



School District 622
NORTH ST. PAUL | MAPLEWOOD | OAKDALE

Ready for tomorrow

SCHOOL BOARD MEETING

Regular Meeting

**May 23, 2017
6:00 PM**

Board Members:

Caleb Anderson, Director
Theresa Augé, Director
Amy Coborn, Chair
Steve Hunt, Director
Nancy Livingston, Treasurer
Becky Neve, Clerk
Michelle Yener, Vice Chair

Superintendent:

Christine Osorio

622 Education Center
2520 East 12th Avenue
North St. Paul, Minnesota 55109

District Mission Statement:

We commit each day to develop and empower lifelong learners who thrive in diverse communities.

**SCHOOL BOARD
INDEPENDENT SCHOOL DISTRICT 622
North St. Paul-Maplewood-Oakdale**

**Regular Meeting
May 23, 2017
6:00 PM**

District Education Center, 2520 East 12th Avenue, North St. Paul

A G E N D A

I. Call to Order and Pledge of Allegiance

II. Approval of the Agenda

III. Public Comment

An opportunity for public to comment on items. Speakers shall complete a registration card, state their name and address, and will have between two and four minutes, depending on the number of speakers, to speak on an agenda topic. The Public Comment section of the meeting shall last no longer than thirty minutes.

IV. Consent Agenda

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The Consent Agenda consists of routine items that are acted on in a single, consolidated motion without Board discussion. Board members have the option of pulling items off the Consent Agenda if they wish to discuss them or consider them individually.

****I recommend that the consent agenda items, listed below, be approved as presented.***

A. Minutes of April 25, 2017 Work Study Session

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B. Minutes of April 25, 2017 Business Meeting

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C. Routine Personnel

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At the end of the 2015-16 school year, a Behavior Intervention Assistant, an at will employee, was terminated for performance reasons. This year he filed a complaint with the EEOC claiming discrimination. This employee felt he was discriminated against while

working at Tartan High School. The District does not believe this to be true, but as is customary agreed to mediation prior to the EEOC doing its investigation.

1. The EEOC likes employers to engage in mediation to resolve complaints.

2. After a day of deliberation with the mediator and with the and the employee's representatives, Karen Kepple advised it was best to settle this claim at \$17,500 and forgo a protracted investigation with increased legal fees. By paying this settlement it does not admit fault or wrongdoing on the district's part, but does prevent a more expensive legal issue.

D. Bid Calendar	22
E. Bid Award	23
F. Disbursements	28

V. Reports

A. Student School Board Representatives

B. Superintendent - *Osorio*

I will take a moment during my report to introduce you to 2 new employees and 1 you may already be familiar with: Julie Coffey (new HR Director); Lynn Pham (new Principal of Skyview Middle); and Joe Slavin (new Director of Technology & Innovation). All three of these individuals will begin their new roles effective July 1.

1. Recognition of Phoebe Ato

As we say goodbye to Phoebe Ato, we welcome current Tartan 10th grader Katelyn Krummel. We are hoping to have Katelyn in the audience so that introductions can be made.

C. Student Services - *Hughes*

1. Check & Connect

Director of Student Services, Tricia Hughes, along with Stephanie Lindekugel, Check and Connect Specialist, will provide an overview of District 622's Check and Connect programming at the elementary, middle, and high school levels. A short presentation will be shared followed by a brief video including student, staff, and parent testimonials.

VI. Action Items

A. Business Office

1. Acknowledgment of Contributions - Coborn 31
**I recommend that the list of contributions, with a year to date total of \$86,171.45 be accepted with appreciation.*
2. Approval of the 2016-17 Budget Revisions - R. Anderson 32
We have looked at updated budget numbers and are using these to determine any final budget revisions that need to be prepared. Attached are final budget revisions for the 2016-2017 budgets.

**I recommend that the 2016-2017 budget revisions be approved.*
3. Adoption of Policy E-097 (Uniform Grant Guidance Policy Regarding Federal Revenue Sources) - R. Anderson 35
We first reviewed this policy at the April 11 work session, followed by a first formal reading at the April 25 business meeting.

**I recommend that the Board approves the adoption of Policy E-097.*
4. Increase in Lunch Prices 2017 - 2018 School Year - R. Anderson 51
Paula Pohlkamp, Supervisor of Nutrition Services, is proposing an increase in the school meal prices for the 2017-2018 school year. The new meal prices will meet the paid lunch equity requirements for the Healthy, Hunger-Free Kids Act (HHFKA) of 2010. Per the attached USDA/MDE calculator, the HHFRA recommended increase is \$.10. The proposed increase is \$.10 for lunch and no change for breakfast.

A majority of school districts are in the process of increasing meal prices for the upcoming school year. Attached are neighboring districts and their tentative prices for 2017-2018.

**I recommend that the proposed increase for 2017-2018 meal prices be approved.*

5. Authorizing the Execution and the Delivery of the 916 Lease/Purchase Agreement - R Anderson 54

You will be signing a resolution that sets up the proposed lease/purchase of the Oakdale and John Glenn additions from Northeast Metropolitan Intermediate District 916. By approving the resolution the school board approves and authorizes the execution of the lease agreement and related documents and certificates. It also designates and authorizes Randy to execute the lease agreement and any related documents on behalf of the District.

The agreed upon price of the additions is \$1,600,400 which was valued at \$100 a square foot. The District will also purchase furniture and equipment in the John Glenn addition for a price of \$26,576, making the total agreed upon price \$1,626,976. The lease/purchase agreement will be for 10 years at an interest rate of 3.1%, with semi-annual payments totaling \$188,058 per year. The payments will be paid by dollars levied through the levy certification process using lease levy authority.

**I recommend that the Board authorizes the execution and the delivery of the 916 Lease/Purchase Agreement.*

B. School Board

1. Set Work Study Session

We just received our MSBA model policies from the past legislative session and we are working quickly to prepare them for your review so that any suggested revisions may be implemented prior to the

start of the 2017-2018 school year. We would like to share them with you at a proposed work study session on June 27. Our plan is to have the policies sent to you as soon as they are ready, along with our revision summary sheet so that you have time to peruse them prior to the study session. Questions can be sent to us ahead of the session to keep us working efficiently.

**I recommend that a work study session be held on June 27, 2017, at 4:15 p.m. in Room 202 of the District Education Center with the following agenda item: Policy Review.*

2. Set Agenda and Location for June 27, 2017 Reflection Study Session

We have the date and time of our June 27, 2017 reflection study session set, but we need to approve location and agenda.

Suggested items include: Ice Breaker, Superintendent Check In, Reports (Committees/Liaisons/Training/Conferences), and Student Board Representatives.

**I recommend that the June 27, 2017 reflection study session that begins at 5:00 p.m. be held in Room 202 of the District 622 Education Center and include the follow agenda items: 1)Ice Breaker; 2)Superintendent Check In; 3)Reports; 4)Student Board Representatives.*

3. Set Closed Session

I would like to suggest a brief closed session immediately following the adjournment of our June 27, 2017 business meeting to discuss teacher contract negotiations.

**I recommend that a closed session begin immediately following the June 27, 2017 business meeting in Room 201A of the District 622 Education Center for the purpose of discussing contract negotiations.*

4. Set Board Meeting Dates for 2017-2018

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A proposed calendar for dates for our business meetings, work study sessions, and reflection study sessions is listed in the resolution. We tried to keep the study sessions on the second Tuesday of the month and business meetings on the fourth Tuesday of the month (with an exception here and there). There are 12 scheduled business meetings; 5 work study sessions; and 4 reflection study sessions. The business meetings begin at 6:00 p.m. with the exception of the July 18 business meeting which will begin at 4:30 p.m. The work study sessions generally begin at 4:30 p.m. and the reflection study sessions will begin at 5:00 p.m.

**I recommend that the board meeting dates for 2017-2018 be approved as presented.*

VII. Board Communications

VIII. Future Board Meeting Dates

- A. June 27, 2017 Reflection Study Session 5:00 P.M. (Conference Room 202)
- B. June 27, 2017 Business Meeting 6:00 p.m. (Board Room)

IV. CONSENT AGENDA

The Consent Agenda is designed to expedite the handling of routine and miscellaneous official business of the School Board. The entire agenda may be adopted by the Board in one motion. The motion for adoption is not debatable and must receive unanimous approval. By request of an individual Board member, an item can be removed from the Consent Agenda and placed upon the regular agenda for consideration and action.

Therefore, the following resolution is recommended:

BE IT RESOLVED by the School Board of Independent School District No. 622 that Consent Agenda Items, IV.A. through IV.F., be approved as written, and a copy of the agenda items is attached to the minutes.

MOTION:

SECOND:

**INDEPENDENT SCHOOL DISTRICT 622
NORTH ST. PAUL-MAPLEWOOD-OAKDALE SCHOOLS**

**WORK STUDY SESSION
SCHOOL BOARD
April 25, 2017**

Chair Coborn called the meeting to order at 5:30 p.m. with the following present: Chair Coborn, Vice Chair Hunt, Clerk Neve, Treasurer Yener, Directors Anderson, Augé, Livingston, and Superintendent Osorio.

Others present were: Randy Anderson and Kim Cavallaro.

In the audience: Jessica Cabak.

R. Anderson led a conversation on the dissolution of Tartan Joint Powers. Board members discussed the process and timeline of whether or not District 622 should consider taking ownership of Tartan Arena.

The meeting adjourned at 5:52 p.m.

Clerk

Public notice for solicitation of bids, requests for quotes and requests for proposals are located on the ISD 622 website, www.isd622.org.

**INDEPENDENT SCHOOL DISTRICT 622
NORTH ST. PAUL-MAPLEWOOD-OAKDALE SCHOOLS**

**REGULAR MEETING
SCHOOL BOARD
April 25, 2017**

Chair Coborn called the meeting to order at 6:01 p.m. with the following present: Chair Coborn, Vice Chair Yener, Clerk Neve, Treasurer Livingston, Directors Anderson, Augé, Hunt, Superintendent Osorio, and Student Board Representative Larsen. Absent: Student Board Representative Ato.

Others present were: Keith Gray, Director of Human Resources; Randy Anderson, Director of Business Services; Terri Johnson, Director of Community Education; and Kim Cavallaro, Administrative Assistant.

The meeting opened with the Pledge of Allegiance led by the EXCEL Award Winners.

Hunt moved and Neve seconded the following motion, which carried on a 7 - 0 vote:

THAT the agenda be approved as presented.

Yener presented Achievement Awards to the following individuals who were EXCEL Award winners: Mike Boland for receiving the Community Contribution Award; Clyde Doepner for receiving the Community Educator Award; Phil Murphy for receiving the Lifelong Learner Award; and Arianna Weldon for receiving the Community Education Youth Award.

Livingston moved and Augé seconded the following resolution, which carried on a 7 - 0 vote:

BE IT RESOLVED by the School Board of Independent School District No. 622 that the following Consent Agenda Items, V.A. through V.H., be approved as written, and a copy of the agenda items is attached to the minutes.

North High Student Board Representative Shelby Larsen reported on the following items: A lot of events are going on - Student Council and National Honor Society hosted their first dodgeball tournament with all the money raised given to Pennies for Patients and North's Backpack Program; Student Council hosted Mr. North High (senior boys' talent show) which was held last week; five student representatives from Student Council attended a convention in Rochester and the representatives were able to get to know other leaders from around the state; Girls softball tied for first place in the conference; Megan Rubbelke recently was awarded the Athena Award; many great finishes have been taking place in track and field; the Boys and Girls track team picked up trash within the community on Earth Day; and Northern Lights Show Choir performed their recent play, Hillbilly Wedding, and it was a very fun show.

Yener read Tartan High Student Board Representative Phoebe Ato's report: CeCe Boyle was Tartan's Athena Award winner; spring sports are in full swing - the weather has been good but sporadic; DECA is heading to Nationals tomorrow and it is taking place in California; Skills USA - three of Tartan's 916 students participated in and received awards in the Skills USA competition with 2 receiving gold awards and qualifying for national competition in Louisville, Kentucky in June; Tartan Business Professionals of America (BPA) students competed at the BPA State Conference on March 23 - 25. Approximately 1,100 students from around the state competed and Tartan continued its tradition of success with 3 students qualifying for Nationals in their event and 3 more as Finalists; Academic Awards and the NHS induction ceremony will take place tomorrow night at 7:00 p.m.; ACT testing went very smoothly and only one student was absent; great feedback has been received from seniors who participated in the Senior Wisdom retreat; and an Intentional Social Interaction (ISI) took place at Landfall Community Center on Saturday with students taking the lead and beginning community conversations around Tartan traditions.

Osorio introduced Route 622, which is the name of District 622's Competitive E-12 Pathways. Route 622 will provide the framework and frame of reference for students to develop an individual post-secondary transition plan with the end goal of students being prepared for entry into the workforce and/or post-secondary education in a recognized career pathway. Osorio reported on the two phases of the five Career Pathways, with Phase I being launched the fall of 2018 with Business, Management, & Administration; and Engineering, Manufacturing, & Technology. Phase 2 will be launched in the fall of 2019 and beyond and will focus on student career pathway options within three additional career fields: Health Services, Human Services and Arts, Communications & Information Services.

Osorio also reported that the negotiations process has begun.

She mentioned the numerous events taking place and encouraged everyone to enjoy the fun which includes concerts and carnivals. Osorio closed her report by mentioning that Johnson would be sharing a report on the Community Education Department. She complimented Johnson on her work and shared her excitement for the large turnout at the Early Childhood Family Night event.

Johnson presented an overview and a video of District 622's Community Education programs and services ranging from Early Childhood through Senior Citizens.

R. Anderson presented Policy E-097, Uniform Grant Guidance Policy Regarding Federal Revenue Sources. He had first reviewed the policy at the April 11, 2017 work study session, and is proposing it for action at the May 23, 2017 business meeting.

Neve moved and Anderson seconded the following resolution, which carried on a 7 - 0 vote:

BE IT RESOLVED by the School Board of Independent School District No. 622 that the School Board accept with appreciation the following contributions and permit their use as designated by the donors.

<u>Donor</u>	<u>Item and/or Amount</u>	<u>Purpose</u>
Anonymous	\$210.74	Eagle Point Nutrition Services - to reduce negative student nutrition balances
Theresa Augé	60 three ring binders	ISD 622 students and staff
Dr. Christa Waymire	\$75.00	CREED John Glenn Middle School
Scott & Amanda Adkins	Blue gait trainer	ISD 622
Susan Purvis	\$20.00	Meals on Wheels
3M Company	Baxter Robot	Tartan Robotics
3M Gives	\$11,500.00	Meals on Wheels

R. Anderson introduced Greg Crowe from Ehlers, who spoke to the sale day report for District 622 for \$6,600,000 General Obligation Alternative Facilities Refunding Bonds, Series 2017A.

Yener moved and Hunt seconded the following resolution, which carried on a 7 - 0 vote:

BE IT RESOLVED by the School Board of Independent School District No. 622, State of Minnesota, as follows:

Section 1. Authorization and Sale.

1.01 Authorization.

(a) At a meeting held March 28, 2017, this Board determined to sell and issue \$7,105,000 principal amount of General Obligation Alternative Facilities Refunding Bonds of Independent School District No. 622 (the "Issuer" or the "District"). Said Bonds shall hereinafter be referred to as the "Bonds" or the "Refunding Bonds." In the Terms of Proposal, the District reserved the right, after proposals were opened and prior to award, to increase or decrease the principal amount of the Bonds offered for sale, with the increase or decrease to occur in multiples of \$5,000 in any of the maturities. The Refunding Bonds, together with other available funds of the Issuer, shall provide funds to refund in advance of their stated maturities, through a partial net cash advance refunding, all of the bonds maturing in the years 2019 to 2028, aggregating \$6,750,000 in principal amount, of the Issuer's General Obligation Alternative Facility Bonds, Series 2008A, bearing a date of original issue of February 1, 2008 (the "Refunded Bonds"), and shall provide funds to pay the interest payments on the Refunded Bonds from May 18, 2017 to and including February 1, 2018 (the "Call Date") and to pay the principal amounts being called on the 2019 to 2028 maturities of the Refunded Bonds on said Call Date. The Series 2008A Bonds were originally issued to provide funds for the acquisition and betterment of projects included in the District's ten-year facility plan as approved by the Commissioner pursuant to Minnesota Statutes, Section 123B.59. The Refunded Bonds have not previously been refunded.

1.02 Sale. The Board, having been advised by Ehlers & Associates, Inc., its independent municipal advisor, has determined that this issue shall be privately sold after receipt of written proposals, as authorized pursuant to Minnesota Statutes, Section 475.60, Subdivision 2. The Board has publicly received and considered all proposals presented in conformity with the Terms of Proposal contained in the Official Statement, which are hereby ratified and confirmed in all respects and are incorporated herein by reference as though fully specified in this paragraph. The most favorable of such proposals is ascertained to be that of Wells Fargo Bank National Association (the "Purchaser") to purchase the Bonds at a price of \$7,072,663.45 plus interest accrued to settlement, and upon the further terms and conditions set forth in the Terms of Proposal contained in the Official Statement and this resolution. Said proposal is hereby accepted and the sale of the Bonds is hereby awarded to said Purchaser.

This is an excerpt of the resolution. The complete resolution is available for viewing in the Business Office of District 622, and on the District 622 website.

Augé moved and Livingston seconded the following resolution, which carried on a 7 - 0 roll call vote:

BE IT RESOLVED by the School Board of Independent School District No. 622 that pursuant to Minnesota Statutes, the teaching contracts of the following probationary teachers are hereby terminated at the close of the 2016-2017 school year and are not renewed for the 2017-2018 school year:

K-5

Teacher/FTE

Bomgren, Amanda - .49
Brown, Amy - .55
Bruno, Anita - 1.0
Cooley, Katie - .49
Drechsel, Krista - .49
Gleason, Margaret - 1.0
Gustafson, Leah - 1.0
Hegg-Sylvester, Sonni - .90
Herzog, Barbara - .41
Johnson, Adam - 1.0
Kolberg, Lori - .45
LeTourneau, Katie - 1.0
Oberding, Brenda - .49
Pavek, Nancy - .49
Pfenning, Kim - .49

Total FTE: 10.25

6-12

Teacher/FTE

Clegg, Paula - .80
Franks, Alexander - 1.0
Golden, Jamie - .60
Halsten, Margaret - .10
Jacobsen, Lesa - .50
Jaen, Elizabeth - .60
Maveus, Kolleen - .20
Overson, Sandi - 1.0

Total FTE: 4.80

Student Services

Teacher/FTE

- Alvarez, Alex - 1.0
- Aurand, Robert - .80
- Blesi, Molly - 1.0
- Brown, Jill - 1.0
- Butwin, Sally - 1.0
- Conniff, Benjamin - 1.0
- Cwengros, Bridget - .20
- Johnson, Sara - 1.0
- Hansen, Amy - 1.0
- Holmberg, Neil - 1.0
- Macheledt, Susan - 1.0
- Morley, Emily - .25
- Nesselhuf, Alicia - .50
- Ross, Candice - 1.0
- Russell, McKinzie - 1.0
- Scheidler, Jerome - 1.0
- Strasser, Kelly - 1.0
- Torrez, Dan - 1.0
- Weiler, Stefanie - 1.0
- Valentine, Lisa - 1.0
- Venkataraman, Shuba - .20

Total FTE: 17.95

Anderson moved and Yener seconded the following resolution, which carried on a 7 - 0 vote:

BE IT RESOLVED by the School Board of Independent School District 622 that the School Board approves the two-year contract with HealthPartners per the attached fixed cost fees and approves the health/hospitalization insurance budget rates, for the period of July 1, 2017 through June 30, 2018 at the following monthly amounts:

NationalONE \$200-\$25 plan, a budget rate increase of 1.9%
All bargaining units

	2016-2017	2017-2018
<u>Coverage Type</u>	<u>Budget Rate</u>	<u>Budget Rate</u>
Single Coverage	\$667.37	\$679.73
Family Coverage	\$1,728.72	\$1,761.14

NationalONE VEBA \$1150-100% plan, a budget rate increase of 2.1%
Nutrition Services

	2016-2017	2017-2018
<u>Coverage Type</u>	<u>Budget Rate</u>	<u>Budget Rate</u>
Single Coverage	\$603.80	\$618.40
Family Coverage	\$1,559.14	\$1,591.03

NationalONE VEBA \$2000-100% plan, a budget rate increase of 1.6%
Teachers

	2016-2017	2017-2018
<u>Coverage Type</u>	<u>Budget Rate</u>	<u>Budget Rate</u>
Single Coverage	\$564.47	\$575.70
Family Coverage	\$1,454.22	\$1,477.09

NationalONE HSA \$2600-100% plan, a budget rate increase of 1.2%
Clerical (Local 12), Custodian/Drivers (Local 70), Education Assistants (Local 12),
Non-Units, Paraprofessionals, and Principals

	2016-2017	2017-2018
<u>Coverage Type</u>	<u>Budget Rate</u>	<u>Budget Rate</u>
Single Coverage	\$509.75	\$516.09
Family Coverage	\$1,308.23	\$1,324.56

NationalONE HDHP \$6200-100% plan, a budget rate increase of 2.7%
All employees eligible via ACA regulations

	2016-2017	2017-2018
<u>Coverage Type</u>	<u>Budget Rate</u>	<u>Budget Rate</u>
Single Coverage	\$393.35	\$403.62
Family Coverage	\$997.69	\$1,024.51

Retiree Medicare Freedom Plan, a budget rate decrease of 1.3%

	2016-2017	2017-2018
<u>Coverage Type</u>	<u>Budget Rate</u>	<u>Budget Rate</u>
Single, 65+	\$329.60	\$325.30
Family, both 65+	\$659.20	\$650.60

Hunt moved and Augé seconded the following resolution, which carried on a 7 - 0 vote:

BE IT RESOLVED by the School Board of Independent School District 622 that the School Board approves HealthPartners as the administrator for on-site clinic; for the period of July 1, 2017 through June 30, 2019. The fixed fees will remain at the

current rate of \$240,000. The term of the agreement automatically renews annually on a year by year basis unless otherwise terminated. Either party may terminate the agreement for any reason by providing the other party written notice at least 90 days in advance.

