

MINNETONKA SCHOOL BOARD STUDY SESSION

District Service Center
January 22, 2026
6:00 p.m.

AGENDA

- | | | |
|------|----|--|
| 6:00 | 1. | Well-being Update |
| 6:20 | 2. | Review of Policy #703: Fund Balance |
| 6:30 | 3. | MME and MMW Construction Projects Update |
| 6:50 | 4. | Self-Insurance Fund History and Update |
| 7:10 | 5. | OPEB Trust Fund History |
| 7:30 | 6. | Discussion on Long-Term Financial Stability and Possible Enrollment Adjustment |

CITIZEN INPUT

6:00 p.m. Citizen Input is an opportunity for the public to address the School Board on any topic in accordance with the guidelines printed below.

GUIDELINES FOR CITIZEN INPUT

Welcome to the Minnetonka School Board's Study Session! In the interest of open communications, the Minnetonka School District wishes to provide an opportunity for the public to address the School Board. That opportunity is provided at every Study Session during *Citizen Input*.

1. Anyone indicating a desire to speak to any item about educational services—except for information that personally identifies or violates the privacy rights of an individual—during *Citizen Input* will be acknowledged by the Board Chair. When called upon to speak, please state your name, connection to the district, and topic. All remarks shall be addressed to the Board as a whole, not to any specific member(s) or to any person who is not a member of the Board.
2. If there are a number of individuals present to speak on the same topic, please designate a spokesperson who can summarize the issue.
3. Please limit your comments to three minutes. Longer time may be granted at the discretion of the Board Chair. If you have written comments, the Board would like to have a copy, which will help them better understand, investigate and respond to your concern.
4. During *Citizen Input* the Board and administration listen to comments. Board members or the Superintendent may ask clarifying questions of you in order to gain a thorough understanding of your concern, suggestion or request. If there is any response or follow-up to your comment or suggestion, you will be contacted via email or phone by a member of the Board or administration in a timely manner.
5. Please be aware that disrespectful comments or comments of a personal nature, directed at an individual either by name or inference, will not be allowed. Personnel concerns should be directed first to a principal or executive director of the department, then to the Executive Director of Human Resources, then to the Superintendent and finally in writing to the Board.

**School Board
Minnetonka I.S.D. #276
5621 County Road 101
Minnetonka, Minnesota**

Study Session Agenda Item #1

Title: Well-being Update

Date: January 22, 2026

EXECUTIVE SUMMARY

The School Board's ongoing commitment to student well-being has led to sustained and strengthened efforts in this critical area. Through deliberate, coordinated action, the district has made meaningful progress, both in supporting our students and in building stronger partnerships throughout the community.

In the last three years, initiatives to strengthen student well-being have centered on three priorities: mental health support, social and emotional learning, and fostering supportive school environments. This focus stems from the understanding that when students thrive emotionally and socially, they are better positioned for both academic achievement and long-term fulfillment.

The Minnesota Student Survey is one tool that provides data and insights into students' well-being. Students are provided with an opportunity to complete this survey every three years in grades 5, 8, 9, and 11. The most recent administration was during the first part of 2025. These results are now available, are being analyzed, and District leaders have begun reviewing and discussing these results with key stakeholder groups. These results, benchmarking against the State, provide longitudinal data to help inform District progress and priorities.

Excellence in Well Being, Connection and Belonging

This report will provide an update on current efforts to support student well-being and mental health.

- Relate co-located mental health services
- Continued partnership and participation in the District Comprehensive Approach cohort, offered by the Jed Foundation/AASA
- Continued development and implementation of a comprehensive threat assessment infrastructure
- Ongoing implementation of an aligned and responsive attendance system
- Focus for the Mental Health Advisory Committee

- Planning and Facilitating the AASA Leadership for Well-being and Learning Summit in May

RECOMMENDATION/FUTURE DIRECTION:

This report is submitted for the School Board's information.

Annie Lumbar Bendson

Submitted by: _____
Annie Lumbar Bendson, Director of Health Services

David Law

Concurrence: _____
David Law, Superintendent

School Board
Minnetonka I.S.D. # 276
5621 County Road 101
Minnetonka, Minnesota

Study Session Agenda Item 2

Title: Policy Review

DATE: January 22, 2026

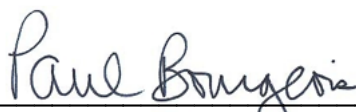
OVERVIEW:

As part of the District's ongoing policy review, Administration is recommending changes to the Policy 703 – Fund Balance.

RECOMMENDATION:

That the School Board approves the recommended policy changes at the Regular Board meeting on February 5, 2026.

Submitted by:



Paul Bourgeois, Executive Director of Finance & Operations

Concurrence:



David Law, Superintendent

MINNETONKA PUBLIC SCHOOLS

POLICY #703: FUND BALANCE

I. PURPOSE

The purpose of this policy is to ensure the financial stability of the District, to provide a sound basis to justify continuation of the strong financial rating, and to provide a reserve enabling the District to deal with unforeseen budget expenditures.

II. GENERAL STATEMENT OF POLICY

To ensure the financial strength and stability of the District, the Board will endeavor to maintain an unassigned fund balance of at least six percent (6%) of the District's General Operating Fund operating expenditure budget, ~~excluding operating capital programs and other expenses from assigned fund balances.~~ inclusive of Funds 01 General Operating Fund, 03 Transportation Fund, and 11 Activities Fund.

The following funds are excluded from the calculation because they are restricted funds or project-based funds and thus are managed to a \$0 or slightly positive ending balance on an annual basis:

Fund 02 Nutrition Services Fund
Fund 04 Community Services Fund
Fund 05 Operating Capital and Lease Levy
Fund 07 Debt Service Fund
Fund 09 Fiduciary Fund
Fund 12 Athletic Equipment Fund
Fund 20 Self Insurance Fund
Fund 25 Other Post Employment Benefits Trust Fund
Fund 40 Arts Center Fund
Fund 41 Dome Operations Fund
Fund 42 Aquatics Fund
Fund 43 Pagel Center Operations Fund
Fund 46 Long Term Facilities Maintenance Fund
Fund 47 Other Post Employment Benefits Debt Service Fund
Fund 56 Construction Fund
Fund 66 Capital Projects Fund

III. DEFINITIONS

A. Fund Balance Categories Required by Governmental Accounting Standards Board (GASB) ~~GASB~~-54:

1. **Non-Spendable Fund Balance**—amounts that cannot be spent due to form such as inventories and prepaid amounts.
 2. **Restricted Fund Balance**—amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
 3. **Committed Fund Balance**—amounts committed for specific purposes by formal action of the school board.
 4. **Assigned Fund Balance**—amounts that are assigned for a specific purpose by administration but are not restricted or committed.
 5. **Unassigned Fund Balance**—amounts available to meet current and future years' expenditures. These are resources that are not restricted and have not been committed or assigned.
- B. **Bonded Debt**—Financing which provides funds for facility improvements. Must be voter approved.
- C. **Bond Rating**—Independent Agency (i.e. Moody or Standard & Poor) provides financial rating of the District.
- D. **State Revenue**—State revenue as one component of the legislatively set formulas for funding public education. The other major component is property taxes.

IV. REQUIREMENTS

- A. Assigned Balances will be determined by the Superintendent, and/or the Executive Director of Finance and Operations, as authorized by the Board.
- B. When the unassigned fund balance in the General Operating Fund budget approaches six percent (6%) of budgeted expenditures, the District shall implement other budget control measures; which do not adversely affect delivery of instructional programs.
- C. When the General Operating Fund unassigned fund balance is projected to decrease below six percent (6%) of the General Fund budget ed expenditures, the District shall initiate one or more of the following measures to ensure that the year-end General Operating Fund unassigned balance for the budget year in question does not fall below six percent (6%).
 1. Reduce expenditures through implementation of cost containment measures.
 2. Seek opportunities to increase revenue. Consider fee increases where appropriate. Examine options to increase enrollment.
 3. If permitted by state law, request from voters additional revenue through an increase in the operating referendum or other financial options.

4. A combination of the above options.

D. The Fund Balance policy shall also apply individually to the administration of the Minnetonka Nutrition Services Fund and the Minnetonka Community Education Fund. Both of these funds shall maintain their own unassigned fund balance of six percent (6%) of budgeted expenditures separate from the General Operating Fund unassigned fund balance.

Adopted: August 1987

Revised: September 1997

Revised: August 1999

Revised: February 2003

Revised: September 2011

Revised: January 2013

Reviewed: January 22, 2026

MINNETONKA PUBLIC SCHOOLS

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 4. A combination of the above options.
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Revised: January 2013

Reviewed: January 22, 2026

INFORMATION

**School Board
Minnetonka I.S.D. 276
5621 County Road 101
Minnetonka, Minnesota**

Study Session Agenda Item #3

Title: MME and MMW Construction Projects Update

January 22, 2026

EXECUTIVE SUMMARY:

On November 4, 2025, the voters of the Minnetonka ISD 276 approved the issuance of \$85 million par value in General Obligation Building Bonds, with 69% of votes cast being in favor of the proposal.

Two of the projects propose to be constructed utilizing the bond proceeds includes the addition of science labs and a combined gymnasium and performance venue at each of the middle schools in the District.

Since November 4, significant work has been completed towards the overall design and permitting of both projects.

David Maroney, AIA of ATSR Architects will present an update on the progress of the design of the buildings, including meetings with staff at the schools to gather their input, and meetings with city officials necessary to move the projects through the approval and permitting process at the City of Chanhassen and the City of Minnetonka.

RECOMMENDATION/FUTURE DIRECTION:

The MME and MMW Construction Projects Update is being presented for the School Board's information.

Submitted by:



Paul Bourgeois, Executive Director of Finance & Operations

Concurrence:



David Law, Superintendent

**SCHOOL BOARD
Minnetonka I.S.D #276
5621 County Road 101
Minnetonka, Minnesota**

Study Session Agenda Item #4

Title: Self Insurance Fund History and Update

January 22, 2026

EXECUTIVE SUMMARY:

Minnetonka Independent School District 276 has been self-insured for employee health and dental insurance since July 1, 2002. Self-Insurance for health and dental benefits means the District has its own plan for health and dental benefits and then contracts with a third-party administrator for the adjudication of claims. Premiums are contributed by employees out of the bi-weekly paychecks and by matching amounts from their fringe benefits compensation.

The School Board are the Trustees of the Self-Insurance Fund. There is a Self-Insurance Advisory Committee made up of representatives of all the employee groups of the District. This body makes recommendations to the School Board on annual premium levels and plan benefit levels for the School Board to consider when they are setting the annual premium rates and any plan design changes.

The Self-Insurance Fund has been very beneficial to both the District and employees. Since its inception, annual premium increases have averaged 4.15% over the first 24 years of the Self-Insurance Fund.

In FY25, the Self-Insurance Fund finished the year with a cash balance of \$9,036,871 and a fund balance after liability accruals of \$6,545,111.

The Self-Insurance Advisory Committee is in the process of working with CBIZ Actuaries to determine a premium increase recommendation for FY27. The School Board will be asked to set rates in February 2026 so that the open enrollment period for employees can be completed before the District implements the changeover of its Skyward Financial-Payroll-Human Resources software from the original version installed in 1990 to the newest version based on 2020s technology.

RECOMMENDATION/FUTURE DIRECTION:

The Self-Insurance Fund History and Update is presented for the School Board's Information.

Submitted by:



Paul Bourgeois, Executive Director of Finance & Operations

Concurrence:



David Law, Superintendent



MINNETONKA
PUBLIC SCHOOLS

Self Insurance Fund History

June 30, 2025



Plan Adjustments For FY26

- School Board (Plan Trustees) took the following actions for FY26 – 5.25% premium increase for FY26

- **Base Plan – Aware Network**
 - Employee Coverage – \$989 (\$800 Deductible - \$2,050 MOOP) 261 enrolled
 - Employee+1 Coverage – \$1,682 (\$1,600 Deductible - \$2,750 MOOP) 35 enrolled
 - Family Coverage – \$2,363 (\$2,400 Deductible – \$4,100 MOOP) 75 enrolled

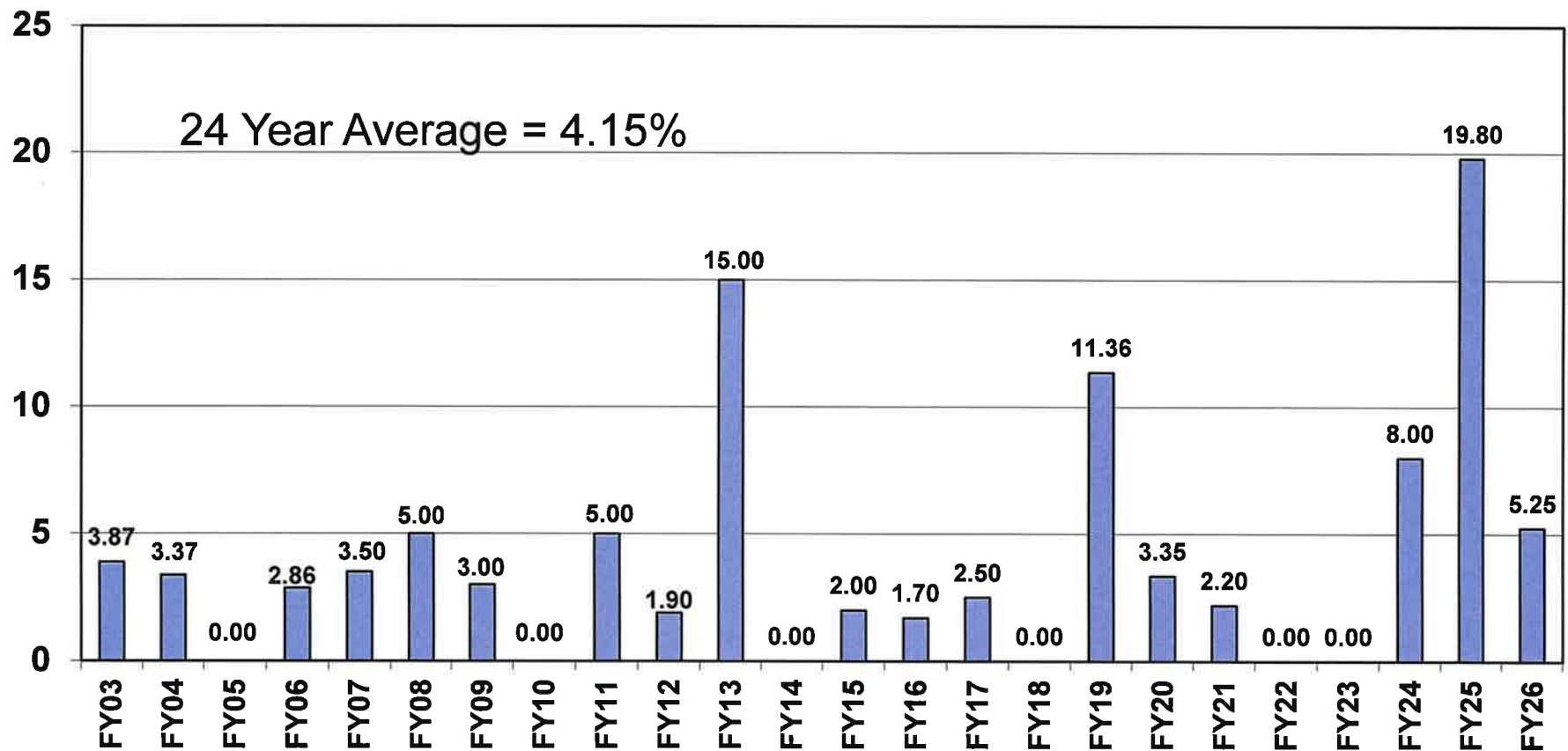
- **VEBA-HRA – Aware Network**
 - Employee Coverage – \$916 (\$2,050 Deductible with \$1,400 VEBA Deposit - \$3,800 MOOP) 639 enrolled
 - Employee+1 Coverage – \$1,559 (\$2,950 Deductible with \$2,000 VEBA Deposit - \$5,450 MOOP) 70 enrolled
 - Family Coverage – \$2,190 (\$3,800 Deductible with \$2,600 VEBA Deposit - \$7,050 MOOP) 121 enrolled

- **High Deductible HSA – Aware Network**
 - Employee Coverage – \$823 (\$3,500 Deductible – \$6,750 MOOP) 30 enrolled
 - Employee + 1 Coverage – \$1,400 (\$5,000 Deductible - \$10,000 MOOP) 1 enrolled
 - Family Coverage – \$1,969 (\$6,500 Deductible - \$13,000 MOOP) 4 enrolled

- **Select Plan - Restricted to High Value Network (No Park Nicollet)**
 - Employee Coverage - \$745 (\$3,500 Deductible - \$6.750 MOOP) 16 enrolled
 - Employee + 1 Coverage - \$1,262 (\$5,000 Deductible - \$10,000 MOOP) 0 enrolled
 - Family Coverage - \$1,778 (\$6,500 Deductible - \$13,000 MOOP) 4 enrolled

