

Work Session

Monday, September 28, 2020 7:00 PM

Virtual Meeting via Google Hangout, To view or listen to this meeting, send request to: jkilian@isd110.org, or , call: 952-442-0600

1. **Southwest Metro Building Purchase**

Presenter: Pat
Devine,
Superintendent

JOINT POWERS AGREEMENT

EDUCATION FACILITY IN SHAKOPEE, MINNESOTA

This Agreement is made and entered into this 15th day of September, 2020, by and among Independent School District No. 2905 (Tri-City United), Independent School District No. 716 (Belle Plaine), Independent School District No. 717 (Jordan), Independent School District No. 719 (Prior Lake-Savage), Independent School District No. 720 (Shakopee), Independent School District No. 721 (New Prague), Independent School District No. 108 (Central Public Schools), Independent School District No. 112 (Eastern Carver County Schools), Independent School District No. 110 (Waconia), Independent School District No. 111 (Watertown-Mayer), Independent School District No. 877 (Buffalo-Hanover-Montrose) and SouthWest Metro Intermediate School District No. 288 (hereinafter referred to as “SWMetro”), all being school districts and governmental units of the State of Minnesota. Each of the independent school districts shall hereinafter be referred to as a “Participating Independent District” or collectively the “Participating Independent Districts.” The Participating Independent Districts and SWMetro shall hereinafter collectively be referred to as the “Collaborating Districts.”

RECITALS

WHEREAS, SWMetro provides special education and related services, alternative education programs, career and technical education, adult basic education, and other education-related programs and services to children who are enrolled in the Participating Independent Districts; and

WHEREAS, the Participating Independent Districts are members of SWMetro; and

WHEREAS, at the present time, many of the education-related programs and services provided by SWMetro are located at various sites and facilities in or about the western and southwestern Twin Cities metro area; and

WHEREAS, the parties hereto desire to cooperatively and jointly exercise their powers to establish a framework to finance the acquisition, renovation, equipping and betterment of real property located at 4601 Dean Lakes Blvd, in the City of Shakopee, County of Scott, Minnesota, together with buildings, structures, personal property, fixtures, and other improvements erected or placed thereon, including without limitation, that certain commercial building consisting of approximately 100,000 square feet (hereinafter the "Education Facility") located thereon and to establish parameters for the maintenance and use of the Education Facility, which shall be used by SWMetro to provide special education and related services, alternative education programs, career and technical education, adult basic education, and other services to the Participating Independent Districts, pursuant to the terms and conditions described below.

NOW, THEREFORE, in consideration of the promises and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

AUTHORITY; PURPOSE

Section 1. AUTHORITY. This Agreement is entered into by and among the Collaborating Districts pursuant to Minn. Stat. § 471.59, which authorizes two or more governmental units, by agreement entered into through action of their governing bodies,

to jointly or cooperatively exercise any power common to the contracting parties or any similar powers.

Section 2. PURPOSE. The purpose of this Agreement is to establish a framework to finance the acquisition of real property and the renovation, betterment and equipping of the Education Facility, and to establish parameters for the maintenance and use of the Education Facility, which shall be used by SWMetro to provide special education and related services, alternative education programs and other education-related programs and services to the Participating Independent Districts.

ARTICLE II GOVERNANCE

Section 1. GOVERNING BOARD. SWMetro was created pursuant to authority granted by the Minnesota legislature in 2015, see Minn. Stat. § 136D.41, and pursuant to a certain Joint Powers Agreement dated July 1, 2016 (the “SWMetro Agreement”), as amended. The member districts of SWMetro are the Participating Independent Districts in this Agreement. The control and management of SWMetro is vested in a Governing Board established pursuant to Article II, Section 1 of the SWMetro Agreement. The Governing Board has the authority to function as an entity separate and apart from any of the Participating Independent Districts and generally to act in furtherance of the Participating Independent Districts’ joint interests and intentions hereunder.

Section 2. POWERS OF THE GOVERNING BOARD. The Governing Board has the general charge of the business of SWMetro and the ownership of its facilities, fixtures and personal property. The Governing Board shall take such action as it deems necessary and proper to accomplish the purposes of SWMetro, or any other action

necessary and incidental to the implementation of said purposes or actions. The Governing Board shall have such additional powers as specified in this Agreement, including all powers necessary to provide recommendations on issues relating to the establishment, operation, management, maintenance, and control of the Education Facility.

ARTICLE III

MAINTENANCE AND UTILITIES

Section 1. MAINTENANCE OF EDUCATION FACILITY GROUNDS. SWMetro shall be responsible for usual and customary maintenance of the Education Facility grounds, including lawn and other maintenance services and snow removal for the parking lot, driveways and sidewalks at the Education Facility site.

Section 2. UTILITY COSTS. SWMetro will be responsible for utility costs for the Education Facility.

ARTICLE IV

RIGHTS SUBORDINATE TO LEASE AGREEMENT

It is mutually agreed and understood that the Education Facility is contemplated to be acquired, equipped, and improved by entering into a Lease-Purchase Agreement (the "Lease Agreement") between SWMetro and a lessor or an indenture trustee (the "Trustee") to be named, to finance said construction, equipping, improvement and acquisition. The rights of the parties under this Agreement, shall be subject to and subordinate to the rights of the lessor or the Trustee under the Lease Agreement.

ARTICLE V

LEASE PAYMENT ALLOCATION; CONTINUING CAPITAL COSTS;

OPERATING COSTS; DISSOLUTION

Section 1. LEASE PAYMENT ALLOCATION. The lease payments on the Lease Agreement described in Article IV hereof shall be apportioned among the Participating Independent Districts using the following method of apportionment: Each Participating Independent District's special education tuition billing revenue (i.e., the amount of money each Participating Independent District pays SWMetro through special education tuition billing) and each Participating Independent District's career and technical education revenue (i.e., the amount of money each Participating Independent District pays SWMetro for student use of SWMetro's career and technical education programs) shall be added together. The resulting sum for each Participating Independent District shall be separately divided by the grand total of all Participating Independent District's special education tuition billing and career and technical education revenues received by SWMetro for that year. The amount to be paid under this section by each Participating Independent District will be the resulting quotient from dividing the aforementioned amounts multiplied by the total amount of the anticipated lease cost to be paid in the aggregate by all the Participating Independent Districts. Each Participating Independent District may pay its share of the payments under the Lease Agreement from proceeds of a lease levy or from other school district fund sources. To the extent lease levy authority is exercised by one or more of the Participating Independent Districts in any year during the term of the Lease Agreement, SWMetro shall give written notice, prior to September 15 of each year, to each Participating Independent District of the maximum amount of the

leasing levy, calculated based on this formula, authorized to be certified by that Participating Independent District under this section in that year. This section may be amended by resolutions adopted by the school boards of the Collaborating Districts if the amendment does not violate the provisions of the Lease Agreement or other documents relating to financing for the Education Facility.

