



**Board of Education  
Big Lake School District #727  
Work Session**

**Tuesday, January 5, 2021  
6:30 PM  
Virtual  
601 Minnesota Ave  
Big Lake, MN 55309**

**Mission Statement**

Our mission is to challenge, educate, & inspire all students to reach their highest level of achievement in academics, athletics, & the arts.

- I. Call to Order  
Board Chair
- II. Roll Call  
Board Chair
- III. Financial Update 2  
Director of Business Services, Angie Manuel and Jodie Zesbaugh and Matthew Hammer from Ehlers
- IV. Communications Plan Update  
Director of Community Education and Communication Services, Allen Berg
- V. Adjournment  
Board Chair

**Strategic Directions**

- A. Implement practices that ensure all learners achieve at exceptional levels
- B. Ensure that staff, students, and families share in the accountability for the educational success of each student
- C. Establish a strong financial foundation that supports achievement of school district goals
- D. Seamlessly integrate technology as both a tool and a catalyst to maximize daily learning opportunities for students and staff
- E. Ensure that the facilities and infrastructure of Big Lake Schools are designed to optimize student learning in a safe, sustainable, and attractive environment
- F. Expand and strengthen public support for the school district



# **School Board Work Session Capital Project Levy Discussion**

Big Lake Schools, ISD 727

January 5, 2021



# Capital Project Levy

Election ballot question,  
stated tax rate

Allows districts to  
generate additional  
revenue for technology  
and capital projects

Revenue provided  
through local property tax  
levies

Annual levy, maximum  
length of 10 years

Taxes spread on Net Tax  
Capacity  
(All taxpayers pay, but  
may pay different  
amounts based on the  
type of property)

Revenue may be used  
for items consistent with  
the ballot language



# Big Lake - Capital Project Levy Authority

- Approved by voters in 2016 at rate of 3.207% of NTC for 10 years
  - ✓ FY 2021-22 estimated revenue approximately \$564,000
  - ✓ Effective through FY 2024-25
  - ✓ Election allowed in February, April, May, August, or November
  - ✓ Could request “revoke and replace” of current authority
  - ✓ No maximum amount, revenue is not capped
  - ✓ Review and Comment required if not used solely for technology

