

# **WAYZATA PUBLIC SCHOOLS**

Independent School District 284  
Wayzata, Minnesota

## **BOARD OF EDUCATION**

Special Meeting - June 22, 2009 - 4:00 PM  
District Administration Building  
210 County Rd. 101 N., Plymouth, MN 55447

### **AGENDA**

- |    |   |    |
|----|---|----|
| 1. | CALL TO ORDER - Board Chair Moroz                     | 3  |
| 2. | APPROVAL OF 2009-2010 PRELIMINARY BUDGET - J. Westrum | 4  |
| 3. | APPROVAL OF 2008-2009 BUDGET REVISIONS - J. Westrum   | 47 |
| 4. | ADJOURN   | 49 |

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

**VISION**

***A model of excellence among learning communities***

**MISSION**

***The mission of the Wayzata School District is to prepare all students for the future by providing a challenging education which builds academic competence, develops responsible citizenship, encourages creativity, promotes lifelong learning, advances critical thinking skills, instills a commitment to personal wellness, and fosters respect for self and others.***

**District Directions for 2008-2010**

*To ensure high achievement on the part of each student and to realize our vision, the district's directions for 2008-2010 are:*

- *Provide a more personalized education for each student.*
- *Eliminate the predictability of student achievement based on race.*
- *Provide opportunities for students to engage in global connections.*
- *Prepare students in skills that they will need to function effectively in the future including creative thinking, diplomacy, problem solving and teamwork.*
- *Enhance the sense of ownership and engagement in the district by all segments of the community.*

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

**BOARD OF EDUCATION**

**Special Meeting – June 22, 2009**

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

**ITEM: \_\_\_\_\_**

**COMMENTS BY: Board Chair Moroz**

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

	<b><u>PRESENT</u></b>	<b><u>ABSENT</u></b>
Ms. Linda A. Cohen	_____	_____
Ms. Susan J. Droegemueller	_____	_____
Ms. Patricia L. Gleason	_____	_____
Mr. Jay A. Hesby	_____	_____
Mr. John A. Moroz	_____	_____
Ms. Carter G. Peterson	_____	_____
Mr. Greg D. Rye	_____	_____
Dr. Chace B. Anderson, Ex Officio	_____	_____

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

**BOARD OF EDUCATION**

Special Meeting – June 22, 2009

**AGENDA ITEM: 2. APPROVAL OF 2009-2010 PRELIMINARY BUDGET**

**COMMENTS BY:** Mr. Westrum

The Preliminary Budget for 2009-2010 is presented for approval as follows:

<b><u>Fund</u></b>	<b><u>Revenue</u></b>	<b><u>Expenditures</u></b>
<i>General Fund</i>	\$105,763,888	\$107,080,208
<i>Health and Safety</i>	2,861,077	2,839,377
<i>Food Service Fund</i>	4,901,647	4,972,354
<i>Community Service Fund</i>	8,167,247	8,083,250
<i>Construction Fund</i>	6,948,021	6,438,894
<i>Debt Service Fund</i>	<u>9,762,061</u>	<u>9,764,556</u>
<b>Total</b>	<b>\$138,403,941</b>	<b>\$139,178,639</b>

The detailed budget book is attached.

**RECOMMENDED ACTION:** Approve the Preliminary 2009-2010 Revenue and Expenditure Budget.

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

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

Abstentions \_\_\_\_\_

**Wayzata School District**  
**Preliminary Budget**  
**July 1, 2009 through June 30, 2010**

**June 22, 2009**

## **Table of Contents**

Table of Contents	1
District Officials	2
Vision and Mission Statement	3
The School District	3
Executive Summary	4
Enrollments	8
General Fund	9
General Fund Revenue	10
General Fund Revenue—Detailed Explanation	13
General Fund Expenditures	21
Personnel	26
Operating Capital	27
General Fund Balance Sheets	29
Other Funds	31
Results and Achievements	40
Appendix: Basic Fund Structure	41

**Preliminary Budget  
For the Fiscal Year July 1, 2009 through June 30, 2010**

**DISTRICT OFFICIALS**

**SCHOOL BOARD:**

John A. Moroz	Chairperson
Patricia L. Gleason	Vice Chair
Carter G. Peterson	Treasurer
Susan J. Droegemueller	Clerk
Linda A. Cohen	Director
Jay A. Hesby	Director
Greg Rye	Director
Chace B. Anderson	Ex-Officio

**ADMINISTRATIVE STAFF:**

Chace B. Anderson	Superintendent of Schools
James Westrum	Exec. Director of Finance and Business Services
Annie Doughty	Executive Director of Human Resources
Jane Sigford	Exec. Director of Curriculum & Instruction
Lori Fildes	Director of Special Services
G. William Rueber	Controller
James A. Scheuer	Senior Accountant
Robert B. Noyed	Director of Communications

## **Vision**

*A model of excellence among learning communities*

## **Mission Statement**

The mission of the Wayzata School District is to prepare all students for the future by providing a challenging education which builds academic competence, develops responsible citizenship, encourages creativity, promotes lifelong learning, advances critical thinking skills, instills a commitment to personal wellness, and fosters respect for self and others.

## **The School District**

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

### **◆ Elementary Schools**

Birchview, Gleason Lake, Greenwood, Kimberly Lane, Oakwood, Plymouth Creek, Sunset Hill

### **◆ Middle Schools**

Central, East and West

### **◆ Senior High School**

# EXECUTIVE SUMMARY

**INDEPENDENT SCHOOL DISTRICT 284  
WAYZATA, MINNESOTA**

**Table I**

**2009-2010 Preliminary Budget**

**Revenue**

General Fund	\$105,763,888
Health & Safety	<u>2,861,077</u>
Total General Fund	\$108,624,965
Food Service	\$ 4,901,647
Community Service	8,167,247
Construction	6,948,021
Debt Service	<u>9,762,061</u>
All Funds Combined	\$138,403,941
All Funds Excluding Construction	\$128,641,880

**Expenditures**

General Fund	107,080,208
Health & Safety	<u>2,839,377</u>
Total General Fund	\$109,919,585
Food Service	\$ 4,972,354
Community Service	8,083,250
Construction	6,438,894
Debt Service	<u>9,764,556</u>
All Funds Combined	\$139,178,639
All Funds Excluding Construction	\$129,414,083

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

## Budget at a Glance

### General

- ◆ This budget year commences July 1, 2009 and ends June 30, 2010. It is for the 2009-10 school year and is also referred to as “Fiscal Year 2010”, abbreviated “FY10”.
- ◆ Student enrollment as of October 1<sup>st</sup> remains stable at 10,143, compared with 10,152 in the prior year.
- ◆ The general fund unreserved, undesignated balance at June 30, 2010 is estimated to be \$10,423,795, or 10.8% of the expenditures. This represents 5 weeks of operations and is deemed to be adequate at year end.
- ◆ This budget assumes that there are no changes in the formula allowance enacted by the 2009 Legislature.

### Revenues

- ◆ Total general fund revenues are estimated to be \$108,624,965, a decrease of \$61,548 from FY09 to FY10.
- ◆ Revenue includes the referendum levy of \$1,571.00 per pupil unit.
- ◆ State special education aid and excess cost aid will still be prorated at 85% and 66%, respectively.
- ◆ Revenue also includes a technology levy of \$4,888,894.
- ◆ Investment earnings in the general fund are expected to be approximately \$200,000 due to reduced rates of return in the marketplace.
- ◆ Deferred maintenance revenue of \$594,000 is included in the budget, while \$637,000 of “one-time” operating capital aid is no longer available in 2009-2010.
- ◆ Federal Title I revenue of \$315,135 is included. The district began receiving this revenue in FY 2009. The preliminary budget does not include any federal stimulus dollars.

