

**Minutes of Regular
ISD 877 Board of Education
Buffalo-Hanover-Montrose Schools**

Monday, July 23, 2018
Board Room, 214 1st Avenue NE, Buffalo
4:30 PM

1. CALL TO ORDER by Chair Dave Wilson at 4:30 p.m. AND ROLL CALL
Present: Ken Ogden, Melissa Brings, Sue Lee, Dave Wilson, Laurie Raymond, Bob Sansevere
Absent: Amanda Reineck

2. PRELIMINARY ACTIONS

- A. Pledge of Allegiance
- B. Public Comment - none
- C. Approval of Agenda
Amendment to agenda
- E. Bid Award
- F. Appointment of BHS Assistant Principal

Raymond/Sansevere to approve
Motion carried 6-0

3. COMMUNICATIONS

- A. Proud Of
 1. BHS Tatanka Yearbook Staff who won 1st Place at Balfour Publishing's Summer Yearbook Camp. Individual awards: Laila Ragab and Eloise Hanson - 1st Place for Design; Grace Moran - 1st Place for Writing; Carly Strom - 1st Place for Student Life Photography; Chloe Paul - 1st Place for Portrait Photography; Carter Barton - runner-up in Writing and 3rd Place for Student Life Photography; Jayden Perry - 2nd Place for Design.
- B. Board Calendar Dates
 1. Monday, August 6, 2018, MSBA Summer Seminar
 2. Monday, August 13, 2018, Board Workshop 4:30 p.m. Board Room
 3. Monday, August 27, 2018 Board Meeting 7:00 p.m. Board Room
 4. Thursday, August 30, 2018 District Welcome Back 9:00 a.m. BHS PAC

4. CONSENT AGENDA

A. Personnel

APPOINTMENT – All appointments are contingent upon satisfactory completion of a criminal background check. Approve the following appointments:

1. Tim Vossler, Custodian at Buffalo High School, effective July 9, 2018. This is a replacement for Brenda Bazillion.
2. Gaylen Sorensen, Custodian at Buffalo High School, effective July 2, 2018. This is a replacement for Brenda Bazillion.
3. David Mundahl, Custodian at Buffalo High School, effective July 24, 2018. This is a replacement for Rick Thompson.
4. Jordan Boos, Custodian/Laundry at Buffalo Community Middle School, effective July 17, 2018. This is a replacement for Joshua Erickson.
5. Michelle Rietveld, Special Education ESP at Tatanka Elementary STEM School, effective September 4, 2018. This is a replacement for Jill Mischke.
6. Stephanie Klein, Special Education Teacher at Buffalo Community Middle School, effective August 20, 2018. This is a new position/replacement for Sarah Magnuson.
7. Kaitlin Kolbinger, Counselor at Buffalo Community Middle School, effective August 20, 2017. This is a replacement for David Holler.
8. Caroline Preiss, 5th Grade Teacher at Hanover Elementary, effective August 20, 2018. This is a replacement for Kim Robinson.

RESIGNATION/RETIREMENT/TERMINATION – Approve the following resignation/retirement/termination:

1. Connie Boonstra, ECFE Secretary, retirement effective July 30, 2018.
2. Linda Markuson, Building Secretary at Tatanka Elementary STEM School, retirement effective, July 31, 2018.
3. Kathi Opsahl, resignation as long-term substitute English Teacher at Buffalo High School, effective July 23, 2018.
4. Heidi Kelm, ECFE Assistant, resignation effective July 10, 2018.
5. Holly O’Sullivan, resignation as KidKare Supervisor, effective September 4, 2018.

TRANSFER/CHANGE IN ASSIGNMENT - Approve the following transfers/changes in assignment:

1. Kristine Wurtzberger, from Building Secretary at Northwinds Elementary to Scheduling Assistant at Buffalo High School, effective July 12, 2018. This is a replacement for Jennifer Vogel.
2. Jill Mischke, Special Education ESP, from Tatanka Elementary STEM School to Hanover Elementary, effective September 4, 2018. This is a new position.
3. Joshua Erickson, from part-time to full-time Custodian at Buffalo

Community Middle School, effective July 2, 2018. This is a replacement for Be Truong.

