

Finance Committee Meeting

Tuesday, August 12, 2025 7:30 AM

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

I. Business Items

I.A. Finance Committee Meeting Minutes from
7/14/2025

II. Contracts, Agreements, Bids and Grants for Review

II.A. Approval of the FY25-26 School Resource
Officer

III. Financial Performance

III.A. Monthly Student Count - July (Nothing to
Report)

III.B. Monthly Investment Report - July

III.C. Monthly Comparative Financial Report -
July

III.D. Monthly Analytical Report - July (Nothing
to Report)

IV. Financial Strategies

V. Next Meeting

V.A. Next Meeting - September 15, 2025, at 7:30 am.

VI. Adjourn - ACTION

FINANCE COMMITTEE MINUTES

This meeting was held remotely via Google Meet
July 14, 2025 at 7:30 a.m.

Members in Attendance: John Bellingham, Jamie Bente, Lynda Boudreau, Rob Dehnert, Stacy Fox, Meghan Knutson, Brett Martindale, Barbie Roessler and Chad Wolff.

Others in Attendance:

Members Absent: Dave Campell and Jason Engbrecht

This meeting was called to order at 7:31 a.m.

I. Business Items

- a. Approval of the previous meeting minutes: Motion to approve by Mr Bente and seconded by Ms Fox. Mr Wolff abstained due to absence from the June meeting. Motion carried.

II. Contracts, Agreements, Bids and Grants for Review

- a. Approval of the FY26 MOU and LEA Agreement between Faribault and Elysian Head Start Center: Moved on from this HS servers children 3-5. Provide Special Ed services to the Head Start program. Nothing different from last year. Motion to approve by Mr Bente and seconded by Ms Boudreau.

III. Financial Performance

- a. June Student Count: Nothing to report. There weren't any changes between May and June. Our MARSS coordinator is going through revisions right now. Roughly 3,000 students will be reported for FY25. We're expecting an increase in FY26 due to the closure of STEM.
- b. June Investment Financial Report: We're sitting in a really good spot for investments. We're working with PFM on our investments to ladder and diversify and we're getting some pretty good rates.
- c. June Comparative Financial Report: In June of 2024, we had credits so we're not seeing any bill for HVAC. Utilities on the whole are under budget. Self-insurance: Revenues less than Expenditures for June. Mr Wolff was pleased to see that our deficit was only \$48.5k for the year compared to what it was looking like earlier in the year. Also, pleased that our rates will be increasing by 15% for FY26.
- d. June Analytics: Fund summary: Expenses exceed Revenues by about 6 million but will change as we go through the audit due to booking receivables and additional invoices coming in for FY25 expenses. The bulk of the deficit is coming in from the construction fund which has \$4.7 million in expenditures and only \$280k in revenue. Multiyear Guideline: Our expenses for the general fund coming in at about \$58.7 million which is less than where we had anticipated but again, that number will change as we make year-end closing entries. Mr Wolff

had some concerns about the federal grants and not continuing. Barbie stated that Title I is the bulk of our federal funding but we could be potentially losing Titles 2,3, 4 and 600k for another grant. We're continuing to monitor that situation closely.

IV. Financial Strategies

- a. Approval of the 10-year Long-term Facilities & Maintenance Plan: By July 31 of each year we have to submit our 10 year LTFM plan to the school board, however, we really focus on the initial 3 years. Health and Safety is our yearly expense that we expect for regular upkeep of the buildings. In category 2, Indoor Air Quality, is our HVAC project. We're anticipating two more sites. Deferred Maintenance, building envelope, we're planning on \$20, interior surfaces, we're planning on some facelifts such as painting and have budgeted \$25k. Plumbing, we're planning on replacing some water fountains. Site projects for \$70k, such as sidewalks: Roosevelt sidewalks to be made safer. Fund balance for Fund 01: Regular revenue is based on student count and building age and in FY25 we're expecting \$1.3 million in revenue and \$1.27 in expenses. This will leave a \$43k fund balance going into FY26. FY26 revenue is projected to be \$1.36 million and expenses \$1.2 million and will add to our fund balance. We're projecting a fund balance of \$193k going into FY27. In Fund 06, our construction fund, we began FY25 with a \$7.1 million dollar fund balance. We received an additional 2.1 million in bond revenue and had expenses of \$4.6 million. This leaves our fund balance in Fund 06 at \$4.5 million. As we continue to finish our HVAC projects, that fund balance will be continued to be spent until the projects come to completion in FY27. Mr. Wolff - if we separate from Nerstrand will that impact this? And also, we'll be out of the ALC. Where do the remodel expenses come into play? Ms Roessler stated that some of the remodel expenses at McKinley are factored into this 10 year plan but no plans for renovations or long term maintenance projects for Nerstrand or the ALC were included.

