

MINNETONKA INDEPENDENT SCHOOL DISTRICT #276
District Service Center
5621 County Road 101
Minnetonka, Minnesota

Minutes of February 9, 2023 Regular Board Meeting

The School Board of Minnetonka Independent School District #276 met in regular session at 7:00 p.m. on Thursday, February 9, 2023 in the Community Room at the District Service Center, 5621 County Road 101, Minnetonka, Minnesota. Chairperson Lisa Wagner presided. Other Board members present were: Patrick Lee-O'Halloran, Mike Remucal, Meghan Selinger, Chris Vitale and Superintendent David Law, ex officio. Absent: Mark Ambrosen and Katie Becker. The meeting was also livestreamed on the District's YouTube channel.

Prior to the meeting, the Board recognized, via a video, Minnetonka Theatre Spotlight Award Honorees, MHS Honored Artists, Debate State Qualifiers, and DECA State Qualifiers.

Chairperson Wagner then called the meeting to order and asked that everyone stand and recite the Pledge of Allegiance to the Flag.

1. AGENDA

Vitale moved, Selinger seconded, that the School Board approve the agenda, as presented. Upon vote being taken thereon, the motion carried unanimously.

2. SCHOOL REPORT: SCENIC HEIGHTS

Scenic Heights Principal Joe Wacker and Assistant Principal Nicole Snedden showed a video depicting "A Day in the Life of a Chinese Immersion Kindergartener." They also updated the Board on when and what interventions are implemented when Chinese Immersion students are below proficiency in English.

3. COMMUNITY COMMENTS

Chairperson Wagner noted that this opportunity for comment was available to community members who wished to address the Board on any item on that night's agenda. No one responded to this invitation to speak.

4. APPROVAL OF APPLE LAPTOP LEASE PURCHASE AGREEMENT

Executive Director of Technology Mike Dronen led the discussion. By way of background, he explained that on May 31, 2018, the School Board approved a Master Lease Purchase Agreement with Apple, Inc. for the three-year lease purchase of iPads. The Master Lease Purchase Agreement was set up so that subsequent lease purchase agreements for iPads or other Apple products could be added to the Master Lease Purchase Agreement as a new schedule of documents.

The District set up this rolling 3-year rotation so that all iPads could be replaced on a three-year rotation. This ensures that all iPads are updated at the same time from the same Apple production runs so that they all function the same internally. This process ensures that a software solution to run on one iPad will then run on all the iPads from that same production run. It also ensures that the computing power of the iPads are improved every three years so that they have the capability of running the most recent versions of the instructional software of the District.

The same rationale and economics applies to the Apple MacBook laptops that are used by the staff at Minnetonka High School. At this time, the District is proposing to lease purchase 210 Apple MacBook Air laptops and operating system support on the same three-year lease purchase rotation. The lease cost of the MacBooks will be \$234,048.27 or \$1,114.52 per unit to be paid over three years. Given the current interest rate environment, Apple is offering these units to the District at a total all-in rate equivalent to 1.773% interest.

Three payments will be made from the Capital Projects Fund as follows:

07/10/2023	\$78,016.09
07/10/2024	\$78,016.09
07/10/2025	\$78,016.09

Later this fall after they have been collected and catalogued, the District will be selling approximately 200 "retiring" MacBooks in a reverse auction to bring in revenue to partially offset a significant amount of the purchase price of the new tranche of MacBooks. A query of vendors have indicated that each laptop being sold will generate revenue in the range of \$500-\$510. Any sale proceeds will be deposited back into the Capital Projects Fund.

Remucal moved, Lee-O'Halloran seconded, that the Board approve the following motion:

BE IT RESOLVED, that the School Board of Minnetonka Independent School District 276 does hereby approve the lease purchase of 210 Apple MacBook Air laptops and operating system support in the amount of \$234,048.27, and,

BE IT FURTHER RESOLVED that the School Board of Minnetonka Independent School District 276 does hereby approve the Master Lease Purchase Agreement, Exhibit 1, and Exhibits A-G and authorizes Administration to execute the necessary lease-purchase contract documents to complete the acquisition of the MacBook Air laptops and operating system support in time for deployment of the equipment for the start of the Fiscal Year 2024 School Year on September 5, 2023.

Upon vote being taken thereon, the motion carried unanimously.

5. ADOPTION OF SELF-INSURANCE FUND THIRD PARTY ADMINISTRATOR

Executive Director of Finance and Operations Paul Bourgeois led the discussion. The Self-Insurance Fund is required by Minnesota statute to request proposals for Third-Party

Administrator (TPA) services every two years, with up to three one-year extensions with the agreement and approval of the largest bargaining unit.

