

BOARD AGENDA

INDEPENDENT SCHOOL DISTRICT 191

Burnsville High School Senior Campus
Diamondhead Education Center
Regular Meeting
February 4, 2010
6:30 PM

- I. **Call to Order**
 - A. Welcome
 - B. Pledge of Allegiance

- II. **Business Meeting**
 - A. Approval of Agenda
 - B. Consent Agenda
Although Board action is required, it is generally unnecessary to hold discussion on these items. In the event a Board member wishes to discuss an item, that item will be moved for separate consideration.
 - 1. Meeting Minutes 2
 - 2. Human Resources Report 4
 - 3. Donations 6
 - 4. Schedule a Closed Session on February 4, 2010 for discussion of negotiation strategies 11
 - 5. Schedule a Board Workshop on February 4, 2010 to report on boundary information requested by Board members 12

- III. **Unfinished Business**
 - A. Approve 2009-10 Revised Budget (10 minutes) (Rider) 13

- IV. **New Business**
 - A. Adopt a resolution proposing termination of continuing contract teachers (5 minutes) (Grissom) 39
 - B. Receive the 2010-11 Budget Assumptions (30 minutes) (Rider) 43
 - C. Approve Cabinet Contracts for 2009-2011 (5 minutes) (Clegg) 45

- V. **Reports**
 - A. Student Advisor
 - B. Superintendent
 - C. Board Members

- VI. **Adjourn to Board Workshop and Closed Session**

School Board Minutes
 INDEPENDENT SCHOOL DISTRICT 191
 January 21, 2010

The meeting of the Board of Education was called to order by Chair Currier at 6:30 p.m. at the Burnsville High School Senior Campus in the Diamondhead Education Center. Call to Order

Members present: Directors Banyard, Hill, Luth, Martin, Morrison, Sweep and Chair Currier. Others in attendance were Superintendent Randall Clegg, administrators and staff. Attendance

Chair Currier welcomed the audience and asked Director Martin to lead the Pledge of Allegiance. Pledge of Allegiance

Moved by Director Sweep, seconded by Director Luth, to approve the agenda. Motion carried unanimously (7,0). Agenda

Chair Currier requested the Human Resources Report be moved from the Consent Agenda for separate consideration. Consent Agenda

Moved by Director Hill, seconded by Director Morrison, to approve the amended consent agenda as follows:

- Minutes of the January 7, 2010 Board meeting Minutes
- Donation of \$1,400 from the Harriet Bishop PTO to purchase books and literacy materials for the Harriet Bishop Media Center; \$100 from Residential Mortgage Group to Harriet Bishop for instructional supplies and materials; \$500 from the Wells Fargo Community Support Campaign to Harriet Bishop Elementary; \$100 from William Dufault through the Wells Fargo Community Support Program to Burnsville Senior High School; \$15,900 from the Hidden Valley PTO to Hidden Valley Elementary in support of school programs and activities; and \$1,000 from the Gordon & Margaret Bailey Foundation to Rahn Elementary School in support of school programs Donations

- Approve November payroll checks numbered 713714-713844, and Direct Deposit notices numbered 371517-374791, in the net amount of \$3,666,271.76. November & December claims to date represented by checks numbered 392481-349500, 100370-100391 and wire transfers and adjustments, totaling \$6,771,769.83. Also, that the Board accepts November receipts of \$8,262,592.94 and investments for General Operations and Alt. Facilities and OPEB of \$27,851,305.73 as of November 30, 2009 November Payroll, Claims & Receipts

- Accept the Budget Analysis for the month ending November 30, 2009
- Approve the job descriptions for the positions of Community Education Building Supervisor and BHS Theatre and Store Operational Manager
- Approve the Board Committee Appointments for 2010
- Approve December payroll checks numbered 713847-713961, and Direct Deposit notices numbered 374793-378057, in the net amount of \$3,631,312.60. December & January claims to date represented by checks numbered 394501-395264, 1000029-1000059, 100392-100400 and wire transfers and adjustments, totaling \$8,132,514.14. Also, that the Board accepts December receipts of \$6,322,031.45 and investments for General Operations and Alt. Facilities and OPEB of \$28,447,105.73 as of December 31, 2009
- Accept the Budget Analysis for the month ending December 31, 2009

Chair Currier made special mention of donations to the District. Motion carried unanimously (7,0).

