

WAYZATA PUBLIC SCHOOLS

Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION

Special Meeting - September 24, 2007 - 6:00 PM
District Administration Building
210 County Rd. 101, N, Plymouth, MN

AGENDA

- | | | |
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| 1. | CALL TO ORDER/ROLL CALL - Board Chair Cohen | 3 |
| 2. | APPROVAL OF PRELIMINARY LEVY LIMITATION AND CERTIFICATION - 2007 PAYABLE 2008 TAXES - A. Hopeman | 4 |
| 3. | HUMAN RESOURCE RECOMMENDATIONS - A. Doughty | 9 |
| 4. | ADJOURN | 10 |

POSTED: 092007

WAYZATA PUBLIC SCHOOLS

Independent School District 284

Wayzata, Minnesota

MISSION

Our Core Purpose:

The mission of Wayzata Public Schools is to ensure a world-class education that prepares each and every student to thrive today and excel tomorrow in an ever-changing global society.

VISION

What We Intend to Create and Experience:

The vision of Wayzata Public Schools is to be a model of excellence where all students discover their unique talents, develop a love and tenacity for learning and demonstrate confidence and capacity for success through:

Exceptional Student Learning, Experiences and Relationships:

- High achievement by each and every student—no exceptions, no excuses;
- Content-rich, rigorous and personalized education;
- Meaningful relationships with teachers, staff, mentors and peers in a welcoming, nurturing and safe environment where all are valued for who they are and the contributions they make.

Community Trust, Confidence and Partnership:

- Comprehensive learning opportunities meeting diverse learner needs and community aspirations;
- Committed to being the first choice for students and families;
- Maintaining the highest levels of satisfaction and pride by staff, parents and community.

Operational Excellence:

- Attraction, development and retention of exemplary, creative and engaged employees;
- Accountability by all staff for individual and collective performance;
- Effective and efficient use of time and human, financial and physical resources;
- Culture of continuous improvement and responsive innovation;
- High performing district governance, management and partnerships.

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BOARD OF EDUCATION

Special Board Meeting – September 24, 2007

AGENDA ITEM: 1. CALL TO ORDER/ROLL CALL

COMMENTS BY: Board Chair Cohen

Susan Droegemueller, Board Clerk, will call the roll:

	<u>PRESENT</u>	<u>ABSENT</u>
Mr. Gregory D. Baufield	_____	_____
Ms. Linda A. Cohen	_____	_____
Ms. Susan J. Droegemueller	_____	_____
Ms. Patricia L. Gleason	_____	_____
Mr. Gary W. Landis	_____	_____
Mr. John A. Moroz	_____	_____
Ms. Carter G. Peterson	_____	_____
Mr. Robert J. Ostlund, Ex Officio	_____	_____

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BOARD OF EDUCATION

Special Meeting – September 24, 2007

AGENDA ITEM: 2. APPROVAL OF PRELIMINARY LEVY LIMITATION AND
CERTIFICATION – 2007 PAYABLE 2008

COMMENTS BY: Mr. Alan Hopeman, Jr.

Minnesota Law requires school districts to certify their proposed property tax levy payable in 2008 to the county auditor on or before September 30, 2007. We have recently received the levy data from the Minnesota Department of Education and are analyzing the details. Attached is a summary spreadsheet and a written analysis of the proposed levy.

We believe that all components of the levy are accurate and complete with the exception of Health and Safety/Alternative Facilities, which could still change somewhat. At this time, the Administration is recommending that the Board levy the maximum amount in all funds. If the Board approves the maximum allowed, the county auditor will automatically include any positive adjustments in the levy. Otherwise, the final levy amount cannot exceed the preliminary levy amount, except for some very limited exceptions.

The School Board will set the final levy certification amounts at its Regular Board meeting in December. A Truth in Taxation hearing will probably be required in the District this year, because this preliminary levy amount is an increase of 5.25% over the previous year. If the levy increases by 4.29% or more, a hearing is required this year.

RECOMMENDED ACTION: Approve the Preliminary Levy Limitation and Certification for 2007 Payable 2008 at the maximum allowed by state statute.

Motion by: _____ Yes _____ Passed _____

Second by: _____ No _____ Failed _____

Abstentions _____

Preliminary Levy Certification

2007 Payable 2008 Taxes

The attached spreadsheet shows the preliminary levy limitations for next year's taxes as of this date, September 20, 2007. The Administration is recommending that the Board certify the maximum levy that the district is allowed. This means that any subsequent adjustments to the levy will automatically be included in the preliminary levy, which is used as the basis for the preliminary property tax statements that Hennepin County will send out in November.