### Expenditures

- ◆ General fund expenditures are estimated to be \$109,919,585, a decrease of \$940,423.
- ◆ Budget includes \$4.8 million for technology through the capital projects levy.
- ◆ Budget includes \$2.6 million for the alternative compensation plan.
- ◆ Salaries are budgeted to increase 3.6%, including step advancement, lane changes, and scheduled improvements for settled bargaining units as well as estimates for non-settled groups.
- ◆ Health insurance premiums increased 4.5%. Budget capacity was increased to account for additional employees electing to participate in the district’s insurance plans.
- ◆ Dental premiums will remain constant at current rates.
- ◆ Public Employee Retirement Association (P.E.R.A.) employer contribution rates for non-licensed employees increased to 6.75% on January 1, 2009 and is projected forward to the 2009-10 fiscal year.

## **Budget at a Glance** **(Continued)**

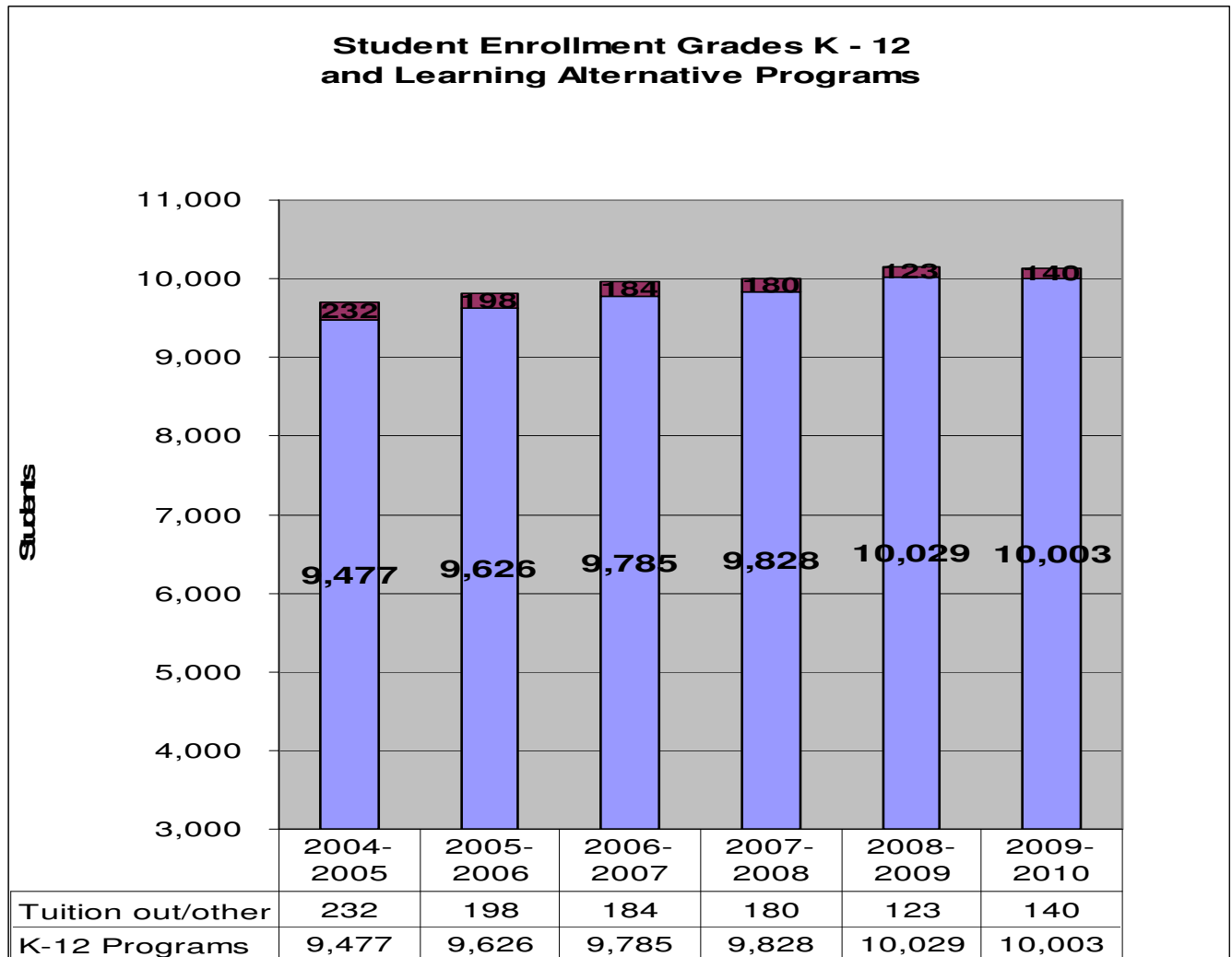
- ◆ The budget for the textbook replacement cycle is \$400,000. An additional \$50,000 is budgeted for textbooks for enrollment changes at particular grade levels.
- ◆ The total budget for operating capital expenditures exceeds operating capital revenue by \$906,315. Operating capital reserves designated for roof repairs will cover this.
- ◆ Budget includes a reserve of 6 teacher FTE's to address hot spots.
- ◆ Schools' allocations per pupil for supplies remain constant at current rates.
- ◆ Heating, ventilating, and air conditioning (HVAC) improvements are planned at Central Middle School. This is the third year of a four-year project.
- ◆ Other deferred maintenance projects include scheduled pavement rehabilitation and flooring replacements.

◆ **Enrollments**

The state of Minnesota had 339 school districts with a statewide public school enrollment of 811,000 for 2007-2008. Slightly more than one percent of Minnesota's public school students are educated in Wayzata Public Schools. In 2009-2010, enrollment at Wayzata Public Schools remains stable at 10,143. Of these students 10,003 are served in the district's facilities, while 140 students are served through tuition agreements by other districts.

Student enrollment growth has leveled off, and enrollment is expected to remain level over the next ten years. In some areas of the district new homes are under development. In general, however, this new development is expected to be offset by slight enrollment declines in mature parts of the district. These projections are based upon demographic studies commissioned by the District in 2008 that are currently being updated as of June 2009.

**Table II  
Enrollment History**



Enrollment includes F.A.I.R. School IDDS students, and resident students served in Intermediate District #287 under tuition agreements.

## **General Fund**

### **Purpose**

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

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

The general fund does include expenditures funded with the Health and Safety levy, but in this document these expenditures are shown separately. This is because Health and Safety expenditures can fluctuate considerably from year to year and can give a distorted view of the district's funding picture.

The preliminary budget for 2009-10 contains moderate changes in staffing and programs from the previous year. The 2009 Legislature was currently in session at the time that this budget was prepared. This budget assumes that the state formula allowance will be frozen at the 2008 level.

### **Fund Balance Policy**

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

The projected undesignated, unreserved general fund balance as of June 30, 2010 is \$10,423,795. This is 10.8% of the expenditure budget, or five weeks of operations.

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

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

## General Fund Revenue

Wayzata Public Schools receives revenues from two primary sources: local property taxes and state funding. A relatively small amount of revenue is also received from the federal government; fees and charges; non-resident tuition; and interest income. A detailed explanation of general fund revenue begins on page 13. Highlights for 2009-2010 include:

Wayzata Public Schools will receive approximately \$108.6 million to support the general operations of the district. This is a decrease of \$61,548 from the preceding year.

State aid estimates are primarily based on session laws 2008 with the assumption that there will be no increase in the formula allowance. Special Education aid is also expected to remain the same and prorated at 85% for general aid and 66% for excess cost aid.