Moved by Director Banyard, seconded by Director Morrison to approve personnel changes for H. Campbell, S. Ethen, R. Leonard, M. Rogers, E. Vezina, S. Figg, B. Wegleitner, L. Simpson, K. Moras, P. Wilkinson, J. Reesor, B. Reimann, P. Ryan, D. Kuplic, A. Carrick, T. Bergum, D. Luth, J. Callahan, J. Hookom. Motion carried (6,0,1 with Director Luth abstaining).

Moved by Director Banyard, seconded by Director Luth, to adjourn at 6:35 p.m. to a Board Workshop on district assessment data and elementary attendance boundary change discussion.

Sandy Sweep, Clerk

**Burnsville-Eagan-Savage Public Schools
Independent School District 191
Human Resources Office**

TO: Members, Board of Education
Randall Clegg, Superintendent

FROM: Susan J. Grissom, Executive Director Human Resources

DATE: February 4, 2010

RE: Recommended Personnel Changes

**Administrative
Retirement**

Paul McDowall *Principal, Byrne, after 33 years in the District, effective 6/30/10

Gwendolyn Walker -Principal (on leave), after 17 years of work, effective 7/13/10

**Certified
Appointment**

Howard Cleveland -Replacement-Long term substitute, VV, 1.0 FTE, effective 1/26/10 – 3/8/10

Thomas Vermillion *Replacement-Teacher, Resource, 1.0 FTE, BHS, effective 1/26/10

Leave of Absence

Carol Burhans -Teacher, NJH, requests a 1.0 FTE medical leave of absence, effective 1/4/10, returning to work 2/1/10

Laura Fuschetto *Teacher (currently on leave), requests a 1.0 FTE parental leave-spec. circumstances, effective 2010/11 school year

Courteney Ivory *Teacher, VV, requests a medical leave of absence, effective 1/25/10 for a period of 6-8 weeks

Allison Jordan -Teacher, HB, requests a 1.0 FTE maternity leave of absence, effective approx. 5/29/10 through the end of the 2009/10 school year

Retirement

Jane Truehart *Teacher, BHS, after 33 years in the District, effective 6/11/10

**Classified
Appointment**

Lisa Wade *New-Clerical, BHS, 5 hrs/student contact days, effective 2/4/10

*added to original report
Burnsville-Eagan-Savage #191
Board Meeting – 02/04/2010

Termination during Probationary Period

Megan Reller

*Cook helper, BHS, effective 1/29/10

COMMUNITY EDUCATION

Change in Assignment

Stephanie Bursey

-Associate Program Supervisor, DEC, assignment decreases to 30 hrs/wk, effective 2/16/10

Amy Hamel

-Associate Program Supervisor, DEC, assignment decreases to 30 hrs/wk, effective 2/16/10

MacKenzie Kueck

-Associate Program Supervisor, Hamilton Bldg., assignment decreases to 30 hrs/wk, effective 2/16/10

Grace Livers

-Associate Program Supervisor, DEC, assignment decreases to 30 hrs/wk, effective 2/16/10

Sandra Metzler

-Associate Program Supervisor, DEC, assignment decreases to 30 hrs/wk, effective 2/16/10

Stephanie Washinger

-Associate Program Supervisor, GP, assignment decreases to 30 hrs/wk, effective 2/16/10

Leave of Absence

MacKenzie Kueck

-Associate Program Supervisor, Hamilton Bldg, requests a maternity leave of absence, effective approx. 5/13/10 for a period of 6 – 8 weeks

*added to original report
Burnsville-Eagan-Savage #191
Board Meeting – 02/04/2010

To: Randy Clegg, Superintendent of Schools

From: Jon Bonneville, Principal

Date: January 27, 2010

RE: Donation

It is my recommendation that the School Board of Independent School District #191 accept this donation in the amount of \$143.22 from the following Wells Fargo employees:

Scott Galvin	\$14.00
Brionne J. Sillman	\$94.22
Robin Swanson	\$35.00

We will be using these funds to support the Literacy Library at Hidden Valley.

DATE: January 14, 2010
TO: Superintendent Clegg
Board of Education
FROM: Laura Pierce, Principal
RE: Rotary Club

I recommend the Board of Education recognize and accept the student thesauruses donated to the sixth grade classrooms from the Rotary Club. The approximate value of the dictionaries is \$200.00. The donation will be used to ensure learning opportunities for our students.

