

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

Summary of November 17, 2022 Study Session

The School Board of Minnetonka Independent School District #276 met in study session at 6:10 p.m. on Thursday, November 17, 2022 in the Community Room at the District Service Center, 5621 County Road 101, Minnetonka, Minnesota. Chairperson Chris Vitale presided. Other Board members present were Mark Ambrosen, Katie Becker, Patrick Lee-O'Halloran, Michael Remucal, Meghan Selinger, Lisa Wagner and Superintendent David Law, ex officio.

REVIEW OF NEW COURSE PROPOSALS, CHANGES AND DELETIONS

Director of Curriculum Steve Urbanski and MHS Assistant Principal Emily Rosengren presented this item to the Board. They noted that these proposals had been reviewed by department chairs, building administration, district administration, the District Teaching and Learning Advisory Committee, and the Student Teaching and Learning Advisory Committee. Courses that are approved by the Board will be included in the Skipper Log and available to students as they register for the 2023-24 school year. Course development and implementation funds will be allocated for each course based on sufficient enrollment.

The following proposals were presented:

DEPARTMENT PROPOSALS

| Course Title | Grade(s) |
|--|-----------------|
| AP Precalculus | 9-12 |
| Guitar Ensemble | 9-12 |
| Introduction to Computing Systems (College in the Schools) | 9-12 |
| Lifetime Sports and Activities | 9-12 |
| Sports and Entertainment Marketing and Management | 10-12 |
| Beginning Orchestra / Beginning Band | 6 |

TONKA ONLINE PROPOSALS

| Course Title | Grade(s) |
|---|-----------------|
| Astronomy | 10-12 |
| Engineering Design Fundamentals | 9-12 |
| Exploring Science Through Literature | 10-12 |
| Sports and Entertainment Marketing and Management | 10-12 |

VANTAGE PROPOSALS

| Course Title | Grade(s) |
|--------------------------------|----------|
| International Relations Strand | 10-12 |
| College Writing | 10-12 |
| Creative Marketing Design | 10-12 |

MOMENTUM PROPOSAL

| Course Title | Grade(s) |
|--|----------|
| Transportation Careers and Global Commerce | 9-12 |

COURSE REMOVAL LIST

Over the past three years, the following courses have not reached minimum student enrollment or have been replaced by a new course. Building and District administration will continue to monitor courses that have not run for subsequent years.

| Course |
|-------------------------------------|
| Algebra 1 |
| App Development with Swift |
| Introduction to Education |
| Graphic Arts |
| Chinese Immersion Intro to Politics |
| Spanish Immersion Intro to Politics |

COURSE TITLE CHANGES

Departments have recommended revising several course titles to more accurately reflect the content of the courses and course sequences. The proposed and current titles are listed below.

| Proposed Title | Current Title |
|------------------------------------|-------------------------------------|
| English Language Development (ELD) | Beginning English |
| Graphic and Product Design | Graphic and Product Design Thinking |
| Multimedia Communications | Digital Journalism |

In the discussion that followed, Board member Wagner noted that the students on the T&L Advisory Committee were very excited about the new course proposals. Board member Lee-O'Halloran expressed concern about possibly replacing Honors Precalculus with AP Precalculus. Ms. Rosengren responded that Honors Precalculus would not be going away right away. Mr. Urbanski said that with regard to AP Precalculus, the College Board had just released an overview of the course, and they would continue to provide information.

He also said that with AP courses, administration looks at not just the end goal, but also the specific needs of the students in the course, once it fills. Board member Selinger asked if offering these new courses would mean that the District would need to add staff. Associate Superintendent Amy LaDue responded that registration drives sections – and Administration would have a better idea of the answer to this question after the registration process concludes.

REVIEW OF FY22 AUDIT

Executive Director of Finance and Operations Paul Bourgeois noted that the audit of the Fiscal Year 2022 Financial Statements has been completed by the auditing firm of CliftonLarsonAllen LLP and is being readied for acceptance and approval by the School Board at the December 1 School Board Meeting. He introduced Michelle Hoffman of CliftonLarsonAllen, who reviewed the Basic Financial Statements in the audit for the Board, prior to final approval of the complete audit report which will be on December 1. Upon approval, the audited financial statements will be filed with the Minnesota Department of Education as required by statute. The District will be receiving an unmodified opinion from CliftonLarsonAllen, which means the financial statements present fairly the financial position of the District on June 30, 2022.

Highlights of Ms. Hoffman's presentation included the following:

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2022**

| | <u>Governmental Activities</u> | |
|---|--------------------------------|------------------------|
| | <u>2022</u> | <u>2021</u> |
| ASSETS | | |
| Cash and Investments | \$ 98,520,724 | \$ 98,486,268 |
| Cash with Fiscal Agent | 10,544,346 | 3,849,144 |
| Receivables: | | |
| Property Taxes | 28,486,942 | 27,764,238 |
| Other Governments | 14,643,628 | 12,248,943 |
| Long-Term Leases | 365,133 | - |
| Other | 226,364 | 188,777 |
| Prepaid Items | 1,860,440 | 1,484,373 |
| Inventories | 297,381 | 322,436 |
| Capital Assets: | | |
| Land and Construction in Progress | 8,510,259 | 8,070,117 |
| Other Capital Assets, Net of Depreciation and Amortization | 163,572,653 | 156,455,837 |
| Total Assets | <u>327,027,870</u> | <u>308,870,133</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Losses on Debt Refunding | 1,231,476 | 1,499,529 |
| Deferred Outflows - Pension Payments | 50,079,245 | 52,811,334 |
| Deferred Outflows - Other Postemployment Benefits | 329,721 | 986,917 |
| Total Deferred Outflows of Resources | <u>51,640,442</u> | <u>55,297,780</u> |
| LIABILITIES | | |
| Salaries Payable | 10,450,339 | 9,823,312 |
| Accounts and Contracts Payable | 5,659,803 | 5,146,213 |
| Accrued Interest | 2,380,480 | 1,590,124 |
| Due to Other Governmental Units | (2,948) | 150,118 |
| Unearned Revenue | 4,553,543 | 4,215,986 |
| Long-Term Liabilities: | | |
| Net Pension Liability | 70,124,680 | 110,139,261 |
| Other Postemployment Benefits Due Within One Year | 870,423 | 870,423 |
| Other Postemployment Benefits Liability Due in More Than One Year | 7,666,062 | 10,109,400 |
| Other Long-Term Liabilities Due Within One Year | 11,844,564 | 9,531,510 |
| Other Long-Term Liabilities Due in More Than One Year | 174,818,802 | 165,395,280 |
| Total Liabilities | <u>288,365,748</u> | <u>316,971,627</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Property Taxes Levied for Subsequent Year | 52,112,842 | 50,989,649 |
| Long-Term Leases | 359,956 | - |
| Deferred Inflows - Pensions | 110,803,194 | 76,905,958 |
| Deferred Inflows - Other Postemployment Benefits | 1,348,429 | 167,544 |
| Total Deferred Inflows of Resources | <u>164,624,421</u> | <u>128,063,151</u> |
| NET POSITION | | |
| Net Investment in Capital Assets | 16,716,121 | 17,088,790 |
| Restricted for: | | |
| General Operating Capital Purposes | 802,841 | 148,862 |
| State-Mandated Reserves | 111,162 | 135,058 |
| Food Service | 2,929,938 | 1,354,312 |
| Community Service | 2,760,448 | 820,613 |
| Capital Projects | 13,771,231 | 6,338,634 |
| Other Purposes | 282,472 | 260,480 |
| Unrestricted | (111,696,070) | (107,013,614) |
| Total Net Position | <u>\$ (74,321,857)</u> | <u>\$ (80,866,865)</u> |

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

| Functions | 2022 | | | | 2021 |
|---|----------------|-------------------------|--|--|---|
| | Expenses | Program Revenues | | | Net (Expense) Revenue and Change in Net Position |
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Total Governmental Activities |
| | | | | | Total Governmental Activities |
| GOVERNMENTAL ACTIVITIES | | | | | |
| Administration | \$ 5,417,704 | \$ - | \$ 382,756 | \$ (32,850) | \$ (5,067,798) |
| District Support Services | 6,757,832 | 32,302 | 49,219 | - | (6,676,311) |
| Regular Instruction | 94,533,028 | 2,026,635 | 3,754,615 | (816) | (88,752,594) |
| Vocational Education Instruction | 1,219,336 | - | 32,750 | - | (1,186,586) |
| Special Education Instruction | 22,240,745 | - | 17,401,618 | - | (4,839,127) |
| Instructional Support Services | 7,105,307 | 219,356 | 772 | - | (6,885,179) |
| Pupil Support Services | 5,770,929 | 195,367 | 563,272 | - | (5,012,290) |
| Sites and Buildings | 13,212,250 | - | 839,116 | 1,728,179 | (10,644,955) |
| Fiscal and Other Fixed Cost Programs | 609,346 | - | 14,160 | - | (595,186) |
| Food Service | 4,821,519 | 1,293,199 | 5,266,716 | - | 1,738,396 |
| Community Service | 11,120,173 | 10,668,633 | 1,451,946 | - | 1,000,406 |
| Transportation | 5,217,071 | - | 311,567 | - | (4,905,504) |
| Interest and Fiscal Charges on Long-Term Liabilities | 4,364,906 | - | - | - | (4,364,906) |
| Total School District | \$ 182,390,146 | \$ 14,435,492 | \$ 30,068,507 | \$ 1,694,513 | (136,191,634) |
| GENERAL REVENUES | | | | | |
| Property Taxes Levied for: | | | | | |
| General Purposes | | | | | 45,906,033 |
| Community Service | | | | | 966,046 |
| Debt Service | | | | | 9,002,056 |
| State Aid Not Restricted to Specific Purposes | | | | | 87,219,564 |
| Earnings on Investments | | | | | (1,814,251) |
| Miscellaneous | | | | | 1,457,194 |
| Total General Revenues | | | | | 142,736,642 |
| CHANGE IN NET POSITION | | | | | 6,545,008 |
| Net Position - Beginning | | | | | (80,866,865) |
| NET POSITION - ENDING | | | | | \$ (74,321,857) |

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022**

(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2021)

