



Budget Advisory Council Meeting

September 13, 2023



Agenda



1. Public Input (15 minutes total and each speaker up to 3 minutes)
2. Review Agenda and Approve June 14, 2023 Minutes
3. Introductions and Welcome New Members
4. Superintendent Updates – Mary Kreger
5. Budget Advisory Council Leadership Discussion
6. 2023-24 Financial Projections with New Legislation Impact – Christopher Onyango-Robshaw
7. Levy Certification Process – Christopher Onyango-Robshaw
8. Bond Update – Christopher Onyango-Robshaw
9. Foundation (Treasurer Role) – Christopher Onyango-Robshaw
10. Next Meeting – November 8, 2023 (Joint meeting with LAC, meeting starts at 6pm)
11. Adjournment



Superintendent Updates

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Budget Advisory Council Leadership Discussion

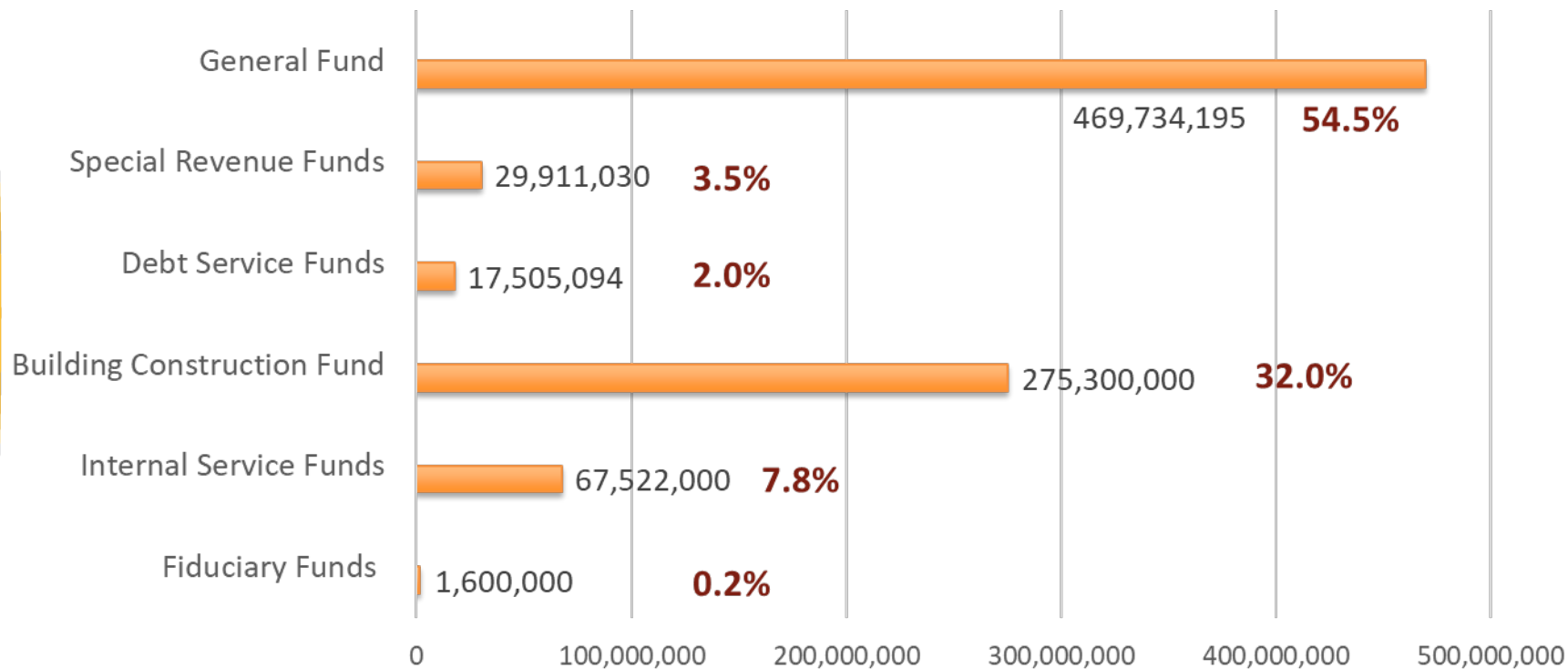
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2023-24 Financial Projections with New Legislation Impact