Section 2. TITLE AFTER PAYMENT OF LEASE. Unless this Agreement is amended to the contrary, at the termination of the Lease Agreement and after the repayment of the financing described above, the title to the real and personal property financed shall vest in SWMetro.

Section 3. OBLIGATION TO MAKE LEASE PAYMENTS; TIMING OF PAYMENTS TO SWMETRO. The Collaborating Districts recognize that the payments under the Lease Agreement will be paid by the Participating Independent Districts through lease levies and other fund sources pursuant to the formula in Article V, Section 1, hereof. Lease payments pursuant to the Lease Agreement which are not eligible for the lease levy shall be paid by the Participating Independent Districts using other fund sources. Each Participating Independent District shall pay to SWMetro, pursuant to a payment schedule determined by the Governing Board, the amount of its apportioned share of that year's payment under the Lease Agreement, which may consist of proceeds from a lease levy, funds from other school district fund sources, or both.

Section 4. CONTINUING CAPITAL COSTS.

The Participating Independent Districts shall be apportioned continuing capital costs pursuant to the formula set forth in Article V, Section 1.

Section 5. DISSOLUTION OF SWMETRO AFTER TERMINATION OF THE LEASE AGREEMENT. In the event SWMetro elects to dissolve after repayment of the financing described above, the Education Facility shall be sold and the proceeds of the sale apportioned among the Participating Independent Districts unless the SWMetro Governing Board votes to dispose of the property in different manner. This requirement shall survive the withdrawal of any Participating Independent District from this Agreement or the termination of this Agreement. A Participating Independent District's share of proceeds for the sale of the Education Facility shall be determined by dividing the total amount of lease levy payments made by the Participating Independent District for the Education Facility by the aggregate total amount of lease levy payments made by all Participating Independent School Districts for the Education Facility, and then multiplying the resulting quotient by the total amount of net sale proceeds for the Education Facility.

ARTICLE VI

DURATION; MEMBERSHIP; TERMINATION; BREACH; LIABILITY; INSURANCE

Section 1. DURATION. This Agreement shall be perpetual in duration unless terminated pursuant to provisions of this Agreement, as amended, or any state law terminating the Agreement.

Section 2. ADDITION OF OTHER DISTRICTS; REALLOCATION OF ADDITIONAL PAYMENT. An independent school district seeking membership in SWMetro shall, as a condition of being approved as a member pursuant to applicable state law and SWMetro Agreement, agree in writing to be added to this Agreement as a Participating Independent District and to be bound by the terms of this Agreement. Upon becoming a Participating Independent District under this Agreement, the percentages

apportioned pursuant to Article V, Section 1 of this Agreement shall be adjusted to account for the additional Participating Independent District.

Section 3. WITHDRAWAL OF PARTICIPATING INDEPENDENT DISTRICTS.

Subdivision 1. Procedure. A Participating Independent District may only withdraw from this Agreement if it also withdraws as a member school district of SWMetro in the manner provided in SWMetro Agreement. Subject to the terms of Article VI, Section 3, Subdivision 2, below, a Participating Independent District may withdraw from this Agreement effective at the end of the next fiscal year following the adoption of a resolution adopted by a majority vote of the full membership of its school board and by formal written notice to the school board of each other Participating Independent District and to the Superintendent of SWMetro. The notice shall include a certified copy of the adopted withdrawal resolution. A withdrawal shall only be permitted as specified in this section.

Subdivision 2. No Withdrawal Permitted During Lease Term. A Participating Independent District shall not be permitted to withdraw from this Agreement prior to June 30 of the year in which full payment of the Lease Agreement obligation, or an obligation refunding the Lease Agreement obligation, is made.

Subdivision 3. No Distribution to Withdrawing Participating Independent District. Except as provided in this Article VI, Section 3, Subdivision 3, a withdrawing Participating Independent District shall not be eligible for the distribution of any property or assets at the time of withdrawal. A Participating Independent District which has withdrawn from this Agreement shall be entitled to receive its apportioned

share of the proceeds from the sale of the Education Facility in accordance with Article V, Section 5, hereof.

Section 4. TERMINATION OF AGREEMENT. After the payment in full of the Lease described in Article V hereof, this Agreement may be terminated if the boards of all Collaborating Districts adopt written resolutions approving such termination. Upon termination, all funds and property remaining after payment of all outstanding debts and obligations, including the Education Facility, and equipment of any nature, shall become the property of SWMetro. To the extent permitted by law, the termination shall not affect the continuing liability of present or former Collaborating Districts for indebtedness incurred prior to the termination, or for other continuing obligations, including unemployment compensation or reemployment insurance.

Section 5. BREACH OF AGREEMENT; MEET AND CONFER. Any Collaborating District breaching this Agreement and given written notice of the breach and the nature thereof shall have fifteen (15) days in which to cure the breach. The breaching Collaborating District shall be liable for any expenses incurred by any other Collaborating District to enforce the provisions of this Agreement and any damages incurred by other Collaborating Districts as a result of the breach. In the event a breach of this Agreement involves the failure by a Participating Independent District to pay any or all of its apportioned share of any payment under the Lease Agreement, representatives of each Collaborating District shall meet as soon as practicable following said breach and determine how to address any resulting shortfall in the ability to make payments under the Lease Agreement. The unpaid apportioned share of the breaching Participating Independent District shall be apportioned among the non-breaching

Participating Independent Districts in the manner set forth in Article V, Section 1, hereof. The payment of the breaching Participating Independent District's apportioned share by the non-breaching Participating Independent Districts shall not relieve the breaching Participating Independent District from liability for payment of the unpaid share or from any damages incurred by a Participating Independent District as a result of the breach.