Some of the major features of the general fund revenue for Wayzata Public Schools for FY10 are:

- State revenues are the single largest source of general fund revenue (67%) for Wayzata Public Schools.
- Revenue for the Alternative Compensation Plan is \$2,655,640.
- The technology levy is increased to \$4,888,894. Only \$4,421,700 of this will be budgeted for expenditures in FY10; the remaining \$467,194 will be reserved for use after FY2011, when one of two approved levies expires.
- Deferred maintenance revenue of \$594,916 is in the budget. This revenue is designated for building repairs.
- Compensatory revenue, which is state aid allocated on the basis of students eligible for free and reduced-price lunches, is increasing from \$613,195 to \$683,278. This is principally due to the fact that 103 more students are eligible for free lunches and 45 more for reduced-price lunches.
- Also included in revenue is \$1,600,000 in state integration aid and the local integration levy, as well as \$1,100,000 for integration-related transportation.

## General Fund

### Change in Budgeted Revenues 2008-2009 and 2009-2010

	<b>FY09</b>	<b>FY10</b>	<b>Difference</b>
<b>Basic Formula</b>	59,900,325	59,974,472	74,147
<i>0% formula increase; slight increase in pupil units</i>			
<b>Referendum Levy</b>	15,739,043	16,972,457	1,233,414
<i>Inflation adjustment; prior year adjustments</i>			
<b>Technology Levy</b>	4,568,597	4,888,894	320,297
<i>Inflation adjustment of 2%; build reserves</i>			
<b>Special Education Aid</b>	6,796,889	5,513,749	-1,283,140
<i>Additional staff &amp; transp. costs; state proration increases for FY09</i>			
<b>Alternative Compensation</b>	2,597,140	2,655,640	58,500
<b>Integration Revenue*</b>	2,654,724	2,700,000	45,276
<i>Increased transportation aid</i>			
<b>Deferred Mntnce. Revenue</b>	574,217	594,916	20,699
<b>Interest Income</b>	415,000	200,000	
<i>Rates declined</i>			
<b>Tuition</b>	700,000	140,000	-560,000
<b>Federal Funding</b>	2,277,231	2,615,502	338,271
<b>Other Local Revenue</b>	2,664,118	2,622,181	-41,937
<b>Other Levy Revenue</b>	5,432,308	5,561,984	129,676
<b>Other State Aid</b>	1,261,041	1,324,093	63,052
<b>TOTAL</b>	<b>105,580,633</b>	<b>105,763,888</b>	<b>183,255</b>

\*Includes transportation aid for integration programs

## **Property Taxes**

Property taxes became a far less significant source of revenue for Wayzata Public Schools due to major legislative changes enacted in the 2001 Session. Two large property tax components of the school levy were eliminated or reduced, and replaced with an equivalent amount of state aid. As a result Wayzata's certified property tax levy declined by more than half, from \$55.4 million in the levy for FY02 to \$26.5 million in the levy for FY04.

In November 2005, the voters of the District approved an increase in the referendum levy that included an allowance for future inflation. The referendum levy for 2009-10 is \$1,571.00 per resident pupil unit. Total referendum revenue is \$16,972,457 for this year.

The District's property tax base remains strong. The District's referendum market value grew to just over \$10 billion in 2008.

For FY10, local property taxes will provide \$33.6 million in revenue for the general fund. This source of revenue will also provide \$1.2 million for the community services fund and \$9.6 million for debt redemption fund. The total property tax levy for FY10 for all funds is \$44.5 million.

## **Federal Aid**

Federal funding is generally provided to supplement the costs of providing instructional services in specific vocational, adult, and special education programs for educationally or economically disadvantaged students. Federal funds are a relatively modest revenue source for the general fund, but significant for target population groups. In FY10, Wayzata Public Schools will receive approximately \$2,615,502 in federal funding, which is less than 2.2% of the general fund budget.

About 75% of federal aid is designated for special education programs. In FY09, the district estimates that it will receive \$315,135 in Title I revenue.

## **Other Revenue**

About \$2.9 million in miscellaneous revenues from various sources is projected to be available in FY10. This includes interest earnings, tuition paid from other districts, donations, and fees.

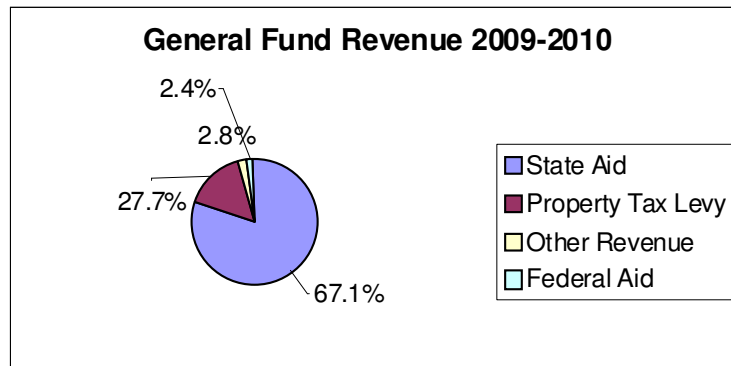
## General Fund Revenue—Detailed Explanation

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

The District has budgeted revenue of \$105,763,888 in its general fund for 2009-2010. Other funds will bring in additional revenue, but this money is not available to pay the general operating expenses of the District.

### *Where Does the Money Come From?*

As the pie chart below shows, most general fund revenue for Wayzata Schools is state aid - - 67.1%. The second largest portion, 27.7%, comes from property taxes assessed on property within the District. Another 2.8% comes from local revenues, fees, admission charges, earnings on investments, and tuition payments from other school districts or from individuals. Finally, federal aid provides 2.4% of general fund revenue. Both state aid and local property tax revenues are strictly controlled by the state.



State Aid	\$70,931,559	67.1%
Property Tax Levy	\$29,254,646	27.7%
Other Revenue	\$ 2,962,181	2.8%
Federal Aid	<u>\$ 2,615,502</u>	<u>2.4%</u>
<b>Total</b>	<b>\$105,763,888</b>	<b>100%</b>

(The figures and chart above exclude Health and Safety Revenue)

## State Aid in the General Fund

State Aid falls into three major categories:

- **General Education Aid** (\$59,974,473)
- **State “Categorical” Aid** (\$8,290,205)
- **State Property Tax Credits** (\$174,752)

### General Education Aid - Basic Formula

The principal component of **General Education Aid** is the “general education basic formula”. For 2009-2010, this formula will provide the District with \$5,124 in state aid for each “pupil unit.” (A “pupil unit” is essentially one child enrolled for the entire school year, but each child is counted as more or less than 1 pupil unit, depending on grade level.) Currently pupils are weighted as “pupil units” according to the following:

<u>Grade Level</u>	<u>“Pupil Unit” Weight</u>
Kindergarten	0.612
Grades 1 – 3	1.115
Grades 4 – 6	1.06
Grades 7 – 12	1.3

For example, since each high school student counts as 1.3 pupil units, the school district receives 1.3 X \$5,124 in general education basic revenue for each high school student, or \$6,661.

The general education basic aid formula is the single largest source of revenue for Wayzata Public Schools, providing an estimated \$59,974,473 in 2009-2010. This comprises 57% of the District’s total general fund revenue for the year.

