WAYZATA PUBLIC SCHOOLS

Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION

Special Meeting - June 24, 2013 - 4:00 PM
District Administration Building
210 County Rd. 101, N, Plymouth, MN

AGENDA

1.	CALL TO ORDER AND ROLL CALL - Board Chair Droegemueller	3
2.	RESOLUTION RELATING TO CONDUCTING A REFERENDUM REVENUE AUTHORIZING ELECTION IN 2013 - J. Westrum	4
3.	RESOLUTION AUTHORIZING SUPERINTENDENT TO EXECUTE CLOSING DOCUMENTS FOR PURCHASE AND SALE OF LAND - J. WESTRUM	6
4.	Approval of the Proposed Budget for 2013 - 2014	8
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7.	RESOLUTION DIRECTING SUPERINTENDENT TO PETITION TO THE COMMISSIONER - LEASE LEVY LIMIT EXCEPTION TO OFFER ALL DAY KINDERGARTEN 2014 - 2015 - J. WESTRUM	51
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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.

Agenda Item 1

WAYZATA PUBLIC SCHOOLS
Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION

Work Session – June 24, 2013

AGENDA ITEM: 1. CALL TO ORDER/ROLL CALL

COMMENTS BY: Board Chair Droegemueller

John Moroz, Board Clerk, will call the roll:

	PRESENT	ABSENT
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	_____	_____

Agenda Item 2

WAYZATA PUBLIC SCHOOLS

Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION

Special Meeting – June 24, 2013

ITEM: 2. RESOLUTION RELATING TO CONDUCTING A REFERENDUM REVENUE AUTHORIZATION ELECTION IN 2013

COMMENTS BY: Mr. Westrum

The Administration recommends to the School Board to conduct a Referendum Revenue Authorization election in 2013, pursuant to Minnesota Statutes, Section126C.17.

RECOMMENDED ACTION: Approve the RESOLUTION RELATING TO CONDUCTING A REFERENDUM REVENUE AUTHORIZATION ELECTION IN 2013.

Motion by:_____ Yes _____ Passed_____

Second by:_____ No _____ Failed_____

Abstentions _____

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION RELATING TO CONDUCTING A
REFERENDUM REVENUE AUTHORIZATION ELECTION IN 2013

BE IT RESOLVED BY THE SCHOOL BOARD of Independent School District No. 284, State of Minnesota, as follows:

1. The Board hereby declares its intent to hold a Referendum Revenue Authorization election in 2013 pursuant to Minnesota Statutes, Section126C.17.

The motion for the adoption of the foregoing resolution was duly seconded by _____ and upon vote being taken thereon the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Agenda Item 3

WAYZATA PUBLIC SCHOOLS

Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION

Special Meeting – June 24, 2013

ITEM: 3. RESOLUTION AUTHORIZING THE SUPERINTENDENT TO EXECUTE CLOSING DOCUMENTS FOR PURCHASE AND SALE OF LAND

COMMENTS BY: Mr. Westrum

The District has approved a purchase agreement by and between Independent School District 284 and GWS Land Development of Plymouth, LLC for the sale of District owned property at 16440 County Road 47, Plymouth Minnesota.

The District has also approved a purchase agreement by and between Independent School District 284 and GWS Land Development of Plymouth, LLC for the purchase of a portion of the Elm Creek Golf Course at 18940 State Highway 55, Plymouth Minnesota.

Both parties have satisfied pre-requisite terms and conditions required prior to the actual closing.

Administration recommends that the School Board appoints Chace B. Anderson, Superintendent, as the authorized signer for all closing documents and other related documents related to closing of the sale and directs him to execute the sale and purchase of the properties.

RECOMMENDED ACTION: Approve the **RESOLUTION AUTHORIZING THE SUPERINTENDENT TO EXECUTE CLOSING DOCUMENTS FOR PURCHASE AND SALE OF LAND**.

Motion by: _____ ROLL CALL Passed _____

Second by: _____ VOTE Failed _____

Agenda Item 3

WAYZATA PUBLIC SCHOOLS

Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION

Special Meeting – June 24, 2013

ITEM: 3. RESOLUTION AUTHORIZING THE SUPERINTENDENT TO EXECUTE CLOSING DOCUMENTS FOR PURCHASE AND SALE OF LAND

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Both parties have satisfied pre-requisite terms and conditions required prior to the actual closing.

Administration recommends that the School Board appoints Chace B. Anderson, Superintendent, as the authorized signer for all closing documents and other related documents related to closing of the sale and directs him to execute the sale and purchase of the properties.

RECOMMENDED ACTION: Approve the **RESOLUTION AUTHORIZING THE SUPERINTENDENT TO EXECUTE CLOSING DOCUMENTS FOR PURCHASE AND SALE OF LAND**.

Motion by: _____ ROLL CALL Passed _____

Second by: _____ VOTE Failed _____

Agenda Item 4

WAYZATA PUBLIC SCHOOLS

Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION

Special Meeting – June 24, 2013

ITEM: 4. Approval of the Proposed Budget for 2013-14

COMMENTS BY: Mr. Westrum

The Proposed Budget for 2013-2014 is presented for approval as follows:

Fund	Revenue	Expenditures
General Fund	$122,802,421	$123,740,926
Food Service Fund	5,288,266	5,551,447
Community Service Fund	8,534,970	8,786,835
Construction Fund	7,244,991	16,131,372
Debt Service Fund	11,240,078	10,972,051
Total	**$155,110,726**	**$165,182,631**

RECOMMENDED ACTION: Approve the Proposed 2013-2014 Budget as presented.

Motion by:_____ Yes _____ Passed_____

Second by:_____ No _____ Failed_____

Abstentions _____

Wayzata School District

Preliminary Budget

July 1, 2013 through June 30, 2014

June 24, 2013

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Preliminary Budget
For the Fiscal Year July 1, 2013 through June 30, 2014

DISTRICT OFFICIALS

SCHOOL BOARD:

Susan J. Droegemueller	Chairperson
Jay Hesby	Vice Chair
Susan Gaither	Treasurer
John A. Moroz	Clerk
Linda A. Cohen	Director
Carter G. Peterson	Director
Cheryl Polzin	Director
Dr. Chace B. Anderson	Ex-Officio

ADMINISTRATIVE STAFF:

Dr. Chace B. Anderson	Superintendent of Schools
James Westrum	Exec. Director of Finance and Business Services
Annie Doughty	Executive Director of Human Resources
Dr. Jill Johnson	Exec. Director of Teaching and Learning
Lori Fildes	Director of Special Services
Jill Schwint	Controller
James A. Scheuer	Senior Accountant
Beth Meester	Accountant
Amy Parnell	Director of Communications

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.

Mission Statement

The mission of the Wayzata School District 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.

The School District

The first school in the Wayzata area was established about 1855. It began with a one-room log school built near what is now the second green of the Wayzata Country Club. By 1903, Wayzata had established a four-year high school and in 1906 graduated its first class of three students. The Wayzata Public Schools community area lies approximately ten miles west of Minneapolis. The district extends north and east from Wayzata Bay on Lake Minnetonka and serves all or portions of Corcoran, Maple Grove, Medicine Lake, Medina, Minnetonka, Orono, Plymouth and Wayzata. The Wayzata Public Schools system operates seven elementary schools which serve kindergarten through grade five, three middle schools which serve grades 6, 7, and 8, and one senior high school which serves grades 9, 10, 11, and 12. Wayzata West Middle School is located in Wayzata; all other schools are in Plymouth.

- **Elementary Schools**
  Birchview, Gleason Lake, Greenwood, Kimberly Lane, Oakwood, Plymouth Creek, Sunset Hill

- **Middle Schools**
  Central, East and West

- **Senior High School**

EXECUTIVE

SUMMARY

INDEPENDENT SCHOOL DISTRICT 284
WAYZATA, MINNESOTA

Table I

2013-2014 Preliminary Budget

Revenue

General Fund	$122,802,421
Food Service	5,288,266
Community Service	8,534,970
Construction	7,244,991
Debt Service	11,240,078
All Funds Combined	$155,110,726
All Funds Excluding Construction	$147,865,735

Expenditures

General Fund	$123,740,926
Food Service	5,551,447
Community Service	8,786,835
Construction	16,131,372
Debt Service	10,972,051
All Funds Combined	$165,182,631
All Funds Excluding Construction	$149,051,259

Note: Construction Fund Revenue and Expenditures included in General Fund also; excluded from totals for a more accurate measure of total revenue and expenditures

Budget at a Glance

General

- This budget year commences July 1, 2013 and ends June 30, 2014. It is for the 2013-14 school year and is also referred to as "Fiscal Year 2014", abbreviated "FY14".
- Student enrollment is projected to increase to 10,673, compared with 10,498 in the prior year.
- The general fund unassigned fund balance at June 30, 2014 is estimated to be $12.1 million, or 10.9% of the expenditures. This represents 5 weeks of operations and is deemed to be adequate at year end.
- This budget includes a $78 increase in the formula allowance enacted by the 2013 Legislature.

