

Finance Committee Meeting

Monday, December 5, 2022 7:30 AM

Faribault Public Schools District Office, 710 17th Street SW, Faribault, MN 55021

I. Business Items

I.A. Welcome our newest Finance Committee Member
Roxanne Hill

I.B. Approve Minutes from the November 14, 2022
meeting

I.C. Approve Tuesday, January 17, 2023 for our next
Finance Committee meeting

I.D. Approve Finance Committee application for David
Campbell

II. Contracts, Agreements, Bids and Grants for Review

II.A. Approve Lowest Responsible Bidder for the
Roosevelt Elementary School Boiler and Chiller
project

II.B. Approval of the Cyber Security Policy for
CY 2023

III. Financial Performance

III.A. November 2022 Student Enrollment

IV. Financial Strategies

IV.A. Approval of the 2022 Pay 2023 Property
Tax Levy

V. Next Meeting - Tuesday January 17, 2023 7:30am

VI. Adjourn - ACTION

FINANCE COMMITTEE MINUTES

The meeting was held remotely via Google Meet

November 14, 2022

7:30 a.m.

Members in Attendance:

Jamie Bente, Scott Gerdes, Chad Wolff, Christopher Nelson, Courtney Cavellier, John Bellingham, Joel Olson, Stacy Fox, Rob Dehnert, Meghan Knutson, Jason Engbrecht

Others in Attendance:

Lisa Engbrecht, Janet Lewis Muth, Zach Pruitt, Katherine Schultz, Eric Weiss

Members Absent:

Meeting was called to order at 7:30 am

1. Business Items

- a. Motion by Mr. Bellingham to approve the minutes from the October 17, 2022 Finance Committee Meeting, second by Mr. Bente. Motion passed.
- b. Motion by Ms. Cavellier to approve Roxanne Hill's application for membership on the finance committee. Second by Mr. Wolff. Motion passed

2. Contracts, Agreements, Bids and Grants for Review

- a. Ms. Schultz presented the proposal to add an additional FACES position and the equity reasoning behind it. Motion by Ms. Cavellier to approve, seconded by Mr. Engbrecht. Motion passed.
- b. Mr. Pruitt and Ms. Lewis Muth presented the DHS grant that would run through 2025 and provide the district half of a million dollars which would need to be spent by March 2023, and would require hiring a full time project coordinator. Motion by Mr. Wolff to approve, seconded by Mr. Bellingham. Motion passed.
- c. Mr. Bente presented a proposal to add a music teacher at Jefferson to achieve equity in education throughout our elementary schools. Motion by Mr. Engbrecht to approve, seconded by Ms. Cavellier. Motion passed.
- d. Mr. Pruitt presented the renewal of the ongoing HCI contract for grant administration, particularly RISE and the 21st Century grants. All funds for the contract are provided by grants. Motion by Mr. Bellingham to approve, seconded by Mr. Bente. Motion passed.
- e. Mr. Denhert and Ms. Engbrecht presented a proposal to hire and additional SPED teacher due to the increasing number of children needing services. Motion by Mr. Wolff to approved, seconded by Ms. Cavellier. Motion passed.

- f. Eric Weiss from TPL presented the plan for the Jefferson playground area and TPL's role in the RFP process. Motion by Mr. Engbrecht to begin RFP, seconded by Ms. Cavellier. Motion passed.

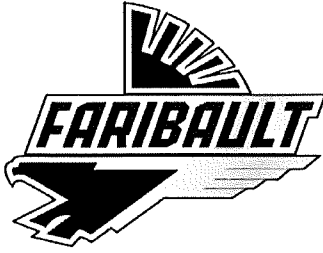
3. Financial Performance

- a. Mr. Gerdes shared that the October ADM was up from budget by 76 students when factoring in PSEO.
- b. Mr. Gerdes presented the October comparative financial reports, pointing out that the self insurance fund is continuing to increase.
- c. Mr. Gerdes presented the October investment report, noting that cash is somewhat up, but several grants are held up in the approval process, once they're approved and billed, cash will continue to go up.
- d. Mr. Gerdes presented the analytical reports, pointing out that so far things are going roughly as expected, with investments continuing to lose money because of the market, and food service continues to do well.

4. Next Meeting December 5, 2022 at 7:30am.

5. Motion by Mr. Wolff to adjourn the meeting, seconded by Mr. Olson. Meeting adjourned at 8:34am.

Respectfully submitted by Christopher Nelson



Mission Statement

Faribault Public Schools strives to empower, engage, and energize all students through its commitment to a quality education and creating an effective learning environment.

Faribault Public Schools Finance Committee Membership Application

Name: David Campbell
Address/Location (if a district employee): 2215 13th St NW Faribault
Home Phone: 507-330-1614 Work Phone: 507-330-1614
E-mail: dave and jenny @ teamyellownow.com

What is your connection to the school district? (Please check all that apply.)

Parent Student Volunteer District Resident Employee Other _____

Current or recent (within the last 1-3 years) experience related to financial management of a large organization (i.e. cash flow, issuance of bonds, financial modeling, insurance, entity-wide financial decisions. Please be specific and attach additional pages, if necessary).

1) Currently serving on City of Faribault EDA Board

2) Currently serving on City of Faribault Planning Commission

3) _____

What motivated you to apply for this committee, and how do you believe that your membership will benefit the school district?

I want to learn more about how our school dist works, strengths and weaknesses, I hope to make a positive contribution.

Please review terms of membership on next page and email completed applications to Andrew Adams, Director of Finance & Operations at sgerdes@faribault.k12.mn.us.

Terms of Membership

1. Each community member term is 3 years with a max of two-3 year terms.
2. Nominees accepted at the May or June Finance Committee meeting or as openings arise.
3. New Finance Committee member begins in July or August, whichever has the first finance committee meeting for the year.
4. Anyone that is finishing their term is encouraged to find their own replacement.
5. Members are expected to attend 9-11 meetings each year.
6. The committee shall have a maximum of four community members.

<u>Current Membership</u>	<u>Position</u>	<u>Term Ends</u>
Jason Engbrecht	Community Member	12/31/2024
Roxanne Hill	Community Member	11/30/2025
OPEN	Community Member	6/30/2025
OPEN	Community Member	6/30/2025
Courtney Cavellier	School Board Member	N/A
John Bellingham	School Board Member	N/A
Chad Wolff	School Board Member	N/A
Chris Hanson	Controller	N/A
Joel Olson	High School Principal	N/A
Rob Dehnert	Director of Special Services	N/A
Scott Gerdes	Director of Finance & Operations	N/A
Stacy Fox	Middle School Principal	N/A
Jamie Bente	Superintendent	N/A



710 17th St. SW, Faribault, MN 55021

Office: 507-333-6000 | Fax: 507-333-6050

Memorandum

To: Finance Committee

From: Kain Smith, Director of Buildings & Grounds

Date: Dec 5, 2022

Re: Request to accept bid for new boilers & chiller at Roosevelt Elementary School

Proposal: Accept lowest bid from New Line Mechanical

Rationale: The chiller at Roosevelt Elementary School is in need of repair due to multiple freon leaks. Based on the scope of this project, we gain financial efficiencies by replacing the boiler at the same time. This project was put out for bid and we request approval of the lowest responsible bidder. This project will be funded from the balance of the 2020A bond proceeds and LTFM funding.

Thank you for your consideration.

Bid Tabulation

Roosevelt Elementary School Boiler Replacment

Faribault, Minnesota



Project Number: 22-27000

Bid Letting Time & Date: 2:00 P.M. - Tuesday, November 22, 2022

Contractor	Bid Bond	Responsible Contractor Form	Add. #1	Base Bid
Brennan Construction	x	x	x	\$1,497,900.00
Ryan Mechanical	x	x	x	\$1,171,000.00
New Line Mechanical	x	x	x	\$877,000.00
Hardy Plumbing and Heating	x	x	x	\$943,000.00
Davis Mechanical Systems	x	x	x	\$1,085,000.00
NAC	x	x	x	\$1,299,000.00

NOVEMBER 29, 2022

Kain Smith
Director of Building & Grounds
ISD 656 Faribault School District
1051 Faribault Road
Faribault, MN 55021
ksmith@faribault.k12.mn.us

RE: Letter of Recommendation

Kain,

On November 22nd 2022, Bids were received for the Roosevelt Elementary School Boiler Replacement Project . A total of six bids were received ranging from \$1,497,900 to \$877,000, refer to the attached bid tabulation form.

New Line Mechanical proposed the lowest Contract Sum of the submitted bids. New Line Mechanicals bid amount was \$877,000.

On Monday November 28th, 2022, ISG completed a bid qualification process with Chad Severson of New Line Mechanical. Based on that qualification process, New Line Mechanical has indicated that they understand the project schedule requirements and project scope.

Based on this qualification process, it is our understanding that they comprehend the project schedule, scope, and that their bid is reflective of the bid specifications and drawings.

Therefore, we recommend approval of New Line Mechanicals bid for the total amount of \$877,000.

Sincerely,



Justin Steffl,
Senior Project Manager
Justin.Steffl@ISGInc.com



Faribault Public Schools Memo

Date: December 5, 2022
From: Casey Rutherford, Director Educational Technology and Innovation
To: Finance Committee

Subject: Quote Approval for Cyber Liability Insurance

In November the board approved a Request for Information process for cyber liability insurance. A Cybersecurity Proposal Committee composed of Casey Rutherford (Technology Director), Scott Gerdes (Finance Director), and Brian Klier (Network Administrator) met to review four proposals that were received in this process. Our current broker did not submit a proposal. The Committee determined that two insurance brokers met the criteria requested in the RFI. Those two brokers, Gallagher and Marsh McLennan Agency (MMA), then went out to a variety of insurance markets to solicit quotes, and they brought their best quotes for the committee to review. The quote totals are summarized below.

Insurer/Broker	Total Premium Cost	General Deductible
Tokio Marine, current policy/Heartman	\$27,151	\$100,000
CFC/Gallagher	\$29,000	\$20,000
Cowbell/MMA	\$23,222.12	\$25,000

As you can see above, the deductible improvements alone justify moving from our current policy to one of the quotes we received. Both Gallagher and MMA provided a positive experience in terms of responsiveness, expertise, and guidance on improving our current posture; the proposal committee agreed unanimously that either broker would be a good fit for Faribault moving forward. Given that the coverages of the CFC and Cowbell policies are comparable, and that a deductible difference of \$5000 is palatable, the committee recommends moving forward with



📍 710 17th St. SW, Faribault, MN 55021

📞 **Office:** 507-333-6000 | **Fax:** 507-333-6050

the Cowbell policy through Marsh McLennan Agency. This will save the district almost \$4000 over our previous policy, significantly lowers our deductible, and gives access to a broker with cybersecurity expertise that includes ongoing support to improve our cybersecurity posture.

Attached is the winning quote from MMA/Cowbell.

Thank you,

Casey Rutherford
Director of Educational Technology and Innovation
Faribault Public Schools

Management Liability Insurance Proposal

Faribault Public Schools ISD 656

710 17th Street SW
Faribault, MN 55021

Presented By: Shalin Johnson

Presented On: December 1, 2022

Policy Term: January 1, 2023 to January 1, 2024

Proposal Expires On: January 1, 2023

Marketing Results

Listed below are the insurance companies approached to obtain quotations on your insurance program:

Carrier	Best's Rating	Result
Coalition	A XV	Can quote, but would not be competitive due to: Minimum premium of \$100,000 Minimum retention of \$250,000
Cowbell	A XV	Quoted, shown on following pages

Secure Best's Ratings Scale

A++ and A+	Superior
A and A-	Excellent
B++ and B+	Very Good

Vulnerable Best's Ratings

B and B-	Fair
C++ and C+	Marginal
C and C-	Weak
D	Poor

Financial Size Category

FSC I	less than 1M	FSC V	10M to 25M	FSC IX	250M to 500M	FSC XIII	1,250M to 1,500M
FSC II	1M to 2M	FSC VI	25M to 50M	FSC X	500M to 750M	FSC XIV	1,500M to 2,000M
FSC III	2M to 5M	FSC VII	50M to 100M	FSC XI	750M to 1,000M	FSC XV	greater than 2,000M
FSC IV	5M to 10M	FSC VIII	100M to 250M	FSC XII	1,000M to 1,250M		

Network Security & Privacy Liability

INSURED:	Faribault Public Schools, ISD 656
INSURER:	Palomar Excess and Surplus Insurance Company <i>(Non-Admitted)</i>
AM BEST RATING:	A XV <i>(Excellent)</i>
POLICY FORM:	Cowbell Cyber Risk Insurance Policy – Prime 250
POLICY TERM:	January 1, 2023 to January 1, 2024

CLAIMS MADE COVERAGE	2023-2024 PROPOSAL FROM COWBELL
LIMITS OF LIABILITY: (PER CLAIM & AGGREGATE)	
LIABILITY EXPENSE	
Liability Costs	\$ 1,000,000
Regulatory Costs	\$ 1,000,000
PCI Costs	\$ 1,000,000
FIRST PARTY EXPENSE	
Cowbell Breach Fund	\$ 1,000,000
Data Restoration Costs	\$ 1,000,000
Extortion Costs	\$ 1,000,000
Business Impersonation Costs	\$ 1,000,000
Reputational Harm Expense	\$ 500,000
FIRST PARTY LOSS	
Business Interruption Loss	\$ 1,000,000
Contingent Business Interruption Loss	\$ 1,000,000
System Failure	\$ 1,000,000
Cyber Crime Loss	\$ 250,000
Bricking Costs	\$ 1,000,000
Criminal Reward Costs	\$ 100,000
COVERAGE ENDORSEMENTS	
California Consumer Privacy Act (CCPA)	\$ 1,000,000
General Data Protection Regulation (GDPR)	\$ 1,000,000
Utility Fraud Attack	\$ 100,000
Media Liability	\$ 1,000,000
Cryptojacking	\$ 100,000
POLICY AGGREGATE	\$ 1,000,000
RETENTION: (PER CLAIM)	
Business Interruption Waiting Period	12 Hours
Reputational Harm Waiting Period	12 Hours
All Other	\$ 25,000

Network Security & Privacy Liability (Continued)

ANNUAL PREMIUM:	\$ 21,868.32
TRIA Premium	\$ 218.68
Underwriting Fees	\$ 450.00
Surplus Lines Tax	\$ 676.11
Stamping Fee	\$ 9.01
TOTAL ANNUAL PREMIUM:	\$ 23,222.12

RETROACTIVE DATE: Full Prior Acts

TERMS AND CONDITIONS IN ADDITION TO THE POLICY FORM:

1. Notice to Policyholders – OFAC
2. Customer Notice of Privacy Policy & producer Compensation Practices Disclosure
3. Service of Process
4. California consumer Privacy Act
5. General Data Protection Regulation
6. Utility Fraud Attack
7. Media Liability
8. Cryptjacking
9. BIPA Exclusion Endorsement
10. Cyber Terrorism Amendatory Endorsement
11. Disclosure Pursuant to Terrorism Risk Insurance Act
12. Cap on Losses from Certified Acts of Terrorism
13. Trade or Economic Sanctions Exclusion Endorsement

SUBJECT TO:

- Completed Acknowledgment Form
- Completed Non Admitted Carrier Form
- Policyholder’s contact information
- Currently Valued Loss runs, dated within the last 60 days
- Cowbell Application, signed and dated
- Within 30 days post-binding, Insured will set up a meeting with Cowbell Risk Engineering to review the Cowbell platform, complementary cybersecurity awareness training and its connectors for insights and recommendations

Payment Terms

PAYMENT TERMS:

- Direct Bill: Premium paid directly to the carrier; Installment options may be available; or
- Agency Bill: Annual premium due at policy inception to MMA; Premium financing available upon request
 - MMA provides the option to pay via credit card or echeck (ACH). The endorsed partner is SecurFee. A payment up to \$50,000 via echeck is also available with a \$4.00 flat fee.