### Other General Education Aid Components

The remaining components of general education aid for Wayzata total \$2,937,210. This includes the following:

Compensatory Revenue	683,279
L.E.P. Revenue	119,140
Referendum Tax Base Reduction Aid	29,736
Extended Time Revenue	242,933
Transportation Sparsity Revenue	2,809
Gifted and Talented Aid	140,455
Alternative Compensation Aid	1,743,341
Pension Subtraction	(307,541)
Endowment Fund	<u>309,818</u>
	<b>\$2,937,210</b>

## Other General Education Aid Components- Continued

- **Operating Capital Aid** is designated for capital expenditures for buildings and equipment. It is based on the number of students enrolled and the age of the District's buildings. Beginning in FY05, much of this revenue comes from a property tax levy; previously it was all state aid. Beginning in 2008-09, Wayzata does not receive this aid; all of the District's operating capital revenue comes from levy.
- **Compensatory Revenue** is based on the number and percentage of students eligible for free or reduced-price lunch. This revenue goes to the school where the low-income students are enrolled, and must be used to serve students needing extra assistance.
- **Limited English Proficiency (L.E.P.) Revenue** is based upon the number and percentage of students whose native language is not English.
- **Referendum Tax Base Reduction Aid** is money paid to districts because the Legislature reduced the referendum property tax base in 2001 by exempting certain types of property (farmland and cabins) from school operating referendum taxes. The referendum levy of the District is reduced by the amount of the aid.
- **Extended Time Revenue** is aid for "extended time" pupil units, that is, students who attend school for an extended day or extended year (e.g. summer school). The program must be affiliated with an Area Learning Center (ALC). The extended time cannot exceed 20% of the regular school day/school year.
- **Transportation Sparsity Revenue** is based on the student population, and area of the district in square miles. It is a small amount for Wayzata, but a significant revenue source for rural school districts.
- **Gifted and Talented Revenue** is equal to \$12 per pupil unit, and is to be used to enhance programs for gifted and talented students.
- **Alternative Compensation Revenue** is a new program established by the 2005 Legislature to encourage school districts to implement merit-based compensation plans for teachers. The total revenue is \$260 per pupil. Part of this revenue comes from a property tax levy.
- **Pension Subtraction** is a reduction in aid to the District. In 1997 the Legislature reduced employer pension contribution rates on behalf of teachers, but reduced school district aid so that the reduced expenditures would not accrue to the benefit of school districts. The reduction was modified for 2007-08 to offset the effects of an increase in the employer's share of teacher retirement costs.
- **Endowment Fund** is revenue from a statewide trust fund for education, established at the time Minnesota attained statehood. Revenue from the trust fund is distributed to all school districts in proportion to enrollment. Prior to FY 2009-2010, the revenue amount was subtracted from general education aid, so there was no net gain to the District. Beginning in 2009-2010, the subtraction no longer occurs, resulting in approximately 300,000 of additional revenue to the district.

## State “Categorical” Aid

State categorical aid is calculated on the basis of expenditures for a particular program or “category.” The District’s largest categorical aid is special education aid, which is based on a formula that considers the District’s expenditures on salaries of special education personnel, special education transportation costs, and other factors. Categorical aid amounts for 2009-2010 for Wayzata Public Schools are as follows:

Special Education Aid	\$4,880,138
Special Education Excess Cost Aid	633,611
Integration Aid	1,062,326
Alternative Attendance Aid	90,000
Nonpublic Pupil Transportation Aid	465,630
Integration Transportation Aid	1,100,000
Advanced Placement Testing Aid	<u>58,500</u>
<b>Total State Categorical Aid</b>	<b>\$8,290,205</b>

**Special Education Aid** is paid to offset the additional expense associated with serving students with special needs. This aid formula provides approximately 68 percent of salary of special education teachers and aides. It also contains factors for special education transportation costs, supplies and equipment, and contracted special education services. The state appropriation for this aid was increased substantially in 2007. Still, the appropriation does not cover the full cost, so the aid is still pro-rated. For FY10, school districts can expect to receive only 85% of the revenue that the formula would provide if fully funded.

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

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

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

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

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

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

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

## State Property Tax Credits

The state pays a portion of the property tax bill on homesteads and agricultural homesteads. The credit is a maximum of \$304 for low-value homes, and declines in amount as the value of the home increases. The credit is paid to the school district, city, county, township, etc., in proportion to each taxing jurisdiction’s levy. The Wayzata School District’s estimated share of this credit for the general fund is \$166,032.

## Property Tax Levy

The District’s property tax levy is limited by state law. The property tax components in the general fund for 2009-2010 are as follows:

Referendum Levy	\$16,972,457
Technology levy	4,888,894
Integration Levy	447,674
Building Lease Levy	1,283,303
Ice Arena Operating Levy	183,274
Safe Schools Levy	462,712
Operating Capital Levy	2,333,005
Deferred Maintenance Levy	594,916
Equity Levy	786,466
Transition Levy	12,956
Secondary Vocational Levy	190,727
Alternative Compensation Levy	912,299
Judgment Levy	9,000
Reemployment Levy	(16,556)
Abatements & CoAuditor Adjustments	53,092
Prior Year Adjustments	365,179
Adjustment for Estimated Tax Delinquency	(50,000)
Less State-Paid Property Tax Credits	<u>(174,752)</u>
<b>Total Property Tax Revenue</b>	<b>\$ 29,254,646</b>

### **Referendum Levy**

This levy requires voter approval. In 2005 Wayzata voters approved an increase in the levy to \$1,609.08 per pupil unit, which is above the maximum that state law allows for Wayzata. The district levied the maximum allowed--\$1,571.00 per pupil unit. Inflation in future years will eventually raise the state maximum to reach or exceed the full amount approved by the voters. (Some districts are grandfathered in at higher amounts, and rural districts are exempt from the state maximum limits.)

**Technology Levy (also known as Capital Projects Levy)**

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

**Integration Levy**

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

**Building Lease Levy**

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

**Ice Arena Operating Levy**

This levy is for the net operating costs of the District ice arena.

**Safe Schools Levy**

This levy is \$30 per pupil unit for 2009-2010. The money can be spent for a variety of security items, ranging from personnel to technology.

**Operating Capital Levy**

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

**Deferred Maintenance Levy**

New since 2007-08, this is to pay the costs of major building maintenance projects.

**Equity Levy**

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

**Transition Levy**

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

**Secondary Vocational Levy**

Is a levy to pay for secondary vocational programs.

**Alternative Compensation Levy**

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

**Judgment Levy**

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

**Reemployment**

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

**Adjustments for Tax Abatements**

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

**Tax Delinquency**

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

**Federal Aid**

Federal aid in the general fund budget for the 2009-2010 school year totals \$2,615,502. Of this amount, 75% is for special education programs. Most federal programs have restrictions as to how the money can be spent. Even when increases in federal aid are enacted, the money can seldom be used to fund existing positions or programs; instead it must be used to “supplement, not supplant” existing expenditures.

**Other Revenue**

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

The major categories are:

Other Local Revenue	\$ 428,476
Tuition	140,000
Investment Income	200,000
Fees from Patrons	1,087,460
Gate Receipts	123,520
County Apportionment	300,000
Miscellaneous	<u>682,725</u>
<b>Total</b>	<b>\$2,962,181</b>

**Other Local Revenue**

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

**Tuition**

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

**Investment Income**

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

**Fees from Patrons**

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

**Gate Receipts**

Are the admission charges for athletic events.

**County Apportionment**

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

## General Fund Expenditures

### Technology Levy

The capital projects levy revenue for technology in FY 2010 is \$4,888,894. This amount is transferred out of the general fund and into the construction fund. The actual expenditure items will be accounted for in the construction fund.

