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**Robbinsdale Area Schools
FINANCIAL ADVISORY COUNCIL (FAC)
MINUTES FOR May 11, 2021
DRAFT**

Present	FAC Members
X	Gregg Fishbein
X	Earl Hoffman
X	Lennie Kaufman
X	Greg Kugler
	O. Barry Rogers
X	Howard Schwartz
	Terry Swanson
	School Board
X	Pam Lindberg, Treasurer
	District 281 Staff
X	Dr. Stephanie Burrage, Interim Superintendent
X	Gregory Hein, Executive Director of Finance

Other Attendees: Jeff Connell (Executive Director of Facilities, Operations & Transportation), Toya Stewart Downey (Executive Director of Strategic Communications, Equity & Inclusion), Dr. Meghan Hickey (Interim Director of Student Services), Karylanne Marchand (Business Office Manager), Kelly Smith (Baker Tilly), Virginia Verbrugge (Assistant Finance Director), Marti Voight (Assistant Superintendent)

The meeting was called to order at 6:32 PM on May 11, 2021 with the Council members noted above in attendance. Due to the COVID-19 Pandemic this meeting was held virtually with all members attending via the Zoom platform.

Agenda Item 1: Welcome and Introductions:

Chair Gregg Fishbein opened the meeting welcoming the attendees. Mr. Fishbein read out loud the content of the Meeting Norms section of the Agenda.

Agenda Item 2: Acceptance of Agenda:

The [Agenda](#) had been distributed to the members prior to the meeting as a link to the revised Zoom meeting invitation. Future attachments will be managed in a similar fashion (as opposed to receiving e-mail attachments). FAC members will be able to access all links so identified within future agendas. Mr. Schwartz identified several issues from the March 23rd meeting that needed to be added to the Agenda: (1) Cabinet Task Force/FAC membership; (2) June 7 FAC/School Board meeting and report (who is going to prepare the draft); (3) costs associated with the School Board’s approved Transportation and Bell Schedule decisions; (4) communication request by Treasurer Lindberg regarding public acknowledgement of the District’s well-managed financial reporting; and (5) Bylaws change establishing two annual FAC meetings with the School Board. Mr. Fishbein suggested that Item 1 could be addressed during the CTF/FAC report, Item 2 would be addressed under the “Other” portion of the Agenda, and Item 5 is listed

under “Parking Lot Items”. Items 3 and 4 could be added to the Agenda as an amendment. A motion was properly made and seconded to accept the distributed Agenda as amended. The motion passed unanimously.

Agenda Item 3: Approve the March 23, 2021 FAC Meeting Minutes:

A motion was properly made and seconded to approve the minutes of the March 23, 2021 meeting as distributed. The motion passed unanimously.

Agenda Item 4: Report Out—Cabinet Task Force/FAC meetings:

Mr. Fishbein asked the FAC members appointed to attend the Cabinet Task Force to report out. Mr. Schwartz commented that while Dr. Burrage had initially recommended that two FAC members attend, three FAC members had volunteered (Earl Hoffman, Greg Kugler, Howard Schwartz). Dr. Burrage subsequently agreed to allow the three FAC members to attend.

Mr. Hoffman reported that the FAC members were invited to attend the Cabinet Task Force meeting on April 13. Projected surplus for FY21 is \$1.1 million with an anticipated \$2.2 million deficit for FY22 that would need to be addressed. Presentations were made regarding enrollment trends and the proposed STEAM Middle School. Of significance based on previous FAC discussions, 16% of available seats in the District are reserved for non-residents. Methodology for allocating magnet school enrollments (Robbinsdale Spanish Immersion, FAIR School-Pilgrim Lane, School of Engineering and Art) was also presented.

Mr. Schwartz reported that on May 4, the Cabinet Task Force/FAC meeting was deferred in order to allow Cabinet and FAC member attendance at a webinar sponsored by the Minneapolis Foundation, U.S. Senator Tina Smith, and the Minnesota Department of Education regarding American Rescue Plan funding and its potential impact on Minnesota schools.

Agenda Item 5: Report Out—OPEB Advisory Committee:

Mr. Kugler reported that the first meeting was held on April 28. The OPEB Trust Fund earned \$0.7 million in revenues generated from investment earnings, and spent \$0.5 million to pay claims for severance retirees. As of June 30, 2020, the OPEB Trust Fund had over \$14 million in plan assets (now up to \$16 million estimated as of June 30, 2021). An updated analysis and report is required every two years; this report is due this year. Mr. Hoffman inquired as to which firm was handling the audit.