Benefits to you:

- The convenience of paying with credit card online
- The ability to earn loyalty points from the credit card of your choosing
- Payment access 24/7/365
- Easy payment process
- AmEx, Discover, MasterCard, and VISA accepted with NO LIMIT
- <https://serviceapi.securfee.com/marshmma>

Security & Privacy Ensured:

- Information needed to process transactions is sent over a secure, encrypted internet connection
- SecurFee complies with all PCI security and privacy rules (no cardholder data is stored)
- SecurFee implements the latest data security measures, including CAPTCHA

About SecurFee

- SecurFee is an independent payment service provider, specializing in online payments with no processing fee to the merchant. They are MMA's endorsed partner for credit card payments and have built a payment portal designed specifically for our agency partners.
- www.securfee.com

Compensation Disclosure & Limitation of Liability

Marsh & McLennan Agency LLC (“MMA”) prides itself on being an industry leader in the area of transparency and compensation disclosure. We believe you should understand how we are paid for the services we are providing to you. We are committed to compensation transparency and to disclosing to you information that will assist you in evaluating potential conflicts of interest.

As a professional insurance producer, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. As an independent insurance agent, MMA may have authority to obligate an insurance company on behalf of our clients and as a result, we may be required to act within the scope of the authority granted to us under our contract with the insurer. In accordance with industry custom, we are compensated either through commissions that are calculated as a percentage of the insurance premiums charged by insurers, or fees agreed to with our clients.

MMA engages with clients on behalf of itself and in some cases as agent on behalf of its non-US affiliates with respect to the services we may provide. For a list of our non-US affiliates, please visit: <https://mma.marshmma.com/non-us-affiliates>. In those instances, MMA will bill and collect on behalf of the non-US Affiliates amounts payable to them for placements made by them on your behalf and remit to them any such amounts collected on their behalf;

MMA receives compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client.
- **Client Fees** – Some clients may negotiate a fee for MMA’s services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by MMA, the compensation to be paid to MMA, and the terms of MMA’s engagement. The fee may be collected in whole, or in part, through the crediting of retail commissions collected by MMA for the client’s placements.
- **Contingent Commissions** – Many insurers agree to pay contingent commissions to insurance producers who meet set goals for all or some of the policies the insurance producers place with the insurer during the current year. The set goals may include volume, profitability, retention and/or growth thresholds. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.

Compensation Disclosure & Limitation of Liability

- **Supplemental Commissions** – Certain insurers and wholesalers agree to pay supplemental commissions, which are based on an insurance producer's performance during the prior year. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the calendar year. This percentage remains fixed for all eligible policies written by the insurer during the ensuing year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement. Like contingent commissions, they may be based on volume, profitability, retention and/or growth.
- **Wholesale Broking Commissions** – Sometimes MMA acts as a wholesale insurance broker. In these placements, MMA is engaged by a retail agent that has the direct relationship with the insured. As the wholesaler, MMA may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail agent does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.
- **Medallion Program and Sponsorships** – Pursuant to MMA's Medallion Program, participating carriers sponsor educational programs, MMA events and other initiatives. Depending on their sponsorship levels, participating carriers are invited to attend meetings and events with MMA executives, have the opportunity to provide education and training to MMA colleagues and receive data reports from MMA. Insurers may also sponsor other national and regional programs and events.
- **Other Compensation & Sponsorships** – From time to time, MMA may be compensated by insurers for providing administrative services to clients on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally, insurers may sponsor MMA training programs and events.

We will be pleased to provide you additional information about our compensation and information about alternative quotes upon your request. For more detailed information about the forms of compensation we receive please refer to our Marsh & McLennan Agency Compensation Guide at <https://www.marshmma.com/us/compensation-guide.html>.

MMA's aggregate liability arising out of or relating to any services on your account shall not exceed ten million dollars (\$10,000,000), and in no event shall we be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits or other economic loss arising out of or relating to such services. In addition, you agree to waive your right to a jury trial in any action or legal proceeding arising out of or relating to such services. The foregoing limitation of liability and jury waiver shall apply to the fullest extent permitted by law.

Rev September 8, 2022

Credit Policy

Marsh & McLennan Agency strives to offer the highest quality of service at the most competitive price possible. Accordingly, we have the following credit policy in place to assure that your coverage is not interrupted during the policy term.

- All premiums are due on the invoice date or effective date of the insurance, whichever is later. Always submit the remittance copy with your payment. If a remittance copy is not submitted, we will apply the cash to the oldest item on the account. Also, credit memos that cannot be applied against the original invoice will be applied to the oldest items on the account unless you direct us otherwise.
- If installment payments are available and provided under insurance policy terms, you will receive an invoice for each installment. Installments are due on the effective date of the invoice. Marsh & McLennan Agency does not finance annual or installment premiums. However, should you wish to finance your premium, we can place your financing with an approved insurance premium finance company.

Your Service Team maintains the on-line access to all of your coverage, premium and accounting detail and will be able to answer most billing questions. Any other questions will be referred directly to our accounting department for immediate response. We thank you for your support and business.

Non-Admitted Carriers Disclosure

“Non-admitted Carriers” were developed for high-risk or unique exposures which conventional companies refuse to supply. A “Non-admitted Carrier” is not supported by state guarantee funds, meaning that if they fail, your premium and your insurance is probably lost. “Non-admitted Carriers” are generally not subject to regulation by your individual state insurance department therefore, the financial rating for a “Non-admitted Carrier” is of importance.

This proposed insurance coverage is being quoted to you under your State’s Surplus Lines Insurance Act. The insurer is an eligible Surplus Lines Insurer, but is not otherwise licensed by your State.

In case of insolvency of the insurer after you purchase the proposed insurance coverage, payment of claims is not guaranteed.

This policy is not included for coverage under your State’s Insurance Guaranty Association.

Name of Insurer: Cowbell/Palomar Excess and Surplus Insurance Company

I have read the foregoing notice and received a copy for my records this _____ day of _____.

Signature: _____

Date: _____

Disclaimer

No coverage is provided by this summary, nor can it be construed to replace any provision of the policy. Refer to the actual policy for complete information on the coverages provided. If there is a conflict between the policy and this summary, the provisions of the policy shall govern.

This proposal contains a brief outline of coverages and not a complete explanation of insurance being presented. It is intended to provide a summary of coverage for your review. Only the policy itself can provide a detailed description of the terms conditions, exclusions and endorsements of coverage. A complete specimen policy form will be made available upon your request. For details of coverage refer to the policy itself when issued. This document is neither a binder nor a legal interpretation of the insurance coverage.

In evaluating your exposures to loss, we are dependent upon information provided by you. You ultimately choose the values elected. If there are any areas that need to be evaluated prior to binding coverage, or should any of your exposures change after coverage is bound, please let us know so coverage can be discussed. While we will strive to place your insurance with reputable, highly rated companies, we cannot guarantee the financial stability of an insurance company.

In order to ensure that your important changes are properly communicated, please contact us as questions arise and or exposure changes occur. We must discuss how they affect your insurance program.

The changes in exposure that have an impact on your insurance program include, but are not limited to, those listed below:

- Changes to any operation such as expansion to another state, new products, etc.
- Mergers and/or acquisitions or creations of new companies or subsidiaries, or if you are considering an offer to be acquired.
- New funding, offerings, divestitures, etc.
- Any changes in ownership.
- Circumstances which may require an increase in liability insurance limits
- In the event you receive any lawsuit, written demand for monetary damages or injunctive relief, a threat (verbal or otherwise) of legal action or if circumstances exists that you feel may give rise to a claim under this policy.
- In the event that you receive Notice from a city, state or federal agency, including an administrative charge notice or notice of investigation.
- If you are making any other material business decisions, or anticipate a situation where this insurance may be activated and have questions on how it may respond.

Your insurance program will only be as good as the communication between your organization and Marsh & McLennan Agency.

Acknowledgment Form

As part of the proposal we have included optional quotations for your review, to make certain we are placing the coverage correctly on your behalf, please specify (check) the option you want us to bind.

<input type="checkbox"/>	Option 1:	Cowbell - \$1m limit with \$25k retention for \$23,222.12 total premium
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Please note the subjectivities section of the attached proposal. Binding is subject to completion and acceptance of these subjectivities.

On behalf of Faribault School District and all other persons or entities insured under the insurance policy applied for, I acknowledge and understand that by the purchase of the Network Security & Privacy Liability insurance policy applied for it imposes upon the Insureds various obligations, including those stated in the conditions section of the insurance policy. These conditions include, but are not limited to, giving the Insurer required notice and cooperation as stated in the policy, and that failure to comply with these policy terms and conditions could have the effect of limiting or precluding coverage under the insurance policy. It is further acknowledged that the obligations required to be fulfilled in the insurance policy apply to the Insured, and not Marsh & McLennan Agency or its employees or representatives, and thus Marsh & McLennan Agency, is not responsible for any liability or damages that might result from failure to comply with the terms and conditions of the insurance contract.

I understand coverage is ONLY bound when written confirmation is received from the carrier(s).

By: _____

Title: _____

On behalf of the Named Insured and all other Insureds covered by the insurance contract.

Date: _____



Marsh & McLennan Agency
6160 Golden Hills Drive
Minneapolis, MN 55416
763.746.8000

**Faribault Public Schools
Enrollment Report by Month**

School Year 2022 - 2023

	September	October	November	December	January	February	March	April	May	YTD Average	Projected		Enrollment Used for FY23 Adopted Budget		
											Tuition	Total ADM	Served @ FPS	Plus: Projected Tuition	Total
Early Childhood	64	69	70	-	-	-	-	-	-	68	2	70	62	2	64
VPK	46	46	46	-	-	-	-	-	-	46		46	46		46
Kindergarten	241	245	244	-	-	-	-	-	-	243	1	244	216	1	217
1	211	210	208	-	-	-	-	-	-	210	1	211	212	1	213
2	170	169	168	-	-	-	-	-	-	169	1	170	179	1	180
3	201	203	201	-	-	-	-	-	-	202	4	206	203	4	207
4	206	208	205	-	-	-	-	-	-	206	3	209	212	3	215
5	207	210	209	-	-	-	-	-	-	209	6	215	185	6	191
6	220	222	222	-	-	-	-	-	-	221	2	223	215	2	217
7	227	225	227	-	-	-	-	-	-	226	2	228	225	2	227
8	278	280	278	-	-	-	-	-	-	278	2	280	265	2	267
9	270	271	269	-	-	-	-	-	-	270	8	278	279	8	287
10	275	281	283	-	-	-	-	-	-	280	5	285	281	5	286
11	277	275	277	-	-	-	-	-	-	276	10	286	246	10	256
12	284	286	306	-	-	-	-	-	-	292	25	317	247	25	272
Total	3,178	3,200	3,211	-	-	-	-	-	-	3,196	72	3,268	3,073	72	3,145
		22	11	(3,211)	-	-	-	-	-						
EC-12 Average October - June		3,200	3,206	2,137	1,603	1,282	1,069	916	801				Over (Under) Budget		123
													-PSEO		79

Memorandum



To: Jamie Bente, Superintendent
School Board Members

From: Scott Gerdes, Director Finance and Operations

Re: Final 2022 Payable 2023 Levy

Date: December 5, 2022

Consider for approval the Final 2022 Pay 2023 Levy Certification for \$11,734,053.92.