Minnetonka ISD 276 Self Insurance Fund Average Premium Increase History

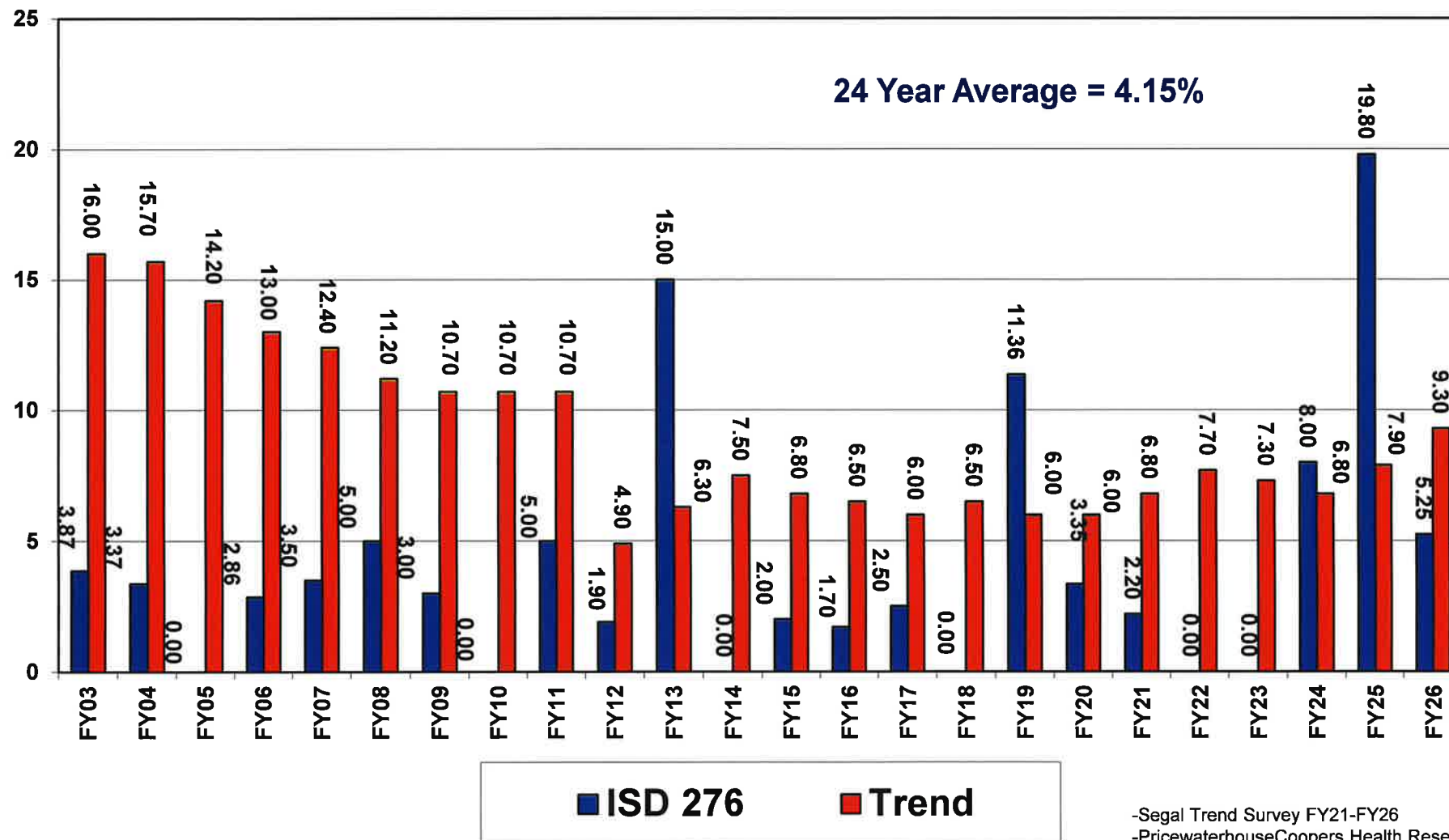
Percent



Minnetonka ISD 276 Self Insurance Fund

Average Premium Increase History Compared To Trend Data

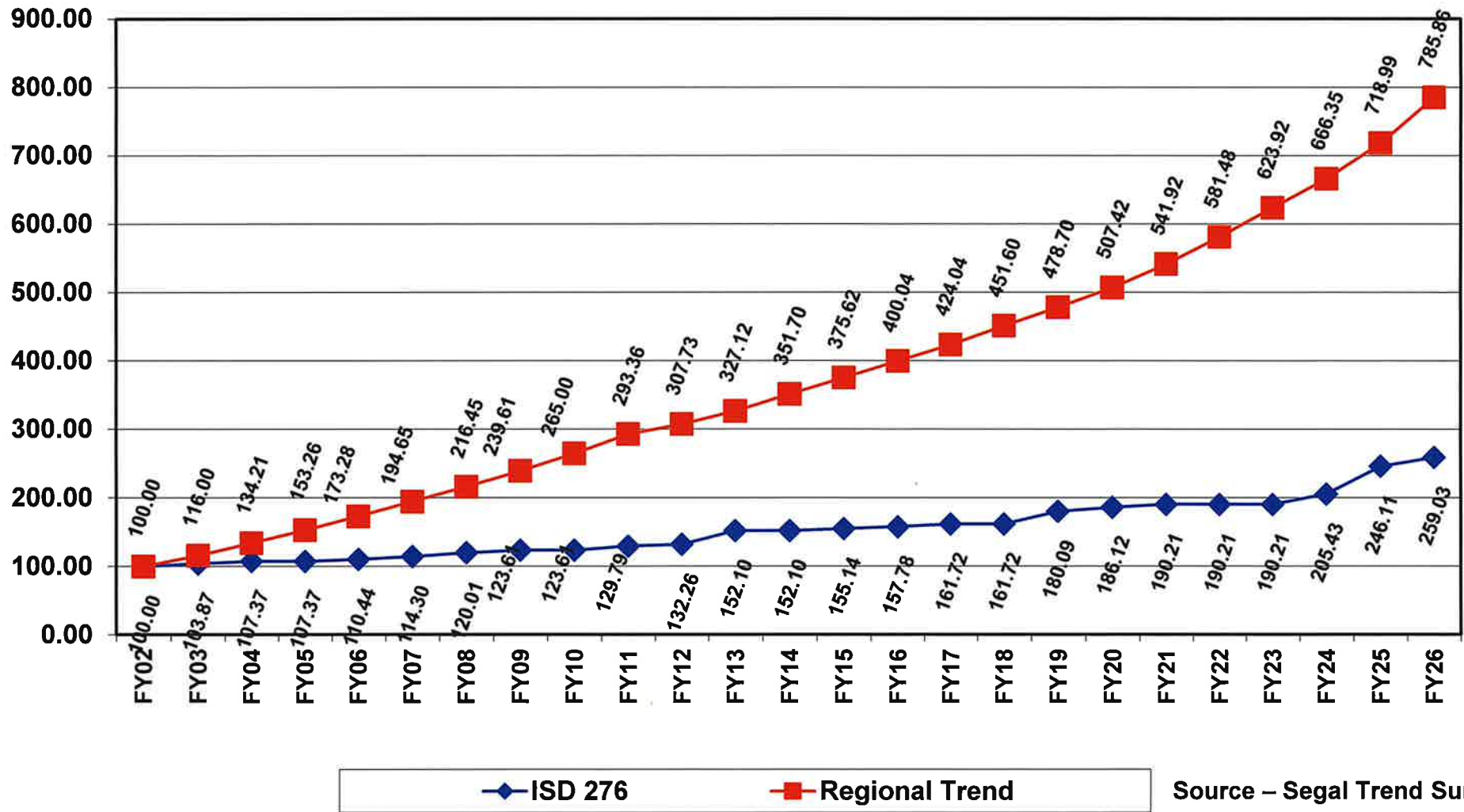
Percent



-Segal Trend Survey FY21-FY26
 -PricewaterhouseCoopers Health Research
 Institute FY14-FY20
 -AON Trend Survey Prior To FY14

Minnetonka ISD 276 Self Insurance Fund Cumulative Rates To Trend Comparison

2001-02 = 100



Source – Segal Trend Survey

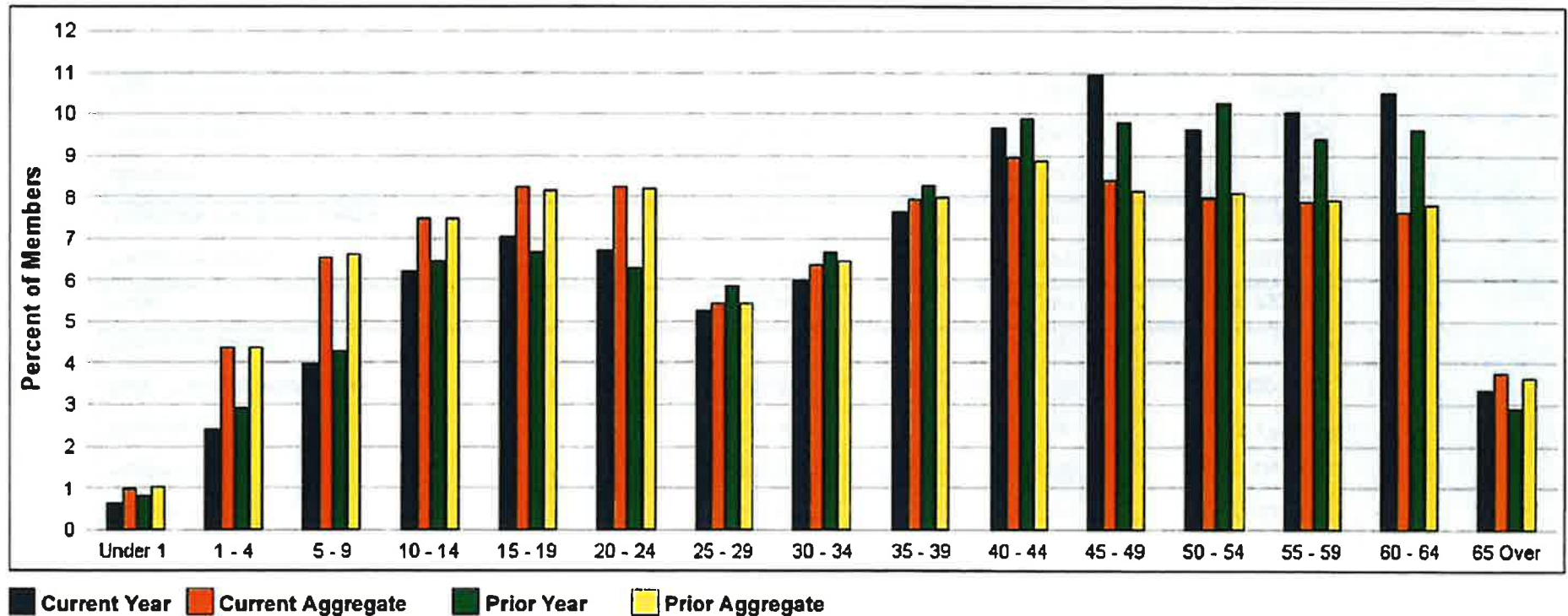
Age Dispersion Of Members – 2,354 Members In FY25

Minnetonka Independent School [3699]

All Packages-PYTD Monthly

Paid Dates of 07/01/2024 through 12/31/2024

Age Distribution



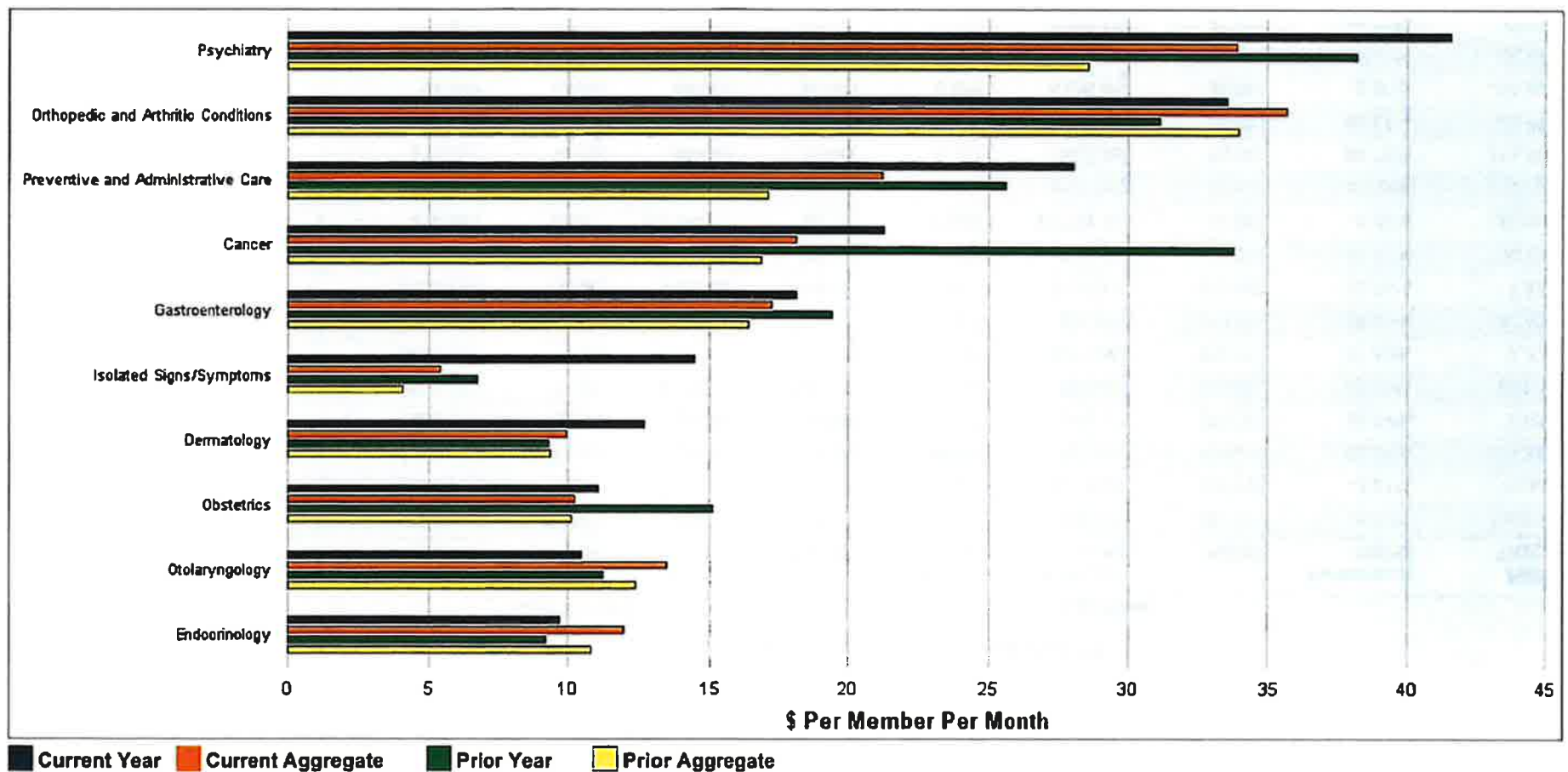
Minnetonka IDS 276 Professional Per Member Per Month

Minnetonka Independent School [3699]

All Packages-PYTD Monthly

Paid Dates of 07/01/2024 through 12/31/2024

Professional PMPM by Major Practice Category



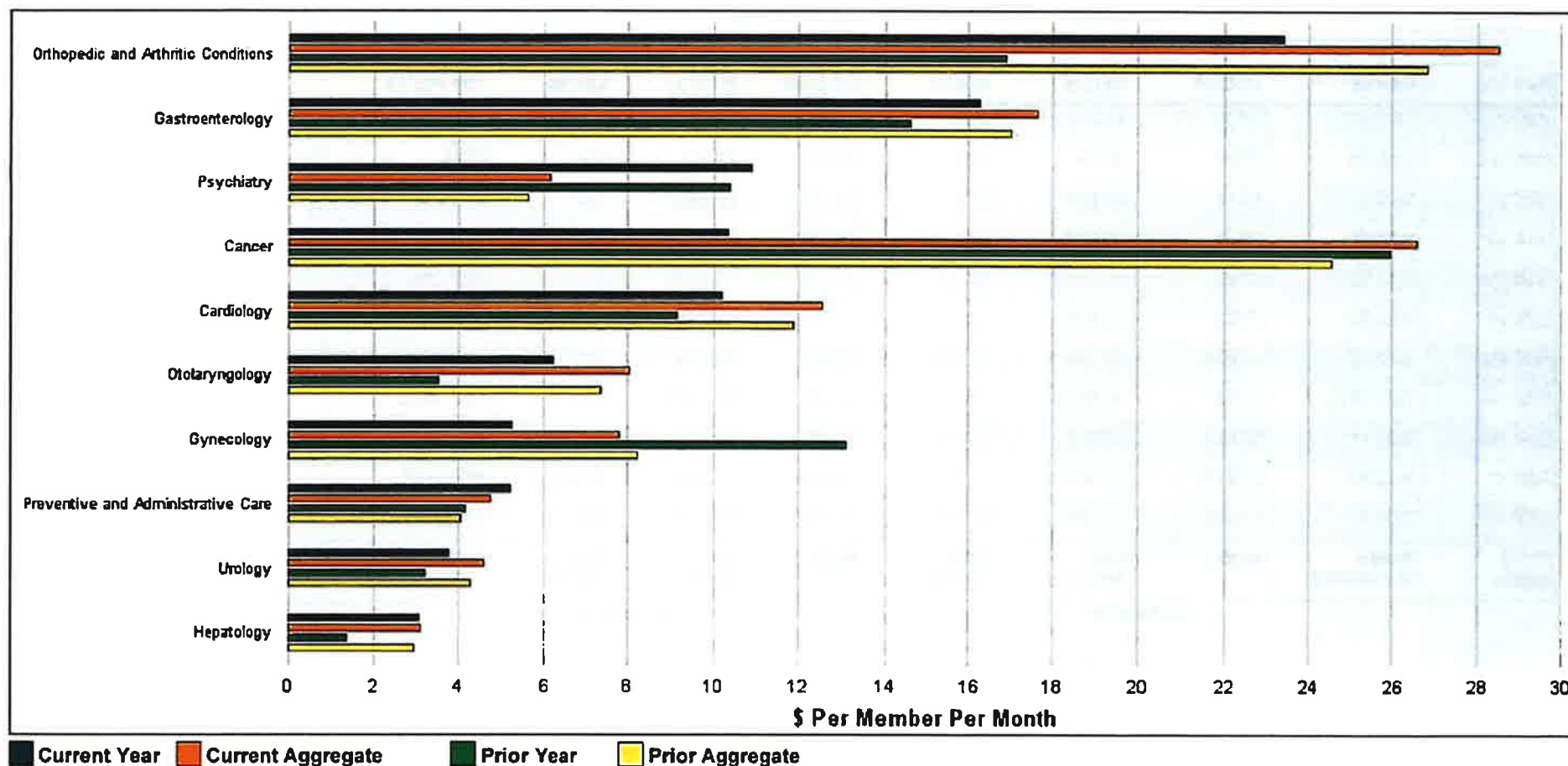
Minnetonka IDS 276 Outpatient Per Member Per Month

Minnetonka Independent School [3699]

