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BOARD OF EDUCATION

Special Meeting - September 27, 2021 - 4:00 PM
Wayzata Public Schools District Office
210 County Road 101 North
Plymouth, Minnesota 55447

AGENDA

1. **CALL TO ORDER/ROLL CALL**
2. Finance and Operations
 - A. Preliminary Levy Certification 2
 - B. RESOLUTION PROVIDING FOR OPEN-ENROLLMENT NON-RESIDENT AGREEMENT FOR 2022-2023 11
3. Human Resource Services
 - A. Teachers' Retirement Association Part-Time Teacher Program 13
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5. **ADJOURN**



BOARD OF EDUCATION
Special Meeting – September 27, 2021

AGENDA SECTION: Finance and Business Services

ITEM: Preliminary Payable 2022 Property Tax Levy

COMMENTS BY: DeeDee Kahring, Executive Director, Finance and Operations

Preliminary Levy Limitation and Certification 2021 – Taxes Payable 2022

Minnesota law requires school districts to certify their proposed tax levy payable in 2022 to the county auditor on or before September 30, 2021. We have recently received the levy data from the Minnesota Department of Education and have analyzed the details. A summary written analysis of the proposed levy is included for your review. The attached levy analysis was reviewed by the School Board Finance Committee members and the Citizens Financial Advisory Council members for reasonableness.

The Minnesota Department of Education is still in the process of adjusting school district levies and will provide districts with updated reports if changes are made. While most components of the levy are materially accurate and complete, the District administration recommends that the Board levy a preliminary amount in all funds. If the Board of Education approves the maximum allowed, the county auditor will automatically include any positive adjustments to the levy. Otherwise, the final levy amount cannot exceed the preliminary levy amount, except for some very limited exceptions. The District administration recommends that the Board of Education adopt this preliminary levy at the “maximum” amount allowed by state statute.

The Board will set the final levy certification amounts at its regular board meeting in December 2021.

Recommended Action: Approve the Preliminary Levy Limitation and Certification for 2021, payable 2022, at the “maximum” amount allowed by the state.

Motion by: _____

ROLL CALL

Passed: _____

Second by: _____

Failed: _____

Abstentions: _____



DeeDee Kahring, Executive Director, Finance & Operations
210 County Road 101 North, P.O. Box 660 | Wayzata, MN 55391-0660
763-745-5023 | Fax: 763-745-5091 | DeeDee.Kahring@wayzataschools.org

To: Members of the Board of Education
Dr. Chace B. Anderson, Superintendent of Schools

From: DeeDee Kahring, Executive Director, Finance and Operations

Date: September 20, 2021

Subject: Recommendation of the Payable 2022 Preliminary Property Tax Levy Certification to Finance a Portion of the 2022-2023 School Year Operations

The District has received the Payable 2022 Preliminary Levy Limitation and Certification document from the Minnesota Department of Education (MDE). Based on state authorization, enclosed are several exhibits summarizing the District’s preliminary property tax levy for your consideration.

The District’s payable 2022 levy must be certified by the Board of Education by September 30, 2021. Therefore, it is necessary that the District certifies a preliminary tax levy at the special meeting scheduled for Monday, September 27, 2021. Typically, once the District has submitted its preliminary tax levy certification to the county auditor, it can only be increased with authorization from the Minnesota Department of Education. However, individual items may be decreased by the Board of Education prior to final approval, which will occur in December 2021.

The District’s property tax levy is allocated to individual parcels of property within the District using formulas based upon market values assessed by Hennepin County. The preliminary estimate of the District’s total assessed market value has increased by \$915.87 million from \$14.84 billion to almost \$15.76 billion. This represents approximately a 6.0% increase in market value and includes existing and new properties. A sample of individual parcel school property tax estimates will be available prior to approval of the final levy scheduled in December.

