

# WAYZATA PUBLIC SCHOOLS

Independent School District 284  
Wayzata, Minnesota

## **BOARD OF EDUCATION**

Special Meeting - December 17, 2012 - 4:00 PM  
District Administration Building  
210 County Rd. 101, N, Plymouth, MN

### **AGENDA**

- |    |   |    |
|----|---|----|
| 1. | CALL TO ORDER AND ROLL CALL - Board Chair Hesby   | 3  |
| 2. | DISTRICT AUDIT PRESENTATION - 2011 - 2012 - J. Westrum, Auditors - <i>20 minutes</i>  | 4  |
| 3. | COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2012 -<br>J. Westrum - <i>15 minutes</i>                | 30 |
| 4. | RESOLUTION TO APPROVE PROPERTY PURCHASE - J. Westrum - <i>10 minutes</i>  | 31 |
| 5. | RESOLUTION TO APPROVE CENTRAL SERVICES FACILITY REMODEL AND<br>ADDITION CONSTRUCTION PROJECTS - J. Westrum - <i>5 minutes</i> | 57 |
| 6. | LAC PLATFORM - S. Johansen, K. Rodriguez, A. Parnell, C. Polzin - <i>10 minutes</i>   | 65 |
| 7. | ADJOURN   | 68 |

# 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.

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**

**Special Meeting – December 17, 2012**

**AGENDA ITEM: 1. CALL TO ORDER/ROLL CALL**

**COMMENTS BY: Board Chair Hesby**

**Susan Gaither, Board Clerk, will call the roll:**

	<b><u>PRESENT</u></b>	<b><u>ABSENT</u></b>
Ms. Linda A. Cohen	_____	_____
Ms. Susan Hayes Droegemueller	_____	_____
Ms. Susan Gaither	_____	_____
Mr. Jay A. Hesby	_____	_____
Mr. John A. Moroz	_____	_____
Ms. Carter G. Peterson	_____	_____
Ms. Cheryl Polzin	_____	_____
Dr. Chace B. Anderson, Ex Officio	_____	_____

**WAYZATA PUBLIC SCHOOLS**

Independent School District 284

Wayzata, Minnesota

**BOARD OF EDUCATION**

**Special Meeting – December 17, 2012**

**ITEM: 2. DISTRICT AUDIT PRESENTATION**

**COMMENTS BY: Mr. Westrum**

Ms. Rachel Flanders, of CliftonLarsonAllen, LLP will be discussing the Executive Audit Summary (EAS), which is included in your packet for your review.

**NO BOARD ACTION REQUIRED**



**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
www.cliftonlarsonallen.com

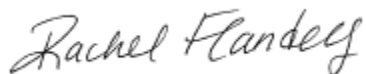
**REPORT DATE**

School Board  
Independent School District No. 284  
Wayzata Public Schools  
Wayzata, Minnesota

This Executive Audit Summary and Management Report presents information which we believe is important to you as members of the school board. We encourage you to review the sections of this report, the audited financial statements and the auditors' reports.

We would be pleased to furnish additional information with respect to these suggestions and discuss this memorandum with you at your convenience. We wish to express our appreciation to the School for the courtesies, cooperation and assistance extended to us during the course of our work.

**CliftonLarsonAllen LLP**



Rachel Flanders, CPA  
Principal

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**WAYZATA PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 284**

**EXECUTIVE AUDIT SUMMARY (EAS)**

**JUNE 30, 2012**

**WAYZATA PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 284  
TABLE OF CONTENTS  
JUNE 30, 2012**

<b>EXECUTIVE AUDIT SUMMARY</b>	<b>1</b>
<b>FINANCIAL RESULTS</b>	
FUND BALANCES	3
STUDENTS SERVED FOR AID	4
<b>OTHER KEY TOPICS</b>	
ASBO CERTIFICATE OF EXCELLENCE	5
<b>APPENDIX A</b>	
FINANCIAL TRENDS OF YOUR DISTRICT	6
<b>APPENDIX B</b>	
EXPENDITURES PER STUDENT (ADM) SERVED	13
LEGISLATIVE ACTIVITY	14
GENERAL EDUCATION REVENUE	<b>ERROR! BOOKMARK NOT DEFINED.</b>
<b>APPENDIX C</b>	
FORMAL REQUIRED COMMUNICATIONS	16
SUMMARY OF PASSED ADJUSTMENTS	21
<b>APPENDIX D</b>	
REPORT ON CONDENSED FINANCIAL STATEMENTS INCLUDED HEREIN	22

**EXECUTIVE AUDIT SUMMARY (EAS)  
FOR  
WAYZATA PUBLIC SCHOOLS  
YEAR ENDED JUNE 30, 2012**

We prepared this Executive Audit Summary and Management Report in conjunction with our audit of the District's financial statements for the year ended June 30, 2012. We appreciated the time that staff took to work with us to complete the engagement—especially the efforts of Bill Rueber, Jim Scheuer and Jill Schwint, who were our main contacts on the audit.

**Audit Opinion** – The financial statements are fairly stated. We issued what is known as a “clean” audit report.

**Yellow Book Opinion** – No compliance issues were noted in our review of laws, regulations, contracts and grants that could have significant financial implications to the District.

**Internal Controls** – No material weaknesses in internal controls were noted.

**Single Audit** – For the Single Audit, there were four major federal programs tested: Nutrition Cluster, Title I, Title II Part A and Education Jobs Fund. Please see the schedule of findings and questioned costs in the separately issued report for results of the single audit.

**Legal Compliance** – During our testing of 40 disbursements we noted one finding in respect to Minnesota Statutes due to the District not making a payment on an invoice within 35 days of the date of receipt.

**Review of Eligibility** – During our testing of the Title I Cluster, noted there was no documentation of review of student eligibility. We recommend the District implement a control process where all student files are reviewed to ensure they are in compliance with federal eligibility requirements and this review is documented.

**Student Activity Audit** – We reported the following finding related to the audit of the District's student activity accounts: 1) Improper activity being accounted for in student activity accounts.

**Enrollment** – For fiscal 2011-2012, the District had an estimated total adjusted average daily membership of 10,544.40 (or 12,250.77 adjusted pupil units). For fiscal 2010-2011, Wayzata Public Schools had an estimated total adjusted average daily membership of 10,511.36 (or 12,156.35 adjusted pupil units).

**Fund Balance** – The District’s General Fund unassigned fund balance ended at \$12,213,903 as of June 30, 2012. The ending unassigned fund balance (UFARS basis) represents 10.97% of total General Fund expenditures as opposed to 10.75% at the end of the prior year (GASB 54 basis). A District’s fund balance is an important aspect in considering the District’s financial well-being since a healthy fund balance represents things such as cashflow, as a cushion against unanticipated expenditures, enrollment declines, funding deficiencies and aid prorations at the state level and similar problems.

**Budget to Actual** – Total revenues on a net basis in the General Fund were \$119,067,211 (which was \$2,240,402 or 1.9% higher than the final amended budgeted amount) while total expenditures were \$111,295,317 (which was \$2,112,339 or 1.9% lower than the final amended budget). The net effect, after considering transfers out, was an increase to total fund balance of \$619,042 compared to the final amended budget which anticipated a decrease of \$3,729,870, or a net difference of \$4,348,912. A good share of the variance relates to timing differences as in the case of amounts designated for site carryover, as well as the timing of certain capital projects and simple budgeting for contingent items. As part of any budget update initiated for fiscal 2012-2013, the Board will want to take known budget variances into consideration in order to limit future budget differences to every extent possible. We recommend that budget variances in a school district environment be limited to 1% on either side of zero as a goal after considering known differences relating to timing such as site carryover, federal entitlements and capital items.

The total revenues in the Debt Service Fund were \$10,559,135 (which was \$44,425 or 0.4% lower than the final amended budget) while total expenditures were \$10,701,636 (which was \$118,513 or 1.12% higher than the final amended budget).

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# FINANCIAL RESULTS

## Fund Balances

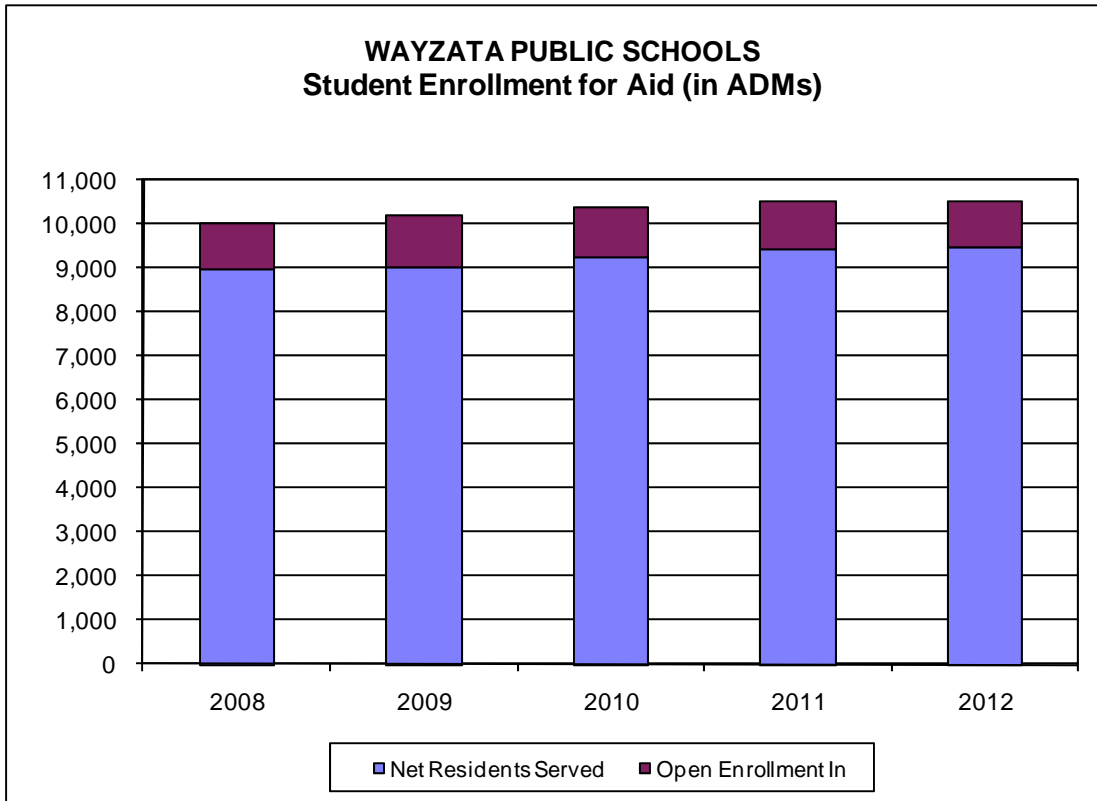
FUND DESCRIPTION	6/30/2011 AUDITED BALANCE	2011-12 AUDITED REVENUES	TRANSFERS INTO FUNDS	2011-12 AUDITED EXPENDITURES	TRANSFERS OUT OF FUNDS	CHANGE IN UNSPENDABLES	6/30/2012 AUDITED BALANCE
<b>GENERAL FUND</b>							
<b>A. UNASSIGNED</b>	\$ 11,525,345	\$ 112,576,547	\$ -	\$ 105,153,548	\$ 7,264,007	\$ 529,566	\$ 12,213,903
<b>B. NONSPENDABLE</b>							
(1) PREPAID ITEMS	1,031,700	-	-	-	-	(516,895)	514,805
(2) INVENTORY	97,423	-	-	-	-	(12,671)	84,752
<b>C. ASSIGNED FOR</b>							
(1) OAKWOOD ESCROW	-	-	-	-	-	-	-
(2) RE-EMPLOYMENT INSURANCE	244,349	-	-	50,420	-	-	193,929
(3) ONE-TIME CAPITAL TRANSFER	588,935	-	-	-	-	-	588,935
(4) SITE CARRYOVER	863,603	-	-	24,740	-	-	838,863
(5) Q-COMP	286,571	90,083	-	-	-	-	376,654
(6) WORKER'S COMPENSATION ESCROW	-	272,000	-	-	-	-	272,000
<b>D. RESTRICTED FOR</b>							
(1) STAFF DEVELOPMENT (2%)	1,196,407	1,255,459	-	1,476,931	-	-	974,935
(2) DISTRICT COOPERATION	250,000	-	-	-	-	-	250,000
(4) DEFERRED MAINTENANCE	37,289	721,895	-	483,131	-	-	276,053
(5) BASIC SKILLS	729,665	823,926	-	901,632	-	-	651,959
(6) CAREER AND TECHNICAL PROGRAMS	-	-	-	-	-	-	-
(7) DOWN PAYMENT LEVY	-	-	-	-	-	-	-
(8) HEALTH AND SAFETY	34,094	925,760	-	840,238	-	-	119,616
(9) GRADUATION STANDARDS GIFTED AND TALENTED	-	-	-	-	-	-	-
(10) OPERATING CAPITAL	4,350,080	2,018,033	-	1,903,412	-	-	4,464,701
(11) DISABILITY ACCESSIBILITY	7,452	-	-	-	-	-	7,452
(12) SAFE SCHOOLS LEVY	133,833	494,663	-	461,265	-	-	167,231
(13) DOME ESCROW	364,500	-	-	-	-	-	364,500
BUDGET	18,580,708	116,831,809	-	113,407,656	7,154,023	-	18,011,376
<b>TOTAL GENERAL FUND</b>	\$ 21,741,246	\$ 119,178,366	\$ -	\$ 111,295,317	\$ 7,264,007	\$ -	\$ 22,360,288
DIFFERENCE	3,160,538	2,346,557	-	(2,112,339)	109,984	-	4,348,912
% VARIANCE		2.01%		-1.86%	1.54%		
<b>FOOD SERVICE</b>							
<b>A. NONSPENDABLE</b>							
(1) PREPAID ITEMS	\$ 1,929	\$ -	\$ -	\$ -	\$ -	\$ 8,625	\$ 10,554
(2) INVENTORY	58,529	-	-	-	-	10,104	68,633
<b>B. RESTRICTED FOR</b>							
(1) OTHER PURPOSES	1,306,291	5,071,624	-	5,101,496	-	(18,729)	1,257,690
BUDGET	1,433,876	5,077,380	-	5,104,099	-	-	1,340,030
<b>TOTAL FOOD SERVICE</b>	\$ 1,366,749	\$ 5,071,624	\$ -	\$ 5,101,496	\$ -	\$ -	\$ 1,336,877
DIFFERENCE	(67,127)	(5,756)	-	(2,603)	-	-	(3,153)
% VARIANCE		-0.11%		-0.05%			
<b>COMMUNITY EDUCATION</b>							
<b>A. NONSPENDABLE</b>							
(1) PREPAID ITEMS	\$ 1,438	\$ -	\$ -	\$ -	\$ -	\$ 3,012	\$ 4,450
<b>D. RESTRICTED FOR</b>							
(1) REGULAR COMMUNITY ED	643,184	5,902,918	-	5,885,742	-	-	660,360
(2) EARLY CHILDHOOD FAMILY ED	59,291	542,657	-	576,831	-	-	25,117
(3) SCHOOL READINESS	10,288	68,781	-	71,868	-	-	7,201
(4) OTHER PURPOSES	571,821	1,510,205	75,000	1,515,213	-	(3,012)	638,801
BUDGET	1,164,488	7,651,200	75,000	7,795,607	-	-	1,216,615
<b>TOTAL COMMUNITY EDUCATION</b>	\$ 1,286,022	\$ 8,024,561	\$ 75,000	\$ 8,049,654	\$ -	\$ -	\$ 1,335,929
DIFFERENCE	121,534	373,361	-	254,047	-	-	119,314
% VARIANCE		4.88%		3.26%			
<b>BUILDING FUND</b>							
<b>A. NONSPENDABLE</b>							
(1) PREPAID ITEMS	\$ 777,347	\$ -	\$ -	\$ -	\$ -	\$ (662,787)	\$ 114,560
<b>B. RESTRICTED FOR</b>							
(1) DOWN PAYMENT LEVY	2,540,916	1,541,663	-	1,750,152	-	-	2,332,427
<b>C. UNASSIGNED</b>	(29,889)	5,164,930	7,189,007	-	-	662,787	12,986,835
BUDGET	7,121,486	(1,426,692)	8,505,715	8,426,023	-	-	1,941,374
<b>TOTAL BUILDING FUND</b>	\$ 3,288,374	\$ 14,512,758	\$ 8,505,715	\$ 10,873,025	\$ -	\$ -	\$ 15,433,822
DIFFERENCE	(3,833,112)	15,939,450	-	2,447,002	-	-	13,492,448
% VARIANCE		-1117.23%		29.04%			
<b>TOTAL DEBT SERVICE</b>	\$ 2,006,183	\$ 10,603,560	\$ -	\$ 10,583,548	\$ -	\$ -	\$ 2,023,414
DIFFERENCE	(2,781)	547,235	-	197,088	-	-	350,147
% VARIANCE		5.16%		1.86%			
<b>PROPRIETARY AND TRUST</b>							
TRUST FUNDS	\$ 27,451,798	\$ 257,891	\$ -	\$ 100,683	\$ -	\$ -	\$ 27,609,006
INTERNAL SERVICE FUND - SELF INS & RET	8,956,836	14,433,008	-	14,913,718	-	-	8,476,126
<b>TOTAL OTHER FUNDS</b>	\$ 36,407,651	\$ 14,690,899	\$ -	\$ 15,014,401	\$ -	\$ -	\$ 36,084,149

NOTE: The General Fund information is presented in the format required by the Uniform Financial Accounting and Reporting Standards issued by the Minnesota Department of Education.