All Packages-PYTD Monthly

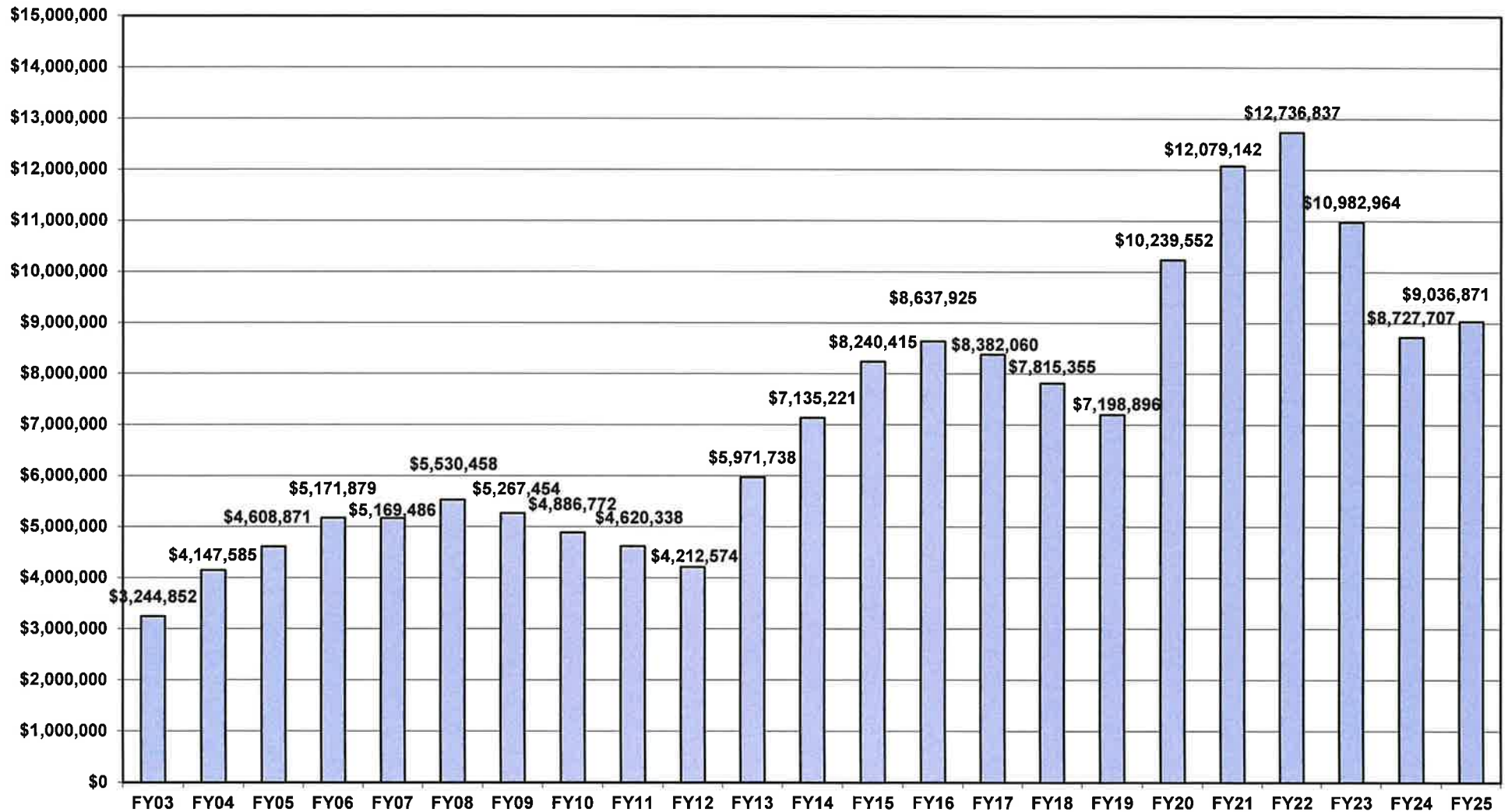
Paid Dates of 07/01/2024 through 12/31/2024