| | Major Funds | | | | | Total Governmental Funds | |
|---|----------------------|---------------------|---------------------|----------------------|----------------------|--------------------------|-----------------------|
| | General | Food Service | Community Service | Capital Projects | Debt Service | 2022 | 2021 |
| ASSETS | | | | | | | |
| Cash and Investments | \$ 40,731,790 | \$ 3,361,978 | \$ 4,848,704 | \$ 13,761,231 | \$ 5,528,765 | \$ 68,232,468 | \$ 55,881,542 |
| Cash with Fiscal Agent | 1,267,064 | - | - | 9,277,282 | - | 10,544,346 | 3,849,144 |
| Receivables: | | | | | | | |
| Current Property Taxes | 23,037,297 | - | 490,172 | - | 4,718,410 | 28,245,879 | 27,653,082 |
| Delinquent Property Taxes | 241,063 | - | - | - | - | 241,063 | 111,156 |
| Accounts and Interest Receivable | 110,252 | 23,211 | 53,180 | 10,000 | 8,065 | 204,708 | 188,777 |
| Due from Other Minnesota School Districts | 197,357 | - | 111,567 | - | - | 308,924 | 166,469 |
| Due from Minnesota Department of Education | 10,925,340 | 5,639 | 39,473 | - | 75,716 | 11,046,168 | 10,306,927 |
| Due from Federal through Minnesota Department of Education | 2,506,164 | 205,814 | - | - | - | 2,711,978 | 1,482,301 |
| Due from Other Governmental Units | 551,042 | - | 25,516 | - | - | 576,558 | 293,246 |
| Due from Other Funds | 754,419 | - | - | - | - | 754,419 | 750,607 |
| Long-Term Leases Receivable | 365,133 | - | - | - | - | 365,133 | - |
| Inventory | 215,626 | 81,755 | - | - | - | 297,381 | 322,436 |
| Prepays | 1,384,201 | 1,160 | 13,755 | - | 984,611 | 2,383,727 | 3,285,871 |
| Total Assets | \$ 82,286,748 | \$ 3,679,557 | \$ 5,582,367 | \$ 23,048,513 | \$ 11,315,567 | \$ 125,912,752 | \$ 104,291,558 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | | | | | | |
| Liabilities: | | | | | | | |
| Salaries and Compensated Absences Payable | \$ 6,352,124 | \$ 36,934 | \$ 471,836 | \$ - | \$ - | \$ 6,860,894 | \$ 6,458,286 |
| Payroll Deductions and Employer Contributions Payable | 3,586,777 | 324 | 1,182 | - | - | 3,588,283 | 3,365,026 |
| Accounts and Contracts Payable | 2,277,297 | 8,662 | 158,339 | 1,121,405 | - | 3,565,703 | 2,798,882 |
| Due to Other Governmental Units | (2,948) | - | - | - | - | (2,948) | 150,118 |
| Unearned Revenue | 419,514 | 620,784 | 1,196,757 | - | - | 2,237,055 | 1,743,848 |
| Total Liabilities | 12,632,764 | 666,704 | 1,828,114 | 1,121,405 | - | 16,248,987 | 14,516,160 |
| Deferred Inflows of Resources: | | | | | | | |
| Levied for Subsequent Year | 41,698,949 | - | 980,050 | - | 9,433,843 | 52,112,842 | 50,989,649 |
| Unavailable Revenue - Delinquent Property Taxes | 105,815 | - | - | - | - | 105,815 | 111,156 |
| Long-Term Leases | 359,956 | - | - | - | - | 359,956 | - |
| Total Deferred Inflows of Resources | 42,164,720 | - | 980,050 | - | 9,433,843 | 52,578,613 | 51,100,805 |
| Fund Balance: | | | | | | | |
| Nonspendable: | | | | | | | |
| Inventory | 215,626 | 81,755 | - | - | - | 297,381 | 322,436 |
| Prepays | 1,384,201 | 1,160 | 13,755 | - | 984,611 | 2,383,727 | 3,285,871 |
| Restricted for: | | | | | | | |
| Student Activities | 36,446 | - | - | - | - | 36,446 | 7,615 |
| Scholarships | 246,026 | - | - | - | - | 246,026 | 252,866 |
| Projects Funded by Certificates of Participation | - | - | - | 48 | - | 48 | 3,844,002 |
| Operating Capital | 802,841 | - | - | - | - | 802,841 | 148,862 |
| Community Education | - | - | 1,820,785 | - | - | 1,820,785 | 153,886 |
| Early Childhood and Family Education | - | - | 532,075 | - | - | 532,075 | 397,857 |
| School Readiness | - | - | 281,722 | - | - | 281,722 | 243,114 |
| Adult Basic Education | - | - | 7,249 | - | - | 7,249 | 14,524 |
| Long-Term Facilities Maintenance | - | - | - | 5,337,007 | - | 5,337,007 | 4,592,399 |
| Restricted for Other Purposes | - | 2,929,938 | 118,617 | 16,590,053 | 897,113 | 20,535,721 | 2,546,186 |
| Restricted for Medical Assistance | 111,162 | - | - | - | - | 111,162 | 135,058 |
| Assigned for: | | | | | | | |
| Q Comp | 436,430 | - | - | - | - | 436,430 | 296,986 |
| Athletic Equipment | 489,392 | - | - | - | - | 489,392 | 382,534 |
| Special Purposes | 1,507,568 | - | - | - | - | 1,507,568 | 1,272,591 |
| Capital Projects Tech Levy | 3,022,485 | - | - | - | - | 3,022,485 | 445,258 |
| Unassigned | 19,237,087 | - | - | - | - | 19,237,087 | 20,332,548 |
| Total Fund Balance | 27,489,264 | 3,012,853 | 2,774,203 | 21,927,108 | 1,881,724 | 57,085,152 | 38,674,593 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance | \$ 82,286,748 | \$ 3,679,557 | \$ 5,582,367 | \$ 23,048,513 | \$ 11,315,567 | \$ 125,912,752 | \$ 104,291,558 |

