

MINNETONKA INDEPENDENT SCHOOL DISTRICT #276
District Service Center
5621 County Road 101
Minnetonka, Minnesota

Minutes of September 28, 2023 Special School Board Meeting

The School Board of Minnetonka Independent School District #276 met in special session at 7:47p.m. on Thursday, September 28, 2023 in the Community Room at the District Service Center, 5621 County Road 101, Minnetonka, Minnesota. Chairperson Lisa Wagner presided. Other Board members present were Mark Ambrosen, Katie Becker, Patrick Lee-O'Halloran, Michael Remucal and Superintendent David Law, ex officio. Absent: Meghan Selinger and Chris Vitale.

Chairperson Wagner called the special meeting to order and asked that everyone stand and recite the Pledge of Allegiance to the Flag.

1. AGENDA

Ambrosen moved, Becker seconded, that the School Board approve the agenda as presented. Upon vote being taken thereon, the motion carried unanimously.

2. APPROVAL OF SCHOOL BOARD REPRESENTATIVE TO INTERMEDIATE DISTRICT 287 BOARD

Superintendent Law noted that the district had rejoined Intermediate District 287 in August of 2023. As a member of District 287, the district is required to appoint a representative to the District 287 Board.

Becker moved, Ambrosen seconded, that the Board approve the appointment of Board member Dr. Mike Remucal to the Intermediate District 287 board.

Upon vote being taken thereon, the following voted in favor: Ambrosen, Becker, Lee-O'Halloran and Wagner. The following abstained from the vote: Remucal; whereupon the motion carried.

Chairperson Wagner thanked Dr. Remucal for his willingness to serve.

3. CERTIFICATION OF 2023 PAY 2024 PRELIMINARY LEVY

Executive Director of Finance and Operations Paul Bourgeois presented this item to the Board. He noted that Minnesota Statutes require that each school district certify a preliminary property tax levy by September 30 of the calendar year. The property tax levy set at the preliminary is the maximum amount that the school district can levy when it certifies its final levy in December of the calendar year. Adjustments to the preliminary levy amount can only be made downward after the preliminary levy is

certified. School Districts must work with the Minnesota Department of Education (MDE) to calculate the levies allowed under the various statutes utilizing the MDE computerized levy system. The Certified Preliminary Levy must be physically received by the home county auditor no later than September 30, 2023.

The total levy is made up of several dozen individual levy amounts that are calculated based on formulas set in Minnesota Statute by the Legislature. Many of the levies are levies that provide partial revenue for a particular program with the remaining amount coming as a match from the State of Minnesota, and it is a requirement for the full local share to be levied in order to receive the State contribution. A reduction in those levies will result in a proportional reduction in State aid. Other levies including the Operating Referendum and Technology Levies are voter approved and determined based on the number of enrolled pupils or the value of property in the District. Finally, debt service levies are required to be calculated at 105% of debt service in order to ensure that District bond payments are met even if there are some property tax delinquencies.

The dollar amount of the Certified Preliminary Levy approved by the School Board prior to September 30 of each year becomes the highest amount of the levy - the final levy approved in December can be no greater than the preliminary amount certified by September 30. The only exception to this rule is if an Operating Referendum or Capital Projects Referendum is approved by the voters of the School District at the November election.

The Preliminary Levy figures are complete with the exception of two items that must be input at the State level – two new pass-through levies for Intermediate District 287 for building lease payments in the amount of \$221,561.23 and Safe Schools Levy at \$15 per Adjusted Pupil Unit in the amount of \$184,707.00 that the District must now levy since it has rejoined the Intermediate District 287 consortium for Special Education services.

As of September 28, 2023, the 23 Pay 24 Preliminary Levy is calculated at \$65,870,406.67. This is an increase of \$3,256,613.24 or 5.20% over the 22 Pay 23 Final Levy of \$62,613,793.43.

Of particular note, the inflationary conditions across the United States have impacted the inflation factors used to calculate the voter-approved Operating Referendum Levy. A comparison of the changes in the per-pupil amounts that will impact the 23 Pay 24 Levy are as follows:

20 Pay 21 Levy for FY22 Approved Levy	\$1,827.54
FY22 Updated for Actual Inflation	\$1,928.60
21 Pay 22 Levy for FY23 Approved Levy	\$2,054.83
FY23 Updated for Actual Inflation	\$2,068.13

22 Pay 23 for FY24 Initial MDE-Calculated Rate	\$2,110.97
FY24 Updated Estimate For Actual Inflation	\$2,140.09

23 Pay 24 for FY25 Initial MDE-Calculated Rate	\$2,202.89
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The Operating Referendum 23 Pay 24 Levy for FY25 is increasing by \$1,251,365.40

The voter-approved Capital Projects Referendum is calculated on a formula that is driven by the change in property taxes from the prior calendar year, which for the 23 Pay 24 Levy is Calendar Year 2022. Property values in the District increased approximately 20.3% in Calendar Year 2022, resulting in an increase in the Capital Projects Referendum levy of \$1,630,828.97.

The new Intermediate District 287 pass-through levies of \$221,561.23 for Intermediate District 287 lease payments and \$184,077.00 for \$15 per pupil of Safe Schools Revenue total a combined \$406,268.23.

The combination of the Operating Referendum Levy increase, the Capital Projects Referendum Levy increase, and the Intermediate District 28 pass-through increase totals \$3,288,462.60 and thus account for all of the change in the 23 Pay 24 Levy of \$3,256,613.24.

There are 19 other levy categories as well as prior year adjustments for all 22 levy categories that are included in the 23 Pay 24 Levy with both increases or decreases that net to a reduction of (\$3,356.90).

Because many of the levy inputs are done by the Minnesota Department of Education, and since due to volume MDE is often still working on those levy inputs up to and after September 30 each year, Minnesota Statutes allow school districts to certify the Preliminary Levy as "Maximum," meaning the maximum amount as finally determined after MDE has completed its input work to the annual levy.

It is important to note that after the preliminary levy is certified, the amount will not be able to increase for the final levy that is set in December, with the only exception being any voter-approved increases that would win approval on the November 7, 2023 election.

While the district is running a referendum on November 7 to extend the Capital Projects Referendum through the 32 Pay 33 Levy to fund FY34, approval of that referendum will not change the amount of the Capital Projects Referendum included in the 2023 Pay 2024 Levy under the existing Capital Projects Referendum authority, as the rate for the Capital Projects Referendum will remain the same.

Lee-O'Halloran moved, Becker seconded, that the Board approve the following motion:

Resolution to Certify Preliminary 2023 Pay 2024 Property Tax Levy

BE IT RESOLVED, that the School Board of Minnetonka Independent School District 276 does hereby certify the Preliminary 2023 Payable 2024 Property Tax Levy at the maximum amount authorized by statute, which as of September 28, 2023 totals \$65,870,406.67, and authorizes administration to file the Certified 2023 Pay 2024 Preliminary Levy with the Hennepin County Auditor no later than September 30, 2023.

Upon vote being taken thereon, the motion carried unanimously.

4. **ADJOURNMENT**

Becker moved, Ambrosen seconded, adjournment at 8:06 p.m. Upon vote being taken thereon, the motion carried unanimously.

A handwritten signature in black ink, reading "Katie M. Becker", is written over a horizontal line.

Katie Becker, Clerk