**FINANCIAL RESULTS (CONTINUED)**

**Students Served for Aid**

	2008	2009	2010	2011	2012
Total Residents	9,452.61	9,588.95	9,761.11	9,989.61	10,086.38
Open Enrollment Out	(488.82)	(545.28)	(532.95)	(574.21)	(590.79)
Net Residents Served	8,963.79	9,043.67	9,228.16	9,415.40	9,495.59
Open Enrollment In	1,043.15	1,152.59	1,148.65	1,095.96	1,048.81
Net ADM Served	10,006.94	10,196.26	10,376.81	10,511.36	10,544.40
Net Pupil Units Served	11,672.17	11,856.22	12,013.51	12,156.35	12,250.77



As reflected in the above chart and graph, the District continues to attract over two students through open enrollment for every resident student choosing to attend to elsewhere.

## **OTHER KEY TOPICS**

### **ASBO Certificate of Excellence**

The District submitted its June 30, 2011 CAFR (Comprehensive Annual Financial Report) to the Association of School Business Officials as part of ASBO's Certificate of Excellence in Financial Reporting program and was awarded the Certificate of Excellence. We believe this reflects the District's commitment to the high standard of financial reporting excellence required by the ASBO program. Although not guaranteed, we believe the District's June 30, 2012 CAFR will continue to qualify for the award.

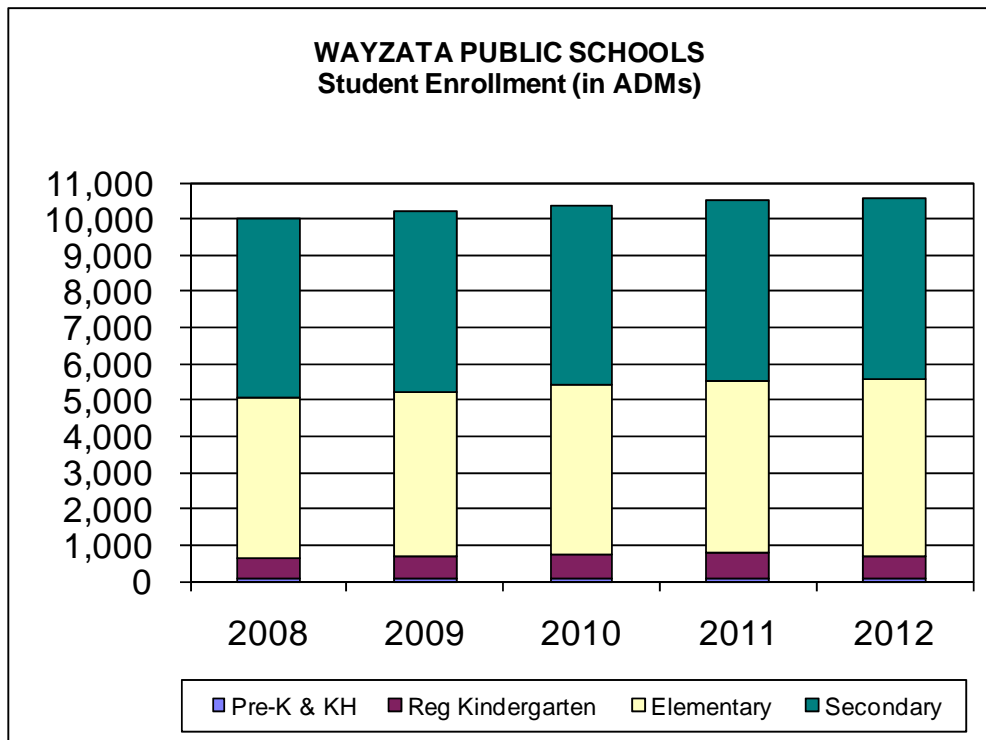
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## APPENDIX A

### FINANCIAL TRENDS OF YOUR DISTRICT

Within this report there are a number of areas where condensed financial statement data has been presented. The last page of this document (Appendix E) contains an Independent Auditors' Report on Condensed Financial Statements Included Herein that should be considered when reading such condensed information. Also, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of and for the year ended June 30, 2011. The prior year fund balance information has been presented using these new fund balance categories for comparative analysis only.

#### Student Enrollment

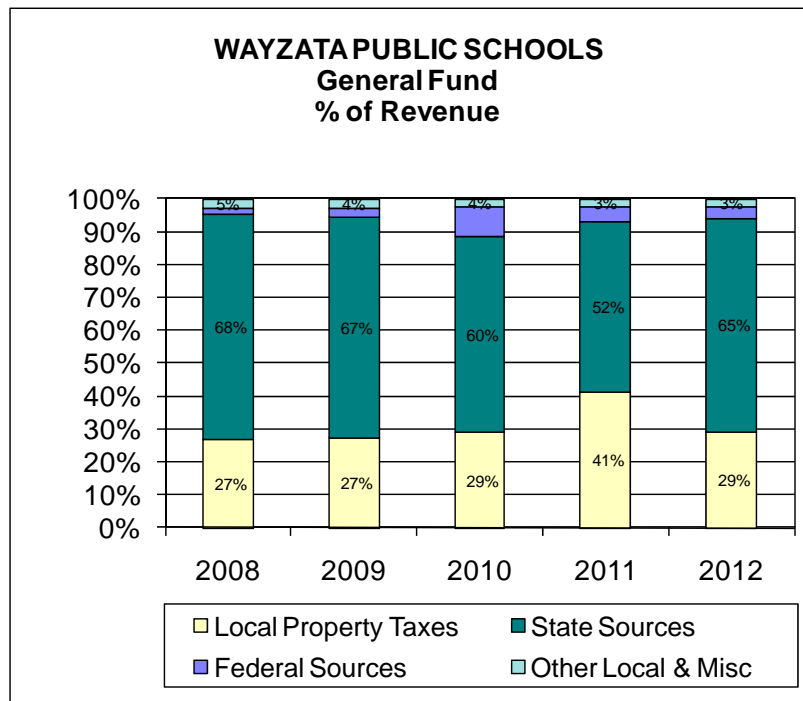


	2008	2009	2010	2011	2012
Pre-K & KH	82	85	75	91	86
Reg Kindergarten	551	611	686	694	581
Elementary	4,452	4,535	4,650	4,754	4,900
Secondary	4,922	4,965	4,967	4,972	4,977
Net ADM Served	<u>10,007</u>	<u>10,196</u>	<u>10,377</u>	<u>10,511</u>	<u>10,544</u>
Percent Change	1.17%	1.89%	1.77%	1.30%	0.31%

As noted in the above chart, the District's student count for fiscal 2011-2012 increased by 0.31% over the prior year.

## General Fund Revenue

The following table and graph summarizes the District's General Fund revenue sources for the last five years:



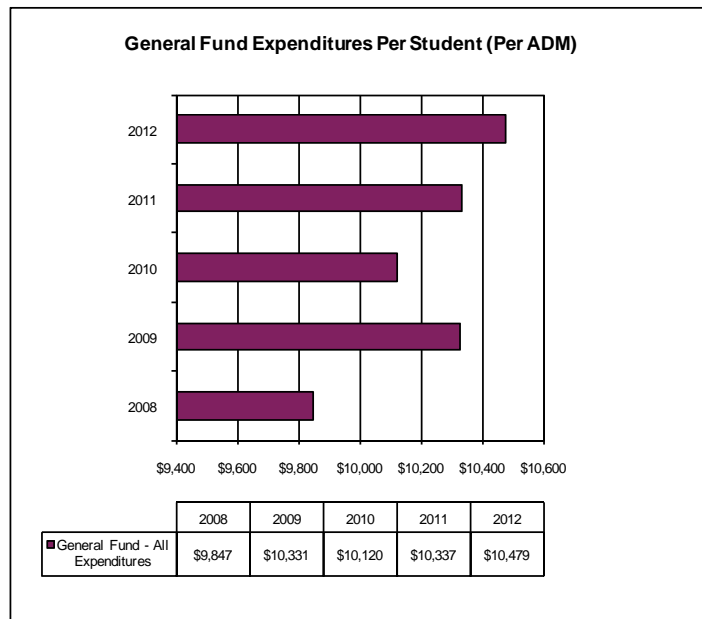
The table below illustrates the fluctuation that occurs between the taxes and state aid categories based on legislative activity. The Legislature determines what portion of the general education funding formula will be paid by local taxpayers. In addition, when the tax shift percentage changes or the state provides property tax relief such as the education homestead market value aid, this only impacts the mix between state aids and taxes and does not change total revenue. For example, in fiscal 2011, the MDE shifted a total of approximately \$13.5 million of the payable 2011 property tax receipts for the general and community service funds, allowing for these funds to be recognized in fiscal 2011 rather than fiscal 2012, and giving the appearance of a significant increase in taxes for the 2011. For this and other reasons, school finance in Minnesota continues to be a very difficult subject to explain to the general public.

	2008	2009	2010	2011	2012
Local Property Taxes	\$ 28,057,583	\$ 30,120,568	\$ 32,411,824	\$ 48,158,945	\$ 34,670,055
State Sources	\$ 71,575,997	\$ 73,499,699	\$ 66,884,277	\$ 60,585,365	\$ 77,414,109
Federal Sources	\$ 1,840,926	\$ 2,906,486	\$ 10,308,241	\$ 5,106,770	\$ 4,095,166
Other	\$ 3,693,177	\$ 3,192,027	\$ 2,701,136	\$ 2,993,518	\$ 2,887,881
<b>Total Revenues</b>	<b>\$ 105,167,683</b>	<b>\$ 109,718,780</b>	<b>\$ 112,305,478</b>	<b>\$ 116,844,598</b>	<b>\$ 119,067,211</b>

	2008	2009	2010	2011	2012
Local Property Taxes	27%	27%	29%	41%	29%
State Sources	68%	67%	60%	52%	65%
Federal Sources	2%	3%	9%	4%	3%
Other	3%	3%	2%	3%	2%
<b>Total Revenues</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

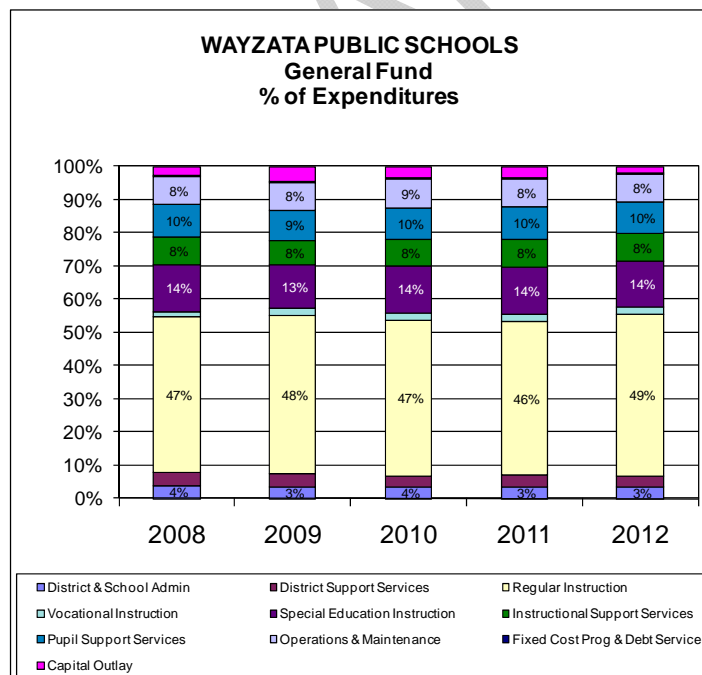
## Expenditures Per Student

Expenditures per student (average daily membership) are summarized in the following graph:

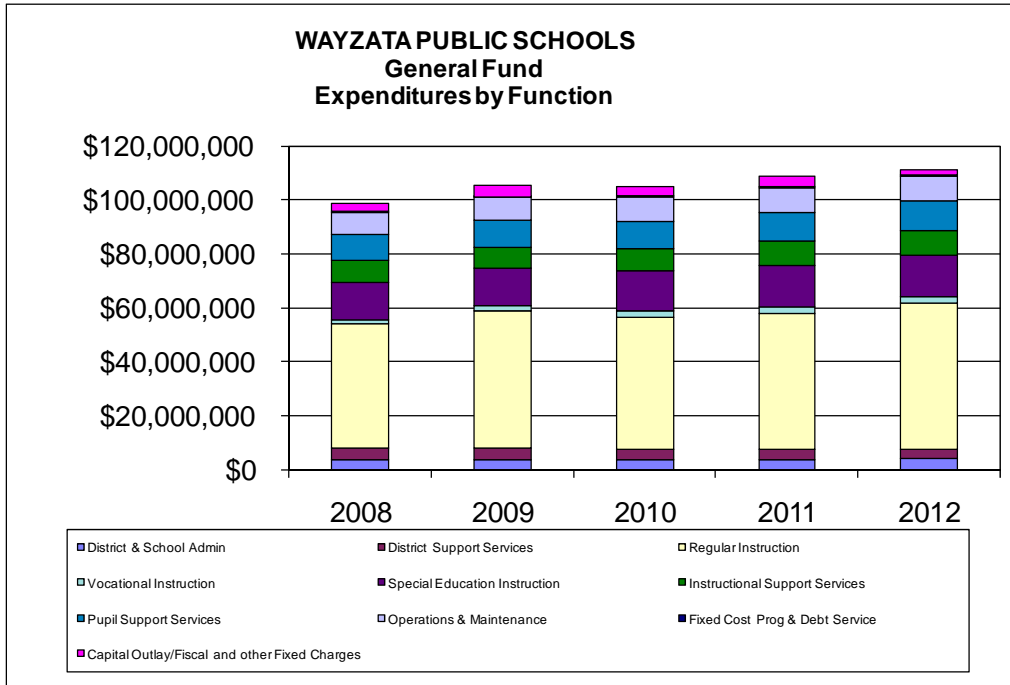


General Fund expenditures for fiscal 2012 were \$111,295,317 which represents an increase of \$2,640,290 or 2.4% from fiscal 2011.

The following schedule shows total expenditures of the General Fund by program type:



**Expenditures Per Student (Continued)**



	2008	2009	2010	2011	2012
District and School Admin	\$ 3,669,319	\$ 3,577,748	\$ 3,810,046	\$ 3,792,268	\$ 3,882,175
District Support Services	\$ 4,164,663	\$ 4,178,363	\$ 3,406,672	\$ 3,725,315	\$ 3,725,817
Regular Instruction	\$ 45,950,162	\$ 50,863,997	\$ 49,261,911	\$ 50,484,858	\$ 54,146,054
Vocational Instruction	\$ 1,537,278	\$ 1,988,651	\$ 2,312,353	\$ 2,400,776	\$ 2,224,383
Special Education Instruction	\$ 14,147,637	\$ 13,844,731	\$ 14,855,969	\$ 15,382,312	\$ 15,542,974
Instructional Support Services	\$ 8,143,070	\$ 8,048,957	\$ 8,170,600	\$ 8,953,839	\$ 9,253,668
Pupil Support Services	\$ 9,483,248	\$ 9,663,416	\$ 10,004,783	\$ 10,779,639	\$ 10,753,896
Operations and Maintenance	\$ 8,261,489	\$ 8,719,673	\$ 9,179,456	\$ 9,050,432	\$ 9,023,841
Capital Outlay	\$ 2,863,975	\$ 4,073,135	\$ 3,733,167	\$ 3,583,206	\$ 2,166,807
Fixed Cost Prog and Debt Service	\$ 314,135	\$ 375,102	\$ 280,100	\$ 502,382	\$ 575,702
<b>Total Expenditures</b>	<b>\$ 98,534,976</b>	<b>\$ 105,333,773</b>	<b>\$ 105,015,057</b>	<b>\$ 108,655,027</b>	<b>\$ 111,295,317</b>

The following chart summarizes District General Fund expenditures by object type:

	2012		Over (Under)		2011	
	Budget	Actual	Budget	%	Actual	
Salaries	\$ 66,441,218	\$ 67,571,160	\$ 1,129,942	1.7%	\$ 64,558,252	
Employee Benefits	19,052,100	20,369,559	1,317,459	6.9%	18,735,977	
Purchased Services	18,061,873	16,971,451	(1,090,422)	-6.0%	17,520,237	
Supplies and Materials	6,347,692	3,361,149	(2,986,543)	-47.0%	3,539,124	
Capital Expenditures	2,088,337	1,870,719	(217,618)	-10.4%	3,218,206	
Other Expenditures	1,416,436	1,151,279	(265,157)	-18.7%	1,083,231	
<b>Total Expenditures</b>	<b>\$ 113,407,656</b>	<b>\$ 111,295,317</b>	<b>\$ (2,112,339)</b>	<b>-1.9%</b>	<b>\$ 108,655,027</b>	

## General Fund Operations and Financial Position

The following table presents five years of comparative operating results for the District's General Fund. Please note that amounts have been reclassified for the implementation of GASB 54 as if all years presented were categorized in accordance with the provisions of GASB 54.

