

INDEPENDENT SCHOOL DISTRICT 195
Randolph, Minnesota 55065

REGULAR SCHOOL BOARD MEETING

July 24, 2018

- 1) The Randolph School Board met in regular session on Tuesday, July 24, 2018, at 7:00 p.m. in the Media Center. Gary Moorhouse called the meeting to order. Directors present: Gary Moorhouse, Jason Podritz, Sara Taylor, Cory Lorenzen, Jay Otte, Garlan Dubbels and Michael Kelley, Superintendent. Administrators present: Ben Fisher, Matt Rutledge and Patty Riemenschneider. Staff member present: Kathy Stauffer. Guests: Ken Haggerty and Shelby McQuay from Ehlers.
- 2) A motion to approve the agenda with an addendum added to item 10 - TIES Reorganization Resolution, and tabled item 9 - Resolution Reauthorizing a Previously Authorized Board Approved Referendum Authority was made by Garlan Dubbels, seconded by Jay Otte. All members voting in favor.
- 3) A motion was made by Garlan Dubbels, seconded by Jason Podritz to approve the following consent agenda items:
 - 3.1) Minutes of the Regular School Board meeting held June 19, 2018, as presented.
 - 3.2) June 2018, bills and payroll, with revisions.All members voting in favor.
- 4) The Board discussed the following school board reorganization items for 2018-2019:
 - 4.1) School Board Officer Salaries remain as the current salary of \$145.00 per year
 - 4.2) School Board Director Salaries remain as the current salary of \$60.00 per meeting
 - 4.3) Regular School Board Meetings remain as the current 3rd Tuesday of each month at 7:00 p.m. in the Media Center or announced meeting room.
 - 4.4) School District Legal Counsel remains as the current –
 - a.) General – James Burkhardt
 - b.) Sara Ruff and Laura Booth from District 917
 - c.) Negotiations and Personnel – Knutson, Flynn, Olson and Deans

- 4.5) School District Official Newspaper remains as current with the Cannon Falls Beacon.
- 4.6) School District Official Bank Depository remains as current with Merchants Bank of Cannon Falls.
- 4.7) Financial Investments remain as current with Merchants Bank and ICS Service.
- 4.8) Use of Facsimile Signature remains as current. This Compliance Statement is needed to fulfill many mandated reports.
- 4.9) Compliance Statement Adoption remains as current. This Compliance Statement is needed to fulfill many mandated reports.

A motion to retain all School Board Reorganization items for 2018-2019 as established was made by Jason Podritz, seconded by Jay Otte. All members voting in favor.

- 5) The Board discussed and made a motion on the following fiscal management items:
 - 5.1) Substitute teacher pay to remain as current \$135.00 per day.
 - 5.2) Mileage Reimbursement to continue at the federal mileage rate for district paid mileage. Motion was made by Sara Taylor, seconded by Cory Lorenzen. All members voting in favor.
- 6) Shelby McQuay from Ehlers went over the financials of the Review and Comment document and ballot question. Shelby answered several questions and clarified the Agricultural Tax Credit is from the State surplus, it's not a tax shift. The Review and Comment will be sent on to the Minnesota Department of Education by Wold Architects for endorsement. A motion was made by Jay Otte, seconded by Jason Podritz to approve the Review and Comment. All members voting in favor.
- 7) Member, Cory Lorenzen, introduced the following resolution and moved its adoption:

**RATIFYING AND APPROVING TIES REORGANIZATION
AND DEFINITIVE AGREEMENTS**

Form of Member District Governing Board Resolutions

[Note: Each Member District shall insert the following recitals and resolutions into the proper format to be considered and approved by such Member District's Governing Board:]

Ratifying and Approving TIES Reorganization and Definitive Agreements

WHEREAS, Randolph Public Schools, School District# 195 (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

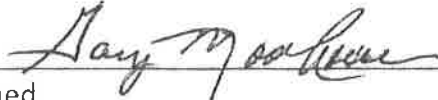
RESOLVED FURTHER, that District's Legal Representative is hereby authorized and directed to execute any and all other documents necessary to effectuate these resolutions and the Reorganization and to take or cause to be taken any and all other actions (including preparing, executing, issuing, delivering 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.

CERTIFICATION

The foregoing resolutions were adopted by the **governing board**, Randolph School Board of Member District, Randolph Public Schools, SCHOOL DISTRICT # 195, at a duly held meeting at which a quorum was present on the 24th day of July, 2018.