Outpatient PMPM by Major Practice Category



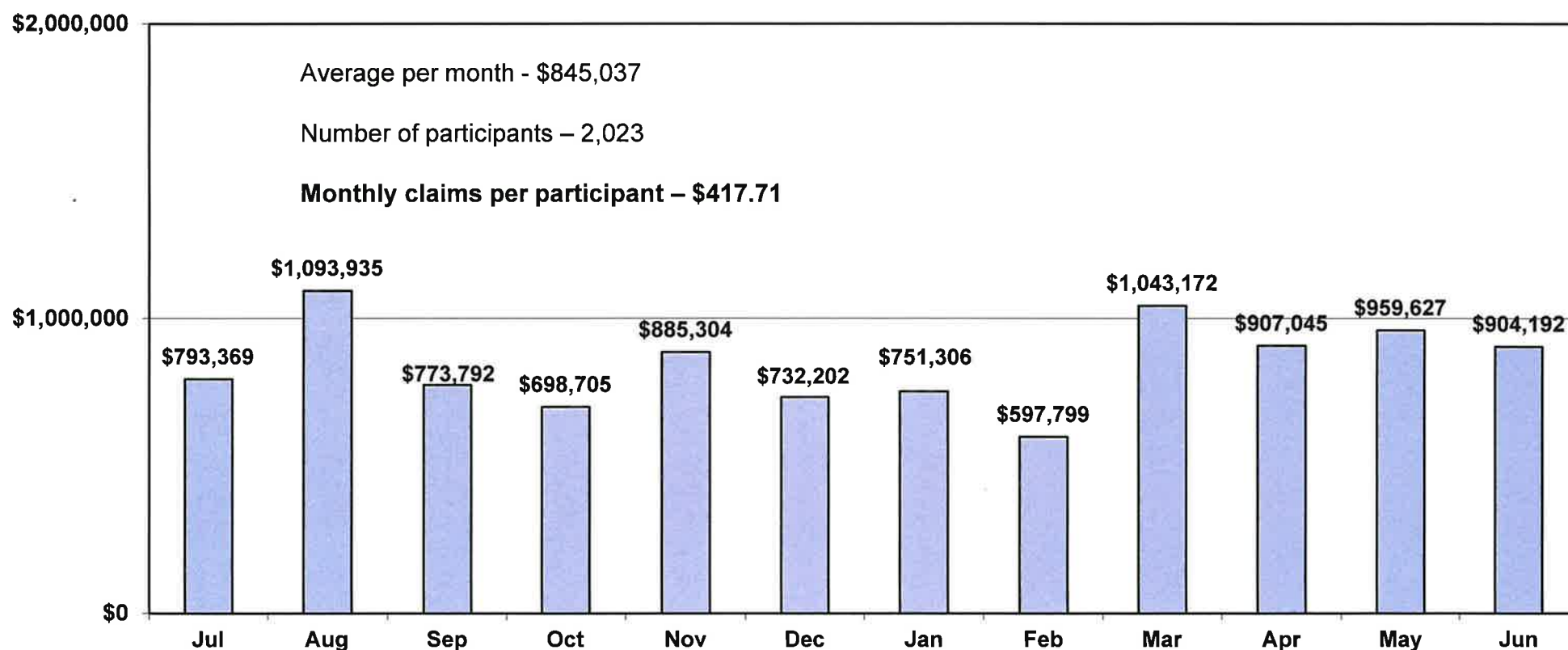
Minnetonka ISD 276 Self Insurance Fund

Total Insurance Cash Balance



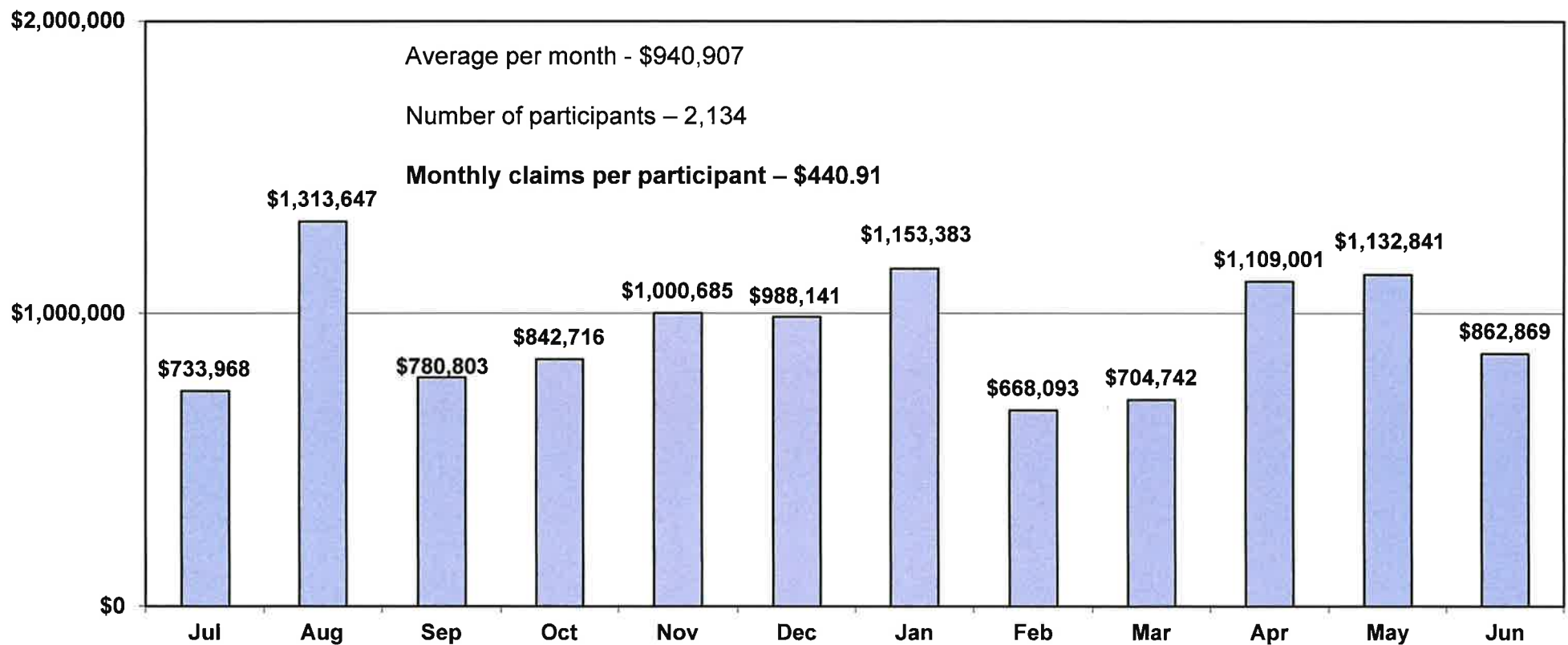
Minnetonka ISD 276 Self Insurance Fund

Monthly Claims Expenses FY17



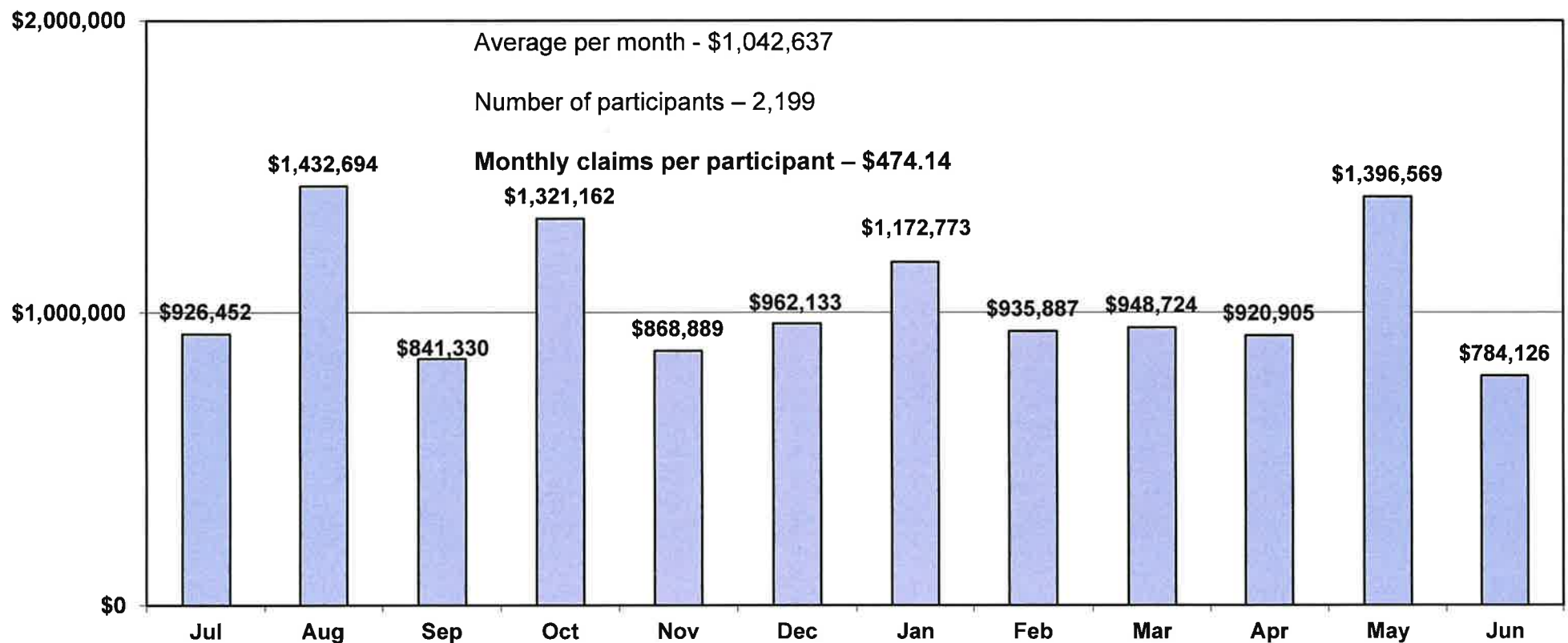
Minnetonka ISD 276 Self Insurance Fund

Monthly Claims Expenses FY18



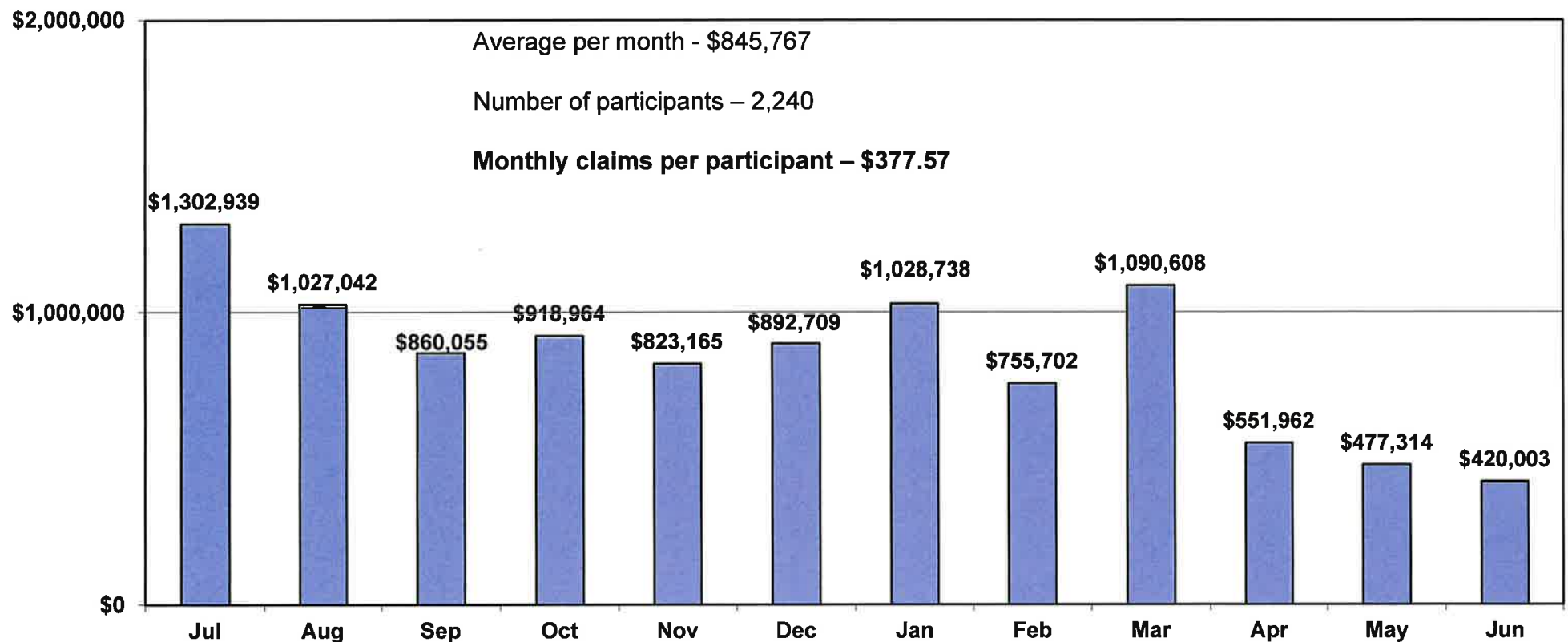
Minnetonka ISD 276 Self Insurance Fund

Monthly Claims Expenses FY19



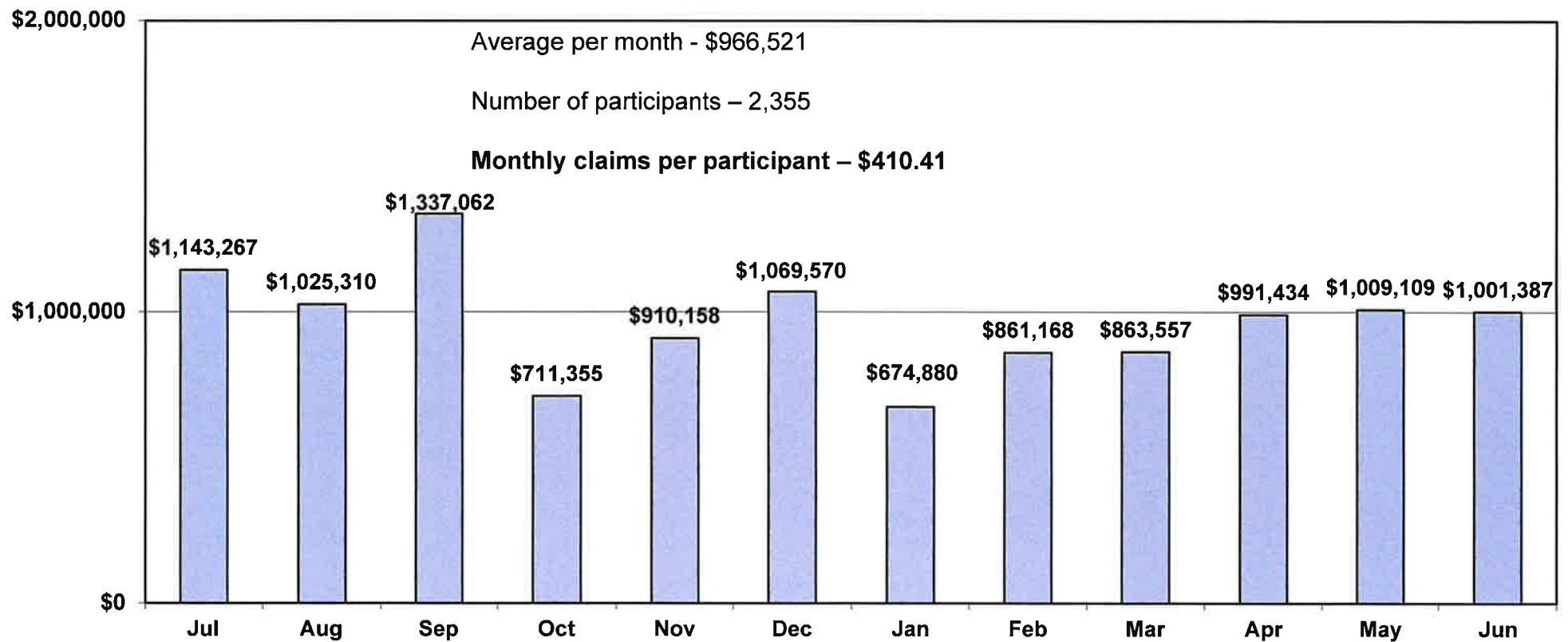
Minnetonka ISD 276 Self Insurance Fund

Monthly Claims Expenses FY20



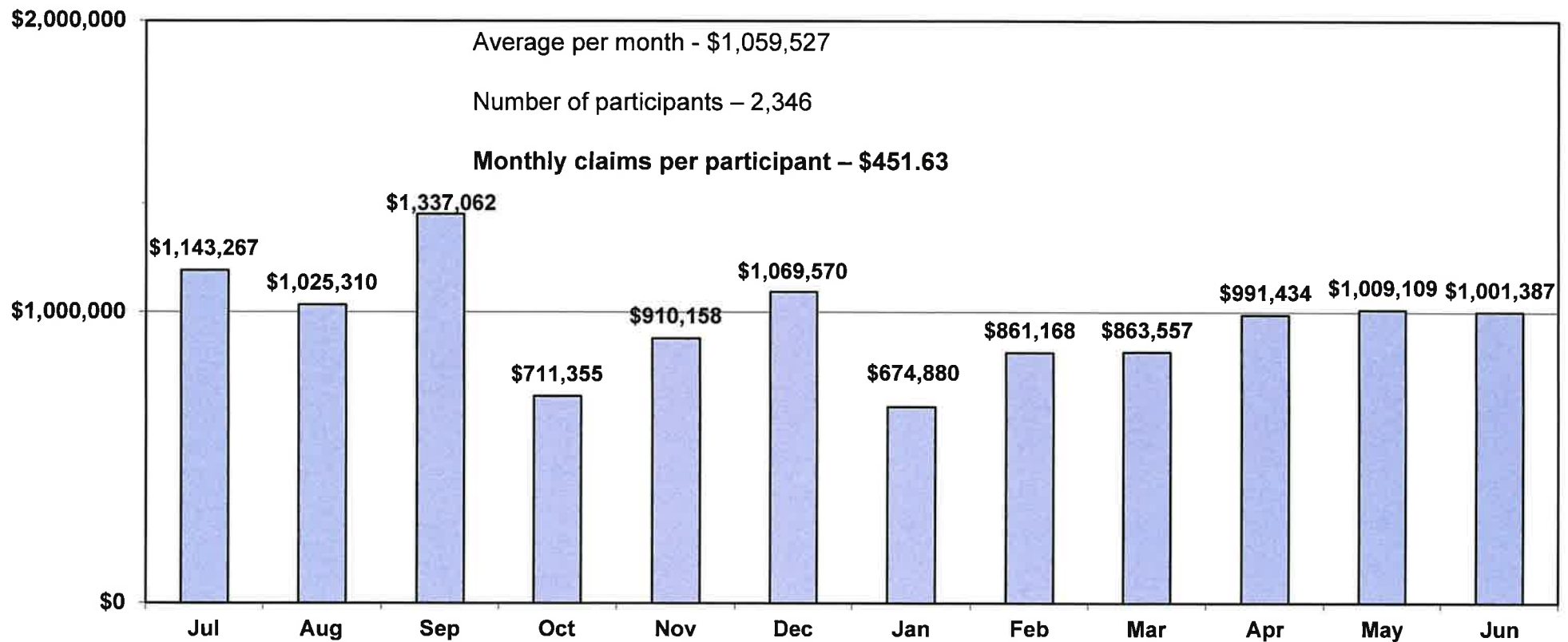
Minnetonka ISD 276 Self Insurance Fund

Monthly Claims Expenses FY21



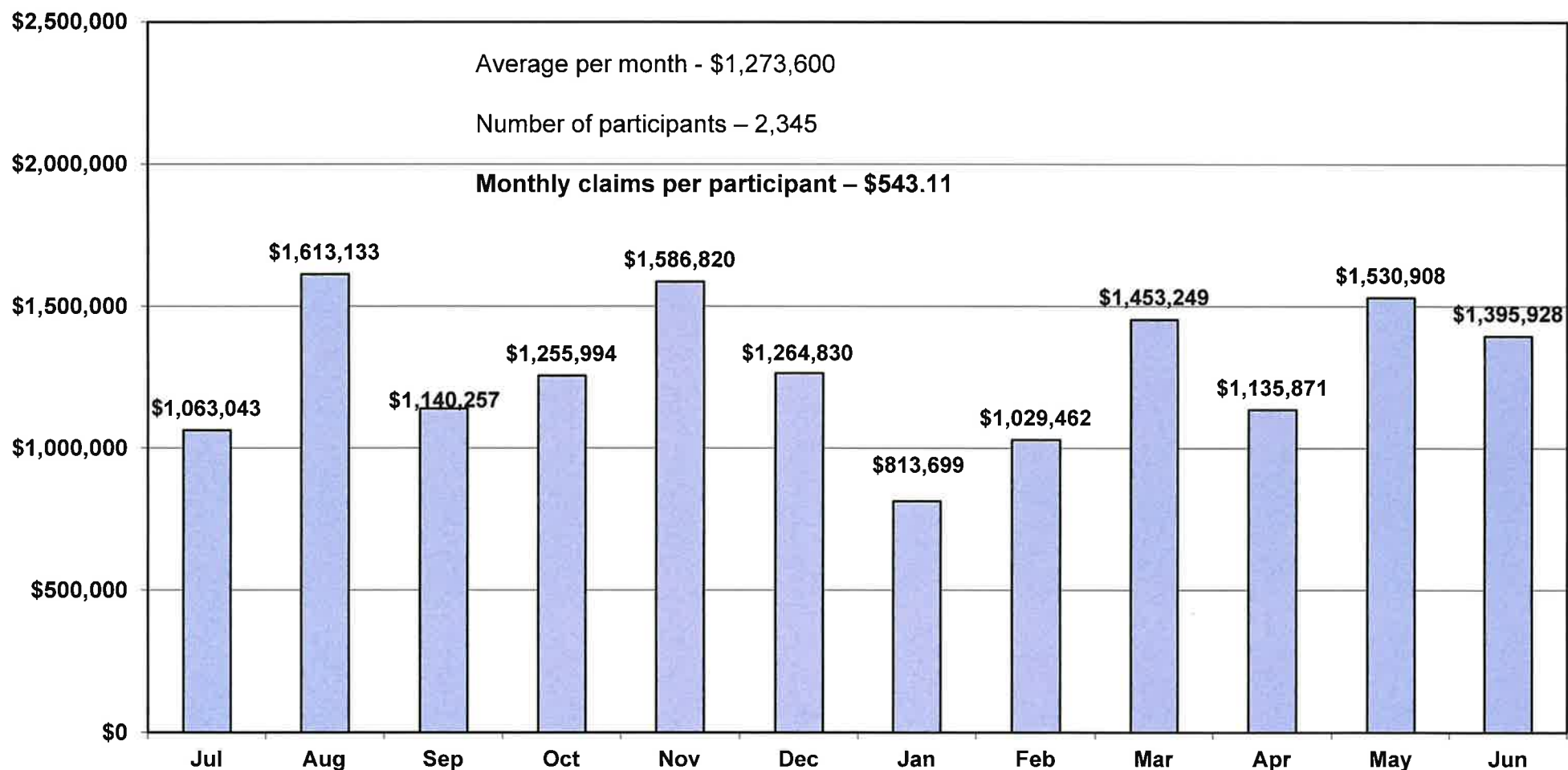
Minnetonka ISD 276 Self Insurance Fund

Monthly Claims Expenses FY22



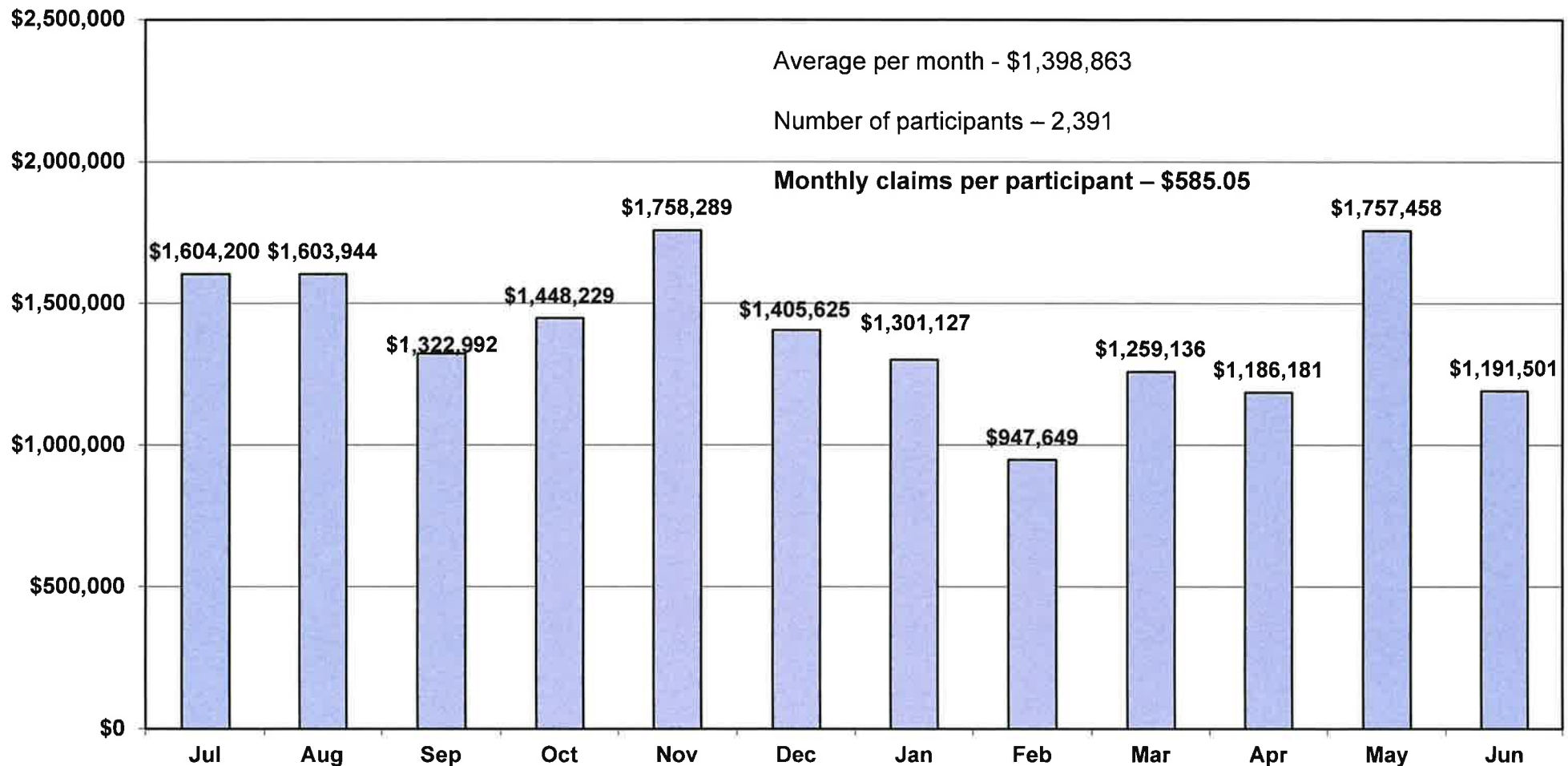
Minnetonka ISD 276 Self Insurance Fund

Monthly Claims Expenses FY23



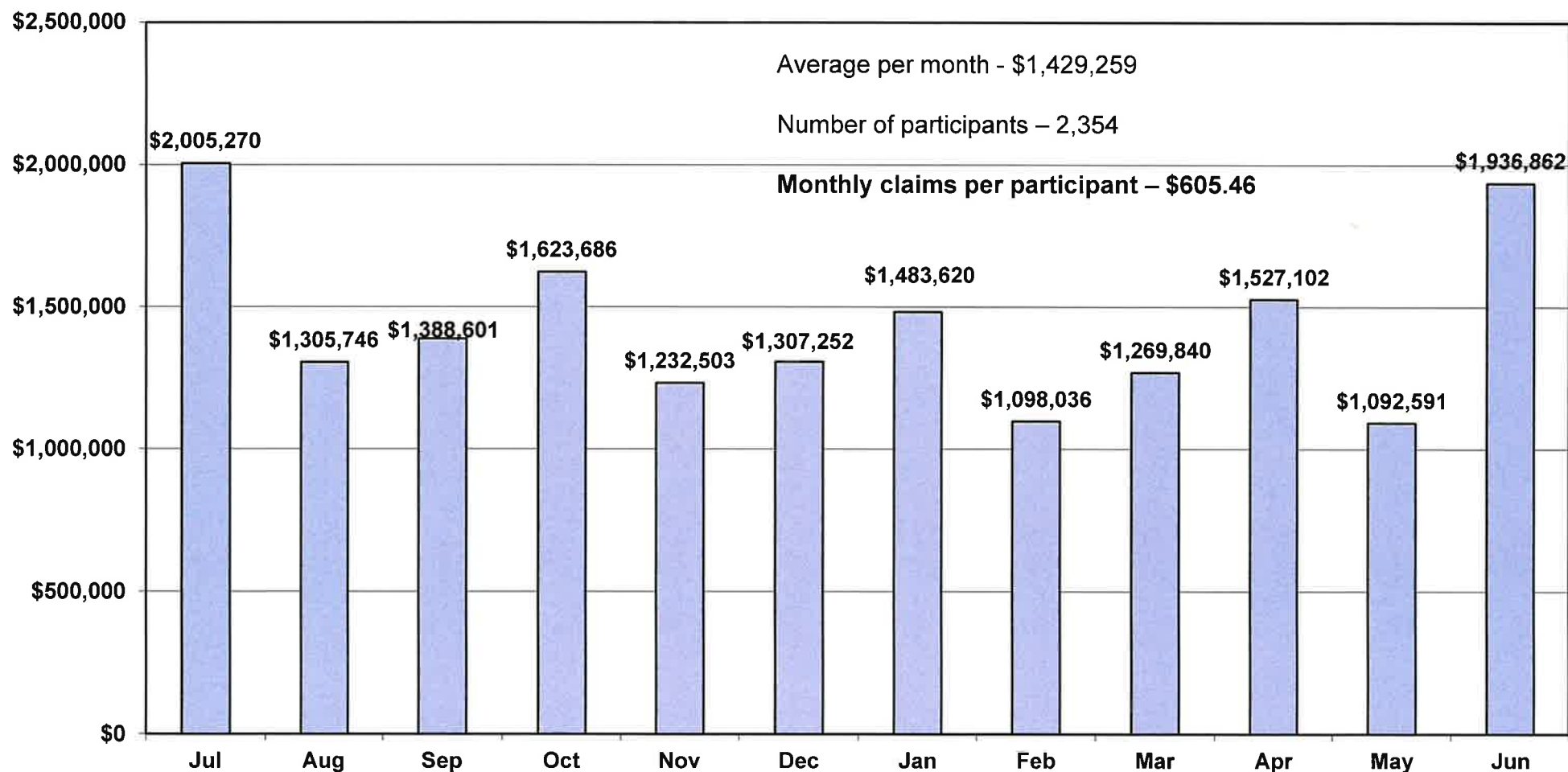
Minnetonka ISD 276 Self Insurance Fund

Monthly Claims Expenses FY24



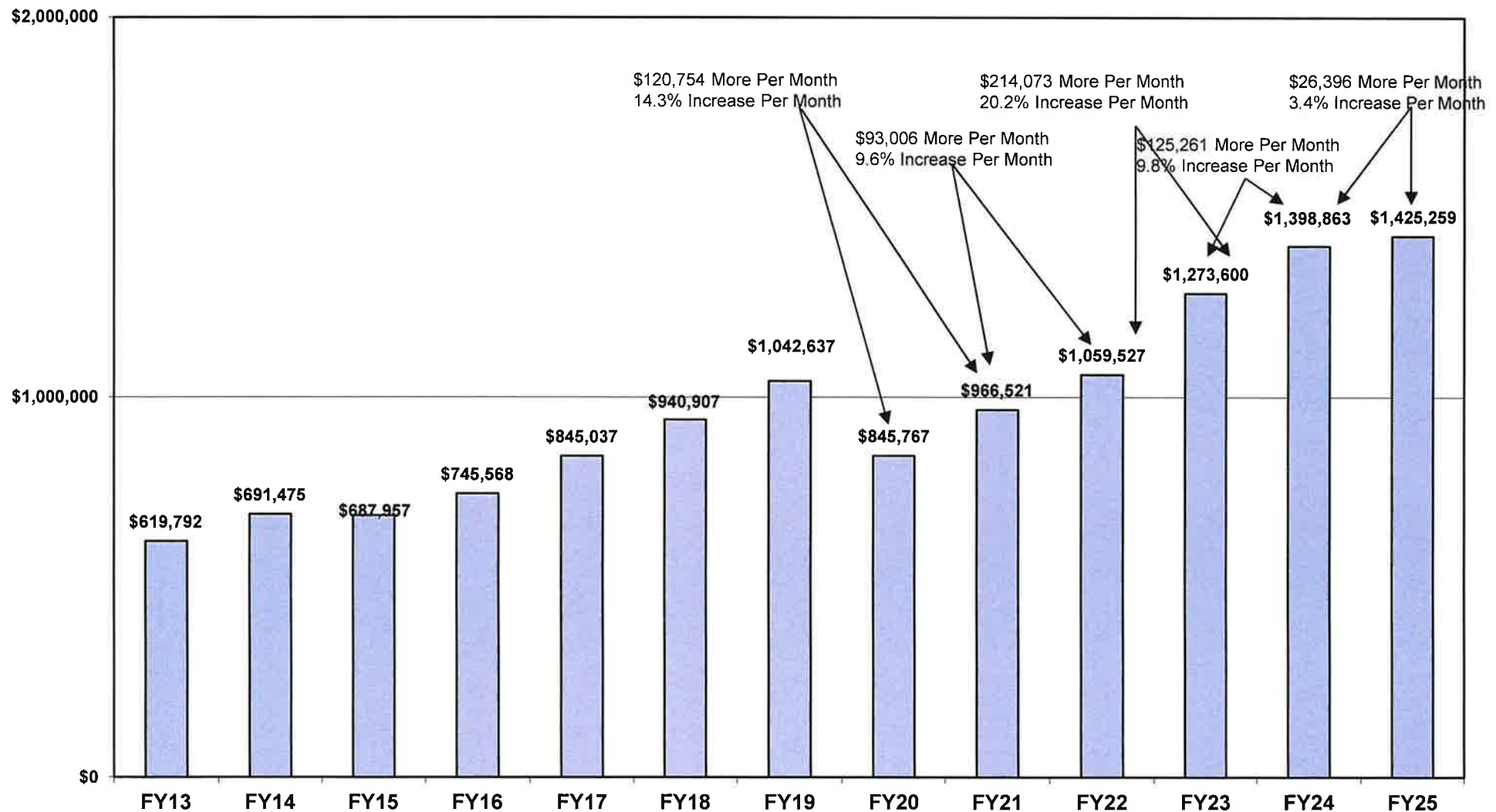
Minnetonka ISD 276 Self Insurance Fund

Monthly Claims Expenses FY25



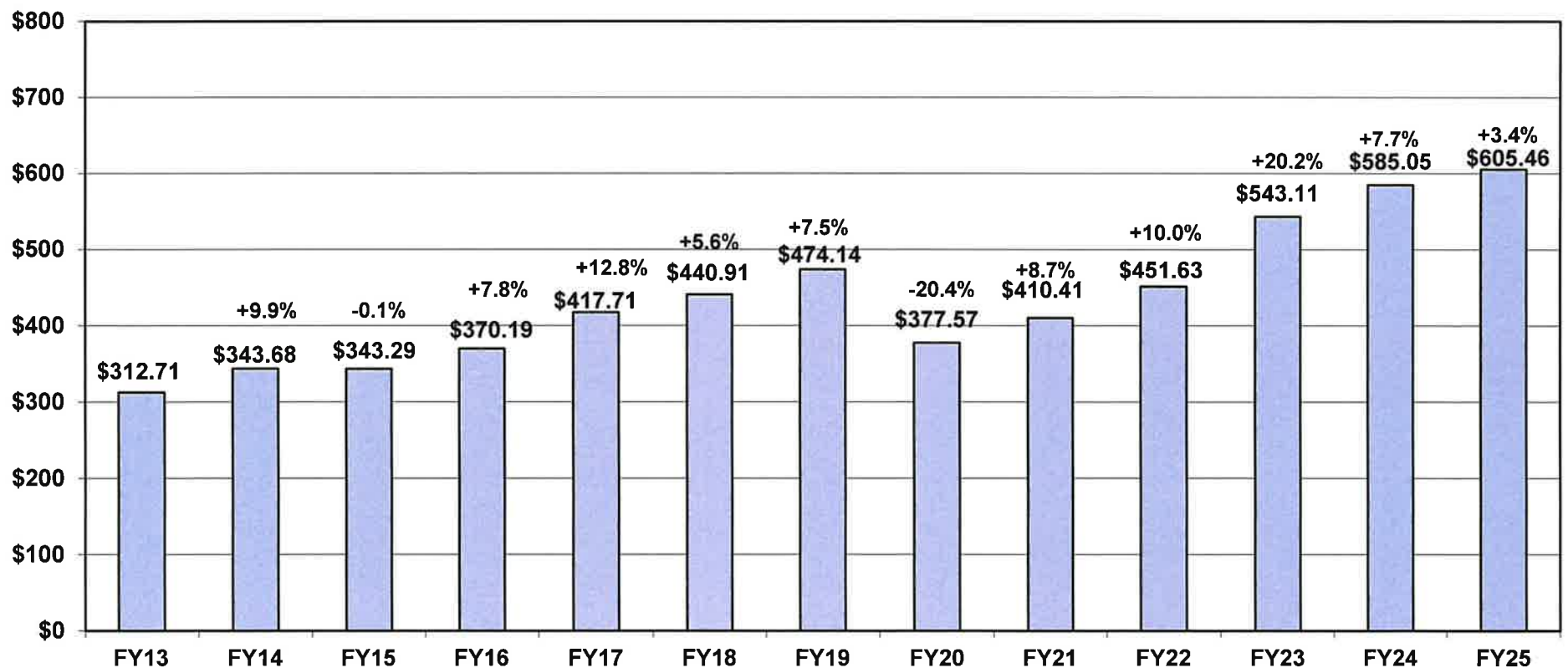
Minnetonka ISD 276 Self Insurance Fund

Average Monthly Claims Expenses



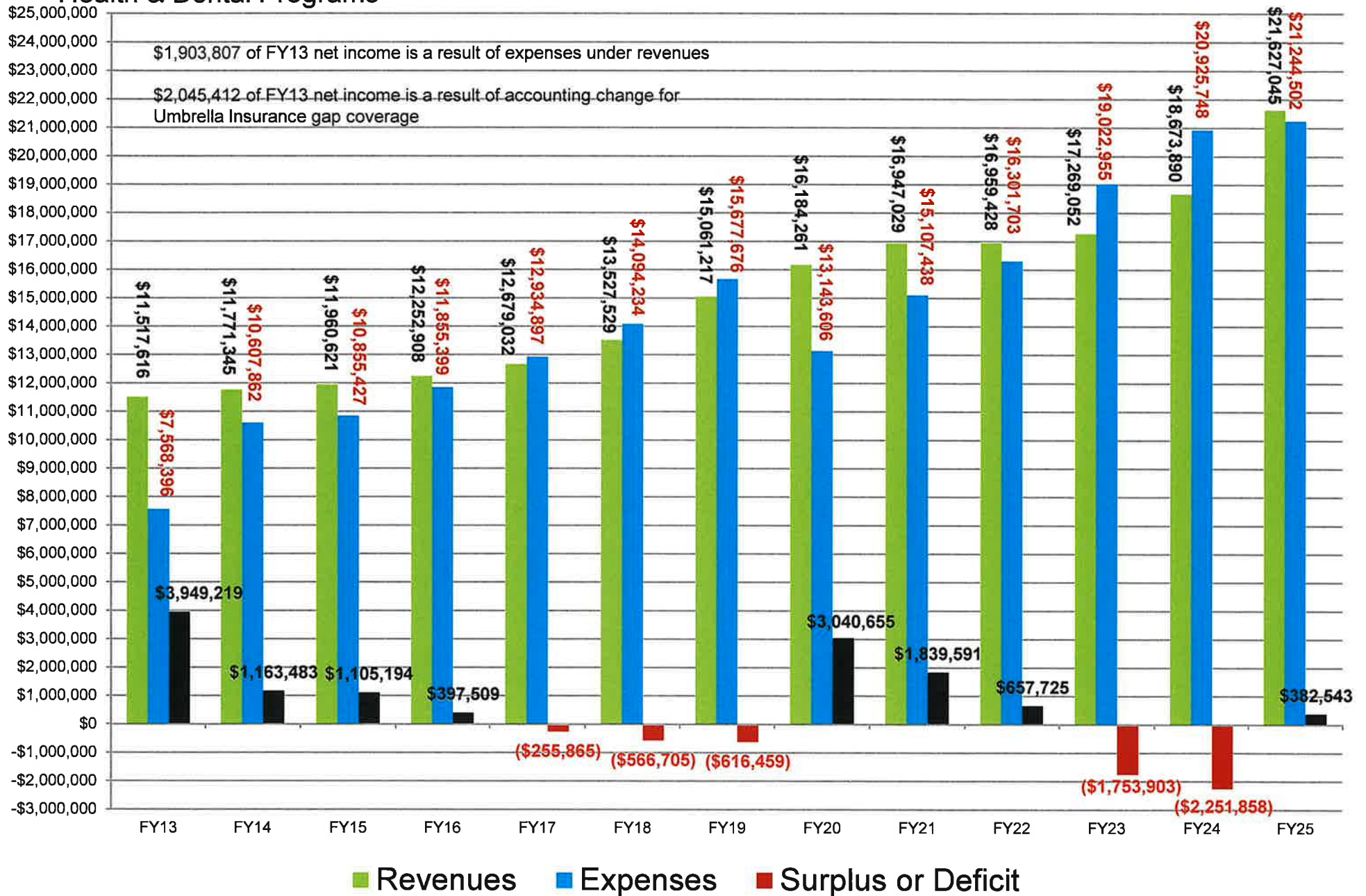
Minnetonka ISD 276 Self Insurance Fund

Average Monthly Claims Expenses Per Participant



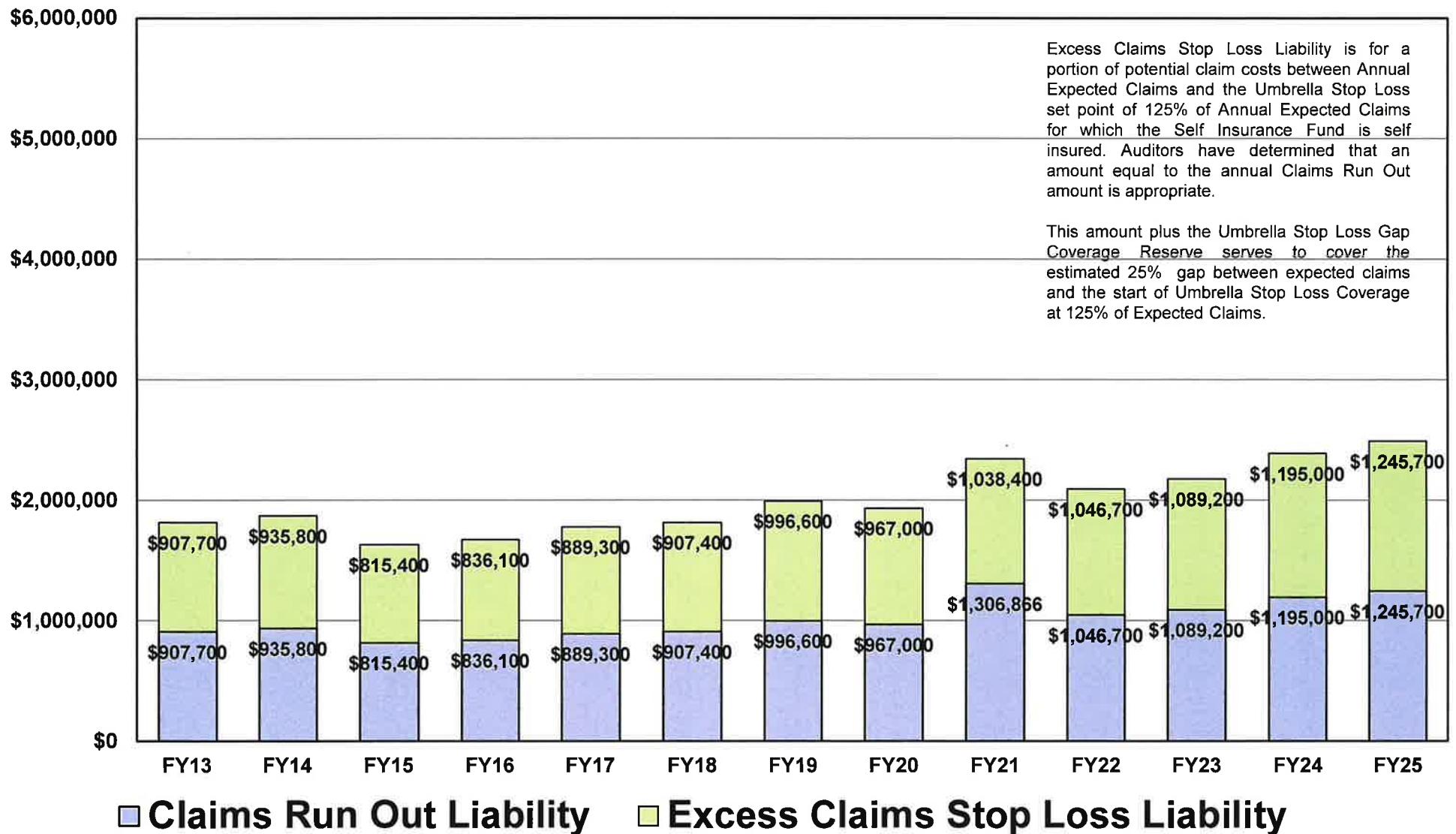
Self Insurance Fund Revenues, Expenses, Surplus or Deficit

Health & Dental Programs



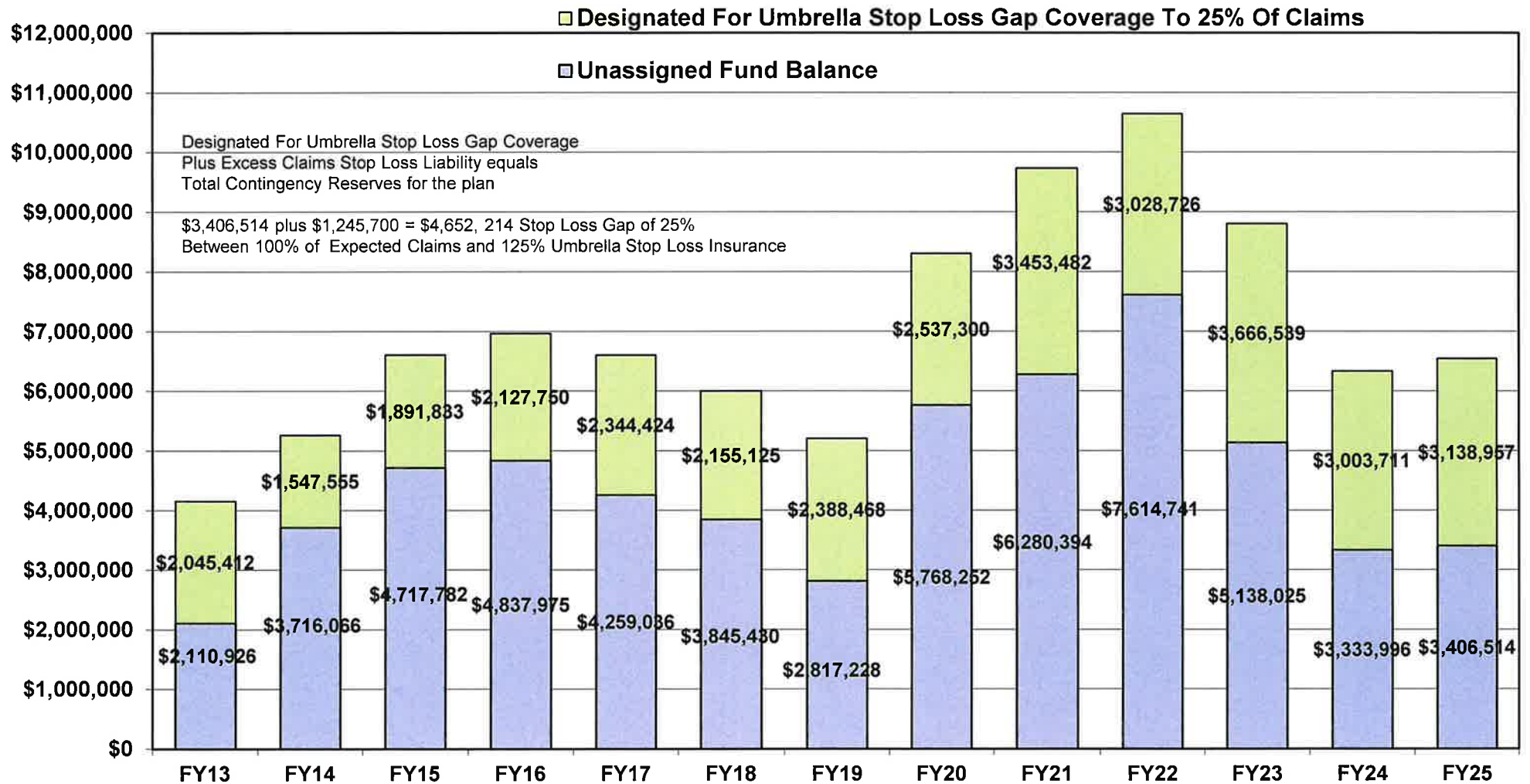
Minnetonka ISD 276 Self Insurance Fund

Claims Run Out Liability And Excess Claims Stop Loss Liability



Minnetonka ISD 276 Self Insurance Fund

Fund Balance After Liability Accruals And Designation For Umbrella Stop Loss Gap