	Year Ended June 30, 2012				
	2008	2009	2010	2011	2012
Revenues	\$ 105,167,683	\$ 109,718,780	\$ 112,305,478	\$ 116,844,598	\$ 119,067,211
Expenditures	98,534,976	105,333,773	105,015,057	108,655,027	111,295,317
Excess of Revenues Over Expenditures	6,632,707	4,385,007	7,290,421	8,189,571	7,771,894
Other Financing Sources (Uses):					
Sale of Equipment and Property Proceeds	232,656	-	2,997	9,842	5,370
Insurance Recovery Proceeds	9,677	12,979	349	-	105,785
Capital Lease Proceeds	1,540,291	-	1,250,000	-	-
Sale of Bonds Proceeds	-	5,205,000	-	-	-
Capital Lease Premium	-	-	39,818	-	-
Operating Transfers Out	(6,000,020)	(7,358,640)	(7,109,370)	(9,228,572)	(7,264,007)
Total Other Financing Uses	(4,217,396)	(2,140,661)	(5,816,206)	(9,218,730)	(7,152,852)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,415,311	2,244,346	1,474,215	(1,029,159)	619,042
Fund Balance:					
Beginning of Year	16,636,533	19,051,844	21,296,190	22,770,405	21,741,246
End of Year	\$ 19,051,844	\$ 21,296,190	\$ 22,770,405	\$ 21,741,246	\$ 22,360,288
Nonspendable	\$ 950,256	\$ 1,037,195	\$ 1,063,623	\$ 1,129,123	\$ 599,557
Assigned	3,022,195	2,206,699	3,583,266	1,983,458	2,270,381
Restricted	6,785,272	7,229,669	6,551,165	7,103,320	7,276,447
Unassigned Fund Balance	8,294,121	10,822,627	11,572,351	11,525,345	12,213,903
Total Fund Balance	\$ 19,051,844	\$ 21,296,190	\$ 22,770,405	\$ 21,741,246	\$ 22,360,288
Unassigned Fund Balance as a Percentage of Expenditures	8.42%	10.27%	11.02%	10.61%	10.97%

The District's General Fund had an excess of revenues over expenditures and other financing uses of \$619,042 for fiscal 2012, bringing total fund balance to \$22,360,288 at June 30, 2012. Total fund balance includes a net of \$7,276,447 in restricted accounts as prescribed by state statute plus an additional \$2,270,381 in assigned accounts and \$599,557 in nonspendable accounts. That leaves an unassigned fund balance of \$12,213,903 at year-end.

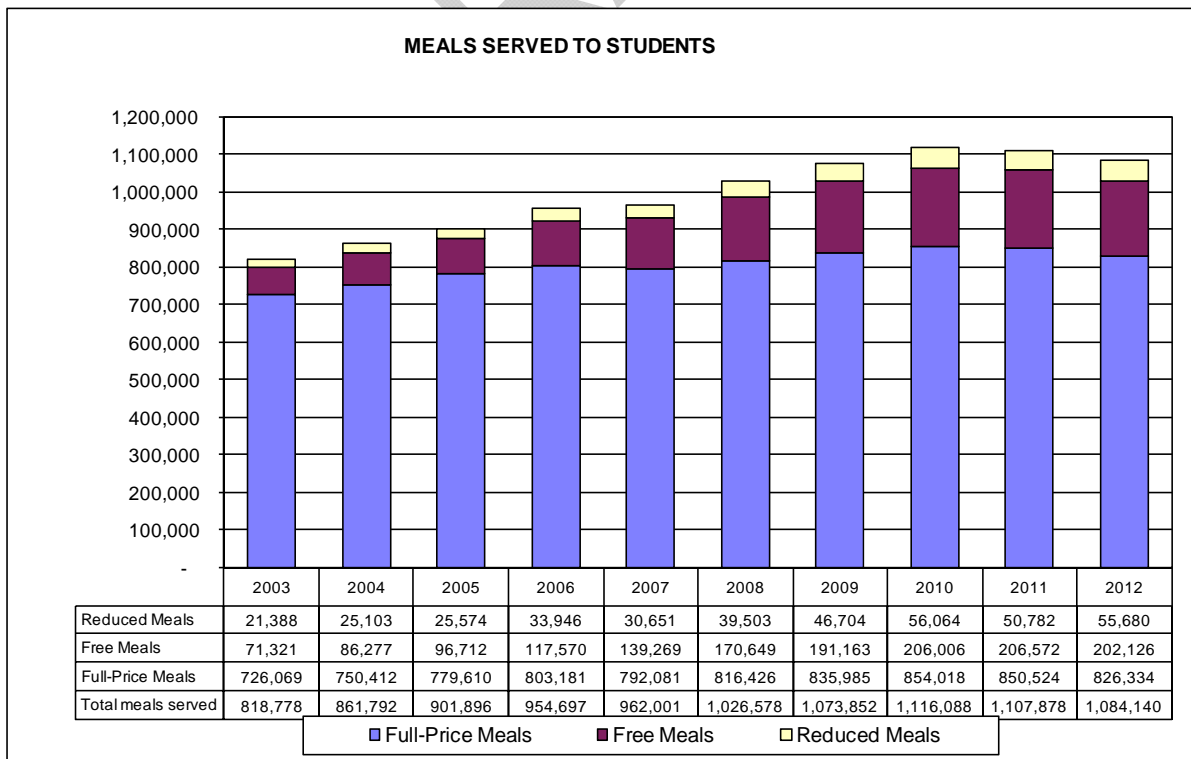
## Food Service Fund

The following chart reflects the growth of the food service program over the past five years:

	Year Ended June 30,				
	2008	2009	2010	2011	2012
Revenues	\$ 4,786,042	\$ 4,897,286	\$ 4,984,664	\$ 4,929,995	\$ 5,071,624
Expenditures	4,533,113	4,609,343	4,728,153	5,081,962	5,101,496
Excess (Deficiency) of Revenues Over (Under) Expenditures	252,929	287,943	256,511	(151,967)	(29,872)
Fund Balance:					
Beginning of Year	721,333	974,262	1,262,205	1,518,716	1,366,749
End of Year	\$ 974,262	\$ 1,262,205	\$ 1,518,716	\$ 1,366,749	\$ 1,336,877
Lunches Served to Students	1,026,578	1,073,852	1,116,088	1,107,878	1,084,140
Revenue per Lunch Served	\$ 4.66	\$ 4.56	\$ 4.47	\$ 4.45	\$ 4.68
Fund Balance:					
Nonspendable	\$ 98,339	\$ 115,390	\$ 80,754	\$ 60,458	\$ 79,187
Restricted	875,923	1,146,815	1,437,962	1,306,291	1,257,690
Total Fund Balance	\$ 974,262	\$ 1,262,205	\$ 1,518,716	\$ 1,366,749	\$ 1,336,877

Total expenditures exceeded total revenues by \$29,872 in the District's Food Service Fund for 2012, resulting in an ending fund balance of \$1,336,877 at June 30, 2012.

The following chart reflects the number and type of meals served to students over the past 10 years:



## Community Service Fund

The following table presents five years of comparative operating results for the District's Community Service Fund:

	Year Ended June 30,				
	2008	2009	2010	2011	2012
Revenues	\$ 6,885,730	\$ 7,435,450	\$ 7,578,197	\$ 8,079,052	\$ 8,024,561
Expenditures	<u>6,885,134</u>	<u>7,606,239</u>	<u>7,716,302</u>	<u>7,890,602</u>	<u>8,049,654</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	596	(170,789)	(138,105)	188,450	(25,093)
Operating Transfers In	<u>14,419</u>	<u>46,000</u>	<u>161,349</u>	<u>150,507</u>	<u>75,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	15,015	(124,789)	23,244	338,957	49,907
Fund Balance:					
Beginning of Year	<u>1,033,595</u>	<u>1,048,610</u>	<u>923,821</u>	<u>947,065</u>	<u>1,286,022</u>
End of Year	<u>\$ 1,048,610</u>	<u>\$ 923,821</u>	<u>\$ 947,065</u>	<u>\$ 1,286,022</u>	<u>\$ 1,335,929</u>
Fund Balance:					
Nonspendable	\$ 6,554	\$ 12,209	\$ 6,971	\$ 1,438	\$ 4,450
Restricted	<u>1,042,056</u>	<u>911,612</u>	<u>940,094</u>	<u>1,284,584</u>	<u>1,331,479</u>
Total Fund Balance	<u>\$ 1,048,610</u>	<u>\$ 923,821</u>	<u>\$ 947,065</u>	<u>\$ 1,286,022</u>	<u>\$ 1,335,929</u>

The District's Community Service Fund had an excess of revenues over expenditures of \$49,907 for fiscal 2012, bringing the combined fund balance to \$1,335,929 at June 30, 2012.

Total revenues of the District's Community Service Fund for 2012 were \$373,361 (or 4.9%) higher than the budgeted amount while total expenditures were over budget by \$254,047 (or 3.3%). As a result, total fund balance increased by \$119,314 more than had been reflected in the budget, including the transfer in from the general fund.

## APPENDIX B

The table below reflects the comparative data available from the Minnesota Department of Education for all expenditures incurred for the benefit of pre-elementary through secondary education, except expendable trust fund activity.

### Expenditures Per Student (ADM) Served

	Statewide	Seven-county Metro Area	ISD No. 284 Wayzata		
	2011	2011	2010	2011	2012
District and School Admin and Support Services	\$ 851	\$ 787	\$ 704	\$ 712	\$ 718
Regular Instruction (including Co- & Extra-Curricular)	4,808	5,107	4,807	4,779	5,107
Vocational Instruction (Career & Technical)	134	136	226	227	210
Special Education Instruction	1,844	2,015	1,450	1,456	1,466
Instructional Support Services	435	526	797	848	873
Pupil Support Services (including Transportation)	869	937	976	1,020	1,014
Operations & Maintenance and Other	797	765	896	857	851
Total General Fund - Operating Portion	9,738	10,273	9,855	9,899	10,238
Food Service	466	469	461	481	481
Community Service	498	623	753	747	759
Capital Expenditure	505	419	364	339	204
Debt Service	1,102	1,230	991	1,057	1,064
Total Pre-K - 12 Expenditures	<u>\$ 12,309</u>	<u>\$ 13,014</u>	<u>\$ 12,424</u>	<u>\$ 12,522</u>	<u>\$ 12,747</u>
Percent Change from Prior Year				<u>0.79%</u>	<u>1.79%</u>

Source of Statewide and Seven-county Metro Area Data: School District Profiles published by the MN Dept of Education

District and school admin and support services - all costs related to providing administration to the District (school board, superintendent, principals, assistant superintendents, directors of instructional areas, etc.) and all central office administration (business services, human resources, legal, data processing, other district-wide support activities)

Regular instruction - includes all activities dealing directly with the teaching of pupils including co-curricular and extra-curricular activities and the interaction between teachers and pupils in the classroom (excluding exceptional, vocational and community education instruction) and includes activities of aides or assistants of any type (paraprofessionals, clerks, graders, etc.) who assist in the educational process, except spec ed aides

Vocational instruction - consists of costs related to courses and activities which develop knowledge, skills, attitudes and behavioral characteristics for students seeking career exploration and employability

Special education instruction - consists of activities providing learning experiences for pupils of any age, who because of certain atypical characteristics or conditions, have been identified as requiring, or who would benefit by, educational programs differentiated from those provided pupils in regular or vocational instruction

Instructional support services - activities for assisting instructional staff with content and process of providing learning experiences for pupils in K-12 (curriculum, staff dev, educ media, libraries and media centers, etc.)

Pupil support services - all services to pupils not classified as instructional (counseling and guidance, health services, psychological services, social work, etc.)

Operations and maintenance - activities related to the operation, maintenance, repair and remodeling of all physical plant, facilities and grounds of the District

Food Service - all costs of the Food Service Fund

Community service - all costs of the Community Service Fund

Capital Expenditures - all capital expenditures charged to operating funds

Debt service - all Debt Service Fund costs (principal, interest and fiscal agent costs--excluding refunding bond payments)

## LEGISLATIVE ACTIVITY

What follows are some education-related highlights of recent legislative sessions as summarized from information made available by the Minnesota Department of Education, the Minnesota School Boards Association, Office of the Legislative Auditor, and the Minnesota House of Representatives.

### **General Education Revenue - Formula Allowance**

The 2011 Legislature modified the basic formula allowance beginning in fiscal year 2012. The basic formula allowance remained at \$5,124 per pupil unit for fiscal year 2011 and then was increase \$50 (1%) for fiscal years 2012 and 2013 (\$5,174 and \$5,224, respectively). The 2012 Legislature did not change the basic formula allowance.

No changes were made in the calculation of adjusted marginal cost pupil units--grade level pupil unit weightings and the 77% current year / 23% prior year marginal cost pupil unit calculations for declining enrollment schools remain unchanged.

### **Staff Development Reserve**

The staff development reserve that had already been temporarily suspended for fiscal years 2010 and 2011 was also suspended for fiscal years 2012 and 2013. The staff development reserve is equal to two percent of the district's basic general education revenue.

### **Aid Payment Shifts and Property Tax Shifts**

In 2011, the State of Minnesota increased the withholding of state aid payments to school districts and charter schools as a mechanism for balancing their budget. The holdback was increased from 30% to 40% for fiscal year 2012.

In addition to increasing the holdback, the state also changed the metering of payments to charter schools for fiscal year 2012. Charter schools now receive their 60% payments over 16 payments from July through February. There are no payments made for the period March through June. The charter schools then receive 75% of the remaining 40% holdback on July 15<sup>th</sup> and the final 25% of the holdback on October 30.

### **Fund Transfers**

Continues for two more years the authority for a school district to transfer funds and accounts from funds other than the Food Service and Community Service Fund so long as such fund or account transfers do not increase a local levy or impose an added state aid obligation.

### **Community Education, School Readiness and ECFE Fund Balances**

The 25% limit on Community Education, School Readiness, and ECFE fund balances was eliminated.

### **Pay Differential for Reserve on Active Duty**

Minnesota's Pay Differential Program was modified for school employees who, as members of the National Guard or other Reserves, are ordered into active military service. The requirement for salary differential pay by school districts was changed by requiring a district to pool its salary savings from the positions of all its deployed employees, including from the positions of not to be eligible for a pay differential payment and pay salary differentials for all eligible employees. Funds remaining at the end of the year may then be used to pay for substitutes for the deployed employees. Under current law, such pay is available to the employee only if the person's salary as a service member is less than the person's salary as a public employee and only by the amount of a salary differential up to the amount of savings it accrues for an employee's specific position, after hiring a replacement (i.e., often resulting in a partial payment).

### **Facilities**

The levy authority for school districts that are members of that TIES joint powers board was extended for another 11 years (these districts may levy a total of up to \$632,000 per year for building and land improvements).

A school district is authorized to use the building lease levy authority for leases of administrative space (under current law, the levy authority is limited to instructional space). Requires a school district to demonstrate to the commissioner's satisfaction that the lease for administrative space is more cost-effective than a lease for additional instructional space.

### **Purchase of Food Service Equipment**

The requirement for MDE to approve capital expenditures for the purchase of food service equipment from the Food Service Fund instead of the General Fund was deleted effective for purchases made on or after July 1, 2012.

The requirement that the unassigned balance in the Food Service Fund at the end of the last fiscal year must be greater than the cost of the equipment to be purchased from the Food Service Fund was retained.

### **Nonpublic Pupil Aid**

The use of nonpublic pupil textbook aid was expanded to include "software or other educational technology." There was no change in the amount of aid, but additional uses were added. Software and other educational technology must not be used in religious courses, devotional exercises, religious training or any other religious activity.

The state reimburses school districts for their costs up to the amount of the statewide average public school qualifying expenditure per pupil times the number of nonpublic school pupils served by each school district. For fiscal year 2013, the reimbursement rates are set at \$80.33 for textbooks, standardized tests and individualized instructional materials.

### **Settlement Disclosures**

The conditions under which a school district or other political subdivision must disclose an agreement or buyout over \$10,000 was modified. Statute specifies that the complete terms of the agreement are public data and statute clarifies that data relating to a complaint or charge against a school district management employee are public if the complaint or charge results in disciplinary action or the employee resigns or terminated from employment while the complaint or charge is pending.



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## APPENDIX C

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### FORMAL REQUIRED COMMUNICATIONS

Board of Education  
Independent School District No. 284  
Wayzata Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) for the year ended June 30, 2012, and have issued our report thereon dated REPORT DATE. Professional standards require that we provide you with the following information related to our audit.

#### **Our responsibility under U.S. Generally Accepted Auditing Standards and OMB Circular A-133**

As stated in our engagement letter dated April 30, 2012, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the District's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the District's compliance with those requirements.

1. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

**Our responsibility under U.S. Generally Accepted Auditing Standards and OMB Circular A-133 (continued)**

2. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.
3. We are also responsible for communicating Minnesota Legal Compliance.

**Planned scope and timing of the audit**

We performed the audit according to the planned scope and timing previously communicated to you in our email about planning matters on July 13, 2012.

**Significant audit findings**

***Qualitative aspects of accounting practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2012.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Due from Minnesota Department of Education
- Due from Federal through the Minnesota Department of Education
- Estimated useful lives of depreciable capital assets
- Claims incurred but not reported
- Other postemployment retirement payable
- Other retirement incentives payable

***Qualitative aspects of accounting practices (continued)***

Management's estimate of the due from Minnesota Department of Education is based on amounts anticipated to be received from the state for various aid entitlements for fiscal 2011-2012. The most significant of these is the aid portion of general education revenue. General education revenue and certain other revenues are computed by applying an allowance per student to the number of students served by the District. Student attendance is accumulated in a statewide database – MARSS. Because of the complexity of student accounting and because of certain enrollment options, student information is input by other school districts and the MARSS data for fiscal year 2012 is not finalized until well into fiscal year 2013. Management expects any differences between estimated and actual data will be insignificant.