Agenda Item 6: Building Capacity Study:

Mr. Connell indicated that the Building Capacity Study was still in the process of being completed. Analysis includes how the District utilizes its spaces, how many students are in each building, and how programmatic decisions and enrollment impact space considerations. Mr. Schwartz raised a concern about how costs and efficiencies were being assessed, and whether all District spaces (owned or leased) are being included in the Study (specifically, the Crystal Learning Center lease and its approximate cost of \$5,000 per student served). Mr. Hein indicated that the lease cost is reflected in the assessed property taxes. Mr. Schwartz responded that such leases should still be included regardless of funding source. Mr. Connell indicated that these would be in addition to the initial charge for the Study but could be included.

Agenda Item 7: Enrollment Update:

Dr. Hickey presented an update on District enrollment and magnet school seat allocations. Of key interest are the processes by which student seats (resident, non-resident, walker, staff children) are allotted via the magnet school lottery process, and its impact on District revenues. From the FY20 lottery for FY21, for example, 32 non-residents received no offers, and 25 residents received no offers. Of those 25 residents, 16 enrolled in their neighborhood schools, 1 attended a different magnet school, and 8 resident students' attendance was unknown. Dr. Hickey was questioned regarding potential lost per-pupil revenue from resident students choosing to attend non-District schools, and what District strategies were being employed to ensure that resident students were being retained as much as possible. Dr. Hickey responded with information recently updated on the new School of Engineering and Art middle school (SEA@FAIR-Crystal) scheduled to open FY22 at FAIR School-Crystal. 56 of 74 current 5th grade students attending SEA elementary school have opted to attend SEA@FAIR-Crystal. Of the remaining 18 5th grade students, 13 will attend other District middle schools, 1 has chosen to attend a non-public middle school, 3 have chosen to attend public middle schools outside of the District, 1 family is still undecided, and 3 families have yet to be contacted, for a possible revenue loss of ~\$50,000.

Further discussion regarding resident student retention strategies was deferred to Ms. Downey's marketing presentation (Agenda Item 8).

Agenda Item 8: Marketing Update:

Ms. Downey reported that District administration was in the process of employing a variety of strategies designed to rebuild District relationships with families, and address enrollment challenges with a focus on retention of District students and recruitment. Among several of the marketing strategies, the District has actively produced digital presentations, enhanced the District website, surveyed parents, adopted a more appealing color scheme, produced fresh and appealing web page videos, instituted a new Diversity/Equity/Inclusion newsletter, promoted K-12 remote learning experiences via the Robbinsdale Virtual Academy, and encouraged parents to visit District schools (within COVID safety limits). Marketing efforts need to reflect contemporary issues, concerns, and learning objectives/options expressed by today's parents, both within the District (e.g., retention, bringing back resident students attending non-District schools) and outside the District (open enrollment).

Agenda Item 9: Finance Update—Revised FY21 Budget:

Mr. Hein presented the second revised FY21 budget since January 2021. Included were an updated budget timeline, use of federal stimulus funds, and a revised FY21 revenue and expenditure picture. General Fund Reserves for FY21 are expected to grow \$1.187 million, including \$140,000 (MA), (\$17,952) (Safe Schools), and \$1.1 million (Unassigned Revenue). The Self-Insured Medical Fund projects a \$1 million loss due to adverse selection combined with employee migration to the lower cost higher deductible plan (perhaps caused to some extent by the 2020 premium increase). Medical procedures that had been delayed due to COVID-19 have contributed toward above average fund expenditures, with 2021 calendar-year claims up 42% from 2020. Eventually, this cost hike needs to be addressed if not seasonally adjusted in 2022.

Agenda Item 10: Finance Update—Preliminary FY22 Budget:

Mr. Hein presented the Preliminary FY22 budget discussed during the May 3 School Board Work Session. Key revenue assumptions include loss due to declining K-12 enrollments, increased Special Education funding, and 0% increase in the State’s basic funding formula. Key expenditure assumptions include staff reductions due to lower enrollments without a change in the teacher staffing ratios, bargaining unit contract settlements, expiration of Voluntary Pre-K funding, and inflationary increases in Transportation and Utilities. Also built into the preliminary budget model are \$2.55 million in expenditure realignments necessary to maintaining a \$1.1 million structural fund balance. Proposed realignments totaling \$632,500 include reductions in elementary-and middle school-level Education Assistants, and middle school clerical employees and counselors, along with an increase in school nursing costs. How to achieve reduction targets totaling \$796,500 for the high schools and academy will be managed at the school building level rather than the previous practice of dictating reallocations centrally. Proposed realignments among District-wide management and staff totaling \$1.123 million will be made in Special Education, Communications, Finance, Technology, and Human Resources.