Revenues

- Total general fund revenues are estimated to be $122,802,421, an increase of $2.8 million, or 2.3% from FY12 to FY13.
- Revenue includes the referendum levy of $1,604.43 per pupil unit.
- State special education aid and excess cost aid will still be prorated at 85% and 66%, respectively.
- Revenue also includes a technology levy of $5,520,323.
- Investment earnings in the general fund are expected to be minimal due primarily to reduced rates of return in the marketplace.
- Alternative Facilities revenue of $1,724,668 and $1,410,910 of operating capital revenue are included in the budget for capital improvements and repair.
- Federal Title I revenue of $440,319 is included. The district began receiving this revenue in FY 2009. The District has accounted for the required reduction in revenue attributed to sequestration.

Expenditures

- General fund expenditures are estimated to be $123,740,926, an increase of $227,158.
- Budget includes $5.6 million for technology through the capital projects levy.
- Budget includes $2.6 million for the alternative compensation plan.
- Salaries are budgeted to increase 2.5%, including step advancement, lane changes, and scheduled improvements for settled bargaining units as well as estimates for non-settled groups.
- Health insurance premiums increased 2.5%. Budget capacity was increased to account for additional employees electing to participate in the district's insurance plans.
- Dental insurance premiums did not increase from the prior year.
- Public Employee Retirement Association (P.E.R.A.) employer contribution rates for non-licensed employees increased to 7.25% on January 1, 2012 and are projected forward.
- Teacher Retirement Association (T.R.A.) employer contribution rates for licensed employees increased to 7.0% on July 1, 2013 and are projected forward.

Budget at a Glance
(Continued)

- The budget for the textbook replacement cycle is $400,000. An additional $50,000 is budgeted for textbooks for enrollment changes at particular grade levels.
- Budget includes a reserve of 6 teacher FTE's to address hot spots.
- Schools' allocations per pupil for supplies remain constant at current rates.
- 2013-2014 is the second year that Wayzata will participate in the Alternative Facilities program to perform deferred maintenance projects. $16 million in Alternative Facilities Bonds were sold in FY 2012. The District will use approximately $8 million of these proceeds in the 2013-2014 fiscal year.

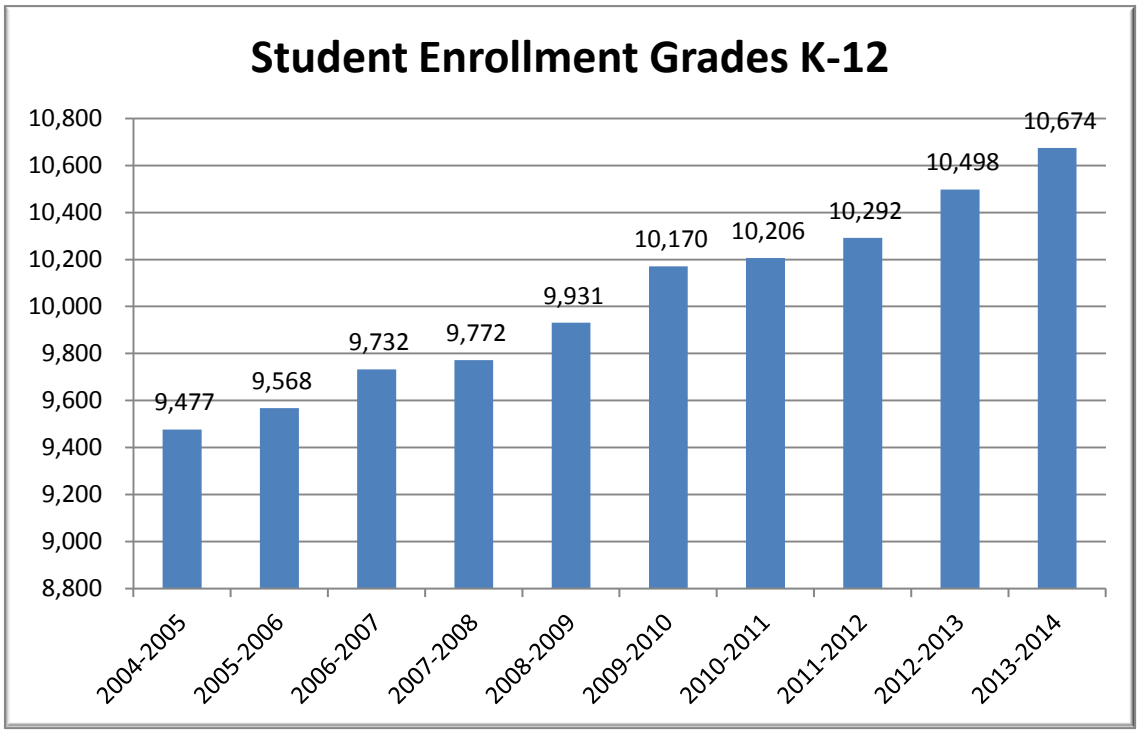
♦ Enrollments

The state of Minnesota had 340 school districts with a statewide public school enrollment of 826,924 for 2012-2013. Slightly more than one percent of Minnesota's public school students are educated in Wayzata Public Schools. In 2013-2014, enrollment at Wayzata Public Schools will grow slightly to 10,674. Of these students 10,504 are served in the district's facilities, while 170 students are served through tuition agreements by other districts.

The district's student enrollment is projected to grow at a moderate rate of 1% to 2% over the next ten years. In some areas of the district new homes are under development. In general, however, this new development is expected to be offset by slight enrollment declines in mature parts of the district and the aging out of non-resident students attending the district through open enrollment. The district has closed open enrollment in substantially all grade levels to accommodate the projected increases in its resident student population.

These projections are based upon demographic studies commissioned by the District in early 2013 that are frequently updated and monitored for capacity purposes.

Table II
Enrollment History



Enrollment numbers above exclude 170 F.A.I.R. School and IDDS students and resident students served by Intermediate District #287 under tuition agreements.

Purpose

The General Fund contains all revenue and expense for the general, day-to-day operations of the school district. This includes salaries and benefits for teachers, administrators, custodians, secretaries, and paraprofessionals; instructional supplies, technology, transportation, textbooks, and money spent to operate and repair district buildings.

In some ways, it is clearer to express the general fund in terms of what it does not cover. The general fund does not cover Culinary Express; Community Education (including Home Base latchkey programs); debt service payments on bonds issued by the District; and the cost of major construction projects financed through the issuance of bonds.

The general fund does include expenditures funded with the Health and Safety levy. It is important to note that Health and Safety expenditures can fluctuate considerably from year to year and can impact the overall view of the district's funding picture.

The preliminary budget for 2013-14 contains moderate changes in staffing and programs from the previous year. The 2013 Legislature determined funding for the 2013-2014 school year, and all changes have been included in the budget included herein.

Fund Balance Policy

The level of spending is set with a number of considerations in mind, but one of the chief considerations is to maintain an adequate level of reserves for unanticipated events. The district has a formal policy calling for an unassigned fund balance in the general fund equal to at least 5% to 7% of one year's expenditures. This balance could be considered to be the District's "savings account". Maintaining a prudent fund balance is important for the stability of the district, and is a key measure that bond rating agencies examine when assigning a credit rating to a district's bond sale.

The projected unassigned general fund balance as of June 30, 2013 is $12,147,531. This is 10.9% of the expenditure budget, or five weeks of operations.

