



Excellence. For each and every student.

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Minutes of Special Meeting Meeting

A Special Meeting Meeting of the Board of Education of Wayzata Public Schools was held Tuesday, September 29, 2020, beginning at 4:00 PM in the Zoom Teleconference

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1. CALL TO ORDER/ROLL CALL



Board of Education
Special Meeting – September 29, 2020

AGENDA SECTION: Roll Call

ITEM: Roll Call

COMMENTS BY: Bonita Lucky, Board Clerk

	PRESENT	ABSENT
Linda Cohen	_____	_____
Seanne Falconer	_____	_____
Sarah Johansen	_____	_____
Chris McCullough	_____	_____
Cheryl Polzin	_____	_____
Bonita Lucky	_____	_____
Andrea Cuene	_____	_____
Chace Anderson, ex-officio	_____	_____

2. Administrative Reports and Recommendations

A. Minnesota State High School League Billing 2020-2021 School Year



Board of Education
Special Meeting – September 29, 2020

AGENDA SECTION: Administrative Recommendations

ITEM: Minnesota State High School League Membership Fee

COMMENTS BY: Jaime Sherwood, Activities and Athletics Director

On August 4, 2020, due to the financial impacts of COVID-19, the Minnesota State High School League (MSHSL) Board of Directors voted to increase school district membership fees for the 2020-21 school year. The District will be charged two “COVID-19 installments” of \$5,500 each, resulting in a total increase to the 2020-21 membership of \$11,000.

Recommended Action: Authorize District administration to pay the increased 2020-21 MSHSL membership fees.

Motion by: _____

ROLL CALL

Passed: _____

Second by: _____

Failed: _____

Abstentions: _____



Education and Leadership for a Lifetime

2100 Freeway Boulevard, Brooklyn Center, Minnesota 55430-1735 | (763) 560-2262, FAX (763) 569-0499 | www.mshsl.org

September 3, 2020

Dear Superintendent, School Board Members, Presidents and Heads of School,

The Minnesota State High School League has provided educational opportunities for students through education-based fine arts activities and athletics for over 100 years. In addition, it provides leadership, education and governance for 43 different activities and all member schools in Minnesota. The impacts of the COVID-19 pandemic have been profound, yet the value of student experiences in MSHSL activities and athletics is important and well documented. As a result, the desire of students, families, schools, and communities to continue to provide and take part in these important opportunities remains strong. The League remains committed to these two primary goals in this difficult year:

- Provide participation opportunities in MSHSL activities and athletics to the greatest extent possible, and
- Provide these opportunities in the safest way possible for all participants, coaches, directors, schools and communities.

The COVID-19 pandemic has had and will continue to have dramatic impacts on the operations and financial situation of the Minnesota State High School League, yet it has only increased the workload for the League as it has for you and your school. As a direct result of the programming impacts of COVID-19 and the reduction of revenue, the financial responsibility of our member schools will increase significantly for this 2020-2021 school year. As a member school, the details of your membership dues for this school year have been set by the Board of Directors at their August 4, 2020 Board Meeting. These details can be found in the enclosed document titled "2020-2021 Membership Fee Summary."

Background

The Minnesota State High School League has maintained a practice of limiting the financial support from member schools to the greatest extent possible, while continuing to be responsive to the strong desires of our schools to grow programming within our organization. The League does not receive any direct financial support from state funding, but rather is primarily funded through four major sources: tournament ticket sales, member school dues and fees, sponsorship agreements, and broadcast contracts. In addition, it is important to know that the MSHSL is required to hold reserves that may not exceed 50% or be less than 20% of the annual expenses of the League. Over the past few years, ticket sales at tournaments has declined and expenses in all categories have grown. Therefore, the League has made reductions and accessed available reserves which are now at the lower limit of approximately 20%.

While the Board of Directors constantly monitors the League's financial situation, this past school year additional review was done to address the growing gap between revenues and expenses. While actions have been taken to reduce the costs in nearly all areas within the League, in February of 2020, the Board of Directors made the decision to approve increased fees for member schools which were projected to increase the annual revenue from member schools from \$1.2 million to \$1.9 million. Given the magnitude of the programming and services that are provided, this amount will be well short of the costs of operations for 2020-2021. More detail on these membership services and the additional programming that has been added since 2007, please see the enclosed document titled "Membership Benefits." For the past few years, the League's annual budget has been approximately \$9 million. The primary source of revenue has been our state tournaments, with more than 75% of League revenue coming from ticket sales, sponsorships and broadcast revenues. More detail on the MSHSL budget for 2019-2020 and 2020-2021 are available on the attachment titled "Minnesota State High School League Budget Summary."

The anticipated loss of 75% of the League's revenue due to the uncertainty of state tournament events has created the need for further adjustments in our finance model. Looking back, the 2019-2020 fiscal year for the League withstood nearly \$600,000 in losses due to the cancellation of the final stages of the Girls Basketball State Tournament and the entirety of the Boys Basketball State Tournament. Through reductions in operational costs, staffing, printing costs and many more items, and the anticipated forgiveness of a Paycheck Protection Program Loan obtained by the League, the final budget for last year is predicted to finish at approximately the same level as it was projected.

Process

Recognizing the unprecedented challenge that the League faces this fiscal year, the MSHSL Board of Directors called for the creation of a Finance Task Force to study the current situation and provide recommendations to the Board of Directors for their review and action in developing a 2020-2021 Budget. This task force included member school representatives in the positions of school board members, superintendents, principals, activities administrators and coaches and included the members of the MSHSL Board of Directors Audit/Finance Committee. Representation was sought from public and nonpublic schools, including home schools, that were both large and small, as well as metro and outstate. A detailed summary is included in this packet and titled "Finance Task Force Summary."

The task force studied the annual budget, the financial impact of COVID-19 on programming and tournaments, the anticipated costs of maintaining critical aspects of League programming including catastrophic and concussion insurance for all student participants, education and certification of coaches, registration and certification of officials, leadership and management of all activities and programs, eligibility and governance of bylaws, policies and rules as well as many other services.

