

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

Minutes of February 19, 2026 Special School Board Meeting

The School Board of Minnetonka Independent School District #276 met in special session at 7:40 p.m. on Thursday, February 19, 2026 in the Community Room at the District Service Center, 5621 County Road 101, Minnetonka, Minnesota. Chairperson Kemerie Foss presided. Other Board members present were Sally Browne, Karen Jordan, Taunya Kolbinger, Dan Olson, Mike Remucal, Meghan Selinger and Superintendent David Law, ex officio. Student School Board representative Izzy Shoss was also present. The meeting was also livestreamed on the district's YouTube channel.

Chairperson Foss called the special meeting to order and asked that everyone stand and recite the Pledge of Allegiance to the Flag.

1. AGENDA

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

2. APPROVAL OF HEALTH AND DENTAL PREMIUM RATES FOR FY27

Executive Director of Finance and Operations Paul Bourgeois presented this item to the Board. He noted that the district has been self-insured for employee health and dental insurance since July 1, 2002. Self-Insurance for health and dental benefits means the district has its own plan for health and dental benefits and then contracts out third-party administration for the adjudication of claims. Premiums are contributed by employees out of the bi-weekly paychecks and by matching amounts from their fringe benefits compensation.

The School Board are the Trustees of the Self-Insurance Fund. There is a self-insurance advisory committee made up of representatives of all the employee groups of the district. This body makes recommendations to the School Board on annual premium levels and plan benefit levels for the School Board to consider when they are setting the annual premium rates and any plan design changes.

The Self-Insurance Fund has been very beneficial to both the District and employees. Since its inception, annual premium increases have averaged 4.15% over the first 24 years of the Self-Insurance Fund. In FY25, the Self-Insurance Fund finished the year at a small \$382,543 surplus, with a cash balance of \$9,036,871 and a fund balance after liability accruals of \$6,545,471. In FY26, claims have increased across the board with pulmonary, orthopedic and psychiatry claims accounting for the three highest

claim categories. GLP-1 use for non-diabetes conditions is also accelerating at a 58% increase over FY25.

For FY27, Medical Trend (the term used in the medical industry for medical inflation) is running at 9.2% and Pharmacy Trend (the term used in the medical industry for prescription inflation) is running at 11.0%. CBIZ Actuaries have calculated that for the Minnetonka ISD 276 Self-Insurance Plan, based on the experience rates of the prior 24 months of actual claims and prescriptions generated by it is necessary to increase Medical Plan rates by 11.0% to break-even operations in FY27. This is 1.8% above the national trend this year with the bulk of that being accounted for by the increase in GLP-1 prescriptions.

For the Dental Plan, the Dental Trend is running at 4.5%. CBIZ Actuaries have calculated that for the Minnetonka ISD 276 Self-Insurance Plan it is necessary to increase Dental Plan rates by 2.84% to continue break-even operations in FY27.

Rates for FY27 are proposed as follows:

Base Plan Perform Network	FY26	FY27	Change
Employee	\$989	\$1,098	\$109
Employee + 1	\$1,682	\$1,868	\$186
Family	\$2,363	\$2,623	\$260
VEBA HRA Plan Open Access	FY26	FY27	Change
Employee	\$916	\$1,017	\$101
Employee + 1	\$1,559	\$1,731	\$172
Family	\$2,190	\$2,431	\$241
BCBS High Ded HRA Aware	FY26	FY27	Change
Employee	\$823	\$914	\$91
Employee + 1	\$1,400	\$1,554	\$154
Family	\$1,969	\$2,186	\$217
BCBS HD HRA High Value	FY26	FY27	Change
Employee	\$745	\$827	\$82
Employee + 1	\$1,264	\$1,404	\$140
Family	\$1,778	\$1,974	\$196

Dental Plan	FY26	FY27	Change
Employee	\$50	\$52	\$2
Family	\$122	\$126	\$4

The Self-Insurance Advisory Committee met on February 9, 2026 to review these options and voted unanimously to recommend to the School Board that for FY27 medical premiums be increased 11.0%, and dental premiums be increased 2.84%.

Selinger moved, Jordan seconded, that the Board approve the following motion:

BE IT RESOLVED, that the School Board of Minnetonka Independent School District 276 does hereby set Health Insurance Premium rates for the Self-Insurance Trust Fund for Fiscal Year 2027 at an increase of 11.00% for Health Insurance Premiums over Fiscal Year 2026 rates, and does hereby set the Dental Insurance Premium rates for Fiscal Year 2027 at an increase of 2.84% for Dental Insurance Premiums over Fiscal Year 2026 rates.

Upon vote being taken thereon, the motion carried unanimously.

