

Regular School Board Meeting

Duluth Public Schools, ISD 709

Agenda

Tuesday, September 21, 2010

District Services Center

709 Portia Johnson Dr.

Duluth, MN 55811

6:30 PM

- | | |
|---|-----------|
| 1. Call to Order | |
| 2. Roll Call | |
| 3. Pledge of Allegiance | |
| 4. Approval of the Agenda | |
| 5. Reading and Approving Minutes | |
| A. Regular School Board Meeting of August 17, 2010 | 2 |
| B. Special School Board Meeting of September 13, 2010 | 14 |
| 6. Audience | |
| 7. Reading Communications, Petitions, Etc. | 36 |
| 8. Report of the Superintendent | 37 |
| 9. Report of Standing Committees | |
| A. Education Committee <i>(see separate report)</i> | |
| B. Human Resources Committee <i>(see separate report)</i> | |
| C. Business Committee <i>(see separate report)</i> | |
| 10. Special Resolutions • None | |
| 11. Questions / Other | |
| 12. Adjournment | |

Minutes of the Regular School Board Meeting

Of the School Board of Independent School District No. 709 held at the Historic Old Central High School, 215 North First Avenue East, Duluth, Minnesota 55802, on

Tuesday, August 17, 2010

Members Present:

Mary Cameron
Gary Glass
Tim Grover
Art Johnston
Tom Kasper
Judy Seliga Punyko
Ann Wasson

Others Present:

Keith Dixon, Superintendent
Bill Hanson, Deputy Clerk
Melinda Thibault, Secretary

Student Representatives:

Chair Grover called the regular school board meeting of August 17, 2010 to order at 6:30 p.m., and the pledge of allegiance to the American flag was given.

M-Seliga Punyko, S-Cameron, to approve the agenda as presented with two items deleted as requested by administration.

Member Johnston asked to add removal of the board chair to the agenda as he had given prior notice and requests for this item to be placed on the agenda. Chair Grover stated that his request had been responded to and was not placed on the agenda. Member Johnston appealed the Chairs decision not to include the item on the agenda. Chair Grover stated that there was nothing to appeal because he was not making a ruling but stating a fact. Member Johnston stated that because he had given prior notice that the item had to be on the agenda. Chair Grover asked if Member Johnston would like to move the addition of the item to the agenda. Member Johnston stated that he did not want to move to put it on the agenda as it was supposed to be on the agenda already and that it should be added to the agenda by the Chair and that if he did not do that he would continue to ask to have it added to the agenda and move to replace the board chair.

Member Johnston made a motion to replace the board chair. Member Grover ruled Member Johnston's motion out of order because he was in essence asking to reconsider a vote that he was not on the prevailing side of and could not ask to reconsider that vote.

M-Johnston, S-Glass, to appeal Chair Grover's decision to rule his motion to replace the board chair out of order.

Board discussion took place regarding Member Johnston's appeal. Chair Grover called for a vote on Member Johnston's appeal. Member Johnston asked to speak again on the subject. Chair Grover indicated that this would be his last time to speak on the subject and that a vote would be taken. Member Johnston stated that he could continue to speak on the issue. Chair Grover called for a vote on the item. Member Johnston stated that Chair Grover would have to call for a vote to cut off debate. Chair Grover stated that he had an obligation to move the meeting along.

Member Johnston made a motion to appeal the Chairs decision not to have a vote to cut off debate. Chair Grover ruled that motion out of order because there was already an item on the floor to be voted on. Member Johnston appealed Chair Grover's decision to rule his motion out of order. Chair Grover ruled Member Johnston out of order and asked him to cease and desist and called for a vote on his original motion to appeal the Chairs ruling. Member Johnston asked for a censure of the Chair Person.

Chair Grover called a five minute recess at 6:38. The board meeting reconvened at 6:45 pm.

Upon a vote, the ruling of the chair was upheld 4-3 as follows:

Yea: Cameron, Grover, Seliga Punyko, Wasson

No: Johnston, Glass, Kasper

M-Johnston, S-Glass, to add Hearings for Closing of Schools to the agenda.

Member Grover explained that the request was discussed and not included and that they will be scheduled sometime during the 2010-11 school year. Chair Grover also stated that the MSBA has been contacted as well as legal counsel to get opinions and that the district is following the law by waiting to hold the hearings. Board discussion continued on adding school closing hearings to the agenda.

Upon a vote to add school closing hearings to the agenda, the same failed 3-4 as follows:

Yea: Glass, Johnston, Kasper

Nay: Cameron, Grover, Seliga Punyko, Wasson

M-Johnston, S-Glass, to ask to have the resignation of superintendent added to the agenda.

Member Grover ruled Member Johnston's motion out of order stating that he had received a legal opinion and quoted the legal opinion he received. Member Johnston quoted a legal opinion on the passage of teacher's contracts. Chair Grover stated that if Member Johnston has allegations or charges against the superintendent to submit them in writing to be discussed in a closed session.

Upon a vote on the motion to add the resignation of the superintendent to the agenda the same failed 2-5 as follows:

Yea: Glass, Johnston

Nay: Cameron, Grover, Kasper, Seliga Punyko, Wasson

Upon a vote on agenda as presented the same passed 5-2 as follows:

Yea: Cameron, Grover, Kasper, Seliga Punyko, Wasson

Nay: Glass, Johnston

Chair Grover asked school board members if there were any corrections or changes to the minutes of the regular school board meeting of July 20, 2010.

Member Glass stated that he found an error in the June 15, 2010 minutes, approved at a prior meeting. Chair Grover asked Member Glass to work with Secretary Thibault to correct the error for the official record.

Member Johnston stated that on page three the minutes state that the board took a recess and he does not believe they took a legal recess. Chair Grover ruled that the board did take a recess – no change to the minutes.

Member Johnston stated that on page nine it states the teachers' contract was approved and he does not believe it was legally approved, so the minutes should not list it as approved. Chair Grover ruled that the contract was approved – no change to the minutes.

Member Glass stated that the bond resolutions stated that the board would be meeting again on August 17, 2010 on the bond sales but it is not on the agenda. Bill Hanson, Director of Business Services, explained that it was the original intent to have in on the agenda but that it has been postponed until September.

Member Johnston stated that on page fourteen his motion to appeal Chair Grover's ruling was seconded by Member Glass and that should have been indicated in the minutes.

Member Johnston stated that on several of the Business Committee resolutions the presented/motioned member was incorrectly listed as Member Cameron instead of Member Wasson.

Member Johnston noted that the meeting in June was incorrectly adjourned.

M-Seliga Punyko, S-Cameron, to approve the minutes of the July 20, 2010 regular school board meeting as amended. Upon a vote, the same was approved – 5-2 as follows:

Yea: Cameron, Grover, Kasper, Seliga Punyko, Wasson

Nay: Johnston, Glass

Chair Grover asked school board members if there were any corrections or changes to the minutes of the special school board meeting of August 9, 2010.

M-Seliga Punyko, S-Cameron, to approve the minutes of the July 20, 2010 special school board meeting. Upon a vote, the same was approved as presented – unanimously.

Public Comments

August 2010

Gordon Downs, 24 N. 66th Avenue W., spoke to the board about his concern with the board recessing during public comment the previous month.

Loren Martel, 623 E. 7th Street, spoke to the board regarding his concern with the long range facilities plan being voted on by the board and not the community and who will profit by it.

Sharon Witherspoon, No address provided, spoke to the board regarding her concern with the boards constant bickering over rules of order. She stated that the board should be focusing on educating children and not meeting rules.

Communications, Petitions, Etc.

August 2010

Superintendent Dixon acknowledged the communications received.

Superintendent's Report

August 2010

Superintendent Dixon gave an overview of the processes to date to make sure that staff, students, transportation, textbooks, etc. are ready and in place for the start of school.

Board members asked questions and had discussion regarding staffing, enrollment reports, and concerns with students going to neighboring districts.

Education Committee Report

August 2010

Member Seliga Punyko presented the Education Committee report, a copy of same being in the hands of each school board member.