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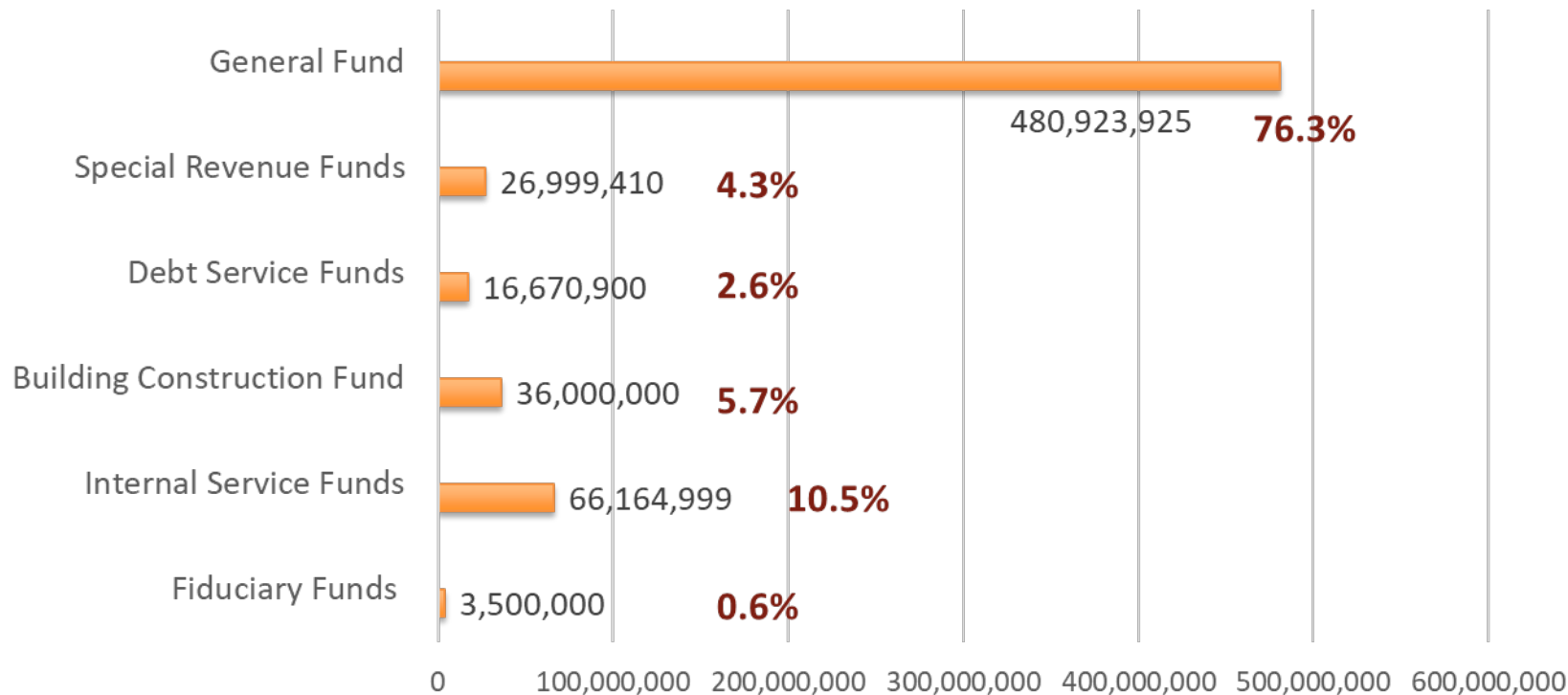
FY24 Budget - All Funds Revenues