The budgeted amounts for this levy include the following:

Equipment	\$1,616,600
Personnel	1,862,700
Consulting/fees for service	130,000
Repairs/maintenance	148,300
Supplies/materials	423,100
Other	<u>241,000</u>
<b>Sub-total</b>	<b>\$4,421,700</b>
Unspent (reserved for future use)	467,194
<b>Total</b>	<b>\$4,888,894</b>

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

- The focus of the Technology Levy for the 2009-2010 school year remains curriculum and classroom technology. All regular grades 1-12 have been outfitted with projector and sound fields. Kindergarten classrooms will receive projectors, and the sound fields will be the first priority for the summer of 2009. Approximately 160 systems will be put into place.
- With the increase of classroom tools, there is a need to upgrade the network storage capacity and backup system. Teachers simply need more space to store their curriculum related data, videos and other classroom files.
- About 400 computers will be purchased as part of the computer replacement cycle. New computer labs will be put into Engineering, Technology and Design at the middle schools. Computers will be replaced at several High School Business Labs, the High School Art Lab and Sunset Hill Elementary School. East Middle School teachers will be given the opportunity to upgrade to a laptop computer.

### Transportation Expenditures

The transportation budget is increased by \$419,063, or 6.5% over the 2009-10 budget. This is primarily attributable to an increase in transportation of Minneapolis students for desegregation purposes and an increase in special education transportation costs. State transportation aid reimburses the district for most of this increased amount.

### Health and Dental Insurance

The District has a self-insurance plan for employee health insurance with stop-loss coverage for extraordinarily high claims. Premiums in the aggregate have been increased by 4.5% for FY10. The employee/employer share of this increase depends on the employee's bargaining unit contract. Dental premiums will remain at current rates.

## Allocations

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

### **Expenditures by Category 2009-2010**

<u>Object</u>	<u>Amount</u>
Salaries	\$ 60,659,130
Benefits	\$ 17,154,014
Purchased Services	\$ 16,302,719
Supplies/Material	\$ 3,108,189
Capital	\$ 3,497,244
Misc. & Other	\$ 1,470,018
Transfer to Other Funds	<u>\$ 4,888,894</u>
<b>Total</b>	<b>\$ 107,080,208</b>

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

#### **Salaries (\$60.7 million)**

Regular salary related to personnel positions, extra curricular assignments, overtime, substitute cost.

#### **Employee Benefits (\$17.1 million)**

Health, Dental, Life, Long-term disability, workers' compensation, retirement plans and recording of post retirement benefits for current employees. Health insurance costs are of great concern from a budgeting standpoint. The district's rates have been very stable since 2002. The rate increase in the district's self-insured health plan this year was 2.6%.

#### **Purchased Services (\$16.3 million)**

Includes consultants, postage, insurance, repair and maintenance services, transportation contracts, travel/conferences, payments to other districts and tuition.

#### **Supplies & materials (\$3.1 million)**

Textbooks, instructional supplies, office and custodial supplies, computer software, and related copier costs. Includes fuel for buildings.

#### **Capital (\$3.5 million)**

Replacement and additional equipment, facilities repair and maintenance, vehicles, and computer equipment.

#### **Miscellaneous and Other expenditures (\$1.5 million)**

Includes all expenses that cannot be classified as above.

#### **Transfer to Other Funds (\$4.9 million)**

Includes transfer of technology levy to Construction Fund; also some transfers from General Fund to Community Services Fund.

## Expenditures by Program

### GENERAL FUND

<b>CHANGE IN EXPENDITURES BY PROGRAM</b> <b>BUDGET 2008-2009 VS. BUDGET 2009-2010</b>
--

<u>PROGRAM DESCRIPTION</u>	<u>PROGRAM CODE</u>	<u>BUDGET 2008-2009</u>	<u>BUDGET 2009-2010</u>	<u>CHANGE</u>
Administration	000-099	2,833,423	3,000,013	166,590
District Support Services	100-199	3,426,032	2,730,805	(695,227)
Regular Instruction (Elem/Sec)	200-299	37,868,819	40,540,668	2,671,849
Vocational Instruction	300-399	1,424,151	1,375,189	(48,962)
Special Education Instruction	400-499	12,533,246	11,357,817	(1,175,429)
Instructional Support Services	600-699	7,166,390	7,618,805	452,415
Pupil Support Services	700-799	8,921,869	9,428,245	506,376
Sites & Buildings	800-899	10,987,708	10,013,260	(974,448)
Fiscal & Other Fixed Program Costs	900-999	19,722,496	21,015,406	1,292,910
<b>GRAND TOTALS--</b>		<b>104,884,134</b>	<b>107,080,208</b>	<b>2,196,074</b>
<b>ALL PROGRAMS</b>				

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

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

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

## **Expenditures by Program (continued)**

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

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

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

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

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

**FISCAL & OTHER FIXED COSTS:** Fiscal and fixed cost activities that are not recorded elsewhere. This includes all fringe benefits for all employees.

## GENERAL FUND

<b>CHANGE IN EXPENDITURES BY CATEGORY</b> <b>BUDGET 2008-2009 VS. BUDGET 2009-2010</b>
---

<u>OBJECT DESCRIPTION</u>	<u>OBJECT CODE</u>	<u>BUDGET 2008-2009</u>	<u>BUDGET 2009-2010</u>	<u>CHANGE</u>
<b>SALARIES</b>	100	58,703,506	60,659,130	1,955,624
<b>BENEFITS</b>				
FICA/Medicare	210/211	4,368,103	4,433,911	65,808
Pension	214/218	3,310,759	3,536,020	225,261
Hlth/Dtl/Life/LTD	220	7,191,660	7,962,101	770,441
TSA Matches	250	919,551	880,967	(38,584)
All Other	200	340,058	341,015	957
Total 200 Series		17,825,127	17,154,014	1,023,883
<b>PURCHASED SERVICES</b>				
Prof/Tech Svc	305	1,527,595	1,500,747	(26,848)
Utilities	330	2,336,247	2,307,495	(28,752)
Property/Liability Ins	340	281,899	245,587	(36,312)
Transportation	360	6,362,812	6,781,875	419,063
Tuition	390	456,559	98,500	(358,059)
Pmts-Other Dists	391	3,237,749	2,220,930	(1,016,819)
All Other	300	2,894,575	3,147,585	253,010
Total 300 Series		17,097,436	16,302,719	(794,717)
<b>SUPPLIES/MATERIALS</b>				
General Supplies	401-409	1,161,560	1,215,348	53,788
Instructional Supplies	430/433	1,131,783	1,135,273	3,490
Fuel	440/441	98,060	98,700	640
Textbooks	460	483,808	348,105	(135,703)
Library Books	470	51,290	52,426	1,136
All Other	400	224,056	258,337	34,281
Total 400 Series		3,150,557	3,108,189	(42,368)
<b>CAPITAL</b>	500	4,301,074	3,497,244	(803,830)
<b>MISC/OTHER</b>				
Judgments	810	1,564	0	(1,564)
Dues/Memberships	820	401,565	388,917	(12,648)
Misc./Other	899	458,704	1,081,101	622,397
Total 800 Series		861,833	1,470,018	608,185
<b>TRANSFERS--OTHER FUNDS</b>	910	4,639,597	4,888,894	249,297
 <b>GRAND TOTAL</b>		104,884,134	107,080,208	2,196,074

## Personnel

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

The number of FTE personnel is increased slightly for 2009-2010 over the preceding year.

- The complement of employees for 2008-2009 and 2009-2010 is as follows:

	<b>2008-2009</b>	<b>2009-2010</b>
Teachers	688.1545 FTE	696.862 FTE
Secretaries	46.75 FTE	46.75 FTE
Paraprofessionals	303.07 FTE	322.019 FTE
Custodians and Maintenance	75.875 FTE	75.875 FTE
Principals (includes assistant principals)	18 FTE	18 FTE
Culinary Express	72 employees	72 employees
Unaffiliated	63 employees	62 employees

## Operating Capital Expenditures

Operating capital revenue is allocated by state law based on a formula that considers the number of pupils in the District and the average age of District facilities. For Wayzata Public Schools, the formula will provide an estimated \$201.68 per pupil unit in 2009-10 for a total of \$2,360,579. This money can only be used for capital expenditures as defined in state law.