The MSHSL Finance Task Force recommended the following for the coming fiscal year:

- Approve an annual budget of \$5 million (reduced from approximately \$9.1 million in 2019-2020).
- Maintain all MSHSL activities and athletics to the greatest extent possible within the COVID-19 pandemic.
- Fund the basic costs of the MSHSL through member fees based on traditional membership dues and activity fees as well as two additional installments based on size of school.
- Provide member school refunds or credits if revenues exceed expenses for the 2020-2021 school year. These refunds or credits should be based on the membership fees as determined by the Board.
- Establish financial advisory committee that extends beyond the members of the Audit/Finance Committee of the Board of Directors.

At the August 4, 2020 Board of Directors meeting, the Board approved the recommendations of the Task Force and established member dues based on the model recommended by the Task Force. The model for the 2020-2021 membership fees is illustrated in the "Finance Task Force Summary" and the actual amounts for your school or schools are included as a separate attachment, titled "2020-2021 Membership Fee Summary."

Responsive Financial Actions

The Board of Directors has been proactive in managing the expenses of the League and has implemented a number of cost-cutting measures over the past 24 months. Among the many actions of the Board are these examples:

- The League reduced its staffing from 23.5 FTE to 19.5 FTE through layoffs and retirements that were not rehired. This resulted in a reduction of 17% of League Staff.
- Placed a freeze on salaries for employees of the League for the 2020-2021 fiscal year.
- Reduced printing costs of the State Tournament programs in 2019-2020 through reduced volume and creative program options and has taken steps to reduce cost even further in 2020-2021 should tournaments be possible.
- Eliminated the MSHSL *Bulletin* and replaced it with the online newsletter titled MSHSL *Connect*.

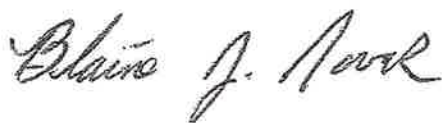
- Eliminated the costs of bi-annual Area Meetings and replaced these informative sessions with interactive online meetings for the entire state titled *"The LEAD Network."*
- Reduced Board of Directors and Committee costs using online meetings which has eliminated most costs related to mileage, travel, food and lodging.
- Reduced operational costs of the MSHSL League Office through reduced maintenance, change in communications providers, significant reduction in staff expenses for travel, lodging, etc. and reductions in supplies.

Representatives of the League have been active in sharing the concerns regarding the MSHSL Budget over the past two years with our important professional organizations including Minnesota School Board Association (MSBA), Minnesota Association of School Administrators (MASA), Minnesota Association of Secondary School Principals (MASSP) and the Minnesota Association of Activities Administrators (MNIAAA). These presentations have taken place at annual conferences as well as direct interaction with the Board of Directors within each organization over the past few months. Each of the leadership groups in your fine organizations have shared their support for the opportunities and leadership provided by the League and recognize the unique challenges that the League has encountered.

It is important for you to know that our Board has supported the actions to continue forward with the rebuild of our MSHSL website which is critical in the efforts to grow our communication with our activity administrators in each of our member schools, along with better informing the public of information and news of the MSHSL. With an initial rollout this past month, we are excited by the efficiencies it will provide and the ways it will better serve our member schools and the public.

With the direction of the Board of Directors and the creation of a model of an organization that is funded by its membership, the League is positioned to continue to lead our schools and provide opportunities for students. Everyone who participates in League activities and athletics thanks you and your school community for maintaining your membership and partnering in providing the opportunities that have long been a part of the Minnesota State High School League.

Sincerely,



Blaine Novak
President, MSHSL Board of Directors
Superintendent, New York Mills



Erich Martens
Executive Director, MSHSL

Enclosures:

- Finance Task Force Summary
- Membership Benefits
- Minnesota State High School League Budget Summary
- 2020-2021 Membership Fee Summary



2020-2021 MINNESOTA STATE HIGH SCHOOL LEAGUE

Finance Task Force Summary

The MSHSL Board of Directors created a Finance Task Force to assist the League in creating a budget and a model of finance for the coming 2020-2021 school year. This task force was assembled with representation from large and small schools, public and nonpublic, as well as metro schools and outstate schools. Together this group reviewed historical financial information and programming costs. They assessed the current needs of the member schools and the impacts of the ongoing COVID-19 pandemic on MSHSL programming and finance. The primary tasks assigned by the Board of Directors was to prepare a potential budget that would sustain the programming and services that the MSHSL has provided for years and to build an equitable model of revenue to meet these needs.

The Task Force began with consensus on the guiding principles that would inform and direct the work that they would do. These guiding principles included:

- The opportunities provided for students in MSHSL activities and athletics are critical to the high school educational experience
- Maintaining current MSHSL programming and the support provided to our member schools are the major focus of the task force
- Building a sustainable financial model for the short term and long term is required.
- The model must address equity and fairness and recognize the unique characteristics of our member schools
- Sharing excess revenue back to member schools has been a consistent practice of the Minnesota State High School League and is a goal for future budgets

Through multiple meetings, and significant discussion along with the review of financial documents, and a strong consideration that state tournaments will not occur this year in the way they have in the past, the Task Force provided the Board of Directors with three potential models that could be used to equitably share the costs of the operations of the League across all members. The Board of Directors discussed these models and ultimately approved a hybrid model of membership dues which incorporates the activity fee model as a portion of the school's responsibility and then also added two additional membership dues installments that were identified by school size and mirrored the classification system that is in place for our four class athletic programs.

