

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

**COMMITTEE OF THE BOARD MEETING
360 Colborne Street
Saint Paul, MN 55102**

**May 10, 2022
4:30 p.m.**

MINUTES

I. CALL TO ORDER

The meeting was called to order at 4:32 p.m. by Vice Chair Kopp.

II. ROLL CALL

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

J. Foster arrived at 4:34 p.m.

III. APPROVAL OF THE ORDER OF THE MAIN AGENDA

MOTION: Director Kopp moved approval of the Order of the Agenda. The motion was seconded by Director Ward. It passed by acclaim.

IV. SUPERINTENDENT'S ANNOUNCEMENTS

Superintendent Gothard began by welcoming everyone to the meeting, including Principal Vibar and students and staff from Ramsey Middle School.

He then shared his goals to visit as many buildings as possible before the end of the school year, and finds it most gratifying to meet students and staff who are working hard to finish the year with the best efforts. He appreciates all that he has seen, and thanked the teachers, staff, and students - and that he cares about each of them. He also noted the challenges that he has heard in visiting buildings, including safety, budget, supports, and others.

He went on to note that he was honored to speak at a press conference advocating for the use of the Minnesota state budget surplus to be used to provide relief to the underfunding of special education services in the state. He then provided an overview of this underfunding and details.

He also thanked board members for the time spent at the board retreat on Saturday, May 7th, and it was a time to prioritize the work ahead of us, and he left feeling encouraged from the engagement during the retreat.

V. RAMSEY MIDDLE SCHOOL: CHANGING A SCHOOL NAME

Superintendent Gothard then introduced Principal Vibar, staff, and students from Ramsey Middle School to present. He gave a brief overview of the conversations about the history and origin of the school name and the desire to change it, and the formal process. Per Board policy, there must be three readings of the name change for a building, and this is to be considered the first reading, and it will also be presented at the Regular Meeting in May, as well as in June.

Students from Ramsey then presented on the process of changing their school's name to a more inspiring and representative name. The presentation included a brief history on Alexander Ramsey, an overview of the process, and name change voting including the top 10 names, and the top 5 names.

The name with the most votes is Hidden River Middle School.

The full presentation can be found in the BoardBook.

QUESTIONS/DISCUSSION:

- Director Foster requested information on the rationale for Hidden River. Response: There is a river or aquifer under the school, and it's hidden.
- Director Allen thanked the team for their work, and is glad to see students have come forward with this work. We need our schools to represent heroes and people we aspire to be as we grow older. With the change of this name, students can be proud and move towards the real character of students in the building.
- Director Foster also noted that this process has elevated student choice and voice. She thanked Principal Vibar and staff for supporting this work, and the dedication and commitment to this process. She also noted the communication about this item, and it is well-aligned to be inclusive. She also thanked the students and the team for their work.
- Principal Vibar thanked the Board, and also recapped the International Baccalaureate Middle Years Programme that helped to guide this process, which included the lead of students, and their approach to learning.

VI. SPPS BUILDS - 5 YEAR PLAN: INCORPORATING ENVISION SPPS

Superintendent Gothard then welcomed Tom Parent, Director of Facilities, and staff to present on how Envision SPPS will impact SPPS Builds, our reframed FMP plan, to readjust in 5-year increments to reflect the pressing changes and needs of the district. The presentation including information on the background, including influences and long-range considerations, the 2023-2027 five-year capital improvement plan, and finance/funding information, as well as future board action at the Regular Meeting on May 24.

The full presentation can be found in the BoardBook.

QUESTIONS/DISCUSSION:

- Clarification was requested on the difference in funding sources between capital projects and school staff funding.
- More details were requested on the board adopted baseline to maintain buildings and the timing of that decision, which was in December 2015, but goes back to 2009 with initial data.
- Is there agreement amongst staff with the 2.8% as appropriate figure for moving forward? Response: Yes, that was a point where we felt the real need is, and where we can sustain financially. It is relatively common in industry planning. The FCI report was also noted to see

where the dollars are going, and investments, and can be applied to an overall magnitude of need, and correlate with the portfolio value.

- Details were also requested on the accelerated projects and with the budget shortfalls and projections, if there was a concern on moving forward on those in the short term.
- Concerns were also noted about inflation and if there will be issues with passing a balanced budget because we're pushing projects up. Response: Funding sources for financing capital projects are bond issues and certificates of participation. The balanced budget is mainly general fund dollars which are not restricted. Fund 6 is the construction fund, which most of the dollars are referenced in this presentation, and components of LTFM that are levy-related and categorical. It is more about the cash flow and timing of the projects. There are peaks and tax impacts to consider as we go into future years and try to mitigate the tax impacts, and different ways to structure the levy or bond issues, to mitigate the budget shortfall, and not impact more bonds or COPs that are issued.
- A question was also asked about the ability to do this work at the current pace with the volatility of the markets. Response: We do expect costs to level out. Inflation was also discussed. We also have flexibility built into the program. Referendums in other districts were also noticed, whereas we are continuing to assess the desires and needs of the community and are able to make adjustments.
- In thinking about the long-term goals and outcomes, and also interested in hearing about the short-term precautions. Response: It's important to understand, that with projects like AIMS that are multi-year and highly complex and choreographed, that contracts are locked. We will see different costs when other projects are out for bid. When we enter into a contract, the bid is locked. The industry may change, but our work continues. Contingency plans are also included. Also, for larger projects, there is not a fast turnaround, but we need to start lining up and planning the project. There are other gate checks for decisions as well, and we have the ability to adjust. Another risk is the interest rate on financing, and those are at the will of the market and need to be mindful.
- A refresher on gate checks was also requested.
- With projects, such as AIMS, where students are in the building and construction work is also being done, that is lengthening the timeline? Response: There is a coordinated movement and for students to continue to learn in a fully and separated safe way. During the early months of the pandemic, we did look to take advantage of students not in the building, and there were a few areas we were able to speed up, but was limited. It is the job of our contractors to ensure materials and sourcing are kept on schedule.
- If supplies are delayed, is that delaying projects and by how long? Response: Current projects under construction are not delayed. Contractors are placing orders in advance. For the projects that are in the design phase, there may be delays depending on the type of project.
- What happens if we are not spending that money each year? Response: First, we want to ensure we have the cash flow each fiscal year, and this is a projection, and we get updated cash flows as we go through the gate check process and bids. These numbers will change and more cash flow estimates with more project related numbers and then go forward and issue bonds. If the funds are not spent, they will carry over in fund balance. There is a limitation on fund balance for certificates. There are also bond funds on the PAYGO. It's about looking at what we have and planning ahead and at the cash flow on an annual basis, and projecting long range plans and accuracy for the bond issues in January.
- In looking at the slides on the debt projection and seeing a fairly steady increase to the annual debt service and total debt, there are consistent increases. Is this not concerning? Response: Our district will go from a \$60M annual to just shy of \$80M. There are ways to mitigate debt, and