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2021)**

| | Major Funds | | | | | Total Governmental Funds | |
|--|---------------|--------------|-------------------|------------------|--------------|--------------------------|---------------|
| | General | Food Service | Community Service | Capital Projects | Debt Service | 2022 | 2021 |
| REVENUES | | | | | | | |
| Local Sources: | | | | | | | |
| Property Taxes | \$ 45,889,816 | \$ - | \$ 967,846 | \$ - | \$ 9,021,814 | \$ 55,879,476 | \$ 54,560,896 |
| Earnings and Investments | 294,214 | 7,192 | 13,602 | 2,999 | 18,611 | 336,618 | 480,612 |
| Other | 7,492,991 | 1,295,026 | 11,230,496 | 20,891 | - | 20,039,404 | 11,765,146 |
| State Sources | 104,214,361 | 169,552 | 491,568 | - | 752,954 | 105,628,435 | 101,768,804 |
| Federal Sources | 4,589,447 | 5,093,977 | 397,878 | - | - | 10,081,302 | 8,301,974 |
| Total Revenues | 162,480,829 | 6,565,747 | 13,101,390 | 23,890 | 9,793,379 | 191,965,235 | 176,877,432 |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| Administration | 5,394,361 | - | - | - | - | 5,394,361 | 4,445,113 |
| District Support Services | 6,505,745 | - | - | - | - | 6,505,745 | 6,978,156 |
| Elementary and Secondary Regular Instruction | 89,872,882 | - | - | - | - | 89,872,882 | 88,480,898 |
| Vocational Education Instruction | 1,207,168 | - | - | - | - | 1,207,168 | 1,091,521 |
| Special Education Instruction | 22,906,881 | - | - | - | - | 22,906,881 | 21,516,900 |
| Instructional Support Services | 7,312,674 | - | - | - | - | 7,312,674 | 7,371,669 |
| Pupil Support Services | 5,877,683 | - | - | - | - | 5,877,683 | 4,579,385 |
| Sites and Buildings | 9,262,975 | - | - | - | - | 9,262,975 | 8,894,638 |
| Fiscal and Other Fixed Cost Programs | 609,346 | - | - | - | - | 609,346 | 468,403 |
| Food Service | - | 4,966,851 | - | - | - | 4,966,851 | 3,379,971 |
| Community Service | - | - | 11,243,290 | - | - | 11,243,290 | 9,196,975 |
| Transportation | 5,217,071 | - | - | - | - | 5,217,071 | 5,382,421 |
| Capital Outlay | 5,960,316 | 19,825 | 28,745 | 10,634,500 | - | 16,643,386 | 12,917,080 |
| Debt Service: | | | | | | | |
| Principal | 4,118,682 | - | 5,513 | - | 7,060,000 | 11,184,195 | 9,369,143 |
| Interest and Fiscal Charges | 2,154,754 | - | 531 | - | 3,808,332 | 5,963,617 | 6,064,297 |
| Total Expenditures | 166,400,538 | 4,986,676 | 11,278,079 | 10,634,500 | 10,868,332 | 204,168,125 | 190,136,570 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (3,919,709) | 1,579,071 | 1,823,311 | (10,610,610) | (1,074,953) | (12,202,890) | (13,259,138) |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Sale of Bonds | - | - | - | 6,245,000 | 42,185,000 | 48,430,000 | 35,350,000 |
| Bond Premium | - | - | - | 227,727 | 1,087,797 | 1,315,524 | 1,114,656 |
| Issuance of Certificates of Participation | - | - | - | 9,725,000 | - | 9,725,000 | 1,290,000 |
| Premium on Certificates of Participation | - | - | - | 839,403 | - | 839,403 | 62,738 |
| Long-Term Leases | 2,919,343 | - | - | - | - | 2,919,343 | 1,160,001 |
| Payment to Refunded Bond Escrow Agent | - | - | - | - | (42,465,821) | (42,465,821) | (26,499,378) |
| Transfers In | - | - | 39,770 | 9,850,000 | - | 9,889,770 | 8,850 |
| Transfers Out | (29,494) | - | - | - | (10,275) | (39,770) | (8,850) |
| Total Other Financing Sources (Uses) | 2,889,849 | - | 39,770 | 26,887,130 | 796,700 | 30,613,449 | 12,478,017 |
| NET CHANGE IN FUND BALANCE | (1,029,860) | 1,579,071 | 1,863,081 | 16,276,520 | (278,253) | 18,410,559 | (781,121) |
| FUND BALANCES | | | | | | | |
| Beginning of Year | 28,519,124 | 1,433,782 | 911,122 | 5,650,588 | 2,159,977 | 38,674,593 | 39,455,714 |
| End of Year | \$ 27,489,264 | \$ 3,012,853 | \$ 2,774,203 | \$ 21,927,108 | \$ 1,881,724 | \$ 57,085,152 | \$ 38,674,593 |

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED JUNE 30, 2022**

| | Budgeted Amounts | | Actual | Over (Under) |
|--|---------------------|-------------------|----------------------|-----------------------|
| | Original | Final | Amounts | Final Budget |
| REVENUES | | | | |
| Local Sources: | | | | |
| Property Taxes | \$ 45,495,054 | \$ 45,495,055 | \$ 45,889,816 | \$ 394,761 |
| Earnings and Investments | 720,000 | 720,000 | 294,214 | (425,786) |
| Other | 5,707,107 | 6,077,197 | 7,492,991 | 1,415,794 |
| State Sources | 103,030,786 | 103,797,715 | 104,214,361 | 416,646 |
| Federal Sources | 2,510,487 | 4,786,434 | 4,589,447 | (196,987) |
| Total Revenues | 157,463,434 | 160,876,401 | 162,480,829 | 1,604,428 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Administration | 4,664,837 | 5,328,333 | 5,394,361 | 66,028 |
| District Support Services | 7,581,042 | 6,274,744 | 6,505,745 | 231,001 |
| Elementary and Secondary Regular | | | | |
| Instruction | 83,712,649 | 87,476,193 | 89,872,882 | 2,396,689 |
| Vocational Education Instruction | 1,060,339 | 1,227,249 | 1,207,168 | (20,081) |
| Special Education Instruction | 22,693,829 | 23,926,844 | 22,906,881 | (1,019,963) |
| Instructional Support Services | 7,367,650 | 7,502,743 | 7,312,674 | (190,069) |
| Pupil Support Services | 5,594,732 | 5,367,497 | 5,877,683 | 510,186 |
| Sites and Buildings | 8,160,302 | 8,562,647 | 9,262,975 | 700,328 |
| Fiscal and Other Fixed Cost Programs | 468,000 | 775,508 | 609,346 | (166,162) |
| Transportation | 4,913,349 | 5,583,489 | 5,217,071 | (366,418) |
| Capital Outlay | 5,205,718 | 5,621,401 | 5,960,316 | 338,915 |
| Debt Service: | | | | |
| Principal | 2,190,000 | 3,152,303 | 4,118,682 | 966,379 |
| Interest and Fiscal Charges | 1,887,421 | 2,002,052 | 2,154,754 | 152,702 |
| Total Expenditures | 155,499,868 | 162,801,003 | 166,400,538 | 3,599,535 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 1,963,566 | (1,924,602) | (3,919,709) | (1,995,107) |
| OTHER FINANCING USES | | | | |
| Issuance of Long-Term Leases | 2,855,770 | 2,855,770 | 2,919,343 | 63,573 |
| Transfers Out | - | - | (29,494) | (29,494) |
| Total Other Financing Sources (Uses) | 2,855,770 | 2,855,770 | 2,889,849 | 34,079 |
| NET CHANGE IN FUND BALANCE | \$ 4,819,336 | \$ 931,168 | (1,029,860) | \$ (1,961,028) |
| FUND BALANCE | | | | |
| Beginning of Year | | | 28,519,124 | |
| End of Year | | | <u>\$ 27,489,264</u> | |