4. David Schrupp, Custodian, from Buffalo Community Middle School to Tatanka Elementary STEM School, effective July 2, 2018. This is a replacement for Christine Truong.
5. Holly O'Sullivan, ESP at Northwinds Elementary, increase from 4.5 to 5.5 hours/day and addition of .5 hours/day as Crossing Guard, effective September 4, 2018.
6. Jolene Sorenson, from English Teacher at Buffalo Community Middle School to .626 FTE Title I Teacher at Tatanka Elementary STEM School, effective August 27, 2018. This is a replacement for Arliss Wallenta.
7. Jennifer Dismang, ECFE Teacher, from .32 to .47547 FTE, effective August 27, 2018.
8. Andrea Jonasson, ECFE Teacher, from .67 to .5457 FTE, effective August 27, 2018.
9. Miranda Krause, ECFE Teacher, from .867 to .95091 FTE, effective August 27, 2018.
10. Patricia Lammers, ECFE Teacher, from .74 to .72115 FTE, effective August 27, 2018.
11. Carol Moore, ECFE Teacher, from .96 to .99069 FTE, effective August 27, 2018.
12. Annette Rabusch, ECFE Teacher, from .81 to .81650 FTE, effective August 27, 2018.
13. Jennifer Robeck, ECFE Teacher, from .93 to .88710 FTE, effective August 27, 2018.
14. Diane Smogard-Mastel, ECFE Teacher, from .93 to .80789 FTE, effective August 27, 2018.

LEAVE OF ABSENCE – Approve the following request for leave of absence:

1. Kurt Fadden, Custodian at Buffalo High School, extension of leave of absence to end August 3, 2018.
2. Dan Manz, Head Engineer at Parkside Elementary, change to end date for leave of absence to end July 22, 2018.

PROBATIONARY STAFF – TERMINATION AND NONRENEWAL OF CONTRACT

1. Letter outlining reasons for nonrenewal of a probationary staff member.

B. Check Disbursements

Payroll checks # 9000035142 through 9000037057, and 205381 through 205406, amounting to \$702,423.22. P-card disbursement checks 8000000536 to 8000000570, totaling \$125,757.10. Bill-pay wires 8000000350 through 8000000371. Employee reimbursement checks 9000001419 through 900001458, and Accounts Payable checks 387852 through 388076, for the period of June 21 – July 18 as follows:

01	GENERAL FUND	4,512,934.72
02	FOOD SERVICE	76,387.30
04	COMMUNITY SERVICE	84,532.97
05	CAPITAL OUTLAY	268,031.52
06	NEW BUILDING	88,897.25
07	DEBT SERVICE	1,425.00
09	ACTIVITY FUND	37,181.53
16	ALTERNATIVE FACILITIES	.00
45	POST EMP BENEFITS IRREV TRU	41,209.80
47	DEBT REDEMPTION	<u>.00</u>
	TOTAL	\$5,110,600.09

C. Electronic Fund Transfers

A list of the electronic fund transfers occurring in the official depositories (for the period of June 15 - July 15) is as follows:

Date	Vendor & Purpose	Amount
06/06/18	Select Account – Flex	\$ 3,500.07
06/13/18	Select Account – Flex	3,703.16
06/15/18	District #877 Employees – Employee Payroll	3,707,107.69
06/15/18	MN Public Employees Retirement	64,020.28
06/15/18	Chicago USA Tax Pmt – Federal Taxes	1,235,161.70
06/15/18	Educators Benefit Consultants – Deferred	166,737.61
06/15/18	MN Dept. of Revenue - Garnishments	158.56
06/15/18	Select Account – Health Insurance	500.00
06/15/18	MN Dept. of Revenue - Garnishments	285.61
06/18/18	MN Dept. of Revenue – State Taxes	214,571.10
06/18/18	MN Dept. of Revenue - Child Support	236.00
06/18/18	eBay Inc.	90.88
06/20/18	Delta Dental – Dental Insurance	8,761.31
06/20/18	District #877 Employees – Employee	7,775.44
06/20/18	Select Account – Flex	6,976.05
06/21/18	Xcel Energy – Utility	597.77
06/25/18	MN Teachers Retirement Association	767,764.10
06/27/18	Xcel Energy – Utility	61.79
06/27/18	Select Account – Flex	6,791.21
06/28/18	MN Dept. of Revenue – State Taxes	17,999.01
06/29/18	District #877 Employees – Employee	1,783.00
06/29/18	District #877 Employees – Employee Payroll	388,504.32
06/29/18	MN Teachers Retirement Association	21,042.80
06/29/18	Chicago USA Tax Pmt – Federal Taxes	115,797.97
07/02/18	MN Dept. of Revenue - Child Support	141.50
07/02/18	MN Public Employees Retirement	50,634.45
07/02/18	Educators Benefit Consultants – Deferred	12,258.51
07/02/18	MN Dept. of Revenue - Garnishments	85.00
07/05/18	Delta Dental – Dental Insurance	2,442.52
07/05/18	District #877 Employees – Employee Payroll	938.29
07/05/18	Select Account – Flex	5,103.03

