

**INDEPENDENT SCHOOL DISTRICT NO. 278  
CONDENSED MINUTES OF A REGULAR MEETING OF THE BOARD  
OF EDUCATION OF ORONO HELD ON AUGUST 20, 2018**

Present: Bob Tunheim, Sarah Borchers, Laura Wallander, Karen Orcutt, John Morstad  
Absent: Mike Bash and Martha Van de Ven

The regular meeting of the Board of Education of Orono Independent School District No. 278 was held on Monday, August 20, 2018 and called to order by board chairman, Bob Tunheim, at 7:00 p.m.

UPON MOTION by Dick Lewis, seconded by Sarah Borchers, the consent agenda was approved as follows:

- Approved minutes from the Regular Meeting on June 6, 2018
- Approved the minutes from the Special Board Meeting, July 27, 2018
- Approved the appointment of William Thorson, as full-time math teacher at Orono Middle School, effective August 23, 2018.
- approved the appointment of Shelby Gladue, as full-time special education teacher at Orono Middle School, effective August 23, 2018.
- approved the appointment of Daryl Illikainen, as full-time physical education teacher at Orono Middle School, effective August 23, 2018.
- approved the appointment of Madyson Brinkman, as full-time special education teacher at Orono Middle School, effective for the 2018-2019 school year.
- approved the appointment of John Twernbold, as full-time instrumental music teacher at Orono Intermediate School and Orono Middle School, effective August 23, 2018.
- approved the assignment of Kari Heitke, as full-time daily building substitute teacher at Orono Schumann Elementary School, effective beginning September 4, 2018 through June 6, 2019.
- approved the assignment of Kathi Hibbs, as full-time daily building substitute teacher at Orono Intermediate School, effective beginning September 4, 2018 through June 6, 2019.
- approved the assignment of Alexandra Lindstrom, as .25 FTE guidance counselor at Orono Middle School, effective August 27, 2018 through June 8, 2019.
- approved the appointment of Kirsten Vaage, as full-time English teacher at Orono Middle School, effective August 23, 2018.
- approved the change of assignment of John Smith, full-time third grade teacher at Orono Intermediate School, to full-time fifth grade teacher at Orono Intermediate School, effective August 27, 2018.
- approved the resignation of Emily Duffy-Hanrahan, English teacher at Orono Middle School, effective July 23, 2018.
- approved the appointment of Melissa Thompson, as full-time secretary at Orono Intermediate School, effective August 20, 2018.
- approved the appointment of Sigrid Heinen, as full-time athletic director's secretary at Orono High School, effective August 20, 2018.
- approved the appointment of Rosa Ochoa, as short-hour kitchen aide at Orono Middle School, effective August 30, 2018.
- approved the appointment of Stephanie Kooiker, as full-time Pre-K Lead Teacher at Orono OK Kids, effective August 30, 2018.
- approved the change of assignment of Donna Ostvig, computer lab clerk at Orono Intermediate School and Orono Schumann Elementary School, to Community Education Engagement and Integration Coordinator, effective September 1, 2018.
- approved the resignation of Kelly Sharp, short-hour kitchen aide at Orono Middle School, effective August 6, 2018.
- approved the resignation of Theresa Dunser, short-hour kitchen aide at Orono High School, effective June 8, 2018.
- approved the resignation of Sarah Prochnow, short-hour kitchen aide at Orono High School, effective June 8, 2018.
- approved the resignation of Sharon Spooner, short-hour kitchen aide at Orono Schumann Elementary School, effective June 8, 2018.
- approved the resignation of Pamela Farmer, Discovery Kids employee at Orono Discovery Center, effective July 1, 2018.
- approved the following fall coaching contracts:

**Cross Country – Girls and Boys**

Brian McCollar, Head Coach Nathan Porter, JV Coach  
Kate Leslie, Community Education

**Football - Boys**

Jeffrey Weiland, Head Coach Kyle Ague, JV Coach  
Nathan Thompson, Varsity Asst. Steve Fedie, JV Coach  
Curtis Eischens, JV Coach Michael Leuer, C Coach  
Joe McPherson, JV Coach Barry Wohler, C Team Coach  
Rustin Olson, JV Coach

**Soccer - Boys**

Derek Engler, Head Coach

**Soccer - Girls**

Erin Murray, Head Coach Pat Prindle, Varsity Assist. Coach  
Jennifer Hanson, B Team Coach Abigail Personius, C Team Coach

**Swim and Dive - Girls**

Gillian McNeal, Head Coach Todd Hansen, Dive Coach

**Tennis - Girls**

Barb Meyer, Head Coach Dawn Reidinger, C Coach  
Patricia White, JV Coach

**Volleyball - Girls**

Ryan Stuntz, Head Coach Anders Carlson, JV Coach  
Olivia Garrett, JV Coach Kim King, C Coach

- Approved donations totaling \$102,772.24
- Approved Treasurer's Report from May 2018
- Approved Electronic Fund Transfers from May 2018
- Approved the individual employment contracts as follows:
  1. Mobile Device Specialist (2)
  2. Community Education Engagement and Integration Coordinator
  3. Payroll Manager
  4. Human Resource Generalist
- Authorized the 2018-2019 LEA (Local Educational Agency) Representative
- Approved the annual MDE (Minnesota Department of Education) Statement of Assurances
- Approved continued membership in the following organizations for the 2018-2019 school year:
  - AMSD – Association of Metropolitan School Districts
  - ECSU – Metro Educational Cooperative Service Unit
  - MSBA – Minnesota School Boards Association
- Approved bill vouchers 301935-302562, 6041 -6058, EP register V900188-V900276 and EFT Vouchers 113 and 115, 1050-1076
- 5. – Superintendent's Report on Excellence
- 6. – Board Members Questions and Comments
- 7. – Community Members Questions and Comments  
No community members came forward.
- 8.- Old Business
- 8.A. – Resolution Ratifying and Approving TIES Reorganization and Definitive Agreements  
Board member Dick Lewis introduced the following resolution, waived its reading and moved its adoption:

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

BE IT RESOLVED by the School Board of District No. 278 Orono Public Schools, 685 Old Crystal Bay Road North, Long Lake, State of Minnesota, as follows:

WHEREAS, Orono School District School District# 278 (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, School Board of Member District, Orono School District, SCHOOL DISTRICT # 278 at a duly held meeting at which a quorum was present on the 20 day of August, 2018.

**A COPY OF THE ENTIRE RESOLUTION EXHIBITS AND ADDENDUM TO THE TIES AGREEMENT ARE ON FILE AT THE DISTRICT OFFICE**

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

Bob Tunheim, Dick Lewis, Laura Wallander and Sarah Borchers.

Members Martha Van de Ven and Mike Bash were absent.

And the following voted against the same: None.

Whereupon said resolution was declared duly passed and adopted.

Motion carried.

8.B – Other Old Business as Necessary

No other old business was brought forward.

9. – New Business

9.A. – Management Plan for Lead-in-water (ACTION)

John Morstad, Director of Business Services, reported that the District has had a management plan for lead-in-water, which is required per Minnesota State Statutes. Mr. Morstad stated that all buildings are in a rotation schedule for water testing. There have been minor corrections and routine repairs. The finance and facilities committee has reviewed the proposal and all are in agreement.

UPON MOTION by Sarah Borchers, seconded by Laura Wallander, to approve the lead-in-water management plan for the district.

Motion carried.

9.B. – Superintendent's Goals 2018-2019 – First Reading

Superintendent, Dr. Karen Orcutt presented the 2018-2019 goals for consideration as a first reading.

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