V. Next Meeting: August 11, 2025, at 7:30 am.

VI. Adjournment at 8:04 am: Motion to adjourn by Ms Fox and seconded by Ms Boudreau.

Respectfully submitted by Brett Martindale

**2025-2026 Agreement Between
The City of Faribault**

AND

**Faribault School District #656
For School Resource Officer Services**

This agreement is between the City of Faribault (City) and Faribault School District #656 (School District or District).

Whereas, the City and School District wish to maintain a cooperative working relationship in protecting the safety of all students and staff on school property and all attendees at District sponsored events and activities, and to provide a safe environment for everyone in our community; and

Whereas, the School District and City desire to join in a mutual effort to curb delinquency, crime, and substance use disorder in the community; and

Whereas, Minnesota Statutes, section 126C.44 authorizes the District to contract with the City to have peace officers provide school resource officer, hereinafter referred to as SRO, services; and

Whereas, Minnesota Statutes, section 126C.44 further authorizes the District to levy for an appropriate portion of the costs incurred paying wages, providing benefits, and providing transportation for peace officers who are assigned to perform school resource officer services; and

Now, therefore, in consideration of the City and School District agree as follows:

School Resource Officer Program

A. Definitions. The following definitions apply to this Agreement:

Additional services – services that a peace officer provides; at the District's request, outside the regular hours of SRO service that are described in paragraph four (4) of this Agreement. By way of example, but without limitation, an SRO performs additional services if, at the request of a school administrator or District administrator, the SRO attends a school board meeting, an extracurricular activity, or a community function that is held outside of regularly scheduled hours.

School resource officer or SRO – a licensed peace officer who is employed by the City and is assigned to provide SRO duties or additional services pursuant to this Agreement.

SRO Duties – those duties performed by an SRO, as described in Section B of this Agreement.

B. Responsibilities – City

1. *Scope of SRO duties and services* – include, but are not limited to:
 - i. Promoting positive behavior on school property;
 - ii. Protecting persons who are present on school property or at a school sponsored event or activity;
 - iii. Protecting real and personal property;
 - iv. Deterring and addressing truancy;
 - v. Serving as a role model for students, parents, and community members;
 - vi. Serving as a mentor and resource for students;
 - vii. Conferring with students, parents, and community members for the purpose of deterring or addressing criminal behavior on school property or at a school sponsored event or activity;
 - viii. Visiting and inspecting high delinquency areas on school property;
 - ix. Being present and visible on school property and surrounding areas;
 - x. Deterring all forms of criminal activity on school property and at school sponsored events and activities;
 - xi. Enforcing all criminal laws on school property and at school sponsored events and activities as necessary in the SRO's professional judgement;
 - xii. Assisting the School District in developing plans and strategies to prevent and/or minimize dangerous situations and to address other security issues identified by the School District administration, when applicable, a school principal and/or the SRO;
 - xiii. Giving presentations to students and staff that are designed to promote safety or to deter, decrease, or otherwise address illegal substance use or other potential criminal activity by students;
 - xiv. In all matters related to law enforcement actions taken within the school or on school property (including investigations, interviews and searches or confiscation of property related to students), conducting themselves in a manner consistent with relevant federal and state statutes and case law, the standard operating procedures and general orders of their department, their professional judgement, and the board-adopted policies and procedures of the District;
 - xv. Investigating and otherwise addressing criminal activity that has occurred, is alleged to have occurred, may have occurred, or is expected to occur on school property or at a school sponsored event or activity;
 - xvi. Participating in any criminal prosecutions that may arise from services provided under this Agreement;
 - xvii. Conducting searches of students, student lockers, student backpacks, school property, and student vehicles as authorized by law and at the request of a school official when the school official has reasonable grounds to believe the search will result in the discovery of drugs, a weapon, or any other item that is unlawful for a student to possess on school property, or the discovery of other evidence establishing that a student has committed a crime that has a direct nexus to school property or a school sponsored event or activity;
 - xviii. Referring complaints about noncriminal student behavior to school administration as most school incidents and policy violations do not constitute criminal conduct and should not be addressed through law enforcement action;
 - xix. Recovering lost or stolen property;