I. COMPUTATION OF 2022 PAYABLE 2023 LEVY LIMITATION BY FUND (BEFORE COUNTY AUDITOR ADJUSTMENTS):

FUND	INITIAL LEVY LIMITATION	LIMITATION ADJUSTMENTS	ABATEMENT ADJUSTMENTS	OFFSET ADJUSTMENTS	TAC/MAX EFF ADJUSTMENT	MAXIMUM LEVY LIMITATION
GEN-RMV VOTER-EXEMP	3,273,873.28	468,309.85	N/A			3,742,183.13
GEN-RMV OTHER-EXEMP	2,526,152.92	122,461.60	N/A			2,648,614.52
GEN-NTC VOTER-EXEMP			N/A			
GEN-NTC OTHER-GENED	N/A	N/A	N/A	N/A	N/A	N/A
GEN-NTC OTHER-EXEMP	2,699,804.91	63,841.52-	27,114.19			2,663,077.58
TOTAL GENERAL	8,499,831.11	526,929.93	27,114.19			9,053,875.23
COM SERV-EXEMP	418,140.19	14,811.26	2,272.63			435,224.08
DEBT-VOTER-NONEXEMP	2,142,000.00	127,865.64-	18,052.63			2,032,186.99
DEBT-OTHER-NONEXEMP	226,275.00	13,507.38-				212,767.62
TOTAL DEBT SERV	2,368,275.00	141,373.02-	18,052.63			2,244,954.61
OPEB-VOTER-NONEXEMP						
OPEB-OTHER-NONEXEMP						
TOTAL OPEB/PENSION						
TOTAL	11,286,246.30	400,368.17	47,439.45			11,734,053.92

II. COMPARISON OF 2021 PAYABLE 2022 LEVY LIMITATION WITH 2022 PAYABLE 2023 LEVY LIMITATION (BEFORE COUNTY AUDITOR ADJUSTMENTS):

FUND	2021 PAY 2022 LIMITATION	2022 PAY 2023 LIMITATION	INCREASE (DECREASE)	PERCENT CHANGE
GENERAL	8,099,631.00	9,053,875.23	954,244.23	11.78
COMMUNITY SERVICE	372,008.42	435,224.08	63,215.66	16.99
GENERAL DEBT SERVICE	2,218,272.07	2,244,954.61	26,682.54	1.20
OPEB DEBT SERVICE				
TOTAL	10,689,911.49	11,734,053.92	1,044,142.43	9.77

III. COMPARISON OF 2021 PAYABLE 2022 CERTIFIED LEVY PLUS COUNTY AUDITOR ADJUSTMENTS WITH 2022 PAYABLE 2023 CERTIFIED LEVY PLUS COUNTY AUDITOR ADJUSTMENTS:

FUND	2021 PAY 2022 CERTIFIED LEVY + ADJUSTMENTS	2022 PAY 2023 CERTIFIED LEVY + ADJUSTMENTS	INCREASE (DECREASE)	PERCENT CHANGE
GENERAL	8,099,631.00			
COMMUNITY SERVICE	372,008.42			
GENERAL DEBT SERVICE	2,218,272.07			
OPEB DEBT SERVICE				
TOTAL AFTER ADJUSTMENTS	10,689,911.49			

Faribault Public Schools Proposed Property Tax Levy

Introduced to Finance Committee on September 19, 2022
1 To Be Approved (Preliminary) on September 26, 2022
To Be Heard at a Public Hearing on December 5, 2022
To Be Approved (Final) on December 5, 2022
To Be Collected on May 15, 2023 and October 15, 2023
To Be Recognized as Revenue in FY 2023-24

	Payable 2022	Payable 2023	Difference	Notes
Adjusted Pupil Units	3,603.67	3,463.61	(140.06)	estimated
Local Optional Allowance per Pupil Unit	\$ 724.00	\$ 724.00	\$ -	approved by Legislature and Governor in 2014
Voter Approved Levy per Pupil Unit	\$ 801.81	\$ 972.35	\$ 170.54	approved \$300 - \$41.62 board approved - \$258.38
Total Local Levy per Pupil Unit	\$ 1,525.81	\$ 1,696.35	\$ 170.54	1.0566% inflation estimated by MDE staff

Levies Distributed on Referendum Market Value	Payable 2022	Payable 2023	Difference	Notes
Referendum Market Value adds up all properties with value and divides the taxes in a prorated manner amongst them. This means a homeowner and a business are taxed at the same percentage. Seasonal recreational (cabins) and agricultural (farms) are excluded from these school taxes. The District's Referendum Market Value is \$2,680,862,100 for Pay23 compared to \$2,514,020,300 for Pay22, an improvement of 6.63%.				
Local Optional	\$ 2,051,151	\$ 2,086,721	\$ 35,571	State aid adds \$350,965 of funding to this number
Local Optional Adjustment	\$ 101,209	\$ 105,358	\$ 4,149	
Voter Approved Referendum	\$ 2,711,079	\$ 3,273,873	\$ 562,794	State aid adds \$-0- of funding to this number
Voter Approved Referendum Adjustment	\$ 90,880	\$ 468,310	\$ 377,430	
Board Approved Referendum	\$ -	\$ -	\$ -	Included in LOR as part of calculation modification
Board Approved Referendum Adjustment	\$ -	\$ -	\$ -	
Equity	\$ 413,432	\$ 397,345	\$ (16,087)	State aid adds \$-0- of funding to this number
Equity Adjustment	\$ 69,088	\$ 14,734	\$ (54,354)	
Transition	\$ 41,956	\$ 42,087	\$ 131	State aid adds \$-0- of funding to this number
Transition Adjustment	\$ 5,200	\$ 2,370	\$ (2,830)	
	\$ 5,483,994	\$ 6,390,798	\$ 906,804	

Levies Distributed on Net Tax Capacity	Payable 2022	Payable 2023	Difference	Notes
Net Tax Capacity assigns each property type a value to distribute the taxes disproportionately to different types of properties. A homestead residence under \$500,000 is counted as 1.0% of its value compared to a Commercial Property under \$150,000 which is counted at 1.5% of its value. Farmland under \$1,900,000 is discounted to 0.5% of its value. The District's Net Tax Capacity is \$35,438,737 for Pay23 compared to \$33,534,368 for Pay22, an improvement of 5.68%.				
Operating Capital	\$ 364,214	\$ 392,827	\$ 28,613	State aid adds \$377,824 of funding to this number
Operating Capital Adjustment	\$ 15,877	\$ (2,019)	\$ (17,896)	
Achievement & Integration	\$ 222,158	\$ 213,781	\$ (8,376)	State aid adds \$496,790 of funding to this number
Achievement & Integration Adjustment	\$ (14,701)	\$ (5,633)	\$ 9,068	
Unemployment Insurance	\$ 25,000	\$ 35,000	\$ 10,000	
Unemployment Insurance Adjustment	\$ 21,530	\$ (50,000)	\$ (71,530)	
Safe Schools	\$ 123,328	\$ 121,211	\$ (2,117)	
Safe Schools Adjustment	\$ (3,082)	\$ (6,439)	\$ (3,358)	
Career & Technical Education	\$ 188,820	\$ 223,269	\$ 34,449	
Career & Technical Education Adjustment	\$ 7,540	\$ 11,125	\$ 3,585	
Judgments	\$ -	\$ -	\$ -	
Long Term Facilities Maintenance	\$ 989,202	\$ 999,919	\$ 10,716	State aid adds \$279,530 of funding to this number
Long Term Facilities Maintenance Adjustment	\$ (49,102)	\$ (10,828)	\$ 38,274	
Leases	\$ 726,259	\$ 713,798	\$ (12,461)	
Leases Adjustment	\$ 47	\$ (47)	\$ (94)	
Other General Adjustment	\$ (1,452)	\$ -	\$ 1,452	
General Community Ed	\$ 228,728	\$ 228,728	\$ -	
General Community Ed Adjustment	\$ 13	\$ -	\$ (13)	
Early Childhood Family Education	\$ 89,805	\$ 97,125	\$ 7,320	State aid adds \$135,862 of funding to this number
Early Childhood Family Education Adjustment	\$ 588	\$ (19)	\$ (607)	
Home Visiting	\$ 2,930	\$ 2,998	\$ 68	State aid adds \$1,430 of funding to this number
Home Visiting Adjustment	\$ (55)	\$ 185	\$ 240	
Adults with Disabilities	\$ 15,000	\$ 15,000	\$ -	
School Age Child Care	\$ 33,000	\$ 74,289	\$ 41,289	
School Age Child Care Adjustment	\$ 2,000	\$ 14,645	\$ 12,645	
Long Term Facilities Maintenance Debt Service	\$ 226,380	\$ 226,275	\$ (105)	
Adjustment	\$ (14,305)	\$ (13,507)	\$ 798	
General Debt Service	\$ 2,141,160	\$ 2,142,000	\$ 840	
General Debt Service Adjustment	\$ (135,301)	\$ (127,866)	\$ 7,435	
Property Tax Abatement Adjustments	\$ 338	\$ 47,439	\$ 47,102	
	\$ 5,205,918	\$ 5,343,256	\$ 137,339	State Aid Total
				1,291,436.00

Grand Total **\$ 10,689,911** **\$ 11,734,054** **9.77%**

\$1,044,142.43

Reasons for Changes (Summary)

MDE Inflationary Adjustments	\$ 727,251.00
Tax Growth verses lower enrollment	\$ 293,243.00
Unemployment Adjustments	\$ (50,000.00)
Community Education	\$ 60,943.00
Other	\$ 12,705.00
Total	\$ 1,044,142.00

FARIBAULT PUBLIC SCHOOLS - ISD 656

PUBLIC HEARING FOR TAXES
PAYABLE IN 2023

DECEMBER 5, 2022

PRESENTED BY:

SCOTT GERDES & CHRIS NELSON

DIRECTOR OF FINANCE & OPERATIONS &
CONTROLLER





FARIBAULT PUBLIC SCHOOLS

Public Hearing Requirements:

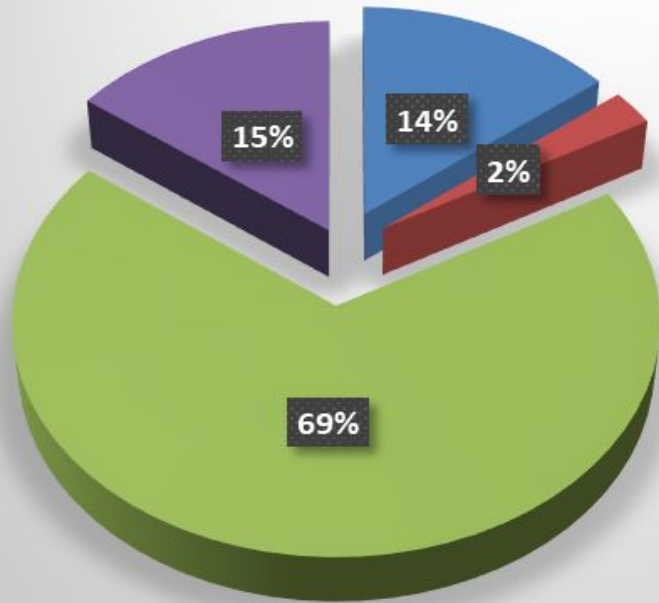
1. Discuss the 2022-2023 budget
2. Discuss the 2021-2022 actual revenue & expenditures
3. A look at 2023-2024
4. Discuss the 2022 Pay 2023 Property Tax Levy
5. Allow for Public Comment





FARIBAULT PUBLIC SCHOOLS

2022-2023 GENERAL FUND REVENUE BUDGET



- Local Property Tax Levies
- Other Local Revenue
- State Sources
- Federal Sources

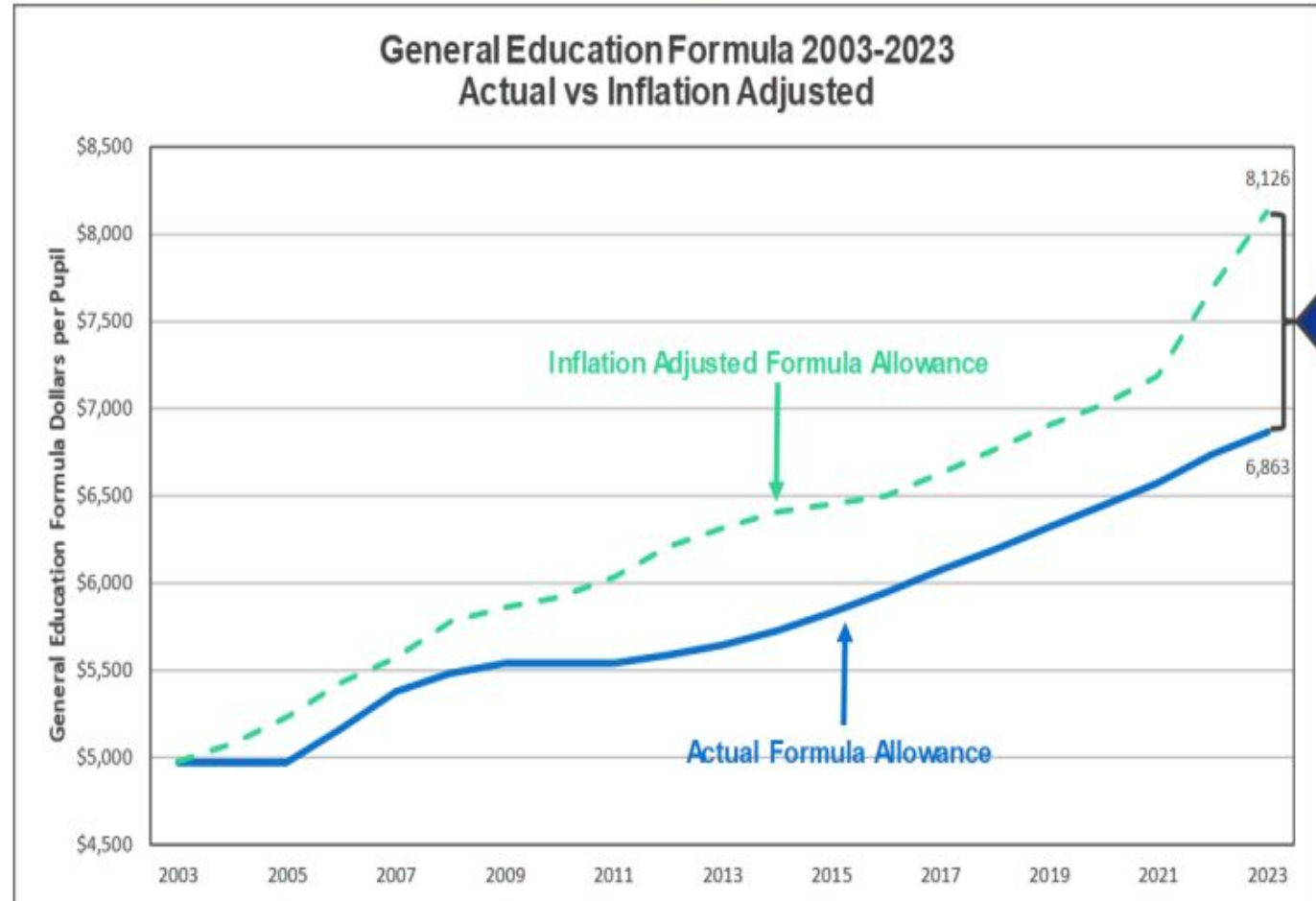




FARIBAULT PUBLIC SCHOOLS

Funding trails inflation by almost **\$1,263 per pupil** since 2003, or \$4.4 million annually.

General Education formula has not kept up with inflation since 2003.

