

FINANCE COMMITTEE MINUTES

This meeting was held remotely via Google Meet
June 17, 2024 at 7:30 a.m.

Members in Attendance: John Bellingham, Jamie Bente, Stacy Fox, Scott Gerdes, Lynda Boudreau, Chad Wolff, Roxanne Hill, Joel Olson, Meghan Knutson, Dave Campbell and Brett Martindale

Others in Attendance: Grant Wilson of Heartman Insurance

Members Absent: Jason Engbrecht and Rob Dehnert

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

- I. Business Items
 - a. Approval of the previous meeting minutes: Motion by Mr Wolff and second by Ms Hill. Motion carried.
- II. Contracts, Agreements, Bids and Grants for Review
 - a. Approval of Property and Casualty Insurance Renewal - Selective Insurance: Mr Gerdes discussed the state of insurance and that other districts are seeing a 30 to 40% increase in premiums. Grant Wilson, our broker with Heartman Insurance, spoke on this as well. He was able to negotiate our wind/hail deductibles down from 1 million dollars for the larger building to \$250k, and \$100k in the smaller buildings. Mr. Bente reiterated that these increases are across the state. Mr Wolff mentioned that on the personal side, homeowners have seen increases as well. Our increase for FY 24-25 from 23-24 will be \$63,825; The total policy is \$276,977. Motion to approve by Mr Bente and seconded by Mr Wolff. Motion carried.
 - b. Approval of Bruce Smith Field Stadium Lighting Replacement: One of the poles suffered an electrical surge possibly due to a lightning strike. There are a couple options to repair/replace it but the thought was to replace all the lighting, upgrading to LED lights that would be more cost effective in the long run. This project is estimated to cost between \$190k to \$220k using Long-Term Facilities Maintenance dollars. Motion to approve by Mr Bellingham and seconded by Mr Cambell. Chad questioned the possibility of overages to the budget to which Mr Gerdes replied that if extra costs were substantial, he would bring it to the board.. Motion Carried.
 - c. Approval of Fiscal Year 24-25 Riverbend Traditional Classrooms and Field Trips Agreement: Note: the document attached to board book shows prior year dates but would be updated before being presented to the school board. Motion by Mr Bente, and seconded by Mr Olson. Motion Carried.

- d. Approval of Fiscal Year 24-25 MN State Academies for the Deaf and Blind Tuition Agreement: Motion to approve by Mr Bellingham, and seconded by Ms Hill. Motion carried.
- e. Approval of Fiscal Year 24-25 Sodexo America LLC Contract Renewal: This is the 3 year of a 5 year renewal term. In FY 24-25, there is between a 1-4% increase in food service meals. Motion by Ms Boudreau and seconded by Mr Bente. Motion carried.
- f. Approval FY 2024-25 Vended Meal Contact: Mr Gerdes shared we serve vended meals to STEM Charter School, Head Start, Little Scholars DayCare, and Discovery Public School. These contracts are incomplete as of the time of this finance committee meeting due to the lateness . Motion by Mr Wolff and Seconded by Ms Boudreau. Motion carried.
- g. Approval of the FY 24-25 Food Service Joint Powers Agreement with Surad Academy: In this contract, we run the entire food service program from start to finish including preparing of the food, serving, paperwork, etc. With this agreement, we retain the revenue with . Motion to approve by Mr Bente and seconded by Ms Boudreau.
- h. Approval of the FY 24-25 Food Service Joint Powers Agreement with CVSEC: This is the same kind of contract as above with Surad. Motion By Ms Boudreau and seconded by Mr Olson. Motion carried.

III. Financial Performance

- a. May Student Count: The final student count for FY24 was 3,118 ADM.
- b. May Investment Report: Property taxes and state aid drives our increase in cash in May and we'll see another small increase in June yet before our cash will dip off in July and August.
- c. Comparative Report: We don't accrue as much revenue in the summer months because some contracts are only paid during the school year. But overall as of May, we are in the black with about \$160k, revenue over expenses.
- d. May Analytics. Mr Gerdes reiterated the trend we've seen this year which is an increase in state aid and a decrease in federal aid. Also, we have seen an increase in interest revenue however this increase is in direct correlation with our bond sales.

IV. Financial Strategies

- a. Approval of the Final FY 23-24 budget: This was a year of record funding but also a year of record changes: Finance Codes, Fund Balances, new grants, etc. The general fund, 422, unrestricted fund balance, as of June, is \$565,514 down from \$1,183,476 from February due a few main reasons; reduced 16 ADM, which equates to about \$143k in direct loss for those 16 ADM, over 140 EL students have funded out, and some compensatory aid shifting to restricted. Mr Gerdes shared that the ALC will have a positive fund balance for the first time in a few years which is a direct correlation to the new compensatory aid shift. Our General Fund Balance is expected to be 11.31% at the end of FY24. Mr Gerdes gave a

special thanks to his team for their help in FY24. Motion to approve by Mr Bente, seconded by Ms Fox. Motion carried.

- b. Approval of the FY 24-25 Adopted Budget: 2% is being added to the funding formula estimated to be about \$309,115. We have a new North American Indian Aid estimated at \$42,500. We have some Read Act money \$111,347 tied to October 1 numbers from 2023-2024 year. Our EL aid is estimated at \$1.2 million. ALC fund balance set to grow to \$378,415. Our enrollment projection for FY 24-25 is expected to be 3,095 ADM, down from 3118 from FY 23-24. Mr Gerdes showed a projected decrease in our General Fund balance by \$428,499 or 0.39%. A couple notes to mention; we'll pretty much break even in food service which is where we want to be and Community Service is moving a lot more programming through grant funding. Our overall fund balance will drop to 10.92%. Again, Mr Gerdes gave a shout to the team as did Mr Bente. Motion to approve by Ms Boudreau and commented that she appreciated the detail and the optics. Seconded Ms Hill. Motion carried.
- c. Mr Gerdes shared our 5 Year Projects: In order to maintain a 10.75% fund balance, we'll need to cut about \$616k in FY26 and continue to make cuts in subsequent years.

V. Next Meeting Monday July 15, 2024 at 7:30 am.

VI. Motion by Ms Boudreau to adjourn the meeting, second by Ms Fox. Meeting adjourned at 9:04 a.m.

Respectfully submitted by Brett Martindale