A basic grid of the installment plans for the 2020-2021 school year is shown here:

# of Schools	Enrollment	Class	Current Membership Fees due 10/1/2020	Installment Plan #1 due 11/30/2020	Installment Plan #2 due 2/28/2021
64	1234-3276	AAAA	Invoiced 8/1/2020	\$ 5,500	\$ 5,500
64	570-1228	AAA	Invoiced 8/1/2020	\$ 4,500	\$ 4,500
128	205-568	AA	Invoiced 8/1/2020	\$ 3,500	\$ 3,500
138	102-204	A	Invoiced 8/1/2020	\$ 2,500	\$ 2,500
66	51 - 100	A	Invoiced 8/1/2020	\$ 1,500	\$ 1,500
46	5-50	A	Invoiced 8/1/2020	\$ 500	\$ 500
Home Schools	1-4		Invoiced 8/1/2020	\$ 0	\$ 0
506			\$ 9,900,000	\$ 1,555,000	\$ 1,555,000

It is important to note that the installments will be invoiced approximately 45 days before the due date, and that these installments are in addition to the annual membership dues and corresponding activity fees for which each member school has already been invoiced.

The Task Force also provided two important recommendations for the MSHSL Board of Directors. These recommendations were also approved by the Board of Directors and will be implemented this school year in supporting the League financially going forward:

- The League should develop a strategic marketing plan, including accessing outside expertise, to generate significant financial support for MSHSL Athletics and Fine Arts, and
- The League should consider the creation of a (Coronavirus) Financial Advisory Committee with regular meetings to advise MSHSL staff and Board of Directors

The current plan for membership fees based on both activity fees plus installments over the course of the year based on school size was approved as a short-term plan. This would ensure that the League could continue to provide activities and services for member schools through a COVID-19 pandemic. When the effects of this pandemic subside, the League would continue forward with a long-term plan that aligns membership fees with the operational and insurance costs of the League. This long-term plan will be informed by the work of the Finance/Audit team along with the entire Board of Directors and created and approved by the Board of Directors later this school year.

The Minnesota State High School League thanks all of our member schools for their continued support and incredible work that they have done to create opportunities in our activities and athletics in the 2020-2021 school year.

Membership Benefits

MEMBER-REQUESTED SERVICES AND PROGRAMMING



-
- 43 programs including Athletics, Fine Arts, and Adapted Athletics
 - On-call administrative support for Member Schools
 - Coaches education
 - Officials registration and education
 - Leadership and professional development opportunities
 - Eligibility and governance
 - Legislative advocacy
 - Sports medicine
 - Concussion insurance
 - Catastrophic insurance
 - Recognition and awards programs
 - Tournament administration
 - Statewide media coverage of events
 - Technology systems and services
 - Activity specific technology support
 - Publications
-



MINNESOTA STATE HIGH SCHOOL LEAGUE

The following items for Member Schools were added at their request between 2007 and 2019. From 2007-2019, Member Schools Fees remained unchanged.

Added Activity or Athletic Programs:

- Robotics
- Clay Target
- Visual Arts
- Lacrosse

Safety Enhancements:

- Anyone Can Save a Life Program
- Purchase AED's for MSHSL events

Enhancements for Coaches

- Head Coaches Education Program
- Online Coaches Education Requirements

Enhancements for AD's

- New AD Education in conjunction with MNIAAA
- Athletic Directors Cohort
- Tournament Passes-AD's

Enhancements for Officials

- Officials Background Checks
- Officials Training Clinics
- Officials Online Contracts
- Hire Coordinator of Officials
- Tournament Passes-Officials

Additional Programming and Services:

- HeadStrong Concussion Insurance Program
- Cyber Liability Insurance
- 4-Class Baseball/Softball
- 3-Class Golf
- 2 Nordic Ski Teams per Section
- 6A Football
- Instant Replay-Hockey & Football
- Qtr. Final Football Neutral Sites
- Consolation Basketball-Girls and Boys
- Baseball Pitch Counts
- Adapted Bowling Online Score Reporting
- QRF utilized for seeding
- TrackWrestling Program for Section/State
- Statewide media coverage of activities- Hire Media Specialist

Minnesota State High School League

Budget Summary

2019-2020 Approved Budget

2020-2021 Approved Budget

9/3/2020

	MSHSL Budget 2019-2020	MSHSL Approved Budget 2020-2021
Revenues		
Tournaments/Television/Sponsors	\$ 7,294,522	\$ -
School Registrations	\$ 1,216,000	\$ 5,000,000
Officials/Coaches Fee	\$ 443,500	\$ 170,000
Other/School Supplies	\$ 213,400	\$ 88,300
Total Revenues	\$ 9,167,422	\$ 5,258,300
Expenses		
Tournaments	\$ 3,345,150	\$ -
Membership Insurance	\$ 793,700	\$ 751,000
Membership Materials	\$ 283,900	\$ 223,200
Officials/Coaches	\$ 390,000	\$ 272,000
Personnel	\$ 3,385,200	\$ 2,982,000
Operations/Administration	\$ 1,376,900	\$ 1,144,200
Total Expenses	\$ 9,574,850	\$ 5,372,400
Excess of revenue over (under) expenses	(407,428)	(114,100)



2020-2021 MINNESOTA STATE HIGH SCHOOL LEAGUE

2020-2021 Membership Fee Summary for *Wayzata High School*

This is not an invoice – please do not pay.
Schools will receive separate invoices on October 15, 2020 and January 15, 2021

*Wayzata High School MSHSL Enrollment: **3276**

August Invoice Summary – sent July/August 2020, due 10/1/2020

Description	Fee
Annual Membership Fee	\$160.00
\$1 Per Student Fee	\$3276.00
Activity Fee Registration Total (\$160 per activity)	\$7040.00

August Invoice TOTAL: **\$10,476.00**

November Membership Fee – to be sent 10/15/2020, due 11/30/2020

Description	Fee
COVID-19 Installment 1	\$5500.00

February Membership Fee – to be sent 1/15/2021, due 2/28/2021

Description	Fee
COVID-19 Installment 2	\$5500.00

2020-2021 Membership Fee Total \$21,476.00

*MSHSL Enrollments are determined in even-numbered years by the Board of Directors using the most current MARSS Report to the MDE for grades 9, 10, 11 and 12. From those enrollment numbers, the Board of Directors subtracts 40% of the free/reduced lunch count reported.

