

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 18 LEVY

December 5, 2017

I. CALL TO ORDER

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

II. ROLL CALL

PRESENT: Mr. Brodrick, Mr. Vue, Ms. Vanderwert, Mr. Schumacher, Mr. Marchese, Ms. Ellis, Ms. Foster, Superintendent Gothard, Ms. Cameron, General Counsel and Ms. Dahlke, Assistant Clerk

IV. OLD BUSINESS

A. Administration Presentation on the Pay 18 Levy

State statute requires that all local governments 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 Pay18 school levy funds the 2018-19 school year. Levies are approximately 20% of the SPPS budget. Districts receive payments after the May and October tax collections from the County. 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.

All figures in the report provided are Pay18 MDE final levy data as of 11/21/2017. SPPS certified the maximum levy ceiling at the September 19 Board of Education meeting.

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

- Overall estimated market values are up 9.8% from prior year and may reach 2008 levels.
- 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

- 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 costs

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 18 Levy Ceiling

Levy Category	Certified Pay17 Levy	Estimated Maximum Pay18 Levy Ceiling as of 10/2/17	Difference
Operating	\$47,134,881	\$50,250,404	\$3,115,523
Pension/OPEB/Contractual	37,545,435	38,930,211	1,384,775
Facilities	59,983,176	62,657,568	2,674,392
Community Service	3,406,163	3,626,763	220,600
Total All Levy Categories	\$148,069,656	\$155,464,946	\$7,395,290
Percent Change			4.99%

It is good news for taxpayers, while the District will still be covered in terms of plans and projects.

The CFO reviewed the estimated annual property tax impact (from 2017 to 2018 assuming 0% increase in market value and assuming a 7.7% (home) and 17.5% (commercial/industrial) increase in market value), for residential and commercial/industrial.

The Pay18 levy calendar was then reviewed. The Board of Education will certify the Pay18 levy at the December 19, 2017 Board of Education Meeting. SPPS will certify the Pay18 levy to Ramsey County on December 31, 2017.

Questions/Discussion: None

V. PUBLIC HEARING

- No one requested to speak.

VI. ADJOURNMENT

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

The meeting adjourned at 6:10 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