Section 6. LIABILITY. No Participating Independent District shall be liable for the acts or omissions of SWMetro and SWMetro shall not be liable for the acts or omissions of a Participating Independent District. Except as provided in Article VI, Section 5, hereof, no Participating Independent District shall be liable for the acts or omissions of another Participating Independent District. The liability and the monetary limits of liability of SWMetro, the Participating Independent Districts, their officers, employees, representatives, and agents shall be governed by the Municipal Tort Claims Act, (Minnesota Statutes Chapter 466) and other applicable law.

Section 7. INSURANCE.

Subdivision 1. Property Insurance. SWMetro shall maintain at its expense property insurance on the Education Facility and its personal property, which will be an operating cost under Article V, Section 4(a) of this Agreement.

Subdivision 2. Liability Insurance. SWMetro shall maintain liability insurance in not less than the statutory maximum liabilities for school districts.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 1. CAPTIONS. The captions of the provisions of this Agreement are for convenience only and shall not be considered or referred to concerning questions of interpretation or construction.

Section 2. AMENDMENTS TO THIS AGREEMENT. Amendments to this Agreement may be proposed by the board of any Collaborating District. Notice of proposed amendments shall be sent to all Collaborating Districts. The proposed amendment shall not become effective until it has been approved and executed by not less than two-thirds of all the Collaborating Districts. An amendment approved under this Section shall be an addendum to this Agreement.

Section 3. SAVINGS CLAUSE. Should any provision or article of this Agreement be found unlawful, the other provisions of this Agreement shall remain in full force and effect if by doing so the purposes of this Agreement, taken as a whole, can be made operative. Should any such provision or article be found unlawful, representatives of the boards of the Collaborating Districts shall meet for the purpose of arriving at an agreement on a lawful provision to replace the unlawful provision or article. The newly agreed upon provision or amendment must be approved by the boards of the Collaborating Districts by resolutions adopted in the manner specified in this Article VII for the adoption of amendments.

Section 4. NOTICES. All notices required or permitted to be given by a Collaborating District shall be given by the clerk of its board. The notice shall be in writing and shall be sent by first class mail or electronic mail to the administrative offices of the

board of a Collaborating District. A notice shall be timely if postmarked or emailed on the day it is due. In the case of a notice requiring board action, a certified copy of the resolution, motion or minutes of the school board specifying the board action shall be sent with the notice.

Section 5. ENTIRE AGREEMENT; APPLICABLE LAW. This Agreement contains the entire agreement between the parties. No party has relied upon any statements or promises that are not stated in this Agreement. This Agreement shall be construed and interpreted in accordance with and be subject to the laws of the State of Minnesota.

Section 6. EXECUTION IN COUNTERPARTS; EFFECTIVE DATE OF AGREEMENT. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute the same and whole instrument. This Agreement shall become effective upon its approval by the boards of each Collaborating District.

IN WITNESS WHEREOF, the officers indicated below of the Collaborating Districts have signed this Agreement by authority of their respective boards.

Approved at a meeting of the Governing Board thereof held on the 15th day of September, 2020.

SOUTHWEST METRO INTERMEDIATE SCHOOL DISTRICT NO. 288

By:

Chair

By:

Clerk

Approved at a meeting
of the School Board
thereof held on the
_____ day of
_____,
2020.

INDEPENDENT SCHOOL DISTRICT NO. 2905 (TRI-CITY UNITED)

By: _____
Chair

By: _____
Clerk

Approved at a meeting
of the School Board
thereof held on the
_____ day of
_____,
2020.

INDEPENDENT SCHOOL DISTRICT NO. 716 (BELLE PLAINE)

By: _____
Chair

By: _____
Clerk

Approved at a meeting
of the School Board
thereof held on the
_____ day of
_____,
2020.

INDEPENDENT SCHOOL DISTRICT NO. 717 (JORDAN)

By: _____
Chair

By: _____
Clerk

Approved at a meeting
of the School Board
thereof held on the
_____ day of
_____,
2020.

INDEPENDENT SCHOOL DISTRICT NO. 719 (PRIOR LAKE-SAVAGE)

By: _____
Chair

By: _____
Clerk

Approved at a meeting of
the School Board thereof
held on the _____ day of
_____,
2020.

**INDEPENDENT SCHOOL DISTRICT NO. 720
(SHAKOPEE)**

By: _____
Chair

By: _____
Clerk

Approved at a meeting
of the School Board
thereof held on the
_____ day of
_____,
2020.

**INDEPENDENT SCHOOL DISTRICT NO. 721 (NEW
PRAGUE)**

By: _____
Chair

By: _____
Clerk

Approved at a meeting
of the School Board
thereof held on the
_____ day of
_____,
2020.

**INDEPENDENT SCHOOL DISTRICT NO. 108
(CENTRAL PUBLIC SCHOOLS)**

By: _____
Chair

By: _____
Clerk

Approved at a meeting
of the School Board
thereof held on the
_____ day of
_____,
2020.

**INDEPENDENT SCHOOL DISTRICT NO. 112
(EASTERN CARVER COUNTY SCHOOLS)**

By: _____
Chair

By: _____
Clerk

Approved at a meeting
of the School Board
thereof held on the _____ day of
_____,
2020.

**INDEPENDENT SCHOOL DISTRICT NO. 110
(WACONIA)**

By: _____
Chair

By: _____
Clerk

Approved at a meeting of
the School Board thereof
held on the _____ day of
_____,
2020.

**INDEPENDENT SCHOOL DISTRICT NO. 111
(WACONIA)**

By: _____
Chair

By: _____
Clerk

Approved at a meeting of
the School Board thereof
held on the _____ day of
_____,
2020.

**INDEPENDENT SCHOOL DISTRICT NO. 877
(BUFFALO-HANOVER-MONTROSE)**

By: _____
Chair

By: _____
Clerk

**EXTRACT OF MINUTES OF MEETING
OF SCHOOL BOARD OF
INDEPENDENT SCHOOL DISTRICT NO. _____
_____, MINNESOTA**

Pursuant to due call and notice thereof, a meeting of the School Board of Independent School District No. _____, _____, Minnesota, was held on the ____ day of _____, 2020, at _____ p.m.