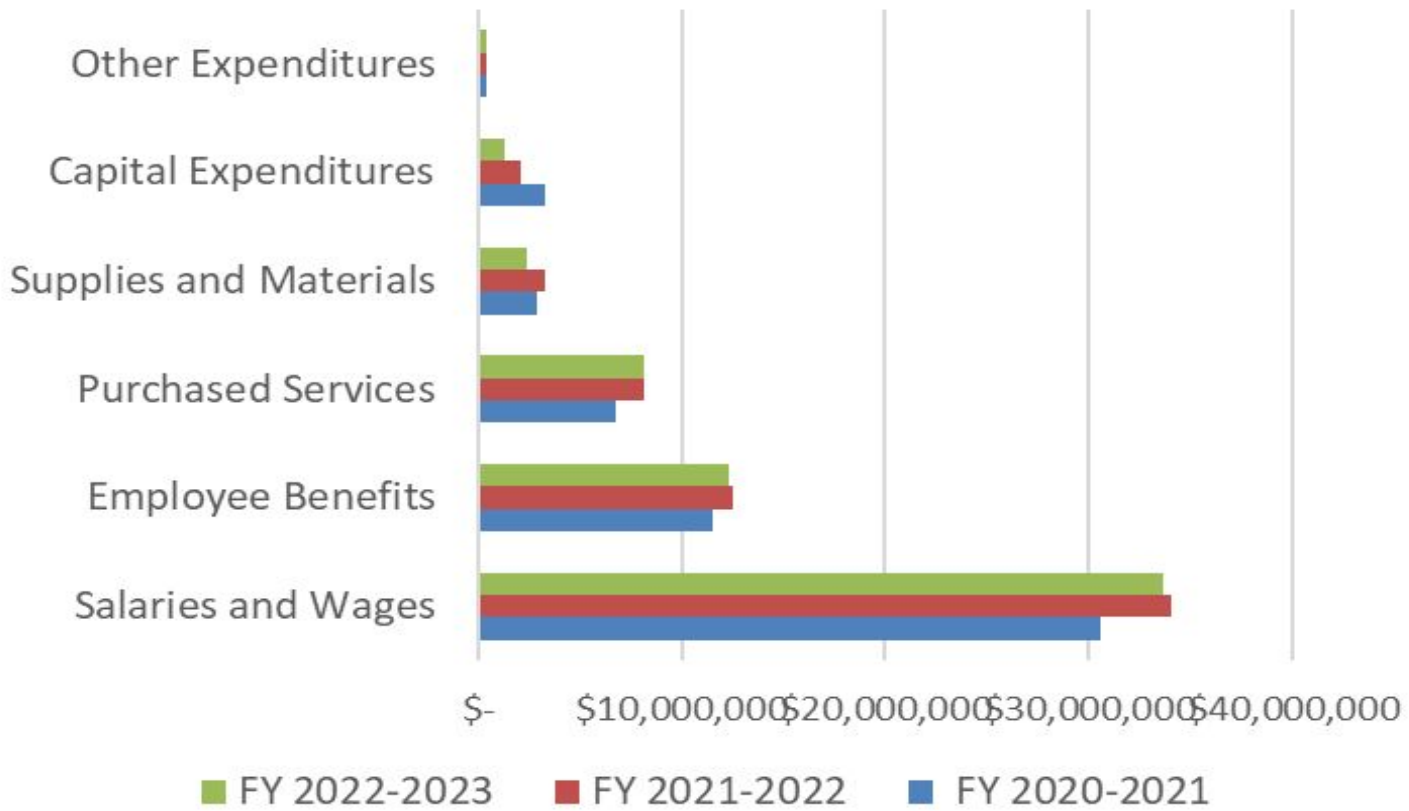


Source: MDE June 2022 inflation estimates



FARIBAULT PUBLIC SCHOOLS

2020-2023 GENERAL FUND EXPENDITURE COMPARISON



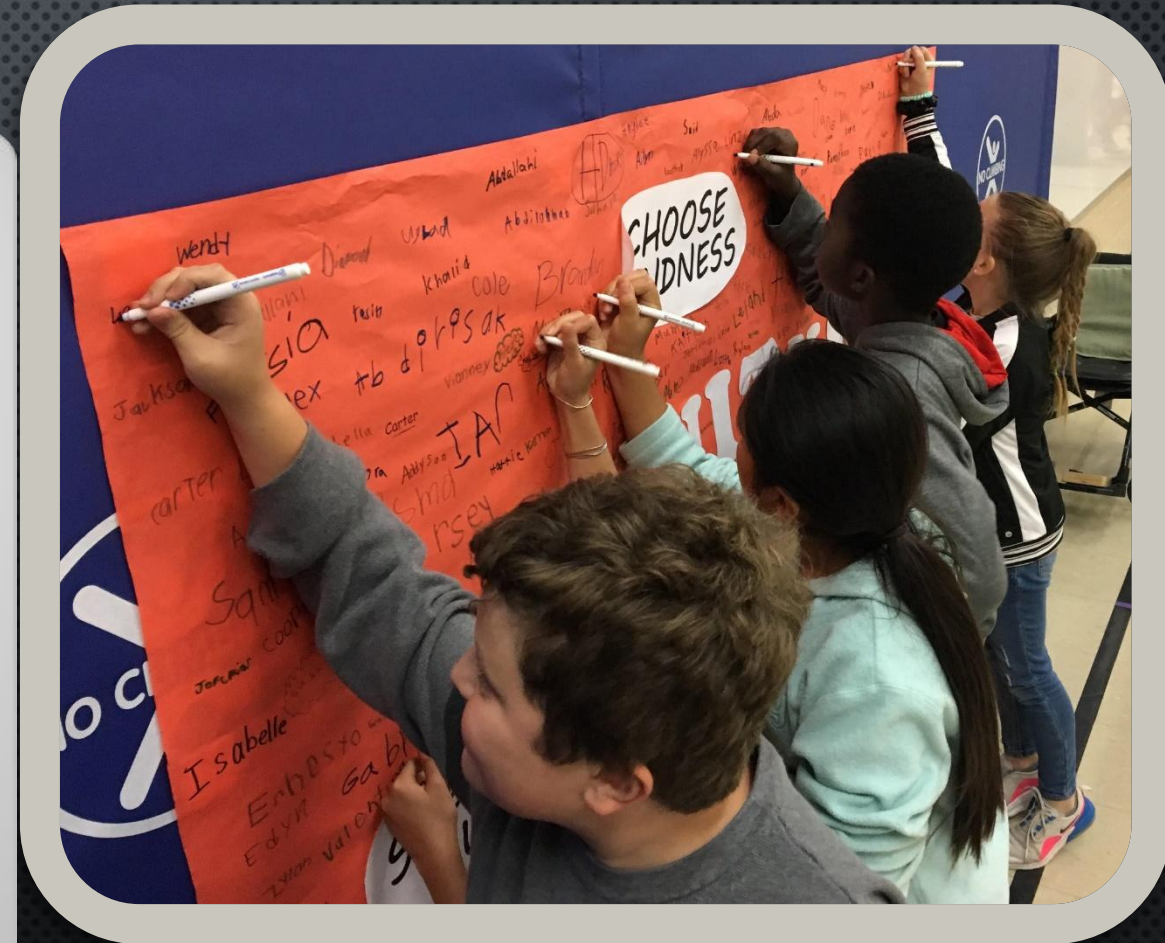
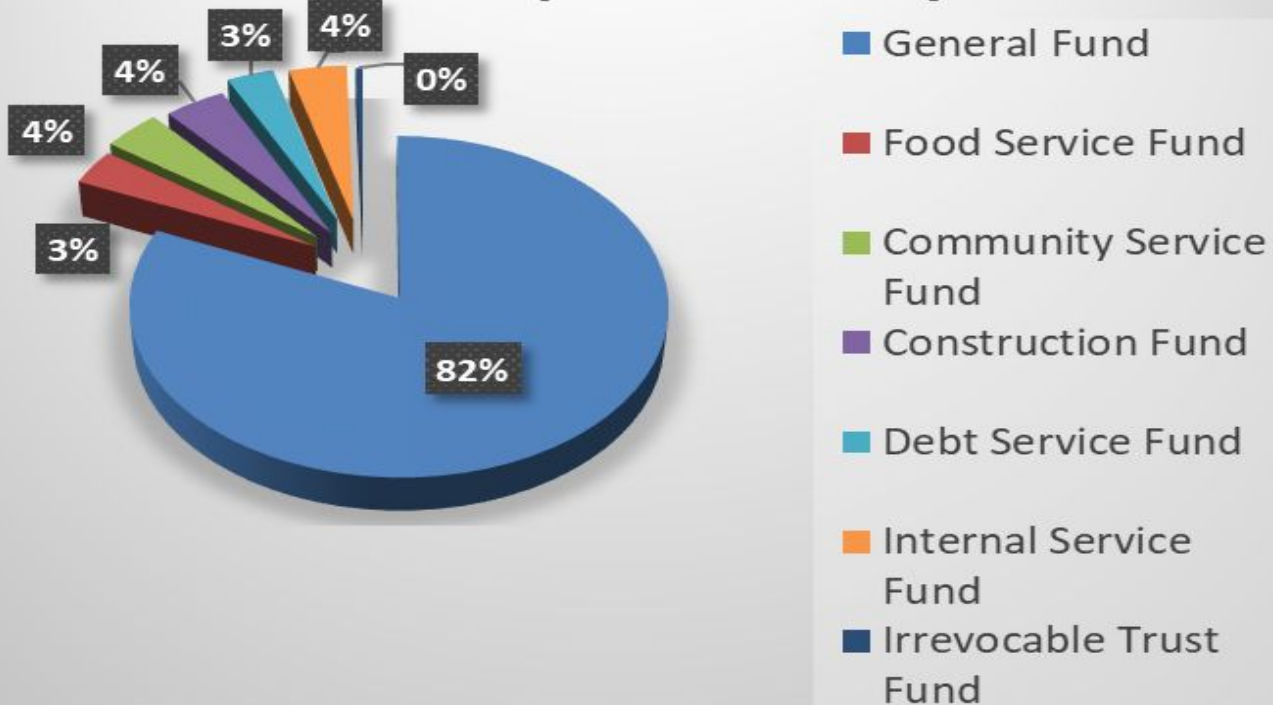
Unity Day at Lincoln Elementary



FARIBAULT PUBLIC SCHOOLS

2022-2023 EXPENDITURES BY FUND

FY2022-23 Expenditures by Fund



Unity Day at Lincoln Elementary



FARIBAULT PUBLIC SCHOOLS

FUND BALANCE POLICY:

UNASSIGNED GENERAL FUND BALANCE SHOULD BE NO LESS THAN 9.5% OF ALL GENERAL FUND EXPENDITURES.

FY22 Budget	FY22 Actual	FY23 Adopted Budget
11.98%	11.56%	11.30%



Faribault Public Schools

Budget / Fund Balance Overview

2022-2023 Adopted Budget

	Beginning Fund Balance	Revenues	Expenditures	Transfers	End of Year Proj. Balance	Net Increase or Decrease
General Fund - 01						
422 Unassigned Fund Balan	6,683,315	45,845,225	46,623,820	-	5,904,720	(778,595)
	11.30%				10.37%	-0.93%
Restricted						
401 Student Activities	99,561	95,000	90,376	-	104,185	4,624
403 Staff Development	16,993	475,760	475,760	-	16,993	-
424 Operating Capital	480,234	942,055	1,213,430	-	208,859	(271,375)
428 Learning and Development	-	613,629	613,629	-	-	-
434 Area Learning Center	-	1,033,809	1,033,809	-	-	-
438 Gifted and Talented	-	45,060	45,060	-	-	-
441 Basic Skills Programs	-	5,639,856	5,639,856	-	-	-
448 Achievement and Integration Revenue	-	744,371	744,371	-	-	-
449 Safe Schools Levy	27,665	120,245	120,245	-	27,665	-
459 Basic Skills Extended Time	-	-	-	-	-	-
467 Long-Term Facilities Maint	(92,134)	1,281,055	1,204,306	-	(15,385)	76,749
472 Medical Assistance	-	450,000	450,000	-	-	-
Subtotal Restricted	532,319	11,440,840	11,630,842	-	342,317	(190,002)
460 Nonspendable	44,951	-	-	-	44,951	-
Assigned Funds						
462 Assigned (CVSEC LT Receivable)	318,827	-	-	-	318,827	-
Total General Fund	7,579,412	57,286,065	58,254,662	-	6,610,815	(968,597)
Food Service Fund - 02						
464 Restricted	801,609	2,441,992	2,430,039	-	813,562	11,953

Community Services - 04							
464 Restricted		46,145	240,139	246,337	-	39,947	(6,198)
Restricted / Reserved							
431 Community Education		469,656	1,224,315	1,227,684	-	466,287	(3,369)
432 Early Childhood		96,257	247,034	237,024	-	106,267	10,010
444 School Readiness		545,255	1,015,633	1,064,799	-	496,089	(49,166)
447 Adult Basic Education		193,079	485,701	477,293	-	201,487	8,408
Restricted/Reserved - Subtotal		1,304,247	2,972,683	3,006,800	-	1,270,130	(34,117)
Total Community Education		1,350,392	3,212,822	3,253,137	-	1,310,077	(40,315)
Construction - 06							
464 Restricted		1,180,085	1,300	1,181,385	-	-	(1,180,085)
Debt Service - 07							
464 Restricted		540,450	2,220,773	2,234,650	-	526,573	(13,877)
Internal Service Fund - 20							
		73,693	2,854,768	2,848,777	-	79,684	5,991
OPEB Irrevocable Trust - 45							
		1,956,315	250,000	404,000	-	1,802,315	(154,000)
Total All Funds:		13,481,956	68,267,720	70,606,650	-	11,143,026	(2,338,930)





2021-2022 ACTUAL REVENUES & EXPENDITURES

	Fiscal 2022 Beginning Fund Balances	2021-2022 Actual Revenues & Transfers In	2021-2022 Actual Expenditures & Transfers Out	June 30, 2022 Actual Fund Balance
General Fund - Restricted	\$3,081,167	\$17,466,677	\$18,764,016	\$1,783,829
General – Unrestricted*	\$7,295,139	\$41,752,623	\$40,353,055	\$8,694,707
Food Service	\$626,637	\$3,235,256	\$2,255,453	\$1,606,440
Community Service	\$1,153,422	\$3,348,690	\$3,478,620	\$1,023,493
Building Construction	\$3,650,878	\$14,294	\$2,606,734	\$1,058,438
Debt Service	\$542,092	\$2,255,707	\$2,253,625	\$544,174
Internal Service Fund	\$26,100	\$2,760,648	\$2,432,507	\$354,241
OPEB Irrevocable Trust	\$2,893,705	\$(362,226)	\$142,891	\$2,388,587
Total All Funds	\$19,269,138	\$67,711,022	\$69,854,394	\$17,453,909