07/05/18	MN Public Employees Retirement	153.36
07/05/18	Chicago USA Tax Pmt – Federal Taxes	167.58
07/06/18	BMO Corporate MasterCard – P-Card	133,065.98
07/06/18	MN Dept. of Revenue – State Taxes	2.14
07/09/18	VANCO - Food Service Fee	918.76
07/10/18	FeePay - Communtiy Service Fund Fee	1,300.00
07/10/18	FeePay - Communtiy Service Fund Fee	5,666.58
07/11/18	Delta Dental – Dental Insurance	32,211.01
07/11/18	Select Account – Flex	5,859.77
07/13/18	MN Dept. of Revenue – Sales Taxes	1,060.00
07/13/18	MN Teachers Retirement Association	24,847.05
07/13/18	Chicago USA Tax Pmt – Federal Taxes	94,966.52
07/13/18	District #877 Employees – Employee Payroll	-
	Total	\$ 7,417,613.97

D. Minutes - June 25, 2018 Regular Meeting

E. Donations/Grants totaling \$14,103.16

F. Memberships

1. MN School Boards Association
2. MN State High School League
3. Schools for Equity in Education

Lee/Brings to approve

Motion carried 6-0

5. ACTION ITEMS

A. 2018-19 Elementary Handbook, Michelle Robinson, Parkside Principal

All six elementary schools use the basic handbook and then tweak for building specific items. Revisions include dates, change to Infinite Campus payment system for student meals, student survey policy. Adult meal prices will be changed upon information received from MDE and the Food Service Department.

Brings/Lee to approve

Motion carried 6-0

B. Out-of-State Trip Approvals, Scott Thielman, Superintendent

1. FFA - Indianapolis, IN

Lee/Brings to approve

Motion carried 6-0

2. AVID - North Dakota State University

Brings/Raymond to approve

Motion carried 6-0

3. Yearbook - Dallas, TX
Sansevere/Lee to approve
Motion carried 6-0

- C. Resolution Approving TIES Reorganization and Definitive Agreements, Scott Thielman, Superintendent
Sourcewell is the new governance organization.

Brings/Raymond to approve Resolution Ratifying and Approving TIES Reorganization and Definitive Agreements:

WHEREAS, Buffalo-Hanover-Montrose School District #877 (the "District") is a member of Technology and Information Educational Services ("TIES"), which was created in 1965 as a Minnesota joint powers entity under Minnesota Statutes Section 471.59 to provide technology and information services to school administrators, educators, and students; and

WHEREAS, TIES currently operates at a financial deficit which has been determined to be not sustainable by the Joint Board of TIES (the "TIES Board"), which is composed of representatives of the independent school districts who are currently members of TIES (collectively, the "Member Districts") which are identified in Exhibit A;

WHEREAS, on January 24, 2018, at a special board meeting, the TIES Board *voted* in favor of dissolving TIES and authorized TIES management and the TIES Executive Committee ("EC") to actively pursue potential business opportunities with third parties in order to achieve two objectives for the Member Districts: (1) minimize negative financial impact, and (2) minimize disruption of essential services (the "Objectives"); and

WHEREAS, the "potential business opportunities" authorized by the TIES Board within the scope of the Objectives were comprehensive: "Such opportunities may include a partnership, an asset sale, or a similar business deal with a third party consistent with applicable Minnesota law..."