I am grateful for the generous support from The Rotary Club of Burnsville.



TO: Dr. Clegg
FROM: Dave Helke
DATE: February 3, 2010
RE: Donations

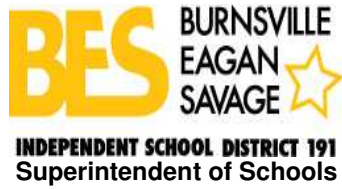
Please accept the following donations to Burnsville Senior High School:

- Employee contributions through the Wells Fargo Foundation, Community Support Program (\$100.00). (*This is the Wells Fargo portion of the match for William Dufault*).

To: Dr. Randy Clegg
From: Rob Nelson
CC: Rose Herrmann (Code – 01-491-260-000-096-000)
Date: January 27, 2010
Memo: Wells Fargo Foundation Educational Matching Gift

I am pleased to inform you that Harriet Bishop Elementary School has received a Wells Fargo Foundation Educational Matching Gift in the amount of \$500.00. I recommend that the School Board accept this charitable match.

/jh



TO: Members, Board of Education Agenda Item II.B.4
February 4, 2010

FROM: Randy Clegg, Superintendent

DATE: January 27, 2010

RE: Schedule Closed Session

Recommendation: That the Board of Education schedule a Closed Session following the regularly scheduled board meeting on February 4, 2010 at the Burnsville High School Senior Campus for the discussion of negotiation strategies.

TO: Members, Board of Education

Agenda II.B.5
February 4, 2010

FROM: Randy Clegg, Superintendent

DATE: January 27, 2010

RE: Board Workshop

Recommendation: That the Board of Education schedule a Board Workshop following the regularly scheduled Board Meeting on Thursday, February 4, 2010, at the Burnsville High School Senior Campus in the Diamondhead Education Center to report on boundary information requested by Board members.



AGENDA III-A
February 4, 2010

**TO: Members, Board of Education
Dr. Clegg**

FROM: Lisa K. Rider, Executive Director of Business Services

DATE: February 4, 2010

RE: Approve 2009-10 Revised Budget

RECOMMENDATION: That the Board of Education approve the 2009-10 Revised Budget providing revenues and expenditures in all funds as follows:

	<u>Revenue</u>	<u>Expenditures</u>
General Fund	\$108,628,376	\$113,814,289
Food Service	\$ 4,414,207	\$ 4,431,964
Community Service	\$ 6,779,270	\$ 6,779,270
Capital Projects	\$ 2,235,239	\$ 12,054,353
Debt Service	<u>\$ 7,108,156</u>	<u>\$ 7,775,172</u>
Total Gov't. Funds	\$129,165,248	\$144,855,048
Trust & Agency	\$ 997,975	\$ 1,078,872
Internal Service	<u>\$ 5,884,830</u>	<u>\$ 4,105,725</u>
Grand Total	<u>\$136,048,053</u>	<u>\$150,039,645</u>

At the mid-point of each fiscal year the budget is revised to reflect the most current information available with respect to revenues and expenditures. This recommendation formally recognizes these revisions by incorporating them into the budget document. While revisions have been made in each Fund, most of these revisions are relatively minor and warrant little attention. The more substantive revisions relate to the General Fund and the Capital Projects Fund. Following is a brief explanation of the revisions in each of these Funds.

General Fund

Most of the adjustments to the General Fund budget have been discussed with the school board on previous occasions and primarily relate to staffing, enrollment, employment agreements and legislation. The revised Budget recognizes current data relating to funding and employee compensation.

Significant revisions to revenues include the following components:

- Budget additions adopted by the school board subsequent to preparation of the Adopted Budget, including negotiated salary increase.
- Enrollment-based expenditures such as ratio driven staffing and building allocations.
- Budget carryovers from the prior year, and restrictions on those carryovers.

Food Services Fund

Expenditures have been revised to recognize salary and position adjustments due to transition of staff.

Capital Projects Fund

Expenditures in this fund have been revised to recognize the anticipated cost from the deferred maintenance projects planned to begin construction in June, 2010.

All of the revisions are intended to reflect the best data available at this time and all of them have been discussed with the school board over the past six months.

I am pleased to recommend approval of the 2009-10 Revised Budget.