3. Finance and Business

A.

B. Approval of Culinary Express Prices Meal Kits Effective 2020-2021

C.



Board of Education
Special Meeting – September 29, 2020

AGENDA SECTION: Finance and Business Recommendations

ITEM: Culinary Express Meal Kit Prices

COMMENTS BY: Jim Westrum, Executive Director of Finance and Business Services

Approval of Culinary Express Prices Meal Kits Effective 2020-2021

With the District providing distance learning this year, Culinary Express has determined that the most economically and logistically efficient manner to provide students learning remotely away from our schools with highly nutritious meals is to provide meal kits. Meal kits are designed to encourage and increase participation and include options for both breakfast and lunch. While designing the kits, culinary staff has planned generous portions and a variety of food items keeping in mind that the same kit would be feeding all students K-12. This will allow families to pick up all meals for their children in one location and in an efficient manner.

Although the USDA has appropriated resources to provide universal free meals through December 31, 2020, the administration proposes and seeks approval to set the prices of meal kits at the following prices in the event that USDA appropriations cease. These prices would be for fully paid meals only as students demonstrating need will continue to receive meals at no-charge:

- 3- Day Breakfast Kit: \$6 (\$2/day for breakfast; on campus meals are \$1.90 to \$2.40)
- 5- Day Breakfast Kit: \$10
- 3- Day Lunch Kit: \$12 (\$4/day for lunch; on campus meals are \$3.05 to \$4.10)
- 5- Day Lunch Kit: \$20

The School Board Finance Committee members and the Citizens Finance Advisory Council (CFAC) members have reviewed the prices for reasonableness.

Recommended Action: Approve the Culinary Express Meal Kit Prices Effective 2020-2021.

Motion by: _____ **ROLL CALL** **Passed:** _____

Second by: _____ **Failed:** _____

Abstentions: _____ **15** _____



Jim Westrum, Executive Director of Finance & Business Services
210 County Road 101 North, P.O. Box 660 | Wayzata, MN 55391-0660
763.745.5023 | Fax: 763.745.5091 | www.wayzata.k12.mn.us

TO: Dr. Chace Anderson

FROM: Jim Westrum, Finance and Business
Michelle Sagedahl, Culinary Express

DATE: September 25, 2020

SUBJ: **Proposed Meal Kits For 2020-2021 Distance Learning Students**

With the District providing distance learning this year, Culinary Express has determined that the most economically and logistically efficient manner to provide students learning remotely away from our schools with highly nutritious meals is to provide meal kits. Meal kits are designed to encourage and increase participation and include options for both breakfast and lunch. Careful consideration was given knowing that it is important to serve students receiving instruction remotely in the distance learning model meals for five days a week and it is important to serve students attending our schools in the hybrid model meals for three days a week. While designing the kits, culinary staff has planned generous portions and a variety of food items keeping in mind that the same kit would be feeding all students K-12. This will allow families to pick up all meals for their children in one location and in an efficient manner.

Although the USDA has appropriated resources to provide universal free meals through December 31, 2020, the administration proposes and seeks approval to set the prices of meal kits at the following prices in the event that USDA appropriations cease. These prices would be for fully paid meals only as students demonstrating need will continue to receive meals at no-charge:

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- 5- Day Breakfast Kit: \$10

- 3- Day Lunch Kit: \$12 (\$4/day for lunch; on campus meals are \$3.05 to \$4.10)
- 5- Day Lunch Kit: \$20

The School Board Finance Committee members and the Citizens Finance Advisory Council (CFAC) members have reviewed the prices for reasonableness.

If you have questions or desire additional information, please give me a call at any time at 763-745-5023.

- D.
- E. Resolution for Authorizing the Superintendent and/or Executive Director of Finance and Business Services to Execute Closing Documents for the Purchase of a Building and Land at 295 State Highway No. 55, Medina MN
- F.



Board of Education
Special Meeting – September 29, 2020

AGENDA SECTION: Finance and Business Recommendations

ITEM: Finance and Business Recommendations

COMMENTS BY: Jim Westrum, Executive Director of Finance and Business Services

The District has approved a Purchase Agreement by and between Independent School District 284 and VIVID Investments, LLC, for the purchase of a 38,500 square foot building and 4.10 Acres of Land in Medina, Minnesota, also known as 295 State Highway No. 55.

The Executive Director of Finance and Business Services has entered into a purchase agreement for the purchase of a building and land located in the District within the City of Medina. The attached resolution provides authorization for the Superintendent and/or Executive Director of Finance and Business Services to execute the closing documents for the purchase.

Recommended Action: Approve the resolution for Authorizing the Superintendent and/or Executive Director of Finance and Business Services to Execute Closing Documents for the Purchase of a Building and Land at 295 State Highway No. 55, Medina MN.

Motion by: _____ **ROLL CALL** **Passed:** _____

Second by: _____ **Failed:** _____

Abstentions: _____ **18** _____

WAYZATA PUBLIC SCHOOLS

Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION

Special Meeting – September 29, 2020

Resolution Authorizing the Superintendent and/or Executive Director of Finance and Business Services to Execute Closing Documents for Purchase of Property in Medina

Whereas, the District has approved a Purchase Agreement by and between Independent School District 284 and VIVID Investments, LLC, for the purchase of a 38,500 square feet building and 4.10 Acres of Land in Medina, Minnesota, also known as 295 State Highway No. 55; and

Whereas, the Purchase Agreement to purchase the property was entered into as the property would serve the District's facility needs and acquisition of the property is deemed economically advantageous to the taxpayers of the District; and

Whereas, both parties have satisfied prerequisite terms and conditions required prior to the actual closing; and

Now, therefore be it resolved that the school board appoints Chace B. Anderson, Superintendent and/or James R Westrum, Executive Director of Finance and Business Services as an authorized signer for all closing documents and other related documents related to closing of the sale and directs either to execute the sale of the property discussed herein.

