

MINUTES OF THE CITIZENS FINANCE ADVISORY COMMITTEE (CFAC)
SHAKOPEE PUBLIC SCHOOLS

March 3, 2020

Quick Updates/Brief Informational Items

The CFAC group was presented an overview of school finance in Minnesota through a video produced by the Minnesota Association of School Business Officials (MASBO). The video is available on the CFAC webpage.

Updates/Informational Items

The updated CFAC statement of purpose and committee guidelines was reviewed. Updated as of March, 2020.

Discussion Items

The group spent the majority of the time discussing Shakopee Schools financial forecast and upcoming projected financial challenges in the school district general fund.

Additional resources and information was provided to the committee. Links to additional resources and information can be found in the March agenda.

Upcoming 2020 Meetings: May 5, July 7, September 8, November 10.

Adjourn 6:00 P.M.

MINUTES OF THE CITIZENS FINANCE ADVISORY COMMITTEE (CFAC)
SHAKOPEE PUBLIC SCHOOLS

May 5, 2020

NOTE: Due to the ongoing Covid_19 pandemic, the May 5, 2020 CFAC meeting was held online via Google Hangouts.

Quick Updates/Brief Informational Items

The CFAC group discussed economic changes since the last CFAC meeting in March. The conversation focused on the ongoing pandemic and running a school district through the essential services such as childcare for essential employees, meal delivery, and distance learning.

Updates/Informational Items from March Meeting

The group discussed the following open items from the March meeting: Debt service per pupil unit compared to area and comparable districts. General fund expenditures per program dimension compared to area and comparable districts. Long term debt summary and open enrollment comparisons were kept as open items to be discussed at later meetings.

Discussion Items

Discussion was held on the impending financial challenges in the general fund. Discussions for how to address the upcoming funding gap included expenditure adjustments, additional revenue via an operating levy, or a combination.

The School Board has requested that a representative(s) of the CFAC group attend the June 22, 2020 Board Facilities Committee to discuss their findings from the March and May meetings. Mike Warmka, Adam Johnson, and Board Treasurer Joe Aldrich plan to report at the June meeting.

Upcoming 2020 Meetings: July 7, September 8, November 10.

Adjourn 6:30 P.M.

MINUTES OF THE CITIZENS FINANCE ADVISORY COMMITTEE (CFAC)
SHAKOPEE PUBLIC SCHOOLS

July 7, 2020

NOTE: Due to the ongoing Covid_19 pandemic, the July 7, 2020 CFAC meeting was held online via Google Hangouts.

Quick Updates/Brief Informational Items

On June 22, 2020 a small group of the CFAC committee met with the School Board Finance Committee at their regular meeting. At the Board finance meeting CFAC members discussed their financial findings and general recommendations regarding the impending financial challenges facing the District. The conversation centered around potential operating levy scenarios for November 2020.

Updates/Informational Items

1. 2020-21 Budget: The 2020-21 budget was approved by the School Board on June 22, 2020. The grand total all funds revenue budget is estimated at \$xxx, and the grand total all fund expenditure budget is estimated at \$xxx. The general fund is projected to have a deficit of \$2.54M and the unassigned fund balance in the general fund is projected to fall to \$1.06M at June 30, 2021. \$450,000 in budget reductions for FY 21 and potential one-time budget transfers in FY 20 due to the ongoing pandemic are not reflected in the preliminary budget and will be reflected in the revised budget next December/January.
2. Operating Levy Scenarios and Tax Impacts: The three phased operating levy scenarios and corresponding taxpayer impacts for residential homestead and commercial property was discussed. The conversation centered around the four-year phased options in order to spread the tax impact in Pay 22 through 24 and get closer to the metro average of \$1,250 per pupil unit.
3. Operating Levy Decision Timeline: The CFAC committee had a quick conversation on the operating levy and budget cuts timeline from July 11 to July 20.

Upcoming 2020 Meetings: September 8, November 10.

Adjourn 6:00 P.M.

MINUTES OF THE CITIZENS FINANCE ADVISORY COMMITTEE (CFAC)
SHAKOPEE PUBLIC SCHOOLS

September 8, 2020

NOTE: Due to the ongoing Covid_19 pandemic, the September 8, 2020 CFAC meeting was held online via Google Hangouts.