Legislative actions combined with revenue formulas, student enrollment growth and fluctuations in individual taxpayer’s market value add complexity to a school district’s local property tax levy. The purpose of this document is to discuss the significant changes that have occurred in the payable 2022 levy and to provide clarity to the Board of Education and to the community

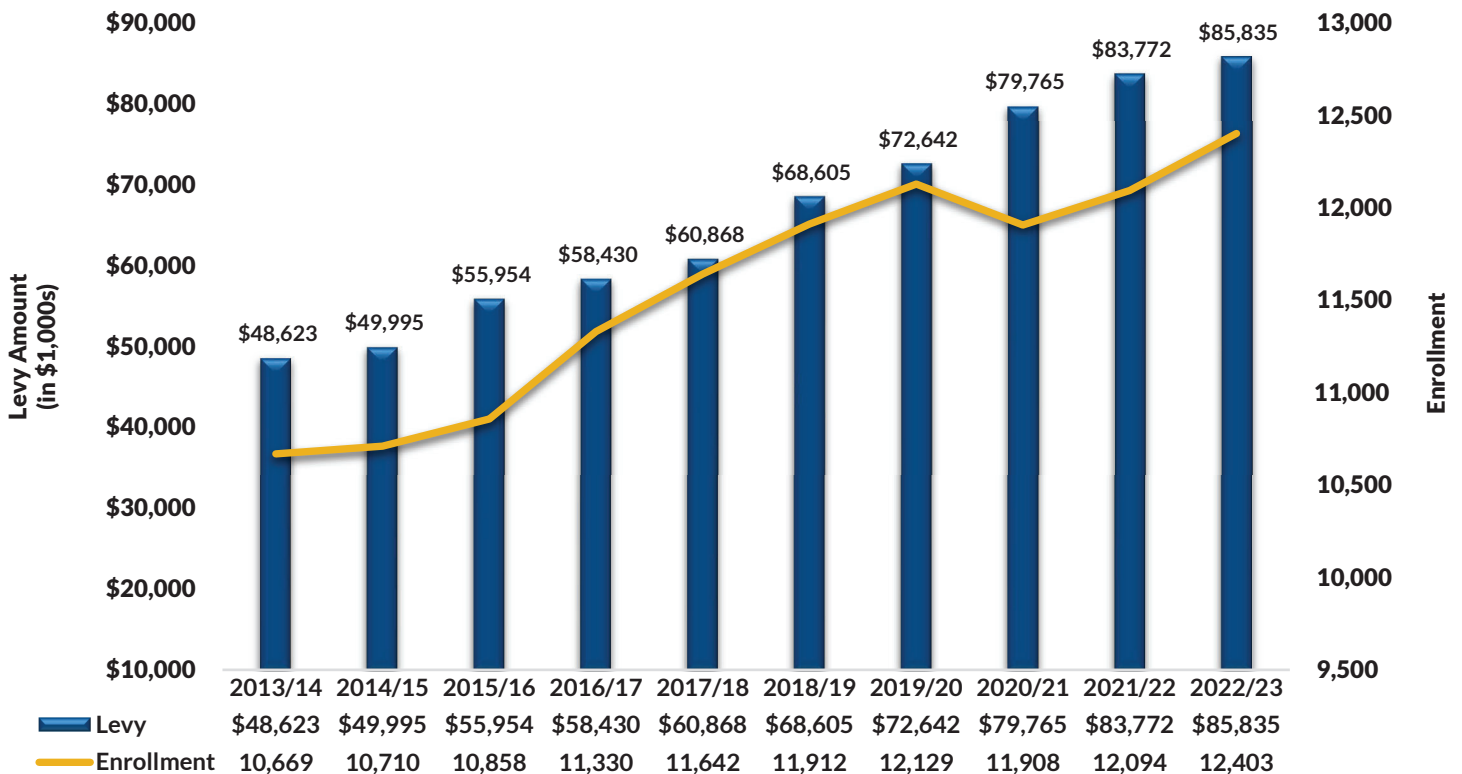
PROPOSED PROPERTY TAX LEVY

The District's total preliminary levy for taxes payable in 2022 is \$85.8 million. This levy amount represents an overall increase of just over \$2.0 million or 2.46% from the previous year.

The table below shows a comparison of the preliminary levy payable in 2022 with the District's certified levy payable in 2021. While the levy detail is presented by fund, it is important to focus on the District's total payable 2022 levy when comparing to the total payable 2021 levy.

<u>Fund</u>	<u>2022 Proposed Levy</u>	<u>2021 Certified Levy</u>	<u>Change (\$)</u>	<u>Change (%)</u>
General	\$67,202,463	\$66,503,536	\$698,928	1.05%
Community Service	2,105,551	2,177,497	(\$71,946)	(3.30%)
Debt Service	16,527,148	15,090,755	\$1,436,393	9.52%
Total Levy	<u>\$85,835,162</u>	<u>\$83,771,787</u>	<u>\$2,063,375</u>	<u>2.46%</u>

Year over year changes to the District's property tax levy are due to some or all of the following: legislative actions, enrollment changes, voter approved referendum, population changes, market values, debt service payments and to a lesser degree, District decisions. The following chart displays the District's total levy and enrollment history over the last decade:



As displayed on the chart above, the District has experienced strong student enrollment growth in recent years (excluding the pandemic year). Over the last five years, the District's total levy increase (excluding the voter approved bonds in 2014 and 2017) has averaged 4.1%. With the District's robust residential growth in the northern part of the District, the corresponding growth in tax capacity has served to minimize the tax impact to the property owners for increases to the District's levy. The following pages provide a detailed analysis of the levy by fund.