Recommended Action: Approve the resolution for Authorizing the Superintendent and/or Executive Director of Finance and Business Services to Execute Closing Documents for the Purchase of a Building and Land at 295 State Highway No. 55, Medina MN.

WITNESS MY HAND officially as such recording officer this 29th day of September 2020.

School Board, Clerk

G. Preliminary Levy Limitation and Certification - 2020 Payable 2021



Board of Education
Special Meeting – September 29, 2020

AGENDA SECTION: Finance and Business Recommendations

ITEM: Preliminary Levy

COMMENTS BY: Jim Westrum, Executive Director of Finance and Business Services

Preliminary Levy Limitation and Certification – 2020 Payable 2021

Minnesota law requires school districts to certify their proposed tax levy payable in 2021 to the county auditor on or before September 30, 2020. We have recently received the levy data from the Minnesota Department of Education and have analyzed the details. A summary written analysis of the proposed levy is included for your review. The attached levy analysis was reviewed by the School Board Finance Committee members and the Citizens Financial Advisory Council members for reasonableness.

The Minnesota Department of Education is still in the process of making computer program changes and will be providing school districts with updated reports if any changes need to be made. While most components of the levy are materially accurate and complete, Administration will be recommending that the Board levy a preliminary amount in all funds. If the Board approves the maximum allowed, the county auditor will automatically include any positive adjustments in the levy. Otherwise, the final levy amount cannot exceed the preliminary levy amount, except for some very limited exceptions. The Citizens Financial Advisory Council discussed this levy and with the administration recommend that the Board adopt this preliminary levy at the “maximum” allowed by state statute.

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

Recommended Action: Approve the Preliminary Levy Limitation and Certification for 2020 Payable 2021 at the “maximum” allowed by state statute.

Motion by: _____ **ROLL CALL** **Passed:** _____

Second by: _____ **Failed:** _____

Abstentions: _____ **21** _____

Wayzata Public Schools
 Pay 2021 Analysis as 9-29-2020 - BOE
 General Fund Levy -Proposed

Exhibit I

	Proposed Payable 2021 Amount	Payable 2020 Amount	Dollar Change	Percent Change
Referendum Levy Authority	\$ 25,710,243	\$ 24,731,847	\$ 978,396	3.96%
--- Prior year adjustments	(787,062)	(261,056)	(526,006)	
Local Optional (Location Equity)	10,345,619	10,032,561	313,058	3.12%
--- Prior year adjustments	(54,768)	(56,082)	1,314	
Equity Revenue	1,018,368	983,298	35,071	3.57%
--- Prior year adjustments	(1,247)	(37,627)	36,380	
Transition Revenue	16,910	16,400	510	3.11%
--- Prior year adjustments	(152)	(156)	4	
Technology Levy	8,362,888	7,839,550	523,338	6.68%
--- Prior year adjustments	23,004	-	23,004	
Operating Capital	1,615,314	1,504,947	110,368	7.33%
Alt Teacher Compensation (Q-comp)	1,238,568	1,178,140	60,428	5.13%
Achievement & Integration	715,606	682,519	33,088	4.85%
Reemployment (state unemployment)	400,000	5,000	395,000	7900%
Safe Schools Levy	515,902	500,335	15,566	3.11%
-- Safe schools Intermediate 287	214,959	208,473	6,486	3.11%
Ice Arena	265,000	260,000	5,000	1.92%
Career/Technical (9-12 grade students)	633,700	554,230	79,469	14.34%
Other Post-Employment Benefits(OPEB)	662,658	50,000	612,658	1225%
Long Term Facility Maintenance	11,327,465	11,139,331	188,135	1.69%
Health and Safety	700,000	700,000	-	0.00%
	-	-	-	
Lease Levy	3,758,238	3,597,058	161,181	4.48%
			-	
Abatements	160,014	214,324	(54,310)	-25.34%
Other adjustments	(336,504)	(576,118)	239,614	-41.59%
GENERAL FUND TOTALS	\$ 66,504,722	\$ 63,266,971	\$ 3,237,751	5.12%

* These levy components represent voter approved revenue sources indexed for inflation or student growth.

** Includes many prior levy adjustments due to more current and accurate information.

Wayzata Public Schools
 Pay 2021 Analysis as 9-29-2020 - BOE
 Community Service Fd - Proposed

Exhibit II

	Proposed Payable 2021 Amount	Payable 2020 Amount	Dollar Change	Percent Change
Basic Levy	\$ 486,966	\$ 486,966	\$ -	0.0%
Early Childhood Levy	450,182	446,034	4,148	0.9%
Home Visitation Levy	9,032	10,248	(1,215)	-11.9%
Adults with Disabilities	7,500	7,500	-	0.0%
School Age Care (before and after school for students w/disabilities	900,000	700,000	200,000	28.6%
Abatements and Prior year adjustments	323,816	237,705	86,111	36.2%
COMMUNITY SERVICE FUND TOTALS	<u>\$ 2,177,497</u>	<u>\$ 1,888,453</u>	<u>\$ 289,044</u>	<u>15.31%</u>

Wayzata Public Schools
 Pay 2021 Analysis as 9-29-2020 - BOE
 Debt Service Fd Levy - Proposed

Exhibit III

	Proposed Payable 2021 Amount	Payable 2020 Amount	Dollar Change	Percent Change
Levy of 105% of Principal and Interest Debt Excess (Refund to taxpayers)	\$ 11,823,965 (396,268)	\$ 10,988,953 (205,296)	\$ 835,012 (190,972)	
Capital and Alternative Facilities Bonds Debt Excess (Refund to taxpayers)	3,940,442 (132,060)	3,897,314 (72,810)	43,128 (59,250)	
Abatements and Prior year adjustments	16,499	1,356	15,143	
DEBT SERVICE FUND TOTALS	<u>15,252,578</u>	<u>14,609,517</u>	<u>643,061</u>	<u>4.40%</u>



Jim Westrum, Executive Director of Finance & Business Services
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TO: Members of the Board of Education
Dr. Chace Anderson, Superintendent of Schools

FROM: Jim Westrum, Finance and Business

DATE: September 29, 2020

SUBJ: **Recommendation of the Payable 2021 Preliminary Tax Levy Certification to Finance a portion of the 2021-2022 School Year Operations**

We have received a draft “Levy Limitation and Certification” document from the State Department of Education. Based on this state authorization, we have enclosed several exhibits summarizing our preliminary levy for your consideration.