Total Revenue
\$861,572,300



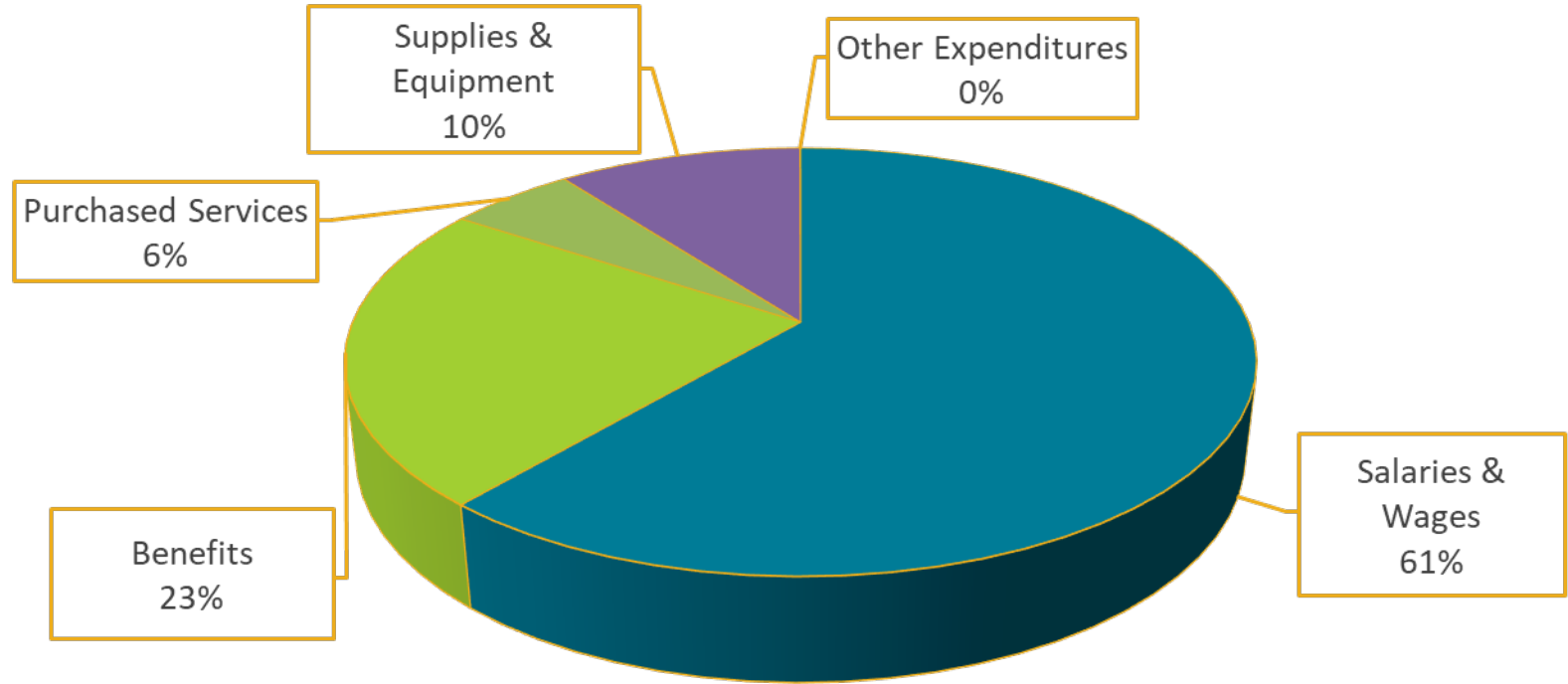
FY24 Budget - All Funds Expenditures



Total Expenditures
\$630,259,200



General Fund Expenditure Uses



Total Expenditure
\$ 480,923,900



Financial Plan – Spring 2023 W/ Prelim Audit

	2023	2024	2025	2026	2027
REVENUES					
Property Taxes	\$105,829,432	\$115,254,194	\$116,828,665	\$117,709,662	\$119,205,397
State	\$309,915,652	\$323,559,244	\$328,762,081	\$332,632,041	\$337,390,388
Federal	\$23,682,027	\$17,833,745	\$10,760,580	\$10,760,580	\$10,760,580
Other Local	\$12,414,420	\$12,414,420	\$12,414,420	\$12,414,420	\$11,914,420
Total Revenue	\$451,841,531	\$469,061,603	\$468,765,746	\$473,516,703	\$479,270,785
% Revenue Change	3%	4%	0%	1%	1%
EXPENDITURES					
Salaries & Wages	\$275,831,966	\$287,653,571	\$295,072,931	\$304,043,440	\$313,291,739
Benefits	\$103,141,694	\$110,546,605	\$112,632,770	\$114,771,517	\$116,964,391
All Other	\$80,916,973	\$84,693,864	\$86,228,006	\$87,802,741	\$89,419,363
Total Expenditures	\$459,890,632	\$482,894,040	\$493,933,707	\$506,617,698	\$519,675,493
% Expenditure Change	10.0%	5.0%	2.3%	2.6%	2.6%
Spending Variance	(\$8,049,101)	(\$13,832,437)	(\$25,167,961)	(\$33,100,995)	(\$40,404,708)
Unassigned Fund Balance \$	\$55,813,057	\$41,980,621	\$16,812,660	(\$16,288,335)	(\$56,693,043)
Unassigned Fund Balance %	9.6%	7.7%	2.8%	-3.3%	-8.8%
Fund Balance Goal	5%	5%	5%	5%	5%