Unanticipated events that could occur that would require the District to dip into its undesignated fund balance include:

- Property tax delinquencies and abatements
- Enrollment fluctuations
- Unanticipated price increases for essential purchases, e.g. fuel for heating and transportation
- State revenue reductions or "aid pro-rations"
- Severe weather
- Federal Sequestration

General Fund Revenue

Wayzata Public Schools receives revenues from two primary sources: local property taxes and state funding. A relatively small amount of revenue is also received from the federal government; fees and charges; non-resident tuition; and interest income. A detailed explanation of general fund revenue begins on page 12. Highlights for 2013-2014 include:

Wayzata Public Schools will receive approximately $122.8 million to support the general operations of the district. This is an increase of $2.8 million from the preceding year. Most of this increase is attributed to a $78 improvement in the formula allowance, combined with resident student enrollment growth.

State aid estimates are primarily based on session laws 2013. Special Education aid is expected to increase slightly and will continue to be prorated at 85% for general aid and 66% for excess cost aid.

Some of the major features of the general fund revenue for Wayzata Public Schools for FY13 are:

- State revenues are the single largest source of general fund revenue (66.9%) for Wayzata Public Schools.

- Revenue for the Alternative Compensation Plan remains stable at $2.6 million.

- The technology levy is decreased slightly from $5,582,408 to $5,520,323. An extensive technology plan was developed during fiscal year 2010 that continues to be implemented in 2013-2014 school year.

- Alternative Facilities revenue of $1,724,668 is in the budget. This revenue is designated for building repairs.

- Compensatory revenue, which is state aid allocated on the basis of students eligible for free and reduced-price lunches, decreased slightly from $1,031,722 to $946,363. This is principally due to the fact that the number of students eligible for free and reduced-price lunches has decreased slightly.

- Also included in revenue is $1,600,000 in state integration aid and the local integration levy, as well as $1,100,000 for integration-related transportation aid.

Property Taxes

Property taxes became a far less significant source of revenue for Wayzata Public Schools due to major legislative changes enacted in the 2001 Session. Two large property tax components of the school levy were eliminated or reduced, and replaced with an equivalent amount of state aid. As a result Wayzata's certified property tax levy declined by more than half, from $55.4 million in the levy for FY 2002 to $26.5 million in the levy for FY 2004.

In November 2009, the voters of the District approved a referendum levy that includes an allowance for future inflation. The referendum levy for 2013-14 is $1,604.43 per resident pupil unit. Total referendum revenue is approximately $19.0 million for this year.

The District's property tax base remains strong. The District's referendum market value remains at approximately $10 billion in 2012 and increased 2.49% from the previous year.

For FY14, local property taxes will provide $35.8 million in revenue for the general fund. This source of revenue will also provide $1.5 million for the community services fund and $11.2 million for debt redemption fund. The total property tax levy for FY14 for all funds is $48.6 million.

Federal Aid

Federal funding is generally provided to supplement the costs of providing instructional services in specific vocational, adult, and special education programs for educationally or economically disadvantaged students. Federal funds are a relatively modest revenue source for the general fund, but significant for target population groups. In FY14, Wayzata Public Schools will receive approximately $3.0 million in federal funding, which is 2.5% of the general fund budget.

About 58% of federal aid is designated for special education programs. In FY 2014, the district estimates that it will receive $440,319 in Title I revenue and $463,213 in Carl Perkins Revenue.

Other Revenue

About $2.2 million in miscellaneous revenues from various sources is projected to be available in FY 2014. This includes interest earnings, tuition paid from other districts, donations, and fees.

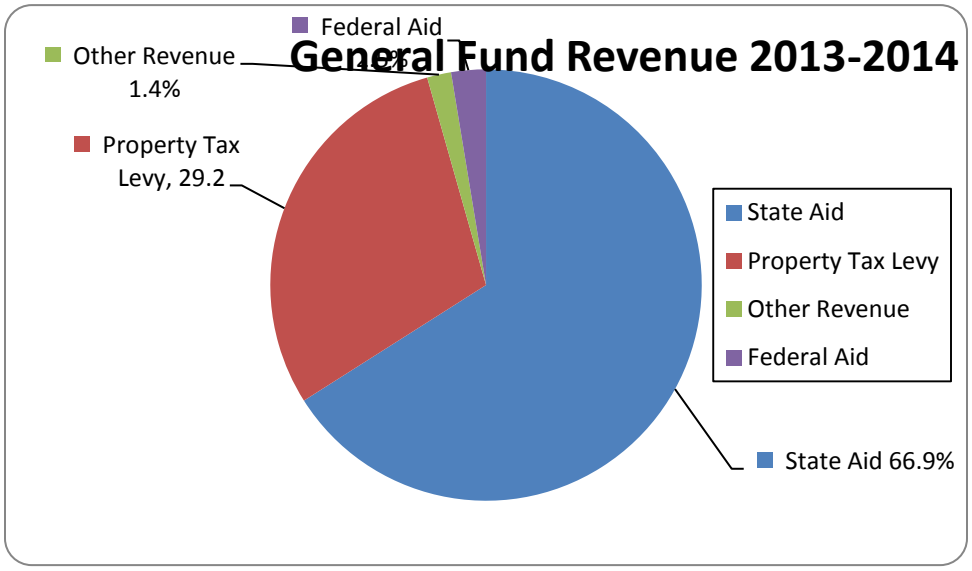
General Fund Revenue—Detailed Explanation

Most attention during this budget process is focused on the General Fund. This is the source of most expenditures having to do with general operations of Wayzata Schools for the primary mission of the District - - educating children.

The District has budgeted revenue of $122,802,421 in its general fund for 2013-2014. Other funds will bring in additional revenue, but this money is not available to pay the general operating expenses of the District.

Where Does the Money Come From?

As the pie chart below shows, most general fund revenue for Wayzata Schools is state aid - - 66.9%. The second largest portion, 29.2%, comes from property taxes assessed on property within the District. Another 1.4% comes from local revenues, fees, admission charges, earnings on investments, and tuition payments from other school districts or from individuals. Finally, federal aid provides 2.5% of general fund revenue. Both state aid and local property tax revenues are strictly controlled by the state.



State Aid	$82,110,670	66.9%
Property Tax Levy	$35,851,058	29.2%
Other Revenue	$ 1,806,901	1.4%
Federal Aid	$ 3,033,792	2.5%
Total	**$122,802,421**	**100%**

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State Aid in the General Fund

State Aid falls into three major categories:

▪ **General Education Aid**	$66,509,295
▪ **State "Categorical" Aid**	$12,980,841
▪ **Other General Education Aid**	$ 2,620,534
Total	**$82,110,670**

General Education Aid - Basic Formula

The principal component of **General Education Aid** is the "general education basic formula". For 2013-14, this formula will provide the District with $5,302 in state aid for each "pupil unit." (A "pupil unit" is essentially one child enrolled for the entire school year, but each child is counted as more or less than 1 pupil unit, depending on grade level.) Currently pupils are weighted as "pupil units" according to the following:

Grade Level	"**Pupil Unit" Weight**
Kindergarten	0.612
Grades 1 – 3	1.115
Grades 4 – 6	1.06
Grades 7 – 12	1.3

For example, since each high school student counts as 1.3 pupil units, the school district receives 1.3 X $5,302 in general education basic revenue for each high school student, or $6,893.

The general education basic aid formula is the single largest source of revenue for Wayzata Public Schools, providing an estimated $66,509,295 in 2013-2014. This comprises 54% of the District's total general fund revenue for the year.

Other General Education Aid Components

The remaining components of general education aid for Wayzata total $2,620,534. This includes the following:

Compensatory Revenue	$946,363
L.E.P. Revenue	120,987
Referendum Tax Base Reduction Aid	29,736
Transportation Sparsity Revenue	3,011
Gifted and Talented Aid	150,530
Alternative Compensation Aid	1,677,448
Pension Subtraction	(307,541)
	$2,620,534

Other General Education Aid Components- Continued

- **Operating Capital Aid** is designated for capital expenditures for buildings and equipment. It is based on the number of students enrolled and the age of the District's buildings. Beginning in FY05, much of this revenue comes from a property tax levy; previously it was all state aid.

- **Compensatory Revenue** is based on the number and percentage of students eligible for free or reduced-price lunch. This revenue goes to the school where the low-income students are enrolled, and must be used to serve students needing extra assistance.

- **Limited English Proficiency (L.E.P.) Revenue** is based upon the number and percentage of students whose native language is not English.

- **Referendum Tax Base Reduction Aid** is money paid to districts because the Legislature reduced the referendum property tax base in 2001 by exempting certain types of property (farmland and cabins) from school operating referendum taxes. The referendum levy of the District is reduced by the amount of the aid.