Member Seliga Punyko presented the resolution:

RESOLUTION

Acceptance of Grant Awards to Duluth Public Schools

WHEREAS, Minnesota Statute 465.03 requires a school district to accept grants by resolution expressed in the terms prescribed by the donor in full; and,

WHEREAS, acceptance of the grant in accordance with the donor's terms is in the best interest of the Duluth Public Schools:

NOW, THEREFORE, BE IT RESOLVED that the Duluth Public Schools does accept the below-described grants from said organizations in accordance with the terms set forth herein.

BE IT FURTHER RESOLVED that the Duluth Public Schools wishes to extend its grateful appreciation to these various organizations.

	Organization	Author/Contact	Project Title	Award Amount	Terms
1.	U.S. Department of Education	Terrence Smith, Director of Indian Education	2010 Indian Education Formula Grant (Title VII)	\$147,617	Funds from this grant award will be used to support the positions of the Director of Indian Education, the Indian Education Department secretary, advocates, and travel and supplies.
2.	Minnesota Department of Education	Deborah Wagner, Homeless Youth Coordinator	McKinney-Vento Education for Homeless Children Grant	\$75,000	Funds from this grant award will be used to support homeless students district-wide with additional academic support, basic school supplies, fees, transportation, and family support in the community.

Resolution E-8-10-2804

August 17, 2010

M-Seliga Punyko, S-Glass, to approve Resolution E-8-10-2804 - Acceptance of Grant Awards to the Duluth Public Schools. Upon a vote taken, the same was approved – unanimously.

M-Seliga Punyko, S-Wasson, to approve the remainder of the Education Committee report as presented.

Member Grover withheld Item 3.C.

Member Kasper withheld Item 1.B.

Member Johnston withheld Item 2.D. – Regulation 5040R – Student Transfers because he has concerns with the Magnet Schools not continuing and asked for a separate vote.

Member Kasper withheld Item 1.B. – AYP and MCAII Science Test Results to ask for additional information. Tawynea Bolme-Lake stated that there would be additional information in the upcoming Friday packet.

Upon a vote to receive Item 2.D. Regulation 5040R-Student Transfers being received as informational, the same was approved 6-1 as follows:

Yea: Cameron, Glass, Grover, Kasper, Seliga Punyko, Wasson

Nay: Johnston

Chair Grover withheld Item 3.C. – Policy 5060 to note that the original changes were not included in the copy that was in the board book. It was determined that the changes did not copy because they were printed in red. Chair Grover noted that the vote would be on the changes as originally printed in the committee report.

Upon a vote taken on the remainder of the Education Committee as presented - the same was approved – unanimously.

Human Resources Committee Report

August 2010

Member Cameron presented the Human Resources Committee report, a copy of same being in the hands of each school board member.

M-Cameron, S-Seliga Punyko, to approve the individual contract for Melissa Burwell, Minnesota Alliance with Youth. Upon a vote, the same was approved – unanimously.

M-Cameron, S-Seliga Punyko, to approve the individual contract for Sarah Dixon, Minnesota Alliance with Youth. Upon a vote, the same was approved – unanimously.

M-Cameron, S-Seliga Punyko, to approve the individual contract for Renee Anderson, Minnesota Alliance with Youth. Upon a vote, the same was approved – unanimously.

M-Cameron, S-Seliga Punyko, to approve the rate increase for the GED Examiner to \$20.00 per hour. Upon a vote, the same was approved – unanimously.

M-Cameron, S-Seliga Punyko, to approve the remainder of the Human Resources Committee report as presented. Upon a vote taken, the same was approved – unanimously.

Business Committee Report

August 2010

Member Wasson presented the Business Committee report, a copy of same being in the hands of each school board member.

Member Wasson presented the resolution:

RESOLUTION RELATING TO THE ISSUANCE OF
BONDS AND CALLING AN ELECTION THEREON

WHEREAS, on March 21, 2008, the School District received a petition calling for placing before the voters the question of whether the School Board should “be authorized to issue general obligation bonds totaling \$128,000,000 to be used with an estimated \$66,092,086 in bonds and investment earnings previously approved by the Board for alternative facilities to build two new middle schools and two new elementary schools; repair and remodel three high schools, one middle school, and five elementary schools; repair and expand two elementary schools; and repair and remodel ‘Old Central High’ and the Secondary Technical Center?”;

WHEREAS, the School Board has, pursuant to the requirements of Minnesota Statutes Section 123B.70, submitted to the Commissioner of the Department of Education information pertinent to the petition based project and has requested that the Commissioner issue a Review and Comment upon the project;

WHEREAS, the Commissioner has issued a positive Review and Comment; and

WHEREAS, the District is obligated to place the question raised by the petition before the voters of the District at a special election to be held in conjunction with the November 2010 general election.

BE IT RESOLVED by the Board of Independent School District No. 709, Duluth, as follows:

1. That pursuant to the petition, it is required to place before the voters of the District the question of whether it is necessary and expedient for the school district to be authorized to borrow money in an aggregate amount not to exceed \$128,000,000, and not to exceed any limitations upon the incurring of indebtedness which shall be applicable on the date or dates of the issuance of such bonds, for the purpose of providing funds for the acquisition and betterment of school sites and facilities, including to build two new middle schools and two new elementary schools; repair and remodel three high schools, one middle school, and five elementary schools; repair and expand two elementary schools; and repair and remodel ‘Old Central High’ and the Secondary Technical Center. The question on the authorization to borrow funds for this purpose shall be on the school district ballot at the special election to be held in conjunction with the general election.

2. As required by law, the administration has consulted with the Minnesota Department of Education, causing a proposal regarding the petition based project to be prepared for submission to the Commissioner of Education for the Commissioner’s Review and Comment, and has taken such other actions as necessary to comply with the provisions of Minnesota Statutes Section 123B.71, as amended.

The Clerk is hereby authorized and directed to cause the Commissioner’s Review and Comment to be published in the legal newspaper of the district at least twenty (20) but not more than sixty (60) days prior to the date of the special election as specified in paragraph 3 of this resolution.

3. The question of the borrowing of said funds in the maximum amount of \$128,000,000 shall be submitted to the qualified voters of the school district at a special election, which is hereby called and directed to be held in conjunction with the general election on Tuesday, the 2nd day of November, 2010.

4. Pursuant to Minnesota Statutes, Section 205A.11, the precincts and polling places for this special election are those precincts or parts of precincts located within the boundaries of the school district that have been established by the cities or towns located in whole or in part within the school district. The voting hours at those polling places shall be the same as those for the state general election.

5. The clerk is hereby authorized and directed to cause written notice of said special election to be provided to the county auditor of each county in which the School District is located, in whole or in part, and to the Commissioner of the Minnesota Department of Education at least seventy-four (74) days before the date of said election. The notice shall specify the date of said special election and title and language of each ballot question to be voted on at said special election.

The clerk is hereby authorized and directed to cause notice of said special election to be posted at the administrative offices of the School District at least ten (10) days before the date of said special election.

The clerk is hereby authorized and directed to cause a sample ballot to be posted at the administrative offices of the School District at least four (4) days before the date of said special election and to cause a sample ballot to be posted in each polling place on election day. The sample ballot shall not be printed on the same color paper as the official ballot.

The clerk is hereby authorized and directed to cause notice of said special election to be published in the official newspaper of the District, for two (2) consecutive weeks with the last publication being at least one (1) week before the date of said special election.

The notice of election so posted and published shall state the question to be submitted to the voters as set forth in the form of ballot below, and shall include information concerning each established precinct and polling place.

6. The clerk is authorized and directed to acquire and distribute such election materials and to take such other actions as may be necessary for the proper conduct of this special election and generally to cooperate with election authorities conducting other elections on that date. The clerk and members of the administration are authorized and directed to take such actions as may be necessary to coordinate this election with those other elections, including entering into agreements with appropriate cities, towns and counties regarding preparation and distribution of ballots, election administration and cost sharing.

7. The clerk is further authorized and directed to cooperate with the proper election officials to cause ballots to be prepared for use at said election in substantially the following form, with such changes in form and instructions as may be necessary to accommodate the use of an optical scan voting system:

SCHOOL DISTRICT QUESTION BALLOT
INDEPENDENT SCHOOL DISTRICT NO. 709
DULUTH PUBLIC SCHOOLS
SPECIAL ELECTION
November 2, 2010

To vote, completely fill in the oval next to your choice, like this:



To vote for a question, fill in the oval next to the word “YES” for that question.
To vote against a question, fill in the oval next to the word “NO” for that question.