In addition, in 2009-10 the district will receive deferred maintenance revenue. This is a fairly new category of revenue, enacted in 2005 by the Legislature. This revenue is intended to correct inequities in revenue available to different school districts for building repairs. Deferred maintenance revenue totals \$594,916 for 2009-10.

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

Basic facilities repair and maintenance	\$ 1,667,000
Allocated to buildings for projects	280,000
Special assessments/taxes	25,000
Roof repairs, & reserve for future roof repairs	790,916
Copier leases	232,000
Tractor lease (3)	24,000
Zamboni lease	21,886
Replacement of classroom furniture & equipment	75,000
Furniture – enrollment changes	25,000
Textbooks	450,000
Special education equipment	10,000
Building and grounds equipment & vehicles	140,000
Administration	10,000
Piano replacement	8,000
Orchestra	20,000
Band	28,000
Central Middle School Auditorium	35,000
Damage contingency	<u>20,000</u>
<b>Total Capital Revenue/Expense</b>	<b>\$ <u>3,861,802</u></b>

The District annually reserves \$325,000 of its operating capital for current and future roof repairs. The District has over \$2.9 million reserved for this purpose.

Larger projects funded with operating capital reserves in FY10 include:

- Pavement rehabilitation, parking improvements  
at West Middle School \$220,000
- Flooring replacement at various schools \$105,000
- Roof replacement at West Middle School \$312,000
- Exterior wall repair, window & door replacements \$300,000
- Phase 3 of Indoor Air Quality upgrades at Central Middle School \$869,000

The amount of operating capital expenditures in this budget exceed revenue by \$906,315. This is a planned expenditure of reserves.

**Independent School District 284  
Wayzata, Minnesota**

**2009-2010 Preliminary Budget  
General Fund  
Revenue and Expenditure Budgets**

<b>REVENUE</b>		
<b>Local Tax</b>		\$ 29,254,646
<b>State General Education Aid</b>		\$ 59,974,473
<b>Special Education State Aid</b>		\$ 4,880,138
<b>State Property Tax Relief</b>		\$ 174,752
<b>Other State Aid</b>		\$ 6,076,948
<b>Other Local Revenue</b>		\$ 3,787,429
<b>Federal Aid</b>		\$ 2,615,502
<b>Total Revenue</b>		<b>\$ 105,763,888</b>
<b>EXPENDITURES</b>		
<b>Salaries</b>		\$ 60,659,130
<b>Benefits</b>		\$ 17,154,014
<b>Employment</b>		\$ 77,813,144
<b>Non-Employment</b>		\$ 29,267,064
<b>Total Expenditures</b>		<b>\$ 107,080,208</b>

**Independent School District 284  
Wayzata, Minnesota**

**2009-2010 Preliminary Budget  
General Fund**

**Change In Fund Condition Analysis**

<b><u>FUND CONDITION</u></b>	
<b>Undesignated, Unreserved Balance, July 1, 2008</b>	<b>\$ 8,410,435</b>
<b>Budgeted Revenue 2008-2009</b>	<b>\$ 96,333,033</b>
<b>Budgeted Expenditures 2008-2009</b>	<b>\$ 94,326,735</b>
<b>Net 2008-2009 fund balance change</b>	<b>\$ 2,006,298</b>
<b>Estimated unreserved balance, June 30, 2009</b>	<b>\$ 10,416,733</b>
<b>Preliminary revenue budget 2009-2010</b>	<b>\$ 96,736,574</b>
<b>Preliminary expenditure budget 2009-20010</b>	<b>\$ 96,729,512</b>
<b>Net 2009-2010 fund balance change</b>	<b>\$ 7,062</b>
<b>Preliminary unreserved balance, June 30, 2010</b>	<b>\$ 10,423,795</b>

## **Culinary Express Food Service Fund**

Culinary Express is the District department that provides meal services and nutrition education services in Wayzata Schools. Over 7,000 lunches are served each day, and over 1,250,000 meal equivalents are served each year. Lunch prices for FY10 will remain the same as the prior year.

Prices are as follows:

	<u>2008-09</u>	<u>2009-10</u>
Elementary	\$2.30	\$2.30
Secondary	\$2.60	\$2.60
Adult	\$3.30	\$3.30
Milk	.45	.45

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

Revenues consist of:

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

Expenses consist primarily of food and labor costs.

Revenue, expense, and fund balance information follows. In the preliminary budget, expenditures exceed revenues by \$70,707.

**Independent School District 284  
Wayzata, Minnesota**

**2008-2009 Budget and 2009-2010 Preliminary Budget**

**Food Service Fund**

**Revenue**

<b>Revenue</b>	<b>2008-09</b>	<b>2009-2010</b>
Lunch Sales	\$3,926,141	\$4,043,905
Federal aid	\$707,372	\$728,593
State aid	\$118,125	\$129,149
Other Local Revenue	-0-	-0-
<b>Total Revenue</b>	<b>\$4,751,638</b>	<b>\$4,901,647</b>

**Expenses**

<b>Expenditures</b>	<b>2008-2009</b>	<b>2009-2010</b>
Salaries/Benefits	\$1,922,076	\$1,989,348
Food	\$2,098,450	\$2,171,895
Other	\$807,700	\$811,111
<b>Total Expenditures</b>	<b>\$4,828,226</b>	<b>\$4,972,354</b>

<b>Surplus/(deficit)</b>	<b>\$ (76,588)</b>	<b>\$ (70,707)</b>
--------------------------	--------------------	--------------------

**Food Service Fund Condition**

<b>Fund Condition</b>	
Balance, July 1, 2008	<b>\$974,255</b>
Estimated revenue 2008-2009	\$4,751,638
Estimated expenditures 2008-2009	\$4,828,226

<b>Estimated Balance, June 30, 2009</b>	<b>\$897,667</b>
Proposed 2009-2010 revenue budget	\$4,901,647
Proposed 2009-2010 expenditure budget	\$4,972,354
<b>Projected Balance, June 30, 2010</b>	<b>\$ 826,960</b>

## Community Services

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

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

Fiscal Year 2010 revenue is budgeted at \$8,167,247 for an increase of 9.7% when compared to FY09. Expenditures are budgeted at \$8,083,250 for an increase of 12.6%.

The increases in revenue and expense are primarily attributable to increased participation and increased costs in the category of school-aged care, including the Wayzata Plus Program for kindergarten. School-aged care comprises over 60% of the Community Education budget in Wayzata.

**Independent School District 284  
Wayzata, Minnesota**

**2008-2009 Budget and 2009-2010 Preliminary Budget**

**Community Services**

<b>Revenue</b>	<b>2008-2009</b>	<b>2009-2010</b>
Local Tax	\$ 1,100,860	\$ 1,428,382
Fees and charges	\$ 5,749,810	\$ 6,128,580
State aids and grants	\$ 481,070	\$ 493,096
Interest income	\$ 42,700	\$ 42,000
Transfers	\$ 71,000	\$ 75,189
<b>Total Revenue</b>	<b>\$ 7,445,440</b>	<b>\$ 8,167,247</b>

<b>Expenditures</b>	<b>2008-2009</b>	<b>2009-2010</b>
Salaries/Benefits	\$ 5,968,650	\$ 6,147,709
Non-Employment	\$ 1,209,162	\$ 1,935,541
<b>Total Expenditures</b>	<b>\$ 7,177,812</b>	<b>\$ 8,083,250</b>

<b>Difference</b>	<b>\$267,628</b>	<b>\$83,997</b>
-------------------	------------------	-----------------

**Community Services Fund Condition**

<b>Fund Condition</b>	
Balance, July 1, 2008	\$ 1,048,608
Estimated revenue 2008-2009	\$ 7,445,440
Estimated expenditures 2008-2009	\$ 7,177,812
<b>Estimated Balance, June 30, 2009</b>	<b>\$ 1,316,236</b>

Proposed 2009-2010 revenue budget	\$ 8,167,247
Proposed 2009-2010 expenditure budget	\$ 8,083,250
<b>Projected Balance, June 30, 2010</b>	<b>\$ 1,400,233</b>

## **Health and Safety Activity**

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

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

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

Health and Safety revenue for FY10 is \$801,950, and Alternative Facilities revenue is \$2,861,077 (to be transferred to the construction fund for expenditure). The total expenditure for health & safety will be \$780,250.

