

Unapproved School Board Public Hearing Minutes

Dickinson Public Schools
Public Hearing

August 12, 2013; 6:00 p.m.
Central Office Board Room

The Dickinson Public School Board held a public input hearing on August 12, 2013, at the Central Administration Office. Board members present were: President Kris Fehr, Ms. Leslie Ross and Mrs. Tanya Rude. Board member absent was Vice President Jason Hanson and Dr. Morton Krieg. Administrators present were: Superintendent Douglas Sullivan, Assistant Superintendent Vince Reep, Mr. Ron Dockter, Dr. Marcus Lewton, Mrs. Susan Cook, Mr. Shawn Leiss, Mrs. Melanie Kathrein, Mrs. Dorothy Martinson, Mr. Guy Fridley, Mr. Jay Hepperle, Dr. Becky Pitkin, and Mr. Henry Mack. Others present were: Mr. Allen W. Ensign, Mrs. Colette Ensign, Mr. Ken Pierce, Mr. Keith Fernsler, Ms. Linda Steve, Ms. Linda Krank, Mr. Paul Heidt, Ms. Jacquelyn Duerre, Mrs. Elizabeth M. Miller, Mr. Ralph Muecke, Mrs. Dennis Morkley, Mr. Leon L. Mallberg, Mr. Jerry Keller, Mr. Todd Dorval, Mr. Dwight Faiman, Mrs. Kathleen VanderBusch, Mr. Russel W. Kinnischtzke, Mrs. Beverly G. Kinnischtzke, Mr. Herbert Urlacher, Mr. Bruce Pier, Mr. George M. Petermann, Mrs. Sandra J. Petermann, Mr. Jerry Goodman, Mrs. Peggy Maeyaert, Mr. LeRoy Jensen, Mrs. Evelyn Jensen, Mrs. Jawayne Sahr, Mr. Tom Sahr, Mr. Richard J. Kessel, Mrs. Georgette Dorval, Mr. Louis Dorval, Mr. David Gresser, Mrs. Paula Loegering, Mrs. Beverly M. Giese, Mrs. Delores Brusseau, Mr. David J. Steinbach, Mr. W.K. Foster, Mr. Robert Maeyaert, Mrs. Twila Petersen, and Miss Katherine Grandstrand from the Dickinson Press.

Call to Order – Board President Kris Fehr called the public input hearing to order at 6:00 p.m. She welcomed all in attendance for the hearing. She said that Mr. Reep will provide some information and then the floor would be opened to the audience for input. Members of the audience will be asked to step up to the podium and state their names when providing input. Since the room was full she asked that individuals refrain from making comments while others are presenting or at the podium speaking. Due to the size of the room it will be difficult to hear the speaker if others are talking.

Property Tax Levy - Assistant Superintendent Reep addressed the audience and provided a handout. The handout clarified some key points within the District. Mr. Reep noted the top point addressed local property taxes. He stated that Dickinson Public Schools is not increasing local property taxes by 21.5%. Mr. Reep said that anyone in the District who had a property assessed valuation increase of 10% or more received a letter from the school district. The school district sent out over 8,700 letters. The city, park district and county will also be required to send out letters to the same individuals. Because the school district has a deadline of August 15 to submit its mill levy request, the school district's letters were the first of the entities to be sent out. As per Senate Bill 2036, the school district was required to use a specific calculation. The calculation came out to 21.5%. For those interested, Mr. Reep offered to share a spreadsheet providing the breakdown of the calculation.

Mr. Reep explained, as per the second bullet on the handout, that the Dickinson Public School District will decrease the number of mills to be levied by an estimated 45.5 mills. He explained

Property Tax Levy (cont.)

the school district is able to cut the mills due to the funding formula. Last year the school district could levy 110, it levied 104.4. Because of House Bill 1013, the school district could levy 67.2. The school district will be levying 60. Any amount that the school district levies will be a reduction in foundation aid payment to the district. Mr. Reep reported the state is buying down the property taxes and replacing it. There will be more dollars generated from the state. It is a tax buy down. Mr. Reep gave an example of a home valued at \$250,000. The 45.5 mill decrease will provide \$511 in property tax relief. However, that does not take into account the taxable valuation increased placed on most homes.

Public Participation - Chair Fehr said the next item was the public participation. She invited the audience to come to the podium and state their name. She noted that according to board policy individuals would need to limit their comments to 3-4 minutes. This would provide an opportunity for all who wished to speak. She reminded the audience to refrain from talking so that the members of the board could hear the speaker.

Mr. Dennis Morkley addressed the board and thanked Mr. Reep for the information. Mr. Mortley inquired regarding the 21% increase. He also asked why the school district could not go back to the legislature and ask them for additional funds. He understood that the school district needed to have money to run the schools. He had heard the district had to hire 30-40 extra teachers. He was curious why the school district didn't ask the legislators for additional funds. Mr. Reep responded that the state is replacing the money. The 21.5% is not an accurate number. He clarified that the 45.5 reduction (in mills) is a subtraction from the property tax payers and the state has taken state money and put it into the foundation aid payment. Mr. Morkley asked if there was enough money to cover the teachers and the buildings. Mr. Reep responded that he felt the monies would be there without raising the taxes. He explained that Bismarck Public levied 220 mills. Dickinson Public is levying 73.76. Last year Bismarck Public levied 221 and Dickinson Public levied 118.