Livingston moved and Anderson seconded the following resolution, which carried on a 7 - 0 vote:

BE IT RESOLVED by the School Board of Independent School District 622 that the School Board approves a retention contract for employee dental insurance coverage with Delta Dental of Minnesota for one year premium of \$99.25 per month for the period of July 1, 2017 through June 30, 2018.

Coborn asked board members to set a work study session. Yener moved and Livingston seconded the following motion, which carried on a 7 - 0 vote:

THAT a Work Study Session be held on May 23, 2017 at 5:15 p.m. in Room 206A of the District Education Center with the following agenda item: Facilities Master Planning.

During Board Communications, the following items were shared:

- ✓ Anderson reported that he had visited the Capitol with other board members across the state and appreciated the opportunity to speak with our lawmakers. He added that he is very impressed with our legislators and that he hopes that in the end all of the bills will favor education.
- ✓ Neve said that the John Glenn craft fair was a big success and thanked a huge group from North High who helped with the event. She mentioned that she had attended the middle school track meet and how wonderful it was to see students with disabilities participating.
- ✓ Yener stated that Richardson and Cowern are having their carnivals on Friday and invited everyone to attend. She mentioned that Wednesday is Administrative Professionals Day and thanked Cavallaro for her work.
- ✓ Livingston reported on the equalization tax bill for districts and encouraged people to write emails to the tax conference committee members stating the importance to our district. Livingston also talked about the proposed transition program that Osorio and superintendents from White Bear and Mahtomedi created that is still in the education bill.
- ✓ Augé provided an update on the Tartan Joint Powers Board and mentioned that they just paid their last payment on the bond and it is time to look at single ownership as it is a desire to do so. She said that there most likely will be increased meetings as entities discuss options and individuals should contact Randy Anderson with concerns. Augé also mentioned that she had been a recent guest at the drum line fusion banquet. She commented on the great group of talented students with participants from our middle and high schools.

- ✓ Coborn echoed Yener's gratitude toward Cavallaro. She also reminded the audience to stop by and visit the many school carnivals and activities that are taking place and stated that vendors from the North St. Paul car show would be at the Cowern carnival.

Livingston moved and Yener seconded the following motion, which carried:

THAT the meeting be adjourned.

The meeting adjourned at 7:16 p.m.

Clerk

Public notice for solicitation of bids, requests for quotes and requests for proposals are located on the ISD 622 website, www.isd622.org.

Employment

First Name	Last Name	Employed as	Building	Effective	Pay Rate	Per
Ryan	Abrahamson	Boys Baseball - Asst Coach	Tartan	3/20/17	\$3,412.93	Assignment
Jason	Arndt	Boys Tennis - JV Coach	Tartan	3/27/2017	\$3,606.12	Assignment
James	Boyle	Girls Track - Head Coach	Tartan	3/20/2017	\$6,053.13	Assignment
Benjamin	Brunton	LaCrosse - Asst Coach	Tartan	5/1/17	\$1,030.32	Assignment
Ric	Caldwell	Speech Language Pathologist	Cowern	8/28/17	\$64,802.00	Year
Cliff	Charpentier	Girls Softball - Co-Head Coach	North HS	3/13/2017	\$5,376.98	Assignment
Christopher	Decorsey	Girls La Crosse - Asst. Coach	Tartan	4/3/2017	\$5,022.81	Assignment
Lindsey	Engrav	Girls Adapted Bowling - Asst Coach	Tartan	3/20/2017	\$3,541.72	Assignment
Tyrone	Evans	Girls Track - Asst. Coach	Tartan	3/20/2017	\$4,314.46	Assignment
William	Foote	Girls Softball - Asst Coach	Tartan	3/20/2017	\$4,314.46	Assignment
Lawrence	Fronczak	Boys Tennis - Head Coach	Tartan	3/27/2017	\$5,150.60	Assignment
Adam	Ghormley	Track Starter	John Glenn Middle School	3/27/17	\$17.25	Hour
Michael	Head	Girls Softball - Asst Coach	Tartan	3/20/2017	\$2,736.78	Assignment
Katoria	Kennedy	HR Specialist - Diversity Recruiter	DEC	5/8/17	\$19.16	Hour
Jill	Kenton	SPED Instructional Coach	DEC	7/1/17	\$73,511.90	Year
Amy	Krier	Adapted Bowling - Asst. Coach	Tartan	3/20/17	\$1,577.67	Assignment
Brian	Larson	Girls Softball - Head Coach	Tartan	3/20/2017	\$5,924.34	Assignment
Alex	Leitch	Boys La Cross - Asst Coach	Tartan	4/3/17	\$3,734.91	Assignment
Colin	Leitch	Boys La Cross - Asst Coach	Tartan	4/3/17	\$3,992.49	Assignment
Kevin	Lindahl	Boys La Cross - Head Coach	Tartan	4/3/17	\$5,924.34	Assignment
Natalie	Macdonald	Girls Track - Asst. Coach	Tartan	3/20/2017	\$2,768.98	Assignment
Alyssa	Malmar	Girls Softball - Asst Coach	Tartan	3/20/2017	\$1,000.00	Assignment
Rebecca	Moos	Girls Softball - Asst Coach	Tartan	3/20/2017	\$2,500.00	Assignment
Thomas	Nemo	Girls Softball - Co-Head Coach	North HS	3/13/2017	\$5,376.98	Assignment
Jaimee	Nowicki	Girls La Crosse - Asst. Coach	Tartan	4/3/2017	\$3,219.75	Assignment
Ronald	Park	Part time Custodian	Maplewood	5/1/17	\$17.09	Hour
Lynn	Pham	Middle School Principal	Skyview Middle	7/3/17	\$126,850.00	Year
Audra	Richards	Girs Track - Asst Coach	Tartan	3/20/2017	\$1,706.46	Assignment
James	Rinek	English Learner Teacher	North	8/28/17	\$47,074.00	Year
Andrew	Ronayne	Girls Track - Asst. Coach	Tartan	3/20/2017	\$1,674.27	Assignment
Allison	Roth	Girls Softball - Asst Coach	Tartan	3/24/2017	\$1,000.00	Assignment
Curt	Russell	Boys Baseball - Head Coach	Tartan	3/20/17	\$6,310.71	Assignment
Margaret	Straka	Girls La Crosse - Asst. Coach	Tartan	4/3/2017	\$1,159.11	Assignment
Kelly	Strasser	SPED Resource Teacher	Carver	8/28/17	\$51,232.00	Year
Sondra	Sylvester	Special Education Teacher	District Wide	8/28/17	\$63,917.00	Year
Elizabeth	Tabaka	Girls La Crosse - Head Coach	Tartan	4/3/2017	\$3,348.54	Assignment
Kevin	Thompson	Umpire - softball and baseball	John Glenn Middle School	3/27/17	\$55.00	Game
Erik	Tvedten	Girls La Crosse - Head Coach	Tartan	4/3/2017	\$5,409.18	Assignment
Phillip	Walczak	Lacrosse - Head Coach	North	4/3/17	\$5,022.81	assignment
Taylor	Wurl	Girls Track - Asst. Coach	Tartan	3/20/2017	\$1,706.46	Assignment

Status Change

First Name	Last Name	From	To	Effective	Pay Rate	Per
Kristin	Brastad	.18 Education Assistant	.27 Education Assistant	4/24/17	\$13.33	Hour
Janet	Doman	Accountant	Finance Supervisor	6/1/17	\$95,000.00	Year

David	Perkins		Settlement Agreement	5/5/17	\$17,500.00	
Alecia	Salo	Interim Health Services Supervisor	Health Services Supervisor	7/1/17	\$85,000.00	Year
Janna	Stephens	Part Time Bus Driver	Student Contact Day driver	5/8/17	\$19.66	Hour
Mike	Yang	.20 Athletic Director/.34 Phy Ed Teacher	.20 Athletic Director/.17 Phy Ed Teacher/.50 Health Teacher	8/28/17	\$35,404.65	Year

Leave of Absence

First Name	Last Name	Assignment	Building	Leave Type	Dates
Kathleen	Allen	Young Scholars Teacher	Skyview Elementary	.20 Special	8/28/2017 - 6/8/2018
Nicole	Bailey	SPED Teacher	Districtwide	1.0 Special	8/28/2017 - 6/8/2018
Christine	Ballack	Elementary Teacher	Districtwide	1.0 Special	8/28/2017 - 6/8/2018
Nicole	Beck	Social Studies Teacher	Tartan	.20 Special	8/28/2017 - 6/8/2018
Katie	Carlsen	Intervention Teacher	Weaver	.60 Special	8/28/2017 - 6/8/2018
Melissa	Chiri	Language Arts Teacher	North	1.0 Special	8/28/2017 - 6/8/2018
Charles	Christopherson	Industrial Tech Teacher	John Glenn	.20 Special	8/28/2017 - 6/8/2018
Jennifer	Cook	World Language Teacher	North	.60 Special	8/28/2017 - 6/8/2018
Corrine	Crothers	Spanish Teacher	North	.20 Child Care	8/28/2017 - 6/8/2018
Jaclyn	Eichenberger	Elementary Teacher	Cowern	1.0 Special	8/28/2017 - 6/8/2018
Rainbow	Espinosa	English Learner Teacher	North	.20 Child Care	8/28/2017 - 6/8/2018
Debra	Fisher	Art Teacher	John Glenn	.20 Special	8/28/2017 - 6/8/2018
Kathryn	Gantruis	Young Scholars/SAIL Teacher	Webster/DEC	.25 Special	8/28/2017 - 6/8/2018
Megan	Gauer-Kloos	Check and Connect	Weaver and Webster	Special Leve	
Andrea	Hager	School Counselor	Non Public	.20 Special	8/28/2017 - 6/8/2018
Jessica	Haster	Intervention Teacher	Weaver	1.0 Special	8/28/2017 - 6/8/2018
Renae	Kiser	Instructional Coach	Eagle Point	.35 Special	8/28/2017 - 6/8/2018
Julie	Nelson	Instructional Coach	Cowern	.25 Special	8/28/2017 - 6/8/2018
Jean	Olinger	Social Studies Teacher	Maplewood	.20 Special	8/28/2017 - 6/8/2018
Elizabeth	Poindexter Dobbins	Instructional Coach	John Glenn	.10 Special	8/28/2017 - 6/8/2018
Nicole	Powers	English/AVID Teacher	North	.20 Special	8/28/2017 - 6/8/2018
Kimberlee	Presswood	English Teacher	Tartan	.20 Special	8/28/2017 - 6/8/2018

Erica	Schaps	Math Teacher	Skyview Middle	.20 Special	8/28/2017 - 6/8/2018
Joy	Slater	English Teacher	Tartan	.20 Special	8/28/2017 - 6/8/2018
Tanya	Slavsky	Phy Ed/Health Teacher	Tartan	.20 Special	8/28/2017 - 6/8/2018
Katherine	Stuemke	SPED Teacher	Castle	1.0 Special	8/28/2017 - 6/8/2018
Laura	Tiede	French Teacher	North	.60 Special	8/28/2017 - 6/8/2018
Jacqueline	Vandenbergh	Elementary Teacher	Districtwide	1.0 Special	8/28/2017 - 6/8/2018
Lauren	Vanoverbeke	Science Teacher	Skyview Middle	.40 Special	8/28/2017 - 6/8/2018
Jessica	Vinar	ECSE Teacher (Yr Round)	Beaver Lake	Child Care	6/7/17 - 7/24/2017
Emily	Wollin	Young Scholars/SAIL Teacher	Carver	.30 Special	8/28/2017 - 6/8/2018

Resignation

*	First Name	Last Name	Assignment	Building	Effective
	Trudi	Albert	Paraprofesional	Harmony	5/5/2017
*	Anne	Dudley	ECSE Teacher	Beaver Lake	8/27/2017
	Rachel	Erickson	Science Teacher	North	6/12/2017
	Angela	Haverland	Resource Teacher	Castle	6/12/2017
*	Mary	Herbst	Grade IV Guidance Secretary	North	6/9/2017
*	Julie	Oelrich	FAN Teacher	John Glenn	6/12/2017
	Kristine	Olness	Paraprofesional	Tartan	5/2/2017
	Lisa	Tilleskjoer	American Sign Language Teacher	Tartan	6/12/2017
	Casey	Van De Laarschot	Social Studies Teacher	John Glenn	6/12/2017
*	Connie	Williamson	Paraprofesional	Maplewood	6/9/2017

Termination

First Name	Last Name	Assignment	Building	Effective
Grant	Cameron	BIS	Cowern	6/12/2017
Maria	Craig	BIA	Tartan	6/9/2017
Emily	Landblom	Check and Connect	Tartan	6/9/2017

BID/RFP CALENDARS

<u>NAME OF BID</u>	<u>BID OPENING</u>	<u>BOARD MEETING</u>
JOHN GLENN MIDDLE SCHOOL TENNIS COURTS PROJECT	MAY 11, 2017	MAY 23, 2017

<u>NAME OF RFP</u>	<u>RFP DUE DATE/TIME</u>	<u>BOARD MEETING</u> (if applicable)

“Notice to Bidders” can be found on ISD 622 website at www.isd622.org. Click on “New Bid/RFP Posted” Quick Link to see a complete listing of Bids and RFPs.

Note: RFP’S have a due date/time only. There is not a formal opening or reading of the proposals unless noted. Bids have a due date/time and room location for the formal opening and reading of the bids.

IV. E. BID AWARDS

Sealed bids were solicited as required by law for goods and services listed below. The bids were opened and tabulated by the Business Office and are recommended for award to the lowest responsible bidders. Bid tabulations are on file in the Business Office.

Therefore, the Director of Business Services recommends the following resolution:

BE IT RESOLVED by the School Board of Independent School District No. 622 that contracts be awarded as follows:

<u>For</u>	<u>Vendor</u>	<u>#Bids</u>	<u>Fund</u>	<u>Amount</u>
TARTAN HIGH SCHOOL AIR HANDLER UNIT UPGRADES	MORCON	1	01	\$380,500.00
JOHN GLENN MIDDLE SCHOOL TENNIS COURTS	T.A. SCHIFSKY	6	01	\$776,500.00



PERFORMANCE
DRIVEN DESIGN.
LHBcorp.com

**PROJECT TITLE: ISD 622
Tartan High School Air Handling Unit Upgrades**

BID CLOSE: 04,20,2017 @ 2:00pm

BID TABULATION

BIDDER	ADD'A	BID BOND	RESPONSIBLE CONTRACTOR	BASE BID	COMMENTS
ISD 622 Budget Numbers				\$ 324,418.00	Contingency = \$19,433.91
Morcon Construction	1 & 2	x	x	\$ 380,500.00	



School District 622
NORTH ST. PAUL | MAPLEWOOD | OAKDALE
Ready for tomorrow

April 27, 2017

Shawn Olson
Morcon Construction Company, Inc.
5151 Industrial Blvd. NE
Fridley, MN 55421

SUBJECT: INTENT TO AWARD

Dear Shawn:

This is to advise you of our intent to award Morcon Construction Company, Inc. a contract for the Tartan High School Air Handler Unit Upgrades, in accordance with your bid of April 20, 2017. The amount of your base bid was \$380,500.00, and the District selected the voluntary alternate for a deduction of (\$17,500.00) making the total cost of the contract \$363,000.00.

This contract will be submitted for approval to our school board at their May 23, 2017 business meeting. Please work with Greg Nash our Purchasing Supervisor on the specifics of the contract and any bonding that needs to occur per the project specifications.

Please feel free to call or email me with any questions.

Sincerely,

Randy Anderson
Director of Business Services



PERFORMANCE
DRIVEN DESIGN.
LHBcorp.com

PROJECT TITLE: ISD 622

John Glenn Middle School Tennis Courts

BID CLOSE: 05/11/2017 @ 2:00pm

BID TABULATION

BIDDER	ADD'A	BID BOND	RESPONSIBLE CONTRACTOR	SCOPE #1 SITE AND POND WORK	SCOPE #2 TENNIS COURTS	ALTERNATE #1 RECLAIM & REUSE	ALTERNATE #2 SCHEDULE	ALTERNATE #3 ADD 4TH NEW TENNIS COURT	ALTERNATE #4 ADD PICKLEBALL LINES	COMMENTS
Buck Blacktop	1	X	X	\$ 218,484.00	\$ 468,700.00	\$ 8,990.00	N/A	\$ 138,700.00	\$ 1,700.00	
TA Schifsky	1	X	X	\$ 140,000.00	\$ 518,000.00	\$ 12,000.00	N/A	\$ 105,000.00	\$ 1,500.00	if all alternates are accepted \$ 776,500.00
Meisinger Construction	1	X	X	\$ 184,000.00	\$ 584,000.00	\$ 2,100.00	N/A	\$ 102,400.00	\$ 3,200.00	
Sunram Construction	1	X	X	\$ 361,200.00	\$ 488,500.00	\$ 5,600.00	N/A	\$ 141,300.00	\$ 1,000.00	
Ramsey Companies	1	X	X	\$ 240,000.00	\$ 477,000.00	\$ 82,700.00	\$ (5,000.00) 10/30/2017	\$ 89,000.00	\$ 1,950.00	
Meyer Contracting	1	X	X	\$ 282,111.00	\$ 506,916.00	\$ 29,855.00	\$ (6,522.00) 10/31/2017	\$ 112,642.00	\$ 896.00	



**PERFORMANCE
DRIVEN DESIGN.**
LHBcorp.com

May 15, 2017

Mike Boland
Maintenance/Operations Health & Safety Supervisor
2520 East 12th Avenue
North St. Paul, MN 55109

John Glenn Middle School Tennis Courts; BID RESULTS

Dear Mr. Boland,

The bid opening for the above-reference project was held on May 11, 2017 at 2:00 p.m. at the ISD 622 District Office. The School District received six bids as shown on attached Bid Tabulation:

The lowest bid was received from T.A. Schifsky with a SOW #1 amount of \$140,000 and a SOW #2 amount of \$518,000 for a total base bid amount of \$658,000. All of the bids were reviewed and no errors were identified. LHB recommends that the School District award the contract for base bid work and Alternates #1, 3 & 4 for a total contract amount of \$776,500 of the above-mentioned project to T.A. Schifsky.

LHB

Mark Kusnierek, AIA
Architect

c: LHB File # 160521.45

O:\16Proj\160521\45\05\700 Bidding\703 Bids\20170515 Recommendation of Bid Award.docx

IV. F. DISBURSEMENTS

State statutes require school boards to provide for payment of just claims and also require that a list of electronic fund transfers be submitted to the school board at its next regular meeting. This action will authorize payment of audited and allowable claims, purchase of investments, transfers to the payroll account, and transactions by electronic fund (wire) transfers.

Therefore, the Director of Business Services recommends the following resolution:

BE IT RESOLVED by the School Board of Independent School District No. 622 that the following disbursements and transfers be approved:

General Fund	\$	1,834,422.00
Food Service		340,807.00
Community Service		1,109,457.00
Building		0.00
Debt Redemption		0.00
Trust		64,541.00
Internal Service Fund Health Insurance		43,598.00
OPEB Benefits Trust		15,306.00
		<hr/>
A/P Checks Disbursed (04-01-17 thru 04-30-17)	\$	3,408,131.00
Payroll Disbursed - Net (04-01-17 thru 04-30-17)	\$	4,342,057.00
Wire Transfers (04-01-17 thru 04-30-17)	\$	15,697,719.00
Investments on 05-12-17	\$	34,654,016.00

NORTH ST PAUL - MAPLEWOOD - OAKDALE SCHOOLS

INVESTMENTS

DEPOSITORY	TYPE	RATE	PURCHASED	AMOUNT
MSDLAF OTHER FUNDS	MM	0.85%	(BALANCE AT 05-12-17)	\$219,722.00
P M A SECURITIES OPERATING FUNDS	VARIOUS	0.81%	(BALANCE AT 05-12-17)	\$20,876,367.00
P M A SECURITIES OPEB BONDS	VARIOUS	2.07%	(BALANCE AT 05-12-17)	\$12,074,264.00
ASSOCIATED BANK EQUITY INVESTMENTS	EQUITY	1.16%	(BALANCE AT 05-12-17)	\$1,483,663.00
				<u>\$34,654,016.00</u>

NORTH ST PAUL - MAPLEWOOD - OAKDALE SCHOOLS
WIRE TRANSFERS
04-01-17 thru 04-30-17

DATE	FROM	TO		REASON
04/03/17	P M A	HEALTH PARTNERS	\$236,657.00	MEDICAL CLAIM FEES
04/03/17	PREMIER BANK	DELTA DENTAL	\$133,293.00	MONTHLY PAYMENT
04/03/17	PREMIER BANK	HEALTH PARTNERS	\$351,105.00	HEALTH CLAIMS
04/03/17	PREMIER BANK	STATE OF MINN.	\$118,239.00	UC TAX
04/07/17	PREMIER BANK	ANNUITY COMPANIES	\$672,700.00	PAYROLL PAYABLES
04/10/17	PREMIER BANK	CORPORATE HEALTH	\$34,254.00	FLEX PROCESSING
04/10/17	PREMIER BANK	HEALTH PARTNERS	\$183,271.00	HEALTH CLAIMS
04/11/17	P M A	PREMIER BANK	\$4,700,000.00	A/P - P/R*
04/13/17	PREMIER BANK	I R S	\$839,159.00	PAYROLL TAX
04/14/17	PREMIER BANK	STATE OF MINN.	\$131,675.00	PAYROLL TAX
04/18/17	PREMIER BANK	ANNUITY COMPANIES	\$55,199.00	PAYROLL PAYABLES
04/18/17	PREMIER BANK	HEALTH PARTNERS	\$306,455.00	HEALTH CLAIMS
04/21/17	P M A	PREMIER BANK	\$1,000,000.00	A/P - P/R*
04/21/17	PREMIER BANK	PITNEY BOWES	\$3,000.00	POSTAGE
04/24/17	PREMIER BANK	CORPORATE HEALTH	\$49,921.00	FLEX PROCESSING
04/24/17	PREMIER BANK	HEALTH PARTNERS	\$188,561.00	HEALTH CLAIMS
04/26/17	P M A	PREMIER BANK	\$3,110,000.00	A/P - P/R*
04/27/17	P M A	PREMIER BANK	\$2,000,000.00	A/P - P/R*
04/27/17	PREMIER BANK	CORPORATE HEALTH	\$11,656.00	FLEX PROCESSING
04/28/17	PREMIER BANK	ANNUITY COMPANIES	\$746,989.00	PAYROLL PAYABLES
04/28/17	PREMIER BANK	I R S	\$817,359.00	PAYROLL TAX
04/30/17	PREMIER BANK	MISCELLANEOUS	\$8,226.00	MISCELLANEOUS
		TOTAL	<u>\$15,697,719.00</u>	

* TO COVER ACCOUNTS PAYABLE OR PAYROLL CHECKS

VI. A. 1. ACKNOWLEDGEMENT OF CONTRIBUTIONS

Minnesota Statute 123B.02 permits school boards to “...receive, for the benefit of the district, bequests, donations, or gifts for any proper purpose and apply the same to the purpose designated. In that behalf, the board may act as trustee of any trust created for the benefit of the district, and for the benefit of pupils thereof.”