Management's estimate of due from Federal through the Minnesota Department of Education is based on amounts anticipated to be received through the state for various federal aid entitlements for fiscal 2011-2012. Many federal entitlements require that supporting financial reporting information be provided both in the UFARS accounting system and also the EDRS reporting system. To the extent that these two separate systems are not in agreement and reported in a timely manner, the estimated aid entitlement may be adversely affected. Management expects any differences between estimated and actual data will be insignificant.

Management's estimate of the useful lives for depreciable assets is based on guidance recommended by the Minnesota Department of Education and other sources. The useful life of a depreciable asset determines the amount of depreciation that will be recorded in any given reporting period as well as the amount of accumulated depreciation that is reported at the end of a reporting period.

Management's estimate of Claims Incurred but Not Reported in its Self-Insurance Fund is based on data reported to the District by the plan administrator.

Management's estimate of other postemployment benefits payable is based on an actuarially determined calculation, less actual payments incurred on behalf of retirees and an actuarially determined estimate of implicit rate subsidy, which is the estimated increased cost of premiums due to inclusion of retirees in the same plan as the District's active employees.

Management's estimate of other retirement incentives payable is based on an actuarially determined calculation, less actual payments incurred on behalf of retirees and an actuarially determined estimate of implicit rate subsidy, which is the estimated increased cost of premiums due to inclusion of retirees in the same plan as the District's active employees.

We reviewed and tested management's procedures and underlying supporting documentation in the areas discussed above and evaluated the key factors and assumptions used to develop the estimates noted above in determining that they are reasonable in relation to the financial statements taken as a whole. We concluded that the accounting estimates and management judgments appeared to consider all significant factors and resulted in appropriate accounting recognition.

The disclosures in the financial statements are neutral, consistent, and clear.

***Difficulties encountered in performing the audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Corrected and uncorrected misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

***Disagreements with management***

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management representations***

We have requested certain representations from management that are included in the management representation letter dated REPORT DATE.

***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other information in documents containing audited financial statements***

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated REPORT DATE.

Other information is being included in documents containing the audited financial statements and the auditors' report thereon. Our responsibility for such other information does not extend beyond the financial information identified in our auditors' report. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in such documents. As required by professional standards, we read the other information in order to identify material inconsistencies between the audited financial statements and the other information. We did not identify any material inconsistencies between the other information and the audited financial statements.

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

***Other audit findings or issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This report is intended solely for the information and use of the Board of Education and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
REPORT DATE

DRAFT

**WAYZATA PUBLIC SCHOOLS  
SUMMARY OF PASSED ADJUSTMENTS  
JUNE 30, 2012**

Number	Fund	Account	Debit	Credit
1	Internal Service Fund	Investments	\$ 28,658	
		Fund Balance		\$ (28,658)
	<i>To reverse PY entry adjusting life insurance to market</i>			
2	Capital Projects Fund	Revenue	\$ 109,984	
		Fund Balance		\$ (109,984)
	<i>To adjust beginning fund balance to actual</i>			

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## **APPENDIX D**

### **REPORT ON CONDENSED FINANCIAL STATEMENTS INCLUDED HEREIN**

Board of Education  
Independent School District No. 284  
Wayzata Public Schools  
Wayzata, Minnesota

We have audited the financial statements of Independent School District No. 284 (the District) as of and for the years ended June 30, 2012, 2011, 2010, 2009, and 2008 (not presented herein). These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The condensed Statements of Revenues, Expenditures and Changes in Fund Balance for the years presented on pages 10, 11 and 12 are presented as a summary and therefore do not include all of the disclosures required by U.S. generally accepted accounting principles.

In our opinion, because of the significance of the omission of the information referred to in the preceding paragraph, the condensed financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the results of its operations for the years then ended.

This report is intended solely for the information and use of the School Board and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
REPORT DATE

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**

**Special Meeting – December 17, 2012**

**ITEM: 3. Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2012**

**COMMENTS BY: Mr. Westrum**

The annual audit has been completed by the auditing firm of CliftonLarsonAllen, LLP. We are pleased to have with us this evening Rachel Flanders, Principal with CliftonLarsonAllen, LLP. Ms. Flanders will highlight the following reports and answer questions:

- 1) Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2012.
- 2) Executive Audit Summary, June 30, 2012.
- 3) Schedule of Expenditures of Federal Awards and Reports of Independent Certified Public Accountants and Other Required Reports, June 30, 2012.

A portion of the fund balance is normally assigned for specific purposes. The auditors have asked that this assignment be ratified, as follows, for the assigned fund balance as of June 30, 2012:

▪ Assigned for Reemployment Insurance -	193,929
▪ Assigned for One Time Capital Transfer -	588,935
▪ Assigned for Q-Compensation-	376,654
▪ Assigned for Site Carryover -	838,863
▪ Assigned for Workers Compensation -	272,000

**RECOMMENDED ACTION:** Accept the Comprehensive Annual Report for the Fiscal Year Ending June 30, 2012, the Executive Audit Summary prepared by CliftonLarsonAllen, LLP and the Schedule of Expenditures of Federal Awards and Reports of Independent Certified Public Accountants and Other Required Reports for the Year Ending, June 30, 2012. Further, ratify the assignment in the amount of \$2,270,381 in the unassigned fund balance as of June 30, 2012 to be used for specific purposes noted above.

Motion by: \_\_\_\_\_ Yes \_\_\_\_\_ Passed \_\_\_\_\_

Second by: \_\_\_\_\_ No \_\_\_\_\_ Failed \_\_\_\_\_

Abstention<sup>30</sup> \_\_\_\_\_

**WAYZATA PUBLIC SCHOOLS**

Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**

**Special Meeting – December 17, 2012**

**ITEM: 4. RESOLUTION to Approve Property Purchase**

**COMMENTS BY: Mr. Westrum**

**RESOLUTION TO APPROVE PROPERTY PURCHASE TO INCREASE THE DISTRICT'S CAPACITY FOR PROJECTED RESIDENT ENROLLMENT GROWTH AND DIRECT THE SUPERINTENDENT TO SUBMIT A REVIEW AND COMMENT TO THE COMMISSIONER OF THE MINNESOTA DEPARTMENT OF EDUCATION FOR APPROVAL.**

In accordance with M.S. 123B.71 Subd. 8, Wayzata Public Schools, Independent School District 284, must prepare and submit a Review and Comment document to the Commissioner of the Minnesota Department of Education for review and approval of construction projects or facility and land acquisitions exceeding \$1.4 million per site. The request to be submitted is for review and approval of a Land Purchase adjacent to the existing Wayzata High School site. The need for this additional land is a direct response to continued resident enrollment growth trend which is projected to result in need for additional space at the high school for at least 500 additional students by 2020. The acquisition of land adjacent to Wayzata High School will facilitate future high school projects that have been identified through the Comprehensive Facility Condition Assessment Study and address the most critical current and future facility capacity needs of the District.

The purchase cost of up to \$7,400,000 will be funded through divestiture of an existing District land parcel valued at approximately \$3,000,000 combined with District general fund resources for the remainder, until which time a reimbursement can be made from other funding sources, including potential voter-approved bond proceeds. Upon approval of the commissioner of education, the District will publish the results of the commissioner's review at least 20 days prior to the execution of a purchase agreement or for debt issuance.

The enclosed Review and Comment Document provides details of the District's land acquisition plan to address capacity at the high school level. The district administration continues to work with Wold Architects and Engineers on Phase III of its facility study. Preliminary findings of Phase III provide the basis for the need to acquire land adjacent to the current Wayzata High School campus. The findings of the study have been reviewed with the facilities subcommittee of the board, the Citizens Financial Advisory Council, and the entire School Board over the last two years.

The school board commissioned this multi-year study in March 2010 to evaluate and identify a number of factors related to the District's current and long-term facility needs.

**RECOMMENDED ACTION:** Approve the RESOLUTION TO APPROVE A PROPERTY PURCHASE TO INCREASE THE DISTRICT'S CAPACITY FOR PROJECTED RESIDENT ENROLLMENT GROWTH AND DIRECT THE SUPERINTENDENT TO SUBMIT THE REVIEW AND COMMENT SUBMISSION TO THE COMMISSIONER OF THE MINNESOTA DEPARTMENT OF EDUCATION as presented.

Motion by: \_\_\_\_\_ ROLL CALL Passed \_\_\_\_\_

Second by: \_\_\_\_\_ VOTE Failed \_\_\_\_\_



Review and Comment Submittal  
Property Purchase Adjacent to High School

Wayzata Public Schools  
Independent School District #284  
<http://www.wayzata.k12.mn.us>

Presented to:  
Minnesota Department of Education

December 17, 2012



December 17, 2012

Dr. Brenda Cassellius, Commissioner  
Minnesota Department of Education  
1500 Highway 36 West  
Roseville, Minnesota 55113-4266

Re: Independent School District #284  
Property Purchase Adjacent to High School

Dear Commissioner Cassellius:

In accordance with M.S. 123B.71, Wayzata Public Schools, Independent School District 284, is submitting this Review and Comment document for review and approval of a Land Purchase Adjacent to the existing Wayzata High school site. The need for this additional land is a direct response to continued resident enrollment growth trend which is projected to result in need for additional space at our HS for at least 500+ students by 2020. After significant study on ways to house the additional students, the preferred solution will involve providing additional capacity at the existing site. There concurrently exists a once in a lifetime opportunity to purchase a portion of the only remaining adjacent land to our High School site which is currently developer controlled and under redevelopment plans. We are in the process of collaborating with the developer to establish a redevelopment plan that results in a win-win for all parties including the City of Plymouth.

This property purchase includes approximately 37 acres directly adjacent to the existing high school/City of Plymouth jointly developed 164acre site to establish a larger site that would allow for future educational building expanded capacity.

The purchase cost of up to \$7,400,000 will be funded through divestiture of an existing District land parcel valued at approximately \$3,000,000 combined with District general fund resources for the remainder until which time a reimbursement can be made from other funding sources, including a potential voter-approved Bond in 2013. Additional specific details involving the need for this purchase are furnished in the attached report. We appreciate your prompt review and comment on this important time sensitive proposal and look forward to your reply.

Sincerely,

Dr. Chace B. Anderson  
Superintendent

cc: School Board  
Executive Director of Business Services  
Facilities Program Director

## TABLE OF CONTENTS

	<u>Page</u>
<b>Introduction/Key Information</b>	<b>1, 2</b>
<b>___ 1. Geographic Area and Population to be Served</b>	<b>3</b>
Geographic Area to be Served	
Population to be Served	
Enrollments/Projections	
<b>___ 2. List of Existing Facilities</b>	<b>5</b>
Description of Existing Facilities/Utilization	
Available Alternate Facilities	
<b>___ 3. Specific Deficiencies of the School Facilities</b>	<b>6</b>
Demonstrating Need	
Specific Benefits to Students, Teachers and Community	
<b>___ 4. Relationship of Project to Area Priorities</b>	<b>7</b>
School District	
Educational Cooperatives	
Other Public Bodies	
<b>___ 5. Transit Connectivity between School and Community</b>	<b>7</b>
Project Connection to Walking, Bicycle and Transit Access	
<b>___ 6. Community Use and Collaboration</b>	<b>8</b>
Community Use of Site and Facility	
Collaboration with Other Entities	
<b>___ 7. Description of Proposed Project</b>	<b>8</b>
Square Footage Allocations	
Site and Floor Plans	
Estimated Expenditures	
Schedule	
Detailed Description and Costs for Health Safety/Alternative Facilities	

**TABLE OF CONTENTS (continued)**

	<u>Page</u>
<b>___ 8. Financing the Project</b>	<b>10</b>
Sources of Funding	
Scheduled Date and Required Notice	
Schedule of Bond Payments	
Sources and Uses of Funds Report	
Property Tax Input	
Total Project Cost	
<b>___ 9. Effects on Operational and Administrative Costs</b>	<b>11</b>
Impact on Operational and Administrative Staffing Costs	
General Fund Impact on Added Square Footage	
HVAC Operating Costs	
<b>___ 10. Consultation with Transportation Officials</b>	<b>12</b>
School Site Access and Safety Issues	
<b>___ 11. Consideration of Indoor Air Quality Issues</b>	<b>12</b>
Air Quality Issues	
Certification of Liability Insurance	
<b>___ 12. Certification of Architects and Engineers</b>	<b>12</b>
HVAC Systems Meet/Exceed Code	
Monitoring of Outdoor Air	
Indoor Air Quality Filtration	
<b>___ 13. Desegregation Requirements</b>	<b>13</b>
<b>___ 14. Use of Environmentally Sustainable Design Concepts</b>	<b>13</b>
<b>___ 15. Acoustical Performance Criteria</b>	<b>13</b>
<b>___ 16. City Infrastructure</b>	<b>13</b>
<b>Appendix A</b>	
Identified Capacity Issues	

## Introduction

In **summer 2010, a District Wide Facilities Analysis Study** was completed for all District Facilities. That study identified significant deferred maintenance needs throughout District facilities and formed the basis of the District's integration into the State's Alternative Facilities Funding process for funding deferred maintenance projects.

In **summer 2011 a District wide capacity and growth analysis study** was completed to identify projected growth in combination with facility capacity. This study identified near term, midterm and long term capacity issues as a result of continued resident enrollment growth.

In **2012** the ongoing study of solutions for **midterm capacity issues** were primarily at the Secondary level where the District has already taken beginning measures to increase Middle School capacity by reclaiming administrative space at Central Middle School, and a larger looming High School issue is 9th-12<sup>th</sup> grade capacity which must be addressed soon. After studying the enrollment projections and current capacity there is a confirmed need for an additional 500 student capacity by 2020. A variety of solutions have been studied and general consensus is the need to expand capacity at the existing Wayzata High School site.

**The existing Wayzata High School site** is comprised of a 94 acre parcel that its entire usable 67 acres is developed for school use, and adjoining the District's property is the City of Plymouth's property which another 29 acres is useable and developed for joint use by city and school district as was developed as part of the 1998 bond referendum which built the new 3250 student capacity High School. Expansion at this site will displace significant existing field spaces as additional building, parking, stormwater ponds, and access roads are developed to accommodate more resident students. Preliminary studies indicate at least another 14 acres needed to replace developed acreage lost due to expansion, and possibly more as more in depth development discussions continue with all stakeholders.

The existing High School **campus is nearly landlocked** on all sides as it is bordered on the east by Peony lane, on the north by Elm Creek, on the south by the Canadian Pacific Railway's east-west rail line, and partially bordered on the west by Elm Creek. One remaining parcel which is adjacent to the southwest corner of the campus is currently being planned for redevelopment starting in 2013.

**The adjacent parcel slated for immediate redevelopment** is approximately 140 acres and is preliminarily planned for single family homes. District negotiations with the developers have led to the opportunity to acquire approximately 37 acres of this redeveloping area. The district must act quickly if they want to address mid-term capacity issues at this campus. These 37 acres represent the only opportunity to expand this campus and acreage to meet the need.

**This Review and Comment proposal** addresses the need to acquire additional property for the district to maintain the ability and flexibility for the future expansion of their educational programs/ buildings. Due to the rapid growth of the City of Plymouth, Minnesota, the District's projections indicate a justified need to accommodate more students. The opportunity to purchase the last undeveloped parcel directly adjacent to the existing high school campus is a solution to a very real problem in the district's immediate future.