SCHOOL DISTRICT BALLOT QUESTION

**APPROVAL OF SCHOOL DISTRICT
BOND ISSUE**



YES



NO

Shall the School Board of Independent School District No. 709, Duluth, be authorized to issue general obligation bonds totaling \$128,000,000 to be used with an estimated \$66,092,086 in bonds and investment earnings previously approved by the Board for alternative facilities to build two new middle schools and two new elementary schools; repair and remodel three high schools, one middle school, and five elementary schools; repair and expand two elementary schools; and repair and remodel ‘Old Central High’ and the Secondary Technical Center?

**BY VOTING “YES” ON THIS BALLOT QUESTION, YOU ARE
VOTING FOR A PROPERTY TAX INCREASE.**

Optical scan ballots must be printed in black ink on white material, except that marks to be read by the automatic tabulating equipment may be printed on another color ink. The name of the precinct and machine-readable identification must be printed on each ballot card. Voting instructions must be printed at the top of the ballot card on each side that includes ballot information. The instructions must include an illustration of the proper mark to be used to indicate a vote. Lines for initials of at least two election judges must be printed on one side of the ballot card so that the judges’ initials are visible when the ballots are enclosed in a secrecy sleeve.

8. If the School District will be contracting to print the ballots for this special election, the clerk is hereby authorized and directed to prepare instructions to the printer for layout of the ballot. Before a contract exceeding \$1,000 is awarded for printing ballots, the printer shall, if requested by the election official, furnish, in accordance with Minnesota Statutes Section 204D.04, a sufficient bond, letter of credit, or certified check acceptable to the clerk in an amount not less than \$1,000 conditioned on printing the ballots in conformity with the Minnesota election law and the instructions delivered. The clerk shall set the amount of the bond, letter of credit, or certified check in an amount equal to the value of the purchase.

9. The individuals designated as election judges for the general election shall act as election judges for this special election at the various polling places and shall conduct said election in the manner described by law. The election judges shall act as clerks of election, count the ballots cast and submit the results to the school board for canvas in the manner provided for other school district elections.

B-8-10-2806

August 17, 2010

M-Wasson, S-Seliga Punyko, to approve Resolution B-8-10-2806- Resolution Relating To The Issuance Of Bonds And Calling An Election Thereon:

Board discussion took place regarding the wording of the ballot language, and the cost to taxpayers of Plan B.

Upon a vote taken, the same was approved-6-1 as follows:

Yea: Cameron, Grover, Johnston, Kasper Seliga Punyko, Wasson

Nay: Glass

Member Wasson presented the resolution:

R E S O L U T I O N
Authorized Student Activity Bank Account Signer

RESOLVED, by the School Board of Independent School District No. 709, St.

Louis County, Minnesota, that it hereby authorizes the following:

District	Banking	Account	Addition of	Removal of
<u>Building</u>	<u>Institution</u>	<u>Number</u>	<u>Authorized Signer</u>	<u>Authorized</u>
<u>Signer</u>				
Homecroft	DTCU	XXXX2	Susan Lehna	Bill Gronseth

B-8-10-2807

August 17, 2010

M-Wasson, S-Seliga Punyko, To Approve Resolution B-8-10-2807- Authorized Student Activity Bank Account Singer. Upon a vote taken, the same was approved-unanimously.

Member Wasson presented the resolution:

RESOLUTION

Authorizing the Sale of Vacant Land (Kensington Property) Located on West Arrowhead Road

WHEREAS, the School Board by Resolution B-6-07-2452 adopted a Long-range Facilities Plan for the District, and therein also directed the District's administrative staff to commence with the disposition of certain non-school sites including the Kensington property; and

WHEREAS, said property will no longer be used for purposes set forth in Minnesota Statute Section 123B.51.

NOW, THEREFORE, BE IT RESOLVED that the School Board hereby authorizes the sale of real property located on West Arrowhead Road legally described as Blocks One (1), Two (2), Three (3) and Block Five (5) EXCEPT Lots 1 through 4 and Lots 41 through 48 and all of Blocks Six, (6), Seven (7), and Eight (8), KENSINGTON PLACE ADDITION TO DULUTH, City of Duluth, in St. Louis County, and;

BE IT FURTHER RESOLVED that the School Board authorizes the School Board Chair to execute a purchase agreement consistent with the terms considered by the board in Executive Closed Session on August 9, 2010 and to sign all other documents required for closing this sale transaction.

B-8-10-2805

August 17, 2010

M-Wasson, S-Seliga Punyko, to approve Resolution B-8-10-2805- Authorizing the Sale of Vacant Land (Kensington Property) Located on West Arrowhead Road:

Discussion took place regarding the actual parcels purchased and remaining purchases.

Upon a vote taken, the same was approved – unanimously.

M-Wasson, S-Seliga Punyko, to approve the remainder of the Business Committee report, as presented.

Member Glass withheld Items 1.B, 2.A.1), 2), and 3)

Member Johnston withheld Items 2.A.1), 2.B.1), 4.B.1) for separate votes and 4.B.3.

Member Kasper asked Bill Hanson for information on the totals for change orders that he had requested previously. Bill Hanson apologized and stated he would get the information out to him as soon as possible.

Member Glass withheld Item 1.B. – Approval of Payment of Claims to note payments to JCI and the Duluth News Tribune.

Member Glass withheld Item 2.A.1) – Bid 1198 to ask if they are using the original amounts or the revised amounts when stating the project is within budget. Kerry Leider stated that the current budgets are being used.

Upon a separate vote on Item 2.A.1) – Bid 1198 – the same was approved – unanimously.

Upon a separate vote on Item 2.B.1) – RFQ 4045 – Voyageur Bus Company – the same was approved - unanimously.

Upon a separate vote on Item 4.B.1) – Change Order #1-Bid 1181-Mayo Systems, Inc. – the same was approved – unanimously.

Member Johnston withheld Item 4.B.3) – Piedmont Elementary School Storm Water Change Order to ask why the storm sewer wasn't included originally. Kerry Leider explained the bidding process for alternatives.

Upon a vote taken on the remainder of the Business Committee, the same was approved 5-2 as follows:

Yea: Cameron, Grover, Kasper, Seliga Punyko, Wasson

Nay: Glass, Johnston

**Other
August 2010**

Chair Grover noted his concern with the continued disruptive behavior of one board member.

Board discussion took place on the decision not to hold an operating levy during the November election.

M-Seliga Punyko, S-Johnston to adjourn the meeting.

Chair Grover adjourned the regular school board meeting of August 17, 2010 at 8:30 p.m.

Minutes of the Special School Board Meeting

Of the School Board of Independent School District No. 709 held at the Historic Old Central High School, 215 North First Avenue East, Duluth, Minnesota 55802, on

Monday, September 13, 2010

Members Present:

Mary Cameron
Gary Glass
Tim Grover
Art Johnston
Tom Kasper
Judy Seliga Punyko
Ann Wasson

Others Present:

Keith Dixon, Superintendent
Bill Hanson, Deputy Clerk
Melinda Thibault, Secretary

Student Representatives

Chair Grover called the special school board meeting of September 13, 2010 to order at 4:30 p.m.

M-Glass, S-Johnston to add an item to the agenda to address the zero hour bussing situation for students.

Superintendent Dixon noted that the item is on the Business Committee report for discussion. Board discussion took place regarding adding the item to the agenda.

Upon a vote the same failed 3-4 as follows:

Yea: Glass, Johnston, Kasper

No: Cameron, Grover, Seliga Punyko, Wasson

Member Johnston made a motion, seconded by Member Glass, to table all three resolutions until the regular board meeting next week. Chair Grover ruled the motion out of order because there were no resolutions on the table. Member Johnston withdrew his motion.

Mike Hoheisel and Bob Toftey presented an overview of the history of the bonding and the resolutions.

Board members asked questions regarding the overall financing and three resolutions for approval.