**Independent School District 284  
Wayzata, Minnesota**

**2009-2010 Preliminary Budget**

**Health & Safety**

<b>Balance, July 1, 2008</b>	<b>\$229,238</b>
Estimated Revenue 2008-2009	\$470,276
Estimated Expenditures 2008-2009	\$535,826
<b>Estimated Balance, June 30, 2009</b>	<b>\$163,688</b>

Revenue Budget 2009-2010	\$801,950
Expenditure Budget 2009-2010	\$780,250

<b>Estimated Balance, June 30, 2010</b>	<b>\$ 185,388</b>
---	-------------------

## Construction Fund

The construction fund is used for three purposes:

- Expenses of construction projects financed with bond proceeds;
- Expenses of alternative facilities projects (health and safety projects exceeding \$500,000); and
- Expenses associated with the capital projects (technology) levy.

The revenue budget is \$6,948,021. This is comprised of \$4,888,894 from the general fund for the capital projects levy, and \$2,059,127 for alternative facilities projects.

The expenditure budget is \$6,438,894. This includes an alternative facilities project at Central Middle School (\$1,900,000) in FY10. The Central Middle School project will cost a total of \$5.6 million and will be completed in FY2010.

The expenditure budget also includes technology expenditures of \$4,888,894. Of this, \$467,194 is identified as “miscellaneous expense” and will be reserved for future expenditures. This is because in 2012-13 the authorized technology levy amount will be reduced. The intent is to build a reserve so the amount of revenue available does not drop substantially at that time.

### 2008-2009 Budget and 2009-2010 Preliminary Budget

#### Construction Fund

##### Revenue

Revenue	2008-2009	2009-2010
Technology Levy	\$4,568,597	\$4,888,894
Alternative Facilities Levy	\$2,635,604	\$2,059,127
<b>Total Revenue</b>	<b>\$7,204,201</b>	<b>\$6,948,021</b>

##### Expenses

Expenditures	2008-2009	2009-2010
Salaries/Benefits	\$1,616,600	\$1,673,181
Equipment	\$1,776,000	\$1,780,000
Capital Improvements	\$2,044,000	\$2,044,000
Other	\$1,031,997	\$ 941,713
<b>Total Expenditures</b>	<b>\$6,468,597</b>	<b>\$6,438,894</b>

<b>Excess Revenue Over Expenditures</b>	<b>\$735,604</b>	<b>\$509,127</b>
---	------------------	------------------

## **Debt Service Fund**

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

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

The district's underlying bond rating by Moody's Investors Service is Aa1 and the district's underlying bond rating by Standard & Poor's is AAA. This rating was upgraded in September, 2008 and affirmed in May 2009, when the district issued bonds. These ratings are the highest received of any school district in the State of Minnesota.

The debt service fund budget for FY10 shows revenue of \$9,762,061 and expense of \$9,764,556. The fund balance is projected to decrease to \$2,346,978 by June 30, 2010. No bond issuance for new projects is expected in FY10.

**Independent School District 284  
Wayzata, Minnesota**

**2008-2009 Budget and 2009-2010 Preliminary Budget**

**Debt Service Fund**

<b>Revenue</b>	<b>2008-2009</b>	<b>2009-2010</b>
Local Tax	\$ 9,324,681	\$ 9,571,125
State Aid	\$ 117,189	\$ 100,000
Interest	\$ 191,250	\$ 90,936
Sale of Bonds	\$ 32,795,405	\$ -0-
Bond Premium	\$ -0-	\$ -0-
<b>Total Revenue</b>	<b>\$ 42,428,525</b>	<b>\$ 9,762,061</b>

<b>Expenditures</b>	<b>2008-2009</b>	<b>2009-2010</b>
Bond Principal--Current	\$ 6,395,000	\$ 6,790,000
Bond Principal--Refunding	\$ 32,792,366	\$ -0-
Bond Interest	\$ 3,150,200	\$ 2,971,556
Bank Fees & Others	\$ 3,000	\$ 3,000
<b>Total Expenditures</b>	<b>\$ 42,340,566</b>	<b>\$ 9,764,556</b>

<b>Difference</b>	<b>\$ 87,959</b>	<b>\$ ( 2,495)</b>
-------------------	------------------	--------------------

**Debt Service Fund Condition**

<b>Fund Condition</b>	
Unreserved Balance, July 1, 2008	<b>\$ 2,261,514</b>
Estimated revenue 2008-2009	\$ 42,428,525
Estimated expenditures 2008-2008	\$ 42,340,566
<b>Estimated Balance, June 30, 2009</b>	<b>\$ 2,349,473</b>

Proposed 2009-2010 revenue budget	\$ 9,762,061
Proposed 2009-2010 expenditure budget	\$ 9,764,556
<b>Projected Balance, June 30, 2010</b>	<b>\$ 2,346,978</b>

(Note: The schedules above include Refunding Bond activity in FY 2009.)

## 2008-2009 School Year Highlights

Wayzata Public Schools strives each year to be a “model of excellence among learning communities” and regularly achieves accomplishments that demonstrate the overall quality of the district. The highlights for the 2008-09 school year include the following:

- Oakwood Elementary School celebrated its 50th anniversary in November of 2008. The school opened late in the fall on November 17, 1958, because of construction delays.
- The bond rating of Aa1 for Wayzata Public Schools was reaffirmed by Moody’s Investors Service. Only three other Minnesota School districts have a rating of “Aa1” and none exceed this rating.
- Wayzata Public Schools received an “AAA” enhanced credit rating from Standard and Poor’s and is the only district in Minnesota to receive an “AAA” bond rating from Standard and Poor’s.
- Wayzata High School received a silver medal from U.S. News and World Report for its ranking of “America’s Best High Schools 2009 Matters.”
- Almost 90 percent of Wayzata High Schools class of 2008 chose to attend two- or four-year colleges or universities. Students were accepted to prestigious public and private colleges and universities throughout the nation.
- Chace Anderson began his role as superintendent of Wayzata Public Schools.
- Wayzata Public Schools’ students continued to score well on the state MCA-II tests. The district was among the top three school districts in its class-size category of 300 or more students per grade. Approximately 81.5 percent of students are proficient in math and 87.4 percent are proficient in reading.
- With more students tested this year than in previous years, the average ACT score of Wayzata High Schools students climbed to an average composite score of 25.01. The state average was 22.6 and the national average was 21.1. In addition, one Wayzata High School student earned a perfect score on the ACT. Another Wayzata High School student earned the only perfect score in the state on the PSAT.
- Thirteen Wayzata High School students were named National Merit Scholarship Finalists and qualify for awards of up to \$10,000 annually for up to four years of undergraduate study.
- Plymouth Creek Elementary School was named a 2008 No Child Left Behind Blue Ribbon School. The award is the highest honor bestowed by the U.S. Department of Education and is given to schools that challenge students to perform at high academic levels.
- The Wayzata High School football team went undefeated and won the 2008 Class 5A state championship title.
- The Wayzata High School boys’ cross country team earned its second, consecutive class AA state championship and running as a club team won the Seven State Heartland Regional Cross Country meet for a second consecutive year.
- The Wayzata High School Trojets Dance Team won its third Class AAA state title in the past four years in the jazz category.