Attachment: Revised Budget Summary 2009-10



BES

BURNSVILLE
EAGAN
SAVAGE

**INDEPENDENT
SCHOOL DISTRICT 191**

REVISED BUDGET SUMMARY

2009 - 2010

**INDEPENDENT SCHOOL DISTRICT NO. 191
BUDNSVILLE-EAGAN-SAVAGE
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**INDEPENDENT SCHOOL DISTRICT NO. 191
BUDNSVILLE-EAGAN-SAVAGE
SCHOOL BOARD AND ADMINISTRATION**

SCHOOL BOARD

<u>MEMBER</u>	<u>POSITION</u>
DeeDee Currier	Chair
Ron Hill	Vice Chair
Dan Luth	Treasurer
Sandra Sweep	Clerk
Nancy Banyard	Director
Gail Morrison	Director
Susan Martin	Director

ADMINISTRATION

Dr. Randall Clegg	(952) 707-2001	Superintendent
Sandi Novak	(952) 707-2015	Assistant Superintendent
Lisa K. Rider	(952)-707-2050	Executive Director of Business Services
Susan J. Grissom	(952) 707-2008	Executive Director of Human Resources
Scott FD Brown	(952) 707-2055	Director of Accounting Services

ISD 191

BUDGET PROCESS AND PRINCIPLES

The school district's budget is developed in accordance with Minnesota Statutes and the Uniform Financial Accounting and Reporting Standards for Minnesota Schools (UFARS). UFARS is a modified accrual system of accounting which means that revenues are recognized when earned and expenditures are recognized when a benefit is received and an obligation incurred. The actual receipt or disbursement of cash, while significant, is not the basis for accounting or reporting revenue and expenditures. The budget and year-end reports utilize the modified accrual system of accounting.

UFARS also provides a multi-dimensional account code structure that allows revenues and expenditures to be recorded and reported across six dimensions. These dimensions are: Fund, Organization, Program, Finance, Object/Source and Course.

The School Board is required to adopt the budget prior to commencement of the fiscal year. The fiscal year for all Minnesota school districts is the 12 month period from July 1 to June 30 of each year. While budgeting and accounting is an ongoing process with many overlapping and inter-related activities, school board action on the budget occurs in the sequence indicated below.

Preliminary Budget

The Preliminary Budget is submitted to the school board six to eight months in advance of the fiscal year. The Preliminary Budget is a projection of revenues and expenditures for the subsequent fiscal year and is based on the most current information relating to anticipated revenues and expenditures. If this preliminary data indicates that resources are insufficient to cover anticipated expenses, the school may initiate a budget adjustment plan to bring the budget into balance. As conditions change as the result of legislative action, enrollment fluctuations or contractual agreements, this corrected information is used to develop the Adopted Budget. The Preliminary Budget is also used to authorize the issuance of orders for services and materials that must be in place for the coming year.

Adopted Budget

The Adopted Budget is approved by the school board before July 1 of each year as required by law. The Adopted Budget is a best estimate of anticipated revenues and expenditures for the fiscal year. It is a detailed quantification of the District's educational plan, revenues and expenditures. Upon approval by the school board, the Adopted Budget becomes an authorizing document with respect to implementation by the administration.

ISD 191 BUDGET PROCESS AND PRINCIPLES (CONTINUED)

Revised Budget

Because a budget is an estimate of anticipated revenues and expenditures, it may be necessary to revise the document to reflect the most current information. Typically the budget is formally revised at the mid-point of the year although additional amendments may occur at other times. Upon adoption, the Revised Budget becomes the official budget for the fiscal year and is the basis for the subsequent year's Preliminary Budget.

Fund Accounting

UFARS is a "Fund" accounting system. This means that the District's revenues and expenditures are accounted for in various categories or "Funds" as prescribed by law. Each Fund has its own sources of revenue and expenditure obligations. Generally speaking, monies cannot be transferred between funds, i.e. Fund integrity must be maintained.

A Fund is an independent accounting entity with a self-balancing set of accounts including its own assets, liabilities, fund balance, revenues, expenditures and encumbrances. It is established to account for those specific resources provided for the attainment of particular objectives in accordance with specific regulations, restrictions, or limitations.