It is important to note that requesting proposals for Third Party Administrator services is a solicitation for professional services, rather than asking for bids on an identical product. With a bid process, the bid solicitor is required to take the low bid meeting specifications. With a request for professional services, each professional organization's service is considered a unique product, so the solicitor may select the service provider based on the whole of factors considered, and not just the price quoted.

Third Party Administrator Services make up a very small part of the overall expenses of the Self Insurance Fund, typically accounting for approximately 5% of annual total expenses. TPA fees are one component of the analysis to select a third-party administrator, with other features and value-added options making up most of the criteria.

In addition to administering claims, the Self-Insurance Fund will typically overlay its plan onto existing networks of the Third-Party Administrator, so the networks available to accommodate the Self-Insurance Fund's plans are a very critical component to the overall evaluation process in selecting a Third-Party Administrator.

Another important factor is discount levels for services. Third Party Administrators can provide deeper discounts to claims for services at health facilities owned by the Third-Party Administrator. Accordingly, employee choice in selection of primary care facilities and hospital care facilities are very important because the deeper discounts at Third Party Administrator-owned facilities will result in the lowest overall cost of care to the Self Insurance Fund. Inherent within this component is the analysis of provider disruption to members.

Prior to FY13, most of the plan members were enrolled in the Base Plan, which had open access to all providers. This plan was a very good plan for the member, but it is also the most expensive plan. A relative few were enrolled in the VEBA-HRA plan with a high deductible. In FY13 there was a spike in high-dollar-claims (such as cancers). This necessitated a mid-year 15% premium increase to ensure the fund had a positive Unassigned Fund Balance at the end of the year.

After that year, many changes have been recommended to the Self-Insurance Committee and enacted by the School Board that made the VEBA-HRA plan more attractive to members and added two HSA high-deductible plan options. Included in those changes were one that made the Base Plan no longer open access by moving Mayo Clinic and Hazelden Clinic out of the Base Plan network.

The various changes have moved enrollment to 60% in the VEBA-HRA and HSA plans, and 45% remaining in the Base Plan. As the Base Plan typically has a loss ratio at-or-above 100% of the premium contributions of the members choosing the base plan, and the VEBA-HRA and HSA plans typically have a loss ratio low enough to cover their costs, cover the plan administrative costs, and cover any Base Plan expenses over a 100% Base Plan loss ratio, the fund has been very stable.

Continuing to make the VEBA-HRA and HSA plans more attractive to District employees by having lower premium and open access compared to the Base Plan is a critical component of the future financial success of the Self-Insurance Fund. The variety of plan offerings enable it to continue forward with average premium increases in years of normal claims activity in the 3.2%-3.5% range as has been its history because it incents staff to move to the lower cost plans over time.

In Minnesota, there are four entities that make up the Third-Party Administrator Market:

Blue Cross Blue Shield of Minnesota
HealthPartners
Medica
United Healthcare

Of these providers, all but United Healthcare have served for periods of time as the Third-Party Administrator for the Self-Insurance Fund, with HealthPartners being the current TPA provider. Requests for quotes were sent to all four TPA providers. Quote packets were received from Health Partners, and United Health Care. The District works with CBIZ Consulting as advisors to the Self Insurance Fund and for all other insurance work such as long-term disability and group life insurance. CBIZ assisted the District with the analysis of the three proposals.

A summary of the results of the three key factors for the proposals are as follows:

Estimated Fee Proposal

- HealthPartners proposed a fee estimated at \$846,285 the first year and \$939,383 the second year plus a cap of 9% on any potential stop loss increase the second year.
- United Healthcare proposed a fee estimated at \$1,546,957 the first year and \$1,546,957 plus stop loss insurance increase the second year.

Overlaying Current Plan Offerings on Proposer TPA Networks

- Health Partners' proposal would keep all plans in their current categories regarding open access, with the Base Plan continuing as restricted access and the VEBA-HRA plan and HSA plans continuing as open access – this would allow for continuing the incentivizing of movement to the lower cost plan to increase those percentages above 60% over time.
 - The lowest cost limited primary care access network (SmartCare) used by 12 persons is replaced with Select.
- United Health Care's proposal would place the restricted-access Base Plan, open access VEBA-HRA and open access HSA into the UHC Open Access network - it would move the high-cost Base Plan into open access, which would disincentivize the use of VEBA-HRA plan and HSA Plans
 - The lowest cost limited primary care access network (Core ACO) for the \$3,000 limited primary care access HSA is competitive in terms of locations (3)

Service Discounts

- As previously stated, Third Party Administrators will offer deeper discounts on health care prices for claims that come through the facilities that they own. These can run in the high-six-figure range and possibly more during the year. The largest provider of primary care and additional care to members of the Self Insurance Fund in FY23 through December 2022 is Park Nicollet-Health Partners, which handles approximately 64% of all claims of the Self Insurance Fund.
 - The next largest provider is Ridgeview Clinics, which handles 14% of all claims, followed by Infinite Health Collaborative 7% and Lakeview Clinic 6%.
- Health Partners owns Park Nicollet facilities. Health Partners gives discounts on claims of services from Park Nicollet facilities, which typically are running \$125,000-\$135,000 per year in normal years. (Through December 2022 the total for FY23 was \$91,294.) These discounts, termed Shared Savings by HealthPartners, are equal to approximately 12%-17% on an annual basis, in effect resulting in the Self-Insurance Fund receiving Third Party Administrator Services from HealthPartners at 83%-88% of the total proposed fees.