FARIBAULT PUBLIC SCHOOLS - 2023-2024

Funding Projections FY2023-FY2027

	Projected 2022-2023	Projected 2023-2024	Projected * 2024-2025	Projected 2025-2026	Projected 2026-2027	
State Funding Formula	2%	1%	1%	1%	1%	
\$1,050,000 in reductions						
Revenues:	\$45,845,225	\$45,891,897	\$45,884,132	\$46,006,687	\$46,130,466	
Expenses:	\$46,623,870	\$46,164,467	\$45,867,401	\$45,968,423	\$46,127,476	
Revenue Over (Under) Expenses:	(\$778,645)	(\$272,570)	\$16,731	\$38,264	\$2,990	
Fund Balance	\$ 5,904,720	\$5,632,150	\$5,648,881	\$5,687,145	\$5,690,135	
Fund Balance Percent	10.37%	9.50%	9.50%	9.50%	9.50%	
						TOTAL **
Cuts Needed to maintain FB		\$1,775,000	\$1,682,000	\$1,275,000	\$1,220,000	\$5,952,000
* Assumes existing operating referendum is renewed						
** Does not include ESSER Reductions						

STATE OF THE DISTRICT

- FY22 Budget CarryOver - \$240,000
 - FY23 ECF Funding - \$300,000
 - FY23 ADM Revenue - \$250,000
 - New Somali Charter School - 50 children - (\$400,000)
- Total \$390,000**

ESTIMATED BUDGET CUTS NEEDED TO MAINTAIN FUND BALANCE \$1,385,000



YEAR END PUBLICATION



Division of School Finance
400 NE Stinson Blvd.
Minneapolis, MN 55413

District Revenues and Expenditures Budget for Fiscal Year (FY) 2022 and FY 2023

ED-00110-45

General Information: Minnesota Statutes 2021, section 123B.10, requires that every school board shall publish the subject data of this report.

District Name: Independent School District #0656 Faribault Public Schools District Number: 0656-01

Fund	FY 2022 Beginning Fund Balances	FY 2022 Actual Revenues and Transfers In	FY 2022 Actual Expenditures and Transfers Out	June 30, 2022 Actual Fund Balances	FY 2023 Budget Revenues and Transfers In	FY 2023 Budget Expenditures and Transfers Out	June 30, 2023 Projected Fund Balances
General Fund/Restricted	\$ 3,081,167	\$ 17,466,677	\$ 18,764,016	\$ 1,783,829	\$ 16,345,044	\$ 17,667,254	\$ 461,618
General Fund/Other	\$ 10,214,944	\$ 41,752,623	\$ 40,353,055	\$ 11,614,512	\$ 37,440,371	\$ 37,092,237	\$ 11,962,646
Food Service Fund	\$ 626,637	\$ 3,235,256	\$ 2,255,453	\$ 1,606,440	\$ 2,441,992	\$ 2,430,039	\$ 1,618,393
Community Service Fund	\$ 1,153,422	\$ 3,348,690	\$ 3,478,620	\$ 1,023,493	\$ 3,212,822	\$ 3,253,137	\$ 983,178
Building Construction Fund	\$ 3,650,878	\$ 14,294	\$ 2,606,734	\$ 1,058,438	\$ 122,947	\$ 1,181,385	\$ (0)
Debt Service Fund	\$ 542,092	\$ 2,255,707	\$ 2,253,625	\$ 544,174	\$ 2,220,773	\$ 2,234,650	\$ 530,297
Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Service Fund	\$ 26,100	\$ -	\$ -	\$ 354,241	\$ -	\$ -	\$ 360,232
* OPEB Revocable Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OPEB Irrevocable Trust Fund	\$ 2,893,705	\$ (362,226)	\$ 142,891	\$ 2,388,587	\$ 250,000	\$ 404,000	\$ 2,234,587
OPEB Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total - All Funds	\$ 22,188,945	\$ 67,711,022	\$ 69,854,394	\$ 20,373,714	\$ 62,033,949	\$ 64,262,702	\$ 18,150,952
Long-Term Debt				Current Statutory Operating Debt per Minnesota Statutes 2021, section 123B.81			
Outstanding July 1, 2021	\$ 13,699,809			Amount of General Fund Deficit, if any, in excess of 2.5% of expenditures 06/30/2022		\$0	
Plus: New Issues	\$ -						
Less: Redeemed Issues	\$ 2,539,454			Cost per student - Average Daily Membership (ADM) 06/30/2022			
Outstanding June 30, 2022	\$ 11,160,355						
Short-Term Debt				Total Operating Expenditures		\$ 62,754,824.80	
Certificates of Indebtedness	\$ -			FY 2022 Total ADM Served + Tuitioned Out ADM + Adjusted Extended ADM		3,387.99	
Other Short-Term Indebtedness	\$ -			FY 2022 Operating Cost per ADM		\$ 18,522.73	

The complete budget may be inspected upon request to the superintendent.

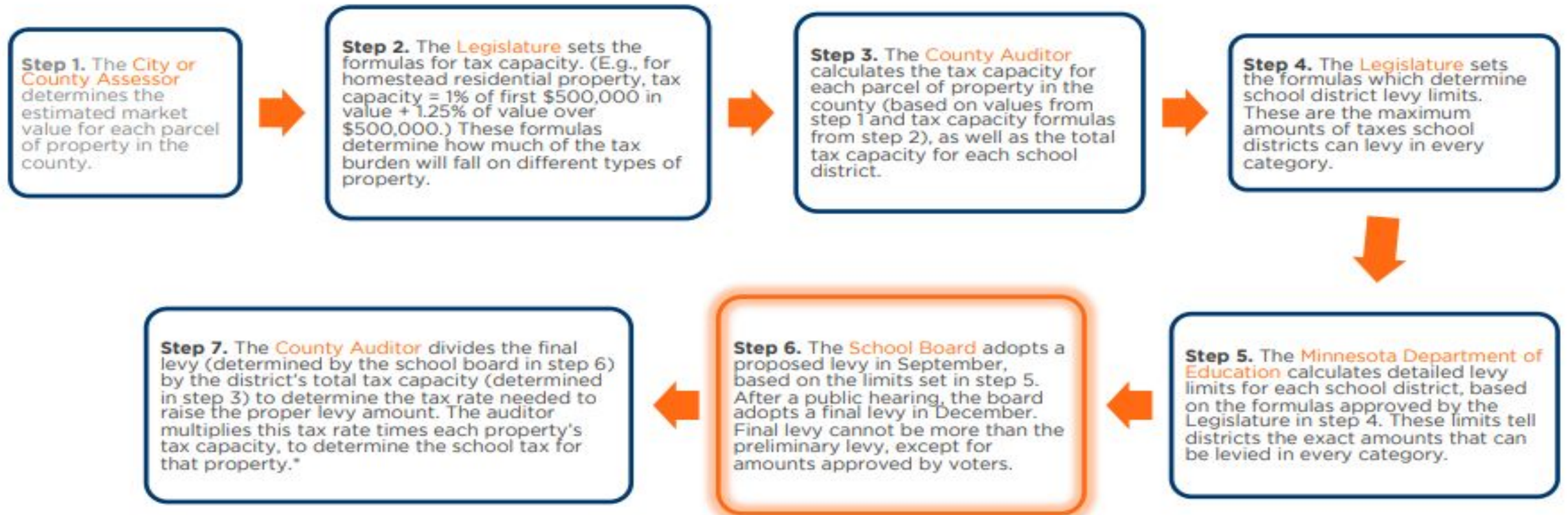
Comments:

* Other Post-Employment Benefits (OPEB)



FARIBAULT PUBLIC SCHOOLS

School District Property Tax Cycle





FARIBAULT PUBLIC SCHOOLS

2022 PAYABLE 2023 LEVY

THREE PARTS:

GENERAL FUND

COMMUNITY SERVICE FUND

DEBT SERVICE FUND



In the Woods



FARIBAULT PUBLIC SCHOOLS



GENERAL FUND

Levies Distributed on Referendum
Market Value (RMV increased 6.63%):

Local Optional Revenue (\$724 per Pupil Unit)	\$2,086,721
Voter Approved Operating Levy	3,273,873
Equity Revenue	397,345
Transition Revenue	<u>42,087</u>
Subtotal	\$5,800,026
Adjustments	<u>+ 590,772</u>
Total	\$6,390,798

Jefferson Elementary birdhouse projects

SEE ATTACHMENT ITEM "A"



FARIBAULT PUBLIC SCHOOLS

GENERAL FUND

Levies Distributed on Net Tax Capacity (increased 5.68%):

Operating Capital	\$ 392,897
Achievement/Integration	213,781
Unemployment Insurance:	35,000
Safe Schools	121,211
Career/Technical Education	223,269
LTFM	999,919
Leases	<u>713,798</u>
Subtotal	\$2,699,875
Adjustments	<u>- 36,798</u>
Total	\$2,663,077

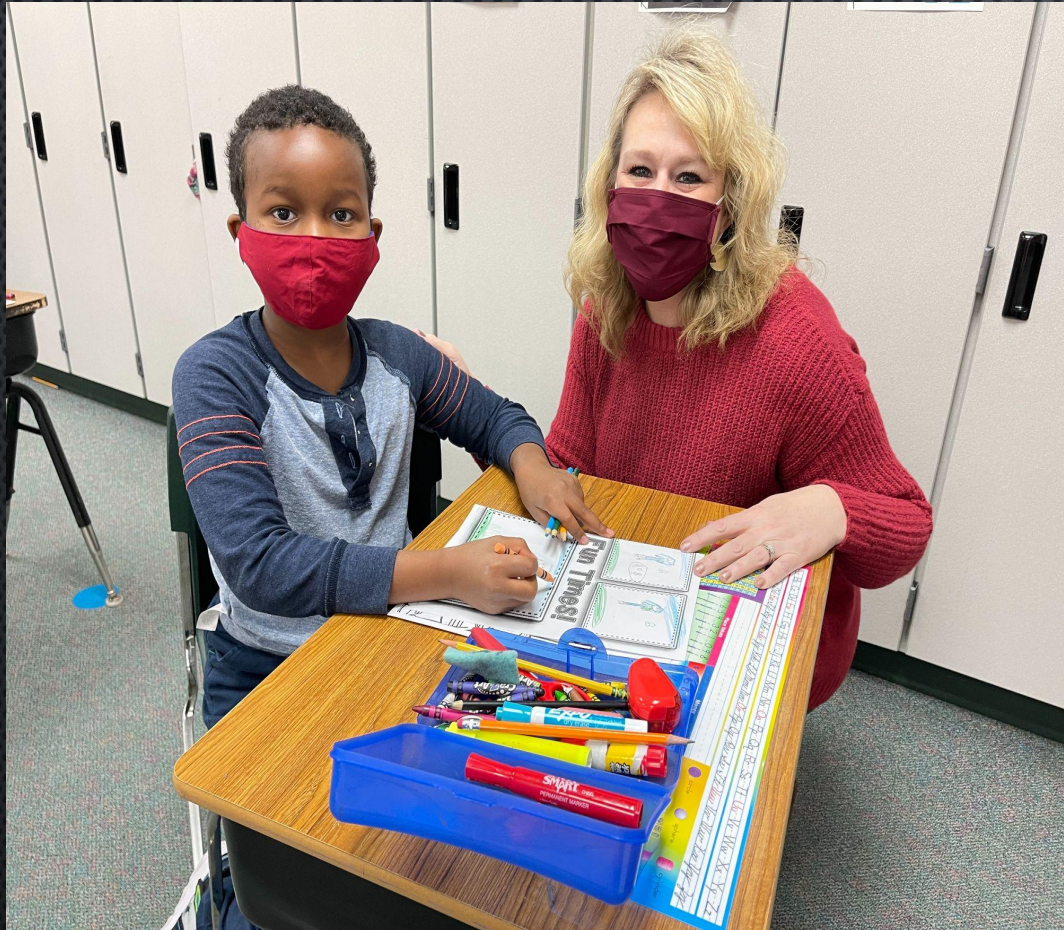
SEE ATTACHMENT ITEM "B"



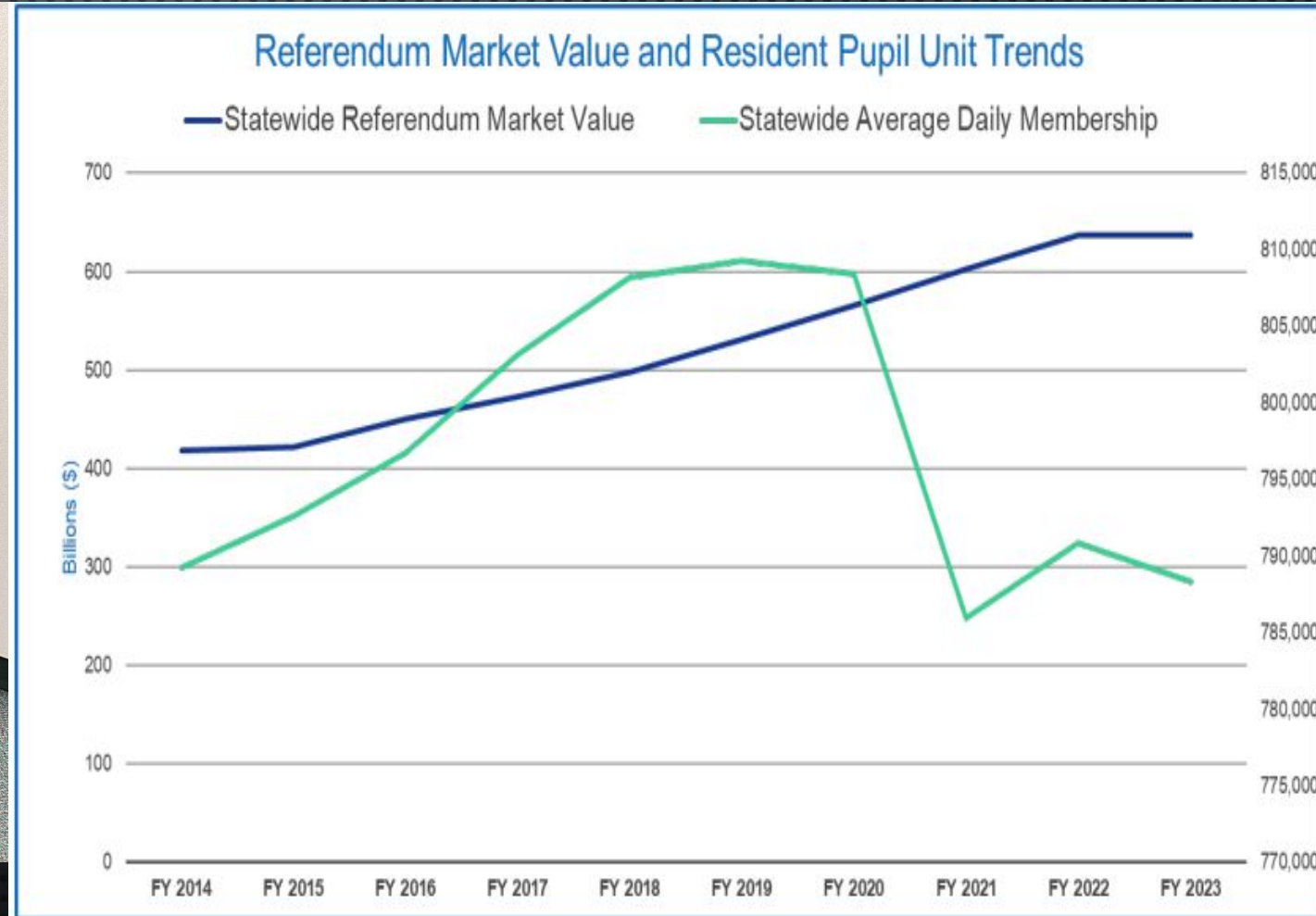
Tutoring as part of Teacher Cadet 2 class