Chairperson Vitale noted that the audit would be brought back to the December 1 regular meeting for approval.

CITIZEN INPUT

Chairperson Vitale extended an invitation to members of the audience who wished to address the Board on any topic. He also read the guidelines for Citizen Input, for the benefit of those who wished to speak.

The following individuals then addressed the Board:

- Shorewood resident Andrea Vencel spoke regarding her concern that the proposed AP Precalculus course would replace Honors Precalculus
- Chanhassen resident Tara Lee Stone spoke regarding her concern that the proposed AP Precalculus course would replace Honors Precalculus
- Chanhassen resident Steve Heimermann spoke regarding his concerns about the volume of traffic around MMW

REVIEW OF MTSS WORK

Associate Superintendent Amy LaDue, Executive Director of Special Education Christine Breen, Director of Curriculum Steve Urbanski and Director of Professional Development Sara White, led the discussion. Ms. LaDue noted that MTSS (Multi Tiered Systems of Support) is a framework focused on delivering high quality instruction in the area of academics, as well as social and emotional learning. This continuous-improvement process relies on data-based decision-making and problem solving across all levels of the educational system to support students. The framework supports alignment and integration of various District operations and systems to facilitate efficiency and effectiveness in order to maximize student success.

The most important aspect of an MTSS framework is an aligned system that ensures high quality core instruction for all students, which encompasses academics along with social and emotional development. Core instruction in these areas includes the learning all students engage in through district curriculum and programs to achieve Minnetonka essential learnings, State standards and District goals. In addition, the framework provides a system for consistent Tier 2 and Tier 3 instruction in academics, social and emotional learning, and behavioral supports.

Utilizing the findings from Phase 1 and 2 of the MTSS evaluation, priorities for the District, and considering next steps from the initial 2021-2022 action plan, a 3-year implementation plan was developed. The action plan for Year 1, the 2022-23 school year, is organized by three key elements: Infrastructure and support, Assessment and Decision Making, and Multi-level Instruction. Within each element areas of need and action steps are outlined.

Highlights from the presentation included the following:

What is MTSS?

MTSS is an integrated, comprehensive framework that focuses on the alignment of systems necessary for all students' academic, behavioral, and social success.

Promotes **identifying and supporting systems** for alignment of resources at the district, school, and grade level.

Addresses **support for all students**, including gifted and high achievers.

Uses **evidence-based practices** to support the whole child along a tiered continuum.

Uses a **data-based decision making model** to solve system, group, and individual problems.

Focuses on **removing barriers** to learning at all levels.

MTSS COLLABORATIVE TEAMS

The District has identified four levels of MTSS teams: District MTSS team (DLT), Building MTSS teams (BLTs), Grade Level Teams (PLCs), and Building Level Problem Solving Teams (SSTs).

DLT

**District
Leadership
Team**

The purpose of the DLT is to lead, implement, monitor and evaluate district level organizational change. This may include the development, implementation, and refinement of the MTSS framework as well as data-informed resource allocation.

BLT

**Building
Leadership
Team**

The Building Leadership Team (BLT) is structured to lead and promote the implementation, monitoring, and evaluation of the MTSS framework at their school which includes instructional effectiveness and resource allocation.

PLC

**Professional
Learning
Communities**

PLCs serve as the grade-level team. PLCs monitor student progress towards learning goals through common formative assessments and respond accordingly.

SST

**Student
Support Team**

SSTs function as the problem-solving team. The purpose of the SST is to guide, monitor and evaluate interventions for individuals or groups of students in the areas of social emotional and/or academics.

District Leadership Team (DLT)

- What are the district's goals and priorities related to academic achievement and social emotional well-being for all students?
- What universal screening data do we utilize and how frequently should we be reviewing?
- Are there themes across buildings, grade levels, and student subpopulations based on student progress toward standards?
- Are buildings implementing Tier 1 core instruction and interventions with fidelity?

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Building Leadership Team (BLT)

- What are the proficiency rates in our building for reading/math/SEL/behavior for the different grade levels?
- How is our system impacting different student communities?
- To what extent are we allocating resources adequately across grade levels?
- To what extent is Tier 1 (core) instruction meeting the needs of students (80% or more of students meeting proficiency?)
- Are systems and processes established to support teams with regularly progress monitoring students receiving Tier 2 and 3 instruction or interventions?

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Professional Learning Communities (PLCs)

PLCs spend their time responding to and reflecting on five essential questions:

1. What do our students need to know, understand, and be able to do? [Essential Learnings]
2. How will we know when they do? [Common Assessments]
3. What is the instructional platform to ensure learning? [Tier 1 Instruction]
4. How will we respond if they don't? [Tier 1 & 2 Interventions]
5. How will we respond if they come in already proficient? [Tier 1 & 2 Extensions]

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The purpose of a PLC is to ensure EVERY student is learning at high levels.