## KEY INFORMATION

### SCHOOL CONSTRUCTION PROJECT SUMMARY

School Facilities Deficiencies/Needs:	The District has the need to maintain property for future expansion of their educational facilities. The District sees long term educational benefits to the proposed purchase.
Description of Projects:	<ul style="list-style-type: none"><li>• Purchase of 37 acres adjacent to the existing High School campus.</li></ul>
Project Costs:	<ul style="list-style-type: none"><li>• Up to \$7.4 million, less value received for existing District parcel, for a net cost not to exceed \$4.4 million</li></ul>
Financing	<ul style="list-style-type: none"><li>• General Fund reserves to be reimbursed upon future voter approved bond authorization, potentially in November 2013</li></ul>
School District Superintendent:	Dr. Chace B Anderson <a href="mailto:Chace.anderson@wayzata.k12.mn.us">Chace.anderson@wayzata.k12.mn.us</a> 763-745-5000
Executive Director of Business Services:	Mr. Jim Westrum <a href="mailto:Jim.westrum@wayzata.k12.mn.us">Jim.westrum@wayzata.k12.mn.us</a> 763-745-5000
Director of Buildings and Grounds:	Mr. Jon Deutsch <a href="mailto:Jon.deutsch@wayzata.k12.mn.us">Jon.deutsch@wayzata.k12.mn.us</a> 763-745-5000
Director of Construction:	Mr. Joe Matson <a href="mailto:Joe.matson@wayzata.k12.mn.us">Joe.matson@wayzata.k12.mn.us</a> 763-745-5000
Architects and Engineers:	Wold Architects and Engineers - 651-227-7773 Scott McQueen, Greg Dehler, Lynae Schoen
Financial Consultant:	Ehlers and Associates – 651-697-8500 Joel Sutter
Bond Counsel:	Knutson Flynn and Deans – Tom Deans

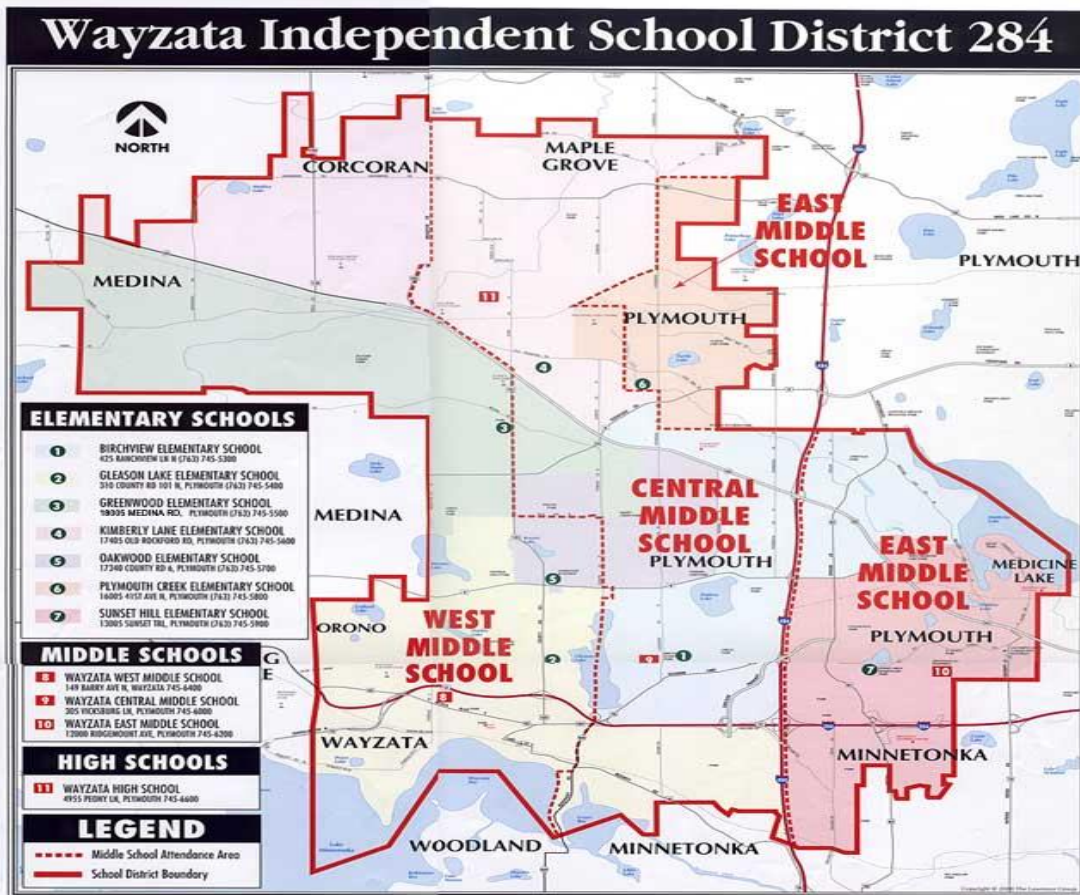
**1. The geographic area and population to be served**

**Part A. Geographic Area to be Served, Population and Enrollment**

Wayzata Independent School District No. 284 is located 10 miles west of Minneapolis and spans a geographic area of 38 square miles. The School District serves all or portions of eight west suburban municipalities, including Corcoran, Maple Grove, Medicine Lake, Medina, Minnetonka, Orono, Plymouth and Wayzata. The estimated population of the Wayzata School District continues to grow and currently is approaching 60,000.

Population information provided by the Metropolitan Council affirmed that the City of Plymouth is the largest municipality in the district both for population and landmass. It will continue to be a growing community.

There is significant, confirming evidence based on actual building permits, local projections, regional projections and Metropolitan Council projections that further development will continue in Wayzata School District. District enrollment is expected to grow moderately and grow from its current 10,500 enrollment to more than 11,000 by the 2017-2018 school year as non-resident students age out and are replaced with actual resident students. Current projections show more than 1000 new single family homes planned within the next three years.



*1. The geographic area and population to be served (Continued)*

**Part B. Enrollment Projections**

The Wayzata School District projected enrollment for the 2012-2013 school year exceeds 10,400 students and is expected to remain stable with slight growth. Neighboring districts include Minnetonka, Robbinsdale, Hopkins, Orono, and Osseo. The following chart tracks enrollment and enrollment projections for the district.

Enrollment Projections –

Year	Actual 2011-12	10/1/2012 2012-13	Projected 2013-14	Projected 2014-15	Projected 2015-16	Projected 2016-17	Projected 2017-18	Projected 2018-19	Projected 2019-20	Projected 2020-21
Kdgn	620	704	677	677	677	677	677	677	677	677
Grade 1	816	715	793	764	764	764	764	764	764	764
Grade 2	835	827	747	832	802	802	802	802	802	802
Grade 3	764	863	865	782	873	842	842	842	842	842
Grade 4	772	785	879	881	796	890	858	858	858	858
Grade 5	756	790	799	895	897	810	907	875	875	875
Grade 6	856	861	819	827	929	930	840	943	910	910
Grade 7	836	879	893	850	856	964	965	871	980	946
Grade 8	808	859	887	902	858	864	973	974	879	989
Grade 9	809	815	890	920	935	890	895	1,009	1,010	912
Grade 10	797	822	801	874	903	918	873	879	990	991
Grade 11	820	781	808	786	858	886	901	857	863	972
Grade 12	725	797	753	779	759	827	853	867	825	832
<b>Total</b>	<b>10,214</b>	<b>10,498</b>	<b>10,612</b>	<b>10,769</b>	<b>10,907</b>	<b>11,064</b>	<b>11,150</b>	<b>11,218</b>	<b>11,276</b>	<b>11,371</b>
Student Change		284	114	157	138	157	86	68	58	95
Percent Change		3%	1%	1%	1%	1%	1%	1%	1%	1%
K-5	4,563	4,684	4,761	4,831	4,809	4,785	4,850	4,819	4,819	4,819
		121	77	70	-22	-24	65	-32	0	0
6-8	2,500	2,599	2,600	2,579	2,643	2,758	2,778	2,788	2,769	2,846
		99	1	-21	64	115	20	10	-19	77
9-12	3,151	3,215	3,252	3,360	3,455	3,521	3,522	3,612	3,688	3,707
		64	37	108	95	66	1	90	77	19

2. *A list of existing school facilities*
  - a. *by year constructed,*
  - b. *their uses, and*
  - c. *an assessment of the extent to which alternate facilities are available within the school district boundaries and in adjacent school districts.*

**Description of Existing Facilities/Utilization**

<p><b>Birchview Elementary</b>          Year Constructed - 1969 (Add. – 1995)          Square Footage – 59,720 S. F.          School Site Size – 14 acres          SF/Pupil – 93.60 SF/Student</p>	<p><b>Wayzata High School</b>          Year Constructed - 1997          Square Footage – 487,000 S. F.          School Site Size – 163 acres (incl. city)          SF/Pupil – 150.49 SF/Student</p>
<p><b>Gleason Lake Elementary</b>          Year Constructed - 1988          Square Footage – 80,710 S. F.          School Site Size – 22 acres *includes Administration Building          SF/Pupil – 121.18 SF/Student</p>	<p><b>Central Middle School</b>          Year Constructed - 1960 (Additions in 1962, 1964, 1968, 1973, 1989)          Square Footage – 308,568 S. F. (Some SF used for District Admin, ECC)          School Site Size – 65 acres          SF/Pupil – 312 SF/Student</p>
<p><b>Greenwood Elementary</b>          Year Constructed - 1964 (Additions in 1964, 1986, 1989, 199, and 2000)          Square Footage – 72,007 S. F.          School Site Size – 29 acres          SF/Pupil – 105.12 SF/Student</p>	<p><b>East Middle School</b>          Year Constructed - 1967 (Additions in 1980)          Square Footage – 146,111 S. F.          School Site Size – 40 acres          SF/Pupil – 187.80 SF/Student</p>
<p><b>Kimberly Lane Elementary</b>          Year Constructed - 1991          Square Footage – 83,000 S. F.          School Site Size – 21 acres          SF/Pupil – 111.86 SF/Student</p>	<p><b>West Middle School</b>          Year Constructed - 1949 (Additions in 1968 and 1989)          Square Footage – 167,000 S. F.          School Site Size – 35.5 acres          SF/Pupil – 226.90 SF/Student</p>
<p><b>Oakwood Elementary</b>          Year Constructed – 1957 (Additions in 1992)          Square Footage – 66,591 S. F.          School Site Size – 40 acres *includes Central Service Facility          SF/Pupil – 123.55 SF/Student</p>	<p><b>Administration Building</b>          Year Constructed - 1969          Square Footage – 8,600 S. F.          School Site Size – *See Gleason Lake</p>
<p><b>Plymouth Creek Elementary</b>          Year Constructed - 1988          Square Footage – 80,786 S. F.          School Site Size – 19.5 acres          SF/Pupil – 104.78 SF/Student</p>	<p><b>Central Services Facility</b>          Year Constructed - 1983          Square Footage – 21, 205 S. F.          School Site Size- *See Oakwood</p>
<p><b>Sunset Hill Elementary</b>          Year Constructed -1963 (Add. - 1989)          Square Footage – 64,983 S. F.          School Site Size – 20.3 acres          SF/Pupil – 112.04 SF/Student</p>	

The Wayzata School District is currently operating seven (7) active elementary school facilities, three (3) middle school facilities, and one (1) high school building. There are 11 school-building sites within the Wayzata School District with a variety of construction dates. There is also a Central Services Facility and an Administration Facility. The District's Early Childhood Center and some District Administrative functions are at Central M.S.

### **Available Alternate Facilities**

As this Review and Comment addresses the purchase of property, the availability of alternative facilities is not directly applicable to this property purchase. However, there are no viable available alternative facilities that will meet the district's future needs for an additional 500 student 9<sup>th</sup>-12<sup>th</sup> grade capacity.

### **3. A list of the specific deficiencies of the facility**

- a. *demonstrating the need for a new or renovated facility will provide to*
  - i. *the students,*
  - ii. *the teachers, and*
  - iii. *the community users served by the facility.*

### **Specific Deficiencies of the Facility**

#### **Demonstrated Need for a [New] or [Renovated] Facility to be provided**

The resident enrollment projections indicate a clear need for expansion of 9-12<sup>th</sup> grade facility capacity. This proposal for additional property purchase adjacent to the High School campus allows the district to plan for a capacity expansion at that site. Without this land, a 500 student capacity addition may not be possible without additional expense to create more use of existing land such as parking structures, synthetic grass, etc. Without additional land there is no practical possibility of developing additional site vehicular access.

As this proposal includes potential divestiture of an existing district parcel that was reserved for potential future growth needs, the District intends to maintain at least the equivalent property that would continue to be available for future expansion. The existing inventory of available properties large enough for development of something such as an elementary school, i.e., 20-25 useable acres is somewhat limited within the City of Plymouth.

### **Brief Summary of Facility Deficiencies**

- The existing High School campus is fully developed to serve the current 3200 students.
- At the existing HS campus there is no additional undeveloped portions of the district's or the City's site for future capacity development.
- The existing HS campus with its limited vehicular access, currently has traffic congestion issues.
- The district's undeveloped site on county road 47 is really too small to develop a future Elementary at only 15 useable acres.

### **Specific Benefits that the Project Will Provide**

- This property purchase will provide the District with the flexibility for future expansion of their High School campus.
- The proposed property swap will provide the District with improved flexibility for future expansion beyond High School capacity needs.

**4. *The relationship of the project to any priorities established by***

- a. the school district,*
- b. educational cooperatives that provide support services, or*
- c. other public bodies in the service area.*

### **School District Priorities**

#### **Educational Cooperatives that Provide Support Services**

The District has a long history of cooperating with its neighboring districts to expand opportunities to area learners. District 284 is currently a member of the West Metro Education Program, a multi-district educational cooperative organization. In addition, Intermediate School District 287 uses the District’s facilities to the extent they are available.

#### **Other Public Bodies in the Service Area**

The District has a long history of cooperating with the cities within its boundaries. The District will continue to provide buildings for the community and cities to use to the extent they are available.

**5. *Transit Connectivity Between School and Community***

Transit and connectivity between school and community will not be affected as a result of the implementation of the proposed property purchase.

**6. *A specification of how the project will***

- a. increase community use of the facility, and*

b. *increase collaboration with other governmental or nonprofit entities.*

**6a. How the Project Will Increase Community Use of the Facility**

The existing joint School District/ City of Plymouth “Wayzata High School” campus facilities currently used by the surrounding communities will be enhanced as a result of purchasing additional acreage. It is also anticipated that it would be further enhanced upon implementing the future High School campus addition/ site and field development projects.

**6b. Increase Collaboration with Other Governmental or Non-Profit Entities**

The proposed land purchase will not likely change the School District’s current collaboration between the cities, community, and non-profit entities through access to their facilities to the extent that they are available. The land’s subsequent development will likely affect the existing joint powers agreement between the City of Plymouth and the Wayzata School District, but would certainly enhance the opportunities between the two government entities.

The existing joint powers agreement established in 1994: *After completion of initial development the parties agree to maintain the use of all athletic and recreational facilities as athletic and recreational facilities for a period of thirty years in accordance with a declaration of restrictive covenants (the Declaration) of even date herewith. Each party shall have the right to change the nature of any field or facility to accommodate different recreational or athletic needs, as such party deems reasonable and prudent, provided that neither party shall make any such change without first giving the other party twelve months prior notice of such change. The parties acknowledge the need to provide such notice in order to give the other party adequate time to locate/or develop replacement fields and to reschedule events.*

**7. A narrative description of the project, including**

- a. *the specification of site and outdoor space acreage as provided in the Guide for Planning School Construction Projects in Minnesota. Only usable acreage should be included,*
- b. *square footage allocations for new and converted classrooms, labs and support spaces,*
- c. *a floor plan of the project, if applicable,*
- d. ***estimated expenditures in reasonable detail for the project, and***
- e. *the dates the project will begin and be completed,*
- f. *projects to be funded under health and safety and/or alternative facility levy and bonding must include a spreadsheet with detail project component descriptions and cost estimates.*

**7.a Site and outdoor space acreage:**

- The proposed purchase of the proposed property will increase the Districts property holdings at the High School campus by an additional 37 acres.
- The District’s total High School acreage would be 131 acres (103.06 useable), the adjacent City of Plymouth land is 64.17 acres (29.39 useable), the total campus useable acreage would total approximately 132.45 acres.
- According to MDE guidelines a >2000 student HS should have 60 acres + 1 acre for every 100 students, therefore 103 useable acre site should be adequate for a HS of up to 4300 students.

- The District will be considering a future High School campus capacity of 3700+ students.

**7.b. Square footage allocations**

- NA

**7.c Proposed Scope of Work Diagram**

- See appendix A for High School campus diagrams

**7.d Project Budget Analysis**

**Purchase Agreement Concept:**

Property purchase: 37.0 acres (35.6 useable)  
at approximately \$200,000 per useable acre.  
**Total purchase range=** not to exceed \$7.4 million

Property Sale: 18 acres (+/-14 useable)  
at \$170,000 to \$200,000 per useable acre.  
**Total sale range=** \$3 million

**Net expenditure range = not to exceed \$4.4 million**

*(note likely range= 21.5 net acres at \$180,000 to \$200,000 = \$3.8 mil to \$4.3 mil??)*

**TOTALS \$7.4 million gross; \$4.4 million net**

**Additional Transaction Notes:**

1. Developer will be constructing a portion of future access roads at their expense.
2. Developer will be given first right of refusal on the 37.0 acres the district is purchasing whether in all or part.
3. It is anticipated that some of the District's acquired acreage will be sold back to a developer for homesites along Elm Creek once all access/ roadway decisions are finalized.
4. Transaction is contingent upon the District selling its existing undeveloped parcel to the developer.

**Description of the District's current undeveloped parcel:**

Purchased in 2002 for "future school district needs"  
-18 acres (14.0 useable)- *useable to be verified as per recent wetland delineation*

- Access from County Rd 47 (near Dunkirk Lane)
- Irregular shaped parcel, Bisected by wetlands
- a number of residential developers are building single family homes all around the District’s parcel, and thus additional acreage to expand this site is no longer available.

**7.e Project Schedule Analysis**

- It is anticipated that the purchase of the property will be completed in 2013.
- **Dates the Project will Begin and Be Completed**

**Project Schedule**

Review and Comment Submittal to MDE	December 2012
Review and Comment MDE Review	December 2012 – January 2013
Publish Review and Comment	February 2013
Property Purchase Finalized	February 2013 – March 2013

**7.f projects to be funded under health and safety and/or alternative facility levy and bonding must include a spreadsheet with detail project component descriptions and cost estimates.**

NA

**8. The source(s) of financing the project;**

- a. if multiple sources of funding are to be used, provide all components of the financing plan,
- b. the scheduled date and required notice for a bond issue or school board action,
- c. a schedule of bond payments, including estimated debt service equalization aid,
- d. the sources and uses of funds report
- e. the effect of a bond issue (or lease levy) on local property taxes by the property class and valuation,
- f. total project cost must include:
  - i. total construction cost, and
  - ii. bond issuance/financing costs (if applicable), and
- g. other financing information as required:
  - i. *Health and Safety and Alternative Facilities Bonding and Levy funded projects should be described in sufficient detail to allow cross-walking between the review and comment, the health and safety and the alternative facilities databases, and UFARS reporting.*
- h. If the review and comment financing includes a lease-levy purchase under M.S. §126C.40, accurate lease payments schedules must be provided. The schedules submitted as part of the review and comment process will be used in setting the initial lease levy amount as part of the annual levy certification process.

