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**BOARD OF EDUCATION**  
Working Meeting - March 3, 2025 - 4:00 PM  
Creekside  
16000 41st Ave N.  
Plymouth, MN 55446

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**AGENDA**

- 1. **ROLL CALL/CALL TO ORDER**
- A. **Finance and Operation Reports**
  - 1. 2024-2025 Budget Revision Recommendations (60 Minutes) 2
- 2. **School Board Reports**
  - A. Election Update and Discussion (30 minutes) 5
- 3. **ADJOURN**

In case of inclement weather, the meeting will be held on the next business day at the same time and same place, unless a quorum of the board is not available.



**BOARD OF EDUCATION**

Board Work Session- March 3, 2025

**AGENDA SECTION:** Administrative Reports and Recommendations

**ITEM:** Finance and Operations Recommendations

**COMMENTS BY:** Scott LeSage, Executive Director, Finance and Operations

**Fiscal Year 2024-25 Budget Amendment: General Fund Presentation**

The adjustment to revenue is due to an increased estimate of enrollment for the fiscal year ending June 30, 2025 along with a few additional factors driving revenue up above initial forecast. The estimated increase in enrollment positively impacts and increases the Revenue projection for the State Aid revenues. The adjustments to expenditures are due to utilizing updated fiscal year to date costs to project estimated year-end totals in additions to cost incurred that weren't known at that time the preliminary budget was being created. These adjustments were mainly around updating estimated costs for salaries and benefits in addition to updates to purchased services and supply and material budgets.

<b>General Fund FY2024-25</b>		
	<b><u>Revenue</u></b>	<b><u>Expenditures</u></b>
<b>Original Budget (June 2024):</b>	\$217,414,163	\$220,277,700
<b>Revised Budget (March 2025):</b>	\$221,253,035	\$223,572,962

# FY2024-25 Revised Budget



## General Fund

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### GENERAL FUND INFORMATION

The General Fund contains all revenue and expenses for the general, day-to-day operations of the school district. This includes salaries and benefits for teachers, administrators, custodians, administrative professionals, and para-professionals; instructional supplies, technology, transportation, textbooks, and money spent to operate and repair district buildings. In some ways, it is clearer to express the General Fund in terms of what it does not cover. The General Fund does not cover Wayzata Cafés; Community Services; debt service payments on bonds issued by the District; and the cost of major construction projects financed through the issuance of bonds.

The General Fund includes expenses associated with the capital projects (technology) levy. The focus of this program is curriculum and classroom technology, particularly expansion of classroom tools: projection and sound systems, smartboards, and software. The General Fund also includes expenses funded with the Long-Term Facility Maintenance (LTFM) levy for projects less than \$2.0 million. Projects over \$2 million are recorded in the Building Construction Funds. It is important to note that LTFM expenditures can fluctuate considerably from year to year and can impact the overall view of the District's funding picture.

### FUND BALANCE POLICY

The level of spending is set with a number of considerations in mind, but one of the primary considerations is to maintain an adequate level of reserves for unanticipated events. The District has a formal policy calling for an unassigned fund balance in the General Fund equal to at least 5% to 7% of one year's expenditures. This balance could be considered to be the District's "savings account."

Maintaining a prudent fund balance is important for the stability of the District, and is a key measure that bond rating agencies examine when assigning a credit rating to a District's debt issuances. The unassigned General Fund balance as of June 30, 2024 is \$16,989,020. This is 8.3% of the expenditure budget, or about four weeks of operations. Unanticipated events that could occur that would require the District to dip into its unassigned fund balance include:

- Property tax delinquencies and abatements
- Enrollment fluctuations
- Unanticipated price increases for essential purchases, e.g. fuel for heating, other utilities, transportation
- State aid revenue reductions
- Employee negotiations/settlements
- Federal sequestration
- Unforeseen public health emergencies or severe weather/natural disaster