The general fund, the food service fund, and the community service fund are collectively known as the operating funds. The remaining funds are non-operating Funds and include the Building Construction, Debt Redemption and Trust Funds. The following descriptions provide a summarized definition of the funds in use in the District. The complete definition is available in the State UFARS Manual.

CODE DESCRIPTION

01 General Fund

The General Fund is comprised of a set of accounts used to show all operations of the school district which do not have to be accounted for in another fund. Since the General Fund is not a dedicated purpose Fund, any legal expenditure of the school district may be made from the General Fund, including transfers to clear the deficits or augment the resources of other funds. Within the General Fund there are several categorically funded programs that have specific accounting and reserve fund balance requirements. The General Fund is the largest Fund and is used to account for the general operation of the school district. Included in the General Fund are expenditures for instructional and support staff compensation, utilities, supplies, materials and contracted services.

02 Food Service Fund

This fund must be established in a district that maintains a food service program for pupils. Food services are those activities which have as their purpose the preparation and service of regular and incidental meals, lunches and snacks in connection with school activities. Revenues and expenditures for Food Services activities are recorded in this Fund.

ISD 191

BUDGET PROCESS AND PRINCIPLES (CONTINUED)

03 Transportation Fund

The Transportation Fund is now part of the General Fund although student transportation costs continue to be recorded as a segregated fund for internal purposes.

04 Community Service Fund

The Community Service Fund is used to record all financial activities of the Community Education program. The Community Service Fund is comprised of five components, each with its own fund balance. The five components are Community Service, Community Education, Early Childhood Family Education (ECFE), School Readiness and Adult Basic Education. Community Education includes only those activities authorized in Minn. Stat. 124D.19. The focus of these activities is enrichment programs for any age level that are not part of the K-12 education program. This section may also be used for K-12 summer school enrichment activities which, although educational in nature, are not for credit and are not required for graduation.

06 Building Construction Fund

This fund must be established in a district where building construction has been authorized by a bond election or the school board has levied property taxes to be used to maintain and improve school facilities.

Construction costs for buildings and additions consist of expenditures for general construction; advertisement for contracts; payments on contracts for construction; installation of plumbing, heating, lighting, ventilating and electrical systems; built-in lockers, elevators, and other equipment built into buildings; architectural and engineering services; travel expenses; paint and decorating; and any other related costs.

All revenues and expenditures for projects being funded under the Capital Loan Program and the Alternative Facilities Bonding Program must be reported in this fund.

There can be no borrowing from the Building Construction Fund. Any cash balance or investment in a Building Construction Fund is held in trust for authorized building projects for which the bonds were sold and must not be used to support cash deficits in other funds (Minn. Stat. 123B.78).

07 Debt Redemption Fund

This Fund must be established in a district that has outstanding bonded indebtedness, whether for building construction or operating capital and whether for initial or refunding bonds. The Fund is used to record revenues and expenditures relating to the payment of principal and interest on the District's bonded debt.

08 Trust Fund

The Trust Fund is used to record the revenues and expenditures for trust agreements where the school board has accepted the responsibility to serve as trustee.

ISD 191 BUDGET PROCESS AND PRINCIPLES (CONTINUED)

The property in the trust agreement typically comes to the district by gift. For example, a community member may create a scholarship trust to be awarded to an outstanding student every year or the local parent group may establish a trust to purchase computer equipment.

Trust Funds are composed of two types: expendable and nonexpendable. Expendable trust funds are used where both principal and earnings may be spent. Nonexpendable trust funds are used to account for trusts which require that only earnings and not principal be spent. To be in compliance with generally accepted accounting principles, expendable trust funds must use the modified accrual basis of accounting used by governmental funds. Nonexpendable trust funds use the full accrual basis of accounting, the same as proprietary funds.

47 Post-Employment Benefits Debt Service Fund

Activity to record levy proceeds and the repayment of the OPEB bonds will be accounted for in this fund.

Internal Service Funds

An Internal Service Fund is used to account for the financing of goods or services provided by one department to another within the school district or to other governmental units on a cost-reimbursement basis. The most common use of an Internal Service Fund by school districts is for self-insurance programs.

The use of an internal service fund does result in duplication of recorded expenses within the school district. The expense is first reported in the Internal Service Fund to recognize the cost of providing goods and services. The same expense is then duplicated in the form of user charges to other funds. The advantage in using the Internal Service Fund is the isolation of expenses in the fund where the character of the transactions is clearer to the users of financial statements.