Guiding Questions for Essential Learnings:

What is critical for EVERY student to know and do by in our classes?
What learning and skills will we PROMISE for every student?

VIDEO LINK: [Get Insanely Clear About Essential Learnings](#)

LINK: [Consider Transfer Goals \(pgs 5-7\)](#)

Identified Essential Learnings - Semester 1

Identify 3-5 essential learnings on which to focus your PLC work

| |
|---|
| 1 |
| 2 |
| 3 |
| 4 |
| 5 |

Considerations for Essential Learnings:

- *What knowledge or skills have value beyond a single test date?
- *What knowledge or skills have value in multiple disciplines?
- *What knowledge or skills are necessary for success in the next unit or the next level of instruction?

Guiding Questions for Common Formative Assessments:

How will we know students have these skills and knowledge?
What will we do to ensure learning happens? How will we respond?

VIDEO LINK: [How to use Common Formative Assessments](#)

LINK: [The Power of a Common Formative Assessment Cycle](#)

How might we monitor progress towards this essential learning?

Possible common assessments aligned to each Essential Learning

| |
|---|
| 1 |
| 2 |
| 3 |
| 4 |
| 5 |

Considerations for Common Formative Assessments:

- *What proficiency do we want EVERY student to achieve on our CFAs?
- *How will we use the data of our CFAs to build teacher efficacy and help students achieve at higher levels?
- *What interventions will we use for students that are "not there yet" and what extensions will we use for students that "got it"?

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Student Support Team (SST)

- What is the discrepancy between what is expected and what is occurring for this individual student?
- Why is the problem occurring? What is causing the skill gap for this individual student?
- What are we going to do to close the skill gap for this individual student? What is the plan to deliver intensive/individualized instruction?
- How will the effectiveness of instruction be monitored for this individual student?
- Was the intervention effective for this individual student? What is needed to support growth?

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Assessment and Decision Making

- Alignment of BLTs and DLT work
 - Data Literacy
 - Balanced Assessment
 - Data Protocol
- Expansion of Universal Screening
 - CogAT for 2nd Graders
 - SAEBRS and mySAEBRS
 - Grades 6 and 9
 - Administered in November

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Multi-Levelled Instruction



- District Curriculum Review Process
 - English Language Arts and Health SEL Standards
 - Core Literacy and SEL Instructional Practices
- Site Specific Professional Learning

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Site Professional Learning

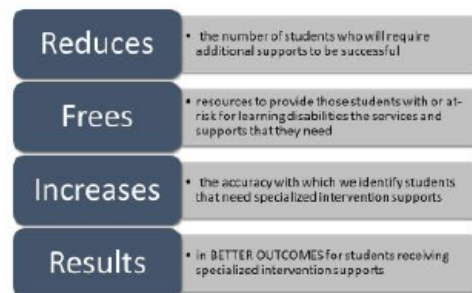


- Literacy Strategies
- Behavior Interventions
- Advanced Learning Extensions
- Math Interventions and Extensions

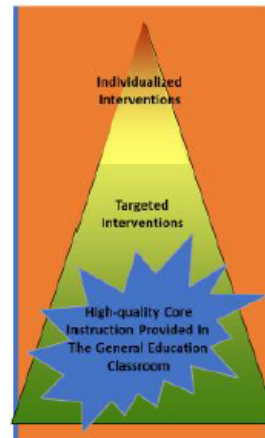
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Minnetonka's Focus on Tier 1-Why?

Strengthening Core Instructional Practices...



(Barrett & VanDerHeyden, 2020; Fuchs et al., 2010; VanDerHeyden et al., 2021)



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Year 1: 2022-2023

• Infrastructure and Support

- Team Structure
- Process Guide
- SEL Systems
- Professional Learning

• Assessment and Decision Making

- Tier 1 Assessment and Decision-making
- Tier 2 and 3 Assessment and Decision-making

• Multi-level Instruction

- Tier 1 Instruction
 - Literacy
 - SEL
- Tier 1 Intervention and Enrichment
- Tier 2 -
 - Inventory of Tools and Resources
 - Best Practices across levels for reading, math and social, emotional and behavioral needs



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In the discussion that followed, Board member Selinger asked whether more students were identified for support after changing the data protocol and changing the criteria. Ms. LaDue responded yes, there are more students that we are looking at, but not necessarily more referrals coming from the changed protocols. This has led to rich discussions with grade level teams. Board members also discussed the work of John Hattie and how it has infused the work of CAREI at the U of MN.

REVIEW OF 2023 LEGISLATIVE POSITION STATEMENTS

Mr. Bourgeois noted that every year during the fall, the Finance Advisory Committee works with District administrative staff and the citizens lobbying group Community Action for Student Education (CASE) to develop a platform of position statements for use in communicating District priorities to legislators during the subsequent legislative session. The District's draft position statement document articulates key areas in which the District requires support from the Legislature in order for the District to continue to deliver high performing citizens into society in future years. The document focuses on the need for the Legislature to provide sufficient funding for key funding formulas that are the backbone of programmatic stability for the District.

The draft position statements consist of the following:

Over the past two decades, Minnetonka Independent School District 276 has consistently increased standards for student achievement and continues to innovate to meet those standards. The District has maintained high standards for accountability, parent satisfaction and community support. The District has maintained these standards through prudent financial management, relying on various funding alternatives including budget efficiencies, cost containment, voter approved referendums and modest increases in state funding for selected revenue allocations. To ensure each student achieves their full potential, it is crucial that the State of Minnesota provide adequate funding at a consistent level that both covers inflation of expenses and increasing requirements. Absent that ability from the State of Minnesota, it is incumbent on the State of Minnesota to make available to local school boards mechanisms for additional referendum to make up for the great disparities in State Aid per school district that exist in Minnesota.

The following revenue items are crucial for not only Minnetonka ISD 276, but all school districts in Minnesota, to enable them to meet the needs of all students.

