

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 19 LEVY

December 4, 2018

I. CALL TO ORDER

The meeting was called to order at 6:00 p.m.

II. ROLL CALL

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

Ms. Foster was absent (pre-planned out-of-town event)

III. APPROVAL OF THE ORDER OF THE MAIN AGENDA

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

The motion passed with the following roll call vote:

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

IV. OLD BUSINESS

- A. Administration Presentation and Public Hearing on the Proposed Pay 19 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 Pay19 school levy funds the 2019-2020 school year. 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:

- Overall estimated market values are up 7.1% from prior year
- Double digit increases for a number of commercial, industrial and apartment properties
- Residential more moderate — areas of higher increases: Thomas/Dale, North End, Greater East Side, West 7th
- School portion of fiscal disparities aid increasing \$449,739 or 1.4%
- Changes to St. Paul Right of Way (ROW)/Street maintenance program

Other factors are:

- Changes in pupil counts
- Legislative changes to education formulas
- Referendum inflationary increase
- Voter-approved referendum on 11/6/2018
- Pension contribution changes required by law
- OPEB obligations
- Employment changes that drive severance and unemployment levies
- Capital bonding, refunding of bonds, abatements, long-term maintenance, health & safety projects, lease levy changes

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 Pay 19 Annual School Levy

(excluding voter-approved Referendum increase on 11/6)

Levy Category	Certified Pay18 Levy	Proposed Pay19 Annual School Levy (excluding the voter-approved Referendum increase)	Difference
Operating	\$ 50,250,404	\$ 53,967,603	\$ 3,717,199
Pension/OPEB/Contractual	38,930,211	39,544,458	614,247
Facilities	62,657,568	64,258,911	1,601,343
Community Service	3,626,763	3,779,160	152,397
Total – All Levy Categories	\$ 155,464,946	\$ 161,550,132	\$ 6,085,186
Percent Change			3.91%

Proposed Pay 19 Levy for Final Certification

(excluding voter-approved Referendum increase on 11/6)

Levy Category	Certified Pay18 Levy	Proposed Pay19 Annual School Levy (excluding the voter-approved Referendum increase)	Difference
Operating	\$ 50,250,404	\$ 71,112,468*	\$ 20,862,064*
Pension/OPEB/Contractual	38,930,211	39,544,458	614,247
Facilities	62,657,568	64,258,911	1,601,343
Community Service	3,626,763	3,779,160	152,397
Total – All Levy Categories	\$ 155,464,946	\$ 178,694,997	\$ 23,230,051
Percent Change			14.94%

* The SPPS Proposed Pay19 Levy amount for final certification includes the Operating Referendum Levy increase that was approved by voters on November 6, 2018.

The CFO reviewed the estimated annual property tax impact from 2018 to 2019 assuming 0% increase in market value and assuming a 7.1% (home) for both the estimated change at 3.91% levy increase without School Referendum as well as the estimated change at 14.94% levy increase with School Referendum with the median home market value in Ramsey County at \$186,200; and the estimated annual property tax impact for commercial/industrial properties from 2018 to 2019 assuming a 6.1% increase in market value at estimated change at 3.91% levy increase without School Referendum, as well as the estimated change at 14.94% levy increase with School Referendum with the median commercial/industrial market value in Ramsey County at \$495,450.

The Pay 19 levy calendar was then reviewed. The Board of Education will certify the Pay19 levy at the December 18, 2018 Board of Education Meeting. SPPS will certify the Pay19 levy to Ramsey County on December 28, 2018.

Questions/Discussion: None

V. PUBLIC HEARING

- Mark Lehner
- Jo Jacobson

VI. ADJOURNMENT

Ms. Ellis moved the meeting adjourn, seconded by Mr. Schumacher. The motion passed by acclaim.

The meeting adjourned at 6:16 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