FARIBAULT PUBLIC SCHOOLS



Roosevelt Elementary



Data sourced from Minnesota Department of Education Data Center Website



FARIBAULT PUBLIC SCHOOLS

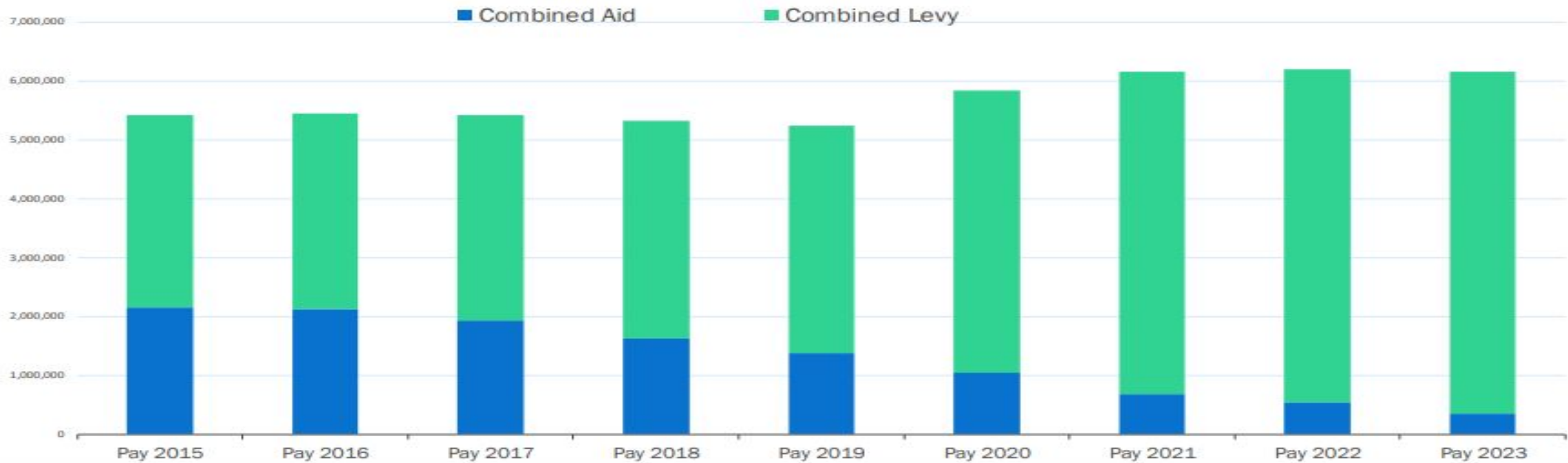
Referendum State Aid-Levy Example								Legislatively Set			Levy Ratio		
								Equalization Factor					
		\$300/APU	\$460/APU	Difference			RMV/RES PU	Tier 1	Tier 2	Tier 3			
	Referendum - All	Tier 1	Tier 2	Tier 3	RMV	RES PU	Ratio						
Pay 2015	3,078,460	1,269,660	1,808,800	-	1,757,899,300	4,944.00	355,562.16	880,000	510,000	290,000	40.4%	69.7%	100.0%
Pay 2016	3,255,124	1,249,200	1,915,440	90,484	1,798,836,200	4,957.40	362,858.80	880,000	510,000	290,000	41.2%	71.1%	100.0%
Pay 2017	3,238,154	1,255,374	1,924,907	57,873	1,848,502,800	5,157.00	358,445.38	880,000	510,000	290,000	40.7%	70.3%	100.0%
Pay 2018	3,215,641	1,217,523	1,866,868	131,250	1,950,282,800	5,139.00	379,506.29	880,000	510,000	290,000	43.1%	74.4%	100.0%
Pay 2019	3,183,506	1,155,300	1,771,460	256,746	2,041,193,300	5,048.60	404,308.78	880,000	510,000	290,000	45.9%	79.3%	100.0%
Pay 2020	2,921,399	1,753,129	1,168,270	-	2,214,161,100	5,262.75	420,723.22	880,000	510,000	290,000	47.8%	82.5%	100.0%
Pay 2021	2,885,387		1,706,232	1,179,155	2,367,662,800	5,244.80	451,430.52	567,000	290,000		79.6%	100.0%	
Pay 2022	2,792,397		1,575,845	1,216,552	2,514,020,300	4,675.00	537,758.35	567,000	290,000		94.8%	100.0%	
Pay 2023	3,273,873		1,548,806	1,725,067	2,680,862,100	4,668.57	574,236.24	567,000	290,000		100.0%	100.0%	



FARIBAULT PUBLIC SCHOOLS

Referendum Market Value Revenues Aid/Levy Split

Faribault Public School



	Pay 2015	Pay 2016	Pay 2017	Pay 2018	Pay 2019	Pay 2020	Pay 2021	Pay 2022	Pay 2023
Combined Levy	3,256,140	3,318,661	3,491,802	3,699,123	3,857,926	4,785,266	5,467,472	5,659,910	5,800,026
Combined Aid	2,158,222	2,128,182	1,927,808	1,624,291	1,375,118	1,049,511	681,047	543,130	350,965
Combined Revenue*	\$5,414,361	\$5,446,844	\$5,419,609	\$5,323,414	\$5,233,044	\$5,834,777	\$6,148,519	\$6,203,040	\$6,150,991
% Aid	40%	39%	36%	31%	26%	18%	11%	9%	6%
% Levy	60%	61%	64%	69%	74%	82%	89%	91%	94%

* Includes Referendum, Local Optional, Equity and Transition Revenues



FARIBAULT PUBLIC SCHOOLS



Faribault Public School District Proposed Property Tax Levy Summary by Tax Type

	Final Pay 2022	Proposed Pay 2023	\$ Change	% Change
Referendum Market Value Voter Approved				
Operating Referendum	2,711,079	3,273,873	562,794	20.8%
Adjustments and Abatements	90,880	468,310	377,430	415.3%
RMV Voter Total Levy	2,801,959	3,742,183	940,224	33.6%
Referendum Market Value Non-Voter Approved				
Local Optional	2,051,151	2,086,721	35,571	1.7%
Equity	413,432	397,345	(16,087)	-3.9%
Transition	41,956	42,087	131	0.3%
Adjustments and Abatements	175,497	122,462	(53,035)	-30.2%
RMV Non-Voter Total Levy	2,682,035	2,648,615	(33,421)	-1.2%
Net Tax Capacity Voter Approved				
Voter Approved Debt Service	2,141,160	2,142,000	840	0.0%
Adjustments and Abatements	(134,963)	(109,813)	25,150	-
NTC Voter Total Levy	2,006,197	2,032,187	25,990	1.3%



FARIBAULT PUBLIC SCHOOLS

Net Tax Capacity Non-Voter Approved

Non-Voter Approved Debt Service	226,380	226,275	(105)	0.0%
Operating Capital	364,214	392,827	28,613	7.9%
Achievement and Integration	222,158	213,781	(8,376)	-3.8%
Reemployment Insurance	25,000	35,000	10,000	40.0%
Safe Schools	123,327	121,211	(2,116)	-1.7%
Career & Technical	188,820	223,269	34,449	18.2%
Long Term Facilities Maintenance	989,202	999,919	10,716	1.1%
Building/Land Lease	726,259	713,798	(12,461)	-1.7%
Basic Community Education	228,728	228,728	-	0.0%
Early Childhood Education	89,805	97,125	7,320	8.2%
Home Visiting	2,930	2,998	68	2.3%
Adults with Disabilities	15,000	15,000	-	0.0%
School-age Care	33,000	74,289	41,289	125.1%
<i>Adjustments and Abatements</i>	<i>(35,103)</i>	<i>(33,151)</i>	<i>1,952</i>	<i>-</i>
NTC Non-Voter Total Levy	3,199,720	3,311,069	111,349	3.5%
Total Voter Approved	4,808,156	5,774,370	966,214	20.1%
Total Non-Voter Approved	5,881,755	5,959,684	77,929	1.3%
Total Referendum Market Value	5,483,994	6,390,798	906,803	16.5%
Total Net Tax Capacity	5,205,917	5,343,256	137,339	2.6%
Total Property Tax Levy All Funds	10,689,911	11,734,054	1,044,142	9.77%

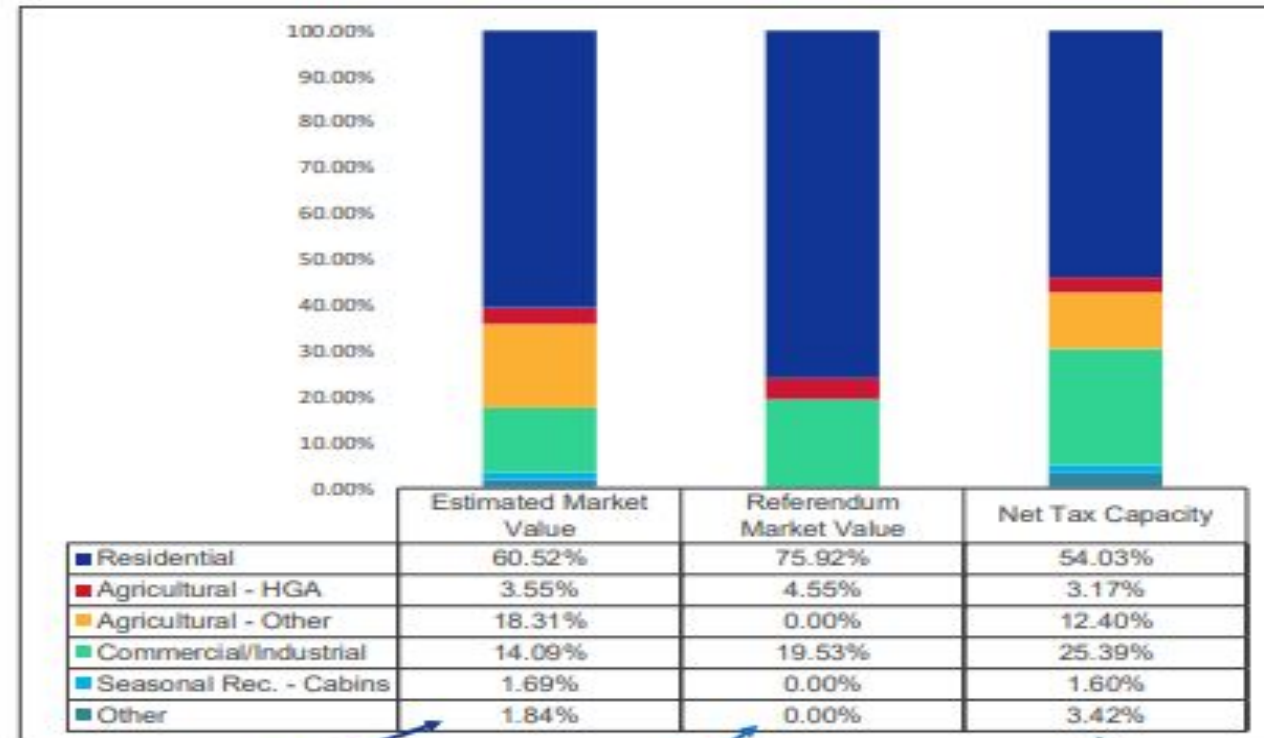




FARIBAULT PUBLIC SCHOOLS



Faribault Public School District
Valuation Data by Classification for Pay 2022 Taxes



Property valuation established by County through assessment process.

Tax base for operating referendum, local optional, equity and transition revenues.