When a school district uses an Internal Service Fund for self-insurance purposes the expenses or claims are charged as expenditures in the other funds and recognized as revenue in the Internal Service Fund. Also, any excess of premiums over actual losses must represent a reasonable provision for anticipated catastrophic losses or be the result of a systematic funding method designed to match revenues and expenses over a reasonable period of time. District 191 uses Internal Services Funds for dental insurance and post-employment benefit liability trust.

ISD 191 BUDGET PROCESS AND PRINCIPLES (CONTINUED)

Budget Accountability

When the school board adopts the budget it is authorizing the administration to proceed with implementation although all significant contractual obligations must also be approved by the school board. The District utilizes a “bottom-line” accountability concept whereby accounts assigned to a program administrator are to be balanced in total rather than on a line-by-line basis. On the other hand, line item accuracy must be maintained with respect to the coding of transactions and line item budgets are to be prepared as accurately as possible.

Revenue

Each Fund has its own sources of revenue. Although the sources of revenue vary by Fund, most of the Revenue for the school district is derived from the State of Minnesota through a myriad of formulas that compensate school districts on the basis of student enrollment, population, demographics, property valuations and program expenditures. In addition to State Aids, the District receives funding from the Federal Government as well as property taxes and other local sources. Revenues are limited by State aid formulas and property tax authority granted by the voters. The School Board does not have the authority to increase property taxes above the amounts authorized in statute or approved by the voters in a bond or referendum election.

Expenditures

The title of each Fund provides a basic description of the programs and services that are allowable within that Fund. All expenditures must support the functions identified as encompassing the Fund’s purpose and responsibilities.

Audit

The districts financial records are audited annually by a Certified Public Accountant or the State Auditor as prescribed in Minnesota Statutes. The Audit Report is included in the District’s Comprehensive Annual Financial Report which is available on the District’s website: www.isd191.org

**ISD 191
BUDGET OVERVIEW
REVISED BUDGET 2009 - 2010**

PROJECTED FUND BALANCE

The following Table shows budgeted revenues and expenditures for each fund as well as the projected balances in each fund at the end of the year. Detailed information pertaining to each Fund is provided in the following paragraphs.

FUND	ACTUAL FUND BALANCE 7/1/2009	REVENUE	EXPENDITURES	PROJECTED FUND BALANCE 6/30/2010
GENERAL:				
RESERVED	\$ 4,276,972	\$ 6,365,320	\$ 7,441,515	\$ 3,200,777
UNRESERVED- Designated	5,090,162	4,008,001	6,717,732	2,380,431
UNRESERVED- Undesignated	9,572,656	98,255,055	99,655,042	8,172,669
TOTAL GENERAL FUND	<u>\$ 18,939,790</u>	<u>\$ 108,628,376</u>	<u>\$ 113,814,289</u>	<u>\$ 13,753,877</u>
FOOD SERVICE TOTAL	\$ 486,203	\$ 4,414,207	\$ 4,431,964	\$ 468,446
COMMUNITY SERVICE:				
RESERVED	\$ 110,567	\$ 6,615,910	\$ 6,601,912	\$ 124,565
UNRESERVED	(3,705)	163,360	177,358	(17,703)
COMMUNITY SERVICE TOTAL	<u>\$ 106,862</u>	<u>\$ 6,779,270</u>	<u>\$ 6,779,270</u>	<u>\$ 106,862</u>
CAPITAL PROJECTS TOTAL	\$ 14,259,443	\$ 2,235,239	\$ 12,054,353	\$ 4,440,329
DEBT SERVICE TOTAL	\$ 2,250,541	\$ 7,108,156	\$ 7,775,172	\$ 1,583,525
TRUST & AGENCY FUND TOTAL	\$ 401,368	\$ 997,975	\$ 1,078,872	\$ 320,471
INTERNAL SERVICE FUND TOTAL	<u>\$ 14,493,065</u>	<u>\$ 5,884,830</u>	<u>\$ 4,105,725</u>	<u>\$ 16,272,170</u>
TOTAL ALL FUNDS	<u><u>\$ 50,937,272</u></u>	<u><u>\$ 136,048,053</u></u>	<u><u>\$ 150,039,645</u></u>	<u><u>\$ 36,945,680</u></u>