WHEREAS, in connection with such efforts, TIES and Sourcewell, a service cooperative established pursuant to Minnesota Statutes Section 123A.21 and formerly known as National Joint Powers Alliance ("Sourcewell") entered into a non-binding Letter of Intent ("LOI") effective as of January 23, 2018 with respect to a possible transaction involving Sourcewell's assumption of

governance, management, and operational authority over TIES' business operations; and

WHEREAS, after substantial completion of due diligence, on April 17, 2018 and April 19, 2018, respectively, the Boards of Sourcewell and TIES authorized the management team of each organization to proceed with discussions and the drafting and negotiation of all necessary legal agreements to consummate a transaction substantially as described in the LOI; and

WHEREAS, the authorized legal process required significant research and analysis to identify and evaluate options available under applicable law for how to structure the transaction between Sourcewell and TIES and the Member Districts to best achieve the Objectives; and

WHEREAS, after consideration and discussion with TIES EC, management and District's legal counsel (at District's option), and review of the Definitive Agreements (defined below), and as duly authorized under the resolution template form approved by the EC during a regular meeting on May 16, 2018 and provided thereafter to each Member District for signature, District's superintendent or other representative ("District's Legal Representative") determined that it is in the best interest of the District to structure the transaction as a "Reorganization" of the existing TIES joint powers entity in order to achieve the Objectives; and

WHEREAS, the District Legal Representative's conclusion that Reorganization of TIES is the best structure for the Sourcewell transaction is based on the following findings since the resolution dated April 19, 2018:

- (1) Continuation of Member Districts' levy authority. Under current law (Minnesota Statutes Section 126C.40, subd. 1 (i)), if TIES is dissolved, the Member Districts would lose their legal authority to levy for funds to pay their proportionate share of the debt due through February 1, 2023 pursuant to the financing documents for improvements to the TIES Building with U.S. Bank dated October 1, 2012. Reorganization allows for the Member Districts to remain members of TIES for a limited time and purpose: to levy for and manage the TIES Building until it is sold at which time they will automatically cease to be members;
- (2) Continuity of services to Member Districts. Reorganization allows for continuity of services to Member Districts wanting continuity of services;
- (3) Limits Member Districts' financial obligations. As part of the

Reorganization, Sourcewell will assume all TIES operating expenses and debts incurred after July 1, 2018, thereby relieving the Member Districts of their obligation to provide financial support to TIES for regular operating expenses after July 1, 2018 for an unknown period of time (as with dissolution), other than assessed fees for management, operations, and maintenance of the TIES Building Assets and the other limited financial obligations described in the Definitive Agreements, as defined herein. Member Districts' pro rata share of TIES' past debt calculated as of July 1, 2018 based on a per student fee must be paid by July 27, 2018; and

WHEREAS, the purposes of the Reorganization include achieving the Objectives for the Member Districts based on the three (3) findings set forth above (included in the Definitive Agreements defined below); and WHEREAS, at a special meeting on June 29, 2018, the Sourcewell Board of Directors authorized the proposal of the Reorganization as set forth in the Definitive Agreements; and WHEREAS, the Reorganization of TIES' membership and governance includes the admission of Sourcewell and Metropolitan Educational Cooperative Service Unit, a service cooperative established pursuant to Minnesota Statutes Section 123A.21 ("Metro ECSU") as Governing Members of TIES, and the reclassification of the Member Districts as Limited Members of TIES for the sole purposes related to the TIES Building described above in Section (1); and

WHEREAS, after consideration and discussion with TIES management and legal counsel, and review of the TIES Reorganization Agreement attached hereto at Exhibit B and the Amended Joint Powers Agreement attached hereto at Exhibit C (the "Definitive Agreements"), each of which is incorporated herein without modification, at a special meeting on July 2, 2018, the EC accepted Sourcewell's proposal and approved the Reorganization of TIES as set forth in the Definitive Agreements, authorized an officer of TIES to execute the Definitive Agreements on behalf of TIES, and approved the submission of such agreements to each Member District for consideration, approval and ratification pursuant to the resolutions herein; and

WHEREAS, the District's Legal Representative has executed the Definitive Agreements on behalf of the District, subject to the approval and ratification of the District's Board; and

WHEREAS, District's Board desires to approve and ratify the Reorganization as set forth in the Definitive Agreements, and to approve and ratify the District's Legal Representative's execution of the Definitive Agreements on behalf of the District.