Questions?

End

INFORMATION

**SCHOOL BOARD
Minnetonka I.S.D. 276
5621 County Road 101
Minnetonka, Minnesota**

Study Session Agenda Item #5

Title: OPEB Trust Fund History

January 22, 2026

EXECUTIVE SUMMARY:

At the School Board Meeting of August 7, 2008, the School Board established the Minnetonka Independent School District 276 Other Post-Employment Benefits (OPEB) Revocable Trust to provide assets for the payment of lifelong post-employment benefits for health insurance owed to employees who had been working under contracts with those provisions prior to July 1, 2002.

The School Board specifically chose to establish a revocable trust, as the statutes authorizing such trusts allowed for the trusts to be either irrevocable or revocable. Under the statutes governing the revocable trust option, there is a provision that allows for any excess assets over the actuarial accrued liability to be withdrawn by the School Board and used for any District purpose.

In the ensuing approximately 13 years, OPEB Trust assets grew from their original amount of \$17,742,555 in August 2008 to \$28,051,349 as of June 20, 2021, while the OPEB Liability decreased from \$17,742,555 in August 2008 to \$10,985,427 as of June 30, 2021.

During Fiscal Year 2022, the School Board decided to withdraw \$9,850,000 of OPEB Trust Excess Assets so that they could be invested in the construction of the VANTAGE MOMENTUM Building, which will be a 100-year asset for the District.

Since that time, the OPEB Trust has continued to accrue enough investment earnings every year to cover the cost of annual OPEB benefits. This is of immense value to the District, because absent the OPEB Trust, the District's General Operating Fund Unappropriated Balance would be significantly lower than it is today.