Mr. Charles Tuttle said that there are a lot of school systems in the state. Grand Forks was having the same meeting. He stated that Dickinson received in property tax relief \$2 million. He said that everybody disguises the money in mills. He also stated there is \$3 million in the Common Schools Trust Fund. He explained money needed to go back into the school districts. The constitution gives rights for those to go to the legislature and force it to build the schools. The property tax relief should be passed down.

Mr. Todd Dorval addressed the board members. He asked if the 21.5% was a random number. He explained how he felt the calculation was carried out and asked if the school district paid cash for the new school. Mr. Reep explained in more detail how the calculation reported the 21.5% and how this didn't match up to the true mill levy calculation. Mr. Reep explained the funding for the new school was \$5 million in cash and the other \$6.5 million was from levies. He said the District couldn't do a bond referendum because it was too late and because Measure #2 was on the ballot. Mr. Reep explained if the district would need to build another school it will need to use a bond referendum.

Public Participation (cont.)

Mr. Leon Mallberg addressed the board. He said he has lived in Dickinson for over 30 years. He said he met with Mr. Reep and they discussed the letter and he does have a better understanding. He explained he owns the UPS building and received an assessment valuation from the city indicating that the value is going to go up again by 111%. He anticipates the taxes on that building to double and be almost \$7,000. He explained his frustration with the increasing values and taxes.

Mr. David Steinbach addressed the Board. Mr. Steinbach said that he has heard from someone that if an individual is willing to do the paperwork there was money available through grants. He inquired if the school district had someone that works on (writing) grants to help relieve some of the burden on the taxes. He said that when the taxes go up he can't go to his boss and ask for a pay raise. He said that if someone is willing to do the paperwork, you can get all the money you want. Superintendent Sullivan responded that he is not aware of what Mr. Steinbach was referring and explained that last year Assistant Superintendent Reep wrote three grant requests to the EIIO (Energy Infrastructure and Impact Office.) All three requests were denied and funding went to other communities for new buildings but not to the Dickinson Public School District. This year Dickinson Public does not even qualify for the grant application. Mr. Steinbach inquired regarding the oil revenue on school lands. Mr. Reep responded that there have been numerous discussions between the school district and members of the legislature asking that the legislature not use that money for other things. If a school district wished to use the funds it must pay higher than market interest rates. Mr. Tuttle explained that the funds in that account can be used for bonding.

Mr. Morkley re-addressed the Board. He said that he wanted to clarify that he felt the school district should be allowed to have funds to pay for education. He stated that with the amount of money that North Dakota is getting from oil there should be some way that the school districts can go to the state and explain there has been an increase in people in the community and the district built another school and the need for funds. The money should come from somewhere else instead of property taxes. President Fehr thanked Mr. Morkley and said that she felt everyone in the room probably agrees with him.

Mrs. Georgette Dorval addressed the Board. She said that the taxes on her property have doubled. She wanted to know how much more the school district is going to assess to her property taxes. Mr. Reep clarified that the school district does not assess taxes to properties. He explained that if someone had a home valued at \$250,000 and the value didn't change they would probably see a decrease of \$511 in their taxes. He was sure that was not the case and that most everyone's home valuation increased.

Mrs. Kathleen VanderBusch addressed the Board. She inquired what the dollar value of every mill levy was right now. Mr. Reep explained the 45.5 mills that Mr. Tuttle was talking about has a value of \$4.9 million. Mr. Tuttle said that a mill is a thousandth of a dollar. The calculation is \$.0001 per mill times the value of the property.

Public Participation (cont.)

Mr. Jim Deichert addressed the Board. He asked a question directed at mill levies and state funding. Mr. Reep responded that last year the total revenue generated by tax dollars was \$8.3 million. This year this will decrease by \$405,000, however the state funding will increase. Mr. Deichert asked what the increase in revenue will be this year. Mr. Reep responded it is anticipated to be a 3% increase.

Mr. Randy Unruh addressed the Board and audience. He said he has lived in Dickinson for 30 years. His taxes have more than doubled. He inquired if the school district was not getting the increase in tax money, then who was getting the money. He asked the audience to even help answer his question. There was no response.

Mr. Ralph Muecke addressed the Board and thought it was a good requirement for there to be a public hearing. He said that everything he has heard tells him that something has to be done with the property tax system. He said it is all confusing.

Chair Fehr asked for further comments or questions. There were none. Board President Fehr thanked everyone for coming. She asked that everyone please sign the sign in sheet that was being passed around. On behalf of the school board she thanked everyone for coming. She noted that it was good to know that people are concerned and interested in education. She reminded individuals to share their thoughts with the legislature. The legislature ultimately decides the formula.

Adjournment – At 6:54 p.m., Ms. Ross moved to adjourn. Mrs. Rude seconded the motion. The motion carried unanimously. The hearing was adjourned at 6:54 p.m.

Kris Fehr, Board President

Vince Reep, Business Manager

Twila Petersen, Secretary