The following Board members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

**RESOLUTION APPROVING JOINT POWERS AGREEMENT RELATING TO
FINANCING THE ACQUISITION, RENOVATION AND EQUIPPING OF AN
EDUCATION FACILITY IN SHAKOPEE, MINNESOTA**

WHEREAS, a proposed Joint Powers Agreement has been prepared which establishes a joint powers entity under Minn. Stat. § 471.59 by an among the SouthWest Metro Intermediate School District No. 288 (“SW Metro”) and its member school districts for the purpose of establishing a framework to finance the acquisition of real property and the renovation, betterment and equipping of the Education Facility on said real property, which is located at 4601 Dean Lakes Blvd, in the City of Shakopee, County of Scott, Minnesota; and

WHEREAS, a copy of the proposed Joint Powers Agreement is attached and incorporated by reference.

WHEREAS, the School District is a member of SW Metro; and

WHEREAS, the administration of the School District has reviewed the proposed Joint Powers Agreement and has recommended its approval to the School Board.

NOW, THEREFORE, BE IT RESOLVED by the School Board of Independent School District No. _____, as follows:

1. That the attached Joint Powers Agreement be and hereby is approved;
2. That the Chair and Clerk are hereby authorized to execute and deliver the attached Joint Powers Agreement; and
3. That in the event that less than all of the Collaborating Districts (as the term is defined in the attached Joint Powers Agreement) approve the Joint Powers Agreement, this Resolution shall be void and have no force or effect.

The motion for the adoption of the foregoing resolution was duly seconded by Member _____ and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against:

whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

I, the undersigned, being the fully qualified and acting Clerk of Independent School District No. _____, hereby certify that the attached and foregoing is a full, true and correct transcript of the minutes of a meeting of the School Board of Independent School District No. _____ duly called and held on the date therein indicated, so far as such minutes relate to a Resolution Approving Joint Powers Agreement Relating To Financing The Acquisition, Renovation And Equipping Of An Education Facility In Shakopee, Minnesota, and that said resolution included therein is a full, true and correct copy of the original thereof.

WITNESS MY HAND officially as such Clerk this _____ day of _____, 2020.

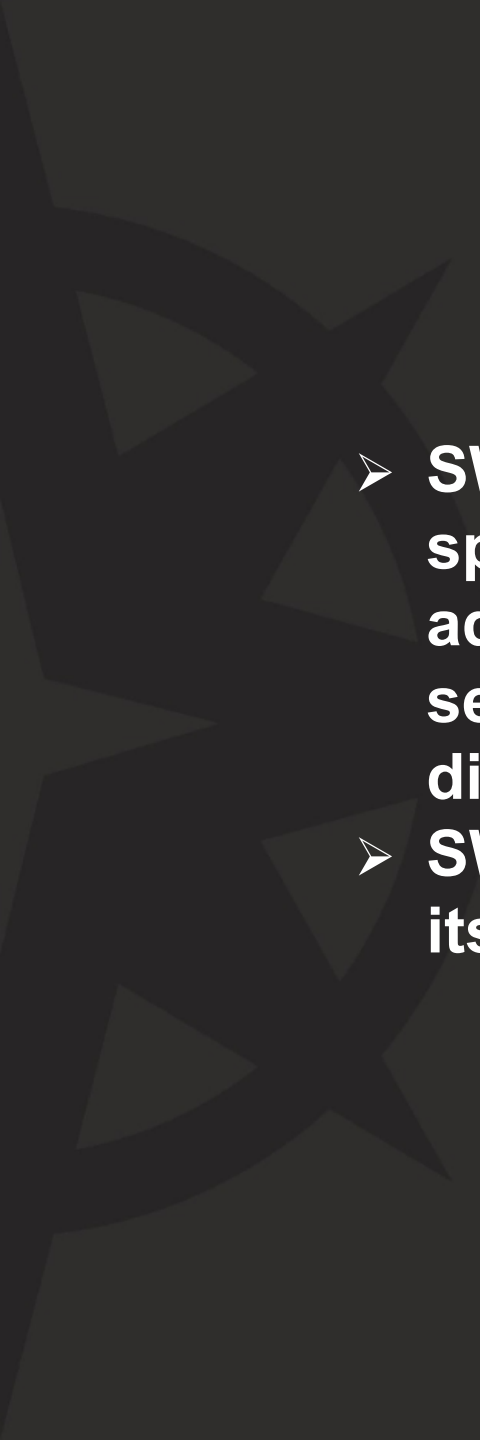
By:
Clerk of the School Board
Independent School District No. _____


Proposed Purchase of Dean Lakes Building



Eastern Carver County is a founding member of SouthWest Metro Intermediate District (SWMetro).



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- **SWMetro owns and leases space to provide special, alternative, career & technical, and adult basic education along with mental health services for the learners from its member districts.**
 - **SWMetro is at or very near full capacity in all of its current sites.**

- 
- **Unlike the other Intermediate Districts and most educational cooperatives in Minnesota, SWMetro DOES NOT place eligible students on waiting lists or reject them because our programs are full. This is often referred to as our “zero reject” model.**
 - **The only way to retain a zero reject model is to have adequate space to add new programs as students are referred.**


A task force including member district board members and superintendents was convened and recommended purchasing an existing building located at 4601 Dean Lakes Boulevard in Shakopee to address space needs.