**8a. Funding Sources**

The District will use two funding sources in financing the projects, as noted in 7d and summarized below:

	<b>Total</b>
District land sale	\$3 million
General Fund resources	\$4.4 million

<b>Total</b>	<b>\$7.4 million</b>
--------------	----------------------

The District will utilize funds from its regular operating fund reserves for the payments related to purchase until which time a reimbursement can be made from voter approved bond proceeds, potentially in November 2013.

**8b. through 8f. Scheduled Date and Required Notice for a [Bond Issue] [School Board Action], and sources and uses of financing project**

The acquisition of this land will be funded using proceeds from the sale of existing land currently owned by the district and general fund resources. The school board has passed a reimbursement resolution, and as such, the net costs of the purchase of this land is eligible to be reimbursed with bond proceeds within 24 months of the purchase date under these regulations. If the district does not seek and/or successfully obtain voter approval during the eligible time period, the district may issue another financing tool such as a lease purchase agreement or certificates of participation (COPS) to reimburse the general fund for the capital outlay. Annual principal and interest payments will be made with either operating capital or other general fund resources of the district.

**9. An analysis of how the proposed new or remodeled facility will affect**

- a. school district operational or administrative staffing costs, and
- b. Explain how the district's operating budget will cover any increased operational or administrative staffing costs.

*If the district is adding additional square footage, include assumptions and calculations used in calculation of the estimated general fund operation cost.*

*If the district is updating mechanical systems, provide detail on how the new HVAC system will impact general fund operating costs compared to the current system.*

**Operational or Staffing Costs -**

The District anticipates no increase in the quantity of staff assigned to their facilities as a result of the purchase of the additional property.

**Operating Budget Adjustments -**

- **General fund operation cost associated with additional square footage.**  
The increase in the property acreage of the District as a result of the proposed purchase will have a minimal increase to the general fund operational costs. These minimal costs would include potentially, periodic mowing of the site.

**10. A description of the consultation with local or state road and transportation officials on**

- a. school site access and safety issues, and
- b. the ways that the project will address those issues.

**10 a.b. School Site Access and Safety Issues and Solutions through This Project**

- Site access and on-site vehicle traffic management improvements will be reviewed on an ongoing basis.
- Review of the High School Site indicates continued traffic congestion due to the limited number of vehicular accesses to the existing high school campus. There are currently only two entrances into the site and both are on the east side of the campus coming off of Peony Lane, less than 600 feet apart.
- The city's transportation C.I.P. plan calls for significant widening and traffic carrying capacity for Peony Lane such that the car volume per day will more than double by 2020 from 4000 to in excess of 8000 vehicles per day . This is not expected to result in an improvement to the High School access problem and will almost certainly aggravate the problem further by bringing more non-school traffic into the area where the two accesses exist.
- A 500 student capacity addition will further aggravate congestion and access problems as this School campus grows to house 3700+ students
- As one of the largest High Schools in the state, the current access is inadequate
- The proposed land purchase and negotiations with the developer allow for the development of additional access(s) from the west to help reduce congestion issues.

**11. Consideration of Indoor Air Quality Issues**

- a. indoor air quality issues have been considered, and
- b. provide a written certification signed by the project architect that the architects and engineers designing the facility have professional liability insurance.

**11a. Indoor Air Quality Issues Considered**

NA

**11b. Certification of Professional Liability Insurance**

NA

**12. Certification of Architects and Engineers**

*As required under Minn. Stat. § 123B.72, provide*

- a. a written certification signed by the project architect that the plans and designs for the extensively renovated or new facility's. The statement must include how the facility
  - i. heating, ventilation, and air conditioning systems will meet or exceed code standards,
  - ii. will provide for the monitoring of outdoor airflow and total airflow of ventilation systems, and
  - iii. will provide an indoor air quality filtration system that meets codes.

**How HVAC Systems Will Be Designed to Meet/Exceed Code Standards**

NA

**13. A specification, if applicable, of any desegregation requirements that cannot be met by any other reasonable means.**

NA

**14. A specification, if applicable, of how the facility will utilize environmentally sustainable school facility design concepts.**

- Sustainable school buildings are achieved by:
  - Site Design: NA
  - Enhance indoor environmental quality, conserve energy and water resources: NA
  - Use resource-efficient materials: NA
  - Minimize construction waste: NA
  - Optimize maintenance and operations: NA
- 

**15. A description of how the architects and engineers have considered the American National Standards Institute Acoustical Performance Criteria, Design Requirements and Guidelines for Schools of the maximum background noise level and reverberation times.**

NA

**16. City Infrastructure - Any existing information from the relevant local unit of government about the cumulative costs to provide infrastructure to serve the school, such as utilities, sewer, roads, and sidewalks.**

- The District has discussed at length the plans for purchasing property adjacent to the existing High School campus and potential site development concepts indicating potential additional access(s) and resulting traffic patterns. These High School site development concepts in conjunction with the Developer's subdivision concepts are in the process of review and subsequent approval by the City.
- The cost of road and infrastructure development is being considered and is part of the land purchase negotiations and the potential specific costs have been identified. It is expected that a portion of the new access roadway will be paid by the developer, but a larger portion would be paid for by the District at time of site development. These identified costs will be incorporated in a future review and comment related to the site and capacity development.
- . The City of Plymouth is supportive of the redevelopment of these parcels and of the proposed access improvements for the joint City/District High School campus.



**WAYZATA HIGH SCHOOL - GENERAL FACTS**

SQUARE FOOTAGE: 487,000 SF (Mortenson Construction)  
 STUDENT CAPACITY: 3,200 (152 SF / STUDENT)  
 2011/12 ENROLLMENT: 3,250  
 OPENED: FALL 1997



**WAYZATA HIGH SCHOOL: ACREAGE**  
**Independent School District #284**  
 Wayzata Public Schools Phase III Planning Group  
 DRAFT, November 19, 2012

Current H.S. Capacity: 3,200

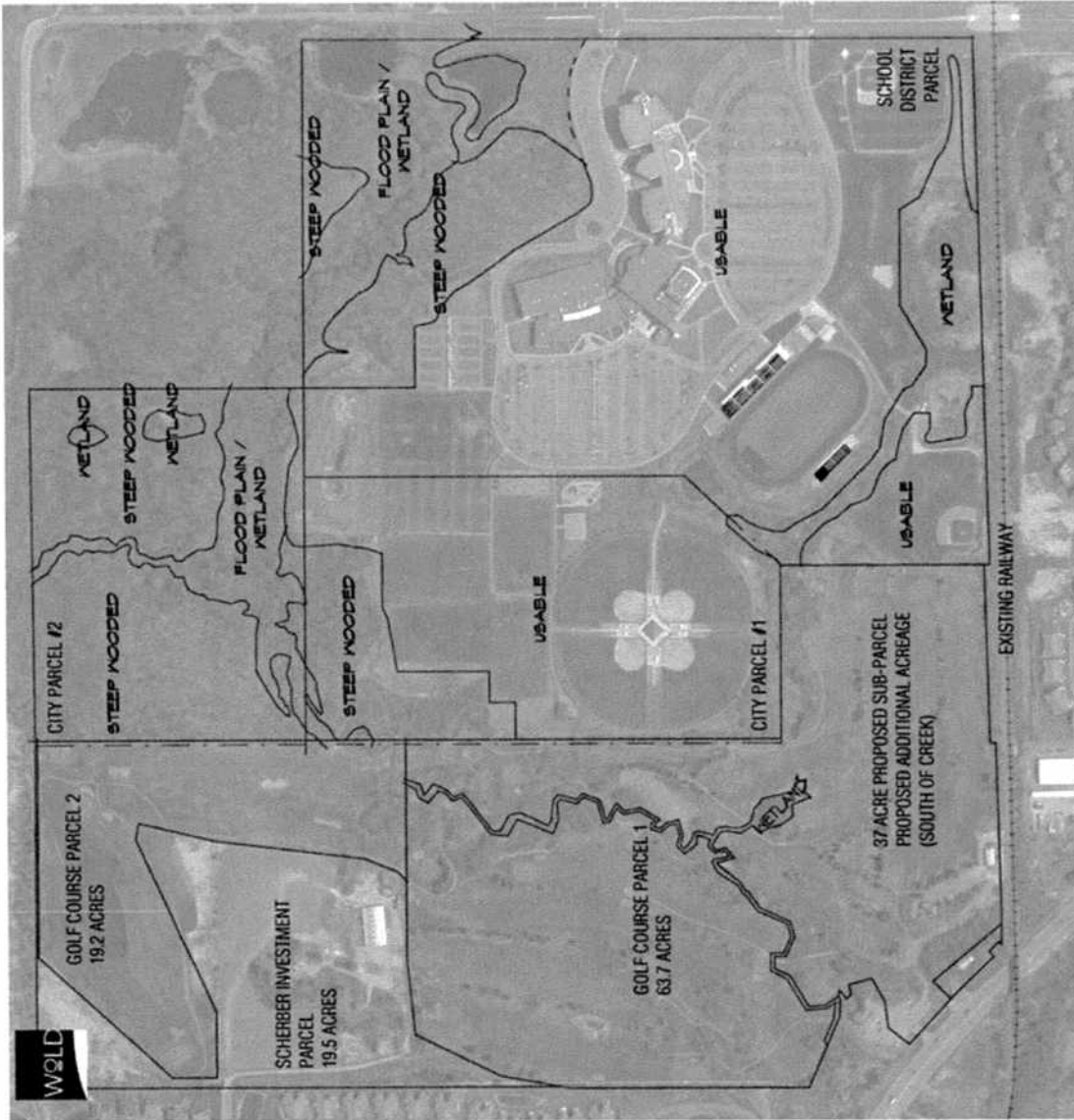
MDE Guideline Net Usable Acreage for a Large High School (>2,000 students):  
 - 60 acres plus  
 - 1 additional acre for each 100 students of estimated student capacity

Population	Factor	Acres
3,200	60	50+
400-500 add'l	1/100	32
	1/100	4-5

Total recommended: 96-97 Acres

Current grounds gross 'usable' acreage: 97.3 Acres

Usable acreage needed: TBD  
needed to be guidelines, but  
 depends on existing history of  
 zoning in the area.



**CITY LAND**

	TOTAL GROSS ACREAGE	14,170,008
FLOOD PLAIN / WETLAND	8,739,779	
STEEP WOODED	3,748,845	
USABLE	1,681,384	
NETLAND	2,000,000	
<b>NET USABLE ACREAGE</b>	<b>29,387,023</b>	

**SCHOOL DISTRICT LAND**

	TOTAL GROSS ACREAGE	14,145,115
FLOOD PLAIN / WETLAND	10,067,717	
STEEP WOODED	9,354,008	
USABLE	1,468,804	
NETLAND	7,089,000	
<b>NET USABLE ACREAGE</b>	<b>27,468,804</b>	

**GOLF COURSE**

	TOTAL GROSS ACREAGE	85,016,999
GOLF COURSE PARCEL 1	18,145,580	
GOLF COURSE PARCEL 2	19,831,111	
SCHERBER INVESTMENT	15,821,470	
<b>NETLAND</b>	<b>1,562,838</b>	
<b>USABLE</b>	<b>1,562,838</b>	
<b>TOTAL GROSS ACREAGE</b>	<b>37,471,721</b>	

1 H.S. / PARK SITE ACREAGE ANALYSIS  
 1" = 400'-0"

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**WAYZATA HIGH SCHOOL: PARKING ANALYSIS**

LOI	STANDARD	EXISTING STALLS	HANDICAP TOTAL
A	696	16	712
B	639	10	639
C	25	2	27
D	36	2	38
E	47-68		47-68
<b>EXISTING TOTALS</b>	<b>1454</b>	<b>30</b>	<b>1484 +/-</b>

City of Plymouth Zoning Ordinance 211.35-11:  
 "High School: One space for each ten students based on the design capacity. This requirement may be reduced at the Zoning Administrator's discretion to reflect facility use analysis parking policy. Adequate space shall be allowed for the dropping off and/or picking up of students as determined by the Zoning Administrator."

Wayzata HS current capacity: 3,200

PRESENT	PROJECTED	STUDENTS	FACTOR	STALLS REQUIRED
		3,200	1/2	1,800
		3,700 (+500)	1/2	1,850

**CURRENT STALLS** 1,484  
**STALLS NEEDED** est. 366 (TBD)

Note: Sports Areas: One space for each four permanent seats based on the design capacity of the main assembly hall. Facilities may be provided in conjunction with such buildings or uses shall be subject to additional requirements which are imposed by this Chapter.

Stadium Seating			
Seat Type	Linear Feet	Seat Width	Seats
Standard	7737'-1"	1'-6"	5146
Handicap	185'-8 1/2"	2'-6"	71
	7922'-9 1/2"		5217