Therefore, the Director of Business Services recommends the following resolution:

BE IT RESOLVED by the School Board of Independent School District No. 622 that the School Board accept with appreciation the following contributions and permit their use as designated by the donors.

<u>Donor</u>	<u>Item and/or Amount</u>	<u>Purpose</u>
Sharon Marlow	\$56.25	Meals on Wheels
Michael Testa	\$50.00	Meals on Wheels
Truist	\$62.26	Meals on Wheels
Tom Mader	\$300.00	Tartan Trap Team
Pizza Ranch	7 pizzas	Community Education Excel Awards
Cub Foods	\$50.00 Gift Card	Community Education Excel Awards
Judith Rhode	\$50.00	John Glenn Middle School
Charleen & Rick Brennan	Hats, gloves, mittens, scarves	Castle Elementary
Terri Johnson	Marimba, sticks and method book	ISD 622 Instrumental Music Department
Craig Brown	10 cases of 3M Post It Notes	Eagle Point Elementary
Dr, Christa Waymire	\$75.00	John Glenn CREED Program
Leslie Snyder	\$200.00	Weaver - Leader in Me Fund
Laurie Shawki and Jessica Haster	\$174.00	Weaver - Leader in Me Fund

MOTION:

SECOND:

Total fiscal year 2016-2017 monetary contributions: \$86,171.45

VI. A. 2. RESOLUTION FOR THE ADOPTION OF THE 2016-2017 MAY BUDGET REVISIONS

General Fund 01

Expenditures: Expenditure adjustments are outlined on the attached document and amount to an increase of \$1,657,333 which are mostly due to changes in Long Term Facilities Maintenance.

Contracted transportation expenses are being increased \$300,000 due to the increase in the number of homeless and special education students being transported.

We have updated Long Term Facilities accounts for any changes in current 2016-17 projects and any completed 2015-16 projects paid in 2016-17. The overall effect of these projects is the adding of \$328,622 to the total expenses.

We also added to the 2016-17 budget, 2017-18 project costs that will be spent in 2016-17. This amount totals \$1,028,711 of our budgeted \$7.2 million for 2017-18.

Debt Service Fund 07

Due to the advanced refunding of the Series 2008A Alternative Facilities Bonds, we are required to record the sale of the Series 2017A Refunding bonds as a revenue of \$7,072,663 and the bond discount and closing cost as an expense of \$92,752.

Health Self Insured Fund 20

With these revisions we updated the original budgeted amounts. Updates were made to recognize the increase in revenue through premium contributions, \$380,000. The revision also recognizes the increase in expenses due to claims, and administration fees, \$1,360,000. We always do the update for health self-insurance in May as we have a better idea on the number of employees and claims.

OPEB Trust Fund 45

With these budget revisions we recognize a decrease in retiree contributions for health insurance of **(\$75,000)** and a decrease in expenditures of **(\$456,000)**. Decreases in expenditures are mainly due to the decrease in retiree health care claims and fees.

THEREFORE, the Director of Business Services recommends that the following resolution be approved:

BE IT RESOLVED by the School Board of Independent School District No. 622 that the 2016-17 District Budget be revised as per the attached listing of changes.

MOTION:

SECOND:

Fund	2016-2017 May Budget Revisions	Revenue	Expense
General Fund 01	2016-2017 Revised Budget January, 2017	\$140,145,776	\$141,460,779
01 E 005 760 000 723 360	CONTRACTED TRANSPORTATION SERVICE		\$300,000
01 E 026 865 601 384 520	LTFM - FY15-16		\$24,473
01 E 027 865 602 369 520	LTFM - FY15-16		\$73,452
01 E 027 865 602 380 520	LTFM - FY15-16		\$79,540
01 E 027 865 602 384 520	LTFM - FY15-16		\$90,795
01 E 028 865 603 381 520	LTFM - FY15-16		\$15,000
01 E 055 865 613 381 520	LTFM - FY15-16		\$74,897
01 E 027 865 700 368 520	LTFM - FY16-17		(\$4,540.00)
01 E 055 865 700 368 520	LTFM - FY16-17		(\$2,750.00)
01 E 036 865 700 370 520	LTFM - FY16-17		(\$4,310.00)
01 E 054 865 700 370 520	LTFM - FY16-17		(\$2,835.00)
01 E 057 865 700 370 520	LTFM - FY16-17		(\$7,020.00)
01 E 054 865 700 380 520	LTFM - FY16-17		(\$144,000.00)
01 E 057 865 700 380 520	LTFM - FY16-17		(\$8,000.00)
01 E 029 865 700 381 520	LTFM - FY16-17		\$48,000.00
01 E 005 865 700 382 305	LTFM - FY16-17		(\$4,000.00)
01 E 026 865 700 383 520	LTFM - FY16-17		\$72,960
01 E 035 865 700 383 520	LTFM - FY16-17		\$10,280
01 E 036 865 700 383 520	LTFM - FY16-17		\$10,280
01 E 057 865 700 383 520	LTFM - FY16-17		(\$140,000.00)
01 E 064 865 700 383 520	LTFM - FY16-17		\$22,500
01 E 005 865 700 383 520	LTFM - FY16-17		\$10,900
01 E 058 865 700 384 520	LTFM - FY16-17		\$113,000.00
01 E 027 865 800 368 520	LTFM - FY17-18		\$2,550
01 E 029 865 800 368 520	LTFM - FY17-18		\$2,775
01 E 033 865 800 368 520	LTFM - FY17-18		\$150
01 E 501 865 800 368 520	LTFM - FY17-18		\$3,450
01 E 026 865 800 368 520	LTFM - FY17-18		\$1,500
01 E 510 865 800 368 520	LTFM - FY17-18		\$1,500
01 E 027 865 800 368 520	LTFM - FY17-18		\$780
01 E 029 865 800 368 520	LTFM - FY17-18		\$1,050
01 E 033 865 800 368 520	LTFM - FY17-18		\$600
01 E 501 865 800 368 520	LTFM - FY17-18		\$600
01 E 054 865 800 369 520	LTFM - FY17-18		\$8,700
01 E 005 865 800 369 520	LTFM - FY17-18		\$7,575
01 E 057 865 800 369 520	LTFM - FY17-18		\$22,500
01 E 027 865 800 370 520	LTFM - FY17-18		\$3,750
01 E 054 865 800 370 520	LTFM - FY17-18		\$1,500
01 E 058 865 800 370 520	LTFM - FY17-18		\$22,500
01 E 090 865 800 370 520	LTFM - FY17-18		\$30,000
01 E 090 865 800 379 520	LTFM - FY17-18		\$89,165
01 E 501 865 800 379 520	LTFM - FY17-18		\$8,175
01 E 005 865 800 379 520	LTFM - FY17-18		\$3,750
01 E 005 865 800 379 520	LTFM - FY17-18		\$3,000
01 E 054 865 800 379 520	LTFM - FY17-18		\$225
01 E 090 865 800 380 520	LTFM - FY17-18		\$145,028
01 E 057 865 800 380 520	LTFM - FY17-18		\$52,500
01 E 005 865 800 380 520	LTFM - FY17-18		\$26,250
01 E 005 865 800 380 520	LTFM - FY17-18		\$7,500
01 E 033 865 800 381 520	LTFM - FY17-18		\$150
01 E 005 865 800 382 305	LTFM - FY17-18		\$375
01 E 005 865 800 382 305	LTFM - FY17-18		\$1,125
01 E 005 865 800 382 305	LTFM - FY17-18		\$375
01 E 005 865 800 382 305	LTFM - FY17-18		\$3,750
01 E 005 865 800 382 305	LTFM - FY17-18		\$11,250
01 E 005 865 800 382 391	LTFM - FY17-18		\$51,003
01 E 057 865 800 383 520	LTFM - FY17-18		\$87,840

01 E 026 865 800 383 520	LTFM - FY17-18		\$53,349
01 E 501 865 800 383 520	LTFM - FY17-18		\$90,000
01 E 055 865 800 383 520	LTFM - FY17-18		\$107,595
01 E 005 865 800 384 520	LTFM - FY17-18		\$13,500
01 E 027 865 800 384 520	LTFM - FY17-18		\$150
01 E 029 865 800 384 520	LTFM - FY17-18		\$150
01 E 030 865 800 384 520	LTFM - FY17-18		\$18,375
01 E 033 865 800 384 520	LTFM - FY17-18		\$150
01 E 501 865 800 384 520	LTFM - FY17-18		\$14,325
01 E 058 865 800 384 520	LTFM - FY17-18		\$2,926
01 E 055 865 800 384 520	LTFM - FY17-18		\$101,250
01 E 054 865 800 384 520	LTFM - FY17-18		\$24,000
	2016-2017 Revised Budget May, 2017	\$140,145,776	\$143,118,112
Debt Service Fund 07	2016-2017 Revised Budget January, 2017	\$51,215,807	\$51,185,562
07 R 000 000 000 000 631	Sale of Bonds GO Refunding Bond 2017A	\$7,072,663	
07 E 005 910 000 000 790	Sale of Bonds GO Refunding Bond Discount/Closing Costs		\$92,752
	2016-2017 Revised Budget May, 2017	\$58,288,470	\$51,278,314
Health Self-Insured Fund 20	2016-2017 Original Budget	\$15,915,000	\$14,195,000
20 R 000 000 000 000 099	Increase in EE and ER Payroll Contributions	\$295,000	
20 R 000 000 000 000 616	Increase in Pre-65 Premium Contributions	\$85,000	
20 E 005 940 220 000 220	Increase in Claims		\$1,150,000
20 E 005 940 215 000 220	Increase in Admin Fees and Stop Loss Premiums		\$180,000
20 E 005 940 235 000 220	Decrease in Clinic Charges		(10,000)
20 E 005 940 205 000 220	Increase in HSA Pass Throughs		15,000
20 E 005 940 210 000 220	Increase in VEBA Pass Throughs		25,000
	2016-2017 Revised Budget May, 2017	\$16,295,000	\$15,555,000
OPEB Fund 45	2016-2017 Original Budget	\$1,025,000	\$2,875,000
45 R 000 000 000 000 616	Decrease in Retiree Contributions	(\$75,000)	
45 E 005 935 000 000 220	Decrease in Retiree Claims		(\$456,000)
	2016-2017 Revised Budget May, 2017	\$950,000	\$2,419,000

ENDS

Policy Title	Policy Level	Date Approved/Revised
Uniform Grant Guidance Policy Regarding Federal Revenue Sources	E-097	Approved:

1) Definitions

A. Grants

1. “State-administered grants” are those grants that pass through a state agency such as the Minnesota Department of Education (MDE).
2. “Direct grants” are those grants that do not pass through another agency such as MDE and are awarded directly by the federal awarding agency to the grantee organization. These grants are usually discretionary grants that are awarded by the U.S. Department of Education (DOE) or by another federal awarding agency.

B. “Non-federal entity” means a state, local government, Indian tribe, institution of higher education, or nonprofit organization that carries out a federal award as a recipient or subrecipient.

C. “Federal award” has the meaning, depending on the context, in either paragraph 1. or 2. of this definition:

1.
 - a. The federal financial assistance that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in 2 C.F.R. § 200.101 (Applicability); or
 - b. The cost-reimbursement contract under the federal Acquisition Regulations that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in 2 C.F.R. § 200.101 (Applicability).
2. The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (b) of 2 C.F.R. § 200.40 (Federal Financial Assistance), or the cost-reimbursement contract awarded under the federal Acquisition Regulations.
3. “Federal award” does not include other contracts that a federal agency uses to buy goods or services from a contractor or a contract to operate federal-government-owned, contractor-operated facilities.

D. “Contract” means a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award. The term, as used in 2 C.F.R. Part 200, does not include a legal instrument, even if the non-federal entity

considers it a contract, when the substance of the transaction meets the definition of a federal award or subaward.

E. Procurement Methods

1. "Procurement by micro-purchase" is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (generally \$3,000, except as otherwise discussed in 48 C.F.R. Subpart 2.1 or as periodically adjusted for inflation).
2. "Procurement by small purchase procedures" are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$150,000 (periodically adjusted for inflation).
3. "Procurement by sealed bids (formal advertising)" is a publicly solicited and a firm, fixed-price contract (lump sum or unit price) awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.
4. "Procurement by competitive proposals" is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. Competitive proposals are generally used when conditions are not appropriate for the use of sealed bids.
5. "Procurement by noncompetitive proposals" is procurement through solicitation of a proposal from only one source.

F. "Equipment" means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000.

G. "Compensation for personal services" includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the federal award, including, but not necessarily limited to, wages and salaries. Compensation for personal services may also include fringe benefits which are addressed in 2 C.F.R. § 200.431 (Compensation - Fringe Benefits).

H. "Post-retirement health plans" refer to costs of health insurance or health services not included in a pension plan covered by 2 C.F.R. § 200.431(g) for retirees and their spouses, dependents, and survivors.

I. "Severance pay" is a payment in addition to regular salaries and wages by the non-federal entities to workers whose employment is being terminated.

J. "Direct costs" are those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

- K. "Relocation costs" are costs incident to the permanent change of duty assignment (for an indefinite period or for a stated period not less than 12 months) of an existing employee or upon recruitment of a new employee.
- L. "Travel costs" are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the school district.

2) Conflict of Interest

- A. Employee Conflict of Interest. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The employees, officers, and agents of the school district may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, the school district may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by employees, officers, or agents of the school district.
- B. Organizational Conflicts of Interest. The school district is unable or appears to be unable to be impartial in conducting a procurement action involving the related organization because of relationships with a parent company, affiliate, or subsidiary organization.
- C. Disclosing Conflicts of Interest. The school district must disclose in writing any potential conflict of interest to MDE in accordance with applicable federal awarding agency policy.

3) Acceptable Methods of Procurement

- A. General Procurement Standards. The school district must use its own documented procurement procedures which reflect applicable state laws, provided that the procurements conform to the applicable federal law and the standards identified in the Uniform Grant Guidance.
- B. The school district must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- C. The school district's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.
- D. The school district must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public

policy, record of past performance, and financial and technical resources.

- E. The school district must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: rationale for the method of procurement; selection of the contract type; contractor selection or rejection; and the basis for the contract price.
- F. The school district alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the school district of any contractual responsibilities under its contracts.
- G. The school district must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- H. Methods of Procurement. The school district must use one of the following methods of procurement:
 - 1. Procurement by micro-purchases. To the extent practicable, the school district must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the school district considers the price to be reasonable.
 - 2. Procurement by small purchase procedures. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.
 - 3. Procurement by sealed bids (formal advertising).
 - 4. Procurement by competitive proposals. If this method is used, the following requirements apply:
 - a. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
 - b. Proposals must be solicited from an adequate number of qualified sources;
 - c. The school district must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
 - d. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
 - e. The school district may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated

and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method where price is not used as a selection factor can only be used in procurement of A/E professional services; it cannot be used to purchase other types of services, though A/E firms are a potential source to perform the proposed effort.

5. Procurement by noncompetitive proposals. Procurement by noncompetitive proposals may be used only when one or more of the following circumstances apply:
 - a. The item is available only from a single source;
 - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - c. The DOE or MDE expressly authorizes noncompetitive proposals in response to a written request from the school district; or
 - d. After solicitation of a number of sources, competition is determined inadequate.
- I. Competition. The school district must have written procedures for procurement transactions. These procedures must ensure that all solicitations:
 1. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When making a clear and accurate description of the technical requirements is impractical or uneconomical, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and
 2. Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
- J. The school district must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the school district must not preclude potential bidders from qualifying during the solicitation period.
- K. Non-federal entities are prohibited from contracting with or making subawards under "covered transactions" to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include procurement contracts for goods and services awarded under a grant or cooperative agreement that are expected to equal or exceed \$25,000.

- L. All nonprocurement transactions entered into by a recipient (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 C.F.R. § 180.215.

4) Managing Equipment and Safeguarding Assets

- A. Property Standards. The school district must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with federal funds as provided to property owned by the non-federal entity. Federally owned property need not be insured unless required by the terms and conditions of the federal award.

The school district must adhere to the requirements concerning real property, equipment, supplies, and intangible property set forth in 2 C.F.R. §§ 200.311, 200.314, and 200.315.

- B. Equipment

Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a federal award, until disposition takes place will, at a minimum, meet the following requirements:

1. Property records must be maintained that include a description of the property; a serial number or other identification number; the source of the funding for the property (including the federal award identification number (FAIN)); who holds title; the acquisition date; the cost of the property; the percentage of the federal participation in the project costs for the federal award under which the property was acquired; the location, use, and condition of the property; and any ultimate disposition data, including the date of disposition and sale price of the property.
2. A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
3. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
4. Adequate maintenance procedures must be developed to keep property in good condition.
5. If the school district is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

5) Financial Management Requirements

- A. Financial Management. The school district's financial management systems, including records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to

a level of expenditures adequate to establish that such funds have been used according to the federal statutes, regulations, and the terms and conditions of the federal award.

- B. Payment. The school district ~~must~~ **may** be paid in advance, provided it maintains or demonstrates the willingness to maintain both written procedures that minimize the time elapsing between the transfer of funds and disbursement between the school district and the financial management systems that meet the standards for fund control.

Advance payments to a school district must be limited to the minimum amounts needed and timed to be in accordance with the actual, immediate cash requirements of the school district in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the ~~non-federal entity~~ **school district** for direct program or project costs and the proportionate share of any allowable indirect costs. The school district must make timely payment to contractors in accordance with the contract provisions.

- C. Internal Controls. The school district must establish and maintain effective internal control over the federal award that provides reasonable assurance that the school district is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government," issued by the Comptroller General of the United States, or the "Internal Control Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The school district must comply with federal statutes, regulations, and the terms and conditions of the federal award.

The school district must also evaluate and monitor the school district's compliance with statutes, regulations, and the terms and conditions of the federal award.

The school district must also take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.

The school district must take reasonable measures to safeguard protected personally identifiable information considered sensitive consistent with applicable federal and state laws regarding privacy and obligations of confidentiality.

6) Allowable Use of Funds and Cost Principles

- A. Allowable Use of Funds. The school district administration and board will enforce appropriate procedures and penalties for program, compliance, and accounting staff responsible for the allocation of federal grant costs based on their allowability and their conformity with federal cost principles to determine the allowability of costs.

- B. Definitions

- 1. "Allowable cost" means a cost that complies with all legal requirements that apply to a particular federal education program, including statutes, regulations, guidance, applications, and approved grant awards.

2. "Education Department General Administrative Regulations (EDGAR)" means a compilation of regulations that apply to federal education programs. These regulations contain important rules governing the administration of federal education programs and include rules affecting the allowable use of federal funds (including rules regarding allowable costs, the period of availability of federal awards, documentation requirements, and grants management requirements). EDGAR can be accessed at: <http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>.
 3. "Omni Circular" or "2 C.F.R. Part 200s" or "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" means federal cost principles that provide standards for determining whether costs may be charged to federal grants.
 4. "Advance payment" means a payment that a federal awarding agency or passthrough entity makes by any appropriate payment mechanism, including a predetermined payment schedule, before the non-federal entity disburses the funds for program purposes.
- C. Allowable Costs. The following items are costs that may be allowable under the 2 C.F.R. Part 200s under specific conditions:
1. Advisory councils;
 2. Audit costs and related services;
 3. Bonding costs;
 4. Communication costs;
 5. Compensation for personal services;
 6. Depreciation and use allowances;
 7. Employee morale, health, and welfare costs;
 8. Equipment and other capital expenditures;
 9. Gains and losses on disposition of depreciable property and other capital assets and substantial relocation of federal programs;
 10. Insurance and indemnification;
 11. Maintenance, operations, and repairs;
 12. Materials and supplies costs;
 13. Meetings and conferences;
 14. Memberships, subscriptions, and professional activity costs;

15. Security costs;
16. Professional service costs;
17. Proposal costs;
18. Publication and printing costs;
19. Rearrangement and alteration costs;
20. Rental costs of building and equipment;
21. Training costs; and
22. Travel costs.