Mr. Hein also addressed details related to the federal stimulus funds distributed to cover COVID-19 costs. A listing of the various costs associated with COVID relief funding was provided. The District has received \$3.8 million from the Coronavirus Relief Fund (CRF) and \$3.5 million from CARES 1. \$8.6 million in CARES II funding is pending distribution. The District is tentatively due to receive \$19.4 million from the recently passed federal American Rescue Plan which can be used through October 2024. The Food Service Fund deficit (\$250,000) is currently “on hold” since a plan will be needed once the costs of providing food services are no longer being paid by the federal government. The Community Service Fund is also projected to have a 6% fund balance decline from \$0.8 million to \$0.5 million due to lower enrollment and program participation.

Agenda Item 11: Adjournment:

Due to the meeting running over schedule and out of respect for FAC members’ time, Dr. Burrage recommended FAC consider adding an additional meeting to address the additional agenda items not yet discussed. A tentative meeting date of May 20, 7:00-8:00 PM, was proposed.

After a proper motion was made and seconded to adjourn our meeting, the meeting was adjourned at 8:16 PM.

Minutes submitted by Howard Schwartz

**Robbinsdale Area Schools
FINANCIAL ADVISORY COUNCIL (FAC)
MINUTES FOR May 27, 2021
DRAFT**

Present	FAC Members
X	Gregg Fishbein
X	Earl Hoffman
X	Lennie Kaufman
X	Greg Kugler
X	O. Barry Rogers
	Howard Schwartz
	Terry Swanson
	School Board
X	Pam Lindberg, Treasurer
	District 281 Staff
	Dr. Stephanie Burrage, Interim Superintendent
X	Gregory Hein, Executive Director of Finance

Other Attendees: Jeff Connell (Executive Director of Facilities, Operations & Transportation), Karylanne Marchand (Business Office Manager), Virginia Verbrugge (Assistant Finance Director), Marti Voight (Assistant Superintendent) and Nichol Sutton (Executive Assistant to the Superintendent and School Board).

The meeting was called to order at 5:33 PM on May 27, 2021 with the Council members noted above in attendance. **This meeting was a continuation of the May 11, 2021 FAC meeting as time ran out during that meeting before covering the entire agenda, and answering all related questions.** Due to the COVID-19 Pandemic this meeting was held virtually with all members attending via the Zoom platform.

Welcome and Introductions:

Chair Gregg Fishbein opened the meeting welcoming the attendees and declared this meeting to be a continuation of the May 11, 2021 FAC Meeting.

Covered Item 1: Transportation and Bell Schedule Impact Update:

No discussion of this item occurred at this time as a Cabinet Task Force Meeting will be held on June 14, 2021 to go over this item, and the results will be reported out at a newly scheduled FAC meeting on June 24, 2021

Covered Item 2: Report Out—Cabinet Task Force/FAC meeting of May 24, 2021:

Mr. Hoffman reported that discussion occurred regarding the desire of the FAC to have the School Board provide guidance regarding the deliverables they are looking for, and that further discussion between appropriate parties will be undertaken to chart the FAC’s future direction. The bulk of the discussion revolved around a review done by the group of documents prepared by FAC groups from the Osseo and Hopkins school districts. These

documents may provide some ideas for documents our FAC may want to produce. The idea was also raised about our group meeting with FACs from other school districts. Nichol Sutton agreed to add these reports to the meeting agenda so they may be reviewed by other FAC members.

Covered Item 3: Upcoming FAC Meetings

Currently the FAC was scheduled to meet with the School Board at their work session on June 7, 2021, to present the annual FAC review of activities. That meeting has now been rescheduled for August 2, 2021. Nichol Sutton will send out appropriate invitations for the meeting on August 2. Earl Hoffman and Greg Kugler volunteered to pull together the FAC's report/presentation for that meeting. A new FAC meeting was scheduled for June 24, 2021 at 6:30pm (via Zoom) to address remaining open items, and receive updates regarding items occurring in June.

Covered Item 4: FAC Openings:

There are two FAC members whose terms are ending in June 2021 (Gregg Fishbein and Lennie Kaufman). School Board Treasurer Pam Lindberg will initiate the process for informing the community of the openings, receiving and reviewing applications, and recommending candidates for School Board approval. The FAC members whose terms are expiring are eligible to apply for reappointment.

Covered Item 5: Fiscal Year 2021 Expected Results

At the end of this fiscal year, District 281 expects to show an increase of \$1.1 Million in our unassigned fund balance. Greg Hein indicated that he was requesting \$500,000 of CARES funding be allocated to fiscal year 2021.