- xx. Responding to emergencies including, but not limited to, medical emergencies and situations involving a threat of violence or harm to property or to any person who is on school property or is at a school sponsored event or activity;
 - xxi. Meeting and collaborating with school administrators and District administrators to develop and work toward mutually agreed upon goals; and
 - xxii. Other tasks as assigned by the Faribault Police Department.
2. *Vehicles, Equipment, and Training.* The City is responsible for providing each SRO with a vehicle and all necessary law enforcement equipment, including necessary electronic devices. The City is also responsible for providing training and education to all peace officers who are assigned to provide services pursuant to this Agreement.

C. Responsibilities – School District

It shall be the responsibility of the School District to:

1. Provide guidance and assistance to the SRO through principals, teachers, administrative staff, and student body.
2. Provide meeting and office space and support services in both the Middle and Senior High Schools for use by the SRO to meet with students and staff on a public and private meeting basis.
3. Provide clerical help and assistance to the SRO when needed by them within any school in which they are working based on mutual agreement with the school principal.
4. The School District agrees to cooperate with the City on future community policing activities. Facilitate opportunities for SRO involvement in student and faculty programs and activities.

D. Accountability and Relationship of Parties

1. The administration of the School District and the City/Police Department commit to providing the necessary support to make the SRO program successful.
2. The SRO is a City employee subject to all personnel policies and practices of the Faribault Police Department regarding investigations, interviews, body-worn cameras, and searches relating to juveniles, except as such policies or practices may be modified by the terms and conditions of this Agreement. At all times and for all purpose, the City is and will remain the exclusive employer of all peace officers who perform services pursuant to this Agreement. No SRO may be considered to be an official, employee, agent, educational service provider, or representative of the District, and no SRO may make any representation to the contrary. The City maintains full control over the peace officers it employs and is solely responsible for all employment and administrative functions related its employees, including, but not limited to, supervision and evaluation, payroll and deductions, maintenance of all required insurance (e.g., workers' compensation insurance, unemployment insurance, liability insurance), and any labor disputes or grievances.

3. Nothing in this Agreement may be construed to create a partnership or joint venture between the District and the City. Neither party has any authority or power to take any unilateral action that could legally bind the other party. For purposes of the Minnesota Government Data Practices Act, each party is considered to be an independent contractor relative to the other party.

E. Payment:

1. School District will pay to the City a total of \$154,696 for SRO Services, which will be made in two equal payments on December 15, 2025 and March 15, 2026.
2. The City will invoice the District for “additional services” as defined in this agreement at the contract off-duty employment rate of \$90 per hour in 2025, and \$95 per hour in 2026. Invoices shall be paid by the District within 30 days of receipt.

