Section 9. Defeasance. When all of the Bonds and all interest thereon have been discharged as provided in this section, all pledges, covenants, and other rights granted by this resolution to the holders of the

Bonds shall cease, except that the pledge of the full faith and credit of the District for the prompt and full payment of the principal of and interest on the Bonds shall remain in full force and effect. The District may discharge all Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

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The motion for the adoption of the foregoing resolution was duly seconded by Todd Madson and upon vote being taken thereon, the following voted in favor thereof: Mike Bash, Sarah Borchers, Laura Wallander, Ali Howe, Wendy Lundsgaard, Todd Madson and the following voted against the same: None whereupon the resolution was declared duly passed and adopted.

9.C – Long Term Facilities Maintenance Plan Approval

Mr. Jim Westrum, Executive Director of Business Services, presented to the board the district's most recently updated long term facilities maintenance plan and requested that the board approve it.

UPON MOTION by Laura Wallander, seconded by Sarah Borchers, the board approved the updated long term facilities maintenance plan.

Motion approved unanimously.

9. D – Award Bid for 2023 Schumann/Link/IS IAQ Improvement Project

Executive Director of Business Services, Jim Westrum, made remarks regarding the bid process for the indoor air quality improvement project taking place at the Orono Elementary Center, and recommended that the board award the bid to CM Construction.

UPON MOTION by Sarah Borchers, seconded by Laura Wallander, the board awarded the bid to CM Construction as recommended.

Motion approved unanimously.

9. E – Q-Comp and ATPPS Report Approval

Dr. Aaron Ruhland, Executive Director of Learning and Accountability, and Mr. Paul Hamilton, Curriculum and Development Leader shared with the board the current status of the Q-Comp/ATPPS report and requested approval from the board.

UPON MOTION by Laura Wallander, seconded by Sarah Borchers. the board approved the Q-Comp/ATPPS plan for 2023-2024.

Motion approved unanimously.

9. F – Other New Business as Necessary

No other new business was brought forward.

The next Regular School Board Meeting will be held on Monday, June 12, 2023 at 7:00 PM in the District Office Assembly Room.

UPON MOTION by Laura Wallander, seconded by Wendy Lundsgaard, the meeting was adjourned at 8:37 PM.

A handwritten signature in black ink, appearing to read "Michael Bash", written over a horizontal line.

Michael Bash, *Chair*

A handwritten signature in blue ink, appearing to read "Sarah Borchers", written over a horizontal line.

Sarah Borchers, *Vice Chair*