

CROSBY-IRONTON SCHOOLS  
FINANCE COMMITTEE MEETING SUMMARY  
December 12, 2016

Item 7.3a

The finance committee met in the district office on December 12, 2016 at 5:30 p.m. with the following present: Barb Neprud, Bob Sandin and Mike Domin. Jamie Skjeveland and Bill Tollefson were also present.

2016-17 Enrollment – The committee received information on the enrollment counts through December 9<sup>th</sup> of the 2016-17 school year. The first Friday of the month count for December was down 9 students from the November count, but that figure rebounded during the following week with an increase of 3 students. The four month average enrollment is 1,029 students. If the first Friday of the school year is removed, because it is artificially too high, the average drops by 4 students to a total of 1,025. Even with this decline, the overall average enrollment still exceeds the budget estimate of 1,003 students. The committee also reviewed a first draft of the enrollment projection; which is updated to reflect final enrollments for 2015-16, updated estimates for 2016-17 enrollment, and uses December 9 enrollment less one student at every other grade as the projection for 2017-18 enrollment. The projection converts the student count to pupil units by applying the pupil unit weightings. The 2016-17 pupil unit count is estimated at 1,145, which is down from 1,164 for 2015-16 and which is anticipated to decrease to 1,124 for 2017-18. That 21 pupil unit decrease will result in \$127,407 in decreased revenue.

2016 Payable 2017 Levy – The December board meeting will have the public levy hearing, which includes a discussion of the 2016-17 Preliminary Budget and the 2016 payable 2017 levy and an opportunity for community comments, as well as certification of the final 2016 payable 2017 levy. Overall, the levy is up \$118,556 or 3.18% over the prior year. This is primarily due to two factors – the second year, which includes \$100 per pupil unit in additional funding, of the new long-term facilities maintenance funding program and the first installment of the lease levy payment for the track, representing a half-year to be paid during the 2016-17 school year. Both of these items will see increases again on the 2017 payable 2018 levy as the long-term facilities maintenance increases under the third year of the present three-year revenue increase schedule outlined in statute and the first full-year of lease payments are made on the track reconstruction project. There is still enough taconite levy replacement proceeds to completely eliminate the Community Service Fund levies, leaving \$25,723 to reduce General Fund levies. The 2016 payable 2017 final levy needs to be certified at a dollar amount (rather than at “maximum as calculated by MDE” for the proposed levy), so the dollar amount will be \$3,844,343.28.

Planning for 2017-18 – The committee continued their review of preliminary planning estimates for the 2017-18 fiscal period. An updated worksheet showing the projected deficit estimate of \$673,000 and including the dollar adjustment for each item and the associated change in fund balance leading down to 7% was provided, as requested at the October finance committee meeting. As discussed in October, the committee does not wish to see the unreserved General Fund fund balance reach 7%, but would rather target a level of about 10%. Discussion regarding assumptions continued, including the potential (or lack thereof) of increased General Education funding, whether to consider retirement savings prior to receipt of resignation letters, and questions about what is working and what is not working which may help prioritize budget reductions for 2017-18. The committee requested additional information for their next meeting and planning and calculation updates will continue. The December regular School Board agenda will include the standard, boiler-plate resolution that is adopted annually and that begins the process – Resolution Directing Administration to Make Recommendations for Reductions in Programs and Positions and Reasons Therefor.

The meeting adjourned at 7:57 p.m.

Respectfully prepared and submitted by William Tollefson