Member Seliga Punyko presented the resolution:

RESOLUTION AMENDING RESOLUTION B-7-10-2795 AND AUTHORIZING
THE ISSUANCE AND SALE OF FULL TERM CERTIFICATES OF PARTICIPATION,
SERIES 2010C, IN AN AMOUNT NOT TO EXCEED \$5,000,000,
TO FINANCE A PORTION OF THE LONG-RANGE FACILITIES PLAN
RECITALS

WHEREAS, the School Board (the "School Board") of Independent School District No. 709, St. Louis County, Minnesota (the "District"), adopted Resolution No. B-7-10-2795 on July 20, 2010, authorizing the issuance and sale of full term certificates of participation in an amount not exceeding \$3,675,000, to finance a portion of the Long-Range Facilities Plan and approving the official terms of offering for such certificates of participation; and

WHEREAS, it has come to the attention of the School Board that while the amount (\$293,864,990) set forth in the Minnesota Commissioner of Education's review and comment letter dated May 2010 is accurate, the cash available to finance the approved Long-Range Facilities Plan costs is short by approximately \$1,325,000, which is the difference between the proceeds and investment income from the Series 2008B COPs, as defined below, and the identified project costs to be financed with the proceeds of the Series 2008B COPs; consequently, the issue size approved for full term certificates of participation described in the preceding paragraph needs to be increased to \$5,000,000; and

WHEREAS, the Minnesota Commissioner of Education has approved the increase in the amount of such full term certificates of participation described above to an amount not to exceed \$5,000,000; and

WHEREAS, the School Board desires to amend Resolution No. B-7-10-2795 in its entirety to provide for such change and to approve the revised official terms of offering.

NOW, THEREFORE, BE IT RESOLVED, by the School Board of the District that Resolution B-7-10-2795, adopted July 20, 2010, is amended in its entirety to provide as follows:

Section 1. Authority. Under and pursuant to the authority contained in Minnesota Statutes, Section 126C.40, Subd. 6, as amended (the "Act"), the District is authorized to purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement upon application to, and approval by, the Minnesota Commissioner of Education. The District has approved a Long-Range Facilities Plan (the "Plan") and the Minnesota Commissioner of Education has approved the District entering into an installment contract in the amount of \$111,442,577 under the Act to finance the purchase of real and personal property as set forth in the Plan (other than costs for the new Piedmont/Lincoln Elementary School and the new West Middle School, which was subsequently approved and financed). The District determined to acquire, construct and equip the projects approved by the Minnesota Commissioner of Education, pursuant to the Act, through an Installment Purchase Contract, dated as of June 1, 2008 (the "Installment Purchase Contract"), between U.S. Bank National Association ("U.S. Bank"), as vendor, and the District. In order to provide funds for the projects, the District authorized the issuance of \$111,440,000 Full Term Certificates of Participation, Series 2008B, dated June 1, 2008 (the "Series 2008B COPs"), pursuant to a Declaration of Trust by and between U.S. Bank, as trustee, and the District (the "Declaration of Trust"). The District has approved an amendment to the Plan and the

Minnesota Commissioner of Education has approved the District's financing of an additional \$5,000,000 under the Act to provide additional funds for the purchase of real and personal property as set forth in the Plan, as amended.

Section 2. The Plan of Finance. The School Board hereby determines that it is necessary, expedient, and in the best educational interest of the District's pupils and residents that the District enter into an Amendment to the Installment Purchase Contract under the Act to provide additional funds to purchase the real and personal property described in the Plan, as amended, and as approved by the Minnesota Commissioner of Education. Full Term Certificates of Participation, Series 2010C (the "Certificates of Participation"), will be issued pursuant to a Supplement to the Declaration of Trust as additional certificates under the Declaration of Trust. The principal amount of the Certificates of Participation to be issued shall not exceed \$5,000,000 and such Certificates of Participation shall evidence the proportionate interest of the registered owners thereof in the Installment Payments to be made by the District under the Installment Purchase Contract, as amended.

Section 3. Official Terms of Offering. The District's administrative staff is hereby authorized and directed to work with Northland Securities, Inc., independent financial advisor to the District, and Fryberger, Buchanan, Smith & Frederick, P.A., bond counsel, to solicit bids and arrange for the sale of the Certificates of Participation in substantial compliance with the Notice of Sale attached hereto as Exhibit A. The Chief Financial Officer/Executive Director of Business Services, after consulting with the District's financial advisor and bond counsel, is authorized to modify the terms of the Notice of Sale prior to accepting the bids, including, but not limited to, reducing the size of the issue and rescheduling the sale. The bids shall be received by the Chief Financial Officer/Executive Director of Business Services or his designee until 11:00 a.m. central time on September 21, 2010, and consideration for the award of the Certificates of Participation will be by the School Board at 6:30 p.m. central time on the same date.

Section 4. Repayment of Obligations. The form, specifications and provisions for payment of the Amendment to the Installment Purchase Contract and the Certificates of Participation and the form of the Supplement to the Declaration of Trust shall be set forth in a subsequent resolution of the School Board.

Section 5. Consideration of Bids. The School Board shall meet on September 21, 2010, in accordance with the Notice of Sale, to consider bids for the purchase of the Certificates of Participation and to take whatever actions are necessary for the acceptance or rejection of the bids.

Section 6. Credit Enhancement. (a) The Board Chair, Superintendent or Chief Financial Officer/Executive Director of Business Services are hereby authorized and directed to submit a Minnesota School District Credit Enhancement Program Application for Default Preclusion to the Minnesota Department of Education, as provided by Minnesota Statutes, Section 126C.55.

(b) The District hereby covenants and obligates itself to notify the Minnesota Commissioner of Education of a potential default in the payment of principal and interest on the Certificates of Participation and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee payment of the principal and interest on the Certificates of Participation when due. The District further covenants to deposit with the trustee/bond registrar or any successor paying agent three (3) days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Minnesota Commissioner of Education that it will be unable to

make all or a portion of that payment. The trustee, as bond registrar for the Certificates of Participation, is authorized and directed to notify the Minnesota Commissioner of Education if it becomes aware of a potential default in the payment of principal or interest on the Certificates of Participation, or if, on the day two (2) business days prior to the date a payment is due on the Certificates of Participation, there are insufficient funds to make that payment on deposit with the trustee. The District understands that as a result of its covenant to be bound by the provisions of Minnesota Statutes, Section 126C.55, the provisions of that section shall be binding as long as any Certificates of Participation remain outstanding.

(c) The District further covenants to comply with all procedures now or hereafter established by the Department of Finance and the Department of Education of the State of Minnesota pursuant to Minnesota Statutes, Section 126C.55, subdivision 2(c) and otherwise to take such actions as necessary to comply with that section. The Chair, Clerk, Superintendent or Chief Financial Officer/Executive Director of Business Services are authorized to execute any applicable Minnesota Department of Education forms regarding such program.

NOTICE OF SALE
\$5,000,000*

FULL TERM CERTIFICATES OF PARTICIPATION, SERIES 2010C
EVIDENCING THE PROPORTIONATE INTEREST OF REGISTERED OWNERS
THEREOF IN INSTALLMENT PAYMENTS TO BE MADE BY

INDEPENDENT SCHOOL DISTRICT 709 (DULUTH), MINNESOTA

PURSUANT TO AN INSTALLMENT PURCHASE CONTRACT, AS AMENDED

(Book-Entry Only)

NOTICE IS HEREBY GIVEN that these Certificates will be offered for sale according to the following terms:

TIME AND PLACE: Bids will be opened by the CFO/Executive Director of Business Services, or designee, on Tuesday, September 21, 2010, at 11:00 A.M. Central Time, at the offices of Northland Securities, Inc., 45 South 7th Street, Suite 2000, Minneapolis, Minnesota 55402. Consideration of the Bids for award of the sale will be by the School Board at its meeting at the District Offices beginning Tuesday, September 21, 2010, at 6:30 P.M.

SUBMISSION OF BIDS: Bids may be:

* The District reserves the right to increase or decrease the principal amount of the Certificates. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread.

- a) submitted to the office of Northland Securities, Inc.;
- b) faxed to Northland Securities, Inc. at 612-851-5917;
- c) for Bids submitted prior to the sale, the final price and coupon rates may be submitted to Northland Securities, Inc. by telephone at 612-851-5900; or
- d) submitted electronically.