D. Costs Forbidden by Federal Law. 2 CFR Part 200s and EDGAR identify certain costs that may never be paid with federal funds. The following list provides examples of such costs. If a cost is on this list, it may not be supported with federal funds. The fact that a cost is not on this list does not mean it is necessarily permissible. Other important restrictions apply to federal funds, such as those items detailed in the 2 CFR Part 200s; thus, the following list is not exhaustive:

1. Advertising and public relations costs (with limited exceptions), including promotional items and memorabilia, models, gifts, and souvenirs;
2. Alcoholic beverages;
3. Bad debts;
4. Contingency provisions (with limited exceptions);
5. Fundraising and investment management costs (with limited exceptions);
6. Donations;
7. Contributions;
8. Entertainment (amusement, diversion, and social activities and any associated costs);
9. Fines and penalties;
10. General government expenses (with limited exceptions pertaining to Indian tribal governments and Councils of Government (COGs));
11. Goods or services for personal use;
12. Interest, except interest specifically stated in 2 C.F.R. § 200.441 as allowable;
13. Religious use;

14. The acquisition of real property (unless specifically permitted by programmatic statute or regulations, which is very rare in federal education programs);
15. Construction (unless specifically permitted by programmatic statute or regulations, which is very rare in federal education programs); and
16. Tuition charged or fees collected from students applied toward meeting matching, cost sharing, or maintenance of effort requirements of a program.

E. Program Allowability

1. Any cost paid with federal education funds must be permissible under the federal program that would support the cost.
2. Many federal education programs detail specific required and/or allowable uses of funds for that program. Issues such as eligibility, program beneficiaries, caps or restrictions on certain types of program expenses, other program expenses, and other program specific requirements must be considered when performing the programmatic analysis.
3. The two largest federal K-12 programs, Title I, Part A, and the Individuals with Disabilities Education Act (IDEA), do not contain a use of funds section delineating the allowable uses of funds under those programs. In those cases, costs must be consistent with the purposes of the program in order to be allowable.

F. Federal Cost Principles

1. The Omni Circular defines the parameters for the permissible uses of federal funds. While many requirements are contained in the Omni Circular, it includes five core principles that serve as an important guide for effective grant management. These core principles require all costs to be:
 - a. Necessary for the proper and efficient performance or administration of the program.
 - b. Reasonable. An outside observer should clearly understand why a decision to spend money on a specific cost made sense in light of the cost, needs, and requirements of the program.
 - c. Allocable to the federal program that paid for the cost. A program must benefit in proportion to the amount charged to the federal program – for example, if a teacher is paid 50% with Title I funds, the teacher must work with the Title I program/students at least 50% of the time. Recipients also need to be able to track items or services purchased with federal funds so they can prove they were used for federal program purposes.
 - d. Authorized under state and local rules. All actions carried out with federal funds must be authorized and not prohibited by state and local laws and policies.

- e. Adequately documented. A recipient must maintain proper documentation so as to provide evidence to monitors, auditors, or other oversight entities of how the funds were spent over the lifecycle of the grant.

- G. Program Specific Fiscal Rules. The Omni Circular also contains specific rules on selected items of costs. Costs must comply with these rules in order to be paid with federal funds.
 - 1. All federal education programs have certain program specific fiscal rules that apply. Determining which rules apply depends on the program; however, rules such as supplement, not supplant, maintenance of effort, comparability, caps on certain uses of funds, etc., have an important impact when analyzing whether a particular cost is permissible.
 - 2. Many state-administered programs require local education agencies (LEAs) to use federal program funds to supplement the amount of state, local, and, in some cases, other federal funds they spend on education costs and not to supplant (or replace) those funds. Generally, the “supplement, not supplant” provision means that federal funds must be used to supplement the level of funds from non-federal sources by providing additional services, staff, programs, or materials. In other words, federal funds normally cannot be used to pay for things that would otherwise be paid for with state or local funds (and, in some cases, with other federal funds).
 - 3. Auditors generally presume supplanting has occurred in three situations:
 - a. School district uses federal funds to provide services that the school district is required to make available under other federal, state, or local laws.
 - b. School district uses federal funds to provide services that the school district provided with state or local funds in the prior year.
 - c. School district uses Title I, Part A, or Migrant Education Program funds to provide the same services to Title I or Migrant students that the school district provides with state or local funds to nonparticipating students.
 - 4. These presumptions apply differently in different federal programs and also in schoolwide program schools. Staff should be familiar with the supplement not supplant provisions applicable to their program.

- H. Approved Plans, Budgets, and Special Conditions
 - 1. As required by the Omni Circular, all costs must be consistent with approved program plans and budgets.
 - 2. Costs must also be consistent with all terms and conditions of federal awards, including any special conditions imposed on the school district’s grants.

- I. Training

1. The school district will provide training on the allowable use of federal funds to all staff involved in federal programs.
 2. The school district will promote coordination between all staff involved in federal programs through activities, such as routine staff meetings and training sessions.
- J. Employee Sanctions. Any school district employee who violates this policy will be subject to discipline, as appropriate, up to and including the termination of employment.

7) Compensation – Personal Services Expenses and Reporting

A. Compensation – Personal Services

Costs of compensation are allowable to the extent that they satisfy the specific requirements of the Uniform Grant Guidance and that the total compensation for individual employees:

1. Is reasonable for the services rendered and conforms to the established written policy of the school district consistently applied to both federal and non-federal activities; and
2. Follows an appointment made in accordance with a school district's written policies and meets the requirements of federal statute, where applicable.

Unless an arrangement is specifically authorized by a federal awarding agency, a school district must follow its written non-federal, entitywide policies and practices concerning the permissible extent of professional services that can be provided outside the school district for non-organizational compensation.

B. Compensation – Fringe Benefits

1. During leave.

The costs of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, family-related leave, sick leave, holidays, court leave, military leave, administrative leave, and other similar benefits, are allowable if all of the following criteria are met:

- a. They are provided under established written leave policies;
 - b. The costs are equitably allocated to all related activities, including federal awards; and
 - c. The accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the school district.
2. The costs of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in 2 C.F.R. § 200.447(d)); pension plan costs; and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits must be allocated to federal awards

and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such federal awards and other activities and charged as direct or indirect costs in accordance with the school district's accounting practices.

3. Actual claims paid to or on behalf of employees or former employees for workers' compensation, unemployment compensation, severance pay, and similar employee benefits (e.g., post-retirement health benefits) are allowable in the year of payment provided that the school district follows a consistent costing policy.
 4. Pension plan costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with the written policies of the school district.
 5. Post-retirement costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with established written policies of the school district.
 6. Costs of severance pay are allowable only to the extent that, in each case, severance pay is required by law; employer-employee agreement; established policy that constitutes, in effect, an implied agreement on the school district's part; or circumstances of the particular employment.
- C. Insurance and Indemnification. Types and extent and cost of coverage are in accordance with the school district's policy and sound business practice.
- D. Recruiting Costs. Short-term, travel visa costs (as opposed to longer-term, immigration visas) may be directly charged to a federal award, so long as they are:
1. Critical and necessary for the conduct of the project;
 2. Allowable under the cost principles set forth in the Uniform Grant Guidance;
 3. Consistent with the school district's cost accounting practices and school district policy; and
 4. Meeting the definition of "direct cost" in the applicable cost principles of the Uniform Grant Guidance.
- E. Relocation Costs of Employees. Relocation costs are allowable, subject to the limitations described below, provided that reimbursement to the employee is in accordance with the school district's reimbursement policy.
- F. Travel Costs. Travel costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the school district's non-federally funded activities and in accordance with the school district's reimbursement policies.

Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the school district in its regular operations according to the school district's written reimbursement and/or travel policies.

In addition, when costs are charged directly to the federal award, documentation must justify the following:

1. Participation of the individual is necessary to the federal award; and
2. The costs are reasonable and consistent with the school district's established travel policy.

Temporary dependent care costs above and beyond regular dependent care that directly results from travel to conferences is allowable provided the costs are:

1. A direct result of the individual's travel for the federal award;
2. Consistent with the school district's documented travel policy for all school district travel; and
3. Only temporary during the travel period.

Rationale: *The purpose of this policy is to ensure compliance with the requirements of the federal Uniform Grant Guidance regulations by establishing uniform administrative requirements, cost principles, and audit requirements for federal grant awards received by the school district.*

Adoption and Revision History	Incorporated Policies
Policy E-097 UNIFORM GRANT GUIDANCE POLICY REGARDING FEDERAL REVENUE SOURCES This Policy Adopted:	MSBA 721

Administrative Rule, Regulation and Procedure: NA

- Legal References:**
- 2 C.F.R. § 200.12 (Capital Assets)
 - 2 C.F.R. § 200.112 (Conflict of Interest)
 - 2 C.F.R. § 200.113 (Mandatory Disclosures)
 - 2 C.F.R. § 200.205(d) (Federal Awarding Agency Review of Risk Posed by Applicants)
 - 2 C.F.R. § 200.212 (Suspension and Debarment)
 - 2 C.F.R. § 200.300(b) (Statutory and National Policy Requirements)
 - 2 C.F.R. § 200.302 (Financial Management)
 - 2 C.F.R. § 200.303 (Internal Controls)
 - 2 C.F.R. § 200.305(b)(1) (Payment)
 - 2 C.F.R. § 200.310 (Insurance Coverage)
 - 2 C.F.R. § 200.311 (Real Property)
 - 2 C.F.R. § 200.313(d) (Equipment)
 - 2 C.F.R. § 200.314 (Supplies)

2 C.F.R. § 200.315 (Intangible Property)
2 C.F.R. § 200.318 (General Procurement Standards)
2 C.F.R. § 200.319(c) (Competition)
2 C.F.R. § 200.320 (Methods of Procurement to be Followed)
2 C.F.R. § 200.321 (Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms)
2 C.F.R. § 200.328 (Monitoring and Reporting Program Performance)
2 C.F.R. § 200.338 (Remedies for Noncompliance)
2 C.F.R. § 200.403(c) (Factors Affecting Allowability of Costs)
2 C.F.R. § 200.430 (Compensation – Personal Services)
2 C.F.R. § 200.431 (Compensation – Fringe Benefits)
2 C.F.R. § 200.447 (Insurance and Indemnification)
2 C.F.R. § 200.463 (Recruiting Costs)
2 C.F.R. § 200.464 (Relocation Costs of Employees)
2 C.F.R. § 200.473 (Transportation Costs)
2 C.F.R. § 200.474 (Travel Costs)

Cross References:

MSBA/MASA Model Policy 208 (Development, Adoption, and Implementation of Policies)
MSBA/MASA Model Policy 210 (Conflict of Interest – School Board Members)
MSBA/MASA Model Policy 210.1 (Conflict of Interest – Charter School Board Members)
MSBA/MASA Model Policy 412 (Expense Reimbursement)
MSBA/MASA Model Policy 701 (Establishment and Adoption of School District Budget)
MSBA/MASA Model Policy 701.1 (Modification of School District Budget)
MSBA/MASA Model Policy 702 (Accounting)
MSBA/MASA Model Policy 703 (Annual Audit)

VI. A. 4. ADOPTION OF POLICY E-097

This policy is necessary for the District to be in compliance with the federal government's newly implemented uniform guidance for all federal grants.

Therefore, the Director of Business Services recommends the following resolution:

BE IT RESOLVED that the School Board of Independent School District #622 hereby adopt Policy E-097 (Uniform Grant Guidance Policy Regarding Federal Revenue Sources).

MOTION:

SECOND:

VI. A. 4. RESOLUTION FOR NUTRITION SERVICES PRICE INCREASES

One of the objectives for budget planning is that the Operating Funds, including Nutrition Services be self-supporting. A price increase is necessary to support the increasing cost of food, supplies and gas; as well as compliance in the requirements of the Healthy, Hunger-Free Kids Act of 2010 paid lunch equity requirements.

The following is a comparison of current to proposed prices for breakfast and lunch. The last meal price increases for breakfast and lunches were effective September, 2016.

	<u>Present</u>	<u>Proposed</u>	<u>Increase</u>
Elementary Lunch	\$2.60	\$2.70	\$.10
Secondary Lunch	\$2.85	\$2.95	\$.10

Therefore, the Director of Business Services recommends the following resolution:

BE IT RESOLVED by the School Board of Independent School District No.#622 that the following meal prices become effective September, 2017.

Elementary lunch	\$2.70
Secondary lunch	\$2.95
Adult lunch	\$4.00
Milk	\$.40
Elementary breakfast	\$1.70
Secondary breakfast	\$1.70
Adult breakfast	\$2.00

MOTION:

SECOND:

SFA NAME:

North St. Paul-Maplewood-Oakdale

SY 2017-18 Price Adjustment Calculator

[Go to Instructions](#)

SY 2017-18 Weighted Average Price Requirement	
Requirement price to the nearest cent	<i>Optional</i> price requirement ROUNDED DOWN to nearest 5 cent
\$ 2.86	\$ 2.85
<i>Note: Above prices are based on adjusting SY 2016-2017 price requirement by the 2% rate increase plus the Consumer Price Index (2.64%)</i>	

SY 2016-17 Weighted Average Price Calculator

Enter the paid prices and number of paid lunches sold at each price for **October 2016**.

	Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	SY 2016-17 Weighted Average Price
1.	20,564	\$ 2.60	\$ 53,466.40	
2.	31,913	\$ 2.85	\$ 90,952.05	
3.			\$ -	
4.			\$ -	
5.			\$ -	
6.			\$ -	
7.			\$ -	
8.			\$ -	
9.			\$ -	
10.			\$ -	
TOTAL	52,477		\$ 144,418.45	\$ 2.75

Note: SY 2016-17 Weighted Average Price equal to or above **\$2.86** are compliant for SY 2017-18. **\$2.86** is the difference between the Free and Paid reimbursement rates for SY 2016-17.

Total Price Increase for SY 2017-18

\$ **0.10**

MEAL PRICE COMPARISON 2017-18

Proposed Prices

DISTRICT	ELEMENTARY				SECONDARY				ADULT				MILK
	Brkfst	Increase	Lunch	Increase	Brkfst	Increase	Lunch	Increase	Brkfst	Increase	Lunch	Increase	1/2 Pint
Centennial	\$2.20		\$2.80		\$2.20		\$3.00				\$4.00		\$0.60
Moundsview	\$1.50	NA	\$2.55	NA	\$1.50	NA	\$2.80	NA	\$1.75	NA	\$3.70		\$0.50
North St. Paul	\$1.70	NA	\$2.70	\$0.10	\$1.70	NA	\$2.95	\$0.10	\$2.00	NA	\$4.00	NA	\$0.40
Roseville	\$1.70	NA	\$2.55	\$0.10	\$1.90	NA	\$2.90	\$0.10	\$2.40	NA	\$4.00	NA	\$0.50
South Washington	\$1.20		\$2.60		\$1.60		\$2.95		\$1.80		\$4.00		\$0.45
Stillwater/Mahtomedi	\$1.30		\$2.60	\$0.10	\$1.50		\$2.90	\$0.10	\$1.90		\$4.00		\$0.50
White Bear Lake	\$1.70		\$2.70	\$0.10	\$1.70		\$3.00	\$0.05	\$2.00	\$0.10	\$4.00	NA	\$0.50
St. Anthony/New Brighton	\$2.00	NA	\$2.65	NA	\$2.15	NA	\$2.90	NA	\$2.50	\$0.20	\$4.00	NA	\$0.55
Average	\$1.66		\$2.64		\$1.78		\$2.93		\$2.05		\$3.96		\$0.50

VI. A. 5. RESOLUTION OF THE DISTRICT AUTHORIZING THE EXECUTION AND THE DELIVERY OF THE 916 LEASE/PURCHASE AGREEMENT

The following resolution sets up the proposed lease/purchase of the Oakdale and John Glenn additions from Northeast Metropolitan Intermediate District 916. By approving the resolution, the school board approves and authorizes the execution of the lease agreement and related documents and certificates. It also designates Randy Anderson, Director of Business to execute the lease agreement and any related documents on behalf of the District.

**RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF
A LEASE AGREEMENT AND RELATED DOCUMENTS AND CERTIFICATES**

BE IT RESOLVED by the School Board of Independent School District No. 622 (North St. Paul-Maplewood-Oakdale), State of Minnesota (the "District"), as follows:

1. The District has received a proposal from Northeast Metropolitan Intermediate School District No. 916 to provide taxable lease-purchase financing to finance the acquisition of the additions to the John Glenn Middle School and the Oakdale Elementary School described in EXHIBITS A1 and A2 to the Lease Agreement and located on the Land (collectively, the "Leased Property"), to be used as educational spaces for the District. That proposal is hereby accepted. Bond counsel is directed to prepare a final Lease Agreement, and other necessary certificates and documents that reflect the transaction.

2. The District's Director of Business Services is hereby authorized to execute the Lease Agreement and any related documents thereto on behalf of the District, and to execute such other certificates, documents and agreements as may be necessary and appropriate to effectuate the transactions contemplated by the Lease Agreement and said related documents. The Lease Agreement and the related documents may contain such necessary and appropriate variations, omissions and insertions as the Director of Business Services shall determine to be necessary, and the execution thereof shall be conclusive evidence of such determination and its approval by the Board.

3. The provisions of the Lease Agreement shall supersede any contrary provisions of the Joint Powers Agreements between the District and Northeast Metropolitan Intermediate School District No. 916 dated January 22, 1988 and July 1, 1990, and each as amended April 4, 2000. Said Joint Powers Agreements shall be terminated upon entry by the parties into the Lease Agreement. The Lease Agreement shall be the method determined by the District and the Intermediate District to accomplish the acquisition of the special education additions to John Glenn Middle School and Oakdale Elementary School by the District.

MOTION:

SECOND:

LEASE AGREEMENT

Dated as of
June 30, 2017

between

NORTHEAST METROPOLITAN INTERMEDIATE SCHOOL DISTRICT NO. 916
as Lessor

and

INDEPENDENT SCHOOL DISTRICT NO. 622
(NORTH ST. PAUL-MAPLEWOOD-OAKDALE)
as Lessee

April 27, 2017

This Instrument Drafted By:

Thomas S. Deans
Knutson, Flynn & Deans P.A.
1155 Centre Pointe Drive, Suite 10
Mendota Heights, MN 55120
(651) 222-2811

LEASE AGREEMENT

PARTIES

THIS LEASE AGREEMENT, made and entered into as of the 30th day of June, 2017 (the "Effective Date"), between NORTHEAST METROPOLITAN INTERMEDIATE SCHOOL DISTRICT NO. 916, a duly organized and existing intermediate school district of the State of Minnesota having its administrative offices at White Bear Lake, Minnesota, as lessor (the "Lessor"), and Independent School District No. 622 (North St. Paul-Maplewood-Oakdale), a duly organized and existing independent school district of the State of Minnesota having its administrative offices at North St. Paul, Minnesota, as lessee (the "Lessee").

WITNESSETH:

WHEREAS, on January 22, 1988 and July 1, 1990 the Lessor and the Lessee entered into joint powers agreements to provide for the construction and operation of special education additions by Northeast Metropolitan Intermediate School District No. 916 on Land owned by the Lessee at the site of the John Glenn Middle School and the Oakdale Elementary School as described in EXHIBITS A1 and A2 hereto and herein referred to as the "Leased Property; and

WHEREAS, the Lessor and the Lessee will enter into this Lease Agreement (the "Lease") which among other things will provide for the acquisition of the Leased Property by the Lessee, to be used as educational spaces for the Lessee; and

WHEREAS, the Lessor is willing to lease the Leased Property to the Lessee for Rent as specified in Schedule 1 to this Lease Agreement, with an option to purchase the Lessor's Interest for One Dollar (\$1.00) at the expiration of the Lease Term if full payment or prepayment of all Rent and other amounts due has been made in accordance with the terms of this Lease Agreement; and

WHEREAS, the Lessee is authorized by law to acquire such items of real and personal property as are needed to carry out its governmental and proprietary functions, and to acquire such real and personal property by entering into lease-purchase contracts; and

WHEREAS, the Lessor is willing to finance the acquisition by Lessee of the Leased Property in exchange for the Lessee entering into this Lease, and the Lessee is willing to lease and have the option to purchase the Lessor's Interest in the Leased Property from the Lessor, all pursuant to this Lease Agreement.

LEASING CLAUSE

The Lessor hereby leases to the Lessee, and the Lessee hereby hires and takes from the Lessor, the following (the "Leased Property"):

All of the Lessor's right, title and interest in and to the premises, buildings and improvements situated in the special education additions on the Land located in Ramsey County, Minnesota, set forth in EXHIBIT A1 hereto attached, and the Land located in Washington County, Minnesota, set forth in EXHIBIT A2 hereto attached, together with all items of fixtures, machinery, trade

fixtures and related property therein and equipment at the John Glenn Middle School Addition specified in EXHIBIT C hereto or equipment substituted for that equipment pursuant to Section 5.07 hereof which is or will be situated on or in the Leased Property.