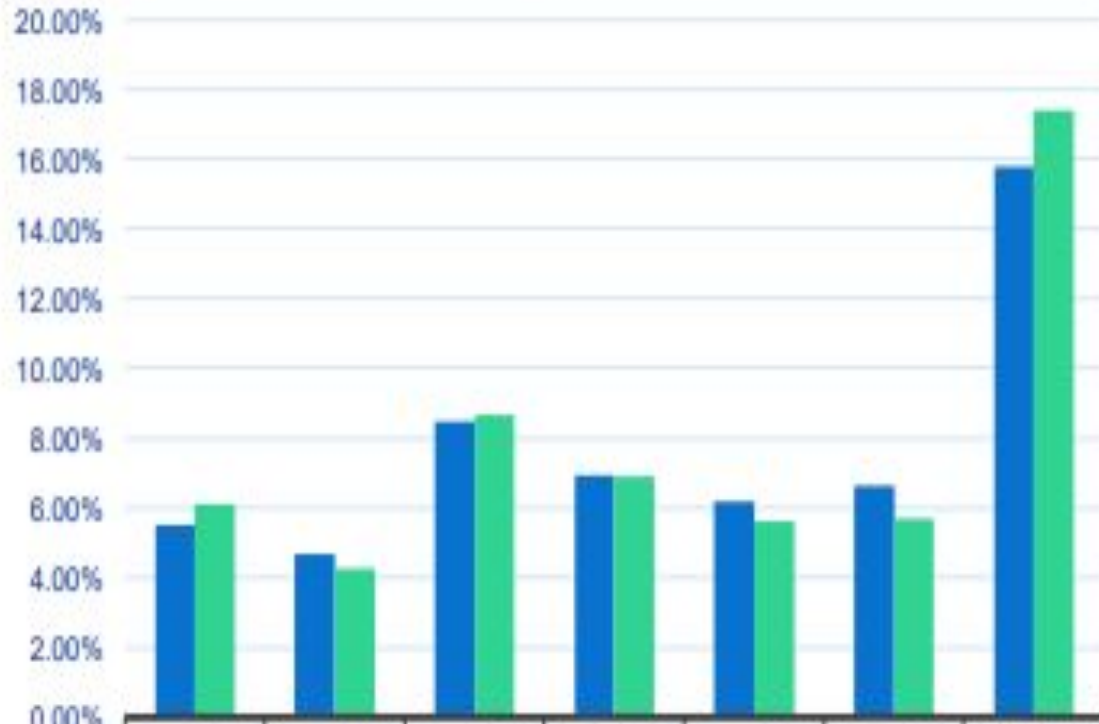
Tax base for Debt, LTFM, OPEB, Operating Capital, Achievement and Intergration, Community Ed and many others.



FARIBAULT PUBLIC SCHOOLS

Property Value % Increase Trend

■ Referendum Market Value ■ Net Tax Capacity



	Pay 2017	Pay 2018	Pay 2019	Pay 2020	Pay 2021	Pay 2022	Est. Pay 2023
■ Referendum Market Value	5.51%	4.66%	8.47%	6.93%	6.18%	6.64%	15.79%
■ Net Tax Capacity	6.11%	4.23%	8.64%	6.90%	5.81%	5.68%	17.40%





FARIBAULT PUBLIC SCHOOLS

DIVIDING THE PROPERTY TAX PIE

Summary			
	Pay 2022	Est. Pay 2023	% Change
Referendum Market Value	\$ 2,680,862,100	\$ 3,104,243,400	15.79%
RMV Tax Rate	0.20456%	0.20587%	0.64%
Net Tax Capacity	\$ 35,438,737	\$ 41,604,069	17.40%
NTC Tax Rate	14.69%	12.84%	-12.57%

Types of Property	Pay 2022	Pay 2023 Est.			\$ Change	% Change
	Value	Value	Pay 2022	Pay 2023		
Residential Homestead	\$100,000	\$115,000	\$310	\$350	\$40	12.86%
	150,000	172,500	492	549	\$56	11.46%
	200,000	230,000	675	748	\$73	10.82%
	250,000	287,500	857	946	\$89	10.43%
	300,000	345,000	1,039	1,145	\$106	10.20%
	400,000	460,000	1,404	1,538	\$134	9.52%
	500,000	575,000	1,757	1,946	\$189	10.76%





FARIBAULT PUBLIC SCHOOLS

DIVIDING THE PROPERTY TAX PIE



Commercial / Industrial**	\$100,000	\$105,000	\$425	\$418	(\$6)	-1.52%
	250,000	262,500	1,136	1,118	(\$17)	-1.53%
	500,000	525,000	2,382	2,333	(\$49)	-2.04%
	1,000,000	\$1,050,000	4,873	4,762	(\$111)	-2.28%
Agricultural Homestead	\$6,000	\$6,600	\$3.28	\$2.99	(\$0.29)	-8.80%
	7,000	7,700	3.83	3.49	(\$0.34)	-8.80%
	8,000	8,800	4.37	3.99	(\$0.38)	-8.80%
	9,000	\$9,900	4.92	4.49	(\$0.43)	-8.80%
Agricultural Non-Homestead	\$6,000	\$6,600	\$6.56	\$5.98	(\$0.58)	-8.80%
	7,000	7,700	7.65	6.98	(\$0.67)	-8.80%
	8,000	8,800	8.75	7.98	(\$0.77)	-8.80%
	9,000	\$9,900	9.84	8.98	(\$0.87)	-8.80%



FARIBAULT PUBLIC SCHOOLS

GENERAL FUND

Faribault Public School District

Pay 2023 Tax Levies for Residential Homestead

Home Value = \$250,000

Categorical levies that are eligible for board approval. Operating capital, LTFM, community ed, CTE, lease, and many others.

Board approved debt

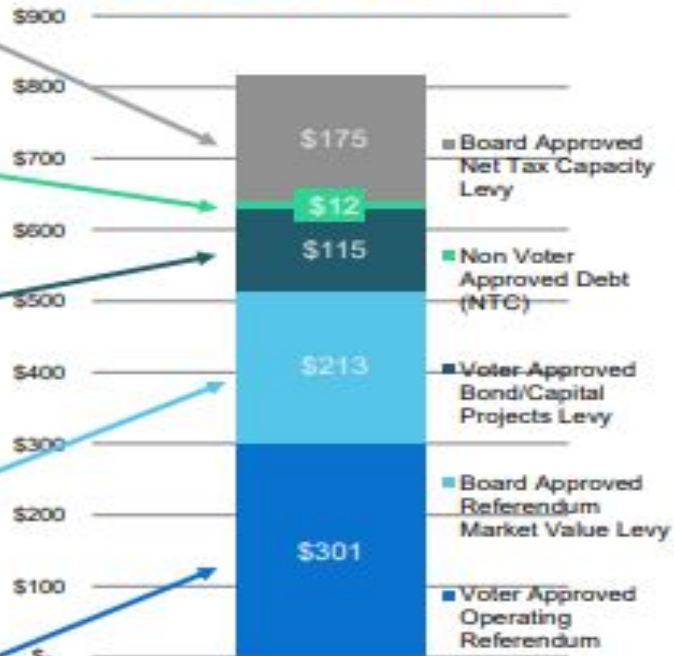
Voter approved bonds and capital projects levy.

Categorical levies that are eligible for board approval. Local Optional, Equity, Transition

Voter approved operating referendum levy.

Pay 2023 Tax Levy

Total Est. School Tax = \$817

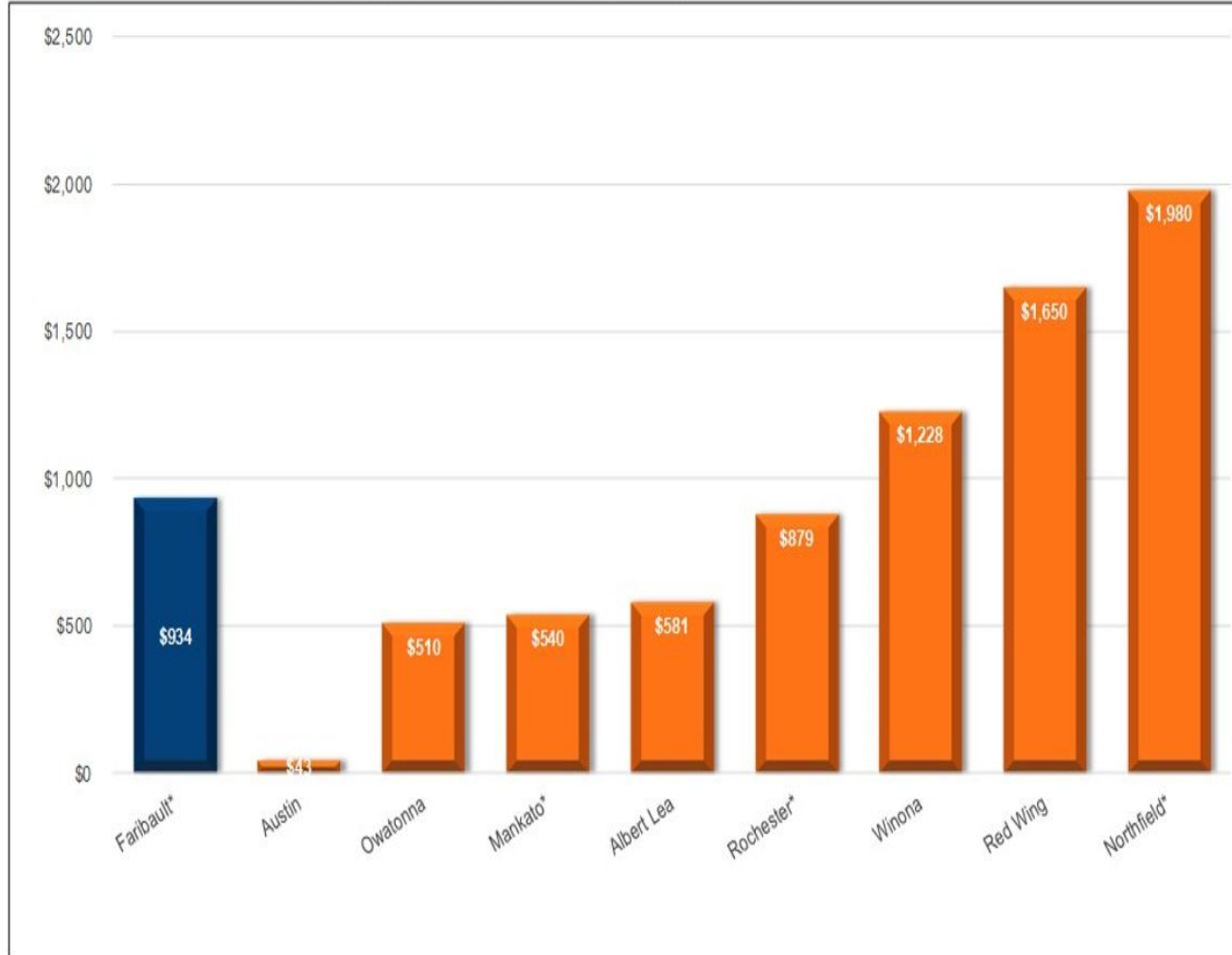


In the Shop



FARIBAULT PUBLIC SCHOOLS

Voter Approved Referendum Authority Per Pupil Unit FY 2022-23



* Authorities with voter approved annual inflationary adjustment

Source: MDE Operating Referendum Phaseout June 2022





FARIBAULT PUBLIC SCHOOLS

COMMUNITY SERVICE FUND



FHS choir sing Christmas carols at Our Saviors Lutheran Church

General Community Ed	\$228,728
Early Childhood Family Ed	97,125
Home Visiting	2,998
Adults w/Disabilities	15,000
School Age Child Care	<u>74,289</u>
Subtotal	\$418,140
Adjustments	<u>+ 17,084</u>
Total	\$435,224

SEE ATTACHMENT ITEM "C"



FARIBAULT PUBLIC SCHOOLS

DEBT SERVICE FUND

General Debt Service	\$2,142,000
LTFM Debt Service	<u>226,275</u>
Subtotal	\$2,368,275
Adjustments	<u>- 64,547</u>
Total	\$2,244,954

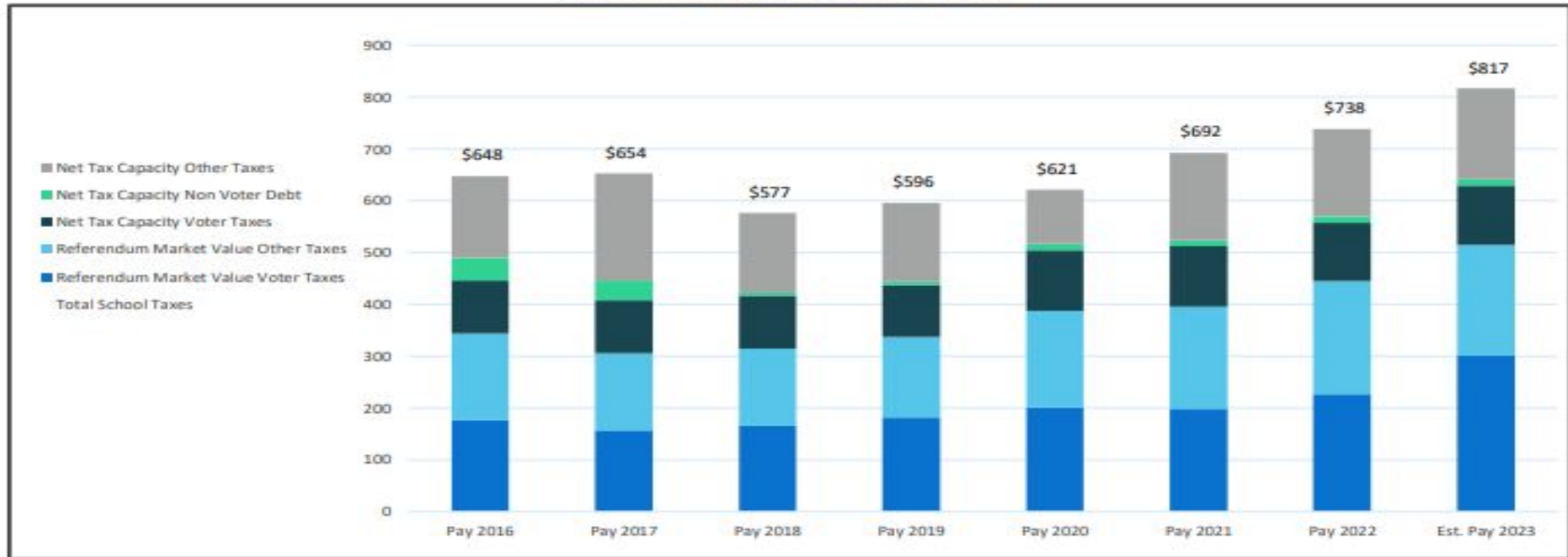


Thanksgiving project with 1st & 4th grade buddies



FARIBAULT PUBLIC SCHOOLS

Faribault Public School District Residential Homestead School Tax Trend



	Pay 2016	Pay 2017	Pay 2018	Pay 2019	Pay 2020	Pay 2021	Pay 2022	Est. Pay 2023
Home Value*	171,808	178,680	185,827	193,260	200,990	209,030	217,391	250,000
Referendum Market Value Voter Taxes	178	158	166	182	201	198	227	301
Referendum Market Value Other Taxes	166	148	149	155	187	197	217	213
Net Tax Capacity Voter Taxes	102	102	102	101	117	116	113	115
Net Tax Capacity Non Voter Debt	45	39	6	6	12	12	12	12
Net Tax Capacity Other Taxes	157	207	154	152	104	168	168	175
Total School Taxes	\$ 648	\$ 654	\$ 577	\$ 596	\$ 621	\$ 692	\$ 738	\$ 817