PRESENT	STADIUM SEATS	FACTOR	STALLS REQUIRED
	5,217	1/4	1,304

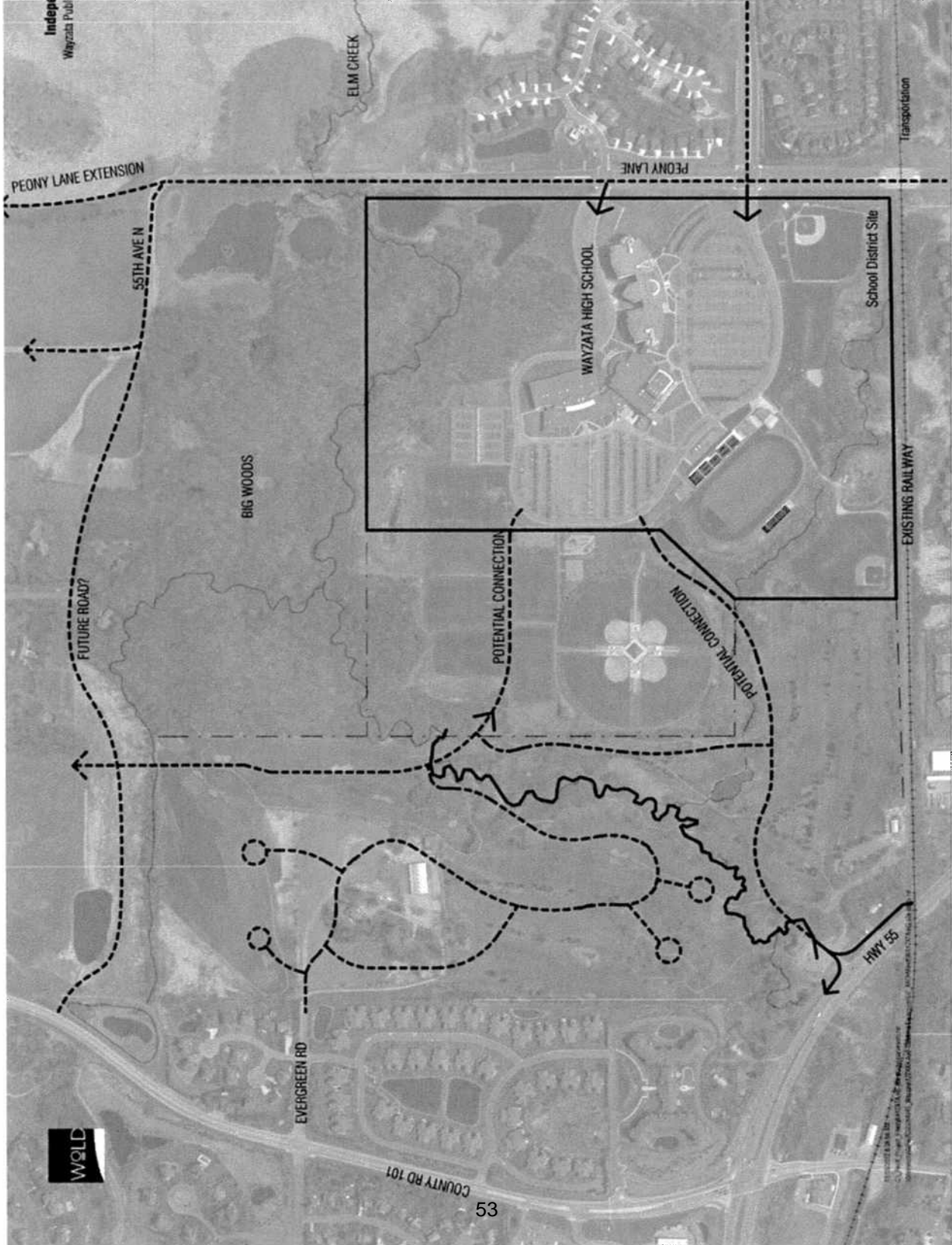
Parking



**1** Parking Analysis  
 1" = 200'-0"

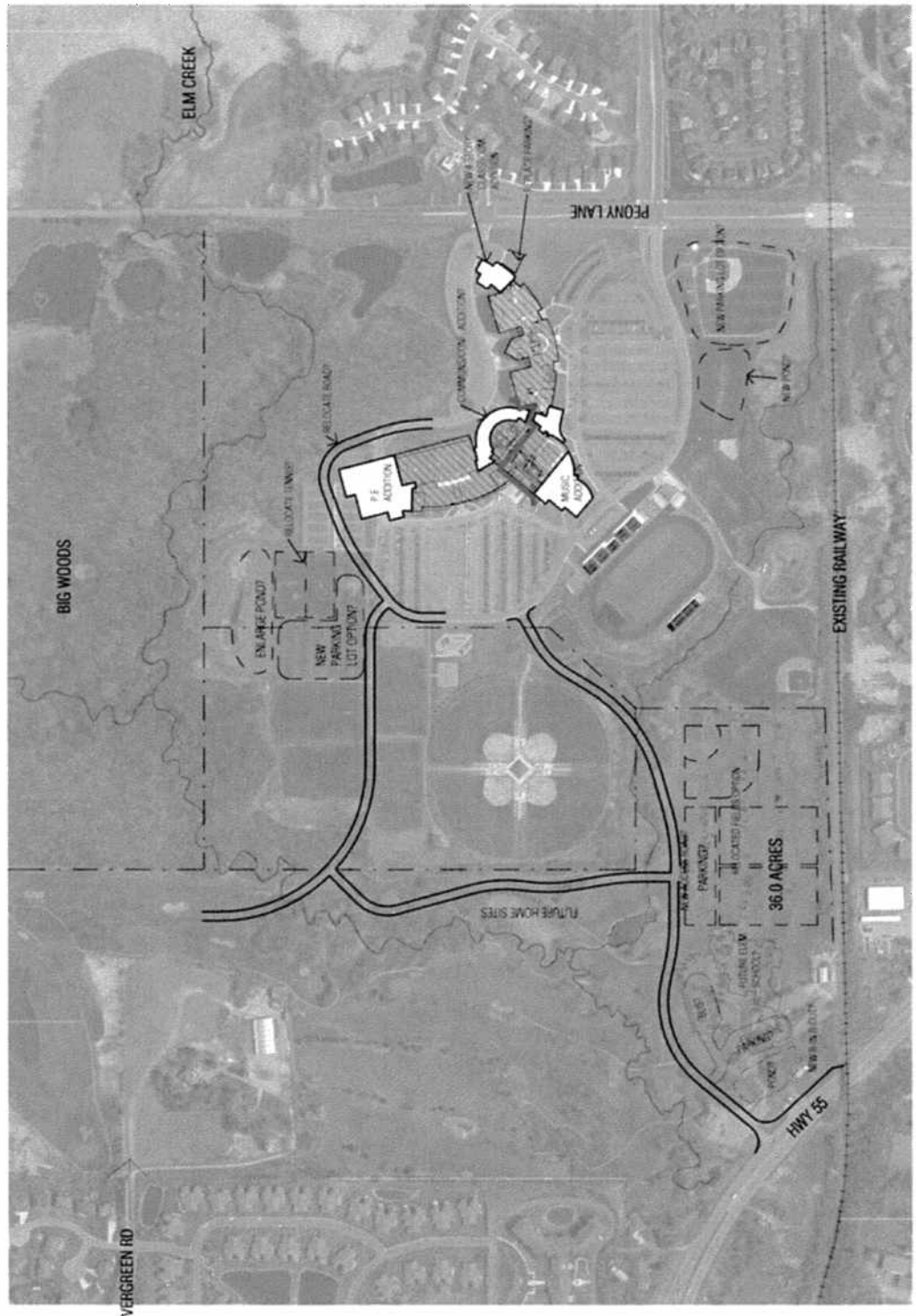
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 Project: Wayzata High School Phase III Planning Group  
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WAYZATA HIGH SCHOOL:  
TRANSPORTATION  
OPTIONS FOR NEW ACCESS  
TO SITE FROM SURROUNDING  
ROADS





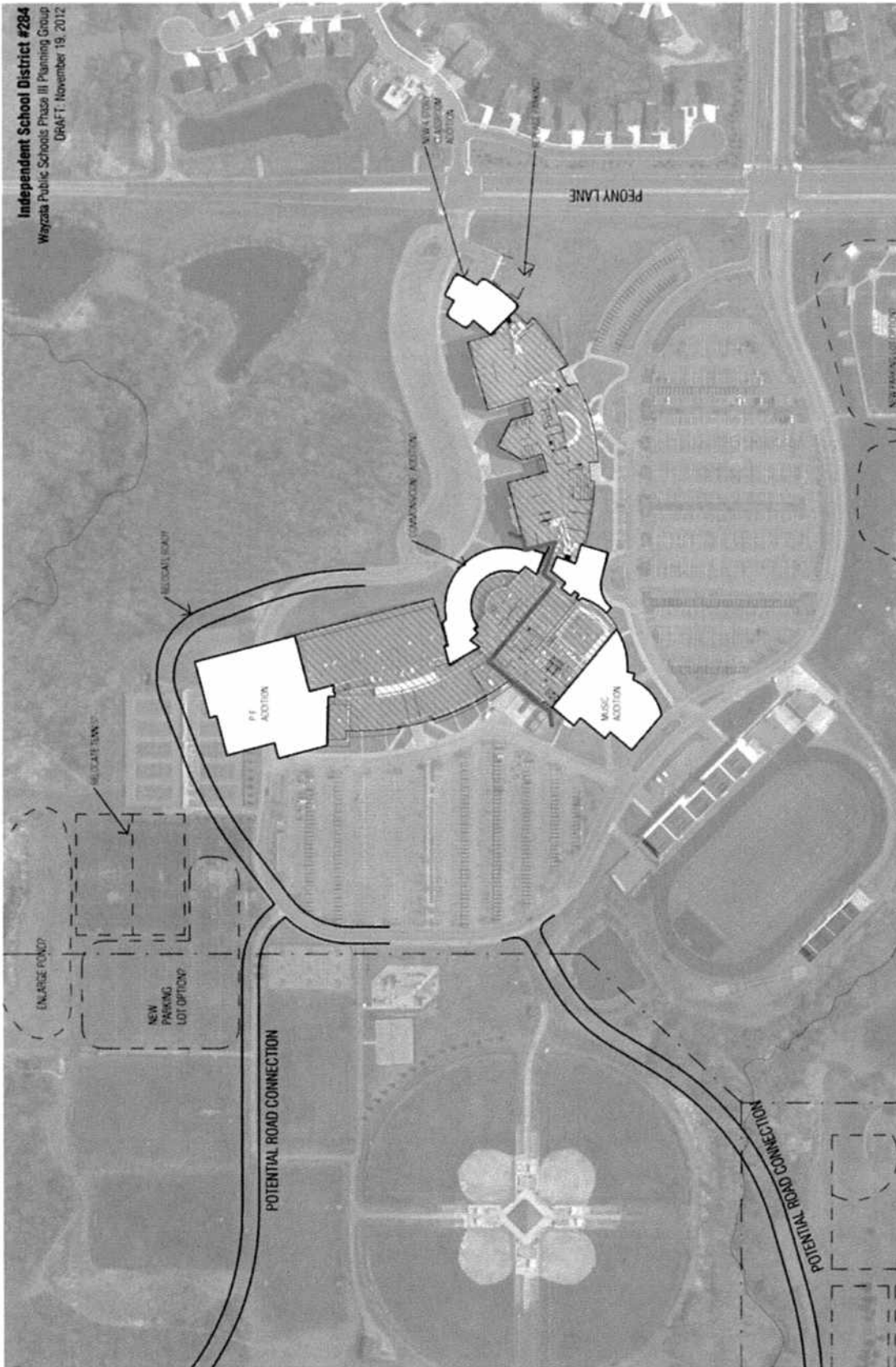
- WAYZATA HIGH SCHOOL:  
 DEVELOPMENT OPTION**
- POTENTIAL ACCESS TO RD NORTH
  - ACCESS ROAD FROM HWY 55
  - 366 CAR PARKING LOT
  - CLASSROOM ADDITION?
  - COMMONS/CONF. ADDITION?
  - P.E. ADDITION
  - MUSIC ADDITION
  - INCREASE STORMWATER PONDING
  - ADDITIONAL FIELDS



Development Option

**1 DEVELOPMENT OPTION**  
 1" = 400'-0"

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Development Option Zoom

1 DEVELOPMENT OPTION 1" = 200'  
 1" = 200'-0"

RELOCATED REELS OPTION  
 The Project is located on the site of the former Wayzata High School, 10000 Lakeshore Drive, Wayzata, MN 55391. The site is bounded by Lakeshore Drive to the north, Lakeshore Drive to the south, and Lakeshore Drive to the east.



**RESOLUTION TO APPROVE PROPERTY PURCHASE TO  
INCREASE THE DISTRICT'S CAPACITY FOR PROJECTED  
RESIDENT ENROLLMENT GROWTH AND DIRECT THE  
SUPERINTENDENT TO SUBMIT A REVIEW AND COMMENT TO  
THE COMMISSIONER OF THE MINNESOTA DEPARTMENT OF  
EDUCATION FOR APPROVAL**

**WHEREAS**, in accordance with M.S. 123B.71, Wayzata Public Schools, Independent School District 284, must prepare and submit a Review and Comment document to the Commissioner of the Minnesota Department of Education for review and approval of construction projects or facility and land acquisitions exceeding \$1.4 million per site

**WHEREAS**, these projects were identified through the Comprehensive facility condition assessment study and addresses the most critical current facility capacity needs of the District

**WHEREAS**, the cost of the proposed purchase of up to \$7,400,000 will be funded through divestiture of an existing District land parcel valued at approximately \$3,000,000 combined with District's general fund resources for the remainder, until which time a reimbursement can be made from other funding sources, including potential voter-approved bond proceeds

**WHEREAS**, upon approval of the Commissioner of Education, the District will publish the results of the Commissioners review at least 20 days prior to the execution of a purchase agreement or for debt issuance

**WHEREAS**, the enclosed Review and Comment Document provides details of the District's land acquisition plan to address capacity at the high school level

**WHEREAS**, the preliminary findings of Phase III Facilities study provide the basis for the need to acquire land adjacent to the current Wayzata High School campus and the results of the study have been reviewed with the school board over the last year at multiple school board work sessions

**WHEREAS**, the school board commissioned this multi-year study in March 2010 to evaluate and identify a number of factors related to the district's current and long-term facility needs

**NOW, THEREFORE, BE IT RESOLVED** by the School Board of Independent School District No. 284, City of Wayzata, State of Minnesota, as follows:

1. Approve property purchase to increase the District's capacity for projected resident enrollment growth and direct the Superintendent to submit the Review and Comment Submission to the Commissioner of the Minnesota Department of Education.

WITNESS MY HAND officially as such recording officer this \_\_\_\_ day of December, 2012.

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**

**Special Meeting – December 17, 2012**

**ITEM: 5. RESOLUTION to Approve Central Services Facility Remodel and Addition**  
**Construction Projects**

**COMMENTS BY: Mr. Westrum**

**RESOLUTION FOR CENTRAL SERVICES FACILITY CONSTRUCTION PROJECTS TO INCREASE THE DISTRICT'S CAPACITY FOR PROJECTED RESIDENT ENROLLMENT GROWTH AND DIRECT THE SUPERINTENDENT TO COMPLETE A CONSULTATION PROCESS WITH THE COMMISSIONER OF THE MINNESOTA DEPARTMENT OF EDUCATION.**

In accordance with M.S. 123B.71 Subd. 8, Wayzata Public Schools, Independent School District 284, must complete a consultation process with the Commissioner of the Minnesota Department of Education for review and approval of construction projects less than \$1.4 million and greater than \$500,000 per site. The project to be submitted includes completing selected renovations and additions at the Central Services Facility. The repurposing of existing administrative and storage space in Central Middle School for instructional purposes requires constructing replacement administrative and storage space at our Central Services Facility. These projects were identified through the Comprehensive Facility Condition Assessment Study and address the most critical current facility capacity needs of the District.

The cost of the proposed projects for FY 2013 is no greater than \$1.1 million that will be funded through multiple sources including Lease Levy Authority and District Operating Capital revenue.

**RECOMMENDED ACTION:** Approve the RESOLUTION FOR CENTRAL SERVICES FACILITY CONSTRUCTION PROJECTS TO INCREASE THE DISTRICT'S CAPACITY FOR PROJECTED RESIDENT ENROLLMENT GROWTH AND DIRECT THE SUPERINTENDENT TO COMPLETE A CONSULTATION PROCESS WITH THE COMMISSIONER OF THE MINNESOTA DEPARTMENT OF EDUCATION as presented..

Motion by: \_\_\_\_\_ ROLL CALL Passed \_\_\_\_\_

Second by: \_\_\_\_\_ VOTE Failed \_\_\_\_\_



December 17, 2012

Mr. John Bulger  
 Minnesota Department of Education  
 1500 Highway 36 West  
 Roseville, MN 55113

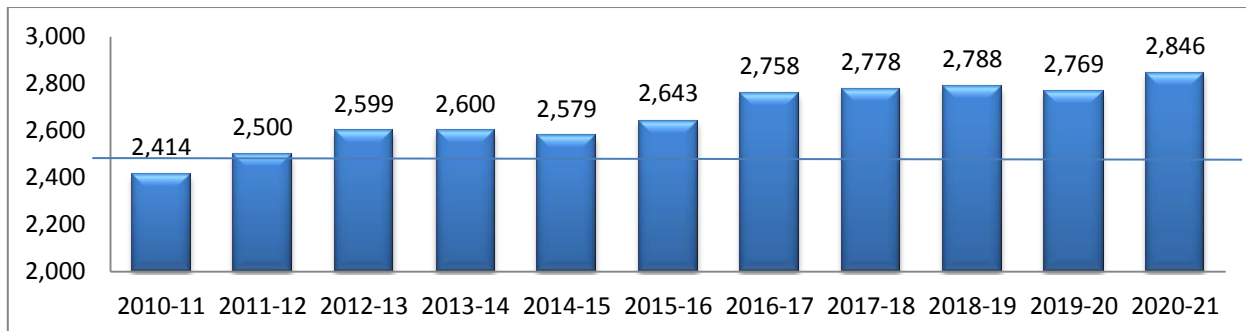
Dear Mr. Bulger:

The Wayzata school district recently completed a comprehensive demographic study which indicates that the district will continue to experience significant residential student enrollment growth in its middle schools over the next several years. New single family homes typically yield up to 0.72 students when they are built in the Wayzata school district. The City of Plymouth and the City of Medina have approved or plan to approve 1,281 new single family homes to be built in the next four years as follows:

**Projected New Single-Family Detached Housing Units**

Attendance Area	2013-14	2014-15	2015-2016	2016-17	Total
East Middle School	74	24	24	24	146
West Middle School	125	135	96	80	436
Central Middle School	148	188	195	168	699
	347	347	315	272	1281

As our three middle schools are currently operating at slightly more than capacity of 2,500 students, the additional student enrollment generated with the addition of these new single family homes will most certainly add additional stress to our core middle school facilities. It is critical that all instructional spaces are available to serve the growing resident student population of the Wayzata school district. Inclusive of the anticipated student yields from new residential construction, the district's current and future projected enrollment in its middle school facilities are as follows:



District and school administration, in conjunction with our architects, Wold Architects and Engineers, have determined that reclaiming and repurposing existing administrative and storage spaces at Central Middle School could allow the district to accommodate this projected growth of nearly 250 students and avoid the need to build additional classrooms. Appendix A demonstrates a realistic plan for reclaiming and repurposing certain spaces at Central Middle School that will increase Central Middle School’s utilization by 259 students, from 1,037 students to 1,296. By repurposing these spaces back to classrooms, the district can avoid overbuilding at the middle school level.

The reclaiming and repurposing of certain spaces at Central Middle School for instructional spaces will require the district to obtain suitable replacement administrative and storage space at the District’s Central Services Facility. Appendix B demonstrates how a minor addition of approximately 3000 square feet at the Central Services Facility will serve that purpose. Total construction costs are anticipated to be approximately \$1.1 million with a budget as follows:

<b>Central Services Facility</b>		
New Construction: Equipment storage and Administrative	\$	642,000.00
Renovation	\$	300,000.00
Construction Subtotal	\$	942,000.00
Fees, Testing, Printing, Bonding , Legal	\$	110,425.00
Furnishings, Fixtures and Equipment	\$	50,000.00
Contingency 5%	\$	32,100.00
<b>Total Project</b>	<b>\$</b>	<b>1,134,525.00</b>

To finance the addition at the Central Services Facility, the District will issue Certificates of Participation (COPS), or if more financially advantageous, enter into a lease purchase agreement with a financial institution to provide the proceeds necessary to fund the construction costs. The district will also use district operating capital to fund the renovations. Lease levy authority would be used to finance the annual principal and interest payments. The term of the financing would be fifteen years in accordance with MDE guidelines.

The school board passed a resolution approving the lease of administrative space at the Central Services Facility in accordance with Minnesota Statutes, section 126C.40, subdivision 1 , (j) and the district’s current 2012 taxes Payable 2013 certified levy already includes the lease payment of approximately \$60,000. Formal approval was received by Mr. Bill Kiesow upon consultation with the appropriate Minnesota Department of Education staff. Due to the fact that this approval has already occurred, there will be no net increase in the district’s total certified property tax levy in comparison with the current year.

The District's financial advisors have provided estimates of the annual principal and interest payments at approximately \$40,000 in the first year of financing with the remaining 14 years being similar. If the District did not have a corresponding decrease in other levy components this year, the average taxable residential homestead (\$400,000 market value) could see a \$2.02 annual tax impact. However, the District's future levies will not reflect a net increase from the issuance of a financing tool as the amount is already included in the levy amounts.

While it is important to note that there would be NO net increase in the district's total certified property tax levy, growth in the District's tax base as well as growth in the District's residential student enrollment will reflect favorably on this strategy.