From FY2008 through FY2025, \$10,887,532 has been disbursed from the OPEB Trust to the General Operating Fund to pay for retiree benefit expenditures. If the OPEB Trust had not been available, the General Operating Fund would be at just \$7,155,215, rather than the pre-audit estimated \$18,042,747 on June 30, 2025.

It is appropriate to look at where the OPEB Trust Fund sits as of June 30, 2025, because there are several factors coming forward that will impact the Actuarial Accrued Liability for Other Post Employment Benefits.

Retirees eligible for specific benefits are living longer, meaning that the District will be paying out actual cash benefits to people who were employees on July 1, 2002, well past the initial amortization period end date of 2039 and into the 2050s. This impacts the Explicit component of the Actuarial Accrued Liability that must be funded.

Retirees from the District are also allowed by Minnesota Statute to stay on the District's health care plan provided they pay their premiums. However, there is an implicit premium support that occurs for retirees – generally more expensive annual healthcare needs – that comes from active employees – generally younger and less expensive annual healthcare needs – because all participants in the District's health care plan are required by US regulations to have the same premiums regardless of age.

More retirees are electing not to use Minnesota UCare and are instead staying on the District's insurance which increases the Implicit Liability. On the most recent valuation performed by CBIZ actuaries, 12 retirees and 7 retiree dependents staying on the District health insurance plan increased the Unfunded Liability by approximately \$1.2 million.

The Implicit Liability component will never get to \$0, so the OPEB Trust as of now will be needed to fund that component into perpetuity as things stand. That has always been the case with the OPEB Trust from its inception, but it is important to point that out because if more retirees stay on the District health plan at their own cost, the Implicit Component of the Actuarial Accrued Liability will continue to gradually increase.

The District has contracted with CBIZ Actuaries to do a comprehensive long-term liability analysis because of the changed factor of more retirees staying on the District health insurance plan. That study will be completed during FY26.

RECOMMENDATION/FUTURE DIRECTION:

The OPEB Trust Update is being presented for the School Board's information and potential use in decisions.

Submitted by: 
Paul Bourgeois, Executive Director of Finance & Operations

Concurrence: 
David Law, Superintendent



MINNETONKA
PUBLIC SCHOOLS

Other Post Employment Benefits Revocable Trust History Through FY25

January 22, 2026



OPEB Revocable Trust History And Purpose (1)

- 2008 Legislature passed Minnesota Statutes 471.6175 allowing public entities to fund a trust for Other Post Employment Benefits (OPEB)
 - OPEB liabilities were primarily lifetime health insurance benefits paid to retirees that had been negotiated in bargaining unit contracts
 - To establish a trust, the participation in these types of benefits had to have been capped by July 1, 2002
 - The trust could be funded by the issuance of General Obligation Bonds
- The Legislature allowed the choice of two types of trust
 - An irrevocable trust locks in the funds for paying retiree benefits into perpetuity
 - A revocable trust allows more flexibility to utilize funds if the investment of the funds produced more assets over the liability



OPEB Revocable Trust History And Purpose (2)

- Minnetonka ISD 276 chose to establish a revocable trust because we knew excess assets were likely to accrue for several reasons
 - The actuaries were directed to use a conservative 3.00% discount rate to calculate the initial liability
 - We wanted to make sure there were going to be sufficient funds in the trust so that we would never be short of funds even in an economic downturn
 - At the time, 3.00% was what the District could earn on its own with its cash investments
 - We knew that with a fixed set of participants receiving benefits that over time normal mortality would result in the liability decreasing significantly



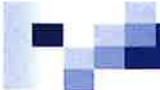
OPEB Revocable Trust History And Purpose (3)

- Because of those three reasons, we knew the chance of excess assets accruing over time was significant.
- The OPEB Revocable Trust was established in 2008 with a liability of \$17,742,555 for 615 participants
- Wells Fargo Private Wealth Management was selected as the investment manager for the OPEB Revocable Trust
- From FY2008 through FY2025, \$10,887,532 has been disbursed to the General Fund to pay for retiree benefits expenditures
 - Without the OPEB Trust, the General Fund Unassigned Fund Balance would be \$10,887,532 lower at \$7,155,215 rather than the actual \$18,042,747 at the end of FY25



OPEB Revocable Trust History And Purpose (4)

- June 30, 2021 Status
 - The OPEB Trust Assets had grown to \$28,051,380
 - The OPEB Liability had declined from \$17,742,555 in 2008 down to \$10,985,427
 - Participants had declined from 615 in 2008 down to 209
- MS Statutes 471.6175 Subd. 7(a) reads in part:
 - *“any amount in excess of 100 percent of that political subdivision’s or public entity’s actuarially determined liabilities for post employment benefits, as determined under standards of the Government Accounting Standards Board, may be withdrawn and used for any purpose”*
- On October 7, 2021 the School Board approved the use of \$7,000,000 in excess assets from the OPEB Revocable Trust for use to construct the strategic asset of the VANTAGE MOMENTUM building
- On June 2, 2022, after bids came in higher than estimated due to construction inflation the School Board approved the use of an additional \$2,850,000 in excess assets from the OPEB Revocable Trust for completion of th VANTAGE MOMENTUM building



OPEB Revocable Trust Liability Components

- Two components of the Revocable Trust Liability – Explicit Amounts and Implicit Amounts
- Explicit Amounts are specifically contracted dollar amounts that were in effect for persons employed before July 1, 2002 when post-retirement benefits were contractually capped for all employees and were no longer allowed granted for new employees after that date
 - *These benefits will eventually end due to mortality*
- Implicit Amounts are related to the fact that under Minnesota Statutes, all persons retiring from a school district are allowed to stay on that school district's health insurance benefits plan as long as they pay the full premium
- Older persons are more expensive for health insurance cost purposes, but Minnesota Statutes require premiums not be age-related, so premiums for younger employees are technically higher than they would be if by age, so that premiums for older employees and retirees are technically lower than they would be if by age
- Actuarially, younger active employees subsidize older active employees and retirees for premiums, and that trickles through to overall benefit contributions by the employer.
- This is the Implicit Liability and these benefits will never end due to mortality

Total Unfunded Actuarially Accrued Liability (UAAL)

Exhibit B: 30-Year Projection of the UAAL

Exhibit B shows the 30-year projection of the Actuarial Accrued Liability (AAL), the Market Value of Assets (MVA), and the Unfunded Actuarial Accrued Liability (UAAL). The AAL represents the direct contributions the District makes on behalf of retirees, as well as the implicit rate subsidy that the retirees benefit from each year by being enrolled in the group benefit plan with active employees. This projection does not take into account the effect of new hires.

Plan Year Beginning July 1,	Total Projected Benefits	Normal Cost	Interest Cost at 4.21%	AAL at Beginning of Year	OPEB Trust Contribution	MVA at Beginning of Year	UAAL at Beginning of Year
2024	887,385	61,836	417,714	10,303,794	-	-	10,303,794
2025	895,225	56,234	400,143	9,895,959	-	-	9,895,959
2026	820,544	50,531	382,999	9,457,111	-	-	9,457,111
2027	730,360	44,745	368,361	9,070,097	-	-	9,070,097
2028	674,245	39,791	355,977	8,752,843	-	-	8,752,843
2029	672,057	35,369	344,113	8,474,366	-	-	8,474,366
2030	649,715	31,196	332,090	8,181,791	-	-	8,181,791
2031	640,741	27,314	320,057	7,895,362	-	-	7,895,362
2032	596,346	23,044	308,461	7,601,992	-	-	7,601,992
2033	577,342	19,635	297,568	7,337,151	-	-	7,337,151
2034	579,824	16,652	286,438	7,077,012	-	-	7,077,012
2035	568,733	12,983	274,866	6,800,278	-	-	6,800,278
2036	566,109	9,246	262,939	6,519,394	-	-	6,519,394
2037	542,679	6,201	250,930	6,225,470	-	-	6,225,470
2038	524,526	4,182	239,206	5,939,922	-	-	5,939,922
2039	523,819	2,700	227,322	5,658,784	-	-	5,658,784
2040	481,026	1,809	215,817	5,364,987	-	-	5,364,987
2041	486,936	1,195	204,577	5,101,587	-	-	5,101,587
2042	465,592	775	193,172	4,820,423	-	-	4,820,423
2043	439,234	519	182,280	4,548,778	-	-	4,548,778
2044	423,559	327	171,805	4,292,343	-	-	4,292,343
2045	417,346	217	161,347	4,040,916	-	-	4,040,916
2046	405,789	142	150,818	3,785,134	-	-	3,785,134
2047	392,022	65	140,377	3,530,305	-	-	3,530,305
2048	380,106	45	130,035	3,278,725	-	-	3,278,725
2049	366,627	20	119,792	3,028,699	-	-	3,028,699
2050	351,633	7	109,716	2,781,884	-	-	2,781,884
2051	335,135	-	99,878	2,539,974	-	-	2,539,974
2052	317,251	-	90,350	2,304,717	-	-	2,304,717
2053	298,068	-	81,202	2,077,816	-	-	2,077,816

Explicit Unfunded Actuarially Accrued Liability (UAAL)

Exhibit C: 30-Year Projection of the Explicit UAAL

Exhibit C shows the 30-year projection of the Explicit Actuarial Accrued Liability (AAL), the Market Value of Assets (MVA), and the Explicit Unfunded Actuarial Accrued Liability (UAAL). The Explicit AAL represents the direct contributions the District makes on behalf of retirees. This projection does not take into account the effect of new hires.

Plan Year Beginning July 1,	Explicit Projected Benefits	Normal cost	Interest cost at 4.21%	Explicit AAL at Beginning of Year	OPEB Trust Contribution	MVA at Beginning of Year	UAAL at Beginning of Year
2024	442,465	18,224	212,460	5,249,562	-	-	5,249,562
2025	449,440	16,573	203,328	5,037,781	-	-	5,037,781
2026	436,302	14,892	193,870	4,808,242	-	-	4,808,242
2027	422,074	13,187	184,518	4,580,702	-	-	4,580,702
2028	411,444	11,727	175,234	4,356,333	-	-	4,356,333
2029	400,877	10,424	165,951	4,131,850	-	-	4,131,850
2030	386,801	9,194	156,744	3,907,348	-	-	3,907,348
2031	383,185	8,050	147,474	3,686,485	-	-	3,686,485
2032	356,627	6,791	138,395	3,458,824	-	-	3,458,824
2033	344,133	5,787	129,714	3,247,383	-	-	3,247,383
2034	331,402	4,908	121,162	3,038,751	-	-	3,038,751
2035	318,004	3,826	112,754	2,833,419	-	-	2,833,419
2036	305,472	2,725	104,492	2,631,995	-	-	2,631,995
2037	285,612	1,828	96,525	2,433,740	-	-	2,433,740
2038	270,753	1,232	88,929	2,246,481	-	-	2,246,481
2039	255,246	796	81,635	2,065,889	-	-	2,065,889
2040	234,567	533	74,783	1,893,074	-	-	1,893,074
2041	220,969	352	68,357	1,733,823	-	-	1,733,823
2042	204,585	228	62,287	1,581,563	-	-	1,581,563
2043	188,426	153	56,643	1,439,493	-	-	1,439,493
2044	174,000	96	51,402	1,307,863	-	-	1,307,863
2045	161,346	64	46,510	1,185,361	-	-	1,185,361
2046	149,175	42	41,933	1,070,589	-	-	1,070,589
2047	137,504	19	37,665	963,389	-	-	963,389
2048	126,331	13	33,698	863,569	-	-	863,569
2049	115,632	6	30,023	770,949	-	-	770,949
2050	105,375	2	26,635	685,346	-	-	685,346
2051	95,532	-	23,527	606,608	-	-	606,608
2052	86,090	-	20,695	534,603	-	-	534,603
2053	77,035	-	18,132	469,208	-	-	469,208

Implicit Unfunded Actuarially Accrued Liability (UAAL) Is The Difference Between Exhibit B and Exhibit C

Exhibit B

OPEB Trust Contribution	MVA at Beginning of Year	UAAL at Beginning of Year
-	-	10,303,794
-	-	9,895,959
-	-	9,457,111
-	-	9,070,097
-	-	8,752,843
-	-	8,474,366
-	-	8,181,791
-	-	7,895,362
-	-	7,601,992
-	-	7,337,151
-	-	7,077,012
-	-	6,800,278
-	-	6,519,394
-	-	6,225,470
-	-	5,939,922
-	-	5,658,784
-	-	5,364,987
-	-	5,101,587
-	-	4,820,423
-	-	4,548,778
-	-	4,292,343
-	-	4,040,916
-	-	3,785,134
-	-	3,530,305
-	-	3,278,725
-	-	3,028,699
-	-	2,781,884
-	-	2,539,974
-	-	2,304,717
-	-	2,077,816

Exhibit C

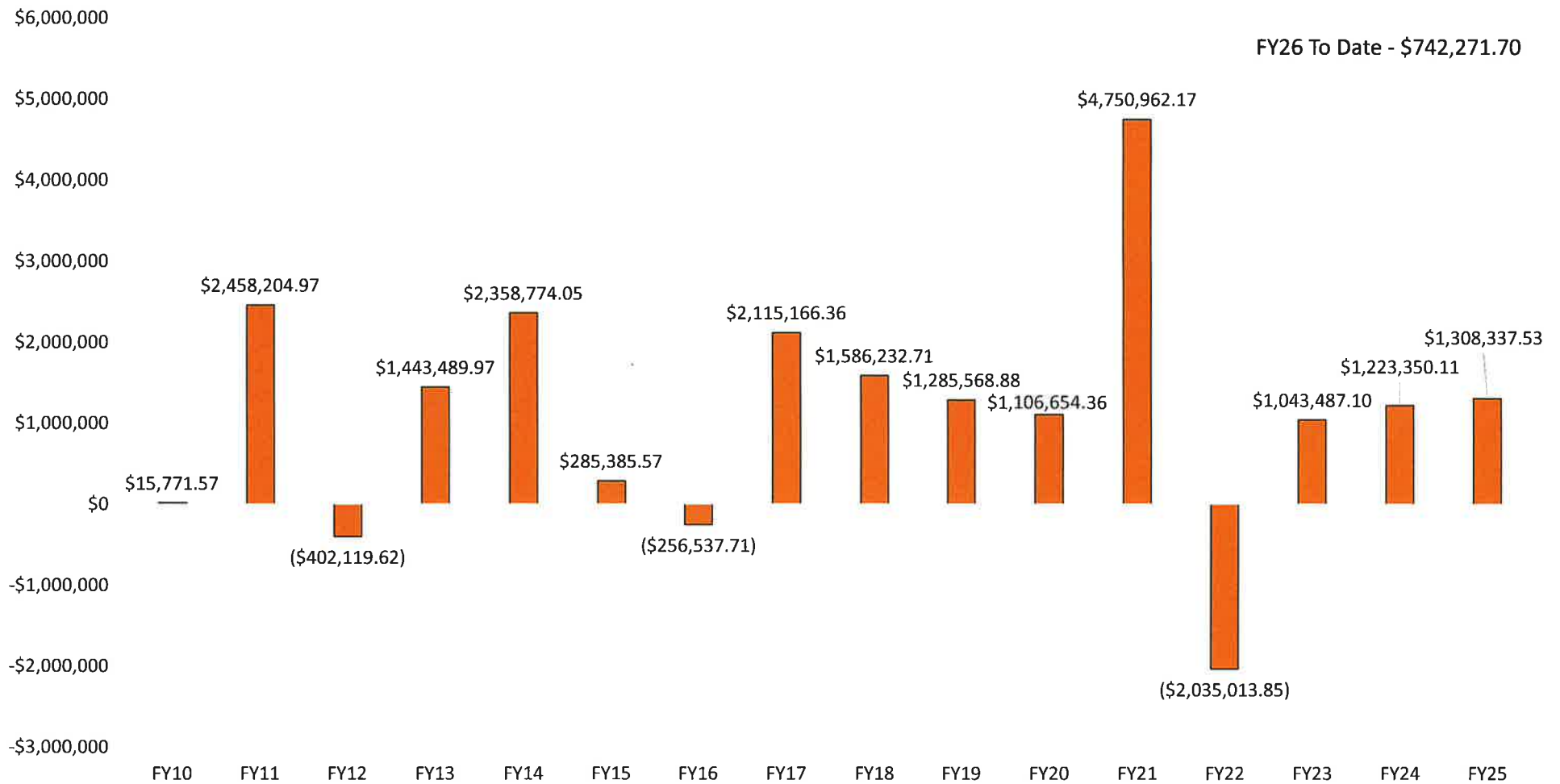
OPEB Trust Contribution	MVA at Beginning of Year	UAAL at Beginning of Year
-	-	5,249,562
-	-	5,037,781
-	-	4,808,242
-	-	4,580,702
-	-	4,356,333
-	-	4,131,850
-	-	3,907,348
-	-	3,686,485
-	-	3,458,824
-	-	3,247,383
-	-	3,038,751
-	-	2,833,419
-	-	2,631,995
-	-	2,433,740
-	-	2,246,481
-	-	2,065,889
-	-	1,893,074
-	-	1,733,823
-	-	1,581,563
-	-	1,439,493
-	-	1,307,863
-	-	1,185,361
-	-	1,070,589
-	-	963,389
-	-	863,569
-	-	770,949
-	-	685,346
-	-	606,608
-	-	534,603
-	-	469,208