Financial Plan, Preliminary Budget, & Legislative Impact

	Plan	Budget	Variance	Legislative	Variance
REVENUES					
Property Taxes	\$115,254,194	\$115,068,553	(\$185,641)	\$115,068,553	\$0
State	\$323,559,244	\$328,704,297	\$5,145,053	\$331,091,225	\$2,386,928
Federal	\$17,833,745	\$17,881,306	\$47,561	\$17,881,306	\$0
Other Local	\$12,414,420	\$8,080,039	(\$4,334,381)	\$8,080,039	\$0
Total Revenue	\$469,061,603	\$469,734,195	\$672,592	\$472,121,123	\$2,386,928
EXPENDITURES					
Salaries & Wages	\$287,653,571	\$289,080,223	\$1,426,652	\$289,080,223	\$0
Benefits	\$110,546,605	\$111,581,464	\$1,034,859	\$111,581,464	\$0
All Other	\$84,693,864	\$80,262,238	(\$4,431,626)	\$80,262,238	\$0
Total Expenditures	\$482,894,040	\$480,923,925	(\$1,970,115)	\$480,923,925	\$0
Spending Variance	(\$13,832,437)	(\$11,189,730)	\$2,642,707	(\$8,802,802)	\$2,386,928
Unassigned Fund Balance \$	\$41,980,621	\$44,623,327		\$47,010,255	
Unassigned Fund Balance %	8.69%	9.28%		9.77%	
Fund Balance Goal	5%	5%		5%	



Financial Plan, Preliminary Budget, & Legislative Impact

	2023	2024	2025	2026	2027
REVENUES					
Property Taxes	\$105,829,432	\$115,068,553	\$116,828,665	\$117,709,662	\$119,205,397
State	\$309,915,652	\$331,091,225	\$333,818,207	\$337,688,167	\$342,446,514
Federal	\$23,682,027	\$17,881,306	\$10,760,580	\$10,760,580	\$10,760,580
Other Local	\$12,414,420	\$8,080,039	\$12,414,420	\$12,414,420	\$11,914,420
Total Revenue	\$451,841,531	\$472,121,123	\$473,821,872	\$478,572,829	\$484,326,911
% Revenue Change	3%	4.5%	0.4%	1.0%	1.2%
EXPENDITURES					
Salaries & Wages	\$275,831,966	289,080,223	296,536,380	305,551,380	314,845,547
Benefits	\$103,141,694	111,581,464	113,687,158	115,845,926	118,059,329
All Other	\$80,916,973	80,262,238	81,716,106	83,208,442	84,740,474
Total Expenditures	\$459,890,632	\$480,923,925	\$491,939,644	\$504,605,748	\$517,645,350
% Expenditure Change	10.0%	4.6%	2.3%	2.6%	2.6%
Spending Variance	(\$8,049,101)	(\$8,802,802)	(\$18,117,772)	(\$26,032,920)	(\$33,318,439)
Unassigned Fund Balance \$	\$55,813,057	\$47,010,255	\$28,892,483	\$2,859,563	(\$30,458,876)
Unassigned Fund Balance %	12.1%	9.8%	5.9%	0.6%	-5.9%
Fund Balance Goal	5%	5%	5%	5%	5%



Other FY24 and FY25 Considerations

- Special Ed cross-subsidy aid
 - MDE runs include an * on using estimates for budgets
 - Special Ed funding is restricted
 - Actual funding level determined Jan 2025 & 2026 (for FY25)
- Unemployment insurance
- Earned sick time

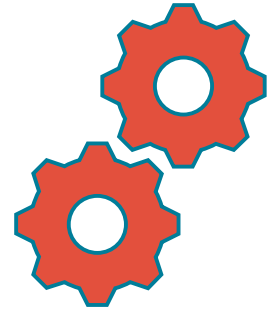


Levy Certification Process



Levy Certification Process - Budget Cycle

- **Levy certification – Pay24 levy**
 - September - Preliminary levy limit set
 - December - Final levy certification
- **Preliminary Budget (FY25)**
 - State funding based on 2023 legislative session
 - Enrollment projections from fall 2023
 - FTE and categorical supply allocations using approved parameters
- **Final Budget**
 - Use actual enrollment for October 1
 - Incorporate the impact of the 2023 legislative activity
 - Incorporate contract settlements, staff placements, etc.
- **Final Budget Adjustments – Spring**
- **Annual Financial Audit – Summer/Fall**



Levy Certification Process

	Voter Input	Aid Component
GENERAL-RMV VOTER-JOBZ EXEMPT		
Voter Approved Operating Referendum	Y	N
Local Optional Revenue (LOR)	Y	Y
GENERAL-NTC VOTER-JOBZ EXEMPT		
Capital Project Referendum (Tech-Levy)	Y	N
Operating Capital	N	Y
Alternative Teacher Compensation (Q-Comp)	N	Y
Achievement & Integration	N	Y
Reemployment Insurance	N	N
Safe Schools Levy	N	N
Ice Arena & Building leases	N	N
Career Technical	N	N
Long-Term Facilities Maintenance	N	Y
COMMUNITY SERVICE-NTC OTHER-EXEMPT		
Basic Community Education	N	Y
Early Childhood Family Education	N	Y
DEBT SERVICE-NTC VOTER-NONEXEMPT		
Debt Service	N	Y