Covered Item 6: Fiscal Year 2022 Budget:

Greg Hein indicated he had presented the updated budget earlier this week to the School Board for their review. The budget shows an increase in the District's unassigned fund balance of \$1.1 Million. This has been the target throughout the budget process.

Questions during this discussion centered around:

--**The Food Service Fund Deficit:** This amount will not increase during FY 2022 from its current level (approximately \$250,000) as the Federal Government will be once again paying for meals through its COVID-related funding (at a rate slightly higher than what we would actually charge students for lunches). However, it was pointed out that once the Federal Government stops paying District 281 for meals, the growing debt will continue unless something is done to address the underlying issue.

--**The Impact of families not filling out Free and Reduced Meal Paperwork.** District 281 is utilizing USDA waivers that provide all students with no cost breakfast and lunch. However, without the incentive of free meals, families may not fill out the Educational Benefits Application. Although not affecting meals for eligible students, not receiving this paperwork will have a negative affect on Compensatory and Title 1 revenue. This amount could approximate \$8,000 per child that is eligible but lacks paperwork. The District is allocating resources to follow up on this issue with the appropriate families.

--**Costs Related to Pathways.** District 281 does not anticipate much, if any, marginal cost. Any additional transportation expense will be reimbursed by the State of Minnesota.

--**Cuts to Special Education Expenses.** The budget indicated a reduction of \$900,000 in special education expense, and a question was raised regarding the places where expenses would be cut. A discussion outlining the proposed areas occurred.

Covered Item 7: “Parking Lot” Items

It was decided the two “Parking Lot” items would be discussed at the added June 24 meeting:

--Proposed Changes to FAC Bylaws to accommodate 2 meetings with the School Board annually (up from the current one meeting).

--Discussion regarding a potential communication from the FAC to the public regarding the level of performance of the District 281 Finance Group.

Covered Item 8: Adjournment

After a proper motion was made and seconded to adjourn our meeting, the meeting was adjourned at 6:29 pm.

Minutes submitted by Lennie Kaufman

**BYLAWS
OF
ROBBINSDALE AREA SCHOOLS – INDEPENDENT SCHOOL DISTRICT 281
FINANCIAL ADVISORY COUNCIL**

ARTICLE I: NAME

The name of this organization shall be the Robbinsdale Area Schools Financial Advisory Council.

ARTICLE II: PURPOSE OF THE COUNCIL

The purpose of the Robbinsdale Area Schools Financial Advisory Council (“Council”) is to provide financial advice and support to the Robbinsdale Area School Board and senior administration that is consistent with the mission of the district. The Council is accountable to the School Board of Robbinsdale Area Schools.

The Robbinsdale Area Schools Financial Advisory Council will review and evaluate the district’s economic conditions and develop future budget assumptions. ~~and provide insights as to the overall fiscal condition of the district.~~ The Council will utilize the district’s financial planning model to review revenue and expenditure projections for future budget years. The Council may will also make recommendations to the Robbinsdale Area School Board on future budget targets and assumptions. **The Council will use the district’s equity policy to inform its advice to the Executive Director of Finance and the Robbinsdale Area School Board.**

The Robbinsdale Area Schools Financial Advisory Council shall also support the Executive Director of ~~Finance Business Services~~ and the Robbinsdale Area School Board in creating and developing consumer-oriented presentations regarding the district’s finances. Upon approval of the School Board, the Council may will present information to the community.

ARTICLE III: POLICIES

- A. The Robbinsdale Area Schools Financial Advisory Council shall be nondiscriminatory in regard to race, color, family status, creed, religion, national origin or gender. The Council shall be noncommercial and nonpartisan. Attempts will be made to have the Council membership reflect the demographic profile in the Robbinsdale Area School District.
- B. All Council reports, findings, and recommendations will be available to the public.
- C. The Robbinsdale Area Schools Financial Advisory Council will work within state and federal statutes, school district statutes, School District policy and accepted financial practices

ARTICLE IV: MEMBERSHIP

The Robbinsdale Area Schools Financial Advisory Council shall consist of:

- Seven ~~residents of the communities serviced by~~ members appointed by the Robbinsdale Area School Board
- Treasurer of the Robbinsdale Area School Board
- Executive Director of ~~Finance~~Business Services

The Robbinsdale Area School Board shall solicit applications from District residents to be appointed to serve on the Robbinsdale Area Schools Financial Advisory Council.

- A. The preferred qualifications for Applicants include:
- a. A strong background in finance, economics, or accounting
 - b. Experience in business and financial matters
 - c. Experience in school finance
 - d. Ability to declare no conflicts of interest

The Executive Director of ~~Finance~~Business Services will be available to help potential applicants assess their qualifications.