1. Approval of Reorganization

NOW, THEREFORE BE IT RESOLVED, that Reorganization as described in these resolutions and in the Definitive Agreements is hereby approved and authorized and ratified.

2. Approval of Definitive Agreements

RESOLVED FURTHER, that the Reorganization Agreement executed by the District's Legal Representative, and presented to the District's Board and attached hereto as Exhibit B, be, and the same hereby is, approved and ratified.

RESOLVED FURTHER, that the Amended Joint Powers Agreement executed by the District's Legal Representative, and presented to the District's Board and attached hereto as Exhibit C, be, and the same hereby is, approved and ratified.

3. Continuation of TIES Entity

RESOLVED FURTHER, that the District hereby acknowledges and approves the continuation of TIES as a joint powers entity under Minnesota Statutes Section 471.59 pursuant to the Definitive Agreements and recognizes that if the Reorganization is consummated, TIES will not dissolve except according to the terms of the Amended Joint Powers Agreement.

4. Authorizing Resolution 11

RESOLVED FURTHER, that District's Legal Representative is hereby authorized and directed to execute any and all other documents necessary to effectuate these resolutions and the Reorganization and to take or cause to be taken any and all other actions (including preparing, executing, issuing, delivering and filing any and all instruments, documents and agreements and amendments thereto) and to do any and all other acts or things in the name of and on behalf of TIES as any of them may deem necessary or appropriate in connection with the Reorganization and carrying into effect these resolutions.

RESOLVED FURTHER, that all actions taken to date by District's Legal Representative that are consistent with the purpose and intent of these resolutions are hereby in all respects authorized, approved, ratified and confirmed.

RESOLVED FURTHER, that capitalized terms used but not defined herein shall have the meanings set forth in the Definitive Agreements.

Motion carried 6-0

- D. Resolution Relating to Increasing the General Education Revenue of the School District and Calling an Election Thereon, Gary Kawlewski, Director of Finance and Operations and Scott Thielman, Superintendent

Have been talking about ways of increasing revenue for a few years now, including a possible operating levy. Last voter approved levy was in 2002. Our fund balance has been healthy. Projections show that we would eat into that balance this year. Revenue is needed to address class sizes, middle school opportunities, school safety and operating expenses due to the underfunding of Special Education mandates. We are currently 11% below the state average for per pupil funding. Need to determine amount and whether this is a single question or if we would want to revoke and replace the two current levies in place.

Discussion: title of question on the ballot – could it include some specific language such as reduce class sizes. Recommend not doing this as it can pigeon-hole us. Voter education is key. About 1000 students receive special education services.

Recommend revoke and replace, \$950, 10-years, include inflation.

Will there be a Citizens Committee working on this –yes.

Brings/Ogden to approve resolution Relating to Revoking the existing Referendum Revenue Authorization of the School District, approving a New Authorization of \$950.00, applicable for 10 years, and calling an election thereon – the state determined rate of inflation shall be the annual inflationary increase calculated under Minnesota Statutes.

Motion carried 6-0

- E. Bid Award – BHS Rigging Replacement in Performing Arts Center

Two bids were received. Projected cost was \$445,000. This is a 3-year project. Checked into numbers due to the large difference in the bid amounts.

Ogden/Sansevere to award the bid to Wenger Corporation/JR Clancy for \$368,870.

Motion carried 6-0

F. APPOINTMENT OF BUFFALO HIGH SCHOOL/PHOENIX LEARNING CENTER ASSISTANT PRINCIPAL – Stephanie Ward

Ms. Ward is currently at Forest Lake High School as Dean of Students for 5 years. Administrative licensure through Hamline. Strong instructional leader, knowledgeable about best practices, importance of building relationships. Strengths include grounded, thoughtful, organized and will complement the current team at BHS/PLC.

Brings/Lee to approve

Discussion: value of hearing what people say about the candidate during the site visit. Students were included in the interview process.

Motion carried 6-0

6. REPORTS - none

7. COMMITTEE REPORTS

KO – office personnel negotiations

MB – BHS AP interviews

8. SUPERINTENDENT'S REPORT

TIES meetings

9. OTHER

Ogden/Sansevere to adjourn at 5:30 p.m.

Respectfully submitted,

Melissa Brings, Clerk
ISD 877 Board of Education