TERM AND CONSIDERATION

TO HAVE AND TO HOLD the Leased Property unto the Lessee, in consideration of the Rent provided in Section 4.01 of this Lease to be paid by the Lessee and the terms, covenants and conditions to be performed and kept by the Lessee, for a term (the “Lease Term”) commencing on the Commencement Date, and ending upon the occurrence of the earliest of the following events:

- (a) Termination hereof by the Lessee because of nonappropriation pursuant to Section 4.06 hereof.
- (b) The exercise by the Lessee of its option to purchase the Lessor’s Interest pursuant to Article X hereof.
- (c) The occurrence of an Event of Default by the Lessee and termination of this Lease by the Lessor pursuant to Article IX hereof.
- (d) The payment by the Lessee of all Rent and other amounts required to be paid by the Lessee hereunder, including any amounts due and payable pursuant to section 4.05 hereof.

This Lease is granted and accepted upon the following representations, terms, covenants and conditions, and the Lessor and the Lessee hereby agree to keep and perform all the terms, covenants and conditions hereof on their part to be kept and performed, as follows:

[The balance of this page is intentionally left blank.]

ARTICLE I

DEFINITIONS

Section 1.01. Defined Terms Generally. In addition to the words and terms elsewhere defined in this Lease, the following words and terms as used in this Lease shall have the following meanings unless the context or use indicates another or different meaning or intent and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined:

“Authorized Lessee Representative” means the person at any time designated to act on behalf of the Lessee by written certification furnished to the Lessor, containing the specimen signature of such person and signed on behalf of the Lessee by the Director of Business Services of the Lessee. Such certification may designate an alternate or alternates.

“Business Day” means any day other than a Saturday, a Sunday, a day on which banking institutions or governmental offices are authorized by law to close for general banking purposes in the State of Minnesota or a day on which the Lessor or the Lessee is unable to open or be open for reasons not related to its financial condition.

“Certification” means a certification in writing required or permitted by the provisions of this Lease, signed and delivered to the Lessor or other proper person or persons.

“Certified Resolution” means a copy of a resolution of the Governing Body, certified by the Clerk of the Lessee to have been duly adopted by said Governing Body and to be in full force and effect on the date of such certification.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Commencement Date” means the date the Lease commences.

“Default” means default by the Lessee in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Lease, exclusive of any notice or period of grace required to constitute a default an “Event of Default” as described in Section 9.01 of the Lease.

“Event of Default” means an Event of Default described in Section 9.01 of the Lease, which has not been cured.

“Fiscal Year” means the Lessee’s fiscal year, and shall initially mean the 12-month period commencing on the first day of July in each year.

“Governing Body” means the School Board of the Lessee.

“Hazardous Materials” means, without limitation, any flammable explosives, radioactive materials, hazardous waste, hazardous or toxic substances or related materials defined in the

Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. SS 9601, et seq.) and The Hazardous Materials Transportation Act, as amended (40 U.S.C. SS 1801, et seq.), and the regulations adopted and publications promulgated pursuant thereto, or any other federal, state, or environmental law, ordinance, rule, or regulation with respect to such materials.

“Independent Counsel” means any attorney duly admitted to practice law before the highest court of any state and not an officer or a full-time employee of the Lessor or the Lessee.

“Land” means the parcel or parcels of real estate owned by the Lessee described in EXHIBITS A1 and A2 hereto upon which the Leased Property has been constructed.

“Lease” means this Lease Agreement as from time to time amended pursuant to Section 11.05 hereof.

“Lease Documents” means this Lease and each other instrument, document, guaranty, security agreement or other agreement executed and delivered by the Lessee pursuant to which the Lessee incurred or incurs any liability to the Lessor with respect to the Leased Property, or agrees to perform any covenant or agreement with respect to the Leased Property.

“Lease Term” means the period during which this Lease is in effect.

“Leased Property” means the real estate, interests in real estate and other rights described in the Leasing Clause above, EXHIBITS A1 and A2 hereto and any lease supplementing this Lease, together with all additions thereto and substitutions therefor, less such real estate and interests in real estate as may be released pursuant to Section 7.03 hereof or taken by the exercise of the power of eminent domain as provided in Section 6.02 hereof. The term includes the equipment at the John Glenn Middle School addition specified in EXHIBIT C hereto or equipment substituted for that equipment pursuant to Section 5.07 hereof.

“Lessee” means Independent School District No. 622 (North St. Paul-Maplewood-Oakdale), a duly organized and existing independent school district of the State of Minnesota and any successors to its functions.

“Lessor” means Northeast Metropolitan Intermediate School District No. 916, a duly organized and existing intermediate school district of the State of Minnesota having its administrative offices at White Bear Lake, Minnesota, and its successors and assigns.

“Lessor’s Interest” means all the right, title and interest in and to the special education additions to the John Glenn Middle School and Oakdale Elementary School then held by Lessor.

“Net Proceeds”, when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all expenses (including attorneys’ fees and any extraordinary expenses of the Lessor) incurred in the collection of such gross proceeds.

“Notice Address” of the Lessor or the Lessee means such person’s address set forth in Section 11.03 hereof or such further or different address as such person may designate by notice to the others.

“Opinion of Counsel” means a written opinion of counsel (who need not be Independent Counsel unless so specified) appointed by the Lessee or the Lessor.

“Payment Date” means the semiannual dates for payment of principal and interest on the Lease on February 1 and August 1 of each year, beginning August 1, 2017, and ending February 1, 2027.

“Permitted Encumbrances” means, as of any particular time, (i) liens for ad valorem taxes and special assessments not then delinquent; (ii) this Lease; (iii) the Lessor’s interest in the Leased Property; (iv) such minor defects, irregularities, encumbrances, easements, rights-of-way, mineral rights, restrictions, exceptions and clouds on title as normally exist with respect to properties similar in character to the Leased Property and as do not in the aggregate, materially impair the property affected thereby for the purposes for which it was acquired or is held by the Lessee; and (v) those additional encumbrances identified in EXHIBIT B hereto.

“Project Costs” means all costs of payment of, or reimbursement for, acquisition and financing of the Leased Property, including but not limited to administrative costs, engineering costs, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recording costs, costs of obtaining title insurance or a title opinion, printing costs, reproduction and binding costs, legal fees and charges, costs of preparing this Lease Agreement and all related documents, certificates, opinions, and costs, professional and financial consultant fees, and charges and fees in connection with the foregoing.

“Qualified Investments” means obligations authorized for investment of funds of the Lessee under Minnesota Statutes, or any successor provision at the time in effect.

“Rent” means rent payable to the Lessor under Section 4.01 of this Lease, including amounts designated as principal and interest.

“Resolution” means the resolution of the Governing Body of the Lessee adopted, May 23, 2017, authorizing the execution and delivery of this Lease, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

Section 1.02. Additional Provisions as to Interpretation. The words “herein” and “hereof” and words of similar import, without reference to any particular section or subdivision, refer to this Lease as a whole rather than to any particular section or subdivision hereof.

References herein to any particular section or subdivision hereof are to the section or subdivision of this instrument as originally executed.

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ARTICLE II

REPRESENTATIONS

Section 2.01. Representations by the Lessee. The Lessee makes the following representations:

- (a) The Lessee is a duly organized and existing independent school district of the State of Minnesota.
- (b) The execution and delivery of this Lease and the performance of all covenants and agreements of the Lessee contained in this Lease are authorized by the Constitution and laws of the State of Minnesota and the execution, delivery and performance of this Lease by the Lessee are authorized and have been duly authorized by the Resolution.
- (c) The Lessee has not made, done, executed or suffered and warrants that it will not make, do, execute or suffer any act or thing whereby its leasehold interest in the Leased Property may be impaired or charged or encumbered other than as provided herein.
- (d) There is no litigation pending or, to the best of its knowledge, threatened against the Lessee relating to the acquisition or financing of the Leased Property or to this Lease or questioning the organization, powers or authority of the Lessee.
- (e) The execution and delivery of this Lease and the consummation of the transactions herein contemplated will not materially conflict with or constitute a material breach of or default under any bond, debenture, note or other evidence of indebtedness or any contract, loan agreement or lease to which the Lessee is a party or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Lessee contrary to the terms of any instrument or agreement.
- (f) The Lessee does not rely on any warranty of the Lessor, either express or implied, as to the title or condition of the Leased Property or that it will be suitable to the Lessee's needs and recognizes that the Lessor is not obligated to operate or maintain the Leased Property or to expend any funds thereon.
- (g) The Leased Property is free of Hazardous Material and the Lessee will maintain the Leased Property at all times free of Hazardous Material or other materials the removal of which is required or the maintenance of which is prohibited or penalized under any Federal, State, or local law and the Lessee warrants and represents that the Leased Property is not affected by any such materials as of the date hereof. The Lessee agrees promptly:
 - (i) To transmit to the Lessor copies of any governmental citations, orders or notices received with respect to Hazardous Materials which may result in a penalty, liability, or cost greater than \$1,000;

(ii) To observe and comply with any and all laws, ordinances, rules, regulations, licensing requirements or conditions relating to the use, maintenance or disposal of Hazardous Materials and all orders or directives from any official, court, or governmental agency of competent jurisdiction relating to the use or maintenance or requiring the removal, treatment, containment, or other disposal of such Hazardous Materials;

(iii) To pay or otherwise dispose of any fine, charge, or imposition relating thereto which, if unpaid, would constitute a lien upon Leased Property or any part thereof.

(h) The Leased Property is essential for the Lessee to perform its essential governmental functions.

Section 2.02. Representations by the Lessor. The Lessor makes the following representations:

(a) The Lessor is a duly organized and existing intermediate school district of the State of Minnesota.

(b) Neither the execution and delivery of this Lease nor the covenants, agreements or obligations of the Lessor under this Lease constitute a material default (or an event which, with notice or the lapse of time, or both, would constitute a material default) under any contract, agreement or other instrument or document to which the Lessor is a party or by which the Lessor or its property is bound.

(c) The Lessor possesses all requisite authority to execute and deliver this Lease and to observe and perform its covenants, agreements and obligations under this Lease.

(d) The execution and delivery of this Lease by the Lessor and the observance and performance by the Lessor of its covenants, agreements and obligations under this Lease do not require the consent or approval of any governmental authority which has not been obtained.

(e) The Lessor has duly authorized by proper action its execution, delivery, observance and performance of this Lease.

(f) Assuming the due authorization, execution and delivery thereof by the Lessee, this Lease and all instruments and documents contemplated in this Lease which are executed and delivered by the Lessor constitute and will constitute legal, valid, binding and enforceable obligations or representations, as the case may be, of the Lessor, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and except to the extent that the enforceability thereof may be affected by general principles of equity.

(g) Neither this Lease nor the covenants, agreements or obligations of the Lessor under this Lease contravene the Lessor's articles of incorporation or by-laws, or violate in any material respect any statute, rule, regulation or other law, or any court or administrative order, applicable to the Lessor.

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ARTICLE III

ACQUISITION OF THE LEASED PROPERTY

Section 3.01. Agreement to Acquire and Equip the Project. The Lessee agrees to cause the acquisition of the Leased Property to be completed as herein provided.

Section 3.02. Financing Commitment. In order to provide funds for payment of the cost of the acquisition provided for in Section 3.01 hereof, the Lessee shall, upon satisfaction of the conditions set forth in Section 3.03, pay to the Lessor in installments pursuant to Schedule 1 hereto the sum of \$1,626,976 (the “principal component of the Rent”). The Lessee agrees and covenants that it shall pay from its own resources any amount by which the Project Costs required to acquire the Leased Property exceed the principal component of the Rent.

Section 3.03. Conditions. The obligation of the Lessee to pay the principal component of the Rent to acquire the Leased Property shall be subject to the satisfaction of the conditions precedent that the Lessor shall have received all of the following, in form and substance satisfactory to the Lessor, each duly executed and certified or dated the Effective Date or such other earlier date as is satisfactory to the Lessor:

- (a) The Lease Documents appropriately completed and duly executed by the Lessee;
- (b) A Closing Certificate executed by the Director of Business Services of the Lessee and a copy of the resolution of the Lessee authorizing the execution, delivery and performance of the Lease Documents, certified by the Clerk of the Lessee;
- (c) An opinion of Knutson, Flynn & Deans, P.A., as bond counsel, addressed to the Lessor and the Lessee, in form and substance satisfactory to the Lessor and the Lessee;
- (d) Evidence satisfactory to the Lessor that: (i) all conditions precedent to the acquisition of the Leased Property by the Lessee have been satisfied or waived; (ii) all necessary regulatory approvals related to the acquisition of the Leased Property by the Lessee have been obtained; and (iii) no litigation exists relating to the acquisition of the Leased Property by the Lessee;
- (e) Evidence of insurance for all insurance required by the Lease Documents;
- (f) Such other approvals, affidavits, certificates, opinions and documents as the Lessee or the Lessor may reasonably request.

ARTICLE IV

RENT AND PREPAYMENT

Section 4.01. Rent. During the Lease Term and except as provided in Section 4.06 hereof and except to the extent the Rent may be abated or reduced under Section 4.06 or Section 5.07 hereof, the Lessee agrees to pay and shall pay as Rent for the use of the Leased Property:

(a) On or before each Payment Date, the Lessee shall pay to the Lessor in immediately available funds the amounts set forth as the Total Principal and Interest in Schedule I hereto on the dates therein set forth, said amounts to represent repayment of principal and payment of interest as designated in said Schedule I; and

(b) Upon the exercise of the option to purchase by the Lessee, the principal component of the Rent shall be applied by the Lessor to the payment or prepayment of the purchase price of the Leased Property; and

(c) The Lessee shall pay such amounts, if any, as may become payable under Sections 6.01, 6.02 or 10.01 hereof; and

Section 4.02. Place of Payment of Rent. The parties acknowledge and agree that the Rent provided for in Section 4.01 shall be paid to the Lessor.

Section 4.03. Net Lease. This is a net lease, and the Lessor shall not be required to make any expenditures whatsoever in connection with this Lease or the Leased Property (except as otherwise provided in this Lease to make any repairs or to maintain the Leased Property). The obligations of the Lessee to make the payments of Rent required in Section 4.01 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, except as provided in Section 4.06 hereof; and the Lessee (i) will not, subject to the provisions of Sections 4.05 and 4.06 hereof, suspend or discontinue any payments of Rent provided for in Section 4.01 hereof, and shall not withhold any payment of Rent or other payment required hereunder pending resolution of any dispute or assert any right of set-off or counterclaim against its obligation to make such payment of Rent or other payments required under this Lease; (ii) will perform and observe all of its other agreements contained in this Lease; and (iii) except as provided in Sections 4.06, 6.01, 6.02 and 10.01 hereof will not terminate the Lease Term for any cause including, without limiting the generality of each of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Leased Property, frustration of purpose, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State of Minnesota or any political subdivision of either, or any failure of the Lessor to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Lease. Nothing contained in this Section shall be construed to release the Lessor from the performance of any of the agreements on its part contained in this Lease; and in the event the Lessor should fail to perform any such agreement on its part, the Lessee may institute such action against the Lessor as the Lessee may deem necessary to compel the performance of such agreement or to recover damages therefor, so long as no judgment or court

order sought or obtained in such action shall result in the termination hereof or interfere with the prompt and full payment of the Rent as contemplated hereby.

Section 4.04. Interest on Unpaid Rent. In the event the Lessee shall fail to make any payment of Rent required to be paid under Section 4.01 hereof, the item or installment so in default shall continue as an obligation of the Lessee until the amount in default shall have been fully paid, and the Lessee agrees to pay interest on any Rent in default at a rate of interest equal to one percent (1.00%) per month or part of a month.

Section 4.05. Prepayment of Rents. There is expressly reserved to the Lessee the right, and the Lessee is authorized and permitted, on any Payment Date, to prepay in whole but not in part the Rent payable under Section 4.01 hereof in amount, the manner and subject to the restrictions specified in Section 10.01 hereof, and the Lessor agrees to accept such prepayment of Rent when the same is tendered by the Lessee.

Whenever, in this Lease, reference is made to prepayment of all Rent or payment of an amount sufficient to prepay all Rent to become due, the amount required to effect such prepayment shall be deemed to be equal to (i) the Principal Balance of Rent Remaining as set forth in Schedule I hereto as of such date, and (ii) accrued interest as of such date.

Section 4.06. Termination by Lessee upon Nonappropriation. The Lessee shall have the right to terminate this Lease, in whole but not in part, as of the end of any Fiscal Year of the Lessee, in the manner and subject to the terms specified in this Section, in the sole event that the Governing Body fails to appropriate money sufficient for the continued performance of this Lease by the Lessee after the end of such Fiscal Year, as evidenced by the passage of a resolution specifically prohibiting the Lessee from performing its obligations under this Lease and from using any moneys to pay the Rent due under this Lease in the next succeeding Fiscal Year and all subsequent Fiscal Years. The Lessee may effect such termination by giving the Lessor a written notice of termination as provided in this Section and by paying to the Lessor any Rent and other amounts which are due and have not been paid at or before the end of its then current Fiscal Year. The Lessee shall give notice to the Lessor of termination pursuant to this Section not less than sixty (60) days prior to the end of the then current Fiscal Year, and shall notify the Lessor of any action or resolution taken by the Governing Body causing or recommending a nonappropriation with respect to any succeeding Fiscal Year. In the event of termination of this Lease as provided in this Section, the Lessee shall deliver possession of the Leased Property to the Lessor and shall release its interest under this Lease in a manner satisfactory to Lessor in its sole and absolute discretion within ten (10) days of the effective date of such termination.

Upon termination of this Lease as provided in this Section, the Lessee shall not be responsible for the payment of any Rent coming due with respect to succeeding Fiscal Years, but if the Lessee has not delivered possession of the Leased Property to the Lessor and conveyed to the Lessor or released its interest under this Lease within ten (10) days after the termination of this Lease, the termination shall nevertheless be effective, but the Lessee shall be responsible for the payment of damages in an amount equal to the pro-rated amount of the Rent thereafter coming due under Section 4.01 hereof which is attributable to the number of days after such ten (10) day

period during which the Lessee fails to take such actions and for any other loss suffered by the Lessor as a result of the Lessee's failure to take such actions as required.

Section 4.07. Not General Obligation. Notwithstanding any other provision of this Lease Agreement, this Lease Agreement shall not constitute a general obligation of the Lessee, and the full faith and credit of the Lessee are not pledged for the payment of the Rent or the performance by the Lessee of its other obligations hereunder. The Rent shall be paid, and the other obligations of the Lessee shall be met, solely from the amount appropriated by the Governing Body for such purpose in the Lessee's annual budget and shall constitute a current expense of the Lessee for the Lessee's Fiscal Year then in effect. Nothing in the Lease Agreement shall be deemed to obligate the Lessee to budget or appropriate moneys or to pay Rent due following the end of its then current Fiscal Year. This Lease Agreement shall not constitute an indebtedness of the Lessee within the meaning of the Constitution or the laws of the State of Minnesota.

Lessee represents that the Rent shall be payable from all legally available funds and that funds exist in the general fund sufficient to pay all Rent due in the current Fiscal Year. Lessee reasonably believes that money will be appropriated in the annual budget for each successive Fiscal Year during the Lease Term sufficient to pay the Rent and all other obligations of Lessee hereunder. The officer of Lessee responsible for budget preparation will include in the budget request for each such Fiscal Year amounts sufficient to pay Rent and all other obligations of Lessee during such Fiscal Year and will use all reasonable means at his/her disposal to have such portion of each budget approved.

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ARTICLE V

USE, MAINTENANCE, CHARGES AND INSURANCE

Section 5.01. Use of Leased Property. The Lessee covenants that throughout the term hereof, it will use and operate the Leased Property as public property in furtherance of its essential governmental functions, as further provided herein, and in compliance with all laws, regulations and ordinances applicable thereto.

Section 5.02. Quiet Enjoyment. The Lessor agrees that the Lessee upon paying the Rent and performing the covenants herein agreed by it to be performed and any subtenant claiming under the Lessee shall and may peaceably and quietly have, hold, and enjoy the said Leased Property for the term specified. The Lessor or its agents shall have the right at all reasonable times during the Lease Term to enter the Leased Property for the purpose of examining or inspecting the Leased Property. Nothing in this Section shall imply any duty upon the part of the Lessor to examine the Leased Property or to do or pay for any work which under any provision of this Lease the Lessee is required to perform, and the performance thereof by the Lessor shall not constitute a waiver of the Lessee's default in failing to perform the same.

Section 5.03. Maintenance of Leased Property by Lessee. The Lessee agrees that during the Lease Term it will keep the Leased Property, including all improvements and appurtenances thereto, in good repair and good operating condition at its own cost, and upon the expiration or termination of the Lease Term it will, unless it shall have elected to exercise its option to purchase the Lessor's Interest granted hereunder, surrender the Leased Property to the Lessor in as good condition as prevailed at the time it was put in full possession thereof, loss by fire or other casualty covered by insurance, ordinary wear and tear, obsolescence and acts of God excepted, subject to the provisions of Section 5.04 of this Lease.

Section 5.04. Alterations. The Lessee shall have the privilege of remodeling the Leased Property or making alterations, additions, modifications and improvements to the Leased Property from time to time as the Lessee, in its discretion, may deem to be desirable for its uses and purposes, provided that such alterations, additions, modifications and improvements shall not adversely affect the structural integrity or value of the Leased Property, shall be located within the boundaries of the Land and shall fully comply with all applicable ordinances and governmental rules and regulations, including applicable building codes and zoning codes. The cost of such alterations, additions, modifications and improvements shall be paid by the Lessee and the same shall become Leased Property and be included under the terms of this Lease.