← \$5,054,232 Implicit UAAL in FY25 – 49%

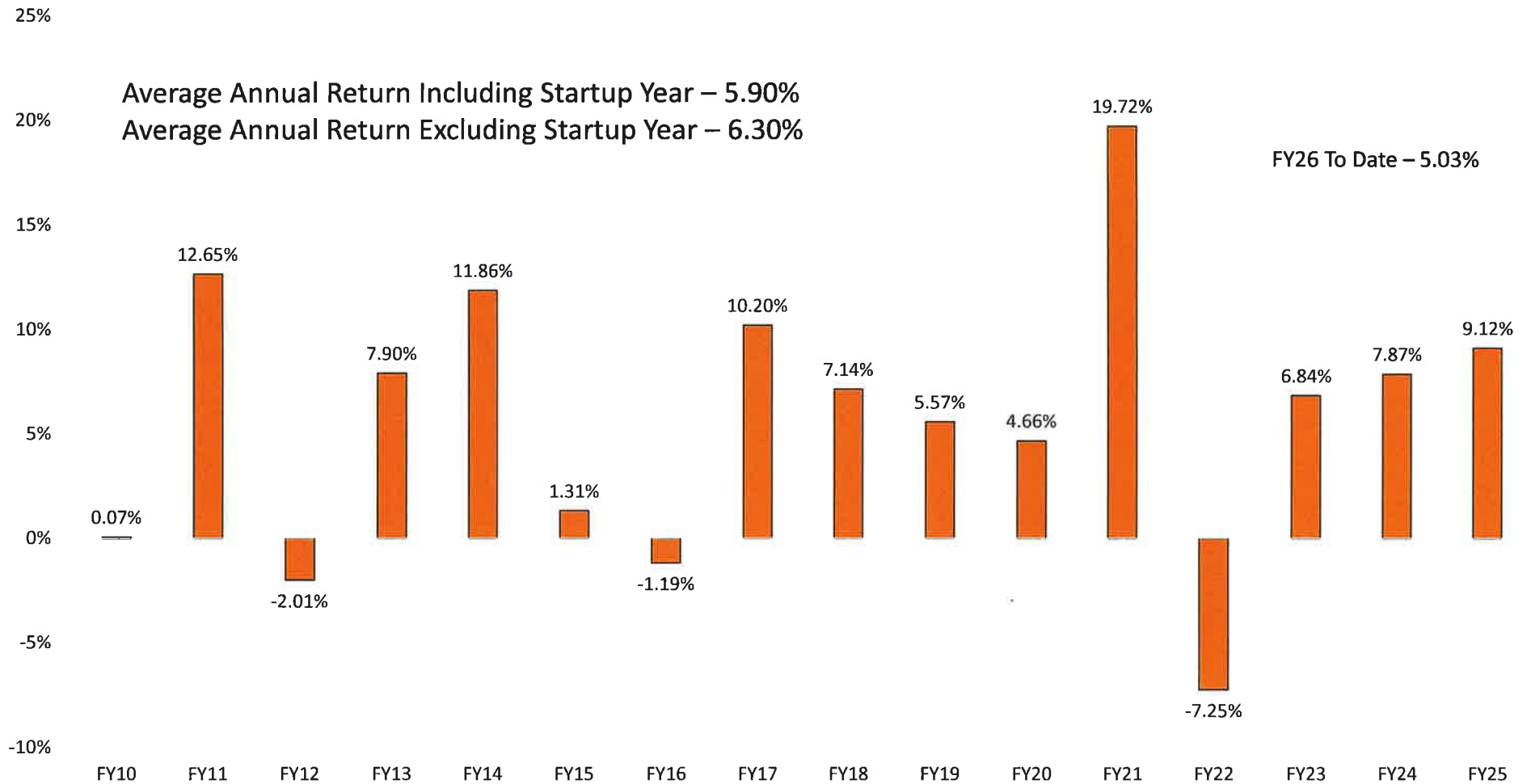
Eventually because of mortality
the Explicit Liability Will Drop to 0%
and the Implicit Liability Will Grow to 100%

← \$1,608,610 Implicit UAAL in FY54 – 77%

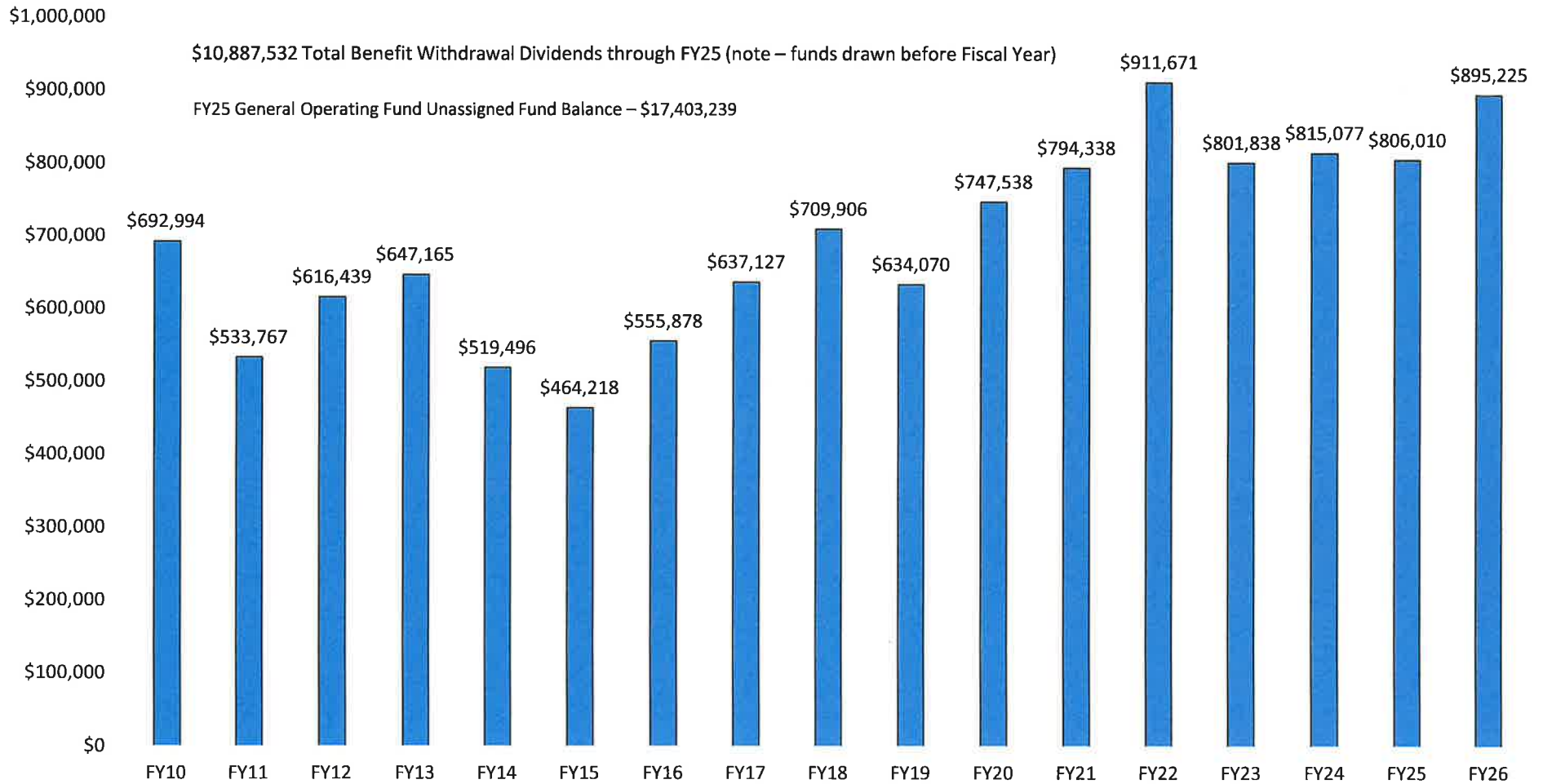
Minnetonka ISD 276 OPEB Revocable Trust Fund Fiscal Year Investment Return Amount



Minnetonka ISD 276 OPEB Revocable Trust Fund Fiscal Year Investment Return Percentage



Minnetonka ISD 276 OPEB Revocable Trust Fund Withdrawals For Benefit Payments



Minnetonka ISD 276 OPEB Revocable Trust Fund Liability, Total Assets & Excess Assets

\$35,000,000

FY22 is after \$7,000,000 and \$2,850,000 Excess Assets withdrawal for VANTAGE MOMENTUM building

\$30,000,000

\$25,000,000

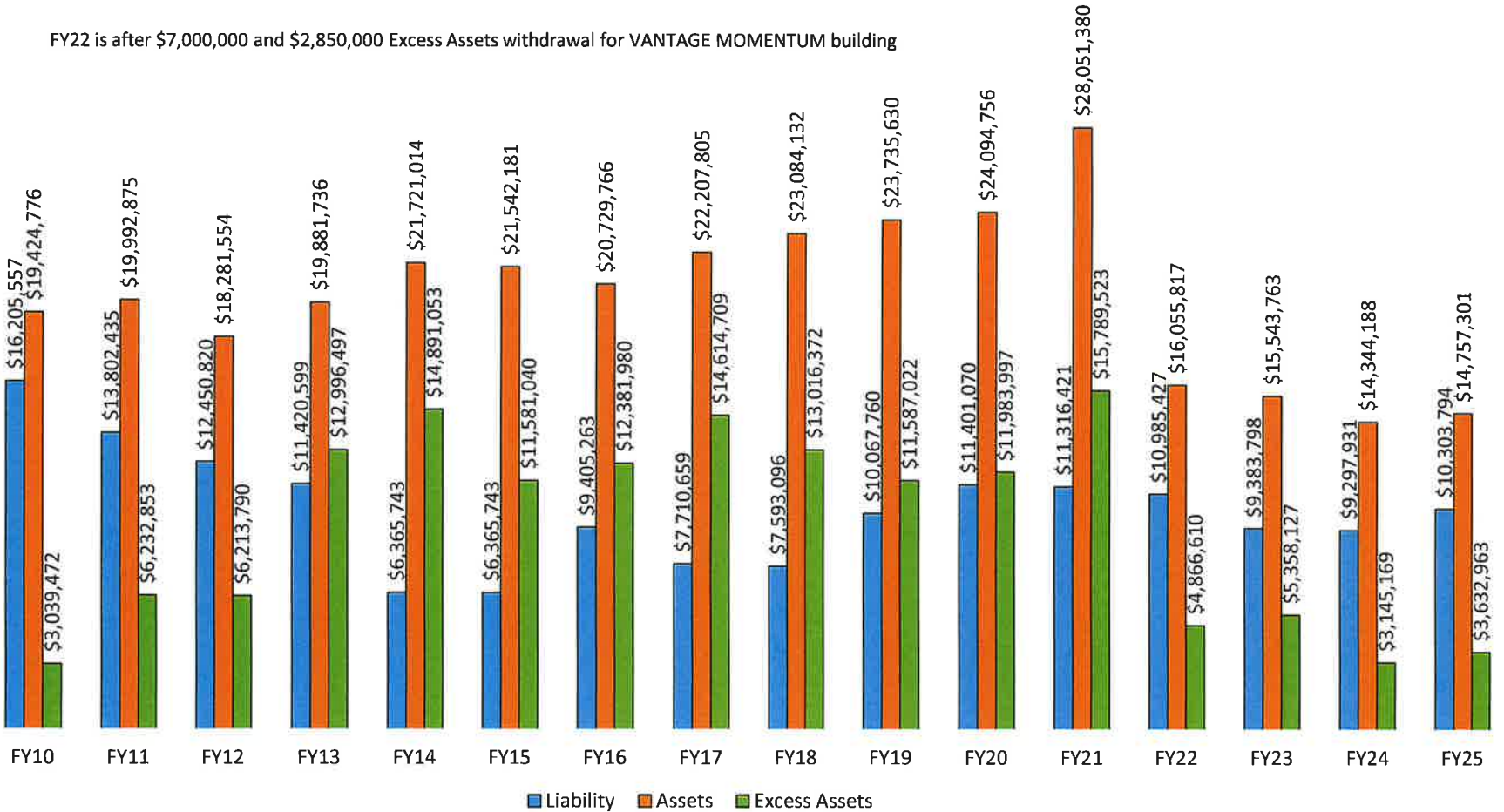
\$20,000,000

\$15,000,000

\$10,000,000

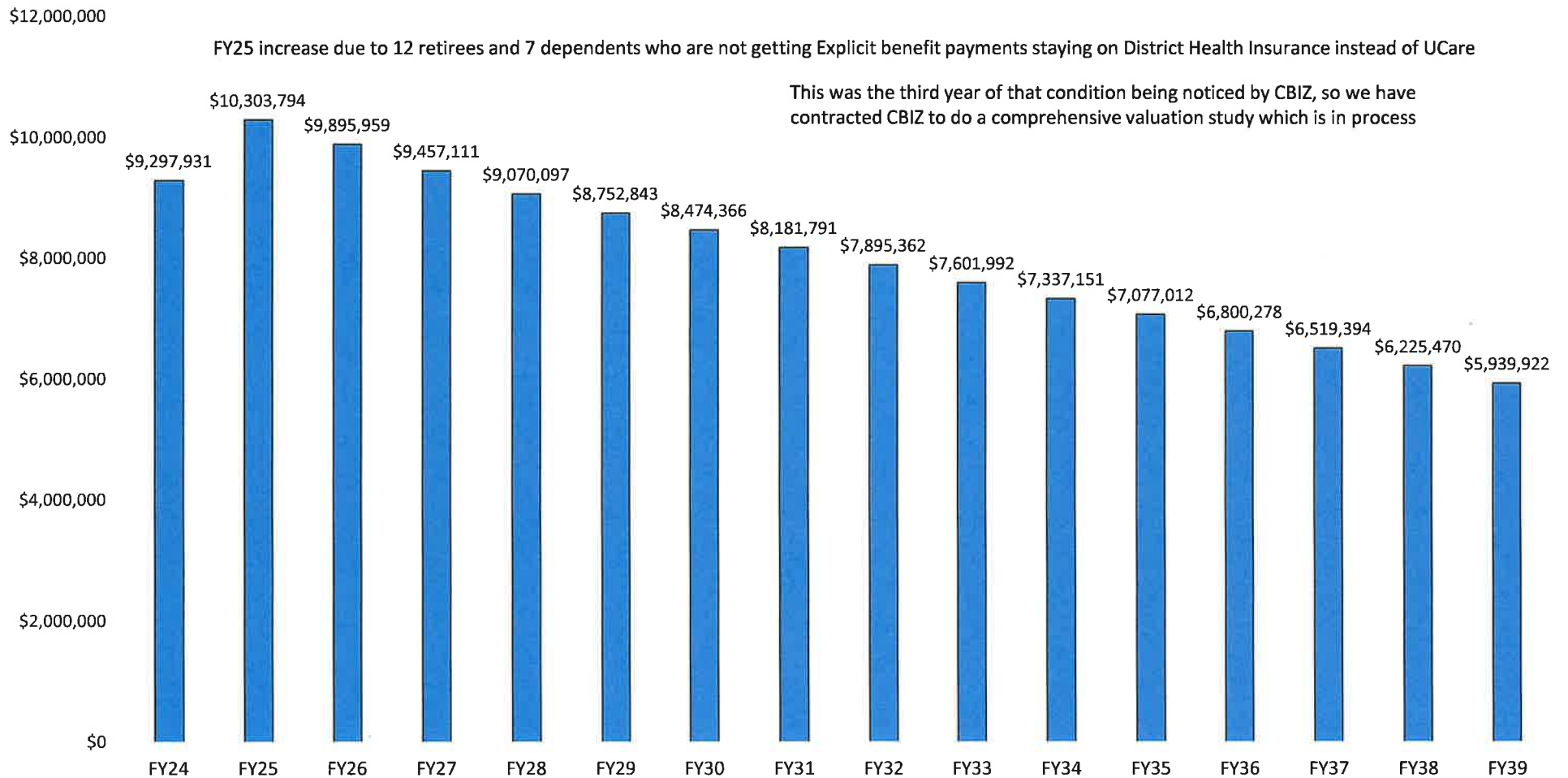
\$5,000,000

\$0

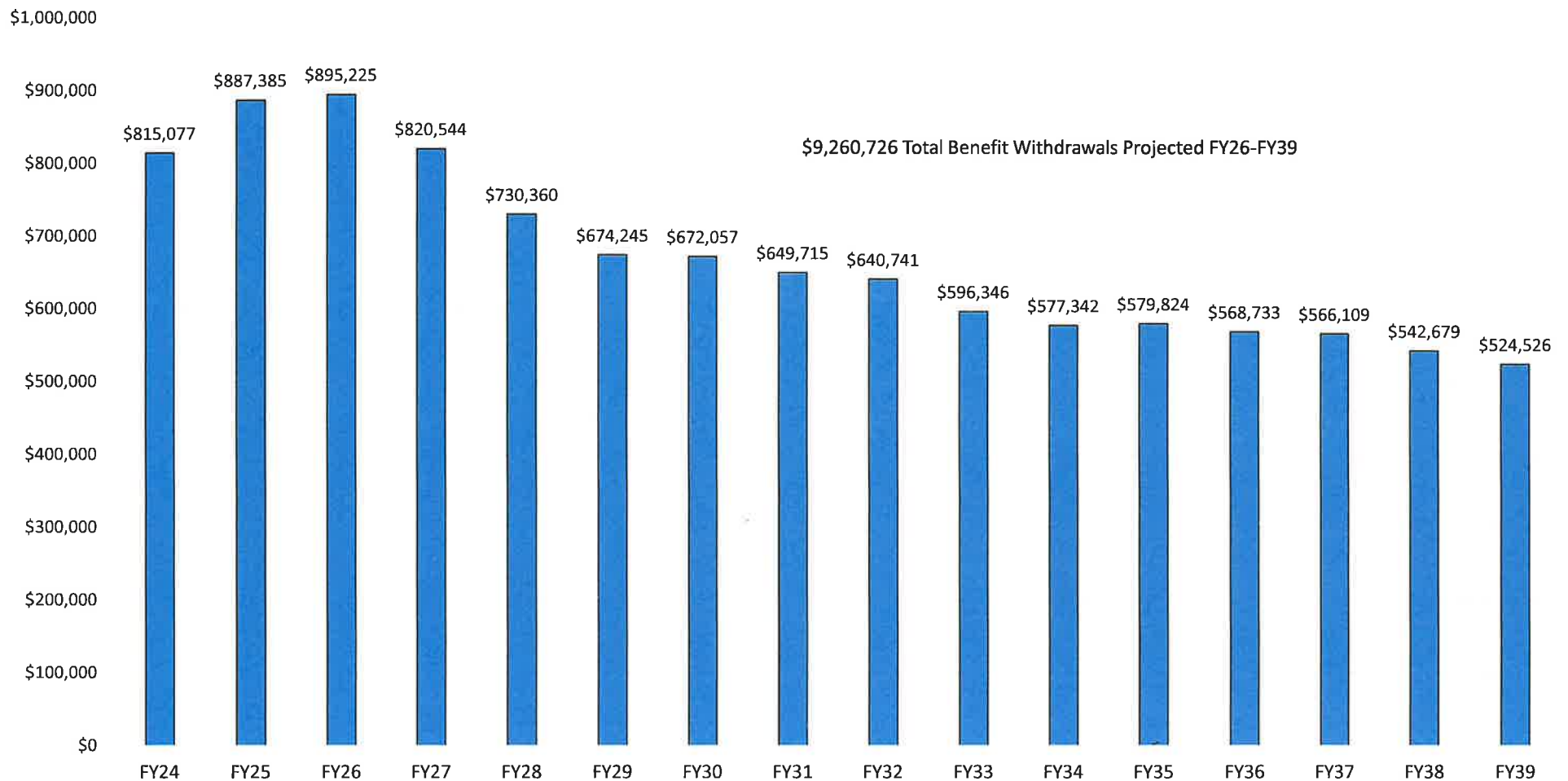


Minnetonka ISD 276 OPEB Revocable Trust Fund

Actuarially-Projected Future Total Liability Calculated To Explicit Liability Amortization Year (FY39)