- **Extended Time Revenue** is aid for "extended time" pupil units, that is, students who attend school for an extended day or extended year (e.g. summer school). The program must be affiliated with an Area Learning Center (ALC). The extended time cannot exceed 20% of the regular school day/school year.

- **Transportation Sparsity Revenue** is based on the student population, and area of the district in square miles. It is a small amount for Wayzata, but a significant revenue source for rural school districts.

- **Gifted and Talented Revenue** is equal to $12 per pupil unit, and is to be used to enhance programs for gifted and talented students.

- **Alternative Compensation Revenue** is a program established by the 2005 Legislature to encourage school districts to implement merit-based compensation plans for teachers. The total revenue is $260 per pupil. Part of this revenue comes from a property tax levy.

- **Pension Subtraction** is a reduction in aid to the District. In 1997 the Legislature reduced employer pension contribution rates on behalf of teachers, but reduced school district aid so that the reduced expenditures would not accrue to the benefit of school districts. The reduction was modified for 2007-08 to offset the effects of an increase in the employer's share of teacher retirement costs.

- **Endowment Fund** is revenue from a statewide trust fund for education, established at the time Minnesota attained statehood. Revenue from the trust fund is distributed to all school districts in proportion to enrollment. Prior to FY 2010-2011, the revenue amount was subtracted from general education aid, so there was no net gain to the District. As the subtraction no longer occurs, this change results in approximately $292,000 of additional revenue to the district.

State "Categorical" Aid

State categorical aid is calculated on the basis of expenditures for a particular program or "category." The District's largest categorical aid is special education aid, which is based on a formula that considers the District's expenditures on salaries of special education personnel, special education transportation costs, and other factors. Categorical aid amounts for 2013-2014 for Wayzata Public Schools are as follows:

Special Education Aid	$6,600,000
Special Education Excess Cost Aid	1,100,000
Integration Aid	1,035,000
Alternative Attendance Aid	91,260
Nonpublic Pupil Transportation Aid	434,909
Integration Transportation Aid	1,291,719
Advanced Placement Testing Aid	98,162
Other/One time Aids	2,329,791
Total State Categorical Aid	**$12,980,841**

Special Education Aid is paid to offset the additional expense associated with serving students with special needs. This aid formula provides approximately 68 percent of salary of special education teachers and aides. It also contains factors for special education transportation costs, supplies and equipment, and contracted special education services. The state appropriation for this aid was increased substantially in 2007. Still, the appropriation does not cover the full cost, so the aid is still pro-rated. For FY14, school districts can expect to receive only 85% of the revenue that the formula would provide if fully funded.

Special Education Excess Cost Aid is paid via an aid formula that is triggered when a district's expenditures for special education exceed certain thresholds. This aid is volatile, and is very difficult to predict. The state appropriation for this aid is expected to be insufficient to fund more than about 66% of the aid that the formula would provide if fully funded.

School to Work Special Education Aid, formerly a separate aid category, is now included in the regular special education aid formula.

Integration Aid is revenue of $129 per pupil unit to provide services relating to voluntary integration programs. There is a tax levy component to this also.

Alternative Attendance Aid is aid of $351 per pupil unit for students who reside in Minneapolis and attend school in Wayzata under integration programs.

Nonpublic Pupil Transportation Aid is aid to offset the cost of providing transportation to District residents who attend nonpublic schools.

Integration Transportation Aid is paid to reimburse the District for the cost of transporting students who come to Wayzata under a voluntary integration program ("Choice is Yours.") This aid also covers the cost to transport Wayzata students to two integration magnet schools: Fine Arts interdisciplinary Resource (F.A.I.R.) School in Robbinsdale, and the Interdistrict Downtown School in Minneapolis.

Advanced Placement Testing Aid is aid paid to offset the cost of advanced placement tests for high school students.

Property Tax Levy

The District's property tax levy is limited by state law. The property tax components in the general fund for 2013-2014 are as follows:

Referendum Levy	$19,037,652
Technology levy	5,520,323
Integration Levy	474,080
Building Lease Levy	2,316,905
Ice Arena Operating Levy	275,059
Safe Schools Levy	500,437
Operating Capital Levy	2,204,015
Alternative Facilities Levy	1,724,668
Equity Levy	930,343
Transition Levy	14,012
Secondary Vocational Levy	194,835
Alternative Compensation Levy	978,192
Reemployment Levy	57,100
Abatements Prior Year Adjustments	877,204
Health and Safety	796,233
Adjustment for Estimated Tax Delinquency	(50,000)
Total Property Tax Revenue	**$ 35,851,058**

Referendum Levy

This levy requires voter approval. In 2009 Wayzata voters approved an increase in the levy to $1,609.08 per pupil unit, which is above the maximum that state law allows for Wayzata. The district levied the maximum allowed--$1,604.43 per pupil unit. Inflation in future years will eventually raise the state maximum to reach or exceed the full amount approved by the voters. (Some districts are grandfathered in at higher amounts, and rural districts are exempt from the state maximum limits.)

Technology Levy (also known as Capital Projects Levy)

This is a voter-approved levy. This money can be spent only on technology and telecommunications (including staffing).

Integration Levy

This levy is used to support integration and diversity education programs.

Building Lease Levy

This levy is for payment of costs to rent space for instructional purposes or storage. The largest single lease is the lease/purchase agreement for the athletic bubble at Central Middle School. Also included in this levy is the District's share of leased space for District 287 special education programs. Also included are short-term athletic facility leases, such as ice time for hockey teams.

Ice Arena Operating Levy
This levy is for the net operating costs of the District ice arena.

Safe Schools Levy
This levy is $36 per pupil unit for 2013-2014. The money can be spent for a variety of security items, ranging from personnel to technology.

Operating Capital Levy
Operating capital revenue in previous years was all state aid; now districts must levy for much or all of the revenue. This revenue is for equipment, building construction projects, and textbooks.

Alternative Facilities Levy
New in 2012-13, this is to pay the costs of major building maintenance projects as approved by the School Board in its 2 year and 10 year facility plans.

Equity Levy
Is additional money for districts whose revenue from other sources is low compared to the highest revenue districts in the region.

Transition Levy
Is a "grandfather" provision. Some aid formula changes regarding Limited English Proficiency and Alternative Learning Center students reduced aid for districts, and this provision allows districts to levy for the lost revenue.

Secondary Vocational Levy
Is a levy to pay for secondary vocational programs.

Alternative Compensation Levy
This levy is to pay the additional costs of a merit-based compensation plan for teachers. There is a state aid component to this as well.

Judgment Levy
Districts can levy for the cost of court-ordered judgments imposed on them. This amount is Wayzata's share of a judgment against Intermediate District 287, of which Wayzata is a member.

Reemployment
This levy is for costs of reemployment compensation. This is actually a negative adjustment for prior years.

Adjustments for Tax Abatements
Tax abatements are property tax assessment adjustments for prior years. When these occur, the district loses tax revenue, which is recovered through an additional levy amount.

Tax Delinquency
Adjustments are necessary because not all taxes are paid in a timely fashion.

Federal Aid

Federal aid in the general fund budget for the 2013-2014 school year totals $3,033,792. Of this amount, most is for special education programs. Most federal programs have restrictions as to how the money can be spent. Even when increases in federal aid are enacted, the money can seldom be used to fund existing positions or programs; instead it must be used to "supplement, not supplant" existing expenditures.

Other Revenue

This catchall category includes a number of revenue sources, most of which are local in nature (i.e. not state or federal aid).

The major categories are:

Other Local Revenue	$ 428,476
Tuition	140,000
Investment Income	0
Fees from Patrons	1,087,460
Gate Receipts	123,520
Miscellaneous	27,445
Total	**$1,806,901**

Other Local Revenue
This includes a variety of items. Private music lessons of $95,000 are included here. There are Local Collaborative Time Study grants of $124,300. Also included is a federal "e-rate" rebate on telecommunication costs of $41,000.

Tuition
Tuition is paid by other school districts, usually for special education services to students who are not residents of Wayzata. (In Minnesota, special education costs are normally the responsibility of the school district where the child's parents reside.) On occasion, but rarely, tuition is paid by a student's family, usually when they are residents of another state or country.

Investment Income
This is interest earned on cash balances held by the District.

Fees from Patrons
These fees consist of athletics participation fees ($367,340), parking fees ($125,000), and advanced placement testing fees ($36,800), ice arena rentals ($37,000), and music instrument rental fees ($13,000). Rental fees of $265,500 to cover the operating costs of the athletic bubble are included. Also, this category includes $327,150 in fees for field trips.

Gate Receipts
Are the admission charges for athletic events.

County Apportionment
State Law requires that certain fees and fines collected by the county must be allocated to school districts. These fees in turn are subtracted from state aid, so there is no net gain to the district.

General Fund Expenditures

Technology Levy

The capital projects levy revenue for technology in FY 2014 is $5,520,323. This amount is transferred out of the general fund and into the construction fund. The actual expenditure items will be accounted for in the construction fund.

The budgeted amounts for this levy include the following:

Equipment	$2,078,893
Personnel	1,737,416
Consulting/fees for service	162,000
Repairs/maintenance	332,000
Supplies/materials	915,000
Other	295,014
Sub-total	**$5,520,323**

The focus of this program is curriculum and classroom technology, particularly expansion of classroom tools: projection and soundfield systems, smartboards, and software.

- The focus of the Technology Levy for the 2013-2014 school year remains curriculum and classroom technology. All regular grades K-12 have been outfitted with projector and sound fields.
- With the increase of classroom tools, there is a need to upgrade the network storage capacity and backup system. Teachers simply need more space to store their curriculum related data, videos and other classroom files.
- I-pads continue to be leased as part of the My Way individualized learning initiative.

Transportation Expenditures

The transportation budget is increased by $186,140 over the 2012-13 budget. This is primarily attributable to an increase in transportation rates for the District's contract with First Student. State transportation aid reimburses the district for most of this increased amount.

Health and Dental Insurance

The District has a self-insurance plan for employee health insurance with stop-loss coverage for extraordinarily high claims. Premiums in the aggregate have been increased by 2.5% for FY14. The employee/employer share of this increase depends on the employee's bargaining unit contract. Dental premiums remained the same as in the prior year.

Allocations

Amounts distributed to schools and other offices for supplies and similar expenses remained the same as in the prior year.

Expenditures by Category
2013-2014

Object	Amount
Salaries	$ 70,710,554
Benefits	20,829,063
Purchased Services	18,296,010
Supplies/Material	3,323,461
Capital	2,769,627
Misc. & Other	567,220
Transfer to Other Funds	7,244,991
Total	**$ 123,740,926**

The school district budget consists of the following types of expenditures. About 75 cents of each dollar will be spent for salaries and employee benefits.

Salaries ($70.7 million)
Regular salary related to personnel positions, extra-curricular assignments, overtime, substitute cost.

Employee Benefits ($20.8 million)
Health, Dental, Life, Long-term disability, workers' compensation, retirement plans and recording of post-retirement benefits for current employees. Health insurance costs are of great concern from a budgeting standpoint. The district's rates have been very stable since 2002. The rate increase in the district's self-insured health plan this year was 2.5%.

Purchased Services ($18.3 million)
Includes consultants, postage, insurance, repair and maintenance services, transportation contracts, travel/conferences, payments to other districts and tuition.

Supplies & materials ($3.3 million)
Textbooks, instructional supplies, office and custodial supplies, computer software, and related copier costs. Includes fuel for buildings.

Capital ($2.8 million)
Replacement and additional equipment, facilities repair and maintenance, vehicles, and computer equipment.

Miscellaneous and Other expenditures ($0.6 million)
Includes all expenses that cannot be classified as above.

Transfer to Other Funds ($7.2 million)
Includes transfer of technology levy and Health and Safety levy to Construction Fund; also some transfers from General Fund to Community Services Fund.

Expenditures by Program

GENERAL FUND

CHANGE IN EXPENDITURES BY PROGRAM
BUDGET 2012-2013 VS. BUDGET 2013-2014

PROGRAM DESCRIPTION	PROGRAM CODE	BUDGET 2012-2013	BUDGET 2013-2014	CHANGE
Administration	000-099	$4,163,360	$3,926,711	$(236,649)
District Support Services	100-199	4,168,390	4,039,901	(128,489)
Regular Instruction (Elem/Sec)	200-299	56,247,785	56,538,476	290,691
Vocational Instruction	300-399	2,663,904	2,485,310	(178,594)
Special Education Instruction	400-499	15,810,435	15,948,721	138,286
Instructional Support Services	600-699	10,064,782	9,581,728	(483,054)
Pupil Support Services	700-799	11,514,995	11,578,685	63,690
Sites & Buildings	800-899	10,745,462	11,885,086	1,139,624
Fiscal & Other Fixed Program Costs, Transfers to Other Funds	900-999	8,134,655	7,756,308	(378,347)
GRAND TOTALS-- ALL PROGRAMS		**$123,513,768**	**$123,740,926**	**227,158**

ADMINISTRATION: Includes all costs for general administration, instructional administration and school site administration. This area covers the school board, superintendent, principals, and directors.

DISTRICT SUPPORT SERVICES: Consists of activities related to general administrative support not listed above. This area covers federal programs, human resources, government relations, school elections, and miscellaneous district administration not otherwise classified. Anticipated salary increases and district contingency reserves have temporarily been budgeted here.

ELEM/SEC REGULAR INSTRUCTION: Consists of all activities dealing directly with the teaching of pupils, the interaction between teachers and pupils in the classroom and co-curricular activities at the kindergarten, elementary and secondary levels.

Expenditures by Program
(continued)

VOCATIONAL INSTRUCTION: Courses and activities which develop knowledge, skills, attitudes and behavioral characteristics for students seeking career exploration and employability.

SPECIAL EDUCATION INSTRUCTION: Activities providing learning experiences for pupils of any age who, because of certain atypical characteristics or conditions, need, or who would benefit by, educational programs different from those provided pupils in regular or vocational instruction.

INSTRUCTIONAL SUPPORT SERVICES: Activities for assisting the instructional staff with the content and process of providing learning experiences for pupils in kindergarten through twelfth grade.

PUPIL SUPPORT SERVICES: Includes all services provided to pupils who do not qualify to be classified as instructional services (counseling/guidance, health, psychological, social work, transportation, other)

SITES & BUILDINGS: Activities related to the acquisition, operation, maintenance, repair and remodeling of all physical plant, facilities and grounds of the school district.

FISCAL & OTHER FIXED COSTS: Fiscal and fixed cost activities that are not recorded elsewhere.

GENERAL FUND

CHANGE IN EXPENDITURES BY CATEGORY
BUDGET 2012-2013 VS. BUDGET 2013-2014

OBJECT DESCRIPTION	OBJECT CODE	BUDGET 2012-2013	BUDGET 2013-2014	CHANGE
SALARIES	100	$68,936,712	$70,710,554	$1,773,842
BENEFITS				
FICA/Medicare	210/211	4,994,409	5,144,487	150,078
Pension	214/218	4,310,475	4,443,776	133,301
Hlth/Dtl/Life/LTD	220	9,325,074	9,557,038	231,964
TSA & All Other	200	1,840,081	1,683,762	(156,319)
Total 200 Series		20,470,039	20,829,063	359,024
PURCHASED SERVICES				
Prof/Tech Svc	305	5,670,715	6,004,769	334,054
Utilities	330	2,049,745	1,945,245	(104,500)
Property/Liability Ins	340	309,015	333,103	24,088
Transportation	360	7,232,466	7,298,695	66,229
Tuition, Pmts-Other Dists Other	390	2,493,207	2,714,198	220,991
Total 300 Series		17,755,148	18,296,010	540,862
SUPPLIES/MATERIALS				
General Supplies	401-409	4,247,941	1,175,203	(3,072,738)
Instructional Supplies	430/433	1,251,532	1,173,423	(78,109)
Fuel	440/441	61,500	58,000	(3,500)
Textbooks	460	760,730	748,399	(12,331)
Library Books	470	55,305	55,951	646
All Other	400	115,490	112,485	(3,005)
Total 400 Series		6,492,498	3,323,461	(3,169,037)
CAPITAL	500	1,454,483	2,769,627	1,315,144
MISC/OTHER	810 - 899	730,948	492,220	(238,728)
TRANSFERS--OTHER FUNDS	910	7,673,940	7,319,991	(353,949)
GRAND TOTAL		123,513,768	123,740,926	227,158

Personnel

Wayzata Public Schools has five collective bargaining units. Principals, teachers, custodial and maintenance employees, food service employees, and clerical employees are organized for bargaining purposes. In addition, some administrative and confidential employees, referred to as "unaffiliated," are not in a collective bargaining unit.