GENERAL FUND

Exhibit I is a detailed analysis of the proposed levy recommendation for the General Fund. Overall, the General Fund levy increased by 1.05% or \$698,928.

Projected enrollment growth translates directly into an increase to the District's total operating referendum levy. It is important to note that the District's levy amounts also include adjustments for changes in final 2019-2020, projected 2020-21 and 2021-22 enrollment. Due to the COVID-19 pandemic and subsequent one-time loss of enrollment, the District's actual enrollment for 2020-2021 and projected enrollment for 2021-2022 are lower than prior year projections. This has resulted in negative adjustments to the payable 2022 operating referendum revenue in the amount of \$3,491,625.

District voters authorized an annual capital projects levy which funds technology expenditures such as student and staff devices, district-wide technology infrastructure, and technology access and support. The payable 2022 capital projects levy is \$8.9 million, approximately \$500,000 more than the prior year as it is directly tied to the increase in the net tax capacity of the District.

The District levies Long-Term Facilities Maintenance (LTFM) revenue to finance deferred maintenance projects on school facilities, improve accessibility, and meet health and safety requirements. In order to receive revenue, the Board of Education must annually approve a ten-year plan which is subsequently submitted to the MDE for approval. For the payable 2022 levy the District will levy \$16.8 million, an increase of \$3.8 million from the prior year, including adjustments. The additional revenue will finance projects throughout the District and can be carried over from year to year until projects are completed.

The General Fund levy also includes several other levies that are primarily formula driven and have changed either due to revised estimates, enrollment fluctuations or increases in the District's tax capacity. These levy amounts are authorized by statute and the District must levy for each component or risk losing the revenue, or in some cases, lose a corresponding state aid.

Due to the significant change from the prior year levy, the reemployment levy warrants additional discussion. This levy represents the cost of unemployment expenditures that the District has either incurred or is expected to incur in the next fiscal year. The Minnesota Employment and Economic Development office administers the state's unemployment claims and Minnesota school districts are billed directly for actual claims that are paid. The District levied \$400,000 for this category on the payable 2021 levy in anticipation of greater unemployment claims due to the pandemic. With unemployment claims greatly reduced compared to the height of the pandemic, the District administration believes it prudent to reduce the payable 2022 reemployment levy to \$50,000.

The Other Post-Employment Benefits (OPEB) levy represents the unfunded actuarial accrued liability (UAAL) as calculated by the District's actuary under the Government Accounting Standards Board Statement No. 75 (GASB 75). The District administration also pays close attention to abatements and to other adjustments as large swings can have a large impact on the District's total levy. These amounts are calculated by the MDE.

Overall, each individual component of the General Fund levy has been reviewed for reasonableness and accuracy with the corresponding formula that drives its calculation. The District administration recommends approval of presented amounts.

COMMUNITY SERVICE FUND

Exhibit II is a detailed analysis of the proposed levy recommendation for the Community Service Fund. These levies are based on statewide tax rates applied to all property in the state. Statewide revenue formulas continue to generate slight increases in revenue due to District population growth. The school age care levy amount is estimated to be \$875,000, a reduction of \$25,000 from the prior year. The reduction to the school age care levy combined with prior year adjustments result in a slight decrease to the Community Service Fund levy of \$71,946, or 3.3%.

DEBT SERVICE FUND

Exhibit III is a detailed analysis of the proposed levy recommendation for the Debt Service Fund. The District is required to levy 105.0% of scheduled principal and interest payments. To compensate for this, negative debt excess adjustments are made in subsequent years. To ensure that the District has enough funds available to meet the debt service requirements of debt that may be issued in the future, the District administration has requested authorization from the MDE to retain all of the calculated debt excess of approximately \$1.0 million on the payable 2022 levy. Retention of the debt excess results in a total debt service levy of \$16.5 million. While the Debt Service Fund levy increased by 9.5%, the District's tax capacity increased by 6.0%, mitigating the tax impact to taxpayers.

