



# **Budget Development and Input Committee Meeting Minutes**

## **June 19, 2024; 9:00 a.m.**

### **Central Administration Office – Board Room**

Present: Brent Seaks (chair), Jason Rodakowski, Superintendent Marcus Lewton, Business Manager Stephanie Hunter, and Naomi Obrigewitch

Absent: Assistant Superintendent Keith Harris

Called to Order – The meeting was called to order at 9:00 a.m. by Chair Brent Seaks.

Additions/Deletions to Agenda Items – No additions or deletions to the agenda.

Old Business – No Old Business was reported.

#### **New Business**

- **CD Interest for 2023-2024** – Business Manager Hunter reported that the two CD's that just matured on June 5, 2024 earned a total of \$412,119.47 in interest. The committee discussed reinvesting the \$10,000,000. Business Manager Hunter will consult with Bravera Bank in July to reinvest the funds.
- **Bravera Bank Demand Deposit Marketplace** – A new account product DDM is available at Bravera Bank to replace Dickinson Public Schools current money market account. The DDM account has the ability to offer more FDIC insurance coverage by pooling funds from other governmental entities that have a DDM accounts and spreading those funds across multiple banks, versus a money market account which invests only your money at the bank your account is held. The current interest rate of a DDM account is higher than the money market account. Mr. Wyckoff of Bravera assured Business Manager Hunter moving Dickinson Public Schools funds to a DDM account will not affect our current banking processes in any way. **The recommendation to the board is to replace the money market account with the DDM account.**
- **Construction Loan** – Business Manager Hunter informed the committee Dickinson Public Schools received a \$15,000,000 construction loan through the Bank of ND with a planned closing date of August 1, 2024, the first draw would follow immediately. The funds would be to cover the expenses paid out of the building fund for the incurred costs of the elementary projects and the high school design schemes. The first payment would have a due date of August 1, 2025. Dickinson Public Schools would levy mills in 2024-2025 for the payments. Dickinson Public Schools will apply for an additional \$15,000,000 in the 2024-2025 round depending on the legislative action on school construction loans for the 2026-2028 biennium.

- **2024 Bond Sales** – Business Manager Hunter discussed the property tax measure. If the measure receives enough signatures to make the November general election ballot, the bonding agency and bond counsel advised to sell all remaining bonds in September 2024. Waiting would cause the district to risk not being able to issue the debt associated with the voter-approved project if the tax measure would pass successfully. If the tax measure does not receive the number of signatures need to be on the ballot the recommendation is to proceed as originally planned and sell the bonds in 2025, according to the market conditions and draw schedule.
- **Debt Service Fund** – While preparing for the bond credit rating, it was noted that Dickinson Public Schools has an abnormally large debt service fund balance of \$3,915,824.66. A large reserve balance could negatively impact a credit rating unless the amount is reserved for a current bond owed. It appears that the excess revenue was due to the revenue received throughout the early 2010's for debt that was bonded against the building fund, specifically 2010 and 2011 building fund bonds. These bonds can only be paid by building fund dollars and any remaining funds that were allocated to the building fund should be returned to the building fund. In 2020 the remaining 2010 and 2011 building fund bonds were paid in full. The remaining amounts in debt service should have been transferred to the building fund since there was no longer any building fund bond debt. Per bond counsel, bonding agent, and Brady Martz auditors, they all state the reserve amount in the debt service fund of \$3,915,824.66 less \$500,000 be transferred to the building fund. **The recommendation to the board is to transfer \$3,415,824.66 to the building fund to be applied to the building fund reserve at this time.**

**Other** – If the property tax measure signature account is complete prior to the dates above the Budget Committee will need to meet to discuss next steps with levies, bond sales, and complete rebuild of the 2024-2025 budget.

**Adjournment** - At 10:17 a.m., Chair Seaks declared the meeting adjourned.