The number of FTE personnel is increased slightly for 2013-2014 over the preceding year due to increases in enrollment.

- The complement of employees for 2012-2013 and 2013-2014 is as follows:

	2012-2013	**2013-2014**
Teachers	722.25 FTE	737.15 FTE
Secretaries	46.75 FTE	49.0 FTE
Paraprofessionals	325.00 FTE	325.94 FTE
Custodians and Maintenance	76.00 FTE	74.375 FTE
Principals **(includes assistant principals)**	19.00 FTE	19.00 FTE
Culinary Express	70 employees	70 employees
Unaffiliated	66 employees	66 employees

*Para FTE based on 6.5 hours

Operating Capital Expenditures

Operating capital revenue is allocated by state law based on a formula that considers the number of pupils in the District and the average age of District facilities. For Wayzata Public Schools, the formula will provide an estimated $204.05 per pupil unit in 2013-14 for a total of $2,610.910. This money can only be used for capital expenditures as defined in state law.

The District chose to accelerate $5 million in energy efficiency improvements in 2009. The principal and interest payments are subtracted from operating capital revenue and transferred to service the debt issued to finance these improvements. In addition, session laws 2013 allow the District to utilize operating capital revenue for general operations of the district. Due to the fact that the district is eligible to participate in the alternative facilities program, net revenues remaining for operating capital expenditures is $1,367,000.

In this budget the District's operating capital revenue is allocated as follows:

Basic facilities repair and maintenance	$ 50,000
Allocated to buildings for projects	170,000
Special assessments/taxes	25,000
Copier leases	232,000
Tractor lease (3)	24,000
Zamboni lease	21,886
Replacement of classroom furniture & equipment	75,000
Furniture – enrollment changes	25,000
Textbooks	450,000
Special education equipment	10,000
Building and grounds equipment & vehicles	140,000
Administration	10,000
Piano replacement	8,000
Orchestra	20,000
Band	28,000
Phy Ed	25,000
Damage contingency	53,114
Total Capital Revenue/Expense	**$ 1,367,000**

Independent School District 284
Wayzata, Minnesota

2013-2014 Preliminary Budget
General Fund
Revenue and Expenditure Budgets

REVENUE		
Local Tax		$ 35,851,058
State General Education Aid		$ 82,110,670
Other State Aid and Local Revenue		$ 1,806,901
Federal Aid		$ 3,033,792
Total Revenue		**$ 122,802,421**
EXPENDITURES		
Salaries		$ 70,710,554
Benefits		$ 20,829,063
Salaries and Benefits		$ 91,539,617
Non-Employment		$ 32,201,309
Total Expenditures		**$ 123,740,926**

Independent School District 284
Wayzata, Minnesota

2013-2014 Preliminary Budget
General Fund

Change In Fund Condition Analysis

FUND CONDITION	
Unassigned Balance, July 1, 2012	**$ 12,213,904**
Budgeted Revenue 2012-2013	$ 108,787,364
Budgeted Expenditures 2012-2013	$ 108,819,698
Net 2012-2013 fund balance change	$ (32,334)
Estimated Unassigned balance, June 30, 2013	**$ 12,181,570**
Preliminary revenue budget 2013-2014	$ 111,643,240
Preliminary expenditure budget 2013-2014	$ 111,677,279
Net 2013-2014 fund balance change	$ (34,039)
Preliminary Unassigned balance, June 30, 2014	**$ 12,147,531**

Culinary Express
Food Service Fund

Culinary Express is the District department that provides meal services and nutrition education services in Wayzata Schools. Over 7,000 lunches are served each day, and over 1,250,000 meal equivalents are served each year. Lunch prices for FY 2014 remain unchanged from the prior year.

Prices are as follows:

	2012-13	2013-14
Elementary	$2.50	$2.50
Secondary	$2.85	$2.85
Adult	$3.65	$3.65
Milk	.50	.50

All revenues and expenses associated with the program must be accounted for in a separate fund. By law, these revenues can only be spent to provide school lunches and pay certain closely related expenses.

Revenues consist of:

- Lunch sales to student and adults
- A-La-carte sales to students and adults
- Federal aid (generally, commodities)
- State aid provided on each lunch served
- Federal subsidies for food served to students from families with low incomes
- Catering sales to groups using the schools

Expenses consist primarily of food and labor costs.

Revenue, expense, and fund balance information follows. In the preliminary budget, expenditures exceed revenues by $263,181.

Independent School District 284
Wayzata, Minnesota

2012-2013 Budget and 2013-2014 Preliminary Budget

Food Service Fund

Revenue

Revenue	**2012-2013**	**2013-2014**
Lunch Sales	$3,996,623	$4,071,903
Federal aid	$1,045,750	$1,080,163
State aid	$ 131,750	$ 136,200
Other Local Revenue	-0-	-0-
Total Revenue	**$5,174,123**	**$5,288,266**

Expenses

Expenditures	**2012-2013**	**2013-2014**
Salaries/Benefits	$2,185,060	$2,268,147
Food	$2,289,975	$2,400,000
Other	$804,150	$883,300
Total Expenditures	**$5,279,185**	**$5,551,447**

Surplus/(deficit)	**$ (105,062)**	**$ (263,181)**

Food Service Fund Condition

Fund Condition	
Balance, July 1, 2012	**$1,336,877**
Estimated revenue 2012-2013	$5,174,123
Estimated expenditures 2012-2013	$5,279,185

Estimated Balance, June 30, 2013	**$1,231,815**
Proposed 2013-2014 revenue budget	$5,288,266
Proposed 2013-2014 expenditure budget	$5,551,447
Projected Balance, June 30, 2013	**$ 968,634**

Community Services

Community Education programs provide school district residents with the opportunity to use educational facilities and programs during non-school hours. Community Education programs are also available to K-12 students during the summer. Major programs include Adult Basic Education, Wishes (after-school enrichment program), Home Base (latch-key programs), Wayzata Plus (kindergarten combined with latch-key to provide full-day services), and Peppermint Fence Nursery School and other Early Childhood Family Education programming.

The Community Education Department also schedules the use of the district's facilities outside of school hours, including athletic facilities.

Fiscal Year 2014 revenue is budgeted at $8,534,970 for an increase of 11.46% when compared to FY 2013. Expenditures are budgeted at $8,786,835 for an increase of 13.65%.

The increases in revenue and expense are primarily attributable to increased costs in the category of school-aged care and an increase in the number of Wayzata Plus Program for kindergarten offerings after the boundary changes and with 12 additional classrooms. The District is able to offer 16 sections of fee-based all-day kindergarten. School-aged care comprises over 60% of the Community Education budget in Wayzata.

Independent School District 284
Wayzata, Minnesota

2012-2013 Budget and 2013-2014 Preliminary Budget

Community Services

Revenue	**2012-2013**	**2013-2014**
Local Tax	$ 1,402,000	$ 1,532,119
Fees and charges	$ 5,828,698	$ 6,559,071
State aids and grants	$ 401,812	$ 418,780
Interest income	$ -0-	$ -0-
Transfers	$ 25,000	$ 25,000
Total Revenue	$ 7,657,510	$ 8,534,970

Expenditures	**2012-2013**	**2013-2014**
Salaries/Benefits	$ 6,440,220	$ 7,105,145
Non-Employment	$ 1,290,982	$ 1,681,690
Total Expenditures	$ 7,731,202	$ 8,786,835

Difference	**$(73,692)**	**$(251,865)**

Community Services Fund Condition

Fund Condition	
Balance, July 1, 2012	$ 1,335,929
Estimated revenue 2012-2013	$ 7,657,510
Estimated expenditures 2012-2013	$ 7,731,202
Estimated Balance, June 30, 2013	**$ 1,262,237**

Proposed 2013-2014 revenue budget	$ 8,534,970
Proposed 2013-2014 expenditure budget	$ 8,786,835
Projected Balance, June 30, 2014	**$ 1,010,372**

Health and Safety Activity

Wayzata Public Schools continues to budget all activities associated with Health and Safety projects separately. Types of projects within this activity include hazardous substance removal, fire and safety code repair systems, indoor air quality, ADA and OSHA compliance, and asbestos removal.