Section 5.05. Liens. The Lessee will not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, charge, lien, encumbrance or claim, except the respective rights of the Lessor and the Lessee as herein provided and Permitted Encumbrances, to be established or remain on or against the Leased Property, including any mechanics' liens for labor or materials furnished in connection with the acquisition, installation or construction of the Leased Property or with any remodeling, additions, modifications, improvements, repairs, renewals or replacements; provided, that if the Lessee shall first notify the Lessor of its intention so to do, the Lessee may in good faith contest any mechanics' or other liens filed or established against the

Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Lessor shall notify the Lessee that, in the opinion of Independent Counsel, by nonpayment of any such items the rights or interest of the Lessor will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the Lessee shall promptly pay and cause to be satisfied and discharged all such unpaid items. The Lessor will cooperate promptly and fully with the Lessee in any such contest. Except as expressly provided in this Section, the Lessee will promptly, at its own expense, take such action as may be necessary duly to discharge or remove any such mortgage, pledge, charge, lien, encumbrance or claim if the same shall arise at any time, and shall reimburse the Lessor for any expense incurred by the Lessor in order to discharge or remove any such mortgage, pledge, charge, lien, encumbrances or claim.

Section 5.06. Certification as to Leased Equipment and Alterations. The Lessee agrees that it will file with the Lessor, from time to time upon request of the Lessor, a Certification of the Authorized Lessee Representative setting forth the description on any machinery, fixtures, equipment or related property which has become a part of the Leased Property, and if requested by the Lessor, a description of any additions, remodeling, modifications or improvements to the Leased Premises which have been made during the Fiscal Year next preceding the filing of such Certification. To secure the performance of its obligations under this Lease, Lessee hereby grants to Lessor a security interest in all machinery, fixtures, equipment or related property constituting part of the Leased Property and authorizes Lessor to file such instruments as may be necessary to perfect such security interest under the Uniform Commercial Code or other applicable law.

Section 5.07. Removal of Leased Equipment. The Lessor shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary equipment constituting part of the Leased Property. The Lessee shall have the privilege from time to time of substituting for equipment machinery, equipment and related property that is part of the Leased Property, provided that such property so substituted shall not impair the operating unity or productive capacity of the Leased Property. Any such substituted property shall become Leased Property and be included under the terms of this Lease.

The Lessee shall also have the privilege of removing any equipment constituting part of the Leased Property, without substitution therefor; provided, that the Lessee delivers to the Lessor (i) a Certification signed by the Authorized Lessee Representative setting forth the cost and value or, if sold or to be sold, the cost and net proceeds of sale or anticipated net proceeds of said equipment and stating that the removal of such equipment will not impair the operating unity, productive capacity or character of the Leased Property, and (ii) payment to the Lessor of a sum equal to the net proceeds of any such sale or the then depreciated book value of any such equipment, whichever is greater, to be applied as provided in this Section. The Lessor may request such other Certifications and showings as it may deem reasonable under the circumstances in connection with the removal of equipment.

The Lessee may also at any time while it is not in default under this Lease remove from the Leased Property any machinery or equipment purchased and installed by it pursuant to this Section 5.07.

In the event any removal of machinery or equipment under this Section causes damage to the Leased Property, the Lessee shall restore the same or repair such damage at its sole expense.

The Lessor agrees to execute and deliver such documents (if any) as the Lessee may properly request in connection with any action taken by the Lessee in conformity with this Section 5.07. The removal from the Leased Property of any equipment pursuant to the provisions of this Section shall not entitle the Lessee to any abatement or diminution of the Rent payable under Section 4.01 hereof, except that any amounts payable to the Lessor by reason of removal of equipment shall be credited against the final payments of Rent to become due under the provisions of Section 4.01 hereof, in inverse order of maturity. The Lessee will not remove, or permit the removal of, any equipment owned by the Lessor from the Leased Property except in accordance with the provisions of this Section.

The Lessor and the Lessee agree that the equipment which is part of the Leased Property will remain personal property and not fixtures, and will not be deemed to be affixed to or to be a part of the real estate on which it may be situated, notwithstanding that the Leased Property or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon.

Section 5.08. Taxes, Other Governmental Charges and Other Charges. The Lessee will pay, as the same respectively become due, all taxes, special assessments, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Leased Property or any furnishings, equipment or other property installed or brought by the Lessee therein or thereon, including sales, use and other excise taxes, and all claims for rent, royalties, labor, materials, supplies, utilities and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Leased Property.

The Lessee may, if it shall first notify the Lessor of its intention to do so, at its expense and in its own name and behalf or in the name and behalf of the Lessor, in good faith contest any such taxes, payments in lieu of taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, payments in lieu of taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Lessor shall notify the Lessee that, in the opinion of Independent Counsel, by nonpayment of any such items the rights or interest of the Lessor in the Leased Property will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event such taxes, payments in lieu of taxes, assessments or charges shall be paid promptly. The Lessor will reasonably cooperate with the Lessee in permitting the Lessee to conduct any such contest, provided that Lessor shall not be required to expend any of its own funds with respect thereto.

Section 5.09. Fire and Extended Coverage and Boiler and Machinery Insurance. So long as this Lease is in effect, the Lessee shall obtain and at all such times maintain in force fire and extended coverage insurance (including coverage against loss or damage by fire, wind, lightning, extended coverage perils, vandalism and malicious mischief) on the Leased Property and all structures, improvements, fixtures and equipment constituting the Leased Property, other than building foundations and excavations, on a replacement cost basis to the extent of the full insurable value of the property to be so insured (without deduction for depreciation, architectural, engineering, legal or administrative fees), together with broad form boiler and machinery insurance on all equipment and objects customarily covered by such insurance and providing for full repair and replacement cost coverage. Any such policy referred to in this Section 5.09 may contain reasonable deductible and coinsurance provisions with the result that the Lessee is its own insurer to the extent provided herein. The Lessor shall be named as an additional insured under any such policies. The insurance required by this Section may be provided by self-insurance.

As an alternative to the above, the Lessee may insure such property under a blanket insurance policy or policies which cover not only such property but other properties of the Lessee, which policy or policies may contain such reasonable deductible and coinsurance provisions as the Lessee may deem necessary or appropriate and prudent.

Section 5.10. Public Liability Insurance. The Lessee agrees that it will carry public liability insurance with reference to the Leased Property in the amounts required by law. The Lessor shall be named as an additional insured under any such policies. The insurance required by this Section may be provided by a blanket insurance policy or policies.

Section 5.11. Worker's Compensation Coverage. Throughout the Lease Term, the Lessee shall maintain Worker's Compensation Coverage or cause the same to be maintained to the extent required by law. The insurance required by this Section may be provided by self-insurance.

Section 5.12. Additional Provisions Respecting Insurance. Any insurance policy issued pursuant to Article V hereof shall be so written or endorsed as to make losses, if any, payable to the Lessor and the Lessee as their respective interests may appear. All such policies shall be obtained from companies authorized to conduct insurance business in the State of Minnesota. Each insurance policy provided for in Sections 5.09, 5.10 and 5.11 hereof shall contain a provision to the effect that the insurance company shall not cancel the same without first giving written notice thereof to the Lessor in advance of such cancellation in accordance with the statutory notice period provided in such policies, and the Lessee shall deliver to the Lessor duplicate copies of certificates of insurance pertaining to each such policy of insurance procured by the Lessee and agrees to keep such duplicate copies of certificates up to date.

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ARTICLE VI

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 6.01. Damage and Destruction. If the Leased Property shall be damaged or partially or totally destroyed by fire, flood, windstorm or other casualty at any time during the Lease Term, there shall be no abatement or reduction in the Rent payable by the Lessee under this Lease, and, unless the Lessee shall have elected to exercise its option to purchase the Lessor's Interest pursuant to the provisions of Article X of this Lease, (i) the Lessee will proceed to repair, rebuild or restore the property damaged or destroyed with changes, deletions, alterations and modifications (including the substitution and addition of other property and removal of existing property), whether or not such changes, deletions, alterations and modifications result in changes in the character of the operations which may be conducted or in the productive capacity of the Leased Property, as may be desired by the Lessee, and (ii) the Lessor will apply so much as may be necessary of the Net Proceeds of insurance received by the Lessor to payment of the cost of any such repair, rebuilding or restoration, either on completion thereof or as the work progresses, upon delivery to the Lessor of the following: (I) a Certification signed by the Authorized Lessee Representative setting forth the costs theretofore incurred or paid and that the Lessee has the additional funds required to complete the restoration, if any, and (II)(a) a contract or contracts, including plans and specifications and other contract documents necessary and usual for the work involved, for the furnishing of all work and materials required for the restoration, and, if reasonably requested by the Lessor, a payment bond and a performance bond issued by a corporate surety or, (b) alternatively, a Certification of an Authorized Lessee Representative that the restoration has been substantially completed and all costs thereof have been paid, with the exception of any amounts reasonably withheld to insure completion. In the event said Net Proceeds are not sufficient to pay in full the costs of any such repair, rebuilding or restoration, the Lessee will nonetheless complete the work thereof and will provide for payment of the portion of the cost thereof in excess of the amount of said Net Proceeds made available unless the Authorized Lessee Representative shall certify to the Lessor that the Lessee elects to prepay the Rent hereunder, pursuant to Section 10.01 hereof, and that the Lessee has available and shall apply funds for such purpose. The Lessee shall not, by reason of the payment of any excess costs over the available Net Proceeds, be entitled to any reimbursement from the Lessor or any diminution or abatement of the Rent payable under this Lease.

Any Net Proceeds held by the Lessor and remaining at the completion of, and payment for, any such repair, rebuilding or restoration, shall be applied to payments of Rent due or to become due under Section 4.01 of this Lease.

In the event the Lessee certifies in the manner above described and elects not to repair, rebuild or restore the damaged or destroyed property as above provided, all of the Rent due and to become due hereunder shall be prepaid pursuant to Section 10.01 hereof within sixty (60) days of such election and the Net Proceeds shall be applied for that purpose. If the Net Proceeds of insurance shall be insufficient, together with the amount then held by the Lessor for the account of the Lessee and available to prepay all of the unpaid Rent (including principal, interest and expenses of prepayment), the Lessee shall pay such deficiency as Rent prior to the prepayment of all Rent

due and payable hereunder. If all Rent has been fully paid or prepaid, and all other payments required hereunder have been made or provided for, all Net Proceeds will be paid to the Lessee.

The obligations under this Section 6.01 shall survive a termination of this Lease pursuant to Section 4.06 hereof.

Section 6.02. Condemnation. Unless the Lessee shall exercise its option to purchase the Lessor's Interest pursuant to the provisions of Article X hereof, if at any time during the Lease Term title to all or substantially all of the Leased Property shall be taken in any proceeding (hereinafter referred to as a "Proceeding") involving exercise of the right of eminent domain, this Lease (except as to the following provisions of this Section 6.02 and the provisions of Section 7.09(c) hereof) and the Lease Term, and all right, title and interest of the Lessee in the Leased Property, shall terminate at 11:59 p.m. on the date of vesting of title pursuant to the Proceeding, and the Lessor shall be entitled to receive the Net Proceeds of the award, which the Lessee hereby assigns to the Lessor. If the Net Proceeds of the award available to the Lessor shall be insufficient, together with any amount then held by the Lessor for the account of the Lessee, to prepay all Rent to become due hereunder, the Lessee shall pay such deficiency as Rent due and payable with respect to the Lease Term not later than thirty (30) days following receipt of the Net Proceeds of the award from the party obligated to pay such award. If the available Net Proceeds of the award, together with the amount then held by the Lessor for the account of the Lessee, is in excess of the amount required to prepay all Rent as aforesaid, such excess shall be paid in full to the Lessee. The available Net Proceeds of the award received by the Lessor (less any excess amount paid to the Lessee, as hereinbefore provided), together with any additional amounts paid by reason of insufficiency and with any amounts then held by the Lessor for the account of the Lessee, shall be applied to the prepayment of all Rent at the earliest possible date. For purposes of this Section, "all or substantially all of the Leased Property" shall be deemed to have been taken if the taking under any Proceeding shall involve such an area, or such impairment of access to the Leased Property over public highways, that the Lessee cannot in its opinion, evidenced by written notice to the Lessor, given within thirty (30) days after the commencement of the Proceeding, reasonably conduct its intended governmental functions in the remainder of the Leased Property for a period of at least six (6) months substantially in the same manner and as satisfactorily as before.

If, during the Lease Term, title to less than all or substantially all of the Leased Property shall be taken in any Proceeding, neither the terms of this Lease nor any of the obligations of either party under this Lease shall be reduced or affected in any way, and the Lessee shall promptly repair, rebuild or restore the Leased Property to the extent necessary to render the Leased Property a complete architectural unit, but if the portion of the Leased Property remaining after such taking is in itself a complete architectural unit, the Lessee need make only such repair, rebuilding or reconstruction as it may in its discretion deem necessary for its operation of the Leased Property. The Lessor will cause the Net Proceeds received by it from any award made in such Proceeding to be applied to any such repair, rebuilding or restoration, and if the Net Proceeds shall be insufficient to pay the cost of any such repair, rebuilding or restoration, the Lessee shall pay the deficiency. Any balance of the available Net Proceeds of the award remaining after paying such cost shall be applied to payments of Rent due or to become due under Section 4.01 hereof. If all Rent has been fully paid, all available Net Proceeds will be paid to the Lessee.

The Lessor and the Lessee shall cooperate fully in the handling and conduct of any prospective or pending Proceeding with respect to the Leased Property or any part thereof, and the Lessor will join with the Lessee to the extent it may lawfully do so and at the Lessee's expense, in maintaining or permitting the Lessee to maintain a defense or contest of the amount of the award in any such Proceeding. In no event will the Lessor or Lessee voluntarily settle, or consent to the settlement of, any prospective or pending Proceeding with respect to the Leased Property or any part thereof without the written consent of the other party.

The obligations under this Section 6.02 shall survive a termination of this Lease pursuant to Section 4.06 hereof.

Section 6.03. Proceeds of Insurance or Condemnation of Lessee-Owned Property. The Lessee shall also be entitled to the Net Proceeds of any condemnation award or portion thereof made for damages to or taking of property not constituting any part of the Leased Property or for damages on account of the taking of or interference with the Lessee's right to possession, use of or occupancy of the Leased Property. Similarly, the Lessee shall also be entitled to the Net Proceeds of any fire and extended coverage or similar insurance on its own property not constituting part of the Leased Property.

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ARTICLE VII

SPECIAL COVENANTS

Section 7.01. No Warranty of Condition or Suitability. The Lessor does not make any warranty, either express or implied, as to the design or capacity of the Leased Property; as to the suitability for operation of the Leased Property; or as to the condition of the Leased Property or that it will be suitable for the Lessee's purposes or needs. The Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Leased Property and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of the Lessee or to third parties, and whether such property damage be to the Lessee's property or the property of others, which is proximately caused by the willful or negligent conduct of the Lessee, its officers, employees and agents.

Section 7.02. Lessee to Maintain its Existence and Qualification; Conditions Under Which Exceptions Permitted. The Lessee agrees that during the Lease Term it will maintain its existence or assure the assumption of its obligations under this Lease by any public body succeeding to its powers.

Section 7.03. Granting Easements. If the Lessee is not then in default, the Lessor at the request of the Lessee from time to time shall grant easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the Land to the extent of its interest therein, or may release existing easements, licenses, rights-of-way and other rights or privileges with or without consideration, and the Lessor agrees that it shall execute and deliver any instrument necessary or appropriate to grant or release any such easement, licenses, right-of-way or other right or privilege upon receipt of: (a) a copy of the instrument of grant or release, and (b) a written application signed by the Authorized Lessee Representative requesting such instrument, and certifying that (i) such grant or release is not detrimental to the proper use or operation of the Leased Property, and (ii) such grant or release will not impair the character or productive capacity of the Leased Property. The Lessor will not grant or release any easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to the Land, without the prior written consent of the Lessee. No release or grant effected under the provisions of this Section shall entitle the Lessee to any abatement of the Rent payable under Section 4.01 hereof.

Section 7.04. Reports. The Lessee agrees to obtain and to furnish to the Lessor such reports concerning the repair, maintenance and condition of the Leased Property as the Lessor may from time to time reasonably request.

Section 7.05. Lessee to Maintain Machinery and Movable Equipment. The Lessee agrees that during the Lease Term it will provide and maintain all machinery, personal property and movable equipment necessary in the judgment of the Lessee to permit the full use, operation and occupancy of the Leased Property, and the Lessor shall be under no obligation to provide or maintain any such equipment. In addition to any equipment installed as part of the Leased Property, the Lessee may from time to time, for that purpose and at its own expense, install additional movable personal property, equipment and machinery on or in the Leased Property.

Nothing contained in the preceding provisions of this Section shall prevent the Lessee from purchasing, after the Effective Date, movable personal property, equipment, furniture or fixtures, notwithstanding that such movable personal property may be subject to a purchase money security interest, as security for the unpaid portion of the purchase price thereof.

Section 7.06. To Observe Laws, Ordinances and Regulations. The Lessee will observe all applicable laws, regulations, ordinances and orders of the United States, the State of Minnesota and agencies and political subdivisions thereof and each department or agency thereof, applicable to this Lease and the Leased Property. The Lessee shall have the right to contest by appropriate procedures the adoption, validity or applicability of any laws, regulations, ordinances and orders referred to in this Section and to delay compliance therewith, without violating the provisions of this Section, if (a) it shall first notify the Lessor of its intention to do so and the Lessor shall consent to such delay in writing or (b) a court of competent jurisdiction shall so order or determine or (c) in the opinion of Independent Counsel furnished to the Lessor, the procedures taken by the Lessee to contest the validity or applicability of any such law, regulation, ordinance or order are appropriate and have the effect of staying the finality and enforceability thereof against the Lessee.

Section 7.07. Further Assurances. The Lessee will execute or cause to be executed any and all further instruments that may reasonably be requested by the Lessor and be authorized by law to evidence the transaction contemplated by this Lease and the Lessor's rights provided or intended to be provided hereby, or to vest in the Lessor or any participant with or assignee of the Lessor or any agent of either the right to receive and apply the payments of Rent required hereunder, and all stamp taxes, mortgage registry taxes and other taxes, duties, imposts, assessments and charges lawfully imposed upon this Lease.

Section 7.08. Intentionally Omitted.

Section 7.09. Intentionally Omitted.

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ARTICLE VIII

ASSIGNMENT, SUBLEASING AND SELLING

Section 8.01. Assignment and Subleasing by Lessee. This Lease may be assigned in whole or in part, and the Leased Property may be subleased as a whole or in part, by the Lessee only upon the conditions that:

- (a) No assignment (other than pursuant to Section 8.02 hereof) or subletting shall relieve the Lessee from primary liability for any of its obligations hereunder, and in the event of any such assignment or subletting the Lessee shall continue to remain primarily liable for the payment of the Rent specified in Section 4.01 hereof and for performance and observance of the other agreements on its part herein provided to be performed and observed by it; and
- (b) Any assignment or sublease from the Lessee must retain for the Lessee such rights and interests as will permit it to perform its obligations under this Lease, and any assignee from the Lessee shall assume the obligations of the Lessee hereunder to the extent of the interest assigned; and
- (c) No assignment or sublease shall impair the tax-exempt status of the interest component of the Rent payable hereunder.

Section 8.02. Assignment by the Lessor. All of Lessor's right, title and/or interest in and to this Lease, the Rent and other amounts due hereunder and the Leased Property may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor at any time, without the consent of Lessee. No such assignment shall be effective as against Lessee unless and until the assignor shall have filed with Lessee a copy or written notice thereof identifying the assignee. Lessee shall pay all Rent due hereunder to or at the direction of Lessor or the assignee named in the most recent assignment or notice of assignment filed with Lessee. During the Lease Term Lessee shall keep a complete and accurate record of all such assignments. In the event Lessor assigns participations in its right, title and/or interest in and to this Lease, the Rent and other amounts due hereunder and the Equipment, such participants shall be considered to be Lessor with respect to their participated shares thereof.

Section 8.03. Restrictions on Transfer and Encumbrances of Leased Property by the Lessee. The Lessee agrees that, except as otherwise provided in this Lease, it will not sell, assign, transfer, convey or otherwise dispose of the Leased Property or any portion thereof during the Lease Term and that it will not, to the extent permitted by law, create or suffer to be created any debt, lien or charge thereon or make any pledge or assignment of or create any lien or encumbrance upon the rents, revenues and receipts derived from the sale, lease or other disposition of the Leased Property other than as provided in Section 8.01 hereof and except as the Lessee may create, levy or enforce in its governmental capacity, special assessments, ad valorem taxes, license fees, and water, sewer and similar user charges to the same extent, if any, as they could otherwise be created, levied or enforced with respect to property of the Lessee.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.01. Events of Default. The following shall be “Events of Default” under this Lease and the term “Event of Default” shall mean, whenever used in this Lease, any one or more of the following events:

- (a) If the Lessee fails to pay the Rent required to be paid under Section 4.01 hereof when due; or
- (b) If the Lessee shall default in the due and punctual performance of any of the other covenants, conditions, agreements and provisions contained in this Lease or in any instrument supplemental hereto on the part of the Lessee to be performed, and such default shall have continued for a period of sixty (60) days after written notice, specifying such default and requiring the same to be remedied, shall have been given to the Lessee by the Lessor.