Notice is hereby given that electronic Bids will be received via PARITY™, in the manner described below, until 11:00 AM, Central Time, on September 21, 2010. Bids may be submitted electronically via PARITY™ pursuant to this Notice until 11:00 A.M., Central Time, but no Bid will be received after the time for receiving Bids specified above. To the extent any instructions or directions set forth in PARITY™ conflict with this Notice, the terms of this Notice shall control. For further information about PARITY™, potential bidders may contact Northland Securities, Inc. or Ipreo at 1359 Broadway, 2nd floor, New York, NY 10018, telephone 212-849-5021.

Neither the District nor Northland Securities, Inc. assumes any liability if there is a malfunction of PARITY™. All bidders are advised that each Bid shall be deemed to constitute a contract between the bidder and the District to purchase the Certificates regardless of the manner in which the Bid is submitted.

BOOK-ENTRY SYSTEM:

The Certificates will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Certificates will be issued in fully registered form and one bond certificate, representing the aggregate principal amount of the Certificates maturing in each year, will be registered in the name of Cede & Co. as nominee of Depository Trust Company (“DTC”), New York, New York, which will act as securities depository of the Certificates.

Individual purchases of the Certificates may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. The District will appoint U. S. Bank National Association, St. Paul, Minnesota, as trustee, bond registrar, transfer agent, authenticating agent, and paying agent (the “Trustee”). Principal and interest are payable by the District through the Trustee, to DTC, or its nominee as registered owner of the Certificates. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and

other nominees of beneficial owners. The successful bidder, as a condition of delivery of the Certificates, will be required to deposit the bond certificates with DTC. The District will pay reasonable and customary charges for the services of the Trustee.

DATE OF ORIGINAL
ISSUE OF CERTIFICATES: October 1, 2010

AUTHORITY/PURPOSE/

SECURITY: The Certificates are being issued pursuant to Minnesota Statutes, Section 126C.40, subd. 6, as amended. Proceeds will be used, along with other available District funds, to finance various improvements to District facilities. The Certificates are special limited obligations of the District payable solely from Installment Payments. The District will pledge the receipt of certain taxes levied pursuant to Minnesota Statutes, Section 126C.40, and with the approval of the Commissioner of Education, to the payment of the Installment Payments. **The District's obligation to make the Installment Payments is not subject to annual appropriation.**

INTEREST PAYMENTS: Semiannually on February 1 and August 1, commencing August 1, 2011, to registered owners of the Certificates appearing of record in the bond register as of the close of business on the fifteenth day (whether or not a business day) of the month preceding such interest payment date.

MATURITIES: February 1, inclusive, in each of the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2012	\$210,000	2021	\$295,000
2013	255,000	2022	305,000
2014	255,000	2023	315,000
2015	260,000	2024	325,000
2016	265,000	2025	335,000
2017	265,000	2026	345,000
2018	275,000	2027	360,000
2019	280,000	2028	370,000
2020	285,000		

Bids for the Certificates may contain a maturity schedule providing for any combination of serial Certificates and

term Certificates, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

INTEREST RATES:

All rates must be in integral multiples of 1/20th or 1/8th of 1%. *Rates must be in level or ascending order.* No limitation is placed upon the number of rates which may be used. All Certificates of the same maturity must bear a single uniform rate from date of issue to maturity.

ADJUSTMENTS TO PRINCIPAL

AMOUNT AFTER BIDS:

The District reserves the right to increase or decrease the principal amount of the Certificates. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread. Such adjustments shall be made promptly after the sale and prior to award of Bids by the District and shall be at the sole discretion of the District.

The successful bidder may not withdraw or modify its Bid once submitted to the District for any reason, including post bond adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

OPTIONAL REDEMPTION:

Certificates of this issue maturing February 1, 2020, and thereafter, are subject to redemption, in whole or in part, on February 1, 2019, and on any date thereafter at a price of par plus accrued interest. If redemption is in part, the selection of the amounts and maturities of the Certificates to be prepaid shall be at the discretion of the District. Notice of redemption shall be given by registered mail to the registered owner of the Certificates not less than 30 days prior to such redemption date.

CUSIP NUMBERS:

If the Certificates qualify for assignment of CUSIP numbers, such numbers will be printed on the Certificates, but neither the failure to print such numbers on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of and pay for the Certificates in accordance with terms of the purchase contract. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the successful bidder.

DELIVERY: Within forty days after award subject to approving legal opinion by Fryberger, Buchanan, Smith & Frederick, PA, Bond Counsel. Legal opinion will be paid by the District and delivery will be anywhere in the continental United States without cost to the successful bidder at DTC.

TYPE OF BID: Bids of not less than \$4,950,000 (99.0%) and accrued interest on the principal sum of \$5,000,000 must be filed with the undersigned prior to the time of sale. Bids must be unconditional except as to legality. Bids for the Certificates should be delivered to Northland Securities, Inc. and addressed to:

Bill Hanson, CFO/Executive Director of Business Services
ISD 709, Duluth, MN
215 North 1st Avenue East
Duluth, Minnesota 55802

A good faith deposit (the "Deposit") in the amount of \$100,000 in the form of a federal wire transfer (payable to the order of the District) is only required from the apparent winning bidder, and must be received within two hours after the time stated for the receipt of Bids. The apparent winning bidder will receive notification of the wire instructions from Northland Securities, Inc. promptly after the sale. If the Deposit is not received from the apparent winning bidder in the time allotted, the District may choose to reject their Bid and then proceed to offer the Certificates to the next lowest bidder based on the terms of their original Bid, so long as said bidder wires funds for the Deposit amount within two hours of said offer.

Wire Instructions for the Deposit are as follows:

Bank Name: Wells Fargo Bank, N.A.

City, State: San Francisco, CA

Wire Routing Transit Number (RTN): 121000248

For Further Credit to: Northland Securities, Inc., Bond Escrow Account

Beneficiary Account Number (BNF): 346-9563161

Reference: Name of sender and Issuer name and Series

The District will retain the Deposit of the successful bidder, the amount of which will be deducted at settlement and no interest will accrue to the successful bidder. In the event the successful bidder fails to comply with the accepted Bid, said amount will be retained by the District. No Bid can be withdrawn after the time set for receiving Bids unless the meeting of the District scheduled for award of the Certificates is adjourned, recessed, or

continued to another date without award of the Certificates having been made.

AWARD:

The Certificates will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis. The District's computation of the interest rate of each Bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Certificates will be awarded by lot. The District will reserve the right to: (i) waive non-substantive informalities of any Bid or of matters relating to the receipt of Bids and award of the Certificates, (ii) reject all Bids without cause, and (iii) reject any Bid which the District determines to have failed to comply with the terms herein.

OFFICIAL STATEMENT

By awarding the Certificates to any underwriter or underwriting syndicate submitting a Bid therefore, the District agrees that, no more than seven business days after the date of such award, it shall provide to the senior managing underwriter of the syndicate to which the Certificates are awarded, the Final Official Statement in an electronic format only as prescribed by the Municipal Securities Rulemaking Board (MSRB).

CONTINUING DISCLOSURE:

The District will covenant in the resolution awarding the sale of the Certificates and in a Continuing Disclosure Undertaking to provide, or cause to be provided, annual financial information, including audited financial statements of the District, and notices of certain material events, as required by SEC Rule 15c2-12.

BANK QUALIFICATION:

The District will designate the Certificates as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

**BOND INSURANCE AT
UNDERWRITER'S OPTION:**

If the Certificates qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the successful bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the successful bidder of the Certificates. Any increase in the costs of issuance of the Certificates resulting from such purchase of insurance shall be paid by the successful bidder, except that, if the District has requested and received a rating on the Certificates from a rating agency, the District will pay that rating fee. Any other rating agency fees shall be the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Certificates have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Certificates.

The District reserves the right to reject any and all Bids, to waive informalities and to adjourn the sale.

Dated: September 13, 2010

BY ORDER OF THE SCHOOL BOARD

/s/ William Hanson

Chief Financial Officer /Executive Director of Business
Services

Additional information may be obtained from:

Northland Securities, Inc.
45 South 7th Street
Suite 2000
Minneapolis, Minnesota 55402
Telephone No.: 612- 851-5900

B-9-10-2819

September 13, 2010

M-Seliga Punyko, S-Cameron, To Approve Resolution B-9-10-2819 – Resolution Amending Resolution B-7-10-2795 And Authorizing The Issuance And Sale Of Full Term Certificates Of Participation, Series 2010c, In An Amount Not To Exceed \$5,000,000, To Finance A Portion Of The Long-Range Facilities Plan.

