

**INDEPENDENT SCHOOL DISTRICT NO. 625
Saint Paul, Minnesota**

SPECIAL MEETING OF THE BOARD OF EDUCATION

**360 Colborne Street
Saint Paul, MN 55102**

**September 28, 2022
10:00 a.m.**

MINUTES

I. CALL TO ORDER

Director Ward called the meeting to order at 10:01 a.m.

II. ROLL CALL

Board of Education: Z. Ellis, H. Henderson, U. Ward, J. Vue
Superintendent Gothard

C. Allen arrived later.

J. Kopp and J. Foster were absent.

III. APPROVAL OF THE ORDER OF THE MAIN AGENDA

MOTION: Director Ward moved to approve the order of the main agenda. The motion was seconded by Director Henderson.

The motion was approved by roll call vote:

Director Ellis	Yes
Director Henderson	Yes
Director Ward	Yes
Director Vue	Yes
Director Allen	Absent

IV. PROPOSED PAY23 LEVY

Superintendent Gothard then introduced Mary Gilbert, Legislative Liaison, and Lisa Rider, Controller, to present this item. The purpose of the presentation included to provide levy background, adopt the maximum levy, and to provide the levy schedule.

The basics of the levy were provided, including details on school levy authority, timeline for the Pay23 levy funds, acts of districts across the state, the levy can only go down after October 1, and that levies contribute approximately 22% of the SPPS budget. Details were also provided on the determination of property tax, major factors impacting property taxes, factors impacting the St. Paul levy, factors impacting school levies, and major levy categories.

The levy recap was provided, which included the levy category, certified Pay22 levy, SPPS proposed Pay23 levy ceiling, and the difference, with the percentage change at -0.87%.

The estimated annual property tax impacts for homes, apartments and commercial/industrial, from 2022 to 2023, assuming a 16% increase in market value, were also shared.

Finally, the Pay23 levy calendar was reviewed, with the Board of Education to act on the certification of the Pay23 levy at the December 13 Regular Meeting, and certification to Ramsey County by December 30th.

QUESTIONS/DISCUSSION:

- Director Vue requested to have a breakdown on slide 9 to see where those differences occur within the categories to be sent to the Board.
- Superintendent Gothard noted at the requested action for the hearing, and that the Board typically begins the Committee of the Board Meeting in 5A at 4:30 p.m. At 6:00 p.m., there will be a break, and we will move to A and B for the hearing, which is recorded. Then the Board returns to 5A for the remainder of the Committee of the Board Meeting.
- Ms. Gilbert noted that information is included in the property tax statement that is translated in multiple languages, with information on the hearing as well as translation services for speakers.
- The Board is being asked to approve the maximum levy - is that what the majority of school districts also approve? Response: Ms. Rider noted that in 15 years at her previous district, every year, the Board would approve the maximum. Many also do that. The rationale for that is the information that is sent in mid-September and the challenge is if the MDE calculations are accurate, and to confirm. If there were modifications, and there are other figures that need to be approved in December, approving the ceiling gives flexibility in the ceiling. When certified, the Board has the opportunity to underlevy as well, but will also miss out on that aid. There is currently a slight decrease, which is unique, but a good position for SPPS.
- Are there any cases in which we have under levied? Response: We have not, because most areas are tied to aid. The key is enrollment projections, which drive the budget. MDE asks for 3 years of projections, and we want to keep them pretty close to the actual number. There is much thought put into information submitted, and that eliminates the need for those last minute changes. Another adjustment example is the VPK program and the funding and enrollment.
- Director Ward noted the ask is for the Board to approve the ceiling, and it was mentioned that MDE does a calculation every night. If passed today, are we saying the maximum today, or what MDE calculates moving forward? Response: It has changed every night, but the certification and final number will occur in December. They wait for the elections that may impact those figures.

MOTION: Director Ward moved to approve the maximum levy authorized by MDE. The motion was seconded by Director Henderson.

The motion was approved by roll call vote:

Director Ellis	Yes
Director Henderson	Yes
Director Ward	Yes
Director Vue	Yes
Director Allen	Yes

MOTION: Director Ward moved to set the date for the Taxation and Budget Hearing for December 6, 2022 at 6pm in Conference Rooms A and B at 360 Colborne (Committee of the Board Meeting that evening). The motion was seconded by Director Ellis.

The motion was approved by roll call vote:

Director Ellis	Yes
Director Henderson	Yes
Director Ward	Yes
Director Vue	Yes
Director Allen	Yes

V. RESOLUTION DECLARING THE DISTRICT'S INTENT TO ISSUE CERTIFICATES OF PARTICIPATION AND TO USE THE PROCEEDS THEREFROM TO REIMBURSE ITSELF FOR CERTAIN EXPENDITURES, IN COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

Superintendent Gothard noted there is also a proposed action by the Board to set the sale for bonds for projects that are planned, and they were last seen in July, and this is the formal action. We have formal approval from MDE, and this is the proper authority for the process.