we want the board to be aware. The long term debt was also noted. We will need to weigh strategies around investing in schools and mitigating debt, bond ratings, and maintaining fiscal sustainability. There is a balance in work on our buildings and investing.

- Is this amount of debt typical for a district our size? Response: The debt limit for a school district is 15% of the net tax capacity and SPPS has never been close to that. It also depends on the history and age of the buildings - Baker Tilly also works with other districts, but their buildings are newer. The debt of SPPS is well within the debt capacity within state statute.
- Multiple scenarios of the plan were discussed, including managing the peaks and valleys of the plan so there is not a huge demand one year, and then much less the next year and we want to mitigate hardships.
- More information was also provided on small interventions mentioned within the presentation, such as removing a science demonstration table, or playground work, removing poles in a room to be used as a classroom.
- Community engagement on changes in those spaces was also noted.
- Questions about work at Parkway, and anticipating conversation with all merged sites and the new community to talk about their identity and how it is reflected in the building and projects to rise from those conversation.

VII. FY2022-2023 BUDGET UPDATE

Superintendent Gothard then welcomed Marie Schrul, Chief Financial Officer, to present the FY2022-2023 Budget Update.

The presentation included a review of the budget process, influencing factors on the FY23 budget, how the district is financed, 2022-23 revenue in the General Fund, instructional priorities, 2022-23 expenditures, addressing the FY23 General Fund shortfall, resource allocations, budget timeline, district and budget information meetings.

The full presentation can be found in the BoardBook.

QUESTIONS/DISCUSSION:

- It was noted that there is information that is being gathered back from schools and programs, and the team has been working to support different areas, and it is a group effort.
- Information was requested on the rationale for one budget session to be livestreamed, but not all. Response: We want to acknowledge the different forms and options for engagement. PACs did express the desire to meet in person, and we also felt that in the bilingual sessions, it may be a better experience with families and more welcoming. It's also difficult to provide livestreaming when outside of 360 Colborne. Karen families asking for the budget session to take place at Washington Tech.
- Information was also requested if childcare would be provided for families.
- Board members applauded the efforts and encouraged Administration to continue to engage with the community.
- Are there budget conversations happening at school sites, and what are the details around those? Response: The conversations with building administration was understanding around the flexibility of the decisions, and to be pragmatic and authentic with engagement. With the proposed budget, there is not a lot of flexibility, and more about maintaining existing programming and priorities. They are not livestreamed, but are typically in the evening.

- Board members also noted the difference between district budget information and building budget information, and the information that families will want to know about their school buildings. Response: Yes, many PTOs and PTAs are being informed about the changes, as well as communication from the Division of Schools. There are also conversations from a staffing perspective. Engagement is structures to help parents understand the budget. From a building perspective and the budget toolkit, it does include information about FTEs. Historically, there was more discretionary funding conversations and site-based allocations. Currently, the budget aligns with the district priorities, as well as where there is some flex for programs.
- The information sessions are telling people rather than collecting information because the rationale is that there are not discretionary funds? Response: We did an extensive needs assessment around ARP funding, and have incredible data and are setting those efforts and initiatives from parents, students, and stakeholders.
 - Director Ward noted it is disappointing that when talking about budget outreach, because he imagined there would be feedback collected for the budget. It was noted that high school schedules are determined by student requests, and there are also contractual obligations from SPFE
- Do we have a sense of when a detailed budget will be available? Response: We have the first draft of the allocations to sites and programs, and those will then be brought back for a formal plan of staffing and school budgets at a site level. Some may flex some of their positions to buy additional positions or another type of position that is then added to their budget. We can provide the allocations that were sent out. In terms of line items, we are waiting for the staffing levels, including potential budget cuts, or licensed staff who may be impacted but will still have a place in the district.
- Further discussion on staffing and budget impacts was discussed.
- By state statute, the budget must be passed by the end of June. What happens if it is voted down? Response: We would then ask for direction from the Board for refined recommendations and call an additional meeting prior to June 30th and continue to work on the budget up to that point.

VIII. ADJOURNMENT

Director Kopp moved to adjourn the meeting. Director Ellis seconded the motion. It passed by acclaim.

The meeting adjourned at 7:05 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