At this time we still have some uncertainty about the Health and Safety Levy and the Alternative Facilities Levy. This is always the most difficult portion of our levy to finalize, because of the degree of state involvement in the approval of the levy. This year the situation is worse than most years because the one person in the Minnesota Department of Education who knows and runs this program is on a special assignment for the week of September 17-21, 2007, and is not available. We have some major discrepancies between our figures and MDE's, and we won't be able to resolve them until next week. The differences amount to \$400,000—a significant amount.

The figures in the spreadsheet are the worst-case scenario, that is, the spreadsheet shows the higher amount. We do not believe the levy will exceed these figures, and if the state does not agree with our figures, the total could be lower by as much as \$400,000. Major changes from last year are as follows:

Referendum Levy

The referendum levy has increased due to the inflation amount approved by the voters. The new referendum cap is \$1,476.20, compared to last year's cap of \$1,443.72. This is a 2.25% increase. There also are some prior year adjustments included here.

Equity Levy

The equity levy is a 12% increase from last year. This is because the district is no longer above the 95th percentile, and in fact has fallen further below this percentile, as other districts have passed levies of higher amounts.

Last year the levy adjustments included a reduction of \$440,246 for the equity levy for FY07, and a reduction of \$111,089 in the transition levy. Those adjustments reduced the net total levy. This year those adjustments are not present, which has the effect of appearing to be an increase of \$541,000 for these two items.

Safe Schools

Two significant changes in law are reflected here: first, the Legislature enacted a \$3 per pupil increase in this levy, which accounts for most of the increase of \$39,575. Second, the Legislature authorized school districts that are members of an intermediate school district to levy \$10 per pupil on behalf of the intermediate district, which amounts to \$115,504 for Wayzata.

Health and Safety and Alternative Facilities Levy

These two levy categories cover health and safety projects in the district's buildings. The only difference between the two is that individual projects costing more than \$500,000 go under the alternative facilities category. These categories constitute a net increase of about \$872,000 from last year. Some further adjustments in this category are certain to occur, but we do not think the final amount will be above the current estimate on the spreadsheet of \$3,080,118. Most of the work funded by this levy is the Central Middle School indoor air quality upgrade, which is projected to cost \$1,650,000 in Fiscal Year 2009. In addition we are catching up on some costs for prior years. Also, this year's levy includes some revenue levied on behalf of Intermediate District 287.

Building Lease

This levy increased by \$83,964 over last year. \$47,280 of this is for lease payments at various locations for high school physical education classes, either due to space shortages or to utilize special facilities for golf, bowling, broomball, rock climbing, racketball, dance, etc. Students participating in these units have been paying a fee; by including these costs in the levy, student fees will be reduced by this amount. The lease levy also includes an increase of \$38,520 for lease costs for students in Intermediate District 287 programs.

Technology (Capital Projects) Levy

This levy was increased by \$318,597 as discussed a few months ago at a Board work session. There are two components to this: \$85,000 is for inflation in the \$4.25 million levy (at 2%). The remaining \$233,597 is to go into the reserve for this levy, to be held until the first levy expires in Fiscal Year 2013.

Career Technical Levy

The Legislature enacted a change in this levy two years ago, and the change is now taking effect. Since 2003 the levy was a "grandfather" amount based on a repealed aid formula. The new levy formula considers high school enrollment and program costs to calculate the levy amount each year. This levy component is a "reimbursement" levy, meaning that it is attributable to the current school year, 2007-08, instead of 2008-09 as is

the case with the remainder of the components of the levy. This increased levy amount was already included in the current year's budget.

Integration Levy

The integration levy increased by \$137,838 over last year's levy. This is due to the increase in integration revenue the district will receive by virtue of demographic changes in the district and in neighboring districts. Thirty percent of integration revenue comes from the levy, and seventy percent is state aid.

Operating Capital

Operating capital revenue now comes from an equalized levy (compared to 3 or 4 years ago, when this was all state aid.) Wayzata received some aid for this last year, but the aid amount has declined to zero and the levy portion increased to 100% due to the growth in the district's tax base. As a consequence this levy increased by \$146,537. It increased by another \$49,395 due to increased enrollment, and due to the formula for this levy, which increases a district's revenue slightly as the district's buildings age.

Community Education Levies

Levies for Community Education decreased by \$220,038, net of all adjustments. The Early Childhood Family Education component was reduced by \$123,117. This is because last year's levy for this program was unusually large due to Legislation enacting a retroactive adjustment for FY07. The School-Age Care levy for disabled and disadvantaged children in latchkey programs was reduced by \$50,000 due to reduced expenditures in the program.