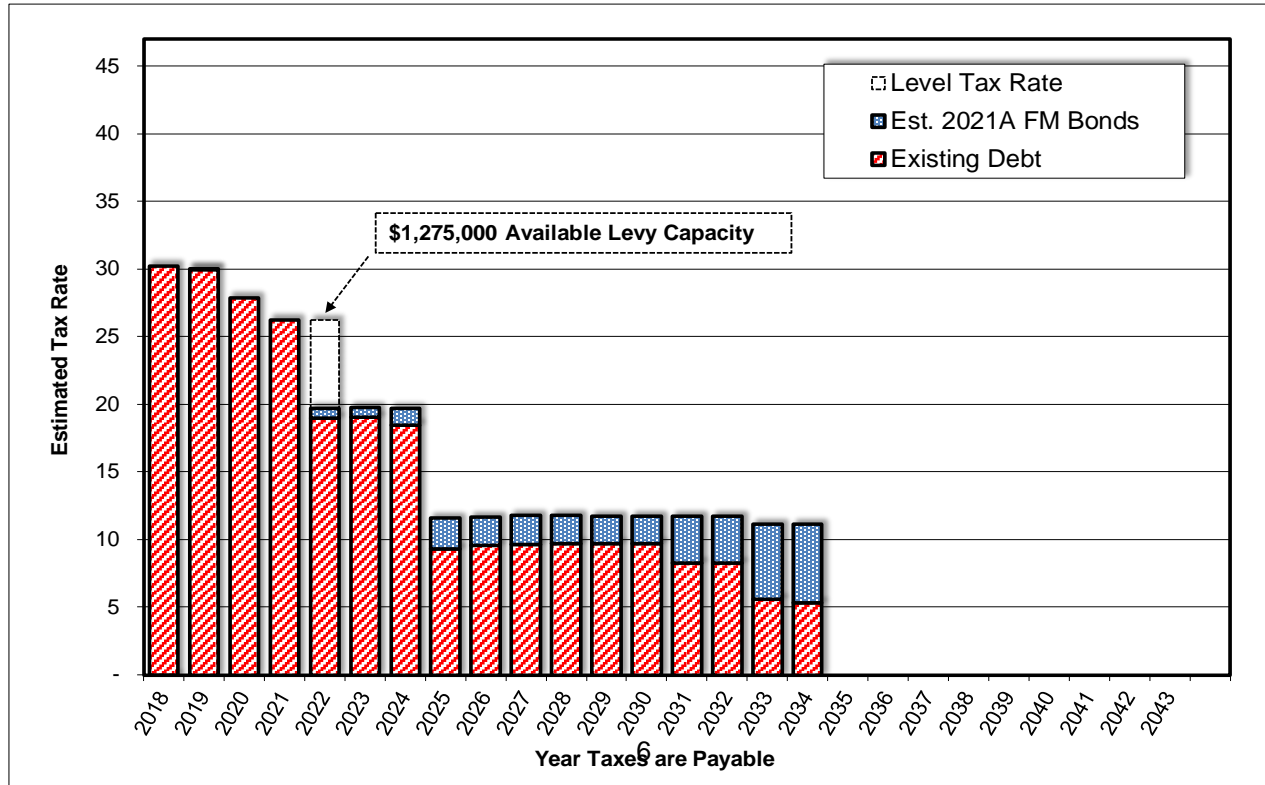


# Capital Project Levy Authorities

- 53 School Districts have Capital Project Levy Authority for FY 2020-21
  - ✓ Revenue ranging from \$51,573 to \$13,916,463
  - ✓ Average of \$381.77 per pupil
  - ✓ Big Lake's authority is \$153.81 per pupil



# Current Debt Structure





## Estimated Tax Impact \$250,000 Estimate Market Value

- Estimated Tax Reduction for Existing Debt Levies \$154 Annually
  - ✓ Capital Project Levy
    - Additional \$750,000 levy, decrease of \$63
    - Additional \$1,000,000 levy, decrease of \$33
    - Additional \$1,275,000 levy, decrease \$0
  - ✓ Does not include estimated reduction for refunding 2012B bonds
    - Call date is February 1, 2022
    - Plan to proceed with current refunding in fall of 2021
    - Estimated annual reduction in pay 2022 thru 2024 levies of \$200,000 annually



# Property Tax Base & Types

School District: Big Lake (ISD # 727)

Assessment Year 2019 (pay 20) Tax Base by Property Type

	Market Value	Percent of Total	Referendum Market Value	Percent of Total	Net Tax Capacity*	Percent of Total
<b>Totals</b>	<b>1,775,470,721</b>	<b>100.0%</b>	<b>1,685,214,405</b>	<b>100.0%</b>	<b>17,599,314</b>	
Residential Homestead	1,410,035,763	79.4%	1,387,357,729	82.3%	13,074,164	74.3%
Other Residential	174,218,469	9.8%	171,918,719	10.2%	1,837,106	10.4%
Commercial / Industrial	116,259,300	6.5%	116,259,300	6.9%	2,205,147	12.5%
Non Qualifying Agricultural	9,720,857	0.5%	9,678,657	0.6%	91,063	0.5%
Qualifying Agriculture	37,985,532	2.1%	-	0.0%	288,774	1.6%
Seasonal Recreational	27,250,800	1.5%	-	0.0%	281,002	1.6%
TIF and FD					(177,943)	-1.0%

\*Totals include TIF and Fiscal Disparities adjustments



# Operating Referendum

November election ballot question, stated per pupil, capped at \$1,827.54 (FY 2021-22)

Allows districts to generate additional general education revenue

Revenue can be a combination of local property tax levies and state aid

Annual levy, maximum length of 10 years

Taxes spread on Referendum Market Value  
(most property types pay the same taxes per dollar of property value)

Revenue may be used for any operating or capital expenses (e.g. staff salaries/benefits, utilities, supplies, technology)



# Current Operating Referendum

- Approved by voters in 2015 for 10 years
  - ✓ Revoke and replace, with net increase of \$475.00 per pupil
  - ✓ Includes annual inflation adjustment based on statutory inflation factor
  - ✓ Expires after FY 2025-26
- \$555.14 per pupil estimated authority for FY 2021-22
  - ✓ FY 2021-22 estimated revenue approximately \$1.8 million
    - \$1.4 in local levy and \$400,000 in state aid (maximum aid available in current formula)
- Statutory cap for 2021-22 estimated at \$1,827.54 per pupil
- Current FY 2020-21 state average authority is \$846 per pupil