The provisions of paragraph (b) of this Section are subject to the following limitations: If by reason of force majeure the Lessee is unable in whole or in part to carry out its agreements on its part contained herein, the Lessee shall not be deemed in default during the continuance of such disability. The term "force majeure" as used herein includes the following: acts of God; strikes, lockouts or other employee disturbances; acts of public enemies; orders of any kind of the government of the United States of America or of the State of Minnesota or any of their respective departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes, storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions, breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; fuel shortage; unavailability of materials; or any other cause or event not reasonably within the control of the Lessee. The provisions of paragraph (b) of this Section are subject to the further limitation that if the default can be remedied but not within a period of sixty (60) days after notice and if the Lessee has taken all action reasonably possible to remedy such default within such sixty (60) day period, the default shall not become an event of default for so long as the Lessee shall diligently proceed to remedy such default and in accordance with any directions or limitations of time made by the Lessor. The Lessee agrees, however, to use good faith and reasonable efforts to remedy with all reasonable dispatch any cause or causes preventing the Lessee from carrying out its agreements.

Section 9.02. Remedies on Default. Whenever any Event of Default referred to in Section 9.01 hereof shall have happened and be subsisting, the Lessor or a receiver may (i) enter the Leased Property and take possession of the Leased Property without terminating this Lease, holding the Lessee liable for the difference in the net income derived from such possession and the Rent and other amounts payable by the Lessee hereunder until the termination of the Lease, or (ii) exclude the Lessee from possession of the Leased Property and use reasonable commercial efforts to again lease or sell the Leased Property in accordance with applicable law, but holding the Lessee liable for all Rent and other payments otherwise due under this Lease up to the effective date of

such new leasing or sale or the termination of the Lease, or (iii) take whatever action at law or in equity may appear necessary or desirable to collect the Rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Lease. Lessee shall fully cooperate with any and all efforts of Lessor under this Section to lease or sell the Leased Property and shall promptly apply any proceeds thereof to Rent then due and to become due under this Lease.

Any amounts collected pursuant to action taken under this Section shall be applied first to advances and expenses as provided in Section 9.05 hereof, and next to the payment or prepayment of Rent (principal, interest and premium, if any), and any excess to the Lessee.

Whenever any Default shall occur, the Lessor may take any action at law or in equity which may appear necessary or desirable to collect the payments then due and thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Lease.

The provisions of this Section 9.02 and the exercise of any remedy by the Lessor or a receiver pursuant to this Section 9.02 are expressly subject to the provisions of Section 10.03 hereof.

Section 9.03. Remedies Cumulative, Delay Not to Constitute Waiver. No remedy conferred upon or reserved to the Lessor or a receiver by this Lease is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, and any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lessor or a receiver to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. In the event any agreement contained in this Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to a particular breach so waived and shall not be deemed to waive any other breach hereunder. In case the Lessor shall have proceeded to enforce any right under this Lease and such proceedings shall have been determined adversely to the Lessor, the Lessor shall be restored to its former position and rights hereunder and all rights, remedies and powers of the Lessor shall continue as if no such proceedings had been taken.

Section 9.04. Agreement to Pay Attorneys' Fees and Expenses. In the event the Lessee should default under any of the provisions of this Lease and the Lessor or a receiver should employ attorneys or incur other expenses for the collection of Rent or the enforcement of performance or observance of any obligation or agreement on the part of the Lessee contained in this Lease, the Lessee agrees that, unless a court of competent jurisdiction orders otherwise, the Lessee will on demand therefor reimburse the reasonable fee of such attorneys and such other expenses so incurred.

Section 9.05. Advances. In the event the Lessee shall fail to pay any Rent under Section 4.01 hereof, or shall fail to maintain or repair, rebuild or restore any of the Leased Property, or shall fail to maintain any insurance as required by the provisions of this Lease, or to do any other thing or make any other payment required to be done or made by any other provision of this Lease, the Lessor, in its sole discretion, may do or cause to be done any such thing or make or cause to be made any such payment at the expense or as an advance for the account of the Lessee, and the Lessee shall pay to the Lessor, upon demand, all costs and expenses so incurred and advances so made, with interest at the rate of one percent (1.00%) per month or part of a month from the date of demand. Any such advance shall be entitled to priority of payment from any funds thereafter received from the Lessee or under Section 9.02 hereof.

Section 9.06. Waiver of Appraisalment, Valuation, Etc. In the event the Lessee should default under any of the provisions of this Lease, the Lessee agrees to waive, to the extent it may lawfully do so, the benefit of all appraisalment, valuation, stay, extension or redemption laws now or hereafter in force, and all right of appraisalment and redemption to which it may be entitled, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Lessor, but will suffer and permit the execution of every such power as though no such law had been enacted.

[The balance of this page is intentionally left blank.]

ARTICLE X

OPTION TO PURCHASE

Section 10.01. Option to Purchase Lessor's Interest. The Lessee shall have, and is hereby granted, an option to purchase the Lessor's Interest for One Dollar (\$1.00) at the expiration of the Lease Term if full payment or prepayment of all Rent has been made in accordance with the provisions hereof, and any other conditions precedent to the termination of the Lease Term shall have been fulfilled, and all payments in addition to Rent payable hereunder shall have been paid. In addition, prior to the expiration of the Lease Term, the Lessee may elect to terminate this Lease and exercise its right to purchase the Lessor's Interest effective as of any Payment Date in accordance with, and upon fulfillment of the requirements of, this Section and Section 10.02 hereof. In the event that the Lessee exercises its option to purchase the Lessor's Interest, the Lessee shall give written notice to the Lessor, and shall specify therein the date of closing such purchase and the date for prepayment of any unpaid Rent, which date shall be a Payment Date with respect to any such exercise prior to the expiration of the Lease Term. Such notice shall be given not less than forty-five (45) nor more than ninety (90) days prior to such date of closing. The price payable by the Lessee in the event of its exercise of the option granted in this Section shall be the sum of the following:

- (1) an amount of money which, when added to the moneys and investments held by the Lessor for the account of the Lessee, will be sufficient to prepay the Principal Balance of all Rent Remaining, as set forth above, plus
- (2) an amount of money equal to any other payments then due and owing hereunder, including interest accrued to the date of prepayment, plus
- (3) the sum of One Dollar (\$1.00) to the Lessor.

In the event of the exercise of the option granted in this Section and payment by Lessee of the amounts required by this Lease to have been paid hereunder any Net Proceeds of insurance or condemnation shall be paid to the Lessee, notwithstanding any provision of Sections 6.01 and 6.02 hereof, and the Lessor will deliver to the Lessee the documents referred to in Section 10.02 hereof.

The mutual agreements contained in this Section 10.01 are independent of, and constitute an agreement separate and distinct from, any and all provisions of this Lease and shall be unaffected by any fact or circumstance which might impair or be alleged to impair the validity of any other provisions.

Section 10.02. Conveyance on Exercise of Option to Purchase. On the exercise of any option to purchase granted herein, the Lessor will upon payment of the price specified in Section 10.01 hereof deliver or cause to be delivered to the Lessee a quit claim deed to each parcel of Land in substantially the form included in EXHIBITS D1 and D2 hereto conveying to the Lessee all of the right, title and interest of the Lessor in and to the Lessor's Interest in the Leased Property being purchased, as such interest then exists, subject to the following: (i) those liens and

encumbrances, if any, to which title to the Leased Property was subject when conveyed to the Lessor; (ii) those liens and encumbrances created by the Lessee or to the creation or suffering of which the Lessee consented; and (iii) those liens and encumbrances resulting from the failure of the Lessee to perform or observe any of the agreements on its part contained in this Lease. On the exercise of the option to purchase, the Lessor will deliver or cause to be delivered to the Lessee a bill of sale for the equipment specified in EXHIBIT C hereto

Section 10.03. Relative Position of this Article and Article IX. The rights and options granted to the Lessee in this Article shall be and remain prior and superior to Article IX hereof and may be exercised whether or not the Lessee is in default hereunder, provided that such default will not result in nonfulfillment of any condition to the exercise of any such right or option.

[The balance of this page is intentionally left blank.]

ARTICLE XI

MISCELLANEOUS

Section 11.01. Surrender of Leased Property. In the event the Lessee should default under this Lease and the Lease Term is terminated or in the event of a termination of this Lease for nonappropriation pursuant to Section 4.06 hereof, the Lessee agrees to surrender possession of the Leased Property peaceably and promptly to the Lessor in as good condition as prevailed at the time it was put in full possession thereof, loss by fire or other casualty covered by insurance, ordinary wear and tear, obsolescence and acts of God excepted.

Section 11.02. Intentionally Omitted.

Section 11.03. Notices. All notices, certificates, requests or other communications hereunder shall be in writing and sufficiently given and shall be deemed given when mailed by registered mail, return receipt requested, postage prepaid, addressed as follows:

- A. To the Lessor -- Northeast Metropolitan Intermediate
School District No. 916
2540 County Rd. F East
White Bear Lake, MN 5500
Attn: Director of Administrative Services

- B. To the Lessee -- Independent School District No. 622
2520 East 12th Avenue
North St. Paul, MN 55109
Attn: Director of Business Services

The Lessee or the Lessor may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 11.04. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Lessor, the Lessee and their respective successors and assigns, subject, however, to the limitations contained in Sections 8.01, 8.02 and 8.03 hereof.

Section 11.05. Amendments, Changes and Modifications. Except as otherwise provided in this Lease, this Lease may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the Lessee and the Lessor.

Section 11.06. Counterparts. This Lease may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same Lease.

Section 11.07. Intentionally Omitted.

Section 11.08. Severability. In case any section or provision of this Lease, or in case any covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken under the Lease, or any application thereof, is for any reason held to be illegal or invalid, or is at any time inoperable by reason of any law, or actions thereunder, such illegality or invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Lease or any other covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken under this Lease, which shall at the time be construed and enforced as if such illegal or invalid or inoperable portion were not contained therein, nor shall such illegality or invalidity or inoperability or any application thereof affect any legal and valid and operable application therefor from time to time, and each such section, provision, covenant, stipulation, obligation, agreement, act, or action, or part thereof, shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent from time to time permitted by law.

Section 11.09. Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

Section 11.10. Applicable Law. This Lease shall be interpreted in accordance with and governed by the laws of the State of Minnesota.

[The balance of this page is intentionally left blank.]

[Signature Page to Lease Agreement]

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease to be executed in their respective names and attested by duly authorized officers all as of the date first above written, but actually on the date acknowledged below.

NORTHEAST METROPOLITAN INTERMEDIATE
SCHOOL DISTRICT NO. 916
as Lessor

By: _____
Its: Director of Administrative Services

STATE OF MINNESOTA }
 }SS
COUNTY OF WASHINGTON }

The foregoing instrument was acknowledged before me this ___ day of _____, 2017, by Kristine Carr, the Director of Administrative Services of Northeast Metropolitan Intermediate School District No. 916, a duly organized and existing intermediate school district of the State of Minnesota having its administrative offices at White Bear Lake, Minnesota, on behalf of said intermediate school district.

Notary Public

[Signature Page to Lease Agreement]

INDEPENDENT SCHOOL DISTRICT NO. 622
(NORTH ST. PAUL-MAPLEWOOD-OAKDALE)
as Lessee

By: _____
Its: Director of Business Services

STATE OF MINNESOTA }
 }SS
COUNTY OF RAMSEY }

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by Randy Anderson, the Director of Business Services of Independent School District No. 622 (North St. Paul-Maplewood-Oakdale), an independent school district of the State of Minnesota on behalf of said school district.

Notary Public

EXHIBIT A1

to

LEASE AGREEMENT

dated as of _____, 2017

between

NORTHEAST METROPOLITAN INTERMEDIATE SCHOOL DISTRICT NO. 916

As Lessor

and

**INDEPENDENT SCHOOL DISTRICT NO. 622
(NORTH ST. PAUL-MAPLEWOOD-OAKDALE)**

As Lessee

DESCRIPTION OF LEASED PROPERTY

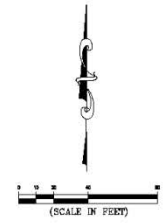
**Addition to John Glenn Middle School
(Legal Description of Land)**

All that part of the Northeast Quarter of Section 15, Township 29, Range 22, Ramsey County, Minnesota (being a part of Block 2, MEMBREZ ADDITION and a part of vacated Eldridge Avenue previously dedicated on the plats of MEMBREZ ADDITION and SABIN GARDEN LOTS, Ramsey County, Minnesota) described as follows:

Commencing at the northwest corner of said Northeast Quarter of Section 15; thence South 00 degrees 17 minutes 42 seconds East, assumed bearing, along the west line of said Northeast Quarter, a distance of 641.95 feet; thence North 89 degrees 49 minutes 17 seconds East, a distance of 221.73 feet to the point of beginning of the property to be described; thence continuing North 89 degrees 49 minutes 17 seconds East, a distance of 78.00 feet; thence North 00 degrees 10 minutes 43 seconds West, a distance of 115.00 feet; thence South 89 degrees 49 minutes 17 seconds West, a distance of 78.00 feet; thence South 00 degrees 10 minutes 43 seconds East, a distance of 14.00 feet; thence South 89 degrees 49 minutes 17 seconds West, a distance of 8.00 feet; thence South 00 degrees 10 minutes 43 seconds East, a distance of 16.00 feet; thence North 89 degrees 49 minutes 17 seconds East, a distance of 8.00 feet; thence South 00 degrees 10 minutes 43 seconds East, a distance of 85.00 feet to the point of beginning and there terminating.

Description Exhibit

for: INDEPENDENT SCHOOL DISTRICT #622
of: JOHN GLENN MIDDLE SCHOOL



PROPOSED PROPERTY DESCRIPTION:

All that part of the Northeast Quarter of Section 15, Township 29, Range 22, Ramsey County, Minnesota (being a part of Block 2, MEMBREZ ADDITION and a part of vacated Eldridge Avenue previously dedicated on the plats of MEMBREZ ADDITION and SABIN GARDEN LOTS, Ramsey County, Minnesota) described as follows:
Commencing at the northwest corner of said Northeast Quarter of Section 15; thence South 00 degrees 17 minutes 43 seconds East, assumed bearing, along the west line of said Northeast Quarter, a distance of 641.95 feet; thence North 89 degrees 49 minutes 17 seconds East, a distance of 221.73 feet to the point of beginning of the property to be described; thence continuing North 89 degrees 49 minutes 17 seconds East, a distance of 78.00 feet; thence North 00 degrees 10 minutes 43 seconds West, a distance of 115.00 feet; thence South 89 degrees 49 minutes 17 seconds West, a distance of 78.00 feet; thence South 00 degrees 10 minutes 43 seconds East, a distance of 14.00 feet; thence South 89 degrees 49 minutes 17 seconds West, a distance of 8.00 feet; thence South 00 degrees 10 minutes 43 seconds East, a distance of 16.00 feet; thence North 89 degrees 49 minutes 17 seconds East, a distance of 8.00 feet; thence South 00 degrees 10 minutes 43 seconds East, a distance of 85.00 feet to the point of beginning and there terminating.



EXHIBIT A2

to

LEASE AGREEMENT

dated as of June 30, 2017

between

NORTHEAST METROPOLITAN INTERMEDIATE SCHOOL DISTRICT NO. 916

As Lessor

and

**INDEPENDENT SCHOOL DISTRICT NO. 622
(NORTH ST. PAUL-MAPLEWOOD-OAKDALE)**

As Lessee

DESCRIPTION OF LEASED PROPERTY

Addition to Oakdale Elementary School
(Legal Description of Land)

Exhibit A

LEGAL DESCRIPTION OF THE PROPERTY

Oakdale Elementary
821 N. Glenbrook
Oakdale, MN

All that part of the Northeast Quarter (NE1/4) of the Northwest Quarter (NW1/4) of Section Thirty-one (31) in Township Twenty-nine (29) North of Range Twenty-one (21) West, described as follows:

Beginning at the Southeast corner of said quarter-quarter section and running thence North along the East line thereof Six hundred sixty-one and sixty-five one-hundredths (661.65) feet to a point Six hundred sixty-one and sixty-five one-hundredths (661.65) feet south of the Northeast corner of said quarter-quarter section; thence west parallel with the North line of said quarter-quarter section Three hundred twenty-nine and eighteen-one-hundredths (329.18) feet; thence North parallel with said east line Three hundred thirty (330) feet South of said North line; thence West parallel with said North line Nine hundred ninety and seven-tenths (990.7) feet to the west line of said quarter-quarter section; thence south along said west line Five hundred twenty-eight and six-tenths (528.6) feet to a point Four hundred sixty-six and four-tenths (466.4) feet North of the Southwest corner of said quarter-quarter section; thence East parallel with the South line of said quarter-quarter section Four hundred sixty-six and four-tenths (466.4) feet; thence South parallel with said West line to said South line; thence East along said South line Eight hundred fifty-three (853) feet to the point of beginning. According to the United States Government survey thereof.

The West Four hundred sixty-six and four tenths (466.4) feet of the South Four hundred sixty-Six and four tenths (466.4) feet of the Northeast Quarter of the Northwest Quarter (NE 1/4 of NW 1/4) of Section Thirty-one (31) Township Twenty-nine (29) North of Range Twenty-one (21) West of the Fourth Meridian, Washington County, Minnesota, according to the United States Government Survey thereof.

The Westerly Sixty (60) feet of Lot One (1) in Block One (1) of Lake Park Addition, Washington Co., MN according to the plat thereof on file and of record in the office of the Register of Deeds of Washington Co., MN No. 1.

EXHIBIT B

to

LEASE AGREEMENT

dated as of

June 30, 2017

between

NORTHEAST METROPOLITAN INTERMEDIATE SCHOOL DISTRICT NO. 916

As Lessor

and

**INDEPENDENT SCHOOL DISTRICT NO. 622
(NORTH ST. PAUL-MAPLEWOOD-OAKDALE)**

As Lessee

Permitted Encumbrances of Record
as of June 30, 2017

EXHIBIT C

to

LEASE AGREEMENT

**EQUIPMENT AT JOHN GLENN MIDDLE SCHOOL ADDITION
INCLUDED IN THE LEASED PROPERTY**

DIRTT removable walls in addition		\$11,100
Office Furnishings	Room 100	11,653
	Room 117A	2,923
Smart Boards (3 boards and projectors)		<u>900</u>
TOTAL FFE		<u>\$26,576</u>

EXHIBIT D1

to

LEASE AGREEMENT

dated as of _____, 2017

between

NORTHEAST METROPOLITAN INTERMEDIATE SCHOOL DISTRICT NO. 916

As Lessor

and

**INDEPENDENT SCHOOL DISTRICT NO. 622
(NORTH ST. PAUL-MAPLEWOOD-OAKDALE)**

As Lessee

QUIT CLAIM DEED

to John Glenn Middle School Addition

(Top 3 inches reserved for recording data)

QUIT CLAIM DEED

Business Entity to Business Entity

eCRV number: [...]

DEED TAX DUE: _____

DATE: _____, 20__

FOR VALUABLE CONSIDERATION, Northeast Metropolitan Intermediate School District No. 916, a public school corporation under the laws of Minnesota ("Grantor"), hereby conveys and quitclaims to Independent School District No. 622, a public school corporation under the laws of Minnesota ("Grantee"), real property in Washington County, Minnesota, legally described as follows:

All that part of the Northeast Quarter (NE1/4) of the Northwest Quarter (NW1/4) of Section Thirty-one (31) in Township Twenty-nine (29) North of Range Twenty-one (21) West, described as follows:

Beginning at the Southeast corner of said quarter-quarter section and running thence North along the East line thereof Six hundred sixty-one and sixty-five one-hundredths (661.65) feet to a point Six hundred sixty-one and sixty-five one-hundredths (661.65) feet south of the Northeast corner of said quarter-quarter section; thence west parallel with the North line of said quarter-quarter section Three hundred twenty-nine and eighteen-one-hundredths (329.18) feet; thence North parallel with said east line Three hundred thirty (330) feet South of said North line; thence West parallel with said North line Nine hundred ninety and seven-tenths (990.7) feet to the west line of said quarter-quarter section; thence south along said west line Five hundred twenty-eight and six-tenths (528.6) feet to a point Four hundred sixty-six and four-tenths (466.4) feet North of the Southwest corner of said quarter-quarter section; thence East parallel with the South line of said quarter-quarter section Four hundred sixty-six and four-tenths (466.4) feet; thence South parallel with said West line to said South line; thence East along said South line Eight hundred fifty-three (853) feet to the point of beginning. According to the United States Government survey thereof.

The West Four hundred sixty-six and four tenths (466.4) feet of the South Four hundred sixty-Six and four tenths (466.4) feet of the Northeast Quarter of the Northwest Quarter (NE 1/4 of NW 1/4) of Section Thirty-one (31) Township Twenty-nine (29) North of Range Twenty-one (21) West of the

Fourth Meridian, Washington County, Minnesota, according to the United States Government Survey thereof.

The Westerly Sixty (60) feet of Lot One (1) in Block One (1) of Lake Park Addition, Washington Co., MN according to the plat thereof on file and of record in the office of the Register of Deeds of Washington Co., MN No.1.

The consideration for this transfer is less than \$500.

Check here if all or part of the described real property is Registered (Torrens)

together with all hereditaments and appurtenances belonging thereto.

Check applicable box:

- The Seller certifies that the Seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: [...].)
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

Grantor

**NORTHEAST METROPOLITAN INTERMEDIATE
SCHOOLDISTRICT NO. 916**

By: _____
[printed name of authorized signer]

Its: Chair

By: _____
[printed name of authorized signer]

Its: Clerk

State of Minnesota, County of Ramsey

This instrument was acknowledged before me on _____, 20____, by [name of authorized signer] as Chair and by [name of authorized signer] as Clerk of Northeast Metropolitan Intermediate School District No. 916.