Purchasing Dean Lakes would allow SWMetro to:

- **move all programs from the Valley Green Workforce Center in Shakopee to Dean Lakes and sell its interest in Valley Green,**
- **move programs located in the Town Square Mall in Shakopee to Dean Lakes and not renew leases at the Mall, and**
- **add additional space for growth well into the future thereby retaining the zero reject model.**

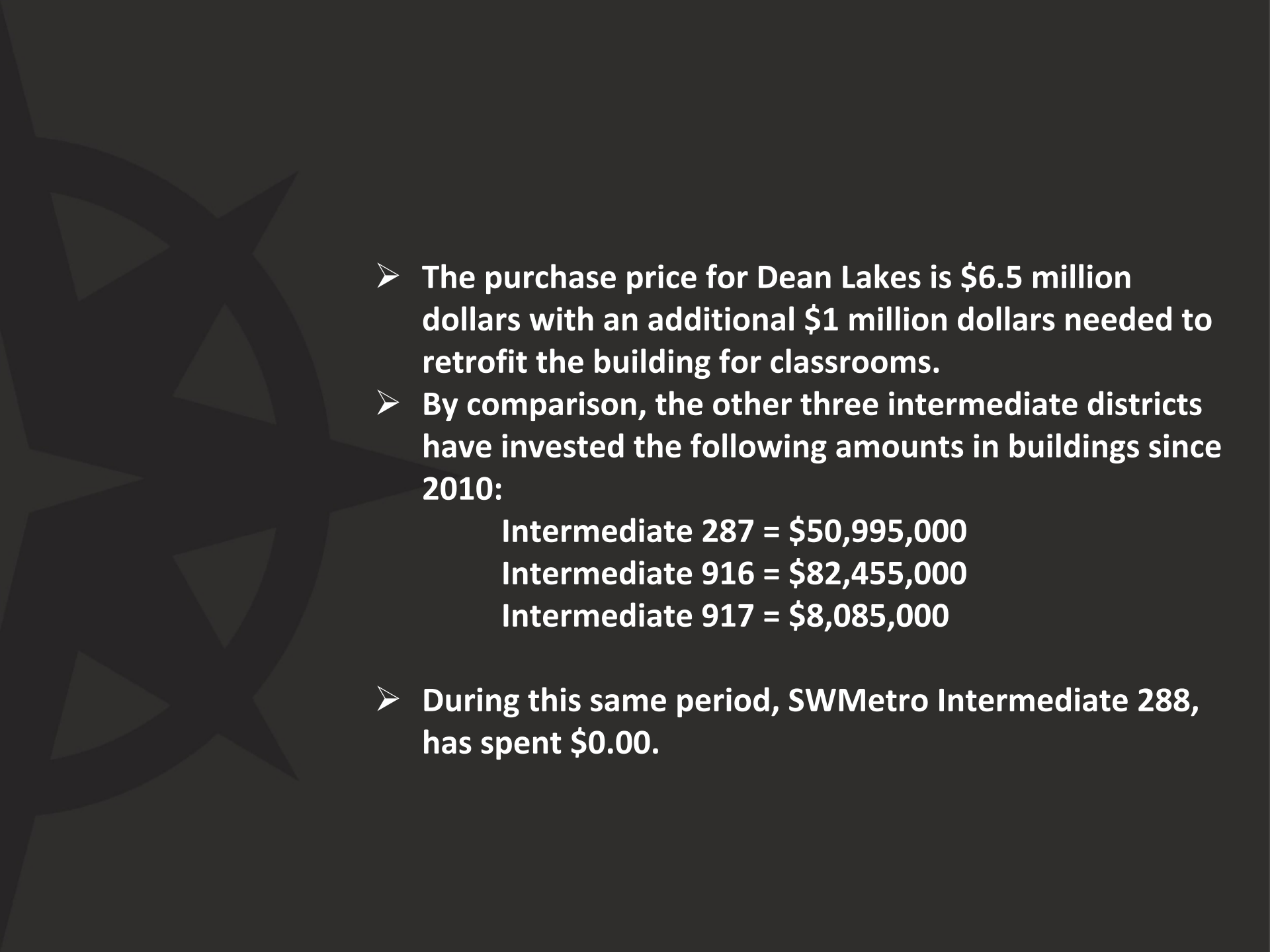


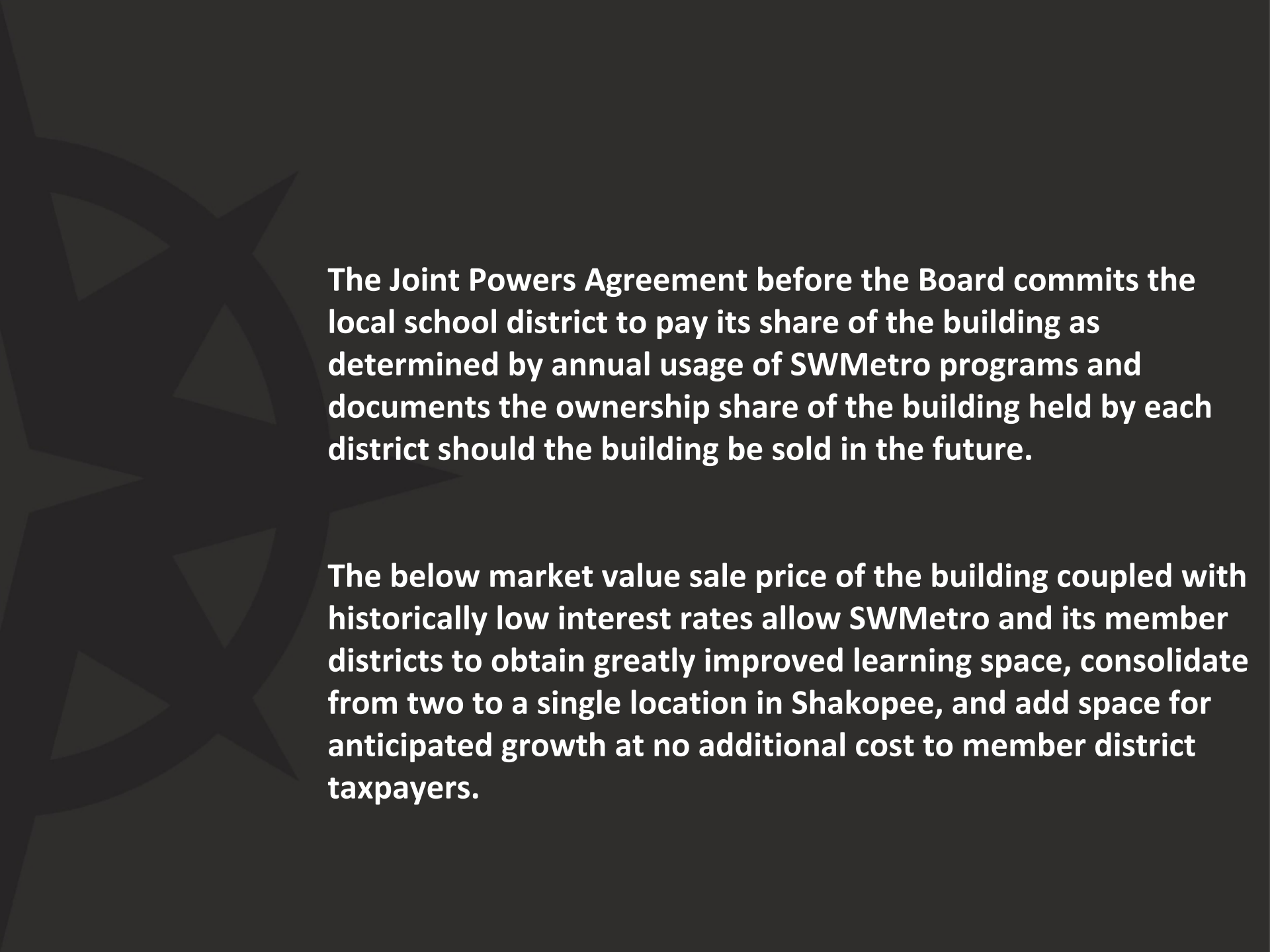
- 
- **Member districts pay their share of lease and maintenance costs of SWMetro buildings through lease levy and long terms facilities maintenance levy. The district share is calculated by annual use of SWMetro programs as measured by student attendance hours.**
 - **Annual costs (lease and maintenance) associated with Valley Green and Town Square Mall will be re-directed to fully pay annual loan payments for the purchase of Dean Lakes.**