# Tax Impact Comparison

	Capital Project Levy	Operating Referendum Revenue	Difference (CPL - OR)
Taxes Payable 2022 Revenue (Fiscal Year 2022-23)	\$1,000,000	\$1,058,095	-\$58,095
Reduction in Equity Revenue	0	-58,095	58,095
Net Revenue	\$1,000,000	\$1,000,000	\$0

Type of Property	Estimated Market Value	Estimated Annual Tax Impact *		
Residential Homestead	\$100,000	\$37	\$57	-\$20
	150,000	65	85	-20
	200,000	93	114	-21
	225,000	107	128	-21
	250,000	121	142	-21
	275,000	135	157	-22
	300,000	149	171	-22
	400,000	205	228	-23
Commercial/ Industrial **	500,000	256	285	-29
	\$100,000	\$77	\$57	\$20
	250,000	218	142	76
	500,000	475	285	190
Apartments and Residential Non-Homestead (2 or more units)	1,000,000	987	569	418
	\$250,000	\$160	\$142	\$18
	500,000	321	285	36
	1,000,000	641	569	72
2,000,000	1,282	1,139	143	

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# Timeline

## Key Dates (November 2021 Election)

- By August 20 - Board adopt resolution calling for special election
- By August 20 - Notify MDE Commissioner and County Auditors of election details
- By September 17 - Have absentee ballots available
- November 2 - Election Day



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# Facilities Projects Planning



# Projected Facility Needs

## Priority Level One:

- HVAC System Replacements at Independence Elementary
- 2000-2003 Roof Sections located at the High School, Middle School and Liberty Elementary
- Replace High School Generator

## Priority Level Two:

- Replacement of Track
- Replacement of Scoreboards (High School, Middle School and Independence)
- Replacement of building control systems at High School, Independence Elementary and Liberty Elementary

## Priority Level Three:

- Water/Sewer access for grounds equipment facility
- Retrofit/Replacement of interior lighting systems to LED



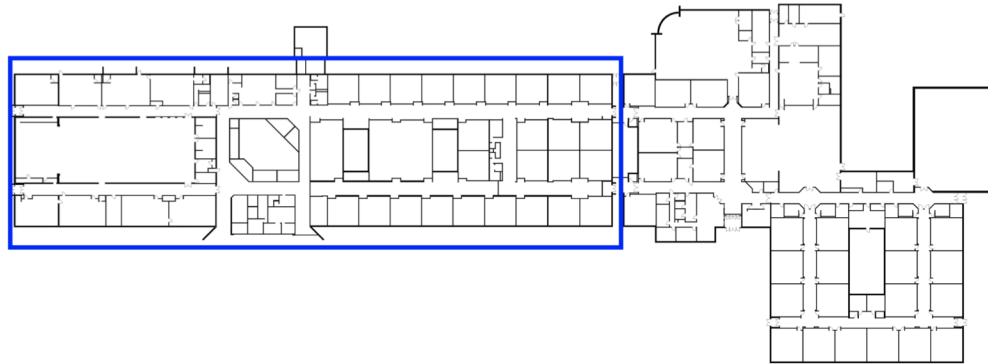
## Estimated Costs: Independence Elementary HVAC Replacements

Independence Elementary HVAC Replacement

Projected Costs: 9,500,000 to 11,500,000 not including “dress up costs” - FIN 366 Levy Authority eligible

Estimated Deferred Maintenance Costs:  
1,150,000 to 1,450,000

Scope: Removal of Unit Ventilators, Installation of Rooftop Units, Air Conditioning Installation, Replace ceilings, lights and flooring.