The school district’s payable 2021 preliminary tax levy must be certified by our school board by September 30, 2020. Therefore, it is necessary that we certify a preliminary tax levy at the special school board meeting scheduled for Tuesday, September 29, 2020. Typically once we have submitted our preliminary tax levy certification to the county auditor, it may only be increased with authorization from the Minnesota Department of Education. However, individual items may be decreased prior to final approval which is expected to occur in December 2020. The school board may also chose to lower the tax levy prior to final approval in December 2020.

The district’s property tax levy is allocated to individual parcels of property in the district using formulas based upon Hennepin County’s assessed market value. Hennepin County’s preliminary estimate of the district’s total assessed market value has increased \$923 million from \$13.91 billion to almost \$14.84 billion. This represents almost a seven percent increase in market value and includes existing as well as new properties. It is important to note that there continues to be significant variations in changes associated with individual parcels of properties within the District’s eight cities. Thus, individual taxpayers will not see similar changes in their individual property’s market value and that directly translates into the variability of their school district property tax amounts. Preliminary review of a sample selection of properties has shown assessed valuations fluctuating from a minimal increase to double digit percent increases. We will have a sample of individual parcel estimates available prior to the recommendation for approval of the final levy scheduled in December.

As in prior years, the legislature often passes statutes that impact school districts and the formulas that drive a school district’s local property tax levy. These legislative changes combined with revenue formulas, student enrollment growth and individual taxpayer’s market value fluctuations add complexity to a school district’s local property tax levy. The purpose of this document will be to discuss the significant changes that have occurred in the Payable 2021 Preliminary Tax Levy in comparison with the prior year’s levy and to provide clarity to the school board and to the community.

PROPOSED SCHOOL TAX LEVY

The total preliminary levy for taxes payable in 2021 is \$83.9 million. This total levy amount represents an overall increase of \$4.2 million or 5.23% from the previous year, and includes principal and interest payments on the \$70 million of building bonds approved by voters in November of 2017.

We are pleased to report that the tax impact of issuing the 2017 voter approved bonds are less than the impact communicated to our public due to the robust residential development in the footprint of the Wayzata Public schools. The additional tax base will continue to benefit existing taxpayers for years to come as the district’s overall property tax is spread to all tax parcels in the district.

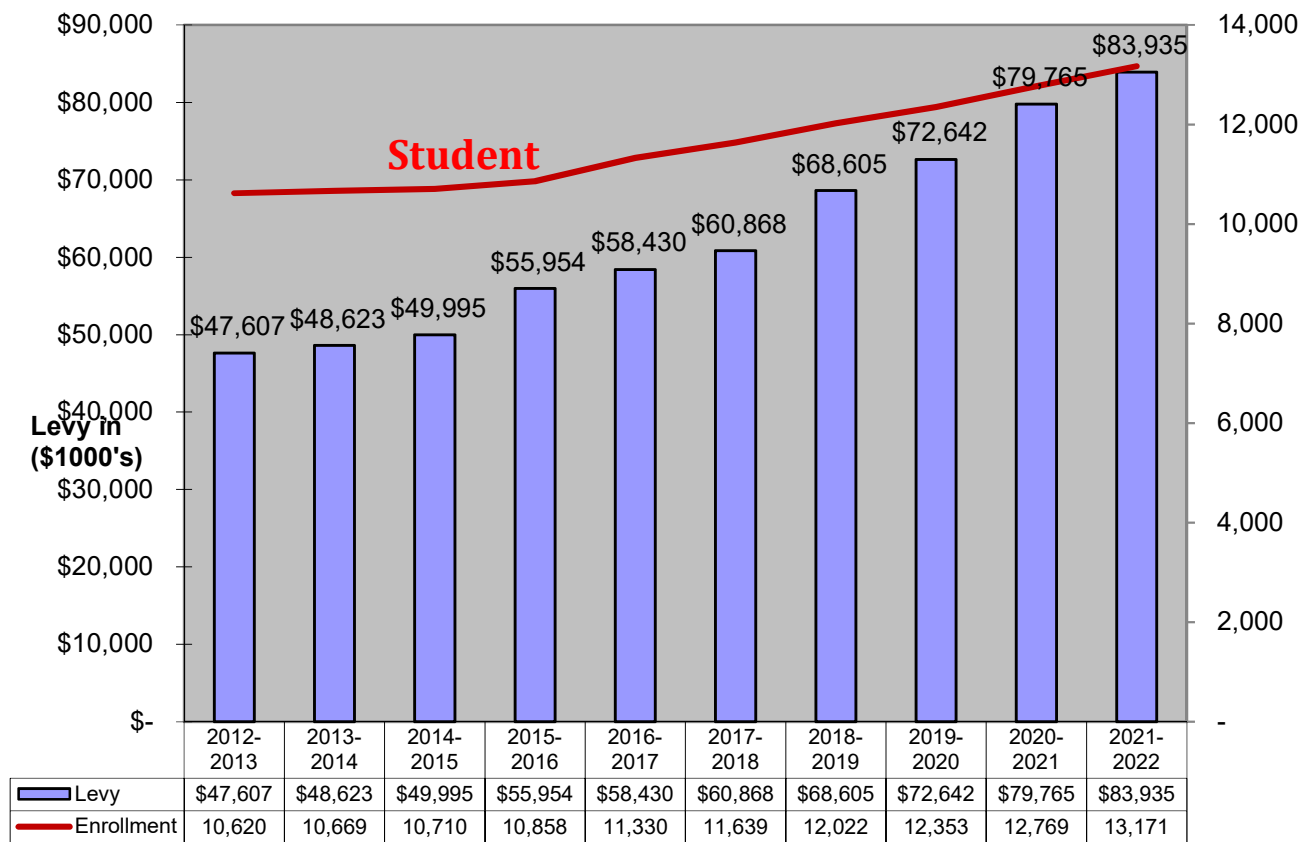
The table below shows a comparison of the administration’s recommended preliminary levy payable in 2021 with the District’s final levy payable in 2020. While the levy detail is presented by fund, it is important to focus on the district’s **total** Payable 2021 levy when comparing to the **total** Payable 2020 levy.

<u>FUND</u>	<u>Proposed 2021 Levy</u>	<u>Payable 2020 Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$ 66,504,722	\$ 63,266,971	\$ 3,237,751	5.12%
Community Service	\$ 2,177,497	\$ 1,888,453	\$ 289,044	15.31%
Debt Service	\$ 15,252,578	\$ 14,609,517	\$ 643,061	4.40%
Total	\$ 83,934,797	\$ 79,764,942	\$ 4,169,855	5.23%

Much of the change in the District’s **total** Payable 2021 levy when compared to the prior year is due to legislative changes and growth in the District’s student enrollment. Voter approved operating referendum authority is calculated based upon the number of students times the per pupil authority. Resident student enrollment growth of 3.15% translates directly into an increase in the total operating referendum authority component of our property tax levy. As mentioned earlier in this document, the robust residential development occurring in the District helps to minimize the impact this increase may have on an individual taxpayer’s proportionate share of this increase.

It is also important to note that the District’s preliminary levy amount not only includes referendum authority for the 2021-2022 school year, but levy adjustments for changes in final 2018-2019 resident enrollment as well as changes in revised 2020-2021 resident student enrollment. Thus, it is helpful to look at each of the funds for a detailed analysis of the components that make up each of the totals for each of the funds presented above. Discussion of those components will occur within this document.

The following chart shows the district's total levy and enrollment history over the last decade.



It is important to note that many of the formulas that drive the state's levy revenue calculations are directly correlated to student enrollment, a district's overall population, and a district's total property market value. As you can see from the chart above, the District has seen recent robust student enrollment growth of 3.15% and the overall population of the District has grown as well. Over the last five years, the District's total levy increase (excluding the voter approved bonds in 2014 and 2017) has averaged in the 4% growth rate...similar to the student enrollment growth rate. With the district's robust residential construction growth in the northern part of the district, the corresponding tax capacity growth has served to minimize the individual taxpayer impact of most of the increases in levy components. While adding additional homes and properties within the district continue to reduce the tax burden of existing taxpayers, recent legislative changes on how local property taxes are allocated and variations in assessed valuations often make it difficult to quantify a direct correlation between the district's property tax levy and the amount of taxes that an individual property owner will pay.

The following pages provide a detailed analysis of the levy by fund.

GENERAL FUND

Exhibit I is a detailed analysis of the proposed levy recommendation for the General fund. Overall, the General fund levy increased by \$3.24 million or 5.12% and is largely attributed to an increase of 3.15% in student enrollment. In 2017, local voters approved an operating referendum that provides revenue to be used for class size reductions and other educational purposes. This voter approved operating referendum authority is calculated based upon the number of students. Thus, increases in resident student enrollment translates directly into an increase in the total operating referendum authority component of our property tax levy.

While voter approved operating referendum authority is calculated based upon the number of students times the per pupil authority and projected enrollment growth translates directly into an increase in the district's total operating referendum levy, it is important to note that the district's levy amounts also include adjustments for changes in final 2018-2019 resident enrollment and changes in revised 2020-2021 resident student enrollment. Thus, negative adjustments in the General fund levy from the prior years are presented separately and represent changes between the prior two years of estimated versus actual student enrollment. Similar adjustments occur with other levy components as can be seen with the prior year adjustments amounts included in this analysis.

The District voters have also authorized an annual technology levy that has increased by \$523,338 to fund approximately \$8.3 million in annual technology expenses such as IPADS and technology access and support. This levy amount uses formulas based upon the tax capacity of the district to determine the annual levy amount.

The General fund levy also includes several other components that are primarily formula driven and have changed either due to changes in estimates, changes in enrollment or changes in the district's tax capacity. These levy amounts are authorized by statute and the district must levy each component or risk losing the revenue or in some cases, losing a corresponding state aid component. All components have been reviewed for reasonableness and the administration recommends approval of presented amounts.

Two additional levy components warrant additional discussion in this preliminary 2021 property tax levy recommendation as the amounts are significantly different from the 2020 actual property tax levy amount.

The reemployment levy represents the cost of unemployment insurance the district has either incurred or is expected to incur in the next fiscal year. The Minnesota Employment and Economic Development office administers the state's unemployment claims and school districts in Minnesota are billed directly for actual claims that are paid. The 2020 pandemic has increased the district's unemployment claims significantly since March 2020 and the administration expects this trend to continue for the foreseeable future.

The Other Post-Employment Benefits (OPEB) levy represents the unfunded actuarial accrued liability (UAAL) as calculated by the district's actuary under the Government Accounting Standards Board statement No. 75 (GASB 75). Minnesota Statutes, section 126C.41, subdivision 2(b) authorizes this levy.

The District's administration also pays close attention to abatements and to other adjustments as large swings can have a large impact on the District's total levy. These amounts are calculated by the MDE.