Bond Update

- Since the bond referendum passed, there have been many committee planning meetings. Topical areas include:
 1. Project Oversight
 2. Elementary #20
 3. Middle School Philosophy
 4. New Rosemount Middle
 5. Dakota Ridge
 6. Safety and Security
 7. Energy and Sustainability
 8. Science Philosophy
 9. Performance Improvements
 10. Activity Centers
- Elementary #20
 - Committee has met 5 times
 - One meeting was broken into 9 user groups (typical classrooms, pre-K, center-based, media center, nurse, office/workroom/conference room, music rooms, art, and food service)
 - Using East Lake Elementary as a blueprint, work on modifications, new school site, and feedback from the user group meetings
- New RMS
 - Committee has met 6 times
 - One meeting included a tour of other schools (Prairie View Elementary and Middle Schools in Otsego, Centerview Elementary in Blaine and Spring Lake Park High School in Spring Lake Park) to help frame conversations and review likes and dislikes of each building
 - Looking for a consistent experience for 6-8 graders as well as teachers/staff
 - Next 2 meetings the committee will be touring East Lake Elementary & Valley Middle; the district's modern looking schools



Bond Update

- Energy and Sustainability
 - Committee has met 5 times and also had a School Board Workshop
 - Electric bus/small fleet of electric buses
 - Geothermal and Solar options at the new Elementary #20 and new RMS sites
 - Areas of additional study:
 - Prairie grasses or other non-traditional and lower-maintenance planting strategies
 - Butterfly gardens, landscaping to aid bees and pollinators and rain gardens
 - include conversations with Landscape Engineer to review vegetative options such as wetland buffers, native species, minimize water use for irrigation and non-potable water for irrigation, pollinator-friendly vegetation



Results of Bond Sale

Rosemount-Apple Valley-Eagan, ISD 196

August 22, 2023

Estimated Sources and Uses of Funds

General Obligation Facilities Maintenance and School Building Bonds

Description	School Building	Facilities Maintenance	Total
Bond Amount	\$280,000,000	\$20,000,000	\$300,000,000
Dated Date	9/14/2023	9/14/2023	9/14/2023
Sources of Funds			
Par Amount	\$280,000,000	\$20,000,000	\$300,000,000
Investment Earnings ¹	2,787,321	191,344	2,978,665
Reoffering Premium ²	9,411,356	2,537,145	11,948,501
Total Sources	\$292,198,677	\$22,728,489	\$314,927,166
Uses of Funds			
Underwriter's Discount ³	\$579,494	\$41,392	\$620,887
Capitalized Interest ⁴	0	775,000	775,000
Legal and Fiscal Costs ⁵	688,397	49,172	737,569
Net Available for Project Costs	290,930,785	21,862,925	312,793,710
Total Uses	\$292,198,677	\$22,728,489	\$314,927,166
Initial Deposit to Construction Fund	\$288,143,464	\$21,671,581	\$309,815,045

1 Estimated investment earnings are based on an average interest rate of 1.0%, and an average life of 12 months.

2 The underwriter of the bonds received a reoffering premium in the sale of the bonds. They will retain a portion of the premium as their compensation, or underwriter's discount. The remainder of the premium will be deposited in the construction fund and used to fund a portion of the project costs.

3 The underwriter's discount is an estimate of the compensation taken by the underwriter who provides the lowest true interest cost as part of the competitive bidding process and purchases the bonds. Ehlers provides independent municipal advisory services as part of the bond sale process and is not an underwriting firm.

4 To maintain the estimated tax rate for the levy payable in 2024 consistent with future years, a portion of the interest payments due on the facilities maintenance bonds in fiscal year 2025 would be made from bond proceeds.