Any single Health and Safety project may not exceed $500,000 in cost. Projects that exceed $500,000 must be financed via a separate provision known as the Alternative Facilities program. The Alternative Facilities program is quite similar to the Health and Safety program in most respects. However, the Minnesota Department of Education requires that expenditures for Alternative Facilities projects be recorded in the Construction Fund. Alternative facilities revenue is initially received in the Health & Safety account, then transferred to the Construction Fund.

In Wayzata, Health and Safety revenue and Alternative Facilities revenue consists entirely of property tax revenue. State approval of each project is required before the district can collect the revenue. This program often runs at a deficit in the school district due to the structure of the financing mechanism for the program, although currently Wayzata carries a positive balance. There is sometimes a long elapsed time period between a project's inception and the collection of the tax levy funding the project, and it is often not feasible or advisable to delay projects until the revenue is in hand.

Health and Safety revenue for FY 2014 is $696,140, and Alternative Facilities revenue is $1,724,668 (to be transferred to the construction fund for expenditure). The total expenditure for health & safety will be $1,005,581. The excess of expenditures over revenues of $309,441 will utilize a portion of the restricted fund balance for Health and Safety and is primarily attributed to the times of completion of projects over the summer that cross fiscal years.

Independent School District 284
Wayzata, Minnesota

2013-2014 Preliminary Budget

Health & Safety

Balance, July 1, 2012	**$ 119,616**
Estimated Revenue 2012-2013	$1,070,901
Estimated Expenditures 2012-2013	$1,190,517
Estimated Balance, June 30, 2013	**$ -0-**

Revenue Budget 2013-2014	$ 696,140
Expenditure Budget 2013-2014	$1,005,581

Estimated Balance, June 30, 2014	**$(309,441)**

Note: According to State law, the Health and Safety balance may go into deficit at June 30th. As property taxes are received in May and June, but not recognized per UFARS until subsequent July, the District will be fully reimbursed for the $309,441 deficit projected on June 30, 2014.

Construction Fund

The construction fund is used for three purposes:

- Expenses of construction projects financed with bond proceeds;
- Expenses of alternative facilities projects; and
- Expenses associated with the capital projects (technology) levy.

The revenue budget is $7,244,991. This is comprised of $5,520,323 from the general fund for the capital projects levy, and $1,724,668 for alternative facilities projects.

The expenditure budget is $16,131,372. This includes an alternative facilities project as approved by School Board in its 2 year facility plan and technology expenditures of $5,520,323. Any unused amounts will be carried forward to further years.

2012-2013 Budget and 2013-2014 Preliminary Budget

Construction Fund

Revenue

Revenue	**2012-2013**	**2013-2014**
Technology Levy	**$5,582,408**	**$5,520,323**
Alternative Facilities Levy	**$2,066,532**	**$1,724,668**
Bond Proceeds	**$ -0-**	
Total Revenue	**$7,648,940**	**$7,244,991**

Expenses

Expenditures	**2012-2013**	**2013-2014**
Salaries/Benefits	$1,900,000	$1,900,000
Equipment	$4,000,000	$4,000,000
Capital Improvements	$5,000,000	$5,000,000
Other	$3,231,950	$5,231,372
Total Expenditures	**$14,131,950**	**$16,131,372**

Excess Revenue Over Expenditures	**$(6,483,010)**	**$(8,886,381)**

Beginning Fund Balance	**$15,433,822**	**$8,950,812**
Ending Fund Balance	**$8,950,812**	**$64,431**

Debt Service Fund

The debt service fund is designated to account for revenues and expenditures associated with redemption of bonds issued by the school district. These bonds were issued to finance the acquisition, improvement and equipping of the district's buildings. By state law, debt service revenues and expenditures must be maintained in a separate fund.

Revenue consists of local taxes levied to pay the obligations, plus interest earnings on the balance in the fund. Expenses consist of principal and interest on bonds, plus a small amount for bank fees, service fees, etc.

The district's underlying bond rating by Moody's Investors Service is Aaa and the district's underlying bond rating by Standard & Poor's is AAA. This rating was upgraded and affirmed in April 2012, when the district issued bonds. These ratings are the highest received of any school district in the State of Minnesota.

The debt service fund budget for FY 2014 shows revenue of $11,240,078 and expense of $10,972,051. The fund balance is projected to increase to $2,464,192 by June 30, 2014. The District may have a bond issuance for new projects in FY 2014. However, a mid-year budget amendment will be submitted to the Board for approval at that time.

Independent School District 284
Wayzata, Minnesota

2012-2013 Budget and 2013-2014 Preliminary Budget

Debt Service Fund

Revenue	**2012-2013**	**2013-2014**
Local Tax	$ 11,042,710	$ 11,239,478
State Aid	$ 555	$ 600
Interest	$ -0-	$ -0-
Sale of Bonds	$ -0-	$ -0-
Bond Premium	$ -0-	$ -0-
Transfer of Funds	$ -0-	$ -0-
Total Revenue	$ 11,043,265	$ 11,240,078

Expenditures	**2012-2013**	**2013-2014**
Bond Principal--Current	$ 9,065,000	$ 8,830,000
Bond Principal--Refunding	$ -0-	$ -0-
Bond Interest	$ 2,155,661	$ 2,136,626
Bank Fees & Others	$ -0-	$ 5,425
Total Expenditures	$ 11,220,661	$ 10,972,051

Difference	**$ (177,396)**	**$ 268,027**

Debt Service Fund Condition

Fund Condition	
Unreserved Balance, July 1, 2012	**$ 2,373,561**
Estimated revenue 2012-2013	$ 11,043,265
Estimated expenditures 2012-2013	$ 11,220,661
Estimated Balance, June 30, 2013	**$ 2,196,165**

Proposed 2013-2014 revenue budget	$11,240,078
Proposed 2013-2014 expenditure budget	$10,972,051
Projected Balance, June 30, 2014	**$ 2,464,192**

2012-2013 School Year Highlights

Wayzata Public Schools strives each year to be a "model of excellence among learning communities" and regularly achieves accomplishments that demonstrate the overall quality of the district. The highlights for the 2012-13 school year include the following:

- 432 seniors took 903 Advanced Placement Classes and 703 Advanced Placement Exams
- 22 National Merit Scholarship Finalists
- WHS Math Team won its sixth consecutive state championship and won the Moody's Mega Math Competition
- State and section champions in girls soccer, girls cross country, girls Nordic skiing, boys tennis and synchronized swimming
- 15 students one first and second place Minnesota Scholastic Art Awards with three students continuing on and winning National Scholastic Art Awards
- Mike Doyle, adapted physical education teacher at WHS named Minnesota Association for Health, Physical Education, Recreation and Dance Teacher of the Year
- Sheila Peterson named 2012-13 Debate Coach of the Year by the Minnesota Debate Teachers Association
- Seven seniors earned perfect scores on the ACT exam
- One senior earned a perfect score on the SAT exam
- Jim Westrum, Executive Director of Finance and Business named 2013 School Business Official of the Year by the Minnesota Association of School Business Officials
- Ninth grade math program received the Star of Innovation Award from the Minnesota Association of Secondary School Principals for its success with increasing math scores and participation
- Multiple teams from elementary through high school earned top places at both state and national Destination ImagiNation competitions

Basic Fund Structure

To understand this budget document, it is helpful to know that there are a number of legal restrictions on how school districts must spend and account for the public funds that they receive. Because of state requirements, Wayzata Public Schools must separate its money into six major areas. They are as follows:

- **General Fund** – Used for all operating expenses for the general purposes of the school district. This fund includes salaries and benefits for teachers, principals, custodians, secretaries, paraprofessionals, and administrators; cost of supplies, textbooks, transportation contracts, utilities, repairs, equipment, and so on.

- **Health and Safety** – Used for essential improvements to district buildings related to protecting the health and safety of the occupants. Expenditures for asbestos removal, fire safety, indoor air quality, and the like can be made with money in this fund. It is actually a subpart of the general fund, but we account for these funds separately in Wayzata, largely because the amounts spent can fluctuate widely from year to year, distorting the apparent spending patterns. Health and Safety money comes from the property tax levy. State approval of all expenditures is required before the District can collect this tax.

- **Food Service Fund** – Used for all expenses related to operating the Culinary Express Department, including food, salaries, benefits, supplies, and equipment. Food Service revenues come primarily from the sale of meals to students and adults. Some federal and state aid is also provided.

- **Community Services Fund** – Used for expenses related to community education programs such as Early Childhood Family Education, Adult Basic Education, Home Base (after-school and summer child care programs), WISHES (summer enrichment programs), and Community Education Programs. Community Services revenue primarily comes from fees charged for the programs, and property tax revenue dedicated to community services.