The District Administration will receive architectural drawings early in 2013 to begin construction at the Central Services Facility in the spring of 2013. At this time, as no single project exceeds the threshold for requiring a formal review and comment, district administration has been in consultation with several MDE staff as careful consideration was given on how to accommodate the district's increasing residential student growth.

Please confirm that this Consultation Report has meet the requirements that will allow the Wayzata district to proceed with planning for these capital improvements to provide adequate instructional space for the resident middle school students of the Wayzata Public Schools.

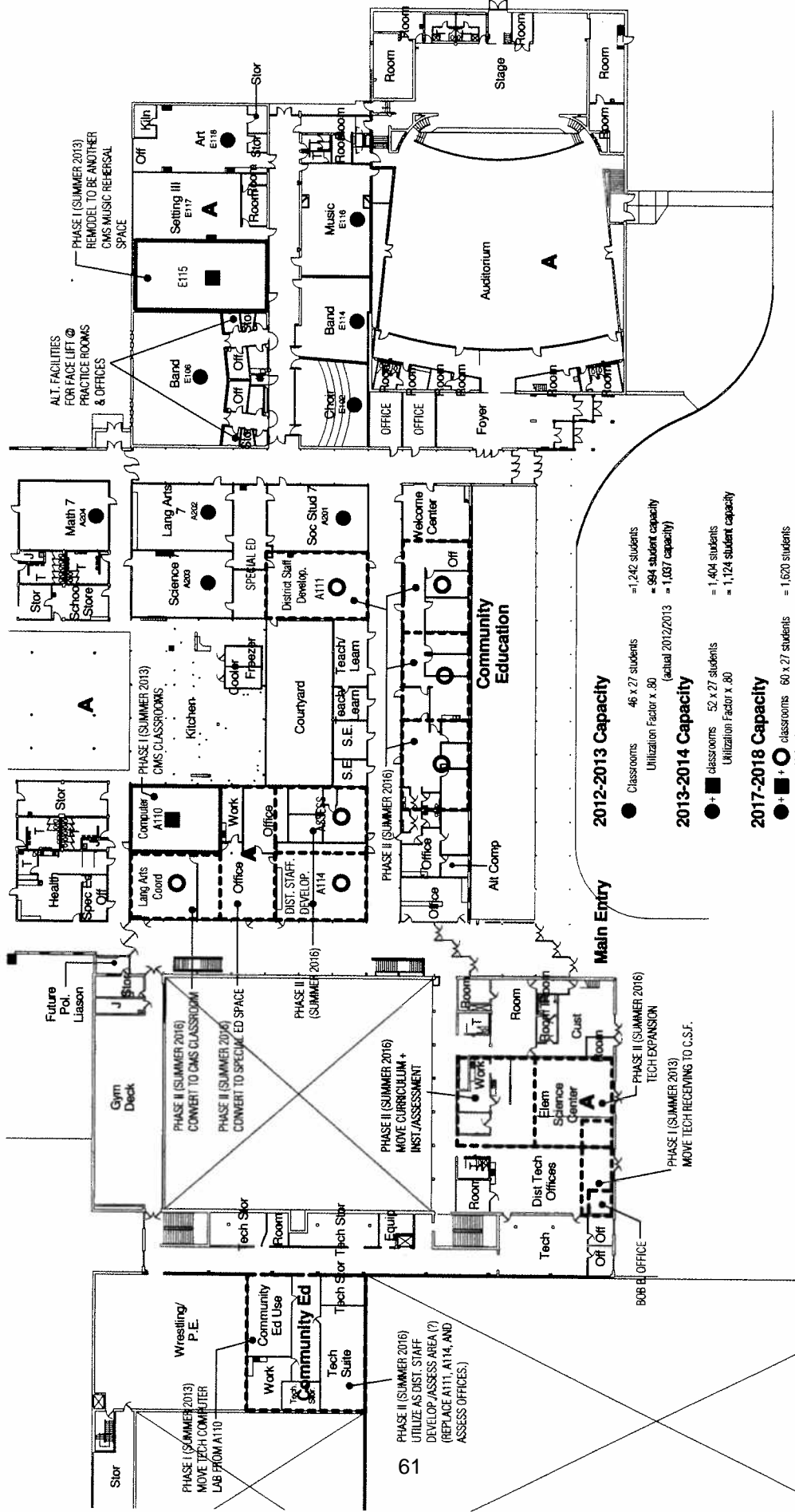
If you need further information, please contact James R. Westrum, Executive Director of Finance, and Business Services, at (763) 745-5023.

Sincerely,

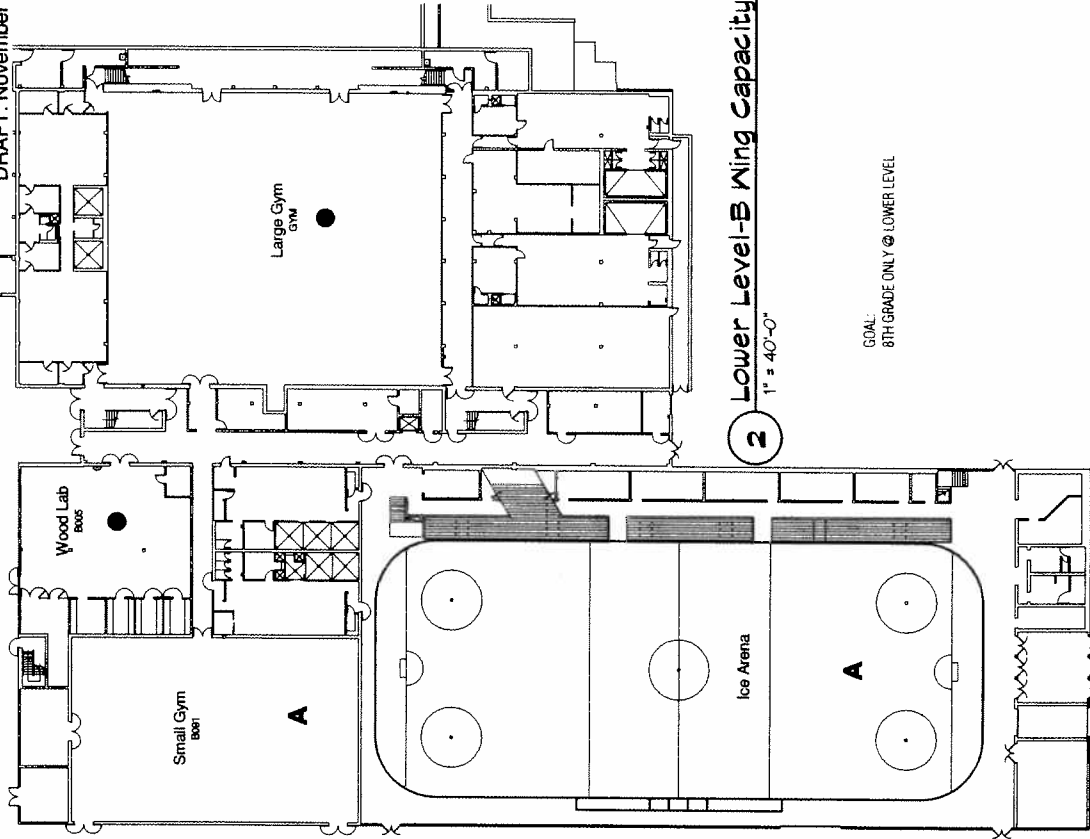
A handwritten signature in cursive script that reads "Chace B. Anderson".

Chace B. Anderson  
Superintendent of Schools

CBA:kb

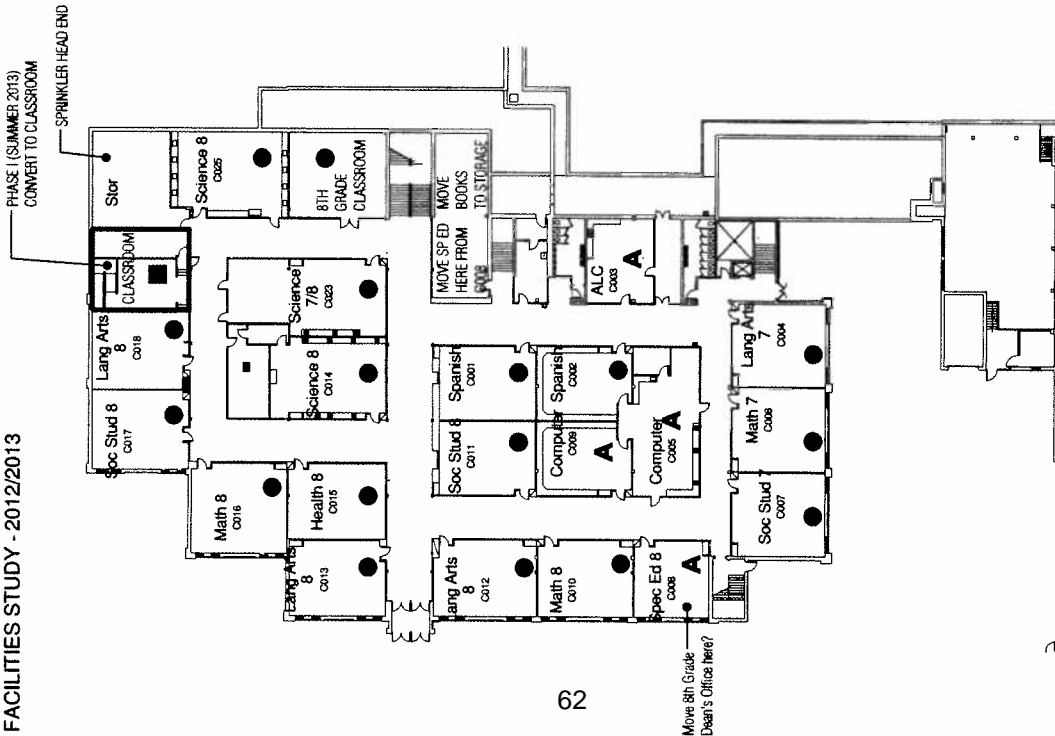


1 Central Middle School Main Level-South Capacity 2012-2013  
 1" = 40'-0"



2 Lower Level-B Wing Capacity  
 1" = 40'-0"

GOAL:  
 8TH GRADE ONLY @ LOWER LEVEL



1 Central Middle School Lower Level-C Wing Capacity  
 1" = 40'-0"



1 MAIN LEVEL FLOOR PLAN  
1/8" = 1'-0"

**RESOLUTION TO APPROVE CENTRAL SERVICES FACILITY  
REMODEL AND ADDITION CONSTRUCTION PROJECTS TO  
INCREASE THE DISTRICT'S CAPACITY FOR PROJECTED  
RESIDENT ENROLLMENT GROWTH AT THE MIDDLE SCHOOL  
LEVEL AND DIRECT THE SUPERINTENDENT TO COMPLETE A  
CONSULTATION PROCESS WITH THE COMMISSIONER OF THE  
MINNESOTA DEPARTMENT OF EDUCATION FOR APPROVAL**

**WHEREAS**, in accordance with M.S. 123B.71, Wayzata Public Schools, Independent School District 284, must complete a consultation process with the Commissioner of the Minnesota Department of Education for approval of construction projects less than \$1.4 million and greater than \$500,000 per site

**WHEREAS**, these projects were identified through the Comprehensive facility condition assessment study and addresses the most critical current facility capacity needs of the District

**WHEREAS**, the cost of the proposed projects for FY 2013, is no greater than \$1.1 million that will be funded through multiple sources including Lease Levy Authority and District Operating Capital revenue

**WHEREAS**, the project to be submitted includes completing selected renovations and additions at the Central Services Facility

**WHEREAS**, the repurposing of existing administrative and storage space in Central Middle School for instructional purposes requires constructing replacement administrative and storage space the district's Central Services Facility

**WHEREAS**, the school board commissioned this multi-year study in March 2010 to evaluate and identify a number of factors related to the district's current and long-term facility needs

**NOW, THEREFORE, BE IT RESOLVED** by the School Board of Independent School District No. 284, City of Wayzata, State of Minnesota, as follows:

1. Approve Central Services Facility remodel and addition construction projects to increase the district's capacity for projected resident enrollment growth at the middle school level and direct the Superintendent to complete a consultation process with the Commissioner of the Minnesota Department of Education.

WITNESS MY HAND officially as such recording officer this \_\_\_\_ day of December, 2012.

\_\_\_\_\_  
School District Clerk

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**

**Special Meeting – December 17, 2012**

**ITEM: 6. 2013 LAC PLATFORM**

**COMMENTS BY: Board Chair Hesby**

We have with us this evening Sarah Johansen and Katie Rodriguez, LAC Citizen Co-Chairs, who will officially present the 2013 LAC Platform to the Board for approval. Cheryl Polzin and Sue Droegemueller, board representatives on the committee, are also present to answer questions.

**RECOMMENDED ACTION:** Approve the committee’s recommendations for the 2013 LAC Platform as presented.

Motion by: \_\_\_\_\_ Yes \_\_\_\_\_ Passed \_\_\_\_\_

Second by: \_\_\_\_\_ No \_\_\_\_\_ Failed \_\_\_\_\_

Abstentions \_\_\_\_\_

# District Vision

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

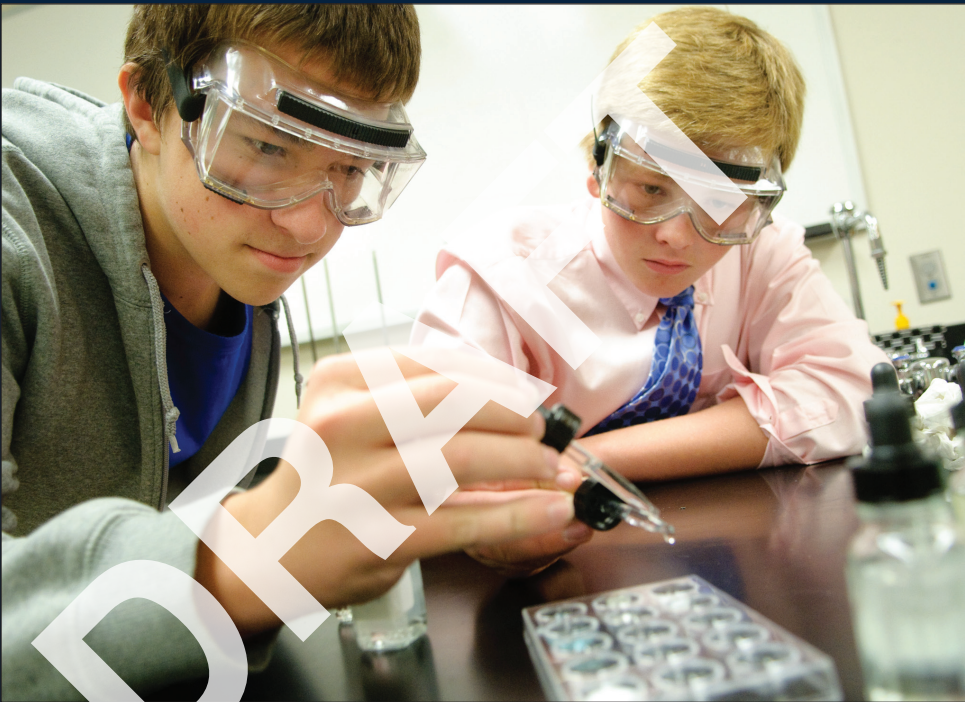
High achievement by each and every student

## Community Trust, Confidence and Partnership

Comprehensive learning opportunities meeting diverse learner needs and community aspirations

## Operational Excellence

Effective and efficient use of time and human, financial and physical resources



For more information visit the LAC page at [www.wayzata.k12.mn.us](http://www.wayzata.k12.mn.us) under Involvement

The 2013 Legislative Platform was approved by the Wayzata Public Schools Board and its Legislative Action Committee (LAC)



Wayzata Public Schools

2013

# Legislative Platform

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

DRAFT



## Action Items

For the 2013 Legislative Session, we urge the Legislature and Governor to:

- **Maintain or replace the current levels of Integration funding to ensure high achievement for each and every student.**
- **Replace or make permanent Wayzata Public Schools' current level of Compensatory Aid.**
- **Protect Wayzata Public Schools' current funding levels to support operational excellence and exceptional student learning.**
- **Maintain or expand opportunities for local control to allow flexibility to respond to community needs. For example: establishing the school calendar, alternative teacher compensation (QComp), the timing of school board and local levy elections, and increased flexibility in the use of revenue streams.**

## Moving Forward

Policy makers must think critically and act boldly to stabilize education funding and promote innovation and excellence in education for each and every student. We believe that legislative work in the following areas will position Minnesota to deliver world class education to our youngest citizens; now and in the future.

- **Strengthen the general funding formula to keep pace with inflation and ensure adequate, reliable and stable funding for basic education services.**
- **Advocate for legislation that will simplify the funding mechanism to provide a more predictable and accountable system for funding education in Minnesota.**
- **Reform and fully fund the state special education funding formula.**
- **Maintain or expand funding for programs that will support increased student achievement, including but not limited to targeted math and literacy aid, voluntary extended-day kindergarten, and early childhood and school readiness programs that are designed to align with district and state K-12 standards.**
- **Provide a stable source of funding to allow all districts the opportunity to invest in new technology and prepare students for the future.**

**WAYZATA PUBLIC SCHOOLS**  
Independent School District 284  
Wayzata, Minnesota

**BOARD OF EDUCATION**

**Special Meeting – December 17, 2012**

**AGENDA ITEM: 7. ADJOURN**

**COMMENTS BY: Board Chair Hesby**

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 \_\_\_\_\_