Updates/Informational Items

1. 2020 Operating Levy. On July 20 the School Board in Shakopee approved a referendum resolution placing a phased operating levy on the November 2020 ballot. The CFAC committee discussed the upcoming operating levy, community conversations regarding the levy, and reviewed the tax impact calculator on the School District levy website.
2. 2020 Payable 2021 Levy Timeline: The preliminary levy for taxes payable in calendar year 2021 will be recommended for approval to the School Board on September 24. The truth in taxation presentation to certify final taxes for 2021 will be held at the regular School Board meeting on December 14. Depending on the results of the November election the levy information may be updated from preliminary to final.

Discussion Items

1. COVID_19 Update: There will be stimulus money available for school districts to help address costs due to the ongoing COVID_19 pandemic. The group discussed funding from the CARES act, Coronavirus Relief Fund for local governments, and money available from Scott County as well. More information on amounts and timeline will be upcoming as additional information and guidance becomes available.
2. 2020 Audit: The committee had a brief conversation regarding the upcoming financial audit. Final fieldwork will take place the week of September 14, 2020. Administration expects complications due to the mid-year software change and hopes to mitigate through improved controls and procedures moving forward.

Upcoming 2020 Meetings: November 10.

Adjourn 6:00 P.M.

MINUTES OF THE CITIZENS FINANCE ADVISORY COMMITTEE (CFAC)
SHAKOPEE PUBLIC SCHOOLS

November 10, 2020

NOTE: Due to the ongoing Covid_19 pandemic, the November 10, 2020 CFAC meeting was held online via Google Hangouts.

Quick Updates

Jeff Smith has recently been elected to the Shakopee School Board. As such, Jenny Smith has stepped down as a member of the CFAC committee. Community member Tim Palya has expressed interest in joining the CFAC and was present at the meeting as a prospective member.

Updates/Informational Items

1. Bond Refundings: Recently Shakopee Schools has passed a sale resolution on a 2020D refunding bond, and a parameters resolution on a negotiated sale for the 2020E refunding bonds. The 2020D bonds will save district taxpayers \$1.35M over the remaining life of the bond. If the parameters resolution is executed, the 2020E refunding bonds will save district taxpayers a minimum of \$2.6M over the remaining life of the bond.
2. 2020 Annual Audit: The unassigned fund balance at June 30, 2020 is estimated at \$3.7M. The amount is an increase of approximately \$100k from 2018-19, and in line with expectations for the 2019-20 general fund budget. KDV will present the annual audit report at the November 23 School Board meeting.
3. COVID Stimulus: Shakopee Schools will be receiving/has received COVID stimulus revenue related to the CARES Act, CRF federal funds, and CARES funds allocated from Scott County. The impact of the COVID stimulus revenue will be reflected in the 2020-21 revised budget projection.

Discussion Items

1. Operating Levy Referendum Debrief: The CFAC held a roundtable discussion on the recent general fund operating levy. The operating levy was voted down by district taxpayers 46% yes (10,776 votes) and 54% no (12,697 votes).
2. Finance Timeline: The annual Truth in Taxation hearing will be presented at the School Board meeting on December 14. Subsequently the District will be working on 2020-21 revised budget projections, and FY 22 assumptions, included assumptions related to the 2021 legislative session.
3. CFAC Meetings 2021: The CFAC will continue to meet from 5:00 – 6:00 on the second Tuesday of each month in 2021. Meetings will continue to be held online unless otherwise noted.
Tuesday, January 12, 2021 5:00 - 6:00 p.m.
Tuesday, March 9, 2021 5:00 - 6:00 p.m.
Tuesday, May 11, 2021 5:00 - 6:00 p.m.
Tuesday, July 13, 2021 5:00 - 6:00 p.m.
Tuesday, September 14, 2021 5:00 - 6:00 p.m.
Tuesday, November 9, 2021 5:00 - 6:00 p.m.

Upcoming Meetings: January 12, 2021

Adjourn 6:00 P.M.