Debt Service Levy

The debt service levy is reduced by \$278,369 compared to last year, even though the gross levy changed very little. The reduction in the net levy is due to a change in the reduction due to an excess balance. Each year the Department of Education calculates the excess balance. Their calculations are a bit too conservative so we asked that they reduce the balance by \$520,000 more than they estimated. There remains a very comfortable cushion in the debt service fund to cover delinquencies this year and next.

Summary

In summary, we estimate the district's payable 2008 levy at \$40,477,667. This is an increase of \$2,017,308 over last year's levy, or 5.25%. This is above the implicit price deflator of 4.29 percent, so a Truth in Taxation hearing will be required.

Fund and Levy Category	2006 Certified Levy Amount	2007 Levy (Payable 2008)		
		Preliminary Levy Amount	Dollar Change	Percent Change
General Fund				
Referendum (Market Value)	15,694,237.47	15,709,306.94	15,069.47	0.10%
Equity	707,656.75	791,198.97	83,542.22	11.81%
Transition	12,732.14	12,936.39	204.25	1.60%
Adjustments--Equity & Trans	(544,308.00)	58,808.27	603,116.27	
Safe Schools	306,935.46	346,510.50	39,575.04	12.89%
Safe Schools Intermediate 287	0.00	115,503.50	115,503.50	0.00%
Judgment	0.00	1,564.04	1,564.04	0.00%
Health Ins. & Benefits	6,725.35	301.00	(6,424.35)	-95.52%
Health & Safety	472,332.49	444,361.88	(27,970.61)	-5.92%
Alternative Facilities	1,735,601.00	2,635,756.41	900,155.41	51.86%
Building Lease	795,209.00	879,173.83	83,964.83	10.56%
Ice Arena Operating Levy	158,718.60	145,066.89	(13,651.71)	-8.60%
Technology	4,250,000.00	4,568,597.00	318,597.00	7.50%
Career Technical	100,577.08	190,413.60	89,836.52	89.32%
Integration	308,479.20	446,327.10	137,847.90	44.69%
Reemployment	70,000.00	50,000.00	(20,000.00)	-28.57%
Reemployment Adjustment	(70,000.00)	(105,132.06)	(35,132.06)	50.19%
Alt Teacher Compensation	686,111.40	698,630.66	12,519.26	1.82%
Operating Capital	2,122,720.70	2,318,652.61	195,931.91	9.23%
Deferred Maintenance Levy	565,345.88	574,217.40	8,871.52	1.57%
Abatements & Other Adjustments	28,652.79	41,247.69	12,594.90	43.96%
Total General Fund	27,407,727.31	29,923,442.62	2,515,715.31	9.18%
Community Education Fund				
Basic Community Educ.	405,376.10	406,657.05	1,280.95	0.32%
Early Childhood Family Educ.	387,520.00	264,403.34	(123,116.66)	-31.77%
Home Visiting	5,536.00	5,392.00	(144.00)	-2.60%
Adults with Disabilities	7,500.00	7,500.00	0.00	0.00%
School-Age Care	450,000.00	400,000.00	(50,000.00)	-11.11%
Abatements & Other Adjustments	77,305.71	29,247.63	(48,058.08)	-62.17%
Total Community Education	1,333,237.81	1,113,200.02	(220,037.79)	-16.50%
Debt Service Fund				
Initial Gen. Debt Service	10,213,334.00	10,286,522.00	73,188.00	0.72%
Abatements & Other Adjustments	6,059.50	10,098.94	4,039.44	66.66%
Debt Service Excess Reduction	(500,000.00)	(855,596.89)	(355,596.89)	71.12%
Total Debt Service	9,719,393.50	9,441,024.05	(278,369.45)	-2.86%
Grand Total, All Funds	38,460,358.62	40,477,666.69	2,017,308.07	5.25%
Adjusted Net Tax Capacity (ANTC)	113,747,503	127,228,929 (2006)	13,481,426	11.85%
Referendum Market Value	8,870,290,700	9,868,591,200 (2006)	998,300,500	11.25%

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AGENDA ITEM: 3. HUMAN RESOURCE RECOMMENDATIONS

COMMENTS BY: Ms. Annie Doughty

Leave of Absence Without Pay

Sharon Saunders, High School Secretary, has requested a leave of absence without pay from September 21, 2007 through the end of the 2007-2008 school year.

RECOMMENDED ACTION: Approve the Human Resource Actions as recommended.

Motion by: _____ Yes _____ Passed _____

Second by: _____ No _____ Failed _____

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Abstentions _____

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BOARD OF EDUCATION

Special Board Meeting – September 24, 2007

AGENDA ITEM: 4. ADJOURN

COMMENTS BY: Board Chair Cohen

If there is no additional business before the School Board, the Chair will call for a motion to adjourn the meeting.

Motion by: _____ Yes _____ Passed _____

Second by: _____ No _____ Failed _____

Abstentions _____