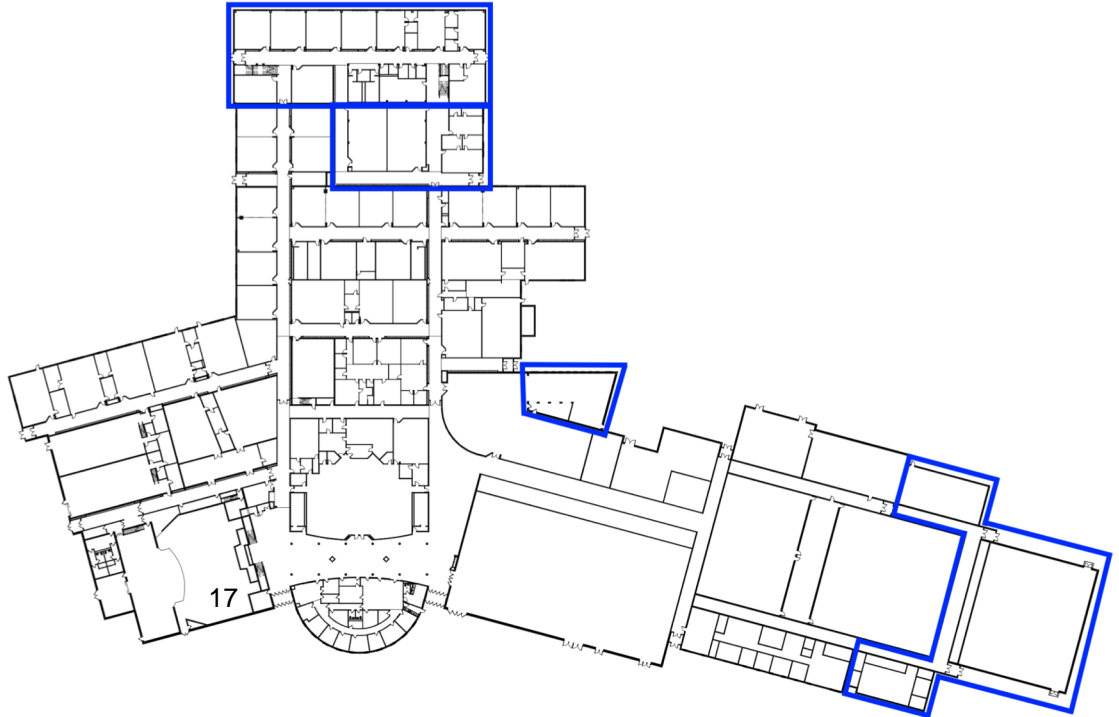




## Estimated Costs: 2000-2003 Roof Section Replacements

Roof Section Age: 19 years old  
Type: Ballasted EPDM - Single Layer  
Square Feet: 51,000

Estimated Cost for replacement with  
"BUR" Multiple Layer Roof system:  
\$975,000

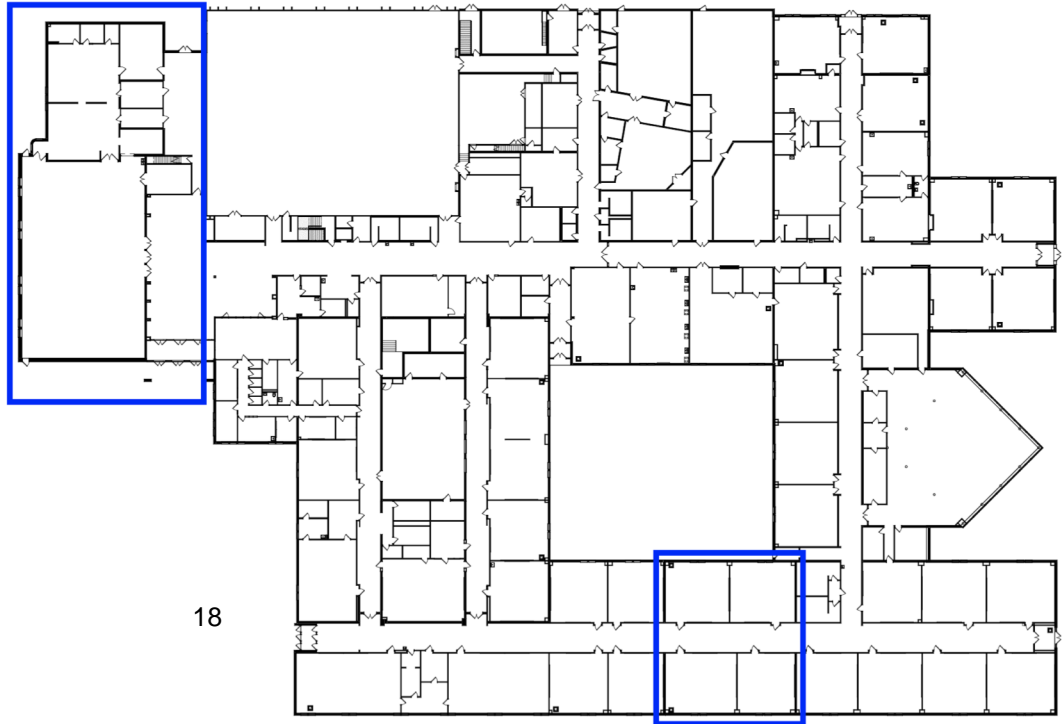




## Estimated Costs: 2000-2003 Roof Section Replacements

Roof Section Age: 19-21 years old  
Type: Ballasted EPDM - Single Layer  
Square Feet: 26,000