MINUTES OF THE CITIZENS FINANCE ADVISORY COMMITTEE (CFAC)
SHAKOPEE PUBLIC SCHOOLS

March 9, 2021

Quick Updates

Updates/Informational Items

Discussion Items

1. FY 2022 Budget Assumptions (From Feb. 22 School Board Meeting)
The FY 22 budget assumptions in enrollment, revenue and expenditures in the general fund were reviewed. The adopted budget enrollment projection is 8,063 ADM. The state aid assumption for FY 22 is 0.5%. Wages are forecast to increase by settled or expected contract settlements, and benefits are projected to increase by 8%. Non wage and benefit items are expected to increase by 2% for FY 22.
2. Operating Levy Discussion
The possibility of a November 2021 operating levy was discussed. The discussion included budget forecasts, levy amount per pupil and corresponding tax impact. The School Board will make a decision on an operating levy sometime during the summer.
3. Revisit Historical Budget Issues:
Historical budget issues in the district were revisited to make sure proper controls are in place to not revisit again. Controls include monthly budget updates to the Board and a long term financial planning model (FPM).
4. Staffing Discussion:
The group reviewed spending analysis by cost object and program. An analysis was done on spending on salary/wages and employee benefits compared to historical trends. The group understands the need to have relevant/reliable budgets and also budget conservatively based on current fund balance.

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Tuesday, September 14, 2021 5:00 - 6:00 p.m.

Tuesday, November 9, 2021 5:00 - 6:00 p.m.

Upcoming Meetings: May 11, 2021

Adjourn 6:00 P.M.

MINUTES OF THE CITIZENS FINANCE ADVISORY COMMITTEE (CFAC)
SHAKOPEE PUBLIC SCHOOLS

May 11, 2021

Quick Updates

Updates/Informational Items

1. May 10 Community Forum and Levy Follow Up:

The District held a community forum on May 10 to discuss financial challenges and projections moving forward. There are two paths the District could take: 1) Attempt to increase revenue with a voter approved operating levy. 2) Not attempt an operating levy and continue to make general fund budget cuts every few years in order to account for underfunding of public education at the state and federal level.

Discussion Items

1. Staffing Analysis:

An analysis was reviewed on Shakopee Schools historical spending by program dimension, employee benefits analysis and an analysis of the employer contribution to health insurance. The purpose of the analysis was to confirm budget projections based on a more thorough understanding of historical trends.

2. Expense Comparisons (Administration):

The group reviewed spending by category, including spending on administration. Shakopee Schools is among the lowest in comparable districts related to administration/district support spending.

3. Levy and Restoration Analysis:

The group had a discussion on a possible operating levy and various levy amounts for adjusted pupil unit, and the corresponding taxpayer impact.

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Tuesday, May 11, 2021 5:00 - 6:00 p.m.

Tuesday, July 13, 2021 5:00 - 6:00 p.m.

Tuesday, September 14, 2021 5:00 - 6:00 p.m.

Tuesday, November 9, 2021 5:00 - 6:00 p.m.

Upcoming Meetings: July 13, 2021

Adjourn 6:00 P.M.

MINUTES OF THE CITIZENS FINANCE ADVISORY COMMITTEE (CFAC)
SHAKOPEE PUBLIC SCHOOLS

July 13, 2021

Quick Updates

Updates/Informational Items

1. 2021 Legislative Summary:

STATE AID BASIC FORMULA ALLOWANCE		
	Budget Assumption	Budget Agreement
2021-22 Formula Allowance %	0.5%	2.45%
2021-22 Formula Allowance/Pupil	\$6,600	\$6,728
2022-23 Formula Allowance %	1.0%	2.00%
2022-23 Formula Allowance/Pupil	\$6,666	\$6,862

2. 2021-22 Adopted Budget:
The 21-22 adopted budget was approved by the School Board on June 28, 2021. All funds were reviewed, as well as the projected changes due to the 2021 Legislative summary. The legislative changes will be reflected on the revised budget for FY 22.
3. 2021 Audit Schedule: Preliminary fieldwork will take place at the end of July. Final fieldwork will be over two separate weeks in September.
4. Levy Discussion: The group provided feedback regarding the two-question levy proposal for the November ballot. The CFAC feedback and voice will be brought to the School Board retreat and Board meeting in July.

Discussion Items

CFAC Meetings 2021: The CFAC will continue to meet from 5:00 – 6:00 on the second Tuesday of every other month in 2021. Meetings will continue to be held online unless otherwise noted.

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Tuesday, March 9, 2021 5:00 - 6:00 p.m.

