

MINNETONKA INDEPENDENT SCHOOL DISTRICT #276

**Service Center
5621 County Road 101
Minnetonka, Minnesota**

Minutes of September 23, 2021 School Board Special Meeting

The School Board of Minnetonka Independent School District #276 met in special session at 10:15 p.m. on Thursday, September 23 in the Community Room at the District Service Center, 5621 County Road 101, Minnetonka, Minnesota. Chairperson Chris Vitale presided. Also present were Board members Mark Ambrosen, Katie Becker, John Holcomb, Mike LeSage and Superintendent Dennis Peterson, ex officio. Absent: Lisa Wagner.

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

1. AGENDA

Ambrosen moved, LeSage seconded, that the Board approve the agenda, as presented. Chairperson Vitale noted the addition of an item to the agenda: Approval of Modification to the MHS Calendar.

Becker moved, Holcomb seconded, that the Board approve the agenda as revised. Upon vote being taken thereon, the motion carried unanimously.

2. APPROVAL OF MODIFICATION TO MHS CALENDAR

Dr. Peterson noted that because of road construction scheduled to take place on Delton Avenue (the road that runs in front of the high school), the following modifications to the MHS calendar in October were being proposed:

- School in session on October 14 and 15
- Conferences moved from October 14 and 15 to October 18 and 19
- No school on October 18 and 19
- No school on October 20 (professional development)

Ambrosen moved, Holcomb seconded, that the Board approve the modifications to the MHS calendar. Upon vote being taken thereon, the motion carried unanimously.

3. CERTIFICATION OF 2021 PAY 2022 PRELIMINARY LEVY

Executive Director of Finance and Operations Paul Bourgeois 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, 2021.

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 or the maximum computed by the Minnesota Department of Education for any changes they may make subsequent to School Board adoption. 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.

Mr. Bourgeois noted that as of today, the maximum dollar value of the 2021 Pay 2022 Preliminary Levy, as estimated and calculated in line with the statutory school funding formulas for school district revenues, inclusive of the refunding bonds sold on September 20, 2021 and September 2023, 2021 is estimated at \$56,503,650.78, which is an increase of \$1,258,292.52 or 2.28% from the 2020 Pay 2021 levy amount of \$55,245,358.26.

It is important to note that the 2021 Pay 2022 levy will be spread on 4.68% more property value in the District as a result of new construction and reassessments compared to the property value for the 2020 Pay 2021 levy.

Mr. Bourgeois recommended that the School Board certify the 2021 Pay 2022 Preliminary Levy at the maximum amount authorized by statute, which as of September 23, 2021 totals \$56,503,650.78, and authorize administration to file the Certified Preliminary 2021 Pay 2022 Levy with the Hennepin County Auditor no later than September 30, 2021.

Highlights of Mr. Bourgeois' presentation included the following information:

Nine Major Levy Categories

- Operating Referendum Revenue
- Local Optional Revenue
- Technology Referendum Revenue
- Equity Levy
- Q-Comp Levy
- Operating Capital Levy
- Instructional Facilities Lease Levy
- Debt Service Levy
- OPEB Bond Debt Service Levy

Prior Year Adjustments

- District is always paid on actual results
- Initial levies are technically estimates of the expected amounts based on estimated input factors (property value, enrollment, tax capacity, etc.)
- Once actual input factors are known after a fiscal year is closed, the formulas from those prior years are “trued up” from the original levy estimates to the actual amounts
- The adjustment is the difference between the original levy estimate with the estimated input factors and the actual amount using the actual input factors
- Those prior year adjustments are then added to the current levy
- Total increases and decreases of 21 prior year adjustment categories
 - 21 Pay 22 \$ 84,756.35
 - 20 Pay 21 \$461, 186.53
 - Decrease of (\$376,430.18)
 - Main reason for adjustments is Referendum Levy Adjustments and Local Optional Revenue Adjustments down to reflect a drop in actual year-end enrollment which has been common among school districts during the pandemic

Selected Home Value Estimated Tax Impact Assuming No Change in Factors

Home Value	20 Pay 21 Estimated Taxes	Dollar Increase at 2.28%	21 Pay 22 Estimated Taxes	Percent Increase
\$300,000	\$1,581	\$36	\$1,617	2.28%
\$500,000	\$2,670	\$61	\$2,731	2.28%
\$700,000	\$3,843	\$88	\$3,931	2.28%
\$900,000	\$5,016	\$114	\$5,130	2.28%

Factors that Increase/Impact the Estimate

- Reassessment of a property value to a higher amount could result in a higher increase
- Additions or improvement to a property could result in a higher increase because of increased value
- Increase of total property values in the District due to new construction could result in a lower increase
- Total property value in the District increased from \$9,386,134,354 for 20 Pay 21 to \$9,825,605,959 for 21 Pay 22 – a total of \$439,471,605 or 4.68%

LeSage moved, Holcomb seconded, that the Board approve the following resolution:

Resolution to Certify Preliminary 2021 Pay 2022 Property Tax Levy

BE IT RESOLVED, that the School Board of Minnetonka Independent School District 276 does hereby certify the Preliminary 2021 Payable 2022 Property Tax Levy at the maximum amount authorized by statute, which as of September 23, 2021 totals \$56,503,650.78, and authorizes administration to file the Certified 2021 Pay 2022 Preliminary Levy with the Hennepin County Auditor no later than September 30, 2021.