(Stamp)

(signature of notarial officer)

Title (and Rank): _____

My commission expires: _____

(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:

KNUTSON, FLYNN & DEANS, P.A.
1155 Centre Pointe Drive, Suite 10
Mendota Heights, MN 55120
(651) 222-2811

TAX STATEMENTS FOR THE REAL PROPERTY DESCRIBED IN
THIS INSTRUMENT SHOULD BE SENT TO:

INDEPENDENT SCHOOL DISTRICT NO. 622
ATTN: Director of Business Services
2520 East 12th Avenue
North St. Paul, MN 55109

EXHIBIT D2

to

LEASE AGREEMENT

dated as of _____, 2017

between

NORTHEAST METROPOLITAN INTERMEDIATE SCHOOL DISTRICT NO. 916

As Lessor

and

**INDEPENDENT SCHOOL DISTRICT NO. 622
(NORTH ST. PAUL-MAPLEWOOD-OAKDALE)**

As Lessee

QUIT CLAIM DEED

to Oakdale Elementary School Addition

(Top 3 inches reserved for recording data)

QUIT CLAIM DEED

Business Entity to Business Entity

eCRV number: [...]

DEED TAX DUE: _____

DATE: _____, 20__

FOR VALUABLE CONSIDERATION, **Northeast Metropolitan Intermediate School District No. 916**, a public school corporation under the laws of Minnesota ("Grantor"), hereby conveys and quitclaims to **Independent School District No. 622**, a public school corporation under the laws of Minnesota ("Grantee"), real property in Ramsey County, Minnesota, legally described as follows:

All that part of the Northeast Quarter of Section 15, Township 29, Range 22, Ramsey County, Minnesota (being a part of Block 2, MEMBREZ ADDITION and a part of vacated Eldridge Avenue previously dedicated on the plats of MEMBREZ ADDITION and SABIN GARDEN LOTS, Ramsey County, Minnesota) described as follows:

Commencing at the northwest corner of said Northeast Quarter of Section 15; thence South 00 degrees 17 minutes 42 seconds East, assumed bearing, along the west line of said Northeast Quarter, a distance of 641.95 feet; thence North 89 degrees 49 minutes 17 seconds East, a distance of 221.73 feet to the point of beginning of the property to be described; thence continuing North 89 degrees 49 minutes 17 seconds East, a distance of 78.00 feet; thence North 00 degrees 10 minutes 43 seconds West, a distance of 115.00 feet; thence South 89 degrees 49 minutes 17 seconds West, a distance of 78.00 feet; thence South 00 degrees 10 minutes 43 seconds East, a distance of 14.00 feet; thence South 89 degrees 49 minutes 17 seconds West, a distance of 8.00 feet; thence South 00 degrees 10 minutes 43 seconds East, a distance of 16.00 feet; thence North 89 degrees 49 minutes 17 seconds East, a distance of 8.00 feet; thence South 00 degrees 10 minutes 43 seconds East, a distance of 85.00 feet to the point of beginning and there terminating.

The consideration for this transfer is less than \$500.

Check here if all or part of the described real property is Registered (Torrens)

together with all hereditaments and appurtenances belonging thereto.

Check applicable box:

- The Seller certifies that the Seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: [...].)
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

Grantor

**NORTHEAST METROPOLITAN INTERMEDIATE
SCHOOLDISTRICT NO. 916**

By: _____
[printed name of authorized signer]
Its: Chair

By: _____
[printed name of authorized signer]
Its: Clerk

State of Minnesota, County of Ramsey

This instrument was acknowledged before me on _____, 20____, by [name of authorized signer] as Chair and by [name of authorized signer] as Clerk of Northeast Metropolitan Intermediate School District No. 916.

(Stamp)

(signature of notarial officer)

Title (and Rank): _____

My commission expires: _____

(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:

KNUTSON, FLYNN & DEANS, P.A.
1155 Centre Pointe Drive, Suite 10
Mendota Heights, MN 55120
(651) 222-2811

TAX STATEMENTS FOR THE REAL PROPERTY DESCRIBED IN
THIS INSTRUMENT SHOULD BE SENT TO:

INDEPENDENT SCHOOL DISTRICT NO. 622
ATTN: Director of Business Services
2520 East 12th Avenue
North St. Paul, MN 55109

SCHEDULE 1

To

LEASE AGREEMENT

Between

NORTHEAST METROPOLITAN INTERMEDIATE SCHOOL DISTRICT NO. 916

as Lessor

and

**INDEPENDENT SCHOOL DISTRICT NO. 622
(NORTH ST. PAUL-MAPLEWOOD-OAKDALE)**

as Lessee

Schedule of Basic Rent Payments

See attached

Schedule 1 to Lease Agreement 2017

INDEPENDENT SCHOOL DISTRICT NO. 622
(NORTH ST. PAUL-MAPLEWOOD-OAKDALE)

Amount:		\$1,626,976		
Dated Date:		6/30/2017		
Interest Rate:		3.10%		
No. of Years:		10		
Semi-Annual Payment		\$94,029		
Annual Payments		\$188,058		
Payment No.	Date	Total Principal and Interest		Principal Balance of All Rent Remaining
		Principal	Interest	
1	8/1/2017	\$89,686	\$4,343	1,537,290
2	2/1/2018	70,201	23,828	1,467,089
3	8/1/2018	71,289	22,740	1,395,800
4	2/1/2019	72,394	21,635	1,323,406
5	8/1/2019	73,516	20,513	1,249,890
6	2/1/2020	74,656	19,373	1,175,234
7	8/1/2020	75,813	18,216	1,099,422
8	2/1/2021	76,988	17,041	1,022,434
9	8/1/2021	78,181	15,848	944,253
10	2/1/2022	79,393	14,636	864,860
11	8/1/2022	80,624	13,405	784,236
12	2/1/2023	81,873	12,156	702,363
13	8/1/2023	83,142	10,887	619,220
14	2/1/2024	84,431	9,598	534,789
15	8/1/2024	85,740	8,289	449,050
16	2/1/2025	87,069	6,960	361,981
17	8/1/2025	88,418	5,611	273,563
18	2/1/2026	89,789	4,240	183,774
19	8/1/2026	91,180	2,848	92,594
20	2/1/2027	92,594	1,435	0

Lease Payments are due at least one Business Day prior to February 1 and August 1 of each year, commencing one Business Day prior to August 1, 2017. The amount of a prepayment shall be calculated as specified in Section 10.01 of the Lease and the first page of this Schedule 1.

The option to purchase is exercisable upon compliance with Section 10.01 of this Lease.

The Final Price payable upon exercise of the option to purchase equals \$1.00.

Independent School District No. 622
(North St. Paul-Maplewood-Oakdale)

By: _____
Its: Director of Business Services

**INDEPENDENT SCHOOL DISTRICT NO. 622
(NORTH ST. PAUL-MAPLEWOOD-OAKDALE)**

CLOSING CERTIFICATE

I, the undersigned, the duly qualified and acting Director of Business Services of Independent School District No. 622 (North St. Paul-Maplewood-Oakdale), (the " District "), acting for the District, do hereby certify as follows:

1. I have in my official capacity duly executed the Lease Agreement, dated as of June 30, 2017, by and between the District and Northeast Metropolitan Intermediate School District No. 916 (the "Lease Agreement").
2. The Rent payments provided for on Schedule 1 to the Lease Agreement shall be due and payable on the Payment Dates specified and in the amounts shown on Schedule 1 to the Lease Agreement.
3. The District has appropriated and/or taken other lawful actions necessary to provide moneys to pay all Rent required to be paid under the Lease Agreement during the current fiscal year of the District and such moneys will be applied in payment of all Rent due and payable during such current fiscal year.
4. During the Lease Term (as defined in the Lease Agreement), the Leased Property will be used by the District to perform essential governmental functions. The Leased Property has not been and is not expected during the term of the Lease to be sold or otherwise disposed of by the District. The District will not make use of the Leased Property in a manner that will cause the Lease to be a "private activity bond" pursuant to Section 141 of the Code.
5. There is no litigation, action, suit or proceeding pending or to our knowledge threatened before any court, administrative agency, arbitrator or governmental body, that challenges the authority of the District or its officers or employees to enter into the Lease Agreement; the proper authorization, approval and execution of the Lease Agreement and other documents contemplated thereby; the appropriation of moneys, or any other action taken by the District to provide moneys sufficient to make Rent payments coming due under the Lease Agreement in the District's current fiscal year; or the ability of the District otherwise to perform its obligations under the Lease Agreement and the transactions contemplated thereby.
6. The resolution of the District authorizing the execution and the delivery of the Lease Agreement was duly and validly adopted by its school board on May 23, 2017, and such resolution has not been amended or repealed and remains in full force and effect as of the date hereof.

7. The representations and warranties of the District contained in the Lease Agreement are true and correct as of the date hereof.
8. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances which would materially change the foregoing facts and conclusions.
9. None of the proceedings, documents or records provided to Knutson, Flynn & Deans, Professional Association, have been in any manner repealed, amended or changed.

[Remainder of this page left blank intentionally]

IN WITNESS WHEREOF, the undersigned has hereunto set his signature on June __, 2017.

Independent School District No. 622
(North St. Paul-Maplewood-Oakdale)

By: _____
Director of Business Services

EXTRACT OF MINUTES OF MEETING
OF SCHOOL BOARD OF
INDEPENDENT SCHOOL DISTRICT NO. 622
(NORTH ST. PAUL-MAPLEWOOD-OAKDALE)
NORTH ST. PAUL, MINNESOTA

HELD: MAY 23, 2017

Pursuant to due call and notice thereof, a regular meeting of the School Board of Independent School District No. 622 was held on the 23rd day of May, 2017, at 6:00 o'clock p.m.

The following Board members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

**RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF
A LEASE AGREEMENT AND RELATED DOCUMENTS AND CERTIFICATES**

BE IT RESOLVED by the School Board of Independent School District No. 622 (North St. Paul-Maplewood-Oakdale), State of Minnesota (the "District"), as follows:

1. The District has received a proposal from Northeast Metropolitan Intermediate School District No. 916 to provide taxable lease-purchase financing to finance the acquisition of the additions to the John Glenn Middle School and the Oakdale Elementary School described in EXHIBITS A1 and A2 to the Lease Agreement and located on the Land (collectively, the "Leased Property"), to be used as educational spaces for the District. That proposal is hereby accepted. Bond counsel is directed to prepare a final Lease Agreement, and other necessary certificates and documents that reflect the transaction.

2. The District's Director of Business Services is hereby authorized to execute the Lease Agreement and any related documents thereto on behalf of the District, and to execute such other certificates, documents and agreements as may be necessary and appropriate to effectuate the transactions contemplated by the Lease Agreement and said related documents. The Lease Agreement and the related documents may contain such necessary and appropriate variations, omissions and insertions as the Director of Business Services shall determine to be necessary, and the execution thereof shall be conclusive evidence of such determination and its approval by the Board.

3. The provisions of the Lease Agreement shall supersede any contrary provisions of the Joint Powers Agreements between the District and Northeast Metropolitan Intermediate School District No. 916 dated January 22, 1988 and July 1, 1990, and each as amended April 4,

2000. Said Joint Powers Agreements shall be terminated upon entry by the parties into the Lease Agreement. The Lease Agreement shall be the method determined by the District and the Intermediate District to accomplish the acquisition of the special education additions to John Glenn Middle School and Oakdale Elementary School by the District.

The motion for the adoption of the foregoing resolution was duly seconded by Member _____ and upon roll call vote the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
)SS
COUNTY OF RAMSEY)

I, the undersigned, being the fully qualified and acting Clerk of Independent School District No. 622 (North St. Paul-Maplewood-Oakdale), State of Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a meeting of the District held on the 23rd day of May, 2017, with the original thereof on file in my office, and the same is a full, true and complete transcript insofar as the same relates to the adoption of a resolution approving and authorizing the execution of a Lease Agreement and related documents and certificates.

WITNESS MY HAND officially as such Clerk this _____ day of _____, 2017.

Clerk

EXTRACT OF MINUTES OF GOVERNING BOARD OF
NORTHEAST METROPOLITAN INTERMEDIATE SCHOOL DISTRICT NO. 916
STATE OF MINNESOTA, MINNESOTA

HELD: _____, 2017

Pursuant to due call and notice thereof, a _____ meeting of the Governing Board of Northeast Metropolitan Intermediate School District No. 916 was held on the _____ day of _____, 2017, at _____ o'clock p.m.

The following Board members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

**RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF
A LEASE AGREEMENT AND RELATED DOCUMENTS AND CERTIFICATES**

BE IT RESOLVED by the Governing Board of Northeast Metropolitan Intermediate School District No. 916, State of Minnesota (the "District"), as follows:

1. The District has submitted a proposal to Independent School District No. 622 (North St. Paul-Maplewood-Oakdale) ("District No. 622") to provide taxable lease-purchase financing to finance the acquisition of the additions to the John Glenn Middle School and the Oakdale Elementary School described in EXHIBITS A1 and A2 to the Lease Agreement (the "Leased Property") and located on the Land owned by the Lessee, to be used as educational spaces for District No. 622. That proposal has been accepted by the Board of District No. 622. Bond counsel is directed to prepare a final Lease Agreement, and other necessary certificates and documents that reflect the transaction.

2. The District's Director of Administrative Services is hereby authorized to execute the Lease Agreement, and any related documents thereto on behalf of the District, and to execute such other certificates, documents and agreements as may be necessary and appropriate to effectuate the transactions contemplated by the Lease Agreement and said related documents. The Lease Agreement and the related documents may contain such necessary and appropriate variations, omissions and insertions as the Director of Administrative Services shall determine to be necessary, and the execution thereof shall be conclusive evidence of such determination and its approval by the Board.

3. The provisions of the Lease Agreement shall supersede any contrary provisions of the Joint Powers Agreements between the District and Northeast Metropolitan Intermediate School District No. 916 dated January 22, 1988 and July 1, 1990, and each as amended April 4,

2000. Said Joint Powers Agreements shall be terminated upon entry by the parties into the Lease Agreement. The Lease Agreement shall be the method determined by the District and District No. 622 to accomplish the acquisition of the special education additions to John Glenn Middle School and Oakdale Elementary School by District No. 622.

The motion for the adoption of the foregoing resolution was duly seconded by Member _____ and upon roll call vote the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
)SS
COUNTY OF WASHINGTON)

I, the undersigned, being the fully qualified and acting Clerk of Northeast Metropolitan Intermediate School District No. 916, State of Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a meeting of the District held on the ____ day of _____, 2017, with the original thereof on file in my office, and the same is a full, true and complete transcript insofar as the same relates to the adoption of a resolution approving and authorizing the execution of a Lease Agreement and related documents and certificates.

WITNESS MY HAND officially as such Clerk this _____ day of _____, 2017.

Clerk

**Northeast Metropolitan
Intermediate School District No. 916
2540 County Rd. F East
White Bear Lake, MN 55110**

*Certificate of
Insurance*

Coverage is provided for the following Named insured:

Name of Insured

Independent School District No. 622 (North St. Paul-Maplewood-Oakdale)

2520 East 12 th Avenue	City North St. Paul	State Minnesota	Zip 55109
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DETAILED DESCRIPTION AND LOCATION OF PROPERTY COVERED

Acquisition of the special education addition located on the Land described in the Lease dated June 30, 2017, to be used as educational spaces by District No. 622.

DESCRIPTION OF COMPREHENSIVE GENERAL LIABILITY INSURANCE

Insurance Company (not agency)	Policy number	Effective date	Expiration date
BODILY INJURY LIABILITY		PROPERTY DAMAGE LIABILITY	
Single Claim / Each occurrence \$500,000.00	Aggregate \$1,500,000.00	Each occurrence	Aggregate

Northeast Metropolitan Intermediate School District No. 916, its successors and assigns, is endorsed as an Additional Insured on the Comprehensive General Liability insurance described above: Yes No

DESCRIPTION OF PHYSICAL DAMAGE INSURANCE

Insurance Company	Policy number	Effective date	Expiration date
-------------------	---------------	----------------	-----------------

The Physical Damage Insurance issued in the amount of \$ _____ consists of:

Fire and Extended Coverage including Vandalism, Malicious Mischief and Theft

All Risk Insurance with the following exceptions:

Northeast Metropolitan Intermediate School District No. 916, its successors and assigns, is endorsed as Loss Payee on the Physical Damage Insurance described above:

Yes No

The Policy, as to the interest of Loss Payee, shall not be invalidated by any act of omission or commission or neglect or misconduct of the Named Insured at any time, not by any foreclosure or other proceeding or notice of sale relating to the insured property, not by any change in the title or ownership thereof or the occupation of the premises for purposes more hazardous than are permitted by the Policy, provided, that in case the Named Insured shall fail to pay any premium due under the Policy, Loss Payee may, at its option, pay such premium.

The Policy may be canceled at any time by either Insurer or Named Insured according to its provisions, but in any such case the Policy shall continue in full force and effect for the exclusive benefit of Loss Payee for ten days after written notice to Loss Payee of such cancellation and shall then cease.

Agency name			
Street Address	City	State	Zip
Signature of Agent	Agent telephone number	Date	



KNUTSON, FLYNN & DEANS, P.A.

1155 Centre Pointe Drive, Suite 10
Mendota Heights, MN 55120

651.222.2811 fax 651.225.0600

www.kfdmn.com

Independent School District No. 622
2520 East 12th Avenue
North St. Paul, MN 55109

Northeast Metropolitan Intermediate School District No. 916
2540 County Rd. F East
White Bear Lake, MN 55110

Re: Lease Agreement dated as of June 30, 2017, by and
between Northeast Metropolitan Intermediate
School District No. 916 (the "Lessor"), and Independent School District No. 622
(North St. Paul-Maplewood-Oakdale) (the "District" or the "Lessee")

Ladies and Gentlemen:

We have acted as Bond Counsel to the District with respect to the Lease Agreement described above (the "Lease Agreement"), and various related matters, and in this capacity have reviewed a duplicate original or certified copy of said Agreements and the Exhibits attached thereto. Based upon the examination of these and such other documents as we deem relevant, it is our opinion that:

1. Lessee is a State or political subdivision thereof, and the Lease Agreement (the "Agreement") and all terms and provisions thereof are authorized by the Constitution, laws, rules and regulations of the State of Minnesota governing the activities of Lessee, and Lessee has the power and authority to enter into the transaction contemplated by that Agreement and to carry out its obligations thereunder.

2. The Agreement has been duly authorized, approved, executed and delivered by and on behalf of Lessee, and is a valid and binding contract of Lessee enforceable in accordance with its terms, except to the extent limited by State and Federal laws affecting remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.

3. The authorization, approval and execution of the Agreement and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all applicable open meeting, public bidding and other laws, rules and regulations of the State.

4. There is no litigation, action, suit or proceeding pending, or to our knowledge, threatened before any court, administrative agency, arbitrator or governmental body, that challenges the authority of Lessee or its officers or its employees to enter into the Agreement; the proper authorization, approval and/or execution of the Agreement, the Exhibits thereto, and other documents contemplated thereby; or the ability of Lessee otherwise to perform its obligations under the Lease Agreement and the transactions contemplated thereby.

5. The Leased Property (as that term is defined in the Lease Agreement) are free and clear of all claims, liens, security interests and encumbrances arising through any act or omission of Lessee or any person claiming by, through or under Lessee, except the rights of Lessor and Lessee and Permitted Encumbrances (as that term is defined in the Lease Agreement).

6. Lessee has been allotted funds and sufficient funds have been appropriated lawfully and in accordance with all procedures applicable thereto for the payment of Rent payments during the first fiscal period of said Lease Agreement.

7. The amount of each Rent payment designated as and comprising interest on the Lease, as set forth in Schedule 1 to the Lease Agreement, is includable in gross income for federal income tax purposes or in taxable net income of individuals, estates and trusts for State of Minnesota income tax purposes.

8. The Lease, as a taxable obligation, does not qualify for designation and has not been designated by the Lessee as a qualified tax-exempt obligation for purposes of Section 265 of the Code.

The addressees and their successors and assigns are entitled to rely on this opinion.

Dated: June 30, 2017.

Very truly yours,

KNUTSON, FLYNN & DEANS
Professional Association

By: _____
Thomas S. Deans

VII. D. 1. SET BOARD MEETINGS FOR 2017-2018 SCHOOL YEAR

A proposed calendar of Business Meetings and Study Sessions for the School Board for July 2017 - June 2018 is shown below. In keeping with Board practice, Business meetings are held once a month and Study Sessions are scheduled throughout the school year.

Therefore, the Superintendent of Schools recommends the following resolution:

BE IT RESOLVED by the School Board of Independent School District #622 that pursuant to Policy G-033, School Board Business meeting dates will be as follows:

July 18, 2017
August 22
September 26
October 24
November 21
December 12
January 23, 2018
February 27
March 20
April 24
May 22
June 26

AND THAT THE School Board Work Study Session meeting dates will be as follows:

August 8, 2017
October 10
January 9, 2018
February 6
April 10

AND THAT THE School Board Reflection Study Session meeting dates will be as follows:

September 26, 2017
December 12
March 20, 2018
June 26

AND THAT THE regular meeting place for School Board Business meetings shall be in the Board Room in the District Education Center at 6:00 p.m., with the exception of the July 18, 2017 meeting which will be held at 4:30 p.m., or unless otherwise specified,

AND THAT THE regular time for the School Board Work Study Sessions will be at 4:30 p.m. and the meeting place will be posted,

AND THAT THE regular meeting place and time for the School Board Reflection Study Sessions shall be in the District Education Center at 5:00 p.m.

MOTION:

SECOND: