

Special Board Meeting  
Wednesday, February 19, 2025 5:00 PM  
Central

Deer River High School Media Center  
101 1st Avenue  
Deer River, MN 56636

1. Call to Order  
Jen Drotts, Ara Anderson, Amie Hanson, Crystal Purdie
2. Agenda Approval  
Motion to approve agenda. This motion, made by LuAnn Robinson and seconded by Pam Thompson, Carried.  
Kyle Fairbanks: Yea, George Goggleye: Yea, Lloyd Kongsjord: Yea, LuAnn Robinson: Yea, Pam Thompson: Yea, Jon White: Yea  
Yea: 6, Nay: 0
3. Approve to Revoke the OPEB Revocable Trust  
Motion to approve to revoke the OPEB revocable trust. This motion, made by Pam Thompson and seconded by LuAnn Robinson, Carried.  
Kyle Fairbanks: Yea, George Goggleye: Yea, Lloyd Kongsjord: Yea, LuAnn Robinson: Yea, Pam Thompson: Yea, Jon White: Yea  
Yea: 6, Nay: 0
4. Approve Corporate Authorization Resolution for Woodland Bank  
Motion to approve corporate resolution for Woodland Bank. This motion, made by Pam Thompson and seconded by LuAnn Robinson, Carried.  
Kyle Fairbanks: Yea, George Goggleye: Yea, Lloyd Kongsjord: Yea, LuAnn Robinson: Yea, Pam Thompson: Yea, Jon White: Yea  
Yea: 6, Nay: 0
5. Approve Reduction Amount and Budget Plan  
Motion to Approve Reduction Amount and Budget Plan. This motion, made by Pam Thompson and seconded by LuAnn Robinson, Carried.  
Kyle Fairbanks: Yea, George Goggleye: Yea, Lloyd Kongsjord: Yea, LuAnn Robinson: Yea, Pam Thompson: Yea, Jon White: Yea  
Yea: 6, Nay: 0  
The approved reduction amount for next year's budget is \$1,000,000.00  
The board's goal is 9% fund balance by 2027-2028 school year.
6. Adjournment  
Motion to adjourn made by Luann Robinson second by Pam Thompson

**ISD #317 – DEER RIVER PUBLIC SCHOOLS  
BOARD OF EDUCATION**

**AGENDA ANALYSIS FORM**

Board Meeting of February 19, 2025

SUBJECT: OPEB Revocable Trust Fund

Board Action   X   Status or Scheduled Report        Information only       

**BACKGROUND/RATIONALE:**

ISD #317, Deer River Public School District no longer has any OPEB benefits owed; therefore, constitutes a change in the demographic composition for its OPEB Revocable Trust Fund.

Minnesota Statute Section 471.6175 Subd. 7 states:

**Withdrawal of funds and termination of account.**

(a) **For a revocable account, a political subdivision or public entity may withdraw some or all of its money or terminate the trust account.** Money and accrued investment earnings withdrawn from a revocable account must be deposited in a fund separate and distinct from any other funds of the political subdivision or public entity. This money, with accrued investment earnings, must be used to pay legally enforceable postemployment benefits to former officers and employees, unless (i) there has been a change in state or federal law affecting that political subdivision's or public entity's liabilities for postemployment benefits, **or (ii) there has been a change in the demographic composition of that political subdivision's or public entity's employees eligible for postemployment benefits,** or (iii) there has been a change in the provisions or terms of the postemployment benefits in that political subdivision or public entity including, but not limited to, the portion of the costs eligible employees must pay to receive the benefits, or (iv) other factors exist that have a material effect on that political subdivision's or public entity's actuarially determined liabilities for postemployment benefits, in which event any amount in excess of 100 percent of that political subdivision's or public entity's actuarially determined liabilities for postemployment benefits, as determined under standards of the Government Accounting Standards Board, **may be withdrawn and used for any purpose.**

**PRESENTER(S):**

Jennifer Drotts, Business Manager

**SUPERINTENDENT'S RECOMMENDATION:**

Approve to terminate the trust account.

**CORPORATE AUTHORIZATION RESOLUTION**

Woodland Bank  
 P.O. Box 100  
 Deer River, MN 56636  
 Referred to in this document as "Financial Institution"

By: Itasca County ISD 317  
 P.O. Box 307  
 Deer River, MN 56636  
 Acc# 5603332, 603613, 603738, 686337  
 Referred to in this document as "Corporation" 6066

I, Pam Thompson, certify that I am Secretary (clerk) of the above named corporation organized under the laws of Minnesota, Federal Employer I.D. Number 41-6001597, engaged in business under the trade name of ISD # 317, and that the resolutions on this document are a correct copy of the resolutions adopted at a meeting of the Board of Directors of the Corporation duly and properly called and held on 1-6-2025 (date). These resolutions appear in the minutes of this meeting and have not been rescinded or modified.

**AGENTS** Any Agent listed below, subject to any written limitations, is authorized to exercise the powers granted as indicated below:

Name and Title or Position	Signature	Facsimile Signature (if used)
A. <u>Patrick Rendle, Superintendent</u>		
B. <u>Jennifer Drots, Business Mgr.</u>		
C. <u>Amie Hanson, HR Mgr</u>		
D. <u>Lloyd Kongsjord, Board Chair</u>		
E. <u>Pam Thompson, Board Clerk</u>		
F. <u>George Gogaleye, Board Treasurer</u>		
G. <u>Patricia Schmalek, MARSS Coor. &amp; Office Specialist</u>		

**POWERS GRANTED** (Attach one or more Agents to each power by placing the letter corresponding to their name in the area before each power. Following each power indicate the number of Agent signatures required to exercise the power.)

Indicate A, B, C, D, E, and/or F	Description of Power	Indicate number of signatures required
<u>ABDEF</u>	(1) Exercise all of the powers listed in this resolution.	_____
_____	(2) Open any deposit or share account(s) in the name of the Corporation.	_____
<u>C, E, G</u>	(3) Endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with this Financial Institution.	_____
_____	(4) Borrow money on behalf and in the name of the Corporation, sign, execute and deliver promissory notes or other evidences of indebtedness.	_____
_____	(5) Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now owned or hereafter owned or acquired by the Corporation as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment.	_____
<u>C, G</u>	(6) Enter into a written lease for the purpose of renting, maintaining, accessing and terminating a Safe Deposit Box in this Financial Institution.	_____
_____	(7) Other _____	_____

**LIMITATIONS ON POWERS** The following are the Corporation's express limitations on the powers granted under this resolution.

**EFFECT ON PREVIOUS RESOLUTIONS** This resolution supersedes resolution dated 4-17-23. If not completed, all resolutions remain in effect.

**CERTIFICATION OF AUTHORITY**  
 I further certify that the Board of Directors of the Corporation has, and at the time of adoption of this resolution had, full power and lawful authority to adopt the resolutions on page 2 and to confer the powers granted above to the persons named who have full power and lawful authority to exercise the same. (Apply seal below where appropriate.)

If checked, the Corporation is a non-profit corporation. In Witness Whereof, I have subscribed my name to this document and affixed the seal of the Corporation on 1-6-2025 (date).

Attest by One Other Officer: Lloyd Kongsjord  
 Secretary: Pam Thompson

# How did we get Here?

3% per year  
average declining  
enrollment since  
2018

the state not  
keeping up with  
inflation

the inability of  
districts to pass  
operating  
referendums,

much of the money  
of the last session  
was focused on  
categorical aid,

new policy that had  
financial  
implications,

necessary contract  
settlements



# Categorical Aids

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Staff Development

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Operating Capital

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Basic Skills (Compensatory  
Revenue)

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LTFM

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American Indian Ed. Aid

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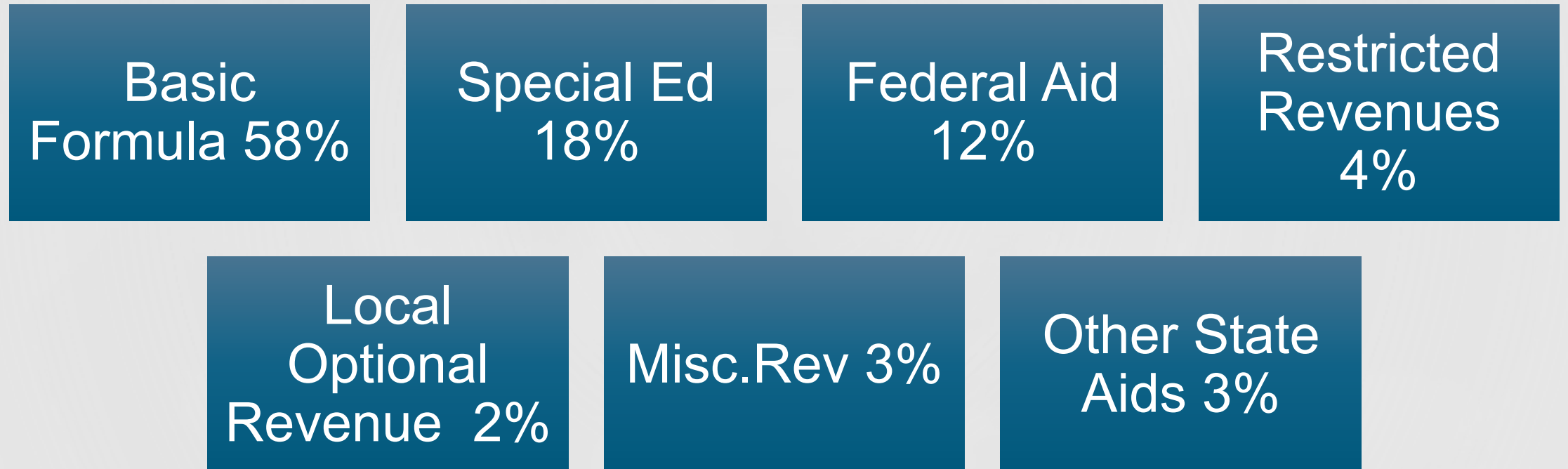
Impact Aid

# Deer River Public School District

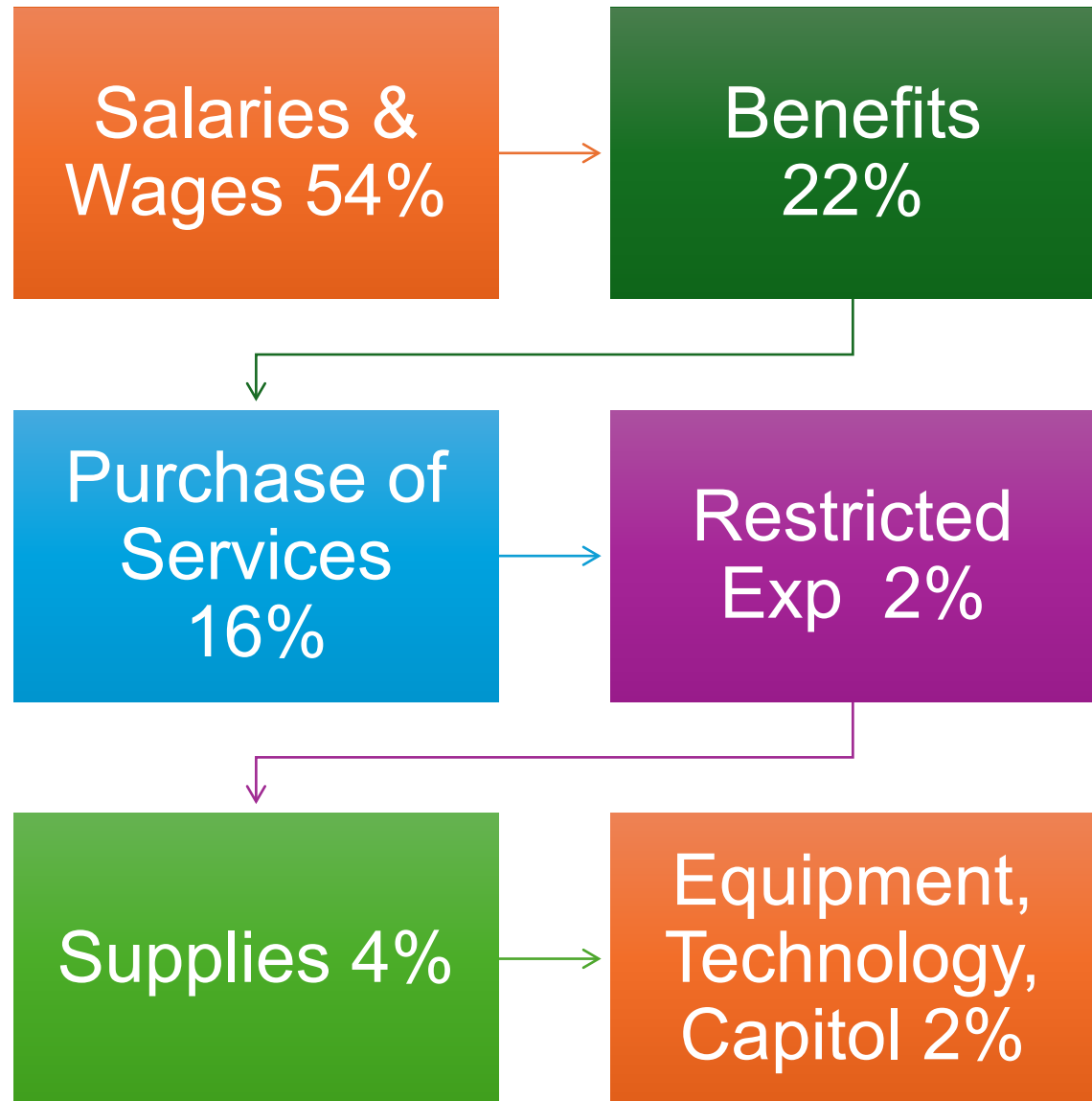
## Historical Adjusted Average Daily Membership (ADM)