5 Includes fees for municipal advisor, bond counsel, rating agency, paying agent and county certificates.



Results of Bond Sale

Rosemount-Apple Valley-Eagan, ISD 196
Preliminary Financing Plan for Future Projects

Future Bond Issues

Type of Bond	Amount	Dated	Int. Rate
Facilities Maintenance	\$20,000,000	09/14/23	3.15%
Building Bonds	\$280,000,000	09/14/23	3.97%
Facilities Maintenance	\$35,005,000	11/15/25	4.50%
Building Bonds	\$213,745,000	11/15/25	4.75%
Building Bonds	\$0	11/15/27	4.75%

Voter Approved School Building Bonds (\$493.750m) May 2023 Election
Facilities Maintenance Bonds (\$55.005m)
24 Tax Levies; Wrapped Around Existing Debt

August 22, 2023

Levy	Pay	Fiscal Year	Est. Tax Capacity Value ¹	Debt Service Levies - Existing Bonds ²				Other Levies		Potential Voter Approved Building Bonds				Facilities Maintenance Funding						Combined Totals	
				Building Bonds	Est. Debt Excess ³	Net Levy	Tax Rate	Lease Levy ⁴	Capital Project Levy ⁵	Principal	Interest	Est. Debt Excess ⁶	Net Levy	General Fund Revenue	Principal	Interest	Est. Debt Excess ²	Est. LTFM Add	Debt Levy	Total Levy	Tax Rate
2020	2021	195,090	7.3%	17,907,867	-	17,907,867	9.18	2,172,823	8,149,836	-	-	-	-	12,233,431	-	-	-	(4,102,806)	-	34,380,748	17.61
2021	2022	206,818	8.0%	17,764,919	-	17,764,919	8.89	3,210,124	6,589,708	-	-	-	-	12,312,228	-	-	-	(4,206,495)	-	35,870,484	17.25
2022	2023	217,187	5.0%	17,765,601	-	17,765,601	8.18	5,074,517	6,986,813	-	-	-	-	12,254,464	-	-	-	(4,269,145)	-	37,622,250	17.41
2023	2024	255,858	17.8%	17,430,948	-	17,430,948	6.81	5,073,293	7,365,343	-	-	-	-	14,200,000	-	-	-	(4,107,415)	-	39,872,166	15.58
2024	2025	269,930	5.5%	17,422,808	(784,393)	16,638,415	6.16	5,074,861	8,535,857	-	16,932,514	784,393	18,563,532	12,254,464	-	1,380,556	6	(4,866,945)	635,833	57,038,019	21.13
2025	2026	276,679	2.5%	13,664,070	(784,026)	12,880,044	4.66	5,068,436	9,005,330	7,600,000	12,265,000	568,972	21,835,222	12,254,464	825,000	1,000,000	217,054	(4,527,881)	2,133,304	58,448,919	21.13
2026	2027	283,596	2.5%	13,665,333	(814,883)	13,070,450	4.61	4,840,436	9,230,463	700,000	24,171,275	6	23,075,089	12,254,464	825,000	2,868,523	6	(4,415,896)	1,872,936	59,927,940	21.13
2027	2028	290,586	2.5%	13,693,208	(815,840)	13,077,368	4.50	4,844,449	9,481,224	895,000	21,962,888	6	(1,038,379)	12,254,464	850,000	2,492,725	(84,282)	(4,283,283)	3,425,579	61,426,204	21.13
2028	2029	297,953	2.5%	13,690,269	(816,194)	13,074,074	4.39	4,429,852	9,697,755	1,105,000	21,958,138	(1,018,188)	23,198,106	12,254,464	1,895,000	2,450,225	(154,151)	(4,107,616)	4,406,335	62,954,770	21.13
2029	2030	300,932	1.0%	13,686,363	(816,652)	13,079,321	4.34	3,249,502	9,940,109	2,500,000	21,902,888	(1,043,015)	24,579,117	12,254,464	2,235,000	2,350,800	(198,378)	(4,135,462)	4,826,165	63,564,286	21.13
2030	2031	303,942	1.0%	-	-	-	-	2,904,493	10,039,801	12,000,000	21,777,868	(1,854,228)	33,772,857	12,254,464	8,845,000	2,253,200	(258,177)	(4,088,529)	9,344,933	64,220,119	21.13