M-Johnston, S-Glass, to postpone this resolution until the regular school board meeting.

Board members discussed the motion to postpone the resolution.

Upon a vote the same failed 2-5 as follows:

Yea: Glass, Johnston

Nay: Cameron, Grover, Kasper, Seliga Punyko, Wasson

Member Johnston made a motion to amend the resolution to add a section seven that would state the bonds would only be sold after the approval of a referendum. Chair Grover asked Bob Toftey if the District could hold a referendum on this bond issue. Mr. Toftey stated that they could not. Chair Grover ruled Member Johnston's motion out of order because it is not legal to hold an advisory referendum on this bond issue.

M-Johnston, S-Glass, to appeal Chair Grover's ruling that his motion was out of order.

Discussion took place on Member Johnston's motion and the subsequent ruling. Member Johnston continued to speak against Chair Grover's ruling that his motion was out of order. Chair Grover asked Member Johnston to stop speaking and Member Johnston refused and continued to speak. Chair Grover called Member Johnston to order and asked the Board whether they supported not allowing Member Johnston to continue speaking.

Upon a vote not to allow Member Johnston to continue speaking, the same was approved 4-3 as follows:

Yea: Cameron, Grover, Seliga Punyko, Wasson

Nay: Glass, Johnston, Kasper

Upon a vote on Member Johnston's appeal of Chair Grover's ruling that his motion was out of order the same failed 2-5 as follows:

Yea: Glass, Johnston

Nay: Cameron, Grover, Kasper, Seliga Punyko, Wasson

Member Johnston made a motion to table the resolution until the district looks into hiring new bond counsel. Chair Grover ruled his motion out of order and called for a vote on the resolution.

Upon a vote on Resolution B-9-10-2819, the same was approved 5-0-2 as follows:

Yea: Cameron, Grover, Kasper, Seliga Punyko, Wasson

Abstain: Glass, Johnston

Member Seliga Punyko presented the resolution:

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
CERTIFICATES OF PARTICIPATION, SERIES 2010D,
IN AN AMOUNT NOT TO EXCEED \$1,605,000, TO FINANCE A PORTION
OF THE LONG-RANGE FACILITIES PLAN AND
AMENDMENT OF PRIOR RESOLUTION**

BE IT RESOLVED, by the School Board (the "School Board") of Independent School District No. 709, St. Louis County, Minnesota (the "District"), as follows:

Section 1. Authority. Under and pursuant to the authority contained in Minnesota Statutes, Section 465.71, as amended (the "Act"), the District is authorized to purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement. The District has approved a Long-Range Facilities Plan (the "Plan") and the Minnesota Commissioner of Education has approved the District entering into a lease purchase agreement in the amount of \$35,404,371 under the Act to finance a portion of the Plan. The District determined to acquire, construct and equip the projects approved by the Minnesota Commissioner of Education, pursuant to the Act, through a Lease Purchase Agreement, dated as of October 1, 2009 (the "Lease Purchase Agreement") between Associated Trust Company, National Association, as lessor ("Associated") and the District. In order to provide funds for the projects, the District authorized the issuance of \$35,400,000 Certificates of Participation, Series 2009B, dated October 1, 2009, pursuant to a Declaration of Trust by and between Associated, as trustee, and the District (the "Declaration of Trust"). The District has approved an amendment to the Plan and the Minnesota Commissioner of Education has approved the District's financing of an additional \$1,605,000 under the Act to provide additional funds for the purchase of real and personal property as set forth in the Plan, as amended.

Section 2. The Plan of Finance. The School Board hereby determines that it is necessary, expedient, and in the best educational interest of the District's pupils and residents that the District enter into an Amendment to the Lease Purchase Agreement to provide additional funds to purchase the real and personal property described in the Plan, as amended. Certificates of Participation, Series 2010D (the "Certificates of Participation") will be issued pursuant to a Supplement to the Declaration of Trust. The principal amount of the Certificates of Participation to be issued shall not exceed \$1,605,000 and such Certificates of Participation shall evidence the proportionate interest of the registered owners thereof in the Rental Payments to be made by the District under the Lease Purchase Agreement, as amended.

Section 3. Official Terms of Offering. The District's administrative staff is hereby authorized and directed to work with Northland Securities, Inc., independent financial advisor to the District, and Fryberger, Buchanan, Smith & Frederick, P.A., bond counsel, to solicit bids and arrange for the sale of the Certificates of Participation in substantial compliance with the Notice of Sale attached hereto as Exhibit A. The Chief Financial Officer/Executive Director of Business Services, after consulting with the District's financial advisor and bond counsel, is authorized to modify the terms of the Notice of Sale prior to accepting the bids, including, but not limited to, reducing the size of the issue and rescheduling the sale. The bids shall be received by the Chief Financial Officer/Executive Director of Business Services or his designee until 11:00 a.m. central time on September 21, 2010, and consideration for the award of the Certificates of Participation will be by the School Board at 6:30 p.m. central time on the same date.

Section 4. Repayment of Obligations. The form, specifications and provisions for payment of the Amendment to the Lease Purchase Agreement and the Certificates of Participation and the form of the Supplement to the Declaration of Trust shall be set forth in a subsequent resolution of the School Board.

Section 5. Consideration of Bids. The School Board shall meet on September 21, 2010, in accordance with the Notice of Sale, to consider bids for the purchase of the Certificates of Participation and to take whatever actions are necessary for the acceptance or rejection of the bids.

Section 6. Amendment of Resolution No. B-7-10-2796. This Resolution amends Board Resolution No. 7-10-2796 regarding the date set for the sale of the 2010D Certificates of Participation and corresponding changes to the Notice of Sale.

NOTICE OF SALE

\$1,605,000*

CERTIFICATES OF PARTICIPATION, SERIES 2010D
EVIDENCING THE PROPORTIONATE INTEREST OF THE REGISTERED
OWNERS THEREOF IN RENTAL PAYMENTS TO BE MADE BY

INDEPENDENT SCHOOL DISTRICT 709 (DULUTH), MINNESOTA

PURSUANT TO A LEASE PURCHASE AGREEMENT, AS AMENDED

(Book-Entry Only)

NOTICE IS HEREBY GIVEN that these Certificates will be offered for sale according to the following terms:

TIME AND PLACE:

Bids will be opened by the CFO/Executive Director of Business Services, or designee, on Tuesday, September 21, 2010, at 11:00 A.M. Central Time, at the offices of Northland Securities, Inc., 45 South 7th Street, Suite 2000, Minneapolis, Minnesota 55402. Consideration of the Bids for award of the sale will be by the School Board at its meeting at the District Offices beginning Tuesday, September 21, 2010, at 6:30 P.M.

SUBMISSION OF BIDS:

Bids may be:

* The District reserves the right to increase or decrease the principal amount of the Certificates. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread.

- a) submitted to the office of Northland Securities, Inc.;
- b) faxed to Northland Securities, Inc. at 612-851-5917;
- c) for Bids submitted prior to the sale, the final price and coupon rates may be submitted to Northland Securities, Inc. by telephone at 612-851-5900; or
- d) submitted electronically.

Notice is hereby given that electronic Bids will be received via PARITY™, in the manner described below, until 11:00 AM, Central Time, on September 21, 2010. Bids may be submitted electronically via PARITY™ pursuant to this Notice until 11:00 A.M., Central Time, but no Bid will be received after the time for receiving Bids specified above. To the extent any instructions or directions set forth in PARITY™ conflict with this Notice, the terms of this Notice shall control. For further information about PARITY™, potential bidders may contact Northland Securities, Inc. or Ipreo at 1359 Broadway, 2nd floor, New York, NY 10018, telephone 212-849-5021.

Neither the District nor Northland Securities, Inc. assumes any liability if there is a malfunction of PARITY™. All bidders are advised that each Bid shall be deemed to constitute a contract between the bidder and the District to purchase the Certificates regardless of the manner in which the Bid is submitted.