Increase the Basic Formula Revenue to Combat the Effects of Inflation – 5% and 5%

The Minnesota Legislature has not funded Basic Formula Revenue at the rate of inflation since 4.0% was provided in FY06 and 4% in FY07 after three consecutive years of 0% increases. Over the past 20 years FY03-FY22 inflation in Minnesota increased a cumulative 45.84% including 8.12% in FY22 alone. Meanwhile, the Basic Formula was increased only a cumulative 35.48% or \$1,762, which is \$514 below the rate of inflation over that time. For FY23 the State funded a 2.0% increase in the Basic Formula while 8.0% inflation for FY23 is a very distinct possibility. If inflation continues at an 8.00% pace,

the shortfall of the Basic Formula to actual inflation will have increased to \$777 by the end of FY23. The Basic Formula should be raised to \$7,206 for FY24 and \$7,566 for FY25 to eliminate 90% of the loss of purchasing power from the consistent State shortfall in Basic Formula ongoing revenue funding to inflation over the past 21 years.

Increase Special Education Formulas by the Rate of Inflation to Reduce the General Fund Cross Subsidy of Special Education

Mandated services for Special Education have steadily increased over both the rate of inflation and the rate of dedicated funding for those services. The appropriation for Special Education services should be increased by the CPI rate of inflation plus 1% in each year of the FY24-FY25 biennium to ensure that the cross subsidy of Special Education is reduced during the biennium and going forward.

Approve Third-Tier Local Optional Revenue to Give School Boards Added Local Control to Offset Basic Formula Funding Shortfalls – \$362 Per Adjusted Pupil Unit

Local Optional Revenue has given Local School Boards flexibility to try to offset annual shortfalls to inflation from the various State Funding formulas. Over the long term, it is reasonable to expect that there will be future funding shortfalls similar to the shortfalls of the past 20 years. The Legislature should approve Third-Tier Local Optional Revenue in the amount of up to \$362 per district, with the amount being at the discretion of the local school board as an optional third tier to make up for future shortfalls as needed. Local school boards would have the discretion to use as much or as little of the levy authority as they deem appropriate, from \$0 up to \$362 per pupil.

Increase Operating Referendum Cap for FY2023 And Thereafter to Reduce the Impact of Disparities in State Aid - \$600 Per Adjusted Pupil Unit

Basic Revenue is the main source of funding for school districts at between 55% and 60% of total revenues. The annual inflation adjustment has lost \$1,263 in purchasing power to inflation since FY2003. As a result, many districts find it necessary to utilize Operating Referendums to ask the local public for additional resources to make up for any deficiencies in State Aid. The referendum cap, currently at \$2,110.97 for FY24, should be increased by \$600 per Adjusted Pupil Unit, to allow school districts to have the opportunity request their local populace to make up for the chronic shortfall in State Basic Revenue Aid and other State Aid disparities. This should be effective for FY23 to allow school districts to do a makeup levy on the 23 Pay 24 Property Tax Levy if their voter-approved referendum cap exceeds the prior cap limit.

In the discussion that followed, Board members agreed that the position statements were of value and would be helpful in lobbying our legislators in the upcoming session. Chairperson Vitale noted that the document would be brought back to the December 1 regular meeting for approval.

FACILITIES AND TRAFFIC IMPROVEMENT UPDATE

Executive Director of Finance and Operations Paul Bourgeois presented this item to the Board. He noted that the traffic issues at MMW have been a challenge for at least the last 15 years and possibly longer. The single entry and the design of the parking lot with a very, very short car queue contribute to challenging traffic situations for drivers at drop off time and pick up time as they attempt to enter and exit the site. The short car queue results in automobiles and buses backing up out of the driveway and onto State Highway 41 to the north, with backups occurring all the way to the crosswalk to the north on occasion.

The District has made numerous attempts over the years to try to improve the situation. A request for a traffic light that would be operating during drop off and pick up times and flashing caution at other times was not approved by MNDOT. A reduced speed zone during drop off and pick up times was approved and implemented. Restriping of State Highway 41 in the vicinity of the driveway to make traffic single lane in each direction with extended turn lanes was approved and implemented. These changes have moderately improved conditions but have not solved the problem.

Two years ago in February 2020, the District and City of Chanhassen authored a co-signed letter of support that petitioned local Legislators Senator David Osmeck and Representative Kelly Morrison for funds to construct a roundabout on State Highway 41 at the MMW driveway.

In April of 2022, the District was notified by the City of Chanhassen that there were State funding grants available of \$2.2 million, but the funds would need to be expended by calendar year 2025. An estimate of the roundabout cost is \$2,800,000 with State funds picking up \$2.2 million, the City of Chanhassen willing to pick up \$200,000, and a request of the District for \$400,000.

At that time, there were three significant concerns:

1. A roundabout by itself will not solve the problem, because with the short MMW car queue, auto and bus traffic will back up into the car queue and jam it up, which would be worse than the current situation where cars and buses wait in the turn lanes before crossing traffic.
2. The District Operating Capital Funds are very limited, and two projects related to converting the remaining part of the Scenic Heights original gym into a classroom and converting the Excelsior staff lounge that is currently being used for a small classroom into a regular-sized classroom would use up all the available Operating Capital funds in summer 2023.
3. There is no legal mechanism for the District to spend capital funds for school facility capital improvements outside the property boundaries of school facilities, i.e. we do not have funding sources for road or street construction off of school parcels.

However, there is a significant chance that construction of the roundabout, in concert with rearranging of the MMW parking and driveway areas to create a separate drive queue for buses and a separate 1,600-foot-long queue for autos would likely solve the traffic safety concerns for the long term.

However, in order to solve that issue, it is necessary to “move the chess pieces about on the financial chessboard,” but it is possible to make that happen, as follows:

Financial Resources Available To Solve The Problem

The District has \$450,000 available in the FY24 Operating Capital Budget for use in summer 2023.