After analyzing all the factors, the Self-Insurance Advisory Committee at their meeting on January 30, 2023 on a vote of 8-0 is recommending to the School Board that the School Board retain HealthPartners as the Third-Party Administrator for the Self-Insurance Fund for fiscal years 2024 and 2025.

Vitale moved, Selinger seconded, that the Board approve the following motion:

RECOMMENDED MOTION

BE IT RESOLVED, that the School Board of Minnetonka Independent School District 276 does hereby approve HealthPartners as the Third-Party Administrator for the Self-Insurance Fund for fiscal years 2024 and 2025.

Upon vote being taken thereon, the motion carried unanimously.

6. APPROVAL OF BID FOR GROVELAND RUNNING TRACK REPAVING

Mr. Bourgeois presented this item to the Board. As part of the rolling Long-Term Facility Maintenance 10-Year Plan, repaving of the Groveland running track is budgeted for summer 2023. As part of the project, the track will be widened to allow for the track to be used as an auto queue during drop-off and pick-up times.

The budget estimate for the project is \$405,000. Bids were opened at 1:00 PM on Thursday, January 26, 2023. Six bids were received for the project as follows:

Minger Construction Company, Inc.	\$378,750.00
Bituminous Roadways, Inc.	\$393,490.00
Minnesota Roadways Company	\$423,980.00

Peterson Companies, Inc.	\$432,032.00
G Urban Companies, Inc.	\$462,000.00
Meyer Contracting, Inc.	\$510,026.77

It is recommended that the School Board accept the low bid of Minger Construction Company, Inc. in the amount of \$378,750.00 for repaving of the running track at Groveland Elementary School in summer 2023.

Lee-O'Halloran moved, Remucal seconded, that the Board approve the following motion:

BE IT RESOLVED that the School Board of Minnetonka Independent School District 276 does hereby accept the low bid of Minger Construction Company, Inc. in the amount of \$378,750.00 for repaving of the running track at Groveland Elementary School in summer 2023.

Upon vote being taken thereon, the motion carried unanimously.

7. APPROVAL OF BID FOR MMW PARKING LOT, BUS CORRAL AND DRIVEWAY RECONFIGURATION

Mr. Bourgeois led the discussion. He began by saying that in order to increase traffic and pedestrian safety at Minnetonka Middle School West, a project to reconfigure the parking lot, bus corral and driveway and mill and overlay the entire area is scheduled for summer 2023.

The reconfiguration will eliminate the auto queue on Highway 41 that can back up as much as 1,600 feet from the drop off point on the campus, down the driveway and to the shopping center driveway to the north. The reconfiguration will result in a 2,100-foot auto queue that is contained on the campus of MMW, thereby eliminating the safety hazard of cars queued up in the driving lanes of Highway 41.

The reconfiguration will also eliminate students crossing between buses in the bus corral to get to parent autos in the auto parking lot, and eliminate students crossing between auto and special education bus traffic to get to some of the buses under the current configuration. Students will be able to get to all vehicles – buses, autos in the auto lot, or autos in the queue, without passing in front of any vehicles. The whole area of the reconfiguration will receive a mill and overlay of new pavement.

The budget estimate for the project is \$1,335,000 of which \$450,000 is the cost of reconfiguration and will be paid for out of the 2023A COP bond proceeds, and \$885,000 is for the mill and overlay and will be paid for out of Long-Term Facility Maintenance funds.

Bids were opened at 1:30 PM on Thursday, January 26, 2023. Six bids were received for the project as follows:

Bituminous Roadways, Inc.	\$1,274,605.00
Valley Paving, Inc.	\$1,358,503.16

MM Miller Brothers Excavating, Inc.	\$1,416,000.00
Meyer Contracting, Inc.	\$1,450,733.78
Peterson Companies, Inc.	\$1,495,500.00
G Urban Companies, Inc.	\$1,592,000.00

Selinger moved, Lee-O'Halloran seconded, that the Board approve the following motion:

BE IT RESOLVED that the School Board of Minnetonka Independent School District 276 does hereby accept the low bid of Bituminous Roadways, Inc. in the amount of \$1,274,605.00 for reconfiguration of the Minnetonka Middle School West parking lot, bus corral and driveway in summer 2023.