2024-25 Revised Budget (LTFM included)				
	2024-25 Preliminary Budget	Change (\$)	Change (%)	2024-25 Revised Budget
<b>Revenue</b>				
Local Property Taxes	\$71,929,683	\$600,000	0.83%	\$72,529,683
State Aid	\$136,405,457	\$1,668,699	1.22%	\$138,074,156
Federal Aid	\$2,714,699	\$1,373,254	50.59%	\$4,087,953
Other Local Revenues	\$6,364,324	\$196,919	3.09%	\$6,561,243
<b>Total Revenues</b>	<b>\$217,414,163</b>	<b>\$3,838,872</b>	<b>1.77%</b>	<b>\$221,253,035</b>
<b>Expenditures</b>				
Salaries and Benefits	\$159,537,954	-\$1,998,910	-1.25%	\$157,539,044
Purchased Services	\$33,671,289	\$2,009,971	5.97%	\$35,681,260
Supplies and Materials	\$7,245,743	\$1,901,915	26.25%	\$9,147,658
Capital	\$18,020,738	\$1,382,286	7.67%	\$19,403,024
Misc./Other	\$1,801,976	\$0	0.00%	\$1,801,976
Transfers to Other Funds	\$0	\$0		\$0
<b>Total Expenditures</b>	<b>\$220,277,700</b>	<b>\$3,295,262</b>	<b>1.50%</b>	<b>\$223,572,962</b>
<b>Revenue over Expenditures:</b>	<b>-\$2,863,537</b>	<b>\$543,610</b>		<b>-\$2,319,927</b>

### NOTES

#### REVENUES

##### State Aid Increases

- Enrollment estimate increase to 12,760 from the preliminary estimate of 12,684 students
- Special Education Aid continues to increase based off of the latest projections due to increased costs

##### Federal Aid Change

- Updated to reflect the carryover as the Preliminary Budget estimate is prior to the completion of the audit

##### Other Local Revenues Increases

- Primary drivers included E-Rate reimbursement & interest income

#### EXPENDITURES

##### Salaries and Benefits

- Increased staff count due to increased student growth above projection
- Special Education cost increased from the FY2024-25 Preliminary Budget.
- Benefit adjustments to health insurance, TSA program, summer unemployment, retiree related benefit area, etc.

##### Purchased Services

- Increases primarily driven by tuition billing and additional needs related to facilities due to enrollment increases

##### Supplies and Materials

- Increased costs including inflation, along with costs throughout the district due to continued enrollment growth, & student needs

# FY2024-25 Revised Budget



## General Fund

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2024-25 Revised Budget (Excluding LTFM)		
	2024-25 Preliminary Budget	2024-25 Revised Budget
<b>Revenue</b>		
Local Property Taxes	\$63,413,482	\$64,013,482
State Aid	\$136,405,457	\$138,074,156
Federal Aid	\$2,714,699	\$4,087,953
Other Local Revenues	\$6,364,324	\$6,561,243
<b>Total Revenues</b>	<b>\$208,897,962</b>	<b>\$212,736,834</b>
<b>Expenditures</b>		
Salaries and Benefits	\$159,387,147	\$157,389,944
Purchased Services	\$28,173,289	\$30,183,260
Supplies and Materials	\$7,209,393	\$9,111,308
Capital	\$9,626,666	\$11,008,952
Misc./Other	\$1,796,976	\$1,796,976
Transfers to Other Funds	\$0	\$0
<b>Total Expenditures</b>	<b>\$206,193,471</b>	<b>\$209,490,440</b>
<b>Revenue over Expenditures:</b>	<b>\$2,704,491</b>	<b>\$3,246,394</b>



# **WPS School Board Elections**

March 3, 2025

# State Legislature Proposed Changes

- January 30, 2025: Elections Committee Bill introduced in the Senate and is likely to be approved. It would force the remaining 25 odd-year school districts into an even-year election cycle.
- They were mainly concerned at how election turnout in odd years was significantly lower - 10 percent to a high of 28 percent - compared to the 75 percent turnout in an even year.
- Senators Bahr and Cwodzinski introduced—
  - **S.F. No. 634**: A bill for an act relating to elections; requiring city, town, and school district general elections to be conducted on the first Tuesday after the first Monday in November of an even-numbered year; permitting cities of the first class to choose to conduct a general election on the first Tuesday after the first Monday in November of either an odd-numbered or even-numbered year; requiring affected cities, towns, and school districts to adopt an orderly transition plan; amending Minnesota Statutes 2024, sections 205.07, subdivisions 1, 3; 205.075, subdivision 2; 205A.03, subdivisions 1, 2; 205A.04, subdivision 1; 205A.055, subdivision 1; repealing Minnesota Statutes 2024, section 205A.04, subdivision 3.
- Referred to the Committee on Elections.

