INDEPENDENT SCHOOL DISTRICT NO. 625
Saint Paul, Minnesota
MINUTES OF THE SPECIAL MEETING OF THE BOARD OF EDUCATION
FOR A PUBLIC HEARING ON THE PAY 20 LEVY

December 3, 2019

I. CALL TO ORDER

The meeting was called to order at 6:03 p.m.

II. ROLL CALL

PRESENT: Mr. Marchese , Ms. Foster, Mr. Brodrick, Mr. Schumacher, Superintendent Gothard, Mr. Long, General Counsel and Ms. Dahlke, Assistant Clerk

Ms. Ellis, Ms. Vanderwert, and Ms. Xiong were absent.

III. APPROVAL OF THE ORDER OF THE MAIN AGENDA

MOTION: Mr. Marchese moved the Board approve the Order of the Main Agenda as published. The motion was seconded by Ms. Foster.

The motion passed with the following roll call vote:

Mr. Marchese	Yes
Ms. Ellis	Absent
Ms. Foster	Yes
Mr. Brodrick	Yes
Ms. Xiong	Absent
Ms. Vanderwert	Absent
Mr. Schumacher	Yes

IV. OLD BUSINESS

A. Administration Presentation and Public Hearing on the Proposed Pay20 Levy

State statute requires that all local governments (cities, counties, and school districts) to hold a public hearing prior to finalizing their levy authority and allow for public comment. The hearing must follow the release of the proposed tax notices from the county. The notice provides information on estimated taxes as well as market value and other homestead adjustments.

The Chief Financial Officer stated school levy authority is established in law. School budgets are a combination of State, Federal and local funding, including the voter approved referendum. The Pay20 school levy funds the 2020-21 school year, and districts receive payments after the May and October collections from the County. Levies are approximately 20% of the SPPS budget. The Levy can only move down after October 1.

School boards levy to provide revenue that funds the cost of staff, OPEB & pension obligations, debt service, facilities projects including: health and safety, maintenance and new construction, community education programs, and other expenses. Schools can only levy what is authorized by law.

The CFO went on to describe the factors impacting the Saint Paul levy, such as:

- Changes in tax base (increases often result in less state aid for equalized formulas)
- Changes in pupil counts
- Legislative changes to education formulas
- Referendum inflationary increase
- Pension contribution changes required by law
- Other Post Employment Benefits (OPEB) obligations

- Employment changes that drive severance and unemployment levies
- Capital bonding, refunding of bonds, abatements, long term maintenance, health and safety projects, lease costs

Proposed Levy
SPPS levy categories are:
- Operating - general levies that support school functions, including referendum, integration, operating capital, career/technical, transition, safe schools and abatement adjustments.
- Pension/OPEB/Contractual Obligations
- Facilities - includes health and safety, deferred maintenance, new construction and abatements.
- Community Service - community education programs, learning readiness, after school, ECFE.

Proposed Pay20 Annual School Levy

Levy Category	Certified Pay19 Levy	Proposed Pay20 Annual School Levy	Difference
Operating	$ 71,112,468.34	$ 71,690,324.75	$ 577,856.41
Pension/OPEB/Contractual	39,544,457.62	37,860,071.32	(1,684,386.30)
Facilities	64,258,911.32	74,243,597.20	9,984,685.88
Community Service	3,779,160.32	3,835,753.77	56,593.45
Total – All Levy Categories	$ 178,694,997.60	$ 187,629,747.04	$ 8,934,749.44
Percent Change			5.0%

The CFO reviewed the estimated annual property tax impact from 2019 to 2020 assuming 0% increase in market value and assuming a 7.3% (home) for both the estimated change at 5.0% estimated change with the median home market value in Ramsey County at $199,800; and the estimated annual property tax impact for commercial/industrial properties from 2019 to 2020 assuming a 6.0% increase in market value at estimated change at the 5.0% estimated change with the median commercial/industrial market value in Ramsey County at $525,000.

The Pay20 levy calendar was then reviewed. The Board of Education will certify the Pay20 levy at the December 17, 2019 Board of Education Meeting. SPPS will certify the Pay20 levy to Ramsey County on December 30, 2019.

Questions/Discussion: None

V. PUBLIC HEARING
- Peter Hendricks

VI. ADJOURNMENT
Mr. Schumacher moved the meeting adjourn, seconded by Ms. Foster and Mr. Brodrick. The motion passed by acclaim.

The meeting adjourned at 6:17 p.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
Assistant Clerk,
St. Paul Public Schools Board of Education