In July 2021, the District issued the Series 2021A Taxable General Obligation Refunding Bonds to advance refund the Series 2014A and Series 2014B General Obligation School Bonds on February 1, 2023. While the refunding will yield savings of over \$13.3 million over the life of the bonds, the transaction was structured so that the savings begin with the payable 2024 levy.

SUMMARY

The Payable 2022 Preliminary Property Tax Levy represents the total impact, across all funds, of the legislated property tax levy authority. As the state continues to refine the more than 40 pages of formulas that derive levy amounts, it is important to note that minor changes may still occur. The state allows local school boards to simply approve a "maximum" preliminary levy certification to allow changes made until September 30th which will then be reflected in the parcel specific notices mailed out this fall. The District administration recommends that the Board of Education approve the maximum levy amount. The Board of Education retains the option to subsequently reduce the amount of the levy prior to certifying the levy at its December 13, 2021 meeting.

TRUTH IN TAXATION LAW

The public will have the opportunity to speak to the Board of Education about Wayzata Public Schools' Tax Levy at the regular school board meeting on December 13, 2021, at 7:00 p.m. If you have questions regarding the enclosed materials or desire additional information, please contact me at 763-745-5023 or deedee.kahring@wayzataschools.org.

Independent School District 284 - Wayzata Public Schools
 Payable 2022 Property Tax Analysis
 Proposed General Fund Levy

	<u>2022 Proposed Levy</u>	<u>2021 Certified Levy</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Referendum Levy Authority*	\$24,965,430	\$25,710,243	(\$744,813)	(2.98%)
Prior Year Adjustments	(\$2,508,871)	(\$787,062)	(\$1,721,809)	
Local Optional (Location Equity)	9,754,111	10,345,619	(591,508)	(6.06%)
Prior Year Adjustments	(910,880)	(54,768)	(856,112)	
Equity Revenue	959,466	1,018,368	(58,903)	(6.14%)
Prior Year Adjustments	(70,274)	(1,247)	(69,027)	
Transition Revenue	15,946	16,910	(964)	(6.05%)
Prior Year Adjustments	(1,600)	(152)	(1,447)	
Capital Projects Levy (Tech Levy)*	8,867,336	8,362,888	504,449	5.69%
Operating Capital	1,769,034	1,615,314	153,719	8.69%
Alternative Teacher Compensation (Q Comp)	1,126,570	1,238,568	(111,998)	(9.94%)
Achievement & Integration	696,811	715,606	(18,795)	(2.70%)
Reemployment (State Unemployment)	50,000	400,000	(350,000)	(700.00%)
Safe Schools	486,490	515,902	(29,412)	(6.05%)
Safe Schools Intermediate 287	202,704	214,959	(12,255)	(6.05%)
Ice Arena	265,000	265,000	-	0.00%
Career Technical Education	695,364	633,700	61,664	8.87%
Other Post-Employment Benefits (OPEB)	810,633	662,658	147,975	18.25%
Long-Term Facilities Maintenance	16,846,298	13,030,506	3,815,792	22.65%
Health & Safety	-	-	-	
Lease Levy	3,629,771	3,758,238	(128,468)	(3.54%)
Abatements	95,306	160,014	(64,708)	(67.90%)
Other Adjustments	(542,180)	(1,317,727)	775,548	(143.04%)
Total General Fund Levy	<u><u>\$67,202,463</u></u>	<u><u>\$66,503,535</u></u>	<u><u>\$698,928</u></u>	<u><u>1.05%</u></u>

Notes:

* These levy categories represent voter-approved revenue sources indexed for inflation or student enrollment growth.

** Includes several prior-year levy adjustments due to more current and accurate data.

Independent School District 284 - Wayzata Public Schools
 Payable 2022 Property Tax Analysis
 Proposed Community Service Fund Levy

	<u>2022 Proposed Levy</u>	<u>2021 Certified Levy</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Basic Levy	\$515,599	\$486,966	\$28,633	5.55%
Early Childhood Levy	452,232	450,182	2,050	0.45%
Home Visitation Levy	10,096	9,032	1,063	10.53%
Adults with Disabilities	7,500	7,500	-	0.00%
School Age Care	875,000	900,000	(25,000)	(2.86%)
Abatements and Prior-Year Adjustments	245,124	323,816	(78,692)	(32.10%)
Total Community Service Fund Levy	<u>\$2,105,551</u>	<u>\$2,177,497</u>	<u>(\$71,946)</u>	<u>(3.42%)</u>