Estimated Cost for replacement with  
"BUR" Multiple Layer Roof system:  
\$500,000

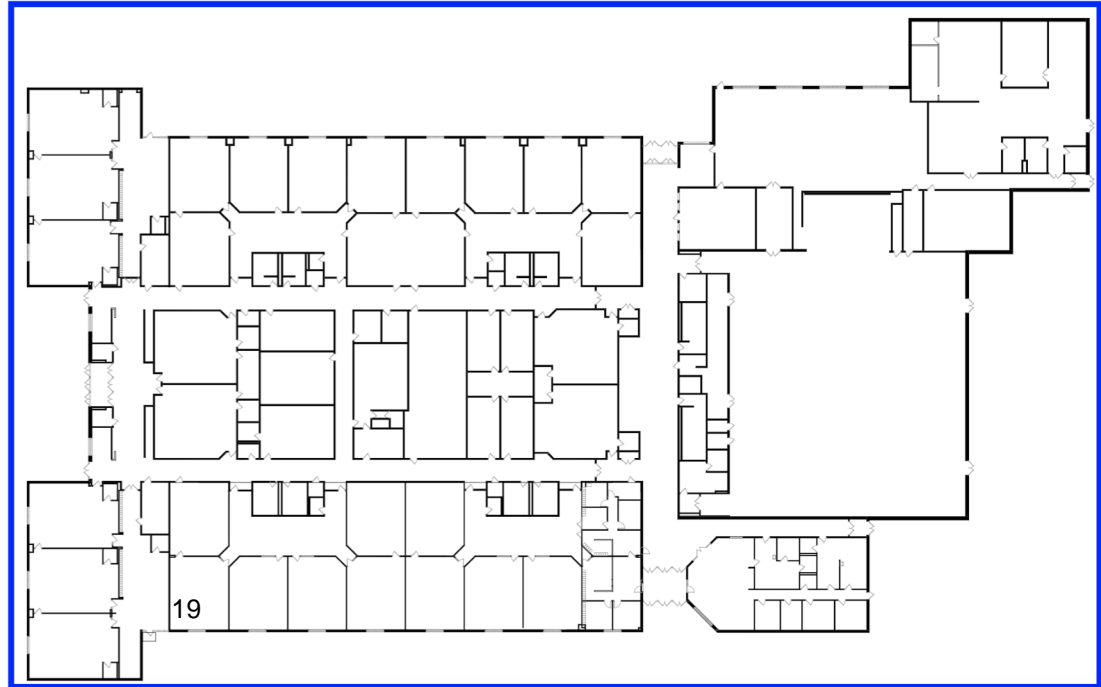




## Estimated Costs: 2000-2003 Roof Section Replacements

Roof Section Age: 18 years old  
Type: Ballasted EPDM - Single Layer  
Square Feet: 105,000

Estimated Cost for replacement with  
"BUR" Multiple Layer Roof system:  
\$3,000,000





## Estimated Costs: Scoreboard Replacements

Scoreboard Ages:  
Middle School 1974  
Independence 1981  
High School 1994

Estimated Cost:  
\$200,000





## Estimated Costs: Track Replacement

### Scope of work:

- Removal of existing track material and asphalt base
- Soil corrections
- New asphalt base
- New track surface
- Installation of concrete inner and outer perimeter to prevent damage from turf and traffic

### Estimated Cost:

\$1,200,000





## Estimated Costs: Building Controls Replacements

Original Building Control Systems have reached their end of life and their software systems are no longer supported.

Replacement of pneumatic systems would increase user comfort, system reliability and energy consumption.

Estimated Cost:  
\$2,250,000

Locations:  
High School  
Independence Elementary  
Liberty Elementary





## Estimated Costs: Interior Lighting Replacements

Studies have shown that modern lighting systems that provide the proper color and level of lighting increase student learning.

The replacement of our lighting systems also would help reduce operating costs through energy savings.

Estimated Cost:  
\$2,750,000

Locations:

High School

Middle School

Independence Elementary

Liberty Elementary