**ISD 191
BUDGET SUMMARY
REVISED BUDGET 2009 - 2010
(CONTINUED)**

GENERAL FUND

The 2009-10 General Fund Revised Budgeted revenue is approximately \$24.2 million less than prior year actual. Much of the decrease is explained by the bond proceeds and premium of the District's Other Post Employment Benefits (OPEB) bonds and the transfer of remaining fund balance from the District's Health Benefits Self-Insurance Fund in the 2008-09 fiscal year. The revenue impact of the OPEB bonds on the General Fund was approximately of \$17.9 million and the transfer amounted to approximately \$2.6 million. Additional decreases are related to declining enrollment and little change in per pupil funding.

Expenditures decreased by 7.6% as compared to prior year actual expenses. This decrease is primarily due to the costs associated with the onetime issuance of OPEB bonds reflected in the prior year which are not present in the current year. This decrease is partially offset by an increase in salary costs of \$3.7 million and a budget transfer out of \$2.6 Million in anticipation of the creation of a new District health care plan- implementing a health savings account. None the less, expenditures exceed revenue as expected which necessarily results in the drawing down of fund reserves. This use of fund reserves is consistent with school board action to use these resources rather than to reduce essential programs and services.

The following table compares the 2008-09 General Fund actual results with the 2009-10 revised budget.

<u>2008-2009 ACTUAL REVENUE & EXPENDITURES</u>		<u>2009-10 REVISED BUDGET</u>	
Beginning Fund Balance			
Reserved	\$ 2,880,170	\$	4,276,972
Unreserved- Designated	2,318,619		5,090,162
Unreserved- Undesignated	4,070,656		9,572,656
Total Fund Balance	<u>9,269,445</u>		<u>18,939,790</u>
Revenues	132,776,249		108,628,376
Expenditures	(123,105,904)		(113,814,289)
Net Change in Fund Balance	<u>9,670,345</u>		<u>(5,185,913)</u>
Ending Fund Balance			
Reserved	4,276,972		3,200,777
Unreserved- Designated	5,090,162		2,380,431
Unreserved- Undesignated	9,572,656		8,172,669
Total Fund Balance	<u>\$ 18,939,790</u>	\$	<u>13,753,877</u>

ISD 191
BUDGET SUMMARY
REVISED BUDGET 2009 - 2010
(CONTINUED)

Because "Reserved" funds are statutorily committed to particular functions, greatest attention is given to the "Unreserved- Undesignated" accounts because they are available for any General Fund purpose. The decrease in the Unreserved- Undesignated Fund Balance is due to the changes noted above. Unreserved fund balance represents approximately 7% or approximately 3 weeks of annual budgeted expenditures in the General Fund.

Revenue in the General Fund is based in large part on the number of students enrolled in the School District. As enrollment declines, the District loses the revenue associated with those students at the rate of approximately \$7,000 per student on average. The amount varies per student as the state funding formula weights students differently on the basis of grade level and other relevant characteristics, i.e. poverty, non-English speaking, etc. Approximately 66.5% of the Revenue in the General Fund is received as aid from the State of Minnesota. Property taxes make up 22% of the General Fund budget; the Federal Government provides 10% and Miscellaneous Local Sources account for 1.5%. It is important to note state general education revenue has decreased approximately \$540 per student on average as a result of Federal Stimulus money.

A major issue effecting General Fund Revenue is enrollment decline. With approximately 94% of our revenue determined on the basis of enrollment, any loss in enrollment has serious financial consequences for the School District. New residential development fueled enrollment growth through 1999. With virtually no open space remaining in the community for residential development, we anticipate continued enrollment decline as our community matures.

Peak enrollment was reached in 1999-00 when we had 11,715 students in average daily membership. Enrollment declined to 11,628 in 2000-01, 11,480 in 2001-02, 11,220 in 2002-03, 11,080 in 2003-04, 10,679 in 2004-05, 10,535 in 2005-06, 10,391 in 2006-07, 10,213 in 2007-08, 9,961 in 2008-09 and is estimated to be 9,870 in 2009-10. Each student generates approximately \$7,500 in general education and stimulus revenue.