BOOK-ENTRY SYSTEM:

The Certificates will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Certificates will be issued in fully registered form and one bond certificate, representing the aggregate principal amount of the Certificates maturing in each year, will be registered in the name of Cede & Co. as nominee of Depository Trust Company (“DTC”), New York, New York, which will act as securities depository of the Certificates.

Individual purchases of the Certificates may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. The District will appoint Associated Bank, National Association, Green Bay, Wisconsin as trustee, bond registrar, transfer agent, authenticating agent, and paying agent (the “Trustee”). Principal and interest are payable by the District through the Trustee, to DTC, or its nominee as registered owner of the Certificates. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such

participants and other nominees of beneficial owners. The successful bidder, as a condition of delivery of the Certificates, will be required to deposit the bond certificates with DTC. The District will pay reasonable and customary charges for the services of the Trustee.

DATE OF ORIGINAL
ISSUE OF CERTIFICATES:

October 1, 2010

AUTHORITY/PURPOSE

The Certificates are being issued pursuant to Minnesota Statutes, Section 465.71, as amended (the "Act"). Pursuant to the Act, Rental Payments under the Lease Purchase Agreement are subject to annual appropriation by the School Board and the District has a right to terminate the Lease Purchase Agreement at the end of any fiscal year during the term. Proceeds of the Certificates will be used to finance various improvements to District facilities. The Certificates are special limited obligations of the District payable solely from rental payments. **The District's obligation to make the Rental Payments is subject to annual appropriation.**

INTEREST PAYMENTS:

Semiannually on March 1 and September 1 commencing March 1, 2011, to registered owners of the Certificates appearing of record in the bond register as of the close of business on the fifteenth (15th) day (whether or not a business day) of the immediately preceding month (the "Record Date").

MATURITIES:

March 1, inclusive, in each of the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2011	\$90,000	2021	\$ 75,000
2012	65,000	2022	80,000
2013	65,000	2023	80,000
2014	65,000	2024	85,000
2015	65,000	2025	90,000
2016	65,000	2026	90,000
2017	65,000	2027	95,000
2018	70,000	2028	100,000
2019	70,000	2029	105,000
2020	75,000	2030	110,000

Bids for the Certificates may contain a maturity schedule providing for any combination of serial Certificates and term Certificates, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

INTEREST RATES:

All rates must be in integral multiples of 1/20th or 1/8th of 1%. *Rates must be in level or ascending order.* No limitation is placed upon the number of rates which may be used. All Certificates of the same maturity must bear a single uniform rate from date of issue to maturity.

ADJUSTMENTS TO PRINCIPAL

AMOUNT AFTER BIDS:

The District reserves the right to increase or decrease the principal amount of the Certificates. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread. Such adjustments shall be made promptly after the sale and prior to award of Bids by the District and shall be at the sole discretion of the District.

The successful bidder may not withdraw or modify its Bid once submitted to the District for any reason, including post bond adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

OPTIONAL REDEMPTION:

At the option of the District, Certificates maturing on March 1, 2020 and thereafter are subject to redemption on March 1, 2019, and any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part. If redemption is in part,

the maturity and the principal amounts within each maturity to be redeemed shall be determined by the District, and if only part of the Certificates having a common maturity date are called for prepayment, the specific Certificates to be prepaid shall be chosen by lot by the Trustee.

EXTRAORDINARY REDEMPTION: In the event of damage to all or a portion of the Project and if the District makes the necessary certifications and elections, the Certificates, or a portion thereof, shall be subject to prepayment on any date at the applicable Prepayment Price.

CUSIP NUMBERS: If the Certificates qualify for assignment of CUSIP numbers, such numbers will be printed on the Certificates, but neither the failure to print such numbers on any Certificate, nor any error with respect thereto, shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of and pay for the Certificates in accordance with terms of the purchase contract. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the successful bidder.

DELIVERY: Within forty days after award subject to approving legal opinion by Fryberger, Buchanan, Smith & Frederick, PA, Bond Counsel. Legal opinion will be paid by the District and delivery will be anywhere in the continental United States without cost to the successful bidder at DTC.

TYPE OF BID: Bids of not less than \$1,580,925 (98.5%) and accrued interest on the principal sum of \$1,605,000 must be filed with the undersigned prior to the time of sale. Bids must be unconditional except as to legality. Bids for the Certificates should be delivered to Northland Securities, Inc. and addressed to:

William Hanson, CFO/Executive Director of Business Services
ISD 709, Duluth, MN
215 North 1st Avenue East
Duluth, Minnesota 55802

A good faith deposit (the "Deposit") in the amount of \$32,100 in the form of a federal wire transfer (payable to the order of the District) is only required from the apparent winning bidder, and must be received within two hours after the time stated for the receipt of Bids. The apparent winning bidder will receive notification of the wire instructions from Northland Securities, Inc. promptly after the sale. If the Deposit is not received from

the apparent winning bidder in the time allotted, the District may choose to reject its Bid and then proceed to offer the Certificates to the next lowest bidder based on the terms of its original Bid, so long as said bidder wires funds for the Deposit amount within two hours of said offer.

Wire Instructions for the Deposit are as follows:

Bank Name: Wells Fargo Bank, N.A.

City, State: San Francisco, CA

Wire Routing Transit Number (RTN): 121000248

For Further Credit to: Northland Securities, Inc., Bond Escrow Account

Beneficiary Account Number (BNF): 346-9563161

Reference: Name of sender and Issuer name and Series

The District will retain the Deposit of the successful bidder, the amount of which will be deducted at settlement and no interest will accrue to the successful bidder. In the event the successful bidder fails to comply with the accepted Bid, said amount will be retained by the District. No Bid can be withdrawn after the time set for receiving Bids unless the meeting of the District scheduled for award of the Certificates is adjourned, recessed, or continued to another date without award of the Certificates having been made.

AWARD:

The Certificates will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis. The District's computation of the interest rate of each Bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Certificates will be awarded by lot. The District will reserve the right to: (i) waive non-substantive informalities of any Bid or of matters relating to the receipt of Bids and award of the Certificates, (ii) reject all Bids without cause, and (iii) reject any Bid which the District determines to have failed to comply with the terms herein.

OFFICIAL STATEMENT

By awarding the Certificates to any underwriter or underwriting syndicate submitting a Bid therefore, the District agrees that, no more than seven business days after the date of such award, it shall provide to the senior managing underwriter of the syndicate to which the Certificates are awarded, the Final Official Statement in an electronic format only as prescribed by the Municipal Securities Rulemaking Board (MSRB).

CONTINUING DISCLOSURE: The District will covenant in the resolution awarding the sale of the Certificates and in a Continuing Disclosure Undertaking to provide, or cause to be provided, annual financial information, including audited financial statements of the District, and notices of certain material events, as required by SEC Rule 15c2-12.

BANK QUALIFICATION: The District will designate the Certificates as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

BOND INSURANCE AT UNDERWRITER'S OPTION: If the Certificates qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the successful bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the successful bidder of the Certificates. Any increase in the costs of issuance of the Certificates resulting from such purchase of insurance shall be paid by the successful bidder, except that, if the District has requested and received a rating on the Certificates from a rating agency, the District will pay that rating fee. Any other rating agency fees shall be the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Certificates have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Certificates.

The District reserves the right to reject any and all Bids, to waive informalities and to adjourn the sale.

Dated: September 13, 2010

BY ORDER OF THE SCHOOL BOARD

/s/ William Hanson

Chief Financial Officer/Executive Director of Business
Services

Additional information may be obtained from:

Northland Securities, Inc.
45 South 7th Street
Suite 2000
Minneapolis, Minnesota 55402
Telephone No.: 612- 851-5900

B-9-10-2820

September 13, 2010

M-Seliga Punyko, S-Cameron, To Approve Resolution B-9-10-2820 Authorizing The Issuance And Sale Of Certificates Of Participation, Series 2010D, In An Amount Not To Exceed \$1,605,000, To Finance A Portion Of The Long-Range Facilities Plan And Amendment Of Prior Resolution

Board discussion took place regarding the consequences if the resolution wasn't approved.

M-Johnston, S-Glass, to postpone a vote on the resolution until the district could look into hiring new bond counsel.