## Basic Fund Structure

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

- **General Fund** – Used for all operating expenses for the general purposes of the school district. This fund includes salaries and benefits for teachers, principals, custodians, secretaries, paraprofessionals, and administrators; cost of supplies, textbooks, transportation contracts, utilities, repairs, equipment, and so on.
- **Health and Safety** – Used for essential improvements to district buildings related to protecting the health and safety of the occupants. Expenditures for asbestos removal, fire safety, indoor air quality, and the like can be made with money in this fund. It is actually a subpart of the general fund, but we account for these funds separately in Wayzata, largely because the amounts spent can fluctuate widely from year to year, distorting the apparent spending patterns. Health and Safety money comes from the property tax levy. State approval of all expenditures is required before the District can collect this tax.
- **Food Service Fund** – Used for all expenses related to operating the Culinary Express Department, including food, salaries, benefits, supplies, and equipment. Food Service revenues come primarily from the sale of meals to students and adults. Some federal and state aid is also provided.
- **Community Services Fund** – Used for expenses related to community education programs such as Early Childhood Family Education, Adult Basic Education, Home Base (after-school and summer child care programs), WISHES (summer enrichment programs), and Community Education Programs. Community Services revenue primarily comes from fees charged for the programs, and property tax revenue dedicated to community services.
- **Building Construction Fund** – Used for expenses of major building projects. Proceeds from sale of bonds authorized in an election are placed in this fund. Under recent changes in law and state policy, this fund now is also used for alternative facilities projects (health and safety projects exceeding \$500,000) and for the capital projects levy (technology levy).
- **Debt Service Fund** – Used to pay the debt service on bonds sold to finance construction. These are akin to a homeowner's payments on a mortgage.

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

Table I on page 5 shows the revenue and expenditure budgets by fund for Wayzata Public Schools for 2009-10.

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

**BOARD OF EDUCATION**

Special Meeting – June 22, 2009

**AGENDA ITEM: 3. APPROVAL OF 2008-2009 BUDGET REVISIONS**

**COMMENTS BY: Mr. Westrum**

Attached is a spreadsheet showing budget adjustments for the current school year. The Board approved budget revisions in February 2009 related to the 2008-2009 fiscal year.

In conjunction with our long range budget planning, it was determined to be prudent to utilize the OPEB Bonding authority granted by the 2008 Legislature. The budget adjustments related to this action are included in the budgets presented below for Board Approval and revise both revenues and expenditures in the general fund only

The Budget for 2008-09 is presented for approval as follows

<u>Fund</u>	<u>Revenue</u>	<u>Expenditures</u>
General Fund	\$110,580,633	\$112,617,178
Food Service Fund	4,751,638	4,828,226
Community Service Fund	7,445,440	7,177,812
Health and Safety	3,105,880	3,171,430
Construction Fund	7,204,201	6,468,597
Debt Service Fund	<u>42,428,525</u>	<u>43,340,566</u>
Total	\$175,516,317	\$176,675,209

**RECOMMENDED ACTION:** Approve the 2008-09 Revenue and Expenditure Budget, as indicated on the attached spreadsheet, and accept grants indicated on the spreadsheet.

Motion by: \_\_\_\_\_ Yes \_\_\_\_\_ Passed \_\_\_\_\_  
 Second by: \_\_\_\_\_ No \_\_\_\_\_ Failed \_\_\_\_\_  
 Abstentions \_\_\_\_\_

WAYZATA PUBLIC SCHOOLS								
FISCAL YEAR 2008 - 2009 BUDGET ADJUSTMENTS								
FEBRUARY 2009								
					ADA & HEALTH & SAFETY			
	REF	GENERAL	FOOD SVC	COMM SVC		CONST	DEBT	TOTAL
<b>REVENUE</b>								
FY09 budget per preliminary booklet		\$ 104,780,633	\$ 4,751,638	\$ 7,445,440	\$ 3,105,880	\$ 7,204,201	\$ 9,633,120	\$ 136,920,912
GO Refunding bonds--Series 2008A							\$ 32,795,405	\$ 32,795,405
General Education enrollment adjustments		\$ 800,000						\$ 800,000
OPEB Bond issuance		\$ 5,000,000						\$ 5,000,000
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
SUB-TOTAL--February 2009 changes		\$ 5,800,000	\$ -	\$ -	\$ -	\$ -	\$ 32,795,405	\$ 38,595,405
REVISED REVENUE		\$ 110,580,633	\$ 4,751,638	\$ 7,445,440	\$ 3,105,880	\$ 7,204,201	\$ 42,428,525	\$ 175,516,317
								\$ 175,516,317
<b>EXPENDITURES</b>								
FY09 budget per preliminary booklet		\$ 106,884,134	\$ 4,828,226	\$ 7,177,812	\$ 3,171,430	\$ 6,468,597	\$ 9,548,200	\$ 138,078,399
GO Refunding bonds--Series 2008A							\$ 32,792,366	\$ 32,792,366
FY2007-08 Carryover--Bldg Sites		\$ 917,077						\$ 917,077
FY2007-08 Carryover--Music Boosters		\$ 13,782						\$ 13,782
FY2007-08 Carryover--YSR		\$ 9,295						\$ 9,295
FY2007-08 Carryover--Dome		\$ 12,885						\$ 12,885
FY2007-08 Carryover--Video Dupl		\$ 2,258						\$ 2,258
FY2007-08 Reserves--Site Compensatory		\$ 456,195						\$ 456,195
FY2007-08 Reserves--Safe Schools		\$ 60,093						\$ 60,093
FY2007-08 Reserves--Staff Development--FIN 306 [Sites]		\$ 285,394						\$ 285,394
FY2007-08 Reserves--Staff Development--FIN 307 [Grants]		\$ 267,844						\$ 267,844
FY2007-08 Reserves--Staff Development--FIN 308 [District]		\$ 605,685						\$ 605,685
FY2007-08 Reserves--Deferred Maint--		\$ 80,743						\$ 80,743
Oct enrollment adjustments		\$ 21,793						\$ 21,793
Misc Adjustments		\$ 71,400						\$ 71,400
OPEB Adjustments		\$ (2,000,000)						\$ (2,000,000)
OPEB Bond Issuance		\$ 5,000,000						\$ 5,000,000
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
SUB-TOTAL--February 2009 changes		\$ 5,804,444	\$ -	\$ -	\$ -	\$ -	\$ 32,792,366	\$ 38,596,810
REVISED EXPENDITURES		\$ 112,688,578	\$ 4,828,226	\$ 7,177,812	\$ 3,171,430	\$ 6,468,597	\$ 42,340,566	\$ 176,675,209
DIFFERENCE--Revenue over (under) expense		\$ (2,107,945)	\$ (76,588)	\$ 267,628	\$ (65,550)	\$ 735,604	\$ 87,959	\$ (1,158,891)

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

**BOARD OF EDUCATION**

**Special Meeting – June 22, 2009**

**AGENDA SECTION: 4. ADJOURN**

**ITEM:** \_\_\_\_\_

**COMMENTS BY: Board Chair Moroz**

If there is no additional business before the School Board, the Chair will call for a motion to adjourn the meeting.

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

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

Abstentions \_\_\_\_\_