- 
- **Local impact to member district taxpayers will be zero net change. That is, the current portion of local property taxes paid for buildings leased by SWMetro and their maintenance will not change.**
 - **While the lease levy will go up slightly to purchase Dean Lakes, this increase is offset by an equal reduction in facilities maintenance levy due to the reduced maintenance needs of a much newer building. Local tax statements reflect a single number combining both costs which will remain unchanged.**
 - **While there is no local tax impact, students from member districts will be served in a remarkably better facility than currently used.**
 - **Further, member districts will gain equity in a building owned versus paying for rented space at the Mall.**



In addition, SWMetro will have the space necessary to meet the needs of all eligible students for many years to come with additional space available to lease to other educational entities such as higher education. This brings the added benefit of college and university offerings for the greater Scott and Carver County areas located within our region.

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- **The purchase price for Dean Lakes is \$6.5 million dollars with an additional \$1 million dollars needed to retrofit the building for classrooms.**
 - **By comparison, the other three intermediate districts have invested the following amounts in buildings since 2010:**
 - Intermediate 287 = \$50,995,000**
 - Intermediate 916 = \$82,455,000**
 - Intermediate 917 = \$8,085,000**
 - **During this same period, SWMetro Intermediate 288, has spent \$0.00.**



The Joint Powers Agreement before the Board commits the local school district to pay its share of the building as determined by annual usage of SWMetro programs and documents the ownership share of the building held by each district should the building be sold in the future.

The below market value sale price of the building coupled with historically low interest rates allow SWMetro and its member districts to obtain greatly improved learning space, consolidate from two to a single location in Shakopee, and add space for anticipated growth at no additional cost to member district taxpayers.



2. **Superintendent Updates**

Presenter: Pat
Devine,
Superintendent

2.A. Truth in Taxation Hearing

2.B. 2020 Operating Levy

Presenter: Pat
Devine,
Superintendent



OUR FUTURE.
VOTE NOVEMBER 3, 2020

CommunicAT

SPECIAL EDITION: REFERENDUM 2020 - OPERATING LEVY

On November 3, 2020, residents of Waconia Public Schools (ISD 110) will vote whether to increase the district's operating levy, which would provide more local support for Waconia's educational programs and student support services.

WE ARE ONE10!



Waconia Public Schools has a long history of supporting all students as they explore their passions and create their success. This consistency of excellence in education has been built over time by everyone coming together to support students. ISD 110 has incredible teachers, students and parents all surrounded by communities that understand the value of great schools.

It's the "We Are ONE10" way -- and that commitment to kids was front and center as Waconia Public Schools designed and is delivering a new way of educating in a pandemic. As it has been stated, we know our plan may not be perfect but it will be the best it can be given the circumstances.

We will continue to make improvements/adjustments every day to enhance learning to ensure we deliver the best academic and safest environment possible.

The end goal is to have students graduate, prepared to follow their passions for a lifetime of success. The Class of 2020 may have graduated during a pandemic but that did not slow them down one bit.

Waconia Public Schools is known for providing this type of top quality education year after year, and now, the district is at a crossroads. Due to a change in the way the state reimburses school districts for special education expenses, the district is in Statutory Operating Debt (SOD). This new special education funding formula did not adversely affect all districts in the state the same. At Waconia Public Schools, the change had a devastating impact.



Before this new formula took effect, the state was reimbursing about 63% of the district's special education expenses. That has been reduced to less than 50%. The district has about \$10 million in yearly special education expenses.

CLASS OF 2020 ACCOMPLISHMENTS

84 honor students with 3.75 or higher cumulative GPA

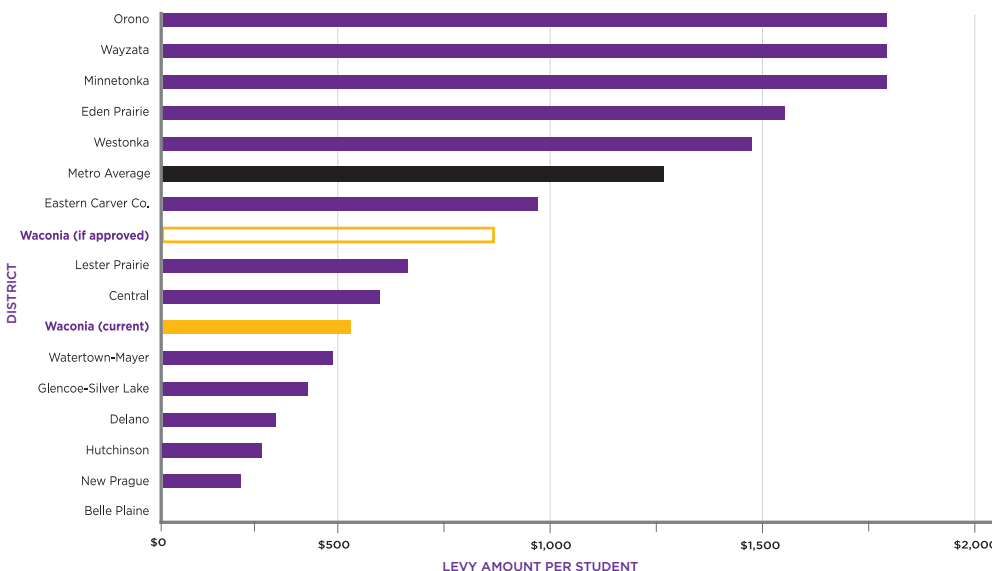
38 students with cumulative GPA of 3.95 or higher

50 National Honor Society members

4 National Merit Scholars (most ever at WHS)

34% passed at least 1 Advanced Placement (AP) test

VOTER-APPROVED LEVY COMPARISONS (2020-21)



COMMUNITY DECISION

On November 3, it will be up to the community to decide what the district looks like moving forward. The ballot question will ask voters to consider approving a \$410 per student levy increase. The resulting revenue of \$1.7 million per year would enable the district to maintain educational programs, and continue providing the quality education the community expects and students deserve. The tax impact on the average home value of \$350,000 would be about **\$19 per month**.

Even if the operating levy was passed, that would still put Waconia below the metro average in voter-approved levy amounts.

DIDN'T THE DISTRICT PASS AN OPERATING LEVY IN 2018?

It had been eleven years since the district asked for an operating levy ballot question when the voters approved an operating levy of \$525 per student in 2018. Those funds were supposed to help cover the state's funding gap for general education expenses for the next several years. When the state changed how it funds schools for special education expenses, this created another funding gap and the revenue

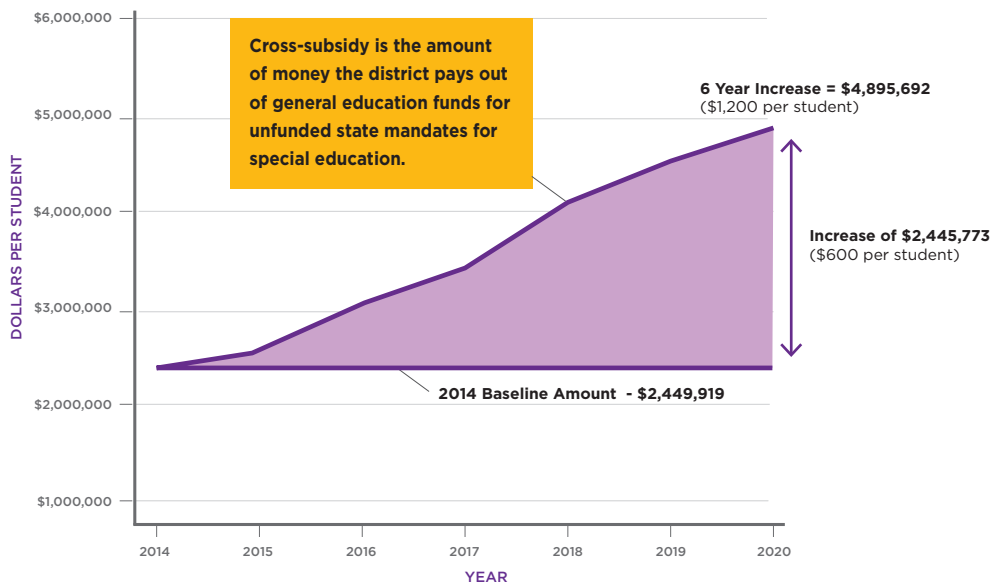
generated from the 2018 operating levy was needed to cover the new special education funding gap -- leaving the general education funding gap without a funding source.

IT'S A SPECIAL EDUCATION FUNDING ISSUE

This is not a special education issue. This is a special education funding issue. Waconia Public Schools is extremely proud of its special education program -- all of the students, staff and parents. Until

the state changes the way it reimburses for these expenses, the funding issue will continue to be an issue that will need to be addressed through a local decision. Over the past several years, the School Board made a strategic decision to draw down reserves to avoid going to taxpayers rather than eliminate programs in support of the district's commitment to academic excellence. This left the district with no financial cushion to protect against cost increases and funding gaps.

ISD 110 SPECIAL EDUCATION CROSS-SUBSIDY COSTS



IF VOTERS APPROVE THE OPERATING LEVY REQUEST

- › Additional social/emotional and mental health support
- › Increase advanced class offerings
- › More authentic learning experiences
- › Continue offering high quality programming
- › Maintain current class sizes
- › Continue offering electives
- › Add programming based on student interests and passion



IF VOTERS DO NOT APPROVE THE OPERATING LEVY REQUEST

The district would face budget cuts of at least \$1 million to the 2021-22 school year...this would be in addition to \$2 million in budget cutbacks the district has already made:

- › Less social/emotional and mental health services
- › Eliminate programs identified through community input
- › Larger class sizes
- › Fewer elective and activities offerings
- › Staff reductions