Independent School District 284 - Wayzata Public Schools
 Payable 2022 Property Tax Analysis
 Proposed Debt Service Levy

	<u>2022 Proposed Levy</u>	<u>2021 Certified Levy</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Levy of 105% of Principal and Interest	\$10,725,383	\$11,823,965	(\$1,098,583)	(10.24%)
Debt Excess (Refunded to Taxpayers)	-	(406,017)	406,017	-
Capital and Alternative Facilities Bonds	5,734,908	3,786,325	1,948,583	33.98%
Debt Excess (Refunded to Taxpayers)	-	(130,017)	130,017	-
Abatements and Prior Year Adjustments	66,857	16,498	50,359	75.32%
Total Debt Service Fund Levy	<u><u>\$16,527,148</u></u>	<u><u>\$15,090,755</u></u>	<u><u>\$1,436,393</u></u>	<u><u>9.52%</u></u>



BOARD OF EDUCATION
Special Meeting – September 27, 2021

AGENDA SECTION: Administrative Reports and Recommendations

ITEM: Finance and Business Services Recommendations

COMMENTS BY: DeeDee Kahring, Executive Director, Finance and Operations

Resolution Providing for Open Enrollment Non-Resident Agreement for 2022-2023

According to Minnesota Statute 124D.03, Subdivision 2, the School Board may, by resolution, limit the enrollment for nonresident pupils in its schools or program according to this section to a number not less than the lessor of:

- 1) One percent of the total enrollment at each grade level in the district; or
- 2) The number of district residents at that grade level enrolled in a non-resident district according to this section.

Recommended Action: Approve the resolution to close open enrollment for 2022-2023 in grades 1-12 and to maintain one percent of open enrollment students per grade with priority given to siblings of current open enrolled families and children of staff members.

Motion by: _____

ROLL CALL

Passed: _____

Second by: _____

Failed: _____

Abstentions: _____

**RESOLUTION PROVIDING FOR OPEN-ENROLLMENT
NON-RESIDENT AGREEMENT FOR 2022-2023**

WHEREAS, in accordance to Minnesota Statute 124D.03, Subdivision 2, a Board may, by resolution, limit the enrollment for nonresident pupils in its schools or program according to this section to a number not less than the lessor of:

- 1) One percent of the total enrollment at each grade level in the district; or
- 2) The number of district residents at that grade level enrolled in a non-resident district according to this section;

RECITAL, the administration recommends the following open enrollment guidelines for school year 2022-2023:

- Close open enrollment in grades 1-12.
- In accordance with state law, offer and accept enrollment to kindergarten students with a currently enrolled sibling. The 2022-2023 kindergarten students will be placed at an elementary school that has anticipated capacity.
- In accordance with state law, offer and accept enrollment to kindergarten students with a parent who is currently employed by the district. The 2022-2023 kindergarten students will be placed at an elementary school that has anticipated capacity.
- If the required minimum number of open enrolled students is not met with siblings and/or children of employees, then a lottery will be executed to reach the minimum number to satisfy the one percent of open enrolled students per grade requirement.

WITNESS MY HAND officially as such a recording officer this ____ day of September 27, 2021.

School District Clerk

WAYZATA PUBLIC SCHOOLS
Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION

Special Meeting – September 27, 2021

AGENDA SECTION: 3. Approval of Agenda and Consent Agenda Items

ITEM: A. Teachers’ Retirement Association Part-time Teacher Program

COMMENTS BY: Ms. Stacie Vos

Part-time licensed staff who have taught a minimum of three (3) full years are eligible to participate for up to ten (10) years in the Teachers’ Retirement Association’s (TRA) Part-Time Teacher Program.

TRA retirement benefits are based on the years of service credit earned by the member and the individual’s high-five average salary. In the teacher plans covering K-12 teachers, the high-five average salary is the average salary for pension purposes for the five successive years that produce the highest average. Generally, the high-five average salary occurs during the last five years prior to termination of service and retirement. An individual who worked part-time as a teacher late in their career could harm the high-five average if the individual were not in the qualified part-time teacher program. Participants must pay both the employee and employer share of the TRA. Annually, the School Board must approve the District’s participation in this program.

RECOMMENDED ACTION: Approve participation in the Teachers’ Retirement Association (TRA) Part-Time Teacher Program.