Discussion took place regarding the motion.

Upon a vote, the same failed 2-5 as follows:

Yea: Glass, Johnston

Nay: Cameron, Grover, Kasper, Seliga Punyko, Wasson

Upon A Vote on Resolution B-9-10-2820, the same was approved 5-2 As follows:

Yea: Cameron, Grover, Kasper, Seliga Punyko, Wasson

Nay: Glass, Johnston

Member Seliga Punyko presented the resolution:

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT TO INSTALLMENT PURCHASE CONTRACT

BE IT RESOLVED, by the School Board (the "School Board") of Independent School District No. 709 (Duluth), St. Louis County, Minnesota (the "District"), as follows:

Section 1. A. Pursuant to the authority contained in Minnesota Statutes, Section 126C.40, Subd. 6 (the "Act"), the District is authorized to purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement upon application to, and approval by, the Minnesota Commissioner of Education.

B. The District has approved a Long-Range Facilities Plan (the "Plan") and the Commissioner of Education has approved the District's borrowing of \$71,170,000 under the Act to finance the purchase of real and personal property for the projects set forth in the Plan, including the new Lincoln Park/Piedmont Elementary School and the new West Middle School (the "Project").

C. By Resolution No. B-8-09-2667, adopted August 31, 2009, the School Board determined that it is necessary, expedient and in the best educational interests of the District's pupils and residents that the District enter into an installment purchase contract pursuant to the Act to finance the costs of the Project and the issuance of taxable full term certificates of participation in the installment payments under the installment purchase contract in the

maximum principal amount of \$71,170,000 pursuant to a declaration of trust.

D. The District selected Associated Trust Company, National Association, Green Bay, Wisconsin (the "Trustee") to act as vendor and the trustee as follows: the Trustee, as vendor, entered into an Installment Purchase Contract dated October 1, 2009 (the "Original Contract") with the District regarding the acquisition, construction and equipping of the Project, and the District and the Trustee entered into a Declaration of Trust dated October 1, 2009 (the "Original Declaration"), pursuant to which the Taxable Full Term Certificates of Participation, Series 2009A (Build America Bonds - Direct Pay) in the installment payments under the Original Contract in the principal amount of \$71,170,000 (the "Certificates"), were executed and delivered by the Trustee.

E. Pursuant to the Act, the District has applied to the Commissioner of Education for permission to make an additional levy for the installment payments under the Original Contract to finance the Project and the Commissioner has authorized the Project and the levy.

F. Pursuant to Section 5.02(b) of the Original Contract, the District reserved the right to modify or to add items to the Project provided that no such change in the description of the Project shall increase the aggregate amount of the Project Costs for all portions of the Project beyond the maximum funds under the Original Contract.

G. The District desires to transfer projects under the Plan to the Original Contract pursuant to an amendment to the Original Contract and an amendment of the description of the Project.

H. The Trustee, as vendor, and the District, as vendee, shall enter into an Amendment to Installment Purchase Contract (the "Amendment to Contract") to modify the description of the Project as described on Exhibit A hereto, and as set forth in the Amendment to the Contract. Such amendment shall modify the Original Contract.

I. The form of the Amendment to Contract proposed to be made and entered into between the District and the Trustee, as vendor, has been prepared and submitted to the Board.

Section 2. It is hereby found, determined and declared by the School Board that:

A. It is desirable and in the best interests of the District to enter into the Amendment to Contract; and

B. The terms of the Amendment to Contract are found to be advantageous to the District and are hereby approved.

Section 3. The Amendment to Contract is hereby approved. The Chair and the Clerk are hereby authorized and directed to execute and deliver the Amendment to Contract substantially in the form now on file with the Clerk, with such necessary and appropriate omissions, modifications, insertions and additions as do not materially affect the substance of the transaction, consistent with the Act, as the Chair in his discretion shall determine. The execution of the Amendment to Contract by the Chair, with the advice of the Attorney for the District, shall be conclusive evidence of such determination. All of the provisions of the Amendment to Contract, when executed and delivered as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated herein and shall be in full force and effect from the date of execution and delivery thereof.

Section 4. The Chair and the Clerk are hereby authorized to execute and deliver, on behalf of the District, such other documents as are necessary or appropriate in connection with the Amendment to Contract.

EXHIBIT A

Project Description

1. New Lincoln Park/Piedmont Elementary School
 - New Elementary Building for 550 students and related improvements and equipment
 - Land Acquisition for Site Expansion
2. New West Middle School
 - New Middle School Building for 1,100 students and related improvements and equipment
 - Land Acquisition for Site and Access
3. Congdon Elementary
 - Portion of Land Acquisition for Site Expansion and Parking Lot Improvements
4. Ordean High School
 - Portion of Land Acquisition for Site Expansion and Parking Lot Improvements

B-9-10-2821

September 13, 2010

M-Seliga Punyko, S-Cameron, To Approve Resolution B-9-10-2821 Authorizing The Execution And Delivery Of An Amendment To Installment Purchase Contract.

Member Johnston made a motion, seconded by Member Glass to amend the resolution to add a section five stating that the bonds would not be sold pending a referendum by the school district. Chair Grover ruled Member Johnston's motion out of order because the district cannot hold an advisory referendum on the bond issue.

Upon a vote on Resolution B-9-10-2821, the same was approved 5-2 as follows:

Yea: Cameron, Grover, Kasper, Seliga Punyko, Wasson

Nay: Glass, Johnston

Chair Grover adjourned the Special School Board meeting of September 13, 2010 at 6:24 p.m.

7. Communications, Petitions, etc.

- 08/12/10 Copy of letter addressed to School Board Chairman Tim Grover from Carmen Olejniczak expressing opinion regarding his campaign platform, citizens' right to vote on the school tax levy, and request that Central High School not be sold.
- 08/26/10 Copy of letter addressed to School Board Chairman Tim Grover from Robert Slimak expressing his opinion regarding things wrong in politics, campaigns, voting and re-election.
- 09/07/10 Copy of letter addressed to School Board Members from Richard Paulson requesting answers to questions he posed at the 6/15/10 and 7/20/10 School Board Meetings.
- 09/13/10 Copy of letter addressed to School Board Members from Ed Carlson, President of the City of Duluth Public Employee Retirees Group (PERG) respectfully requesting that Duluth Public Schools Stadium be renamed in honor of former Duluth coach John E. Vucinovich.
- 09/14/10 Copy of letter addressed to Superintendent Dixon and School Board from Wallace Newquist regarding possible cracks in his home's basement possibly due to blasting at new school site.

Independent School District 709
SCHEDULE OF MEETINGS AND EVENTS

All meetings are scheduled at Historic Old Central High School unless otherwise noted.

Week of September 20 – September 24, 2010

Monday	September 20	4:15 p.m.	Parent Advisory Council on Special Education (PACSE) Steering Committee Business Meeting Room 203C
Tuesday	September 21	6:30 p.m.	Regular School Board Meeting Board Room

Week of September 27 – October 1, 2010

Thursday	September 30	5:30 p.m.	Education Equity Advisory Committee Board Room
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Week of October 4 – October 8, 2010

No meetings scheduled at this time.

Week of October 11 – October 15, 2010

Monday	October 11	4:15 p.m.	Human Resources Committee Board Room
Monday	October 11	4:30 p.m. <i>(or to follow Human Resources Comm. Mtg)</i>	Business Committee Board Room
Tuesday	October 12	4:15 p.m.	Education Committee Board Room
Thursday	October 14	5:00 p.m.	Education Equity Advisory Budget Subcommittee Board Room

Week of October 18 – October 22, 2010

Tuesday	October 19	6:30 p.m.	Regular School Board Meeting Board Room
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Week of October 25 – October 29, 2010

Thursday	October 28	5:30 p.m.	Education Equity Advisory Committee Room 302
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Week of November 1 – November 5, 2010

No meetings scheduled at this time.

Week of November 8 – November 12, 2010

Monday	November 8	4:15 p.m.	Human Resources Committee Board Room
Monday	November 8	4:30 p.m. <i>(or to follow Human Resources Comm. Mtg)</i>	Business Committee Board Room
Tuesday	November 9	4:15 p.m.	Education Committee Board Room

*Office of the Superintendent
September 17, 2010*