Upon vote being taken thereon, the motion carried unanimously.

8. CONSENT AGENDA

Vitale moved, Selinger seconded, that the School Board approve the following recommendations included within the following Consent Agenda items:

- Minutes of January 12, 2023 Regular Meeting
- Study Session Summary of January 26, 2023
- Payment of Bills – in the sum of \$12,626,737.55.
- Recommended Personnel Items
- Gifts and Donations for January 2023: \$5,491.00 from the Deephaven PTA to be placed in the Deephaven Elementary Birthday Books Fund. \$140.00 from Jessica Cossalter, \$34.65 from Rebecca Weaver, and \$99.00 from Cheryl Knaut, all to be placed in the Minnewashta Elementary School Principal Discretionary Fund. \$428.50 from the American Online Giving Foundation, \$120.00 from MightyCause Charitable Foundation, and \$126.00 from the Blackbaud Giving Fund, all to be placed in the Groveland Elementary School Principal Discretionary Fund. \$250.00 each from the Minnetonka Skippers Booster Club, to be donated to the following MHS Clubs: Archery Club, Crochet for Charity Club, DECA Club, Design & Lettering Club, Latin Club, Letter of Love Club, Tonka Breezes Club, Medical Exploration Club, Tonka Serves Steering Committee, and Imagine Service Club. \$48.62 from Brent Rickenbach, \$148.50 from Nadia Hasan, \$89.10 from Kristi Nokken-Hollands, and \$94.94 from the American Online Giving Foundation; all to be placed in the Scenic Heights Elementary School Principal Discretionary Fund. \$20.00 from Target c/o Cyber Grants, LLC to be placed in the Deephaven Elementary Principal Discretionary Fund. \$45.00 from MightyCause Charitable Foundation to be placed in the Clear Springs Elementary Principal Discretionary Fund. \$300.00 from the Groveland PTO and \$300.00 from the MMW PTO, both to be placed in the MME Community Night Fund. \$100.00 from Jimmie Sneed, \$100.00 from Bobby & Frankie Hogue, and \$120.00 from Zvago Cooperative of Glen Lake; all to be placed in the Minnetonka Community Education Fund. \$9,700.00 from Cambria Co, LLC to be placed in the MHS Theater Fund. \$5,445.44 from the Girls Soccer Booster Club, \$5,500.00 from the Minnetonka Girls Basketball Association, \$4,065.99 from the Minnetonka Volleyball Booster Club, \$12,765.33 from the Minnetonka Hoops Booster Club, Inc.,

\$40,302.50 from the Minnetonka Touchdown Club, and \$4,807.38 from the Minnetonka Track & Field and Cross-Country Association, all to be placed in the MHS Athletic Funds for Assistant Coach Pay. \$4,095.00 from the Kopp Family Foundation to be placed in the Minnetonka Preschool & ECFE Scholarships Fund. \$1,500.00 from the Kopp Family Foundation to be placed in the MHS Random Acts of Kindness Fund. \$1,000.00 from the Minnetonka Lions Club to be placed in the MHS Scholarships Fund. \$2,467.50 from the Groveland PTO to be placed in the Groveland Elementary School Enrichment Fund. \$489.95 from the Groveland PTO to be placed in the Groveland Elementary School Read-a-thon Prize Fund. \$1,000.00 from the CVS Health Foundation to be placed in the MHS Robotics Team Fund. \$495.00 from We Got Game Sports Photography to be placed in the Minnetonka Swim Club Account. Fruit from Lakewinds Co-op and Mandarin oranges from Wonderful Citrus, both to be given to Minnewashta Elementary School. \$2,500.00 from the Anchor Club to be placed in the Minnetonka Swim Account. Switch-activated toys from AbelNet, Inc. to be placed in the Minnetonka Special Education Department. Total Gifts and Donations thus far for 2022-23: \$436,056.18.

- Electronic Fund Transfers
- American Indian Parent Committee Resolution

Upon vote being taken on the foregoing Consent Agenda items, the motion carried unanimously.

9. **BOARD REPORTS**

There were no Board reports this evening.

10. **SUPERINTENDENT'S REPORT**

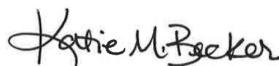
Superintendent Law noted that February is School Board Appreciation Month. He thanked Board members for their service, which, in addition to attendance at Board meetings, includes serving on district committees, attending events and activities in the District, and engaging with their constituents.

11. **ANNOUNCEMENTS**

Board member Lee-O'Halloran noted that he and Chairperson Wagner were working to revive the CASE (Citizen Action for School Education) Committee and encouraged members of the public to get involved.

12. **ADJOURNMENT**

Vitale moved, Remucal seconded, adjournment at 7:42 p.m. Upon vote being taken thereon, the motion carried unanimously.



Katie Becker, Clerk