Motion by: _____ Yes _____ Passed _____

Second by: _____ No _____ Failed _____

Abstentions _____



BOARD OF EDUCATION

Special Meeting – September 27, 2021

AGENDA SECTION: Other Board Action

ITEM: Board Appointment Recommendation to Fill Vacated Board Seat

COMMENTS BY: Andrea Cuene, School Board Chair

Recommendation to Appoint School Board Director to Vacated Seat

At the August 31, 2021 and September 9, 2021 special meetings, School Board Chair Andrea Cuene announced Board Director Seanne Falconer’s intent to resign from the School Board effective September 10, 2021. Seanne Falconer’s resignation is the result of relocating outside of the District after accepting a new role. Seanne Falconer served the District as a School Board Director from January 1, 2020 through September 9, 2021.

The options available to school boards for filling vacated seats were shared by Chair Cuene at the August 31, 2021 and September 9, 2021 special meetings. Chair Cuene also announced the following at the September 13, 2021 regular meeting:

“Seanne Falconer resigned from the School Board effective September 9, 2021. As a reminder, at our special meeting on August 31, the School Board discussed the process we’ll be using to fill this vacant seat. The Board was in agreement that we will follow District precedent and explore our ability to appoint a past school board member who has the knowledge and experience to hit the ground running and join us in our work as soon as possible. The School Board is also open to appointing a past School Board candidate or a community member who has experience volunteering in the district. This process is underway, and we will continue to update the public as we look forward to appointing a new Board member at a future School Board meeting.”

After discussing the available options and considering the many recent leadership changes within the District, the Board’s preference was to explore the option of appointing a former School Board member who would be willing to serve from October 28, 2021 through January 9, 2023. Chair Cuene was given the responsibility to contact former School Board members who have served in recent years to assess their interest in serving during the time period described above. A permanent School Board member for this vacancy will be elected through a Special School Board Election to be held on November 8, 2022.

It is recommended that former School Board Director Jay Hesby be appointed to fill the School Board vacancy effective October 28, 2021. Jay Hesby’s term will continue through calendar year 2022 and up to such time when the School Board Director elected on the November 8, 2022 Special Election assumes duties on January 9, 2023. Jay Hesby previously served on the School Board from January 2008 through December 2015.

Recommended Action: Approve the accompanying resolution and appoint Jay Hesby to fill the School Board Director seat vacated by Seanne Falconer, effective October 28, 2021.

Motion by: _____

ROLL CALL

Passed: _____

Second by: _____

Failed: _____

Abstentions: _____

WAYZATA PUBLIC SCHOOLS
Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION
Special Meeting – September 27, 2021

Member _____ moved the adoption of the following Resolution to appoint a School Board Director:

WHEREAS school board director Seanne Falconer provided written notification of her resignation from the school board due to moving out of the district, effective September 10, 2021; and

WHEREAS pursuant Minnesota Statute 123B.09, subd. 5b, when a school board director is unable to serve on the school board, the school board must declare such vacancy exists before the office can be filled; and

WHEREAS a special board meeting was held on September 9, 2021 to declare a vacancy; and

WHEREAS effective September 10, 2021 the school board declared an indefinite vacancy exists in the office of a school board member with a term expiring January 9, 2023. A special election to fill the vacancy will be held no later than the first Tuesday after the first Monday in November 2022, with that elected board member serving the remainder of the term, anticipated to begin on January 9, 2023 and expire on January 8, 2024; and

WHEREAS the school board considered past board members, school board candidates and community members/volunteers for the appointment; and

WHEREAS the board has appointed a former school board member when a vacancy previously occurred; and

WHEREAS a permanent school board member for the vacancy will be elected at a special school board election on Tuesday, November 8, 2022, to complete the original term ending in January 2024; and

WHEREAS the appointment becomes effective 30 days after the board passes a resolution making the appointment.

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

Jay Hesby is appointed to fill the school board vacancy effective Thursday, October 28, 2021. Jay Hesby's term will continue through the end of calendar year 2022 and up to such time when a newly elected school board member from the November 8, 2022 special election assumes duty at the January 2023 regular school board meeting anticipated to occur on January 9, 2023.

The motion for the adoption of the foregoing resolution was duly seconded by

_____.

On a roll call vote, the following voted in favor:

and the following voted against:

whereupon said resolution was declared duly passed and adopted.

Dated: September 27, 2021

BY ORDER OF THE SCHOOL BOARD

Bonita Lucky, Clerk