F. General Provisions:

1. *Indemnification.* Each party is solely responsible for the act(s) and omission(s) of its own officers, employees, officials, agents, and representatives. To the extent permitted by law, each party agrees to indemnify the other party from any and all damages, liability, judgments, claims, expenses, attorney fees, and costs resulting from any act or omission of any of its officers, employees, officials, agents, or representatives. Each party’s liability, if any, is limited under Minnesota Statutes Chapter 466, and nothing this Agreement may be deemed to constitute a waiver of those limits.
2. *SRO Reassignment for Emergency Response.* The City reserves the right to suspend this Agreement and reassign the SRO in the event of natural or man-made disaster, civil unrest, terrorism, war, pandemic, or any similar unforeseen event for the duration of such an event. The School district agrees that the City’s failure to perform or delay the performance of the City’s specified duties in the Agreement will not constitute a breach of contract if the failure to perform or delay in the performance of the City’s specified duties is due to or caused by an event of natural or man-made disaster, civil unrest, terrorism, war, pandemic, or any similar unforeseen event.
3. *Effective Date and Term.* This agreement shall be effective upon execution by both parties and will automatically renew each year unless a party notifies the other party 90 days prior to expiration of the agreement that they wish to terminate the contract.
4. *Termination.* Either party may terminate this agreement for cause on 90 days written notice to the other party. If this agreement is terminated by the School District, the City shall receive from the School District the funds allocated for the program based on services provided through the date of termination.
5. *Future Funding.* The City and the School District will review the long-term funding of these programs on a continuous basis, but not less than annually.
6. *Notice.* Notice shall be provided to the addresses in this Section F(5). All notices, demands, or other communications required in the Agreement shall be effective: (i) if given personally, upon receipt; (ii) if given by electronic mail, when the other party

confirms receipt; (iii) if mailed by certified mail, postage prepaid, return receipt requested.

City

Title: Chief of Police
Address: 25 Fourth Street NW
Faribault, MN 55021
Email: jsherwin@faribaultmn.gov

School District

Title: [Insert]
Address: [Insert]
Email: [Insert]

7. *SRO Selection.* The City and School District agree to continue with the SRO appointed for the 2024-2025 school year, and beginning in the 2025-2026 school year, or if the 2024-2025 SRO is no longer available to complete the duties under this Agreement, will each provide input and work together and come to agreement on any candidates to be considered for School Resource Officer.
8. *Data Practices.* Parties acknowledge that both the School District and City are subject to the Minnesota Government Data Practices Act (Minnesota Statutes, Chapter 13). The SRO shall only be considered a school official for purposes of any District Policy, the Family Educational Rights and Privacy Act or the Minnesota Government Data Practices Act when performing SRO duties.
9. *Audit.* Each party must allow the other party or its duly authorized agents, and the state auditor or legislative auditor reasonable access to the party's books, records, documents, and accounting procedures and practices that are pertinent to all services provided under this Agreement for a minimum of six years from the termination of this Agreement.
10. *Waiver.* Any waiver by any party of a breach of any provisions of this Agreement shall not affect in any respect the validity of the remainder of this Agreement.
11. *Entire Agreement and Amendments.* This Agreement constitutes the entire Agreement between the parties. This Agreement may only be amended by written agreement of both parties.

Executed this _____ day of _____, 2025.

City of Faribault

Faribault School District #656

Mayor

Chairman of the Board

City Administrator

Superintendent of Schools

Date

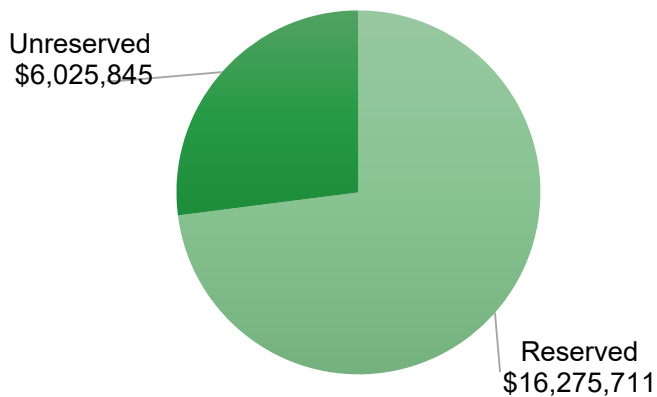
Date



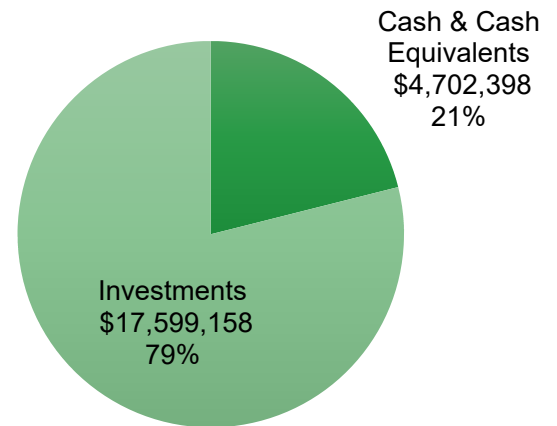
FARIBAULT PUBLIC SCHOOLS
Investment Balances
As of July 2025