2031	2032	306,981	1.0%	-	-	-	-	1,895,200	10,139,997	14,500,000	21,177,868	(1,519,769)	35,942,017	12,254,464	8,775,000	1,928,525	(420,522)	(4,066,179)	8,718,599	64,984,098	21.13
2032	2033	310,051	1.0%	-	-	-	-	854,733	10,241,397	15,250,000	20,452,888	(1,817,391)	35,870,541	12,254,464	8,545,000	1,808,550	(362,337)	(3,975,887)	10,266,791	65,512,138	21.13
2033	2034	310,051	0.0%	-	-	-	-	855,983	10,343,811	15,950,000	19,690,388	(1,814,179)	35,808,228	12,254,464	8,975,000	1,202,025	(462,006)	(3,975,887)	10,223,871	65,510,469	21.13
2034	2035	310,051	0.0%	-	-	-	-	851,733	10,343,811	17,500,000	18,862,888	(1,811,370)	36,601,162	12,254,464	8,650,000	775,575	(460,074)	(3,975,887)	9,436,760	65,512,062	21.13
2035	2036	310,051	0.0%	-	-	-	-	855,930	10,343,811	18,625,000	18,017,868	(1,847,052)	37,037,980	12,254,464	8,585,000	386,325	(424,658)	(3,975,887)	8,995,236	65,511,534	21.13
2036	2037	310,051	0.0%	-	-	-	-	853,655	10,343,811	28,355,000	17,077,450	(1,688,709)	46,037,363	12,254,464	-	-	-	(3,975,887)	-	65,513,407	21.13
2037	2038	310,051	0.0%	-	-	-	-	-	10,343,811	28,375,000	15,873,088	(2,071,681)	42,288,811	12,254,464	-	-	-	(3,975,887)	-	60,911,199	19.65
2038	2039	310,051	0.0%	-	-	-	-	-	10,343,811	27,320,000	14,768,863	(1,902,996)	42,390,599	12,254,464	-	-	-	(3,975,887)	-	60,912,487	19.65
2039	2040	310,051	0.0%	-	-	-	-	-	10,343,811	26,465,000	13,628,568	(1,803,054)	42,293,112	12,254,464	-	-	-	(3,975,887)	-	60,915,500	19.65
2040	2041	310,051	0.0%	-	-	-	-	-	10,343,811	26,695,000	12,433,875	(1,903,193)	42,390,129	12,254,464	-	-	-	(3,975,887)	-	60,912,517	19.65
2041	2042	310,051	0.0%	-	-	-	-	-	10,343,811	30,695,000	11,193,263	(1,903,056)	42,289,620	12,254,464	-	-	-	(3,975,887)	-	60,912,008	19.65
2042	2043	310,051	0.0%	-	-	-	-	-	10,343,811	32,190,000	9,866,625	(1,903,033)	42,290,023	12,254,464	-	-	-	(3,975,887)	-	60,912,411	19.65
2043	2044	310,051	0.0%	-	-	-	-	-	10,343,811	33,545,000	8,545,850	(1,903,051)	42,292,341	12,254,464	-	-	-	(3,975,887)	-	60,914,730	19.65
2044	2045	310,051	0.0%	-	-	-	-	-	10,343,811	34,980,000	7,130,700	(1,903,155)	42,292,080	12,254,464	-	-	-	(3,975,887)	-	60,914,468	19.65
2045	2046	310,051	0.0%	-	-	-	-	-	10,343,811	36,620,000	5,470,100	(1,903,144)	42,291,481	12,254,464	-	-	-	(3,975,887)	-	60,913,650	19.65
2046	2047	310,051	0.0%	-	-	-	-	-	10,343,811	38,360,000	3,730,850	(1,903,118)	42,292,067	12,254,464	-	-	-	(3,975,887)	-	60,914,455	19.65
2047	2048	310,051	0.0%	-	-	-	-	-	10,343,811	40,180,000	1,906,550	(1,903,143)	42,289,834	12,254,464	-	-	-	(3,975,887)	-	60,912,223	19.65
2048	2049	310,051	0.0%	-	-	-	-	-	10,343,811	-	-	-	-	12,254,464	-	-	-	(3,975,887)	-	18,622,388	6.01
2049	2050	310,051	0.0%	-	-	-	-	-	10,343,811	-	-	-	-	12,254,464	-	-	-	(3,975,887)	-	18,622,388	6.01
2050	2051	310,051	0.0%	-	-	-	-	-	10,343,811	-	-	-	-	12,254,464	-	-	-	(3,975,887)	-	18,622,388	6.01
Totals				156,711,203	(4,031,398)	152,679,805	-	52,079,819	299,571,919	403,745,000	360,869,926	(34,222,428)	859,946,364	361,870,651	55,005,000	20,702,428	(2,587,525)	(126,576,628)	74,066,363	1,693,660,823	-