Grade	Actual 19-20	Actual 20-21	Actual 21-22	Actual 22-23	Actual 23-24	Budget 24-25	Projected 25-26	Projected 26-27	Projected 27-28	Projected 28-29	Projected 29-30
ECSE	17.61	13.39	16.15	18.77	21.57	12.00	12.00	12.00	12.00	12.00	12.00
PKG	25.99	24.74	22.44	23.57	22.74	21.00	21.00	21.00	21.00	21.00	21.00
Kgt Hdp	9.58	18.24	20.70	13.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KDG	61.97	44.57	44.18	49.78	52.42	59.00	59.00	59.00	59.00	59.00	59.00
1	58.76	57.94	65.47	61.25	57.25	54.00	57.58	57.58	57.58	57.58	57.58
2	76.80	61.80	52.61	62.75	55.46	61.00	53.69	57.25	57.25	57.25	57.25
3	71.39	76.09	59.48	52.16	62.93	55.00	60.72	53.45	56.99	56.99	56.99
4	64.86	68.53	70.49	60.91	53.91	62.00	55.43	61.19	53.86	57.43	57.43
5	75.12	61.20	70.91	68.31	60.53	56.00	62.75	56.10	61.94	54.52	58.13
6	75.67	69.91	57.34	68.93	61.26	60.00	53.57	60.03	53.67	59.25	52.15
7	79.97	68.91	70.07	56.67	65.13	63.00	59.63	53.24	59.66	53.34	58.88
8	70.55	72.44	67.77	69.35	58.22	62.00	61.95	58.64	52.35	58.67	52.45
9	61.38	63.91	74.61	64.06	66.14	56.00	59.30	59.25	56.08	50.07	56.11
10	61.45	58.92	63.62	66.24	62.65	68.00	55.33	58.59	58.54	55.41	49.47
11	52.46	56.38	51.29	62.28	53.88	62.00	63.18	51.41	54.43	54.39	51.48
12	44.94	50.51	52.24	50.29	60.26	52.00	60.05	61.19	49.79	52.72	52.68
	908.50	867.48	859.37	848.42	814.35	803.00	795.18	779.91	764.14	759.61	752.60

# Gen Ed. Revenue Sources



# Expenditures



# Purchased Services?

Transportation  
(Nortran)

IASC (Sped.  
Director, Sped  
Staff, IT, Career  
Pathways)

IASC Early Edge  
(Early Childhood)

Liason Officer

Speech Partners

Mental Health  
(North Homes)

# Reduction Process

Salaries & Wages 54%

Benefits 22%

Purchase of Services 16%

Restricted Exp 2%

Supplies 4%

Equipment, Technology, Capitol  
2%

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# What we don't Know Yet

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Percent increase on the basic allowance for  
2025-26 (2.0-3.0)

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Loss or gain in compensatory Revenue. (-  
163.000 or +129.000)

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Enrollment for fiscal 26.

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New Contracts for 26-28

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Unemployment or Paid FMLA (Jan 2026)

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Inflation Factor

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Legislation which may not be resolved until June  
2025

# District Reduction Recommendation

- Fund Balance Policy 9% (Approx. \$1.5 Million)
- Decreased Enrollment 3% per year over last 8 years (\$500,000)

## Plan

- FY 24-25 Fund Balance 3.75% (OPEB Revocable Trust)
- FY 25-26 Fund Balance 5.48% Reduce \$1.4 Million
- FY 26-27 Fund Balance 9% Reduce \$1 Million
- FY 27-28 Keep Fund Balance 9% Reduce \$500,000  
(Decreased Enrollment)