Tuesday, May 11, 2021 5:00 - 6:00 p.m.

Tuesday, July 13, 2021 5:00 - 6:00 p.m.

Tuesday, September 14, 2021 5:00 - 6:00 p.m.

Tuesday, November 9, 2021 5:00 - 6:00 p.m.

Upcoming Meetings: September 14, 2021

Adjourn 6:00 P.M.

MINUTES OF THE CITIZENS FINANCE ADVISORY COMMITTEE (CFAC)
SHAKOPEE PUBLIC SCHOOLS

September 14, 2021

**Meeting held online via Google Meet

Quick Updates

1. Update on CFAC Members: Due to professional time constraints, CFAC members Jackie Haremza and Steve Jones have resigned their positions on the committee. The remaining committee will continue to network and promote possible members as time progresses.

Updates/Informational Items

1. Review of the Sept. 13 School Board meeting: The CFAC reviewed the Monday, Sept. 13 Board meeting topics. Of particular discussion was the mask update and plans for the Sept. 27 meeting.
2. Bond Refunding Update: In the last year, the School Board has refunded the series 2020D, 2021A, and 2021B refunding bonds. A parameters resolution was passed by the School Board on the 2021B bonds at the meeting on September 13. In total the refunding bonds will save district taxpayers over \$8,000,000 in taxes through 2035.
3. 2021 Audit Update: Final audit fieldwork is scheduled for the weeks of September 13 and 27th. Preliminary fund balance figures will be available for the CFAC by mid October.
4. 2021 Payable 2022 Proposed Levy: The committee reviewed the annual levy process and noted the process is required by statute and would take place regardless of the November operating levy ballot questions.

Discussion Items

1. November Operating Levy: The upcoming operating levy was discussed and an update was given.

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Tuesday, March 9, 2021 5:00 - 6:00 p.m.

Tuesday, May 11, 2021 5:00 - 6:00 p.m.

Tuesday, July 13, 2021 5:00 - 6:00 p.m.

Tuesday, September 14, 2021 5:00 - 6:00 p.m.

Tuesday, November 9, 2021 5:00 - 6:00 p.m.

Upcoming Meetings: November 9, 2021

Adjourn 6:00 P.M.

MINUTES OF THE CITIZENS FINANCE ADVISORY COMMITTEE (CFAC)
SHAKOPEE PUBLIC SCHOOLS

November 9, 2021

**Meeting held online via Google Meet

Updates/Informational Items

1. November 2 Operating Levy Results: Question 1 received 5,060 yes votes and 2,566 no votes according to unofficial results published after closing activities. Question 2 received 4,774 yes votes and 2,836 no votes. The results of the election will be ratified at the Board meeting on Nov. 11, 2021.
2. Operating Budget Update: The committee discussed an operating budget update. Topics included current year budget revisions, enrollment update, state aid Legislative summary, and a budget timeline through June 2022.

Discussion Items

1. 2021 Audit Results: The draft results of the 2020-21 audit were presented. The formal audit will be presented to the School Board on November 22, 2021.
2. 2022 CFAC Meetings: The CFAC will continue to meet every other month for the 2022 calendar year. 2022 Meeting dates are below. The meetings will either be online or in person.

CFAC Meetings 2022: The CFAC will continue to meet from 5:00 – 6:00 on the second Tuesday of every other month in 2021.

Tuesday, January 11, 2022 5:00 - 6:00 p.m.

Tuesday, March 8, 2022 5:00 - 6:00 p.m.

Tuesday, May 10, 2022 5:00 - 6:00 p.m.

Tuesday, July 12, 2022 5:00 - 6:00 p.m.

Tuesday, September 13, 2022 5:00 - 6:00 p.m.

Tuesday, November 8, 2022 5:00 - 6:00 p.m.

Upcoming Meetings: January 11, 2022

Adjourn 5:50 P.M.