QUESTION/DISCUSSION:

- Director Vue requested information on the timeline between July and now. Response: In going through the process with MDE, we always have an intent for issuance and sell bonds. However in looking at the LTFM approval, they wanted board approval in the form of a resolution, even though many not be sold until 2023. Further clarification on the 2022E bonds was provided, to fund projects in the LTFM plan. These have always been in the plan, but a matter of the formal resolution process. MDE did approve the plan, knowing that these resolutions would be coming before the Board.
- Is this a process we should expect going forward? Response: We always need to bring the LTFM projects to the Board prior to July 31st. At that point, we would look to have these resolutions as part of that. Clarification on LTFM projects was also provided. The plan is fluid, as it looks 10 years out and staff are monitoring the plan.
- Director Ellis noted that now that this is part of the process is helpful. The LTFM approval in July did state about the intent to sell bonds, but was missing the formal resolution to sell bonds, which MDE was looking to include.

BF 32972 Resolution Declaring The District's Intent To Issue Certificates Of Participation And To Use The Proceeds Therefrom To Reimburse Itself For Certain Expenditures, In Compliance With Reimbursement Bond Regulations Under The Internal Revenue Code

MOTION: Director Ward moved to approve the Resolution Declaring The District's Intent To Issue Certificates Of Participation And To Use The Proceeds Therefrom To Reimburse Itself For Certain Expenditures, In Compliance With Reimbursement Bond Regulations Under The Internal Revenue Code. The motion was seconded by Director Ellis.

The motion was approved by roll call vote:

Director Ellis	Yes
Director Henderson	Yes
Director Ward	Yes

Director Vue	Yes
Director Allen	Yes

VI. RESOLUTION AUTHORIZING AND SETTING THE PARAMETERS FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION FACILITIES MAINTENANCE BONDS, SERIES 2022E; AUTHORIZING AND DIRECTING ANY ONE OR MORE OF THE SUPERINTENDENT, CHIEF ADMINISTRATION AND OPERATIONS OFFICER, OR CONTROLLER TO AWARD THE SALE THEREOF AND TO TAKE SUCH ACTIONS AND EXECUTE ALL DOCUMENTS NECESSARY TO ACCOMPLISH SAID AWARD AND SALE; AND COVENANTING AND OBLIGATING THE DISTRICT TO BE BOUND BY AND USE THE PROVISIONS OF MINNESOTA STATUTES, SECTION 126C.55 TO GUARANTEE THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BONDS

BF 32973 Resolution Authorizing And Setting The Parameters For The Issuance And Sale Of General Obligation Facilities Maintenance Bonds, Series 2022E; Authorizing And Directing Any One Or More Of The Superintendent, Chief Administration And Operations Officer, Or Controller To Award The Sale Thereof And To Take Such Actions And Execute All Documents Necessary To Accomplish Said Award And Sale; And Covenanting And Obligating The District To Be Bound By And Use The Provisions Of Minnesota Statutes, Section 126C.55 To Guarantee The Payment Of The Principal And Interest On The Bonds

MOTION: Director Ward moved to approve the Resolution Authorizing And Setting The Parameters For The Issuance And Sale Of General Obligation Facilities Maintenance Bonds, Series 2022E; Authorizing And Directing Any One Or More Of The Superintendent, Chief Administration And Operations Officer, Or Controller To Award The Sale Thereof And To Take Such Actions And Execute All Documents Necessary To Accomplish Said Award And Sale; And Covenanting And Obligating The District To Be Bound By And Use The Provisions Of Minnesota Statutes, Section 126C.55 To Guarantee The Payment Of The Principal And Interest On The Bonds. The motion was seconded by Director Henderson.

QUESTION/DISCUSSION:

- Director Allen requested if this is a new requirement for all districts. Response: We're told it is and a lot depends on the funding of the LTFM plan. Many districts use PAYGO, which does not use debt. Where situations are issuing debt, it will be required. The process is being shifted to what they want to see, including the separate resolution.

The motion was approved by roll call vote:

Director Ellis	Yes
Director Henderson	Yes
Director Ward	Yes
Director Vue	Yes
Director Allen	Yes

VII. RESOLUTION DECLARING THE DISTRICT'S INTENT TO ISSUE GENERAL OBLIGATION BONDS AND TO USE THE PROCEEDS THEREFROM TO REIMBURSE ITSELF FOR CERTAIN EXPENDITURES, IN COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

BF 32974 Resolution Declaring The District's Intent To Issue General Obligation Bonds And To Use The Proceeds Therefrom To Reimburse Itself For Certain Expenditures, In Compliance With Reimbursement Bond Regulations Under The Internal Revenue Code

MOTION: Director Ward moved to Resolution Declaring The District's Intent To Issue General Obligation Bonds And To Use The Proceeds Therefrom To Reimburse Itself For Certain Expenditures, In Compliance With Reimbursement Bond Regulations Under The Internal Revenue Code. The motion was seconded by Director Ellis.

The motion was approved by roll call vote:

Director Ellis	Yes
Director Henderson	Yes
Director Ward	Yes
Director Vue	Yes
Director Allen	Yes

VIII. ADJOURNMENT

MOTION: Director Ward moved to adjourn the meeting. It was seconded by Director Ellis.

The motion was approved by roll call vote:

Director Ellis	Yes
Director Henderson	Yes
Director Ward	Yes
Director Vue	Yes
Director Allen	Yes

The meeting adjourned at 10:34 a.m.

For clarity and to facilitate research, these minutes reflect the order of the original Agenda and not necessarily the time during the meeting the items were discussed.

Prepared and submitted by:&

Sarah Dahlke

Secretary to the Board, St. Paul Public Schools Board of Education