Overall, each individual component of the general fund levy has been reviewed for reasonableness and accuracy with the corresponding formula that drives its calculation. Nothing unusual was noted.

COMMUNITY SERVICES FUND

Exhibit II is a detailed analysis of the proposed levy recommendation for the Community Services fund.

These levies are based on statewide tax rates applied to all property in the State. Statewide revenue formulas continue to generate slight increases in revenue due to current and prior district population growth. While the addition of all-day kindergarten programming reduced the need and cost of providing school age care for students with disabilities in recent years, the District opened its 9th elementary school in the 2019-2020 school year. Thus, the school age care levy amount is estimated to be \$900,000 and when combined with prior year adjustments, accounts for the majority of the \$289,044 increase.

DEBT SERVICE FUND

Exhibit III is a detailed analysis of the proposed levy recommendation for the Debt Service fund.

The district is required to levy 105% of scheduled principal and interest payments. The required levy includes the **current** required debt service amount.

Overall, while the Debt Service fund increased by 4.40%, the District's tax capacity increased by nearly 7%. This should minimize any tax impact of existing debt on current and future taxpayers.

SUMMARY

The proposed school tax levy represents the combined total impact, across all funds, of the legislated property tax program combined with the educational programming needs of the Wayzata Public Schools as they relate to our particular levy authority/capacity. As the state continues to refine more than 40 pages of formulas that calculate this levy, it is important to note that minor changes may still occur. This year the state is allowing local school boards to simply approve a "MAXIMUM" preliminary levy certification to allow changes made until September 30th to be reflected in the parcel specific notices that will be mailed out this fall. We are recommending that the board approve the "Maximum" amount at this time. The board retains the option to reduce the amount subsequently adopted at the December 14, 2020 meeting.

TRUTH IN TAXATION LAW

Legislative Session Laws 2009 repealed the requirement to hold a separate meeting for a district's truth in taxation hearing. The public will have the opportunity to speak to the board at the regular school board meeting December 14, 2020 at 7:00 p.m.

If you have questions regarding the enclosed materials or desire additional information, please give me a call at any time at 763-745-5023.

4. Human Resource Services

A. Monthly Recommendations

HUMAN RESOURCES RECOMMENDATIONS - Agenda - September 29, 2020

EMPLOYMENT

Name	Position	Location	Start Date
Morgan Klinnert	Paraprofessional	North Woods	9/14/2020
Kim Syde	Paraprofessional	Greenwood	9/24/2020
Laura Hanson	Paraprofessional	Plymouth Creek	9/21/2020
Sandy McKown	Paraprofessional	Gleason Lake	9/21/2020
Leeann Gruss	Paraprofessional	Gleason Lake	9/21/2020
Mona Tfaily	Paraprofessional	Oakwood	9/21/2020
Mikaela Jacobson	Paraprofessional	Greenwood	9/22/2020
Allen, Lynnell	Teacher	Central Middle	9/2/2020
Bissonnette, Michael	Teacher	Plymouth Creek	8/31/2020
Corasiniti, Katie	Teacher	Central Middle	8/31/2020
Hedstrom, Emily	Teacher	Birchview	8/31/2020
Lundeen, Lindsay	Teacher	West Middle	9/11/2020
Marciniak, Arianna	Teacher	High School	9/9/2020
Moore, Fiona	Teacher	Greenwood, Gleason Lake	8/31/2020
Okerstrom, Theodor	Teacher	Central Middle	9/11/2020
Majzner, Michelle	Teacher	East Middle	8/31/2020
Furst, Candis	Teacher	High School	8/31/2020

CONTRACT MODIFICATION

Name	Position	Location	Modification	Date
Drew Petersen	Paraprofessional	Greenwood	Contract Ended	9/10/2020
Stacy Schmidt	Nurse	Oakwood, Early Learning School	From 0.66 FTE to 0.8 FTE	9/22/2020

LEAVE OF ABSENCE

Name	Position	Location	Leave Date
Kim Kozlovski	Culinary Express	Sunset Hill	2020-21 school year
Samuel Blank	Teacher - Student Support Specialist	Meadow Ridge	11/2/2020 - 12/3/2020
Elizabeth Perpich	Teacher - Special Services	Meadow Ridge	1/28/2021 - 4/9/2021
Brad Anderson	Alternative Compensation Supervisor	Education Services Center	10/8/2020 - 10/23/2020
Brigid Austin	Teacher - TOSA	Education Services Center	2020-2021 School Year

RESIGNATION

Name	Position	Location	Resign Date
Kelley Jaszewski	Paraprofessional	East Middle	9/10/2020
Katrina Ohs	Paraprofessional	Oakwood	9/13/2020
Heather Kleve	Teacher - Special Services	Gleason Lake	9/11/2020
Dhiviyashri Ravindar	Culinary Express	Central Middle	9/17/2020
Leeann Gruss	Paraprofessional	Gleason Lake	9/23/2020
Chris Knudson	Paraprofessional	Gleason Lake	9/23/2020

RETIREMENT

Name	Position	Location	Retirement Date

EXTRA ASSIGNMENTS

Name	Position	Location	Assignment	Date



Board of Education
Regular Meeting – September 29, 2020

AGENDA SECTION: Human Resource Recommendations

ITEM: Monthly Recommendations

COMMENTS BY: Stacie Vos, Executive Director of Human Resource Services

Attached are the recommendations regarding personnel actions including: employment, separations and leaves of absence.

Recommended Action: Approve the Human Resource actions as recommended in the attachment.

Motion by: _____

ROLL CALL

Passed: _____

Second by: _____

Failed: _____

Abstentions: _____

5. ADJOURN



Board of Education
Special Meeting – September 29, 2020

AGENDA SECTION: Adjourn

ITEM: Adjourn

COMMENTS BY: Andrea Cuene, Board Chair

Recommended Action: Call the meeting to a close.

Motion by: _____

ROLL CALL

Passed: _____

Second by: _____

Failed: _____

Abstentions: _____