- B. Members of the Robbinsdale Area Schools Financial Advisory Council will be appointed to the Council by majority vote of the Robbinsdale Area School Board.
- C. Members of the Robbinsdale Area Schools Financial Advisory Council will be appointed at the first meeting of the Robbinsdale Area School Board in June; all appointments, regardless of when they are made during the school year, are retroactive to June of that year.
- D. For each new fiscal year, the prior year's Chair or the Executive Director of Business Services will convene the first meeting of the Robbinsdale Area Schools Financial Advisory Council. The Council will appoint a Member of the Council to serve as Chair for that fiscal year. Any mid-term vacancy will be filled at the discretion of the School Board.
- E. Members of the Robbinsdale Area Schools Financial Advisory Council shall serve a term of three years; the Council will determine how the terms will be staggered to support continuity on the Council.
- F. Any member missing two Robbinsdale Area Schools Financial Advisory Council meetings within a school year will be contacted by the Executive Director of Business Services to discuss the expected commitment of the member to the Council. In the event that a member resigns from the Council, the application and appointment process noted above will be followed.

- G. The School Board may, by majority vote, remove any appointee at any time, with or without cause, each by a separate motion.

ARTICLE V: MEETINGS

- A. The Robbinsdale Area Schools Financial Advisory Council shall meet a minimum of four times a year. The Executive Director of ~~FinanceBusiness-Services~~ will work with the Council to determine meeting dates, according to the school calendar.
- B. Special meetings of the Financial Advisory Council may be called at the discretion of the Chair, in conjunction with the Executive Director of ~~FinanceBusiness-Services~~, or, by a majority of the members of the Robbinsdale Area Schools Financial Advisory Council.
- C. Written notice of each meeting of the Financial Advisory Council shall be delivered to each member of the Council prior to such meeting. Subject to each Council member's consent, notice may be delivered electronically.
- D. All meetings of the Robbinsdale Area Schools Financial Advisory Council shall be open to the public.
- E. Meetings will include, but not be limited to, the analysis of financial information and the development of recommendations for long-term financial planning.
- F. The Robbinsdale Area Schools Financial Advisory Council will strive to reach consensus on recommendations that will be made to the Robbinsdale Area School Board.
- G. In the event that unanimous consensus cannot be achieved, the matter may be put to a vote. All members of the Council are voting members. A quorum of members present is required for a vote to proceed. A quorum is more than half of the Council's membership.
- H. Minutes of all meetings shall be prepared by the Chair or designee of the Chair and filed with the Executive Director of ~~FinanceBusiness-Services~~ and forwarded to all members of the Robbinsdale Area Schools Financial Advisory Council.

ARTICLE VI: EXPECTATIONS

- A. The Executive Director of ~~FinanceBusiness-Services~~, in consultation with the Chair, will provide agendas for meetings with input from other Members of the Council.
- B. Members of the Robbinsdale Area Schools Financial Advisory Council will prepare for each meeting by reviewing agenda materials.
- C. Members of the Robbinsdale Area Schools Financial Advisory Council are expected to develop an understanding of the district's educational programs and budgetary and regulatory constraints.

D. Members of the Robbinsdale Area Schools Financial Advisory Council are expected to contact the Executive Director of ~~FinanceBusiness Services~~ if unable to attend a meeting.

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E. At no time shall confidential Robbinsdale Area School District information or personal information be given to or acted upon by the Robbinsdale Area Schools Financial Advisory Council.

F. The Robbinsdale Area Schools Financial Advisory Council shall not make unsubstantiated, subjective judgments or recommendations. In the course of their duties, the Executive Director of ~~FinanceBusiness Services~~ and School Board Treasurer are free to use the findings of the Council.

G. Information regarding the Robbinsdale Area Schools Financial Advisory Council's analysis of financial information and development of recommendations for long-term fiscal planning will be presented to the School Board in time for budget planning.

H. An annual summary of the recommendations from the Robbinsdale Area Schools Financial Advisory Council will be distributed by the ~~FinanceBusiness Services~~ Department and posted on the district's website.

ARTICLE VII: MEMBER INSERVICE

A. An overview of the Robbinsdale Area Schools Financial Advisory Council responsibilities and accomplishments will be presented annually to the School Board (usually June of each year.)

ARTICLE VIII: AMENDMENT

A. These bylaws may be altered, amended, or repealed, and additional bylaws adopted, by the affirmative vote of a majority of the members present at any meeting of the Council at which a quorum is present, and any such proposed changes will be forwarded for approval to the School Board.