



**LAKE OF THE WOODS**

**Lake of the Woods School ISD #390  
February 5, 2024 @ 5:30 PM  
Special Board of Education Meeting - ITV Room**

**Special Board Meeting Agenda**

1. Call to Order
2. Pledge of Allegiance
3. Approval of Agenda
4. Rescind Resolution 2023/2024-24 and Adopt Resolution 2023-2024-25 to authorizing the District to enter into a line of credit agreement with Border Bank
5. Adjourn

**Working Session to Review Updated Budget:**

1. Board Presenters
  - a. Todd Netzke and Shena Brandt from SMS
2. Reports
  - a. Superintendent (Jeff Nelson)
3. Citizen's Forum
4. Adjourn

EXTRACT OF MINUTES OF A MEETING  
OF THE SCHOOL BOARD OF  
INDEPENDENT SCHOOL DISTRICT NO. 390  
(LAKE OF THE WOODS)  
LAKE OF THE WOODS COUNTY, MINNESOTA

Pursuant to due call and notice thereof a regular meeting of the School Board of Independent School District No. 390 (Lake of the Woods), Lake of the Woods County, Minnesota, was held in the School District on February 5th 2024 at 7:00 o'clock p.m.

The following members were present:

and the following were absent:

Member \_\_\_\_\_ introduced the following resolution and moved its adoption:

**RESOLUTION AUTHORIZING THE DISTRICT TO ENTER  
INTO A LINE OF CREDIT AGREEMENT WITH A FINANCIAL  
INSTITUTION**

BE IT RESOLVED by the School Board (the "Board") of Independent School District No. 390 (Lake of the Woods), Lake of the Woods County, Minnesota (the "District"), as follows:

1. It is hereby determined that:
  - (a) Upon review of financial projections, the Board has determined that the District may face cash flow problems in 2023-2024;
  - (b) District staff have entered into negotiations and has reached a tentative agreement to establish a line of credit, subject to Board approval and Bank acceptance, with [NAME OF BANK] (the "Bank"); and
  - (c) The Board desires to enter into such an agreement with the Bank, as authorized by Minnesota Statutes, Section 123B.12(b), as amended.
2. Upon the effective date of this resolution, the District hereby agrees to establish a revolving line of credit (the "Line of Credit") with the Bank whereby the Bank will advance funds to the District to resolve cash flow problems in the 2024 fiscal year.
3. The amount advanced at any time under the Line of Credit will not exceed \$350,000 or ninety-five percent (95%) of the District's average expenditure per month of operating expenditures in the previous fiscal year.
4. Each advance under the Line of Credit will be repaid no later than forty-five (45) days after the day of advancement, but in no event later than June 30, 2024, with taxable interest on the outstanding principal amount at the rate per annum determined on the basis of the Prime Rate as reported in the "Money Rates" column of *The Wall Street Journal* (currently 8.50% per annum), with a .25% origination fee. The Prime Rate shall change effective as of the date of any change as published in *The Wall Street Journal*.
5. This resolution shall be effective upon receipt by the Superintendent on behalf of the Board of written acceptance of its terms by an authorized official of the Bank, and thereafter shall constitute the terms of the Line of Credit Agreement (the "Agreement").
5. The Superintendent or his or her designee is directed to prepare or execute such documents as may be necessary to comply with the above paragraphs or any other requirements for this Agreement.
6. The amounts advanced under the Line of Credit are not designated as "Qualified Tax-Exempt Obligations" for the purposes of Section 265 of the Internal Revenue Code of 1986, as amended.

(The remainder of this page is intentionally left blank).

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

and the following voted against:

whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA )  
 )  
COUNTY OF LAKE OF THE WOODS ) ss.  
 )  
INDEPENDENT SCHOOL )  
DISTRICT NO. 390 )

I, the undersigned, being the duly qualified and acting Clerk of Independent School District No. 390 (Lake of the Woods), Lake of the Woods County, Minnesota (the “District”), hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the School Board of the District held on the date specified above, with the original minutes on file in my office and the extract is a full, true, and correct copy of the minutes, insofar as they relate to the resolution of the School Board to enter into a Line of Credit Agreement with a financial institution pursuant to Minnesota Statutes, Section 123B.12(b), and that the resolution included therein is a full, true and correct copy of the original thereof.

WITNESS My hand as such Clerk this 5th day of February, 2024.

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Clerk of the School Board  
Independent School District No. 390 (Lake of the  
Woods), Lake of the Woods County, Minnesota

**ACCEPTANCE STATEMENT**

The Bank has received and agrees to be bound by the terms and conditions of the resolution of the School Board of Independent School District No. 390 (Lake of the Woods), Lake of the Woods County authorizing the District to enter into a Line of Credit Agreement with a financial institution pursuant to Minnesota Statutes, Section 123B.12(b), and that the resolution included therein is a full, true and correct copy of the original thereof. The officer executing this Acceptance is authorized to sign on behalf of the Bank. The Bank understands that the interest on the amounts advanced shall be taxable and that the amounts advanced have not been designated as “Qualified Tax-Exempt Obligations” for purposes of Section 265 of the Internal Revenue Code of 1986, as amended.

Date: February 5th, 2024

\_\_\_\_\_  
Name of Bank

\_\_\_\_\_  
Signature of Bank Official

\_\_\_\_\_  
Title of Bank Official