	Ending Balance 6/30/2025	Ending Balance 7/31/2025	Interest/Div Earned
CCF - MAIN CHECKING	495,156.74	496,963.86	\$ 1,807.12
CCF -SAVINGS	-	-	-
RELIANCE - MAIN CHECKING	750,000.00	750,000.00	
RELIANCE - SAVINGS	2,483,581.95	1,769,168.99	2,593.41
MSDLAF+LIQUID MONEY MARKET	1,336,163.94	1,502,238.78	4,793.57
MSDLAF+ MAX MONEY MARKET	175,180.88	181,620.80	632.06
MN TRUST OPERATIONS	8,687,445.38	3,969,317.92	42,168.22
MN TRUST INVESTMENTS	6,802,283.04	6,315,483.04	
MN TRUST MAINTENANCE BONDS	4,061,528.47	4,073,608.28	12,079.81
US BANK - IRREVOCABLE TRUST	2,640,720.92	2,640,720.92	
US BANK - ROOSEVELT DEBT	27.36	27.36	-
FIRST UNITED BANK CD	150,000.00	150,000.00	
PREMIER BANK CD	150,000.00	150,000.00	
RELIANCE BANK CD	150,000.00	150,000.00	
STATE BANK OF FARIBAULT CD	150,000.00	150,000.00	
PETTY CASH	2,406.00	2,406.00	
TOTAL CASH AND INVESTMENTS	\$ 28,034,494.68	\$ 22,301,555.95	\$ 64,074.19

Asset Reservations



Liquidity



Faribault Public Schools
Comparative Financial Report - Select General Fund Expenditure Accounts
As of July 31, 2025

	FY25 July 2024	FY26 July 2025	FY25 YTD Through July 2024	FY26 YTD Through July 2025	FY25 FIN Budget	FY26 ADP Budget	FY25 % of Budget through July 2024	FY26 % of Budget through July 2025
EXPENDITURES:								
HVAC	-	33,043	-	33,043	289,000	281,500	0.00%	11.74%
Water	-	-	-	-	67,200	83,500	0.00%	0.00%
Electric	68,596	(10,474)	68,596	(10,474)	624,000	640,500	10.99%	-1.64%
Snow Removal	-	-	-	-	100,200	84,600	0.00%	0.00%
Total Expenditures	68,596	22,569	68,596	22,569	1,080,400	1,090,100	6.35%	2.07%

Faribault Public Schools
Comparative Financial Report - Self Insurance Fund
As of July 31, 2025

	FY25 July 2024	FY26 July 2025	FY25 YTD Through July 2024	FY26 YTD Through July 2025	FY25 FIN Budget	FY26 ADP Budget	FY25 % of Budget through July 2024	FY26 % of Budget through July 2025
REVENUES:								
District Contributions	146,490	164,623	146,490	164,623	2,536,426	2,916,890	5.78%	5.64%
Employee Contributions	19,971	28,652	19,971	28,652	264,673	304,374	7.55%	9.41%
Retirees Contributions	10,739	5,010	10,739	5,010	85,261	55,886	12.60%	8.96%
Cobra Contributions	954	-	954	-	11,130	13,165	8.57%	0.00%
Total Revenue	178,154	\$198,285	\$178,154	\$198,285	\$2,897,490	\$3,290,315	6.15%	6.03%

EXPENDITURES:								
Medical Claims	104,821	118,436	104,821	118,436	2,782,154	2,842,024	3.77%	4.17%
Administrative Fees	-	103,810	-	103,810	403,787	476,307	0.00%	21.79%
Additional Charges	6,790	1,463	6,790	1,463	84,357	60,000	8.05%	2.44%
Total Expenditures	\$111,611	\$223,709	\$111,611	223,709	\$3,270,298	\$3,378,331	3.41%	6.62%

(\$25,424)