3. AUTHORIZATION TO SELL 2026B GENERAL OBLIGATION REFUNDING BONDS

Mr. Bourgeois presented this item to the Board. He noted that the district has a practice of constantly monitoring its existing portfolio of General Obligation bonds and Certificates of Participation Bonds for opportunities to refund them and lower outstanding principal, lower interest rates, and lower the annual payments as appropriate.

Since 2008, the district has undertaken 50 refunding transactions that has saved taxpayers a cumulative \$26,799,556. In 2021, just as inflation was starting and it looked like interest rates would be rising, the district refunded 15 of its outstanding GO Bond and COP Bond issues utilizing 10 refunding transactions while interest rates were still low, saving taxpayers \$2,322,896.

For the past several years interest rates have remained elevated so refunding opportunities have been fewer than in prior years, but we have continued to monitor all our bonds so that we are ready to strike when the iron is hot, as they say in the blacksmith trade.

The bond interest rate curve has declined significantly on the near term or “short” end of the interest rate curve. At this point in time, the 2015B, 2017B and 2019C Long Term Facilities Maintenance Bonds are “in the green” for refunding. Of note, the 2017B bonds are themselves refunding of Long Term Facilities Maintenance Bonds from 2008 and 2010, so we are in fact “getting a second bite of the apple” to lower costs even further from those original 2008 and 2010 bonds.

The resolution authorizes us to bundle the remaining coupons from the 2015B, 2017B and 2019C Long Term Facilities Maintenance Bonds totaling \$15,165,000 and refund them with one 2020B Long Term Facilities Maintenance Refunding Bond of \$13,865,000.

The estimated benefits of the transaction include lowering of the outstanding bond principal by \$1,300,000, dropping the interest rate from an average of 3.68% on the existing coupons to 3.11% on the 2026B coupons, and lowering the annual payments by a total of \$500,372.71 from FY27 through FY39, or \$38,490 annually.

The resolution to authorize the sale of \$13,865,000 in 2026B General Obligation Refunding Bonds was prepared by the district's bond counsel Dorsey & Whitney.

Browne moved, Jordan seconded, that the Board approve the resolution as presented. Upon vote being taken thereon, the motion carried unanimously.

4. **AUTHORIZATION TO SELL 2026C CERTIFICATES OF PARTICIPATION REFUNDING BONDS**

Mr. Bourgeois presented this item to the Board. He noted that the district has a practice of constantly monitoring its existing portfolio of General Obligation bonds and Certificates of Participation Bonds for opportunities to refund them and lower outstanding principal, lower interest rates, and lower the annual payments as appropriate.

Since 2008, the district has undertaken 50 refunding transactions that has saved taxpayers a cumulative \$26,799,556. In 2021, just as inflation was starting and it looked like interest rates would be rising, the district refunded 15 of its outstanding GO Bond and COP Bond issues utilizing 10 refunding transactions while interest rates were still low, saving taxpayers \$2,322,896.

For the past several years interest rates have remained elevated so refunding opportunities have been fewer than in prior years, but we have continued to monitor all of our bonds so that we are ready to strike when the iron is hot, as they say in the blacksmith trade.

The bond interest rate curve has declined significantly on the near term or "short" end of the interest rate curve. At this point in time, the 2017A, 2017C, 2018B and 2018D Certificates of Participation Bonds are "in the green" for refunding. Of note, the 2017C Certificates of Participation Bonds are themselves refunding of 2010E Certificates of Participation Bonds for construction of Secure Entries, so we are in fact "getting a second bite of the apple" to lower costs even further from those original 2010 bonds.

The resolution authorizes us to bundle the remaining coupons from the 2017A, 2017C, 2018B and 2018D Certificates of Participation Bonds totaling \$5,580,000 and refund them with one 2026C Certificates of Participation Bond of \$5,140,000.

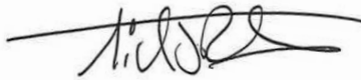
The estimated benefits of the transaction include lowering of the outstanding bond principal by \$440,000, dropping the interest rate from an average of 4.62% on the existing coupons to 3.66% on the 2026C coupons, and lowering the annual payments by a total of \$311,295.91 from FY27 through FY42, or \$19,016 annually.

The resolution to authorize the sale of \$5,140,000 in 2026C Certificates of Participation Refunding Bonds was prepared by the district's bond counsel Dorsey & Whitney.

Selinger moved, Remucal seconded, that the Board approve the resolution as presented. Upon vote being taken thereon, the motion carried unanimously.

5. **ADJOURNMENT**

Olson moved, Jordan seconded, adjournment at 7:50 p.m. Upon vote being taken thereon, the motion carried unanimously.

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

Michael Remucal, Clerk