Upon vote being taken thereon, the motion carried unanimously.

3. APPROVAL OF COLLECTIVE BARGAINING AGREEMENT WITH MTA

Superintendent Peterson presented this item to the Board. He said that on August 25, 2021, the Minnetonka Teachers Association and representatives of the Minnetonka School District had reached a tentative agreement on the collective bargaining agreement for the period July 1, 2021, through June 30, 2023. This agreement concluded after negotiations, which began in April of 2021. The MTA membership approved this tentative agreement on September 15, 2021. Dr. Peterson said that the environment had been very positive for negotiations, and while some hard decisions had been made, the atmosphere had been congenial. Parameters of the agreement include the following:

- 2.8% enhancement to the salary schedule in SY22
- 2.55% enhancement to the salary schedule in SY23
- ECFE and Nurses salary schedules will increase by the same percentages in the indicated years
- Co-curricular schedules will be enhanced 2.8% in SY22 and 2.55% in SY23
- Step movement will occur in each year of the agreement
- One-time, \$1,000 payment in November of 2021
- No increase to fringe benefit allocation in SY22
- \$45 increase to fringe benefit allocation in SY23
- MOU on e-learning

Ambrosen moved, Holcomb seconded that the Board approve the collective bargaining agreement between the Minnetonka Teachers Association and the Minnetonka Public Schools to cover the collective bargaining period July 1, 2021 through June 20, 2023. Upon vote being taken thereon, the motion carried unanimously.

Chairperson Vitale thanked the members of the teacher negotiation team that included Minnetonka teachers Ann Hersman, Mike Cutshall, Sonia Labs, Cheryl Duncan, and Melinda Barry, with support from Adam Janiak of Education Minnesota. He also thanked the members of the District negotiation team: Dr. Mike Cyrus, Executive Director of Human Resources; the school's counsel, Dennis O'Brien, Esq., and Paul Bourgeois, Executive Director of Finance & Operations.

4. UPDATE ON BOARD VACANCY AND NEXT STEPS

Vice Chairperson Ambrosen said that interviews for the Board vacancy had been conducted on September 20 and 21, and he thanked all the candidates for applying and going through the process. He said the next step would be for the Board to conduct a special meeting on September 27 at 7:30 a.m. to discuss the applicants and ultimately appoint a new Board member to fill the vacant seat.

Board Clerk Holcomb then updated the Board on the process the Board would use to rank the candidates at the special meeting. After discussion, it was agreed that at the September 27 special meeting, each Board member would list, in alphabetical order, their top two candidates to start the discussion.

5. RESOLUTION PROPOSING TO TAKE ACTION REGARDING A CONTINUING CONTRACT EMPLOYEE

Executive Director of Human Resources Dr. Mike Cyrus presented this item to the Board. He explained that District Administration was asking that the Board vote on the resolution in front of them, which would put into effect the action recommended in the personnel report regarding this matter that had been sent to the Board last week.

Chairperson Vitale then read the following resolution out loud:

RESOLUTION PROPOSING TO TAKE ACTION REGARDING A CONTINUING CONTRACT EMPLOYEE ("EMPLOYEE A")

BE IT RESOLVED, by the School Board of Independent School District No. 276, that:

- 1. The proposed action in regard to Employee A shall be taken in the form and on the grounds set forth in Exhibit A attached hereto;*

2. *Exhibit A shall be signed by the Clerk or the Chair of the School Board and served upon Employee A as determined by the Administration of Independent School District No. 276; and*
3. *Exhibit A is classified as private data under the Minnesota Government Data Practices Act, and therefore cannot be released unless there is final disposition of the action regarding Employee A.*

LeSage moved, Becker seconded, that the Board approve the resolution as presented. Upon roll call vote being taken thereon, the following voted in favor: Ambrosen, Becker, Holcomb, LeSage and Vitale. None voted against, whereupon the foregoing resolution was approved unanimously.

6. **ADJOURNMENT**

Holcomb moved, Ambrosen seconded, adjournment at 11:05 p.m. Upon vote being taken thereon, the motion carried unanimously.

John Holcomb, Clerk