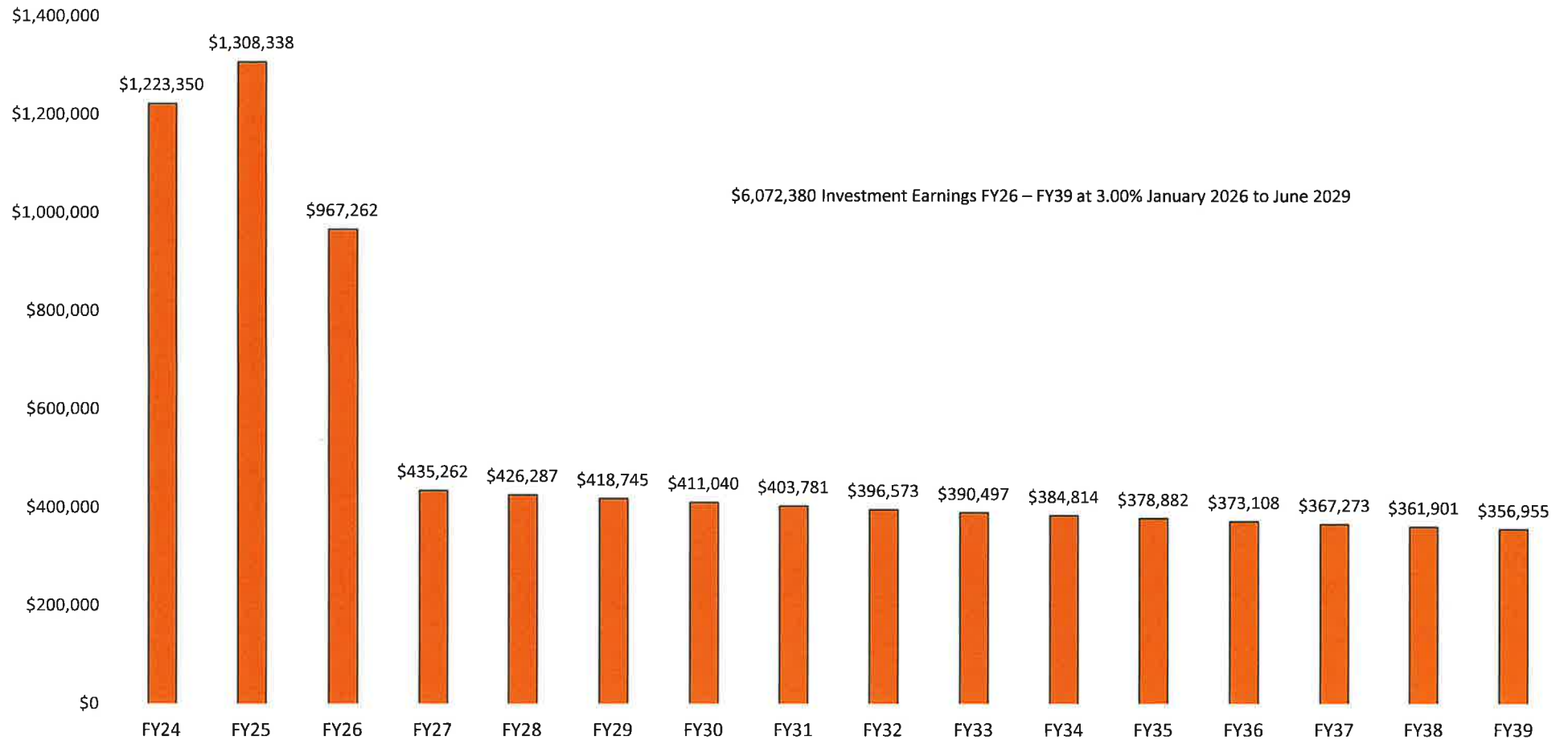


Minnetonka ISD 276 OPEB Revocable Trust Fund Actuarially-Projected Future Benefit Withdrawals



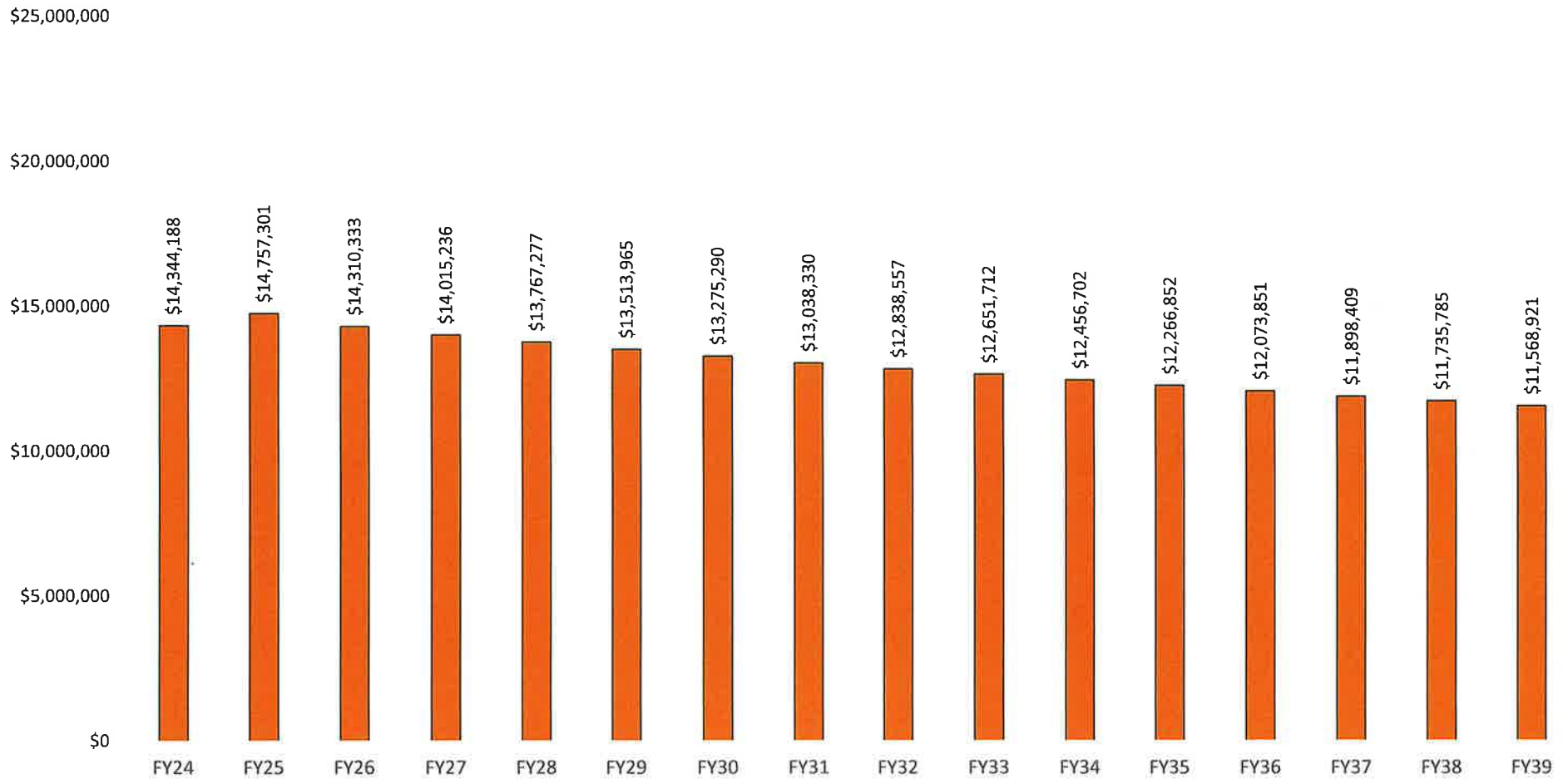
Minnetonka ISD 276 OPEB Revocable Trust Fund

Projected Future Investment Earnings-3.00% Annual Returns (Actuals To December 2025)



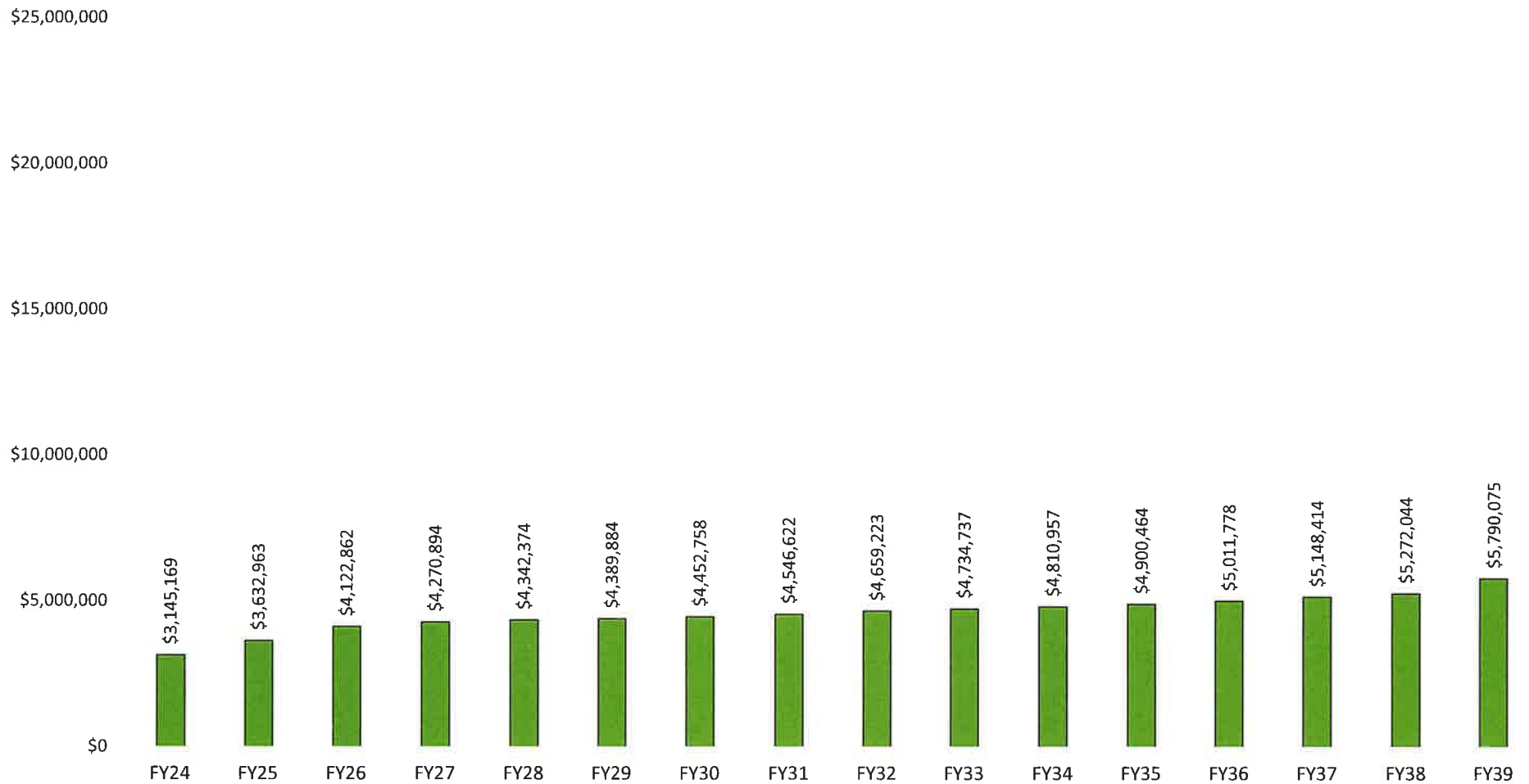
Minnetonka ISD 276 OPEB Revocable Trust Fund

Projected Future Asset Balance-3.00% Annual Returns (Actuals To December 2025)

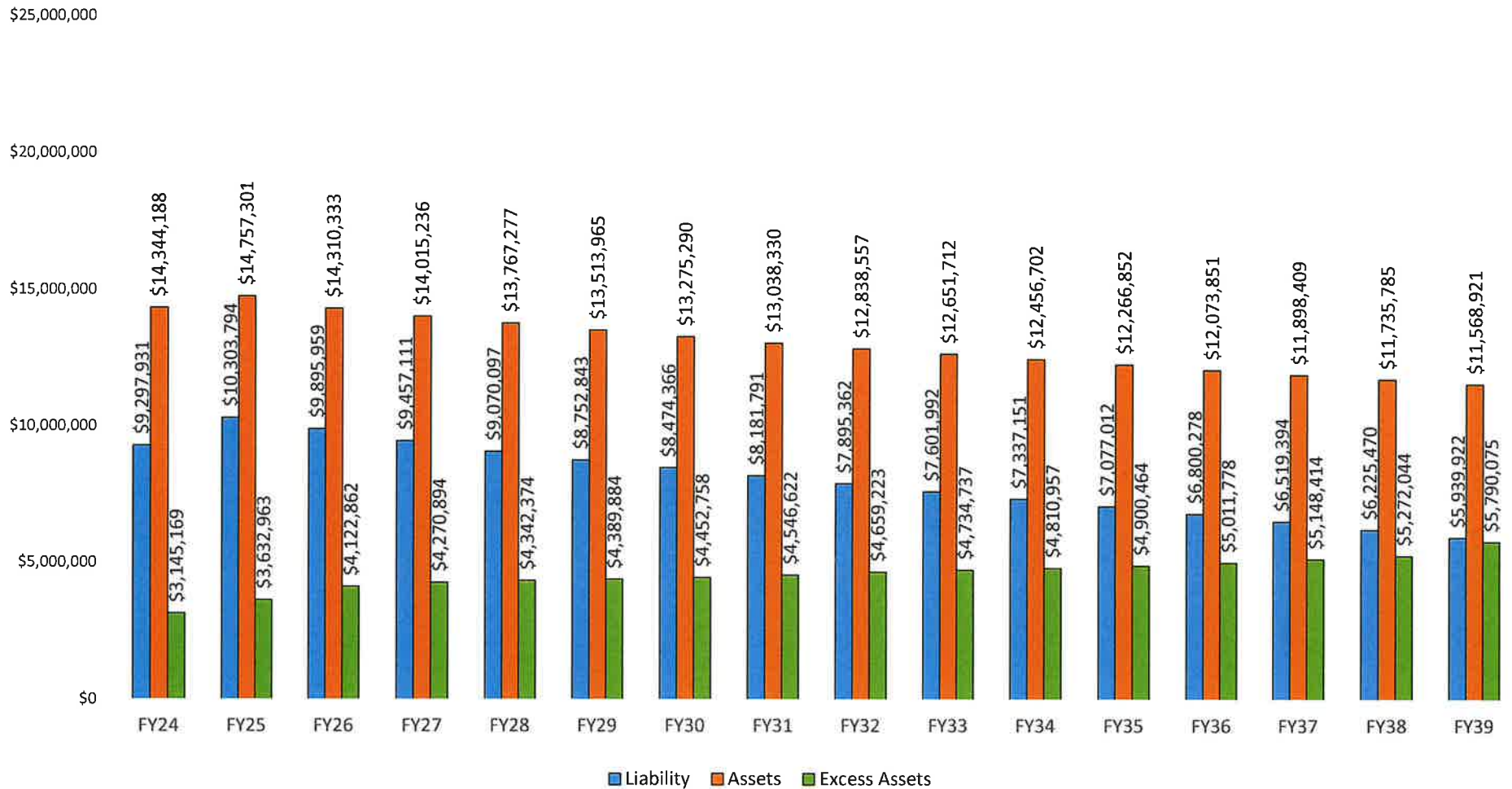


Minnetonka ISD 276 OPEB Revocable Trust Fund

Projected Future Excess Assets Balance-3.00% Annual Returns (Actuals To December 2025)



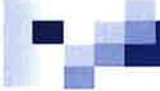
Minnetonka ISD 276 OPEB Revocable Trust Fund Liability, Total Assets & Excess Assets – 3.00% Annual Returns





OPEB Revocable Trust Net Result After 17 Years FY2009-FY2025

- \$17,742,555 invested
- \$20,737,532 cumulative dividends paid
 - \$10,887,532 in Benefit Withdrawal dividends
 - Positive impact on General Operating Fund Unassigned Balance
 - \$ 9,850,000 in Excess Asset dividends paid for VANMO
 - 100-year asset
- \$14,757,301 in assets remaining June 30, 2025



OPEB Revocable Trust Net Result After Next 14 Years FY2026-FY2039

Next 14 Years FY26-FY39 At 3.00% Annual Returns

- \$ 7,355,579 in investment earnings
- \$ 9,260,726 in benefit withdrawal dividends (\$29,998,258 since Trust startup - FY09-FY39)
- \$11,568,921 in assets remaining June 30, 2039
- \$ 5,790,075 Excess Assets remaining June 30, 2039



Thank You!

DISCUSSION

**SCHOOL BOARD
Minnetonka I.S.D. 276
5621 County Road 101
Minnetonka, Minnesota**

Study Session Agenda Item #6

**Title: Discussion on Long-Term Financial Stability and
Possible Enrollment Adjustment**

Date: January 22, 2026

EXECUTIVE SUMMARY:

The Minnetonka School Board has a School Board Goal to ensure Long-Term Financial Stability. This Goal suggests a variety of strategies to implement including advocating for legislative change so that the District can ask for voter support for additional funding or use Board authority to raise the Local Optional Revenue, advocate for an larger increase in the per pupil funding, make reductions to expenditures, and make adjustments to the enrollment target to support a balanced budget. The Board has also prioritized maintaining a stable fund balance. As the state considers how to address a budget deficit for the upcoming fiscal biennium, it appears that legislative support to address our financial challenges is uncertain at best. With this in mind, and hoping to avoid additional cuts to staff and programs, District Administration is proposing an increase in the enrollment target, tiered over the next two years, which if successful will delay the need for additional cuts for several more years. The new proposed targets and financial impact will be shared with the Board for discussion.

RECOMMENDATION/FUTURE DIRECTION:

This item is presented for the School Board's information.

Submitted by: _____



David Law, Superintendent