

FINANCE COMMITTEE MINUTES

This meeting was held remotely via Google Meet
May 12, 2025 at 7:30 a.m.

Members in Attendance: John Bellingham, Jamie Bente, Lynda Boudreau, Rob Dehnert, Stacy Fox, Meghan Knutson, Brett Martindale, Joel Olson, Barbie Roessler, and Chad Wolff

Others in Attendance:

Members Absent: Dave Campbell and Jason Engbrecht

This meeting was called to order at 7:30 a.m.

I. Business Items

- a. Approval of the previous meeting minutes: Minutes from April's meeting were amended. A new document was uploaded to BoardBook with an amendment to strike through incorrect information. New information was then added in red. Motion to approve by Ms Boudreau and seconded by Mr Bente. Motion carried.

II. Contracts, Agreements, Bids and Grants for Review

- a. Approval of the FY26 Ice Arena Contract: This is the same contract as was presented for FY25. The rates remain the same. Motion to approve by Mr Olson and seconded by Mr Bellingham. Motion carried.
- b. Approval of the Revised FY25 Budget: This is a revision of the adopted budget that was originally approved back in June of 2024 for FY25. The revision is necessary to ensure that our budget correctly aligns with what our actual expenses are predicted to be. The general fund's adopted budget showed \$273k in expense over revenue compared to the revised showing \$664k expense over revenue. In the adopted budget, benefits were under budgeted by \$1.16 million. Title, Capital (Equipment and LTFM), and other expenditure budgets were increased by \$375k, 302k, and 70k respectively. Total expenditure budgets in the General Fund increased by \$1.9 million while revenue budgets were increased by 1.5 million, a difference of \$391k, expense over revenue, as compared to the adopted budget. Mr Wolff posed two questions; How was \$1.1 million in benefits missed and how was \$702k in special ed revenue missed. As to benefits, this was an oversight as to the increased cost of health insurance. As for special ed revenue, Mr Dehnert stated that just as of last year in FY24, federal funding was used for tuition billing and while the expense line was added in FY25 to the budget to account for this, the revenue budget line was not updated. The Food Service fund showed \$38k in revenue over expenses but our fund balance is too high and must be spent down. Ms Roessler stated that new equipment has been purchased for almost all kitchens, including a remodel of McKinley in order to house ALC students beginning in FY27. The revised food service budget for

FY25 now shows \$145k expense over revenue. Community Education didn't change too much with an overall increase of \$44k, expense over revenue compared to the adopted budget. In construction, projects are being completed sooner than predicted so we've had more expense being shown in FY25 than was originally budgeted for. We've seen more claims in our Self-Insurance fund as well so our revised budget for FY25 is now \$373k, expense over revenue, as compared to the adopted which showed revenues over expenses in the amount of \$117k. Mr Wolff asked Ms Roessler if she had any concerns over this budget revision. Ms Roessler replied that she wasn't concerned because our unassigned fund balance remains at a healthy level and there were no real issues or concerns with any of the other funds. Motion to approve the revised budget by Mr Bente and seconded by Mr Wolff. Motion carried.

III. Financial Performance

- a. April Student Counts: Mr Dehnert spoke to a new site to report students through Allina's creation of a Partial Hospitalization Program where students needing mental health treatments stay for up to 14 days. Faribault school provides a teacher to District One for 90 minutes per day in order to provide these students with education. Most of these students are already students of FPS so this is really just a shift in student counts from one site to the PHP site. However, some students in the PHP program are from other districts and we'll bill those districts for the appropriate tuition. Overall, we're down 71 students as compared to what we had budgeted for or roughly \$710k.
- b. April Comparative Financial Report: We see a clear difference in HVAC as April of 2024 shows no expense and April of 25 shows \$70k. This is due to a timing issue of when we received the bill. Ms Roessler stated that in one instance, we received the bill early and in another we received it late. As we are entering and paying these utility bills, they might not necessarily correlate with the month they are for. Water is on par with last year. We continue to see rebates in electricity and showed a negative expense for April of 2025. We saw some snow in March and so we did have expenses in April but overall, we're well under budget for snow removal. Our self-funded insurance showed revenue over expenses for the month of April and year to date, we're moving in the right direction. We're showing \$37k expenses over revenue compared to over \$100k last month.
- c. April Investment Report: We're continuing to leave a small balance at CCF bank because we still have some outstanding checks and to cover any unforeseen ACH withdrawals or deposits but most of these should have been switched over to Reliance at this point. Our main checking account at Reliance has an automated sweep of any dollar amount over \$750k into our savings account. Also, once our CD with Reliance matures, we'll move that into savings as well and no longer renew that particular CD.
- d. April Analytics: We updated the yearly analytical report to show the revised budget that was approved earlier in this meeting. This report now has us more aligned with where we are sitting as compared to years past. This also shows us deficit spending 5.3 million in FY25. \$4.3 million of that however comes from our

construction fund. Revenue from the sale of bonds for the construction project was already recorded in FY24 and is now sitting in the 06 fund balances.

IV. Financial Strategies

V. Next Meeting: June 16, 2025 at 7:30 am.

VI. Adjournment at 8:28 am: Motion to adjourn by Mr Bente and seconded by Ms Boudreau.

Respectfully submitted by Brett Martindale