- **Building Construction Fund** – Used for expenses of major building projects. Proceeds from sale of bonds authorized in an election are placed in this fund. Under recent changes in law and state policy, this fund now is also used for alternative facilities projects (health and safety projects exceeding $500,000) and for the capital projects levy (technology levy).

- **Debt Service Fund** – Used to pay the debt service on bonds sold to finance construction. These are akin to a homeowner's payments on a mortgage.

Why is all of this important? - It is important to be aware of the fund structure because, ***with very few exceptions*****, money cannot be transferred from one fund to another**. So, for example, raising school lunch prices or Home Base tuition is not a solution to a shortfall in the general fund. Similarly, money in the debt service fund or the construction fund cannot be used to pay teacher salaries.

Table I on page 5 shows the revenue and expenditure budgets by fund for Wayzata Public Schools for 2013-14.

Agenda Item 5

WAYZATA PUBLIC SCHOOLS

Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION

Special Meeting – June 24, 2013

ITEM: 5. Approval of Revised Budget for 2012-13

COMMENTS BY: Mr. Westrum

The following adjustments are primarily due to minor grants received, alternative facility, deferred revenue, and carryover from 2011-12.

Fund	Revenue	Expenditure
General Fund	$120,040,071	$123,513,768
Food Service	$5,174,123	$5,279,185
Community Service	$7,657,510	$7,731,202
Building Construction	$7,648,940	$14,131,950
Debt Service	$11,043,265	$11,220,661
Total	$151,563,909	$161,876,766

RECOMMENDED ACTION: Approve the revised budget for 2012-2013 as presented.

Motion by:_____ Yes_____ Passed_____

Second by:_____ No_____ Failed_____

Abstentions_____

Agenda Item 6

WAYZATA PUBLIC SCHOOLS

Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION

Special Meeting – June 24, 2013

ITEM: 6. Approval of Offering State Funded All Day Kindergarten 2014-2015

COMMENTS BY: Mr. Westrum

At the school board work session on Monday June 17, 2012, the Board of Education discussed the fact that the Minnesota Legislature authorized full funding of All Day Kindergarten effective with the 2014-2015 school year. The School Board expressed its intent to offer state funded All Day Kindergarten effective with the 2014-2015 school year and in subsequent years.

The administration provided the educational, financial and facility related implications. The school board directed the Superintendent to begin planning to offer state funded All Day Kindergarten effective with the 2014-2015 school year.

RECOMMENDED ACTION: Direct the Superintendent to begin planning to offer state funded All Day Kindergarten effective with the 2014-2015 school year.

Motion by:_____ Yes _____ Passed_____

Second by:_____ No _____ Failed_____

Abstentions _____

Agenda Item 7

WAYZATA PUBLIC SCHOOLS

Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION

Special Meeting – June 24, 2013

ITEM: 7. RESOLUTION DIRECTING THE SUPERINTENDENT TO PETITION TO THE COMMISSIONER FOR A LEASE LEVY LIMIT EXCEPTION TO OFFER ALL DAY KINDERGARTEN 2014-15 AND IN SUBSEQUENT YEARS

COMMENTS BY: Mr. Westrum

At the school board special work session on Monday June 17, 2013, the Board of Education discussed the decision of the Minnesota Legislature to authorize full funding of All Day Kindergarten effective with the 2014-2015 school year. The School Board expressed its intent to offer state funded All Day Kindergarten effective with the 2014-2015 school year and in subsequent years.

The administration provided the educational, financial and facility related implications. The school board directed the superintendent to begin planning to offer state funded All Day Kindergarten effective with the 2014-2015 school year.

The administration has determined that additional space will be required to offer state funded All Day Kindergarten effective with the 2014-2015 school year and in subsequent years. A discussion on how to best provide for the need of this additional space was had. With the high likelihood that certain spaces may be repurposed and an alternative space will be needed, the administration will begin looking for additional space. In addition, a plan to finance the costs of acquiring or leasing additional space was also discussed.

Minnesota Statutes 126C.40 Capital Levies provides authority for an independent school district to apply to the commissioner to rent or lease a building or land for any instructional purposes if it is found to be economically advantageous and it determines that the operating capital revenue authorized under M.S. 126C.10, subdivision 13 is insufficient for this purpose. The District currently is utilizing this authority to finance the elementary building additions at three of the District's elementary schools.

As the District is currently near the cap for this lease levy authority, the District must work closely with the Minnesota Department of Education. The commissioner of education may authorize a school district to exceed the limit in M.S. 126C .40 paragraph (e) if the school district petitions the commissioner for approval. The commissioner shall grant approval to a school district to exceed the limit in paragraph (e) for not more than five years if the district meets the following criteria:

(1) the school district has been experiencing pupil enrollment growth in the preceding five years;

(2) the purpose of the increased levy is in the long-term public interest;

(3) the purpose of the increased levy promotes colocation of government services;

(4) the purpose of the increased levy is in the long-term interest of the district by avoiding over construction of school facilities.

RECOMMENDED ACTION: Approve the RESOLUTION DIRECTING THE SUPERINTENDENTTO PETITION TO THE COMMISSIONER FOR A LEASE LEVY LIMIT EXCEPTION TO OFFER ALL DAY KINDERGARTEN 2014-15 AND IN SUBSEQUENT YEARS.

Motion by: _____ ROLL CALL Passed _____

Second by: _____ VOTE Failed _____

WAZATA PUBLIC SCHOOLS
Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION
Special Meeting – June 24, 2013

RESOLUTION
DIRECTING THE SUPERINTENDENT TO PETITION TO THE COMMISSIONER- LEASE LEVY LIMIT EXCEPTION TO OFFER ALL DAY KINDERGARTEN 2014-15 AND IN SUBSEQUENT YEARS

Whereas, the Minnesota Legislature authorized full funding of All Day Kindergarten effective with the 2014-2015; and

Whereas, the School Board of Independent School District 284 – Wayzata intends to offer All Day Kindergarten to its Kindergarten students effective with the 2014-2015 school year and in subsequent years; and

Whereas, the District has determined that additional space will be required to offer All Day Kindergarten effective with the 2014-2015 school year and in subsequent years; and

Whereas, Minnesota Statutes 126C.40 Capital Levies provides authority for an independent school district to apply to the commissioner to rent or lease a building or land for any instructional purposes if it is found to be economically advantageous and it determines that the operating capital revenue authorized under M.S. 126C.10, subdivision 13 is insufficient for this purpose; and

Whereas, the commissioner of education may authorize a school district to exceed the limit in M.S. 126C .40 paragraph (e) if the school district petitions the commissioner for approval; and

Whereas, the commissioner shall grant approval to a school district to exceed the limit in paragraph (e) for not more than five years if the district meets the following criteria:

(1) the school district has been experiencing pupil enrollment growth in the preceding five years;

(2) the purpose of the increased levy is in the long-term public interest;

(3) the purpose of the increased levy promotes colocation of government services;

(4) the purpose of the increased levy is in the long-term interest of the district by avoiding over construction of school facilities; and

Now therefore be it resolved, that the School Board directs the Superintendent to Petition to the Commissioner- Lease Levy Limit Exception to offer All Day Kindergarten 2014-15 and in subsequent years in accordance with M.S. 126C .40 paragraph (e).

RECOMMENDED ACTION: RESOLUTION DIRECTING THE SUPERINTENDENT TO PETITION TO THE COMMISSIONER- LEASE LEVY LIMIT EXCEPTION TO OFFER ALL DAY KINDERGARTEN 2014-15 AND IN SUBSEQUENT YEARS

WITNESS MY HAND officially as such recording officer this ____ day of June, 2013.

_____
School Board, Clerk

Agenda Item 8

WAYZATA PUBLIC SCHOOLS
Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION

Special Meeting – June 21, 2013

AGENDA SECTION: 8. AUDIENCE OPPORTUNITY TO ADDRESS SCHOOL BOARD

ITEM:

COMMENTS BY: Board Chair Droegemueller

This section of the agenda provides an opportunity for members of the audience to address the School Board.

Agenda Item 9

WAYZATA PUBLIC SCHOOLS
Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION

Special Meeting – June 24, 2013

AGENDA ITEM: 9. ADJOURN

COMMENTS BY: Board Chair Droegemueller

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_____