

**INDEPENDENT SCHOOL DISTRICT NO. 625**  
**Saint Paul, Minnesota**  
**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF EDUCATION**  
**FOR A PUBLIC HEARING ON SAINT PAUL PUBLIC SCHOOLS PAY 2015 PROPERTY TAX**  
**LEVY**  
**December 2, 2014**

**I. CALL TO ORDER**

The meeting was called to order at 6:05 p.m.

**II. ROLL CALL**

**PRESENT:** Directors Hardy, O'Connell, Brodrick, Vue, Carroll, Doran, Seeba, Superintendent Silva, Ms. Cameron, General Counsel and Ms. Polsfuss, Assistant Clerk

**III. APPROVAL OF THE ORDER OF THE AGENDA**

**MOTION:** Ms. O'Connell moved approval of the order of the agenda. Mr. Hardy seconded the motion.

The motion passed with the following roll call vote:

Mr. Hardy	Yes
Ms. O'Connell	Yes
Mr. Brodrick	Yes
Mr. Vue	Yes
Ms. Carroll	Yes
Ms. Doran	Yes
Ms. Seeba	Yes

**IV. OLD BUSINESS**

A. Administration Presentation on the Pay 15 Levy

State statute requires 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 (mailed on 11/14/14). The notice provides information on estimated taxes as well as market value and other homestead adjustments.

School levy authority is established in law. School budgets are a combination of state, federal and local funding, including the voter approved referendum. The Pay 15 levy funds the 2015-16 school year.

The Pay 15 Levy proposal is as follows:

	Certified Pay 14	Pay 15 Levy Ceiling	Difference
General Fund Levy	\$91,272,110	\$96,574,604	\$5,302,494
Community Service Levy	3,457,227	3,435,950	(21,277)
Debt Service Levy	40,327,197	36,396,560	(3,930,637)
Total All Levies	\$135,056,534	\$136,407,114	\$1,350,580
Percent Change			1.0%

Staff went on to answer several questions on the levy.

- 1) Why do school boards levy? To provide revenues that help fund cost of staff (salary and benefits), school supplies, utilities, OPEB, health and safety projects and other expenses. Schools can only levy what is authorized by law.
- 2) What factors impact school levies? Changes in state formulas for funding schools, equalization factors, state changes to pension contributions, selling bonds and enrollment.
- 3) Why is the school board proposing a 1% increase in the levy? Costs continue to rise for the district. Continuation of the second year of the phase in of Alternative Facilities "Pay As You Go" levy, OPEB costs are increasing and statutory increases for pension contributions.

Staff then went on to review the tax impact of the 1% levy increase proposal on various estimated market value properties.

Administration reiterated the Pay 15 levy of \$136,407,114 supports:

- The continuation of SSSC 2.0 Strategic Plan of Achievement, Alignment and Sustainability
- Continuation of referendum commitments
- Reduction of long-term debt
- Maintenance of high bond ratings and
- Compliance with federal and state obligations.

#### QUESTIONS/DISCUSSION:

- A Board member noted OPEB funds are put in trust to honor District responsibilities to its retirees.
- Explain fiscal disparities. Response: Fiscal disparities is a calculation made to certain cities. It is a metro area developed tax share pool intended to equalize the impact of development across the metro district. The developmentally rich metro entities contribute to the fund and developmentally poorer metro entities receive funds. Ramsey County generally receives a fiscal disparities distribution.
- Describe where a person looking at a significant increase in their taxes can look to for help. Response: The information is on the back of the Truth-In-Taxation Statement where various programs offering assistance are noted. One is based on percentage increase (a 12% increase automatically gets an offset) and a second is based on fixed income. People are urged to see if they are eligible as many do not do so and miss the opportunity for mitigation. There is also a program for renters if rent goes up due to tax increases on rental property.

#### V. PUBLIC HEARING

There were no community members present at the meeting for comment.

#### VI. ADJOURNMENT

**MOTION: Mr. Brodrick moved the meeting adjourn, seconded by Ms. Seeba.**

The motion passed with the following roll call vote:

Mr. Hardy	Yes
Ms. O'Connell	Yes
Mr. Brodrick	Yes
Mr. Vue	Yes
Ms. Carroll	Yes
Ms. Doran	Yes
Ms. Seeba	Yes

The meeting adjourned at 6:19 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  
Marilyn Polsfuss  
Assistant Clerk, St. Paul Public Schools Board of Education