1. Tax capacity values are final values for taxes payable through 2023 and for taxes payable in 2024 is based on preliminary data from Dakota County, with estimated percentage changes for later years as shown above.
2. Initial debt service levies are set at 105 percent of the principal and interest payments during the next fiscal year.
3. Debt excess adjustments for taxes payable through 2023 are actual amounts. Estimates for future years are based on 4.5% of prior year's total debt service levy.
4. Lease levy amounts for future years are based on best available estimates of future payments for all current and planned future capital leases.
5. These estimates assume that current Capital Projects Levy would be renewed at same tax rate when it expires.
6. To keep the tax rates consistent with future years, a portion of the interest payments due would be made from bond proceeds.

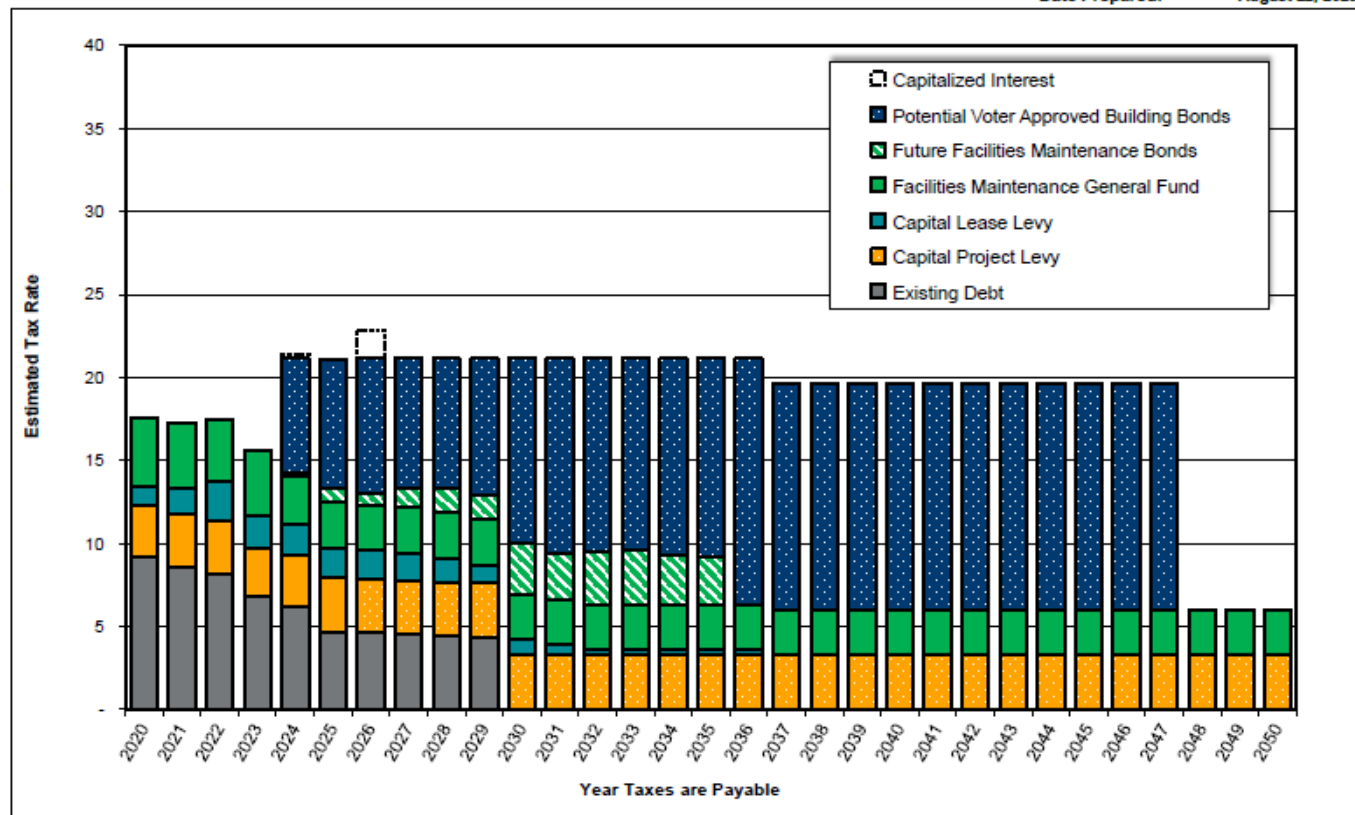


Results of Bond Sale

Rosemount-Apple Valley-Eagan, ISD 196
Estimated Tax Rates for Capital and Debt Service Levies

Voter Approved School Building Bonds (\$493.750m) May 2023 Election
Facilities Maintenance Bonds (\$55.005m)
24 Tax Levies; Wrapped Around Existing Debt

Date Prepared: August 22, 2023





ISD196 Foundation Request (Treasurer Role)

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Next Meeting



November 8, 2023 – Joint Meeting with LAC, Meeting Begins At 6pm

Future Meetings

- January 10, 2024
- March 13, 2024
- June 12, 2024



Adjournment

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