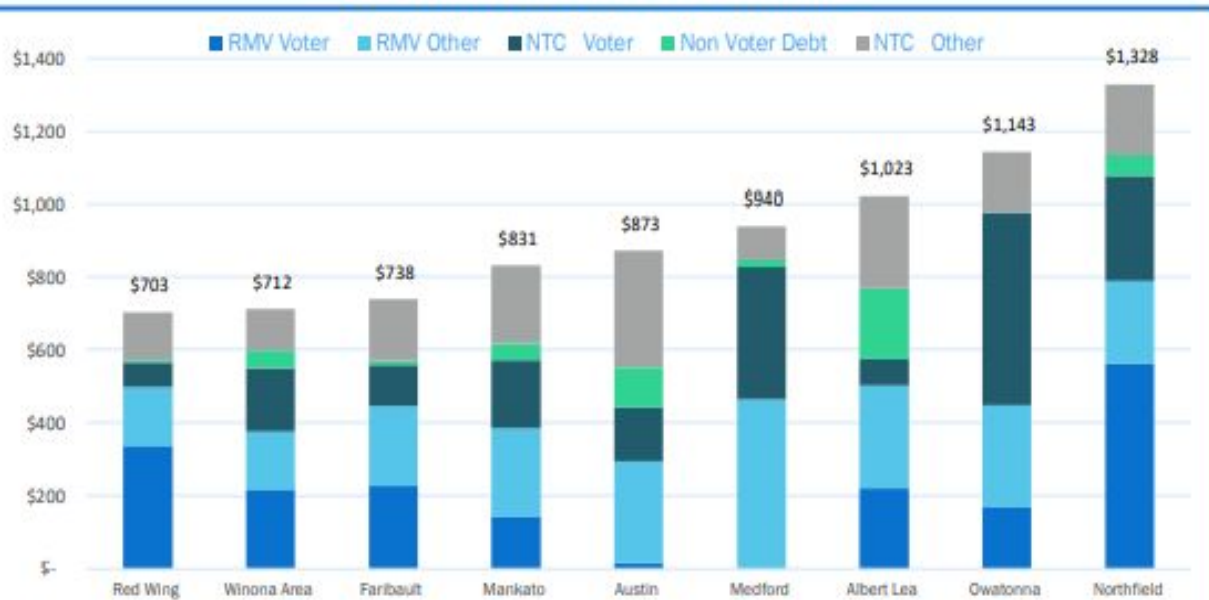
*The chart assumes a 4% annual increase in the home value for taxes payable from 2016 to 2022. A 15% increase in value is assumed for taxes payable in 2023.



FARIBAULT PUBLIC SCHOOLS

Faribault Public School District

Pay 2022 Tax Levies for Residential Homestead



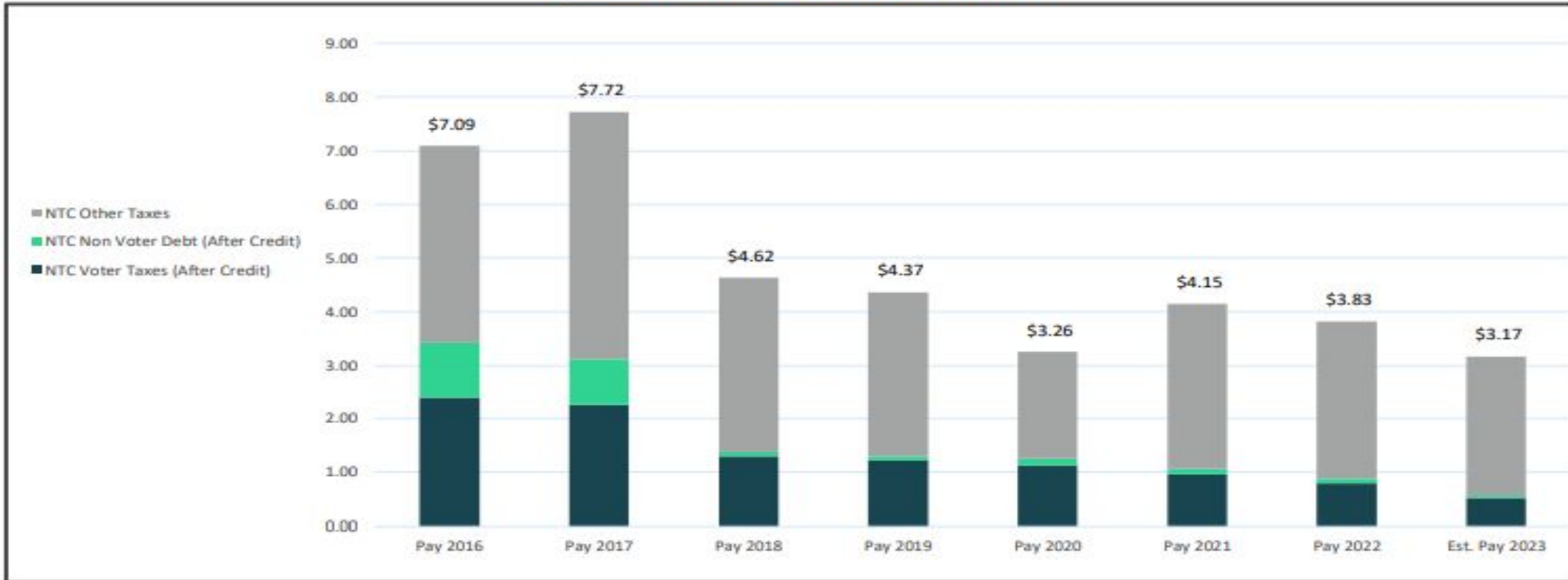
#	District Name	Home Value	RMV Voter	RMV Other	NTC Voter	Non Voter Debt	NTC Other	Total Levy
256	Red Wing	217,391 \$	336 \$	161 \$	66 \$	8 \$	131	\$ 703
861	Winona Area	217,391 \$	218 \$	156 \$	174 \$	51 \$	113	\$ 712
656	Faribault	217,391 \$	227 \$	217 \$	113 \$	12 \$	168	\$ 738
77	Mankato	217,391 \$	142 \$	242 \$	187 \$	47 \$	212	\$ 831
492	Austin	217,391 \$	14 \$	280 \$	146 \$	111 \$	321	\$ 873
763	Medford	217,391 \$	- \$	462 \$	364 \$	22 \$	93	\$ 940
241	Albert Lea	217,391 \$	221 \$	281 \$	71 \$	195 \$	254	\$ 1,023
761	Owatonna	217,391 \$	168 \$	279 \$	531 \$	- \$	164	\$ 1,143
659	Northfield	217,391 \$	563 \$	225 \$	291 \$	55 \$	194	\$ 1,328
Group Average			\$ 210	\$ 247	\$ 199	\$ 57	179	\$ 893

Data sourced from Minnesota Department of Education Pay 2022 School Tax Report



FARIBAULT PUBLIC SCHOOLS

Faribault Public School District
Agricultural Homestead Land School Tax Trend



	Pay 2016	Pay 2017	Pay 2018	Pay 2019	Pay 2020	Pay 2021	Pay 2022	Est. Pay 2023
Value per Acre	/,000	/,000	/,000	/,000	/,000	/,000	/,000	/,000
NTC Voter Taxes (After Credit)	2.39	2.26	1.29	1.22	1.13	0.96	0.79	0.51
NTC Non Voter Debt (After Credit)	1.04	0.86	0.08	0.07	0.12	0.10	0.08	0.05
NTC Other Taxes	3.67	4.60	3.25	3.08	2.01	3.09	2.95	2.61
Total School Taxes	\$ 7.09	\$ 7.72	\$ 4.62	\$ 4.37	\$ 3.26	\$ 4.15	\$ 3.83	\$ 3.17

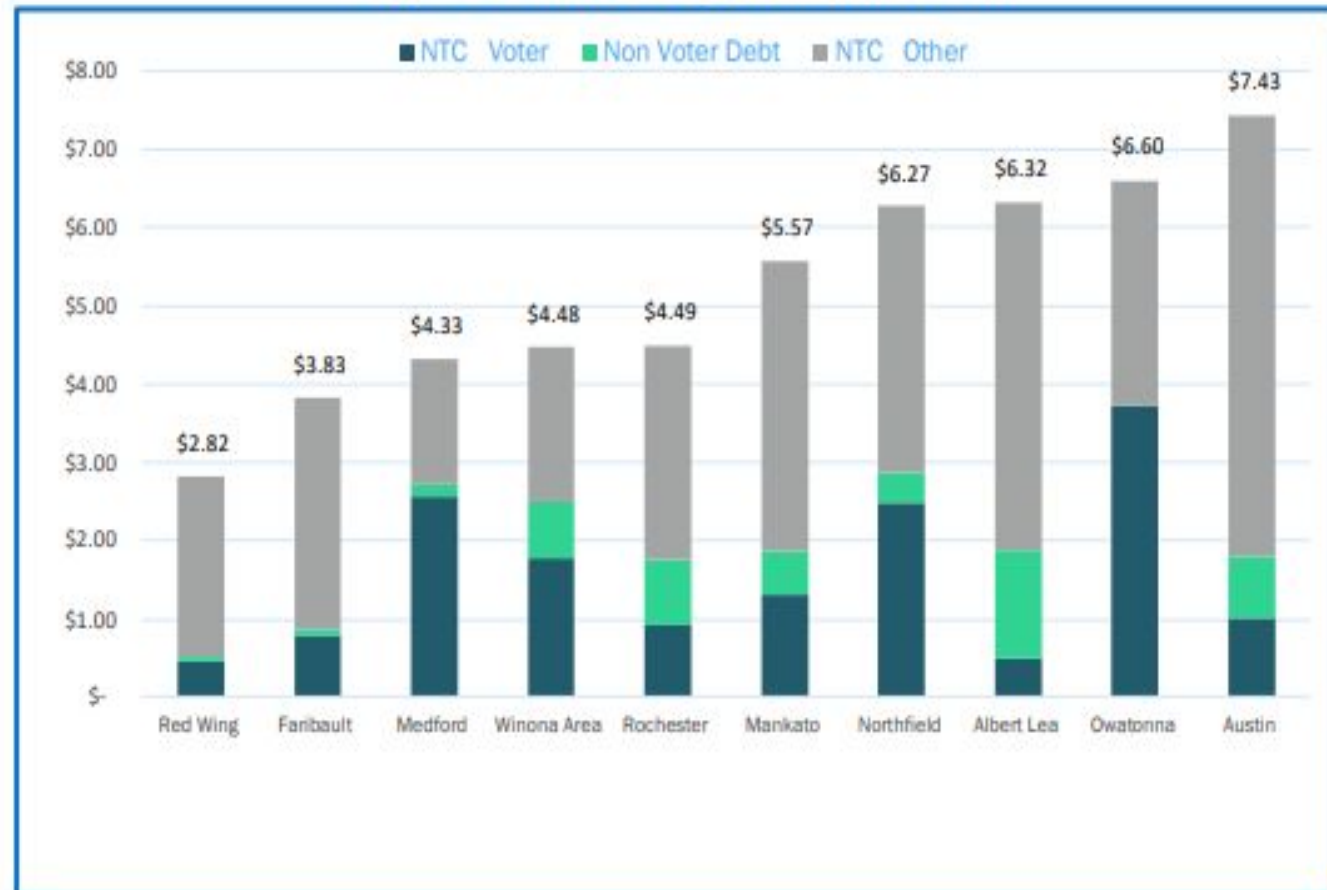


FARIBAULT PUBLIC SCHOOLS

#	District Name	Acre Value	Non Voter						Total Levy	
			NTC	NTC	Voter	Debt	NTC	Other		
256	Red Wing	7,000	35 \$	0.47 \$	0.06 \$	2.29 \$	2.82			
656	Faribault	7,000	35 \$	0.79 \$	0.08 \$	2.95 \$	3.83			
763	Medford	7,000	35 \$	2.55 \$	0.15 \$	1.62 \$	4.33			
861	Winona Area	7,000	35 \$	1.76 \$	0.73 \$	1.98 \$	4.48			
535	Rochester	7,000	35 \$	0.93 \$	0.83 \$	2.73 \$	4.49			
77	Mankato	7,000	35 \$	1.31 \$	0.54 \$	3.71 \$	5.57			
659	Northfield	7,000	35 \$	2.48 \$	0.38 \$	3.40 \$	6.27			
241	Albert Lea	7,000	35 \$	0.50 \$	1.37 \$	4.45 \$	6.32			
761	Owatonna	7,000	35 \$	3.72 \$	- \$	2.87 \$	6.60			
492	Austin	7,000	35 \$	1.02 \$	0.78 \$	5.63 \$	7.43			
Group Average			\$	1.49 \$	\$	0.46 \$	\$	3.15 \$	\$	5.09

Faribault Public School District

Pay 2022 Tax Levies for Agricultural Homestead



Data sourced from Minnesota Department of Education Pay 2022 School Tax Report



FARIBAULT PUBLIC SCHOOLS

KEY TALKING POINTS

1. Property valuation increases do not change the amount of REVENUE the District receives.
2. Increasing valuations can lead to less state aid and a larger share of revenue coming from local taxpayers through the levy.
3. As different portions of the property tax pie change, the property tax burden shifts from taxpayers with smaller increases to taxpayers with larger increases.



FARIBAULT PUBLIC SCHOOLS

	2021 Pay 2022	2022 Pay 2023	Difference	% Change
General Fund	\$8,099,631.00	\$9,053,875.23	\$954,244.23	11.78%
Community Education	\$372,008.42	\$435,224.08	\$63,215.66	16.99%
Debt Service	\$2,218,272.07	\$2,244,954.61	\$26,682.54	1.20%
Total	\$10,689,911.49	\$11,734,053.92	\$1,044,142.43	9.77%

Approve 2022 Pay 2023 Levy for the amount \$11,734,053.92

PUBLIC COMMENT

For more information contact:

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