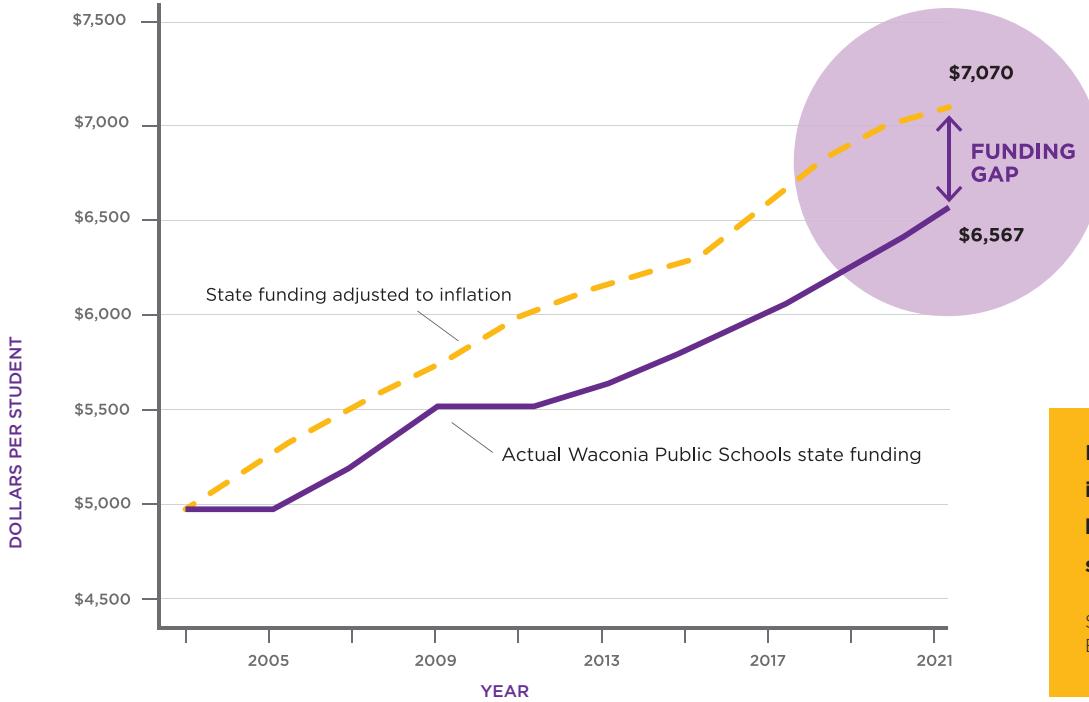


WACONIA PUBLIC SCHOOLS RANKS IN THE BOTTOM 1% IN STATE FUNDING

Newly released rankings show that Waconia Public Schools ranks 328th out of 330 school districts in how much funding the state provides the district for general education students. ISD 110 continues to operate on a very lean budget yet delivers excellence.



STATE BASIC GENERAL EDUCATION FUNDING PER STUDENT, 2003-2021



If state funding had kept pace with inflation since 2003, ISD110 would have received \$2 million more last school year alone.

Source: Minnesota Department of Education June 2020 inflation estimates.

SAMPLE BALLOT

On November 3, residents of ISD 110 will decide whether the district will be able to increase funding to support Waconia Public Schools students, staff and schools.

School District Question

Approval of School District Operating Referendum Revenue Authorization

The board of Independent School District No. 110 (Waconia Public Schools), Minnesota has proposed to increase the School District's general education revenue by \$410 per pupil, subject to an annual increase at the rate of inflation. The proposed new referendum revenue authorization would be first levied in 2020 for taxes payable in 2021 and applicable for ten (10) years unless otherwise revoked or reduced as provided by law.

YES Shall the increase in the general education revenue proposed by the board of

NO Independent School District No. 110 (Waconia Public Schools), Minnesota be approved?

PASSAGE OF THIS REFERENDUM WILL RESULT IN AN INCREASE

IN YOUR PROPERTY TAXES.

The state recently changed how it reimburses school districts for special education expenses. The amount of money ISD 110 must pull from its budget to cover those expenses more than doubled in the past 5 years.

The majority of Minnesota school districts rely on levies to help fund their staff and operating costs.

If approved by voters, the estimated tax impact on the average homeowner (\$350,000 value) would be about \$19/month.

The operating levy funds would provide critical funding for classrooms and instruction to support Waconia's high quality educational programs.

CommunicAT

SPECIAL EDITION: REFERENDUM 2020 - OPERATING LEVY



OUR FUTURE.
VOTE NOVEMBER 3, 2020

WHERE TO VOTE

Polls will be open from 7 a.m. to 8 p.m. on Tuesday, November 3, 2020. Absentee ballots will be available in September.

Get all your voting questions answered online: www.mnvotes.org.

EARLY VOTING LOCATIONS

The first day to vote early in-person is September 18 and the last day is November 2.

HENNEPIN COUNTY

*City of St. Bonifacius,
City of Minnetrista*

HENNEPIN COUNTY GOVERNMENT CENTER

300 South 6th St PSL 012
Minneapolis, MN 55487-0012

Monday-Friday: 8:00am - 4:30pm
Oct. 24: 9:00am - 4:00pm
Oct. 26-30: 8:00am - 5:30pm
Saturday, Oct. 31: 9:00am - 4:00pm
Monday, Nov. 2: 8:00am - 5:00pm

ST. BONIFACIUS CITY HALL

8535 Kennedy Memorial Drive
St. Bonifacius, MN 55375

Monday-Friday: 8:00am - 4:30pm
Saturday, Oct. 31: 10:00am - 3:00pm
Monday, Nov. 2: 8:00am - 5:00pm

MINNETRISTA CITY HALL

7701 Co Rd No 110 W
Minnetrista, MN 55364 (952) 446-1660

Monday-Friday: 8:00am - 4:00pm
Saturday, Oct. 31: 10:00am - 3:00pm
Monday, Nov. 2: 8:00am - 5:00pm

CARVER COUNTY

*Benton Township, Camden
Township, Dahlgren Township,
Hancock Township, San Francisco
Township, Waconia Township,
Watertown Township, City of New
Germany, City of Victoria, City of
Waconia*

CARVER COUNTY GOVERNMENT CENTER

Administration Building
600 E Fourth St | Chaska, MN 55318
(952) 361-1981

Monday-Friday: 8:00am - 4:30pm
Saturday, Oct. 31: 10:00am - 3:00pm
Monday, Nov. 2: 8:00am - 5:00pm

WACONIA CITY HALL (City of Waconia residents only)

201 Vine St S | Waconia, MN 55387
(952) 442-2184

Monday-Friday: 8:00am - 4:30pm
Saturday, Oct. 31: 10:00am - 3:00pm
Monday, Nov. 2: 8:00am - 5:00pm

LEARN MORE

On the web:
www.isd110.org

Email:
Levy2020@isd110.org

Call: (952) 442-0611

VIRTUAL TOWN HALL MEETINGS

Wednesday, Sept. 30: 6:30pm
Thursday, October 8: 6:30pm

Participate by following the link
on www.isd110.org.

If you would like Superintendent
Devine to present to your group/
organization call (952) 856-4514.



#WEareONE10

3. Superintendent Goals