Signed
Gary Moorhouse

Name
Board Chair

Title

The motion for adoption of the foregoing resolution was duly seconded by Member, Sara Taylor, and upon vote being taken thereon, the following voted in favor thereof:

Jason Podritz, Sara Taylor, Cory Lorenzen, Jay Otte, Garlan Dubbels, Gary Moorhouse

And the following voted against the same:

None

Whereupon said resolution was declared and duly passed and adopted.

- 8) The Community Education Advisory Committee reported we currently have 54 preschoolers signed up; Randolph Child Care numbers are down this summer; 3rd & 4th grade are looking to combine with Cannon Falls for flag football, rules of behavior, baseball/softball, fall classes and machine league t-ball.
- 9) Ben Fisher, High School Principal/Special Education Director, reported on the PELSB (Professional Educator Licensing and Standards Board) workshop. Teacher licensure changed to four tiered licensure on July 1, 2018. Presented the Master Schedule for 2018-2019. We will have a special education student teacher working with Roland Sessions for fall semester.
- 10) Patty Riemenschneider, Business Manager, reported eFinancePlus HR & Payroll went live July 1st for office staff, working on the employee leave system, the monthly bills and payroll reports the school board has had in the past will have a different look next month with cash information not available until after the audit.
- 11) Michael Kelley, Superintendent, reported the roof bids were received on July 16 – North Gym roof will be repaired on September 17th and roof over the Commons in March (the roof repairs are being done by two different companies); lot closing was on July 18th; 2017-2018 school constructed house closing was on July 20; Randolph City Council Meeting approved application; Art and Social Studies classroom floors have been replaced; North Gym floor repair will be done August 13th; Commons area stand-up counters have been completed; we traded in reserve bus #2 and purchased a new school bus for \$88,000; TIES bill has been paid for \$12,675. Dale Hallcock is on the Advisory Committee for UMore Park and invited Mr. Kelley to come for a tour. Mr. Kelley reported it is a place we drive by frequently and don't realize how big it is, was amazed by the research done there by the U of MN, the 3 year old Whitetail County Park and amphitheatre.
- 12) A motion was made by Jay Otte, seconded by Garlan Dubbels to hire Anne Giesen as the Head Danceline Coach for 2018-2019. All members voting in favor.

- 13) A motion was made by Cory Lorenzen, seconded by Garlan Dubbels to approve the fall coaching positions for 2018-2019:

Varsity Football Coach – Mike Schmidt
Assistant Football Coaches – Barret Freeland and Braxton Lindow
Junior High Football Coaches – Kevin Landry and Joe Brown
Varsity Volleyball Coach – Marie Jacob
Assistant Volleyball Coaches – Jordan Snesrud and Rhea Moorhouse
Junior High Volleyball Coaches – LaRae Ulvenes and Amy Burke
Cheerleading Coach – Sadie Stebbing
Junior High One Act Play Advisor – Elizabeth Warpinski

All members voting in favor.

- 14) A motion was made by Sara Taylor, seconded by Jason Podritz to approve the Second Reading of the following policy:

- 564 – Randolph School Early Kindergarten Admission

All members voting in favor.

- 15) A motion was made by Jason Podritz, seconded by Jay Otte to approve the revisions to the following policies:

- 506 – Student Discipline
- 419 – Tobacco Free Environment
- 413 – Harassment & Violence

All members voting in favor.

- 16) A motion was made by Sara Taylor, seconded by Cory Lorenzen to approve Michael Kelley, Superintendent, as the identified official with authority for the MDE External User Access Recertification System for FY19. This annual recertification is needed to give staff access to the Minnesota Department of Education's secure systems. All members voting in favor.

- 17) A motion was made by Sara Taylor, seconded by Jay Otte to approve the 10-Year, Long-Term, Facilities Maintenance Plan for Randolph School. All members voting in favor.

- 18) School Board Election Update. Candidate filing period for the general election on November 6, 2018 will begin on July 31, 2018 and shall close on August 14, 2018, at 5:00 p.m. in the Randolph School District Office. There is a \$2.00 filing fee. Jay Otte, Garlan Dubbels and Cory Lorenzen's four year school board terms will be expiring on January 7, 2019. Jay Otte will not be running for another term.

- 19) A motion was made by Garlan Dubbels, seconded by Jason Podritz to adjourn. All members voting in favor.

Clerk: Sara Taylor