# Odd Year Election Districts

- Anoka-Hennepin
- [Bloomington](#)
- Duluth
- East Central
- Fridley (considering a move to even)
- Hinckley-Finlayson
- Holdingford (considering move to even)
- [Hopkins](#)
- Inver Grove Heights (considering a move to even) March 10
- [Minnetonka](#)
- Mounds View
- Mountain Lake (considering a move to even)
- Pine Point
- [Richfield \(Considering a move to even\) March meeting](#)
- Rosemount-Apple Valley-Eagan
- Roseville
- Rothsay
- Rush City (considering a move to even)
- South Washington County
- Spring Lake Park (considering a move to even)
- [St. Anthony-New Brighton \(discussions\)](#)
- [St. Louis Park](#)
- St. Peter (considering a move to even)
- [Wayzata](#)
- [Westonka \(considering a move to even\)](#)

\*25 of 331 districts in MN (7.5%)

# Odd Year Election Districts Recently Moved to Even Years

- Ogilvie moved to even years in February 2025
- West St. Paul-Mendota Heights-Eagan moved to even years in January 2025
- Edina moved to even year in 2024 (extended terms by 1-year)
- St. Paul moved to even year in 2024
- Hastings moved to even year in 2024
- Barnesville moved to even year in 2023

# 2023 Election Cost

	2023-24	2023-24
OBJ	Revised Budget	FYTD Activity
SECRETARIAL/CLERICAL	0	221.25
FICA	0	12.07
MEDICARE	0	2.82
PERA	0	0
TRA	0	19.36
CONSULTING FEE/FEES FOR SVCS	60,000.00	70,818.54
POSTAGE & EXPRESS	0	27.54
TRAVEL/CONVENTIONS/CONFERENCES	0	99
SUPPLIES/MATERIALS--NON-INSTR	0	9,314.49
FOOD	0	1,290.32
	<b>60,000.00</b>	<b>81,805.39</b>

# Election Considerations to Take into Account

- School District/ Taxpayer Costs
- Voter Confusion
- Time
- Surrounding School Districts Changing to Even Years
- Election Clerk Duties:
  - Full responsibility for elections falls on one WPS employee
  - Legally responsible for election duties for which cities have 4-6 full time staff
  - Inability to focus on other district duties during elections
  - Hiring of staff to support elections
  - Strict hours of elections that must be held within our buildings

# Even Year Election Cost

Costs we would no longer incur:

- Hiring election judges
- Booking polling places
- Conducting training
- Leasing election equipment
- Staffing early voting
- Postage for voting locations

Neighboring districts pay ~\$5,700 for even year elections

# Option 1:

- Pass a resolution changing the terms of the next two election cycles
- Two 3-year term elections
- 2025 and 2027 we would still run independent elections
- Elections will then take place in 2028 and 2030 with 4-year terms (elections run by the cities/county)

## Option 2:

- Resolution extending current members terms
- Extend current terms by 1-year for all School Board members
- \*if passed by July 1, 2025, there would not be an election held this year

# Option 3:

- Stay with odd year elections
- If the state passes even year election legislation, we can be forced to comply with their recommendation and not make a choice on our own
- 2025 election would not be affected, but unknown for future elections

# Timeline

- March 3, 2025
  - Initial School Board presentation and discussion
- March, April or May 2025 Work Sessions
  - Further School Board discussion after reviewing options
- June 9, 2025
  - Should the Board want to take action on moving to even year elections, resolution would need to be passed by this meeting

# Open floor for discussion