MINUTES OF THE CITIZENS FINANCE ADVISORY COMMITTEE (CFAC)
SHAKOPEE PUBLIC SCHOOLS

March 8, 2022

Shakopee Schools District Office/Online Via Google Meet

Updates/Informational Items

1. Enrollment Update: A three-year historical enrollment, current year year-to-date enrollment, and a three-year enrollment projection was discussed. Total pupil units in the 2018-19 school year were 9,063, current year year-to-date pupil units are 8,811, and the projected pupil units for the 24-25 school year are projected to decrease to 8,328.
Although the Shakopee school district is in a growing community, the impacts of graduating 700 students with incoming kindergarten classes of 500 students are affecting the overall enrollment. The committee discussed the impact of enrollment on the overall revenue budget.
2. Financial Planning Model (FPM) Assumptions: The committee discussed budget assumptions for the upcoming budget cycle. Assumptions in the areas of enrollment, revenue, expenditures and pandemic relief funds were all discussed.
3. Budget Update: The committee was presented a current year budget update as of January 31, 2022. In the general fund, Shakopee schools has collected 43.9 percent of the general fund revenue budget as of 1/31/22, compared to 44 percent in the prior year and 49.1 percent in the second prior year. On the expenditure side, the District has expended 46.8 percent in the current year, compared to 50.5 percent in the prior year and 48.9 percent in the second prior year.

Discussion Items

1. Prospective CFAC Members: The committee had a discussion on adding one/two additional members to the CFAC committee.

CFAC Meetings 2022: The CFAC will continue to meet from 5:00 – 6:00 on the second Tuesday of every other month in 2022.

Tuesday, May 10, 2022 5:00 - 6:00 p.m.

Tuesday, July 12, 2022 5:00 - 6:00 p.m.

Tuesday, September 13, 2022 5:00 - 6:00 p.m.

Tuesday, November 8, 2022 5:00 - 6:00 p.m.

Upcoming Meetings: May 10, 2022

Adjourn 6:00 P.M.

MINUTES OF THE CITIZENS FINANCE ADVISORY COMMITTEE (CFAC)
SHAKOPEE PUBLIC SCHOOLS

May 10, 2022

Online Via Google Meet

Updates/Informational Items

1. 2022-23 Adopted Budget (Draft): A combined statement of operating and non-operating funds was presented for review and discussion. The District is projecting a budget surplus in the unassigned general fund for 2022-23. The fund balance is projected to increase to the highest level in nearly a decade.
2. Enrollment Analysis and Projections: Enrollment has decreased steadily in the analysis shown since the 2018-19 school year. Although the Shakopee community is growing, the impact of graduating class sizes of 700 and incoming kindergarten class sizes of 500 is negatively impacting enrollment projections. It will be important for the District to continue the practice of staffing to enrollment during this period of declining enrollment.
3. Salary and Wage Analysis: The committee had a discussion on a salary and wage analysis project. More information to come this summer during the July and September meetings.

CFAC Meetings 2022: The CFAC will continue to meet from 5:00 – 6:00 on the second Tuesday of every other month in 2022.

Tuesday, July 12, 2022 5:00 - 6:00 p.m.

Tuesday, September 13, 2022 5:00 - 6:00 p.m.

Tuesday, November 8, 2022 5:00 - 6:00 p.m.

Upcoming Meetings: July 12, 2022

Adjourn 5:45 P.M.

MINUTES OF THE CITIZENS FINANCE ADVISORY COMMITTEE (CFAC)
SHAKOPEE PUBLIC SCHOOLS

July 12, 2022

Online Via Google Meet

Updates/Informational Items

1. Welcome new Assistant Superintendent: Jim Miklausich
2. Summer Data Request: CFAC member Palya gave an update on a summer data pull scheduled for Thursday, July 21.
3. 2022-23 Adopted Budget Executive Summary: A general overview of the 22-23 adopted budget was discussed. The adopted budget was approved by the Shakopee School Board on Monday, June 20, 2022.
4. 2021 Operating Levy Review: The committee reviewed some of the “accounting” related to the 2021 levy. Items reviewed included student vs. nonstudent expenditures, percentage of the general fund budget spent on elementary and secondary regular instruction, and percentage of the budget spent on administration. Overall, Shakopee Schools spends a larger percentage on student expenditures and a lower percentage on non-student expenditures than most comparable districts.

CFAC Meetings 2022: The CFAC will continue to meet from 5:00 – 6:00 on the second Tuesday of every other month in 2022.

Tuesday, September 13, 2022 5:00 - 6:00 p.m.

Tuesday, November 8, 2022 5:00 - 6:00 p.m.

Upcoming Meetings: September 13, 2022

Adjourn 6:00 P.M.