\$250,000 has been designated to going towards the Scenic Heights ½ Remaining Multipurpose Room Conversion to a Classroom Project that were set in motion in June 2022 for which the School Board has already accepted a bid for construction in summer 2023.

\$200,000 has been designated to going towards building any new walls in the Excelsior Staff Lounge to Classroom and Small Group Rooms Project, which will come before the School Board initially as part of this agenda item, but with a possible change in funding sources to bond funding proposed.

The District has \$600,000 available in FY24 Long Term Facilities Maintenance, of which \$530,000 was initially going to fund replacement of plumbing, cabinets, lighting, electrical, ceiling, flooring and painting replacement for the Excelsior Staff Lounge to Classroom and Small Group Rooms Project, and \$70,000 is savings from bids coming in under budget.

The District has the factor of time that comes with the ability to issue a bond to spread payments over time in our Operating Capital Budget.

The District has the ability to squeeze in one more COP Bond payment into the annual Operating Capital revenue stream. Initially, the District was going to use that “final for now until future refundings” bond payment capacity to issue bonds for the Parking Lot Over The Pond for VANTAGE MOMENTUM parking capacity.

However, the City of Minnetonka terminated that project by declaring the pond an unregulated wetland that cannot be filled in. While that stopped the parking lot project, that action freed up that payment capacity for other uses. That payment capacity is still available to make payments on one more COP Bond. The payment capacity can support a COP Bond of \$1.85 million at current rates.

Facility Needs That Can Be Solved With The Resources Available

Following are the list of facility needs that can be covered in the plan as we allocate and reallocate the available resources to pay for them.

| | |
|--|------------------|
| <i>Scenic Heights ½ Multipurpose Room Conversion To Classroom</i> | <i>\$300,000</i> |
| <i>Excelsior Staff Lounge Conversion to Classroom & Breakout Rooms</i> | <i>\$700,000</i> |
| <i>MMW Parking Reconfiguration For Car Queuing</i> | <i>\$450,000</i> |

Then, as this is probably the last COP Bond we will issue for several years, it is prudent to consider replacing two temporary-partition rooms in the MME and MMW media centers that really should be converted to full walls for proper instruction to be able to take place.

The costs for these two projects would be:

| | |
|---|------------------|
| <i>MMW Temporary Space to Small Classroom</i> | <i>\$225,000</i> |
| <i>MME Temporary Space to Small Classroom</i> | <i>\$175,000</i> |

The total of all these projects is \$1,850,000.

\$1,850,000 COP To Fund These Five Projects

Utilizing the remaining COP Payment Capacity in Operating Capital to fund these five projects is possible to do with a single Certificate of Participation even though they are five separate locations. We would use two techniques that we have done in the past and that we know are able to be done.

The first technique is to have multiple ground leases for the COP bond. We have taken this approach for many COPS in the past, particularly with elementary school additions. We have had summers where all six of our elementary schools were getting additions.

The second technique is to “condo-out” the existing buildings and do a ground lease only under the footprint of the area of the building being worked on. The District used this technique for the 2016F COPs issued for the science research area and three science rooms on the upper floor of the east wing of MHS. In fact, the District requested of our bond counsel Dorsey & Whitney to check into not only condoing-out that portion of the building, but also to do an “air lease” for the second floor “condo” where the facilities were to be constructed. They investigated it and came back with a “yes we can” answer, so that is what the District did.

The District would do the same thing for this 2023A COP – condo-out the footprints under the SCH, EXC, MME and MMW work areas for those ground leases, and then also do a ground lease for the MMW parking lot where the reconfiguration work will take place.

The average payments on a \$1.85 million net-to-construction-fund COP at current interest rates plus 75 basis points are \$142,175 at an estimated rate of 6.25-6.35%.

The bond design will include a 5-year call date on February 2, 2028 so that we can refinance the remaining COP coupons when interest rates drop down again. However, it

is important to note that in the 1990s and early 2000s, interest rates in the 5%-7% range for these type of bonds were common, so we are not doing anything that in the past would have been considered risky, but actually was normal “business as usual” for bond transactions during those time periods.

It is important to note that the District has been able to bond for facilities projects out of the Operating Capital Fund because we have a robust Capital Projects Levy. In addition, bond payments tend to be flat or go down over time as bonds are refunded, and the Operating Capital Fund revenues will increase every year both from any moderate student growth that we may have in the future plus annual modest increases in the funding formula that is driven by building square footage age.

MMW Traffic Issues – Solving For The Long Term

What all those financial “chess moves” result in, in addition to meeting the needs of the five projects, is the freeing up of \$600,000 in Long Term Facilities Maintenance and \$450,000 in Operating Capital for other uses.

The \$600,000 in Long Term Facilities Maintenance can be used to do a mill and overlay of the MMW parking lots and driveways after they have been reconfigured with new islands and drive aisle. This will enable new clear striping of the reconfigured lots and drive aisles as well.

The \$450,000 in Operating Capital is available to fund \$400,000 in driveway changes that will occur on the MMW land parcel related to the roundabout construction on Highway 41. This would enable the School Board to commit the funds to the project and the project can then go forward. The City of Chanhassen should be asked to bill us for the \$400,000 cost after July 1, 2023, in Fiscal Year 2024 when the funds are available.

In the discussion that followed, Board members asked questions regarding the flashing lights at Deephaven that could possibly be installed at other elementaries, the cost for the roundabout and the District’s expected contribution, the pending results of a traffic study and when those results would be available, and the possibility of approving the bond issue without approving the District’s contribution to the roundabout.

After further discussion, it was agreed that the authorization of the bond would be brought to the December 1 regular meeting for approval, but more information was needed before the Board would support the District’s contribution to the construction of the possible roundabout.

ADJOURNMENT

The Board adjourned the Study Session at 8:53 p.m.