While revenues are declining, inflationary pressures on our expenditures cause our operating budget to grow. As a labor intensive industry, 79% of our General Fund operating budget is committed to salaries (59%) and benefits (20%). Medical and dental insurance alone accounts for 11.9% of the budget and had increased 12% annually on average from 1994-95 through 2004-05. The medical insurance cost increase for was 7.0% in 2005-06, 9.27% in 2006-07, 12.0% in 2007-08, 15.5% in 2008-09 and for the 2009-10 fiscal year the increase is 13.0%. The District has been very aggressive in its efforts to curtail the rate of growth in the cost of medical insurance. Similar cost curtailment efforts have been instated successfully with respect to dental insurance, workers' compensation insurance, energy conservation and student transportation. The adoption of a health savings, high deductible or other insurance plan could provide significant savings to the District, without a reduction in the quality of services offered to employees. Management is currently investigating alternatives to the current plan.

**ISD 191
BUDGET SUMMARY
REVISED BUDGET 2009 - 2010
(CONTINUED)**

While the loss of students results in considerable loss of revenue, it is more difficult to reduce expenditures in a like amount. This is true because enrollment decline is distributed over all grades and schools which does not readily permit a reduction in expenditures. Furthermore, any staff layoffs are achieved on the basis of seniority which means that the lowest cost staff members are laid off first. Also, costs relating to the operation of buildings or overhead do not automatically decline as enrollment falls.

The following schedules and graphs provide detailed information on General Fund Revenues and Expenditures.

- General Education Formula Allowances
- Revenue By Source
- Expenditures By Program
- Expenditures By Object
- Enrollment History/Projection
- Expenditures Per Student

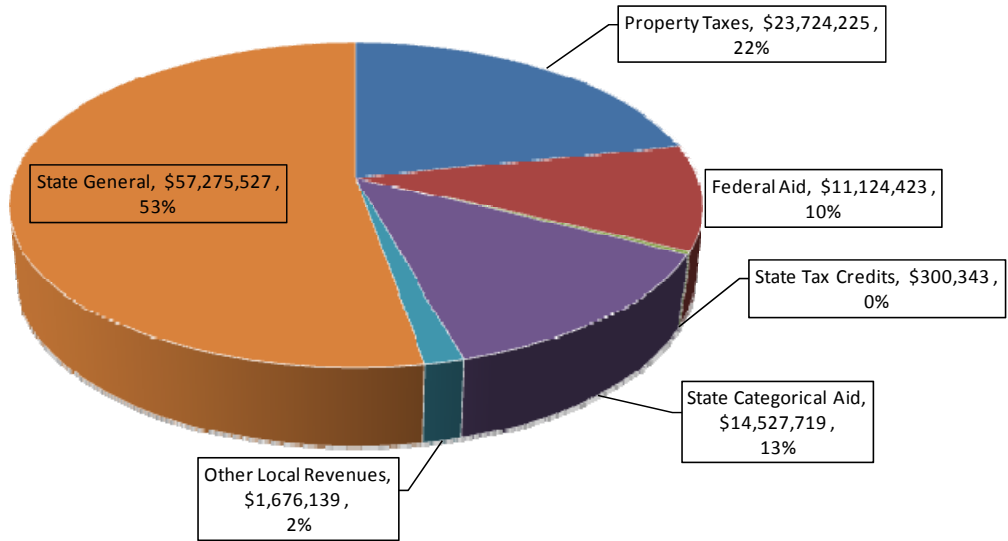
**ISD 191 BURNSVILLE - EAGAN - SAVAGE
GENERAL EDUCATION REVENUE
FORMULA ALLOWANCES**

Allowance	2005-06	2006-07	2007-08	2008-09	2009-10
Basic	\$ 4,783	\$ 4,974	\$ 5,074	\$ 5,124	\$ 5,124
Gifted and Talented	4	9	12	12	12
Compensatory	118	148	165	167	254
Limited English Proficiency	56	89	91	93	90
Operating Capital	206	206	208	208	210
Training and Experience	16	9	-	-	-
Referendum	846	847	853	1,489	1,526
Equity	50	102	106	46	69
Transition	32	32	32	32	32
Alternative Teacher Comp.	-	231	223	223	231
Federal Stimulus Replacement	-	-	-	-	(540)
Pension Adjustment	(65)	(67)	(47)	(48)	(48)
Total	\$ 6,046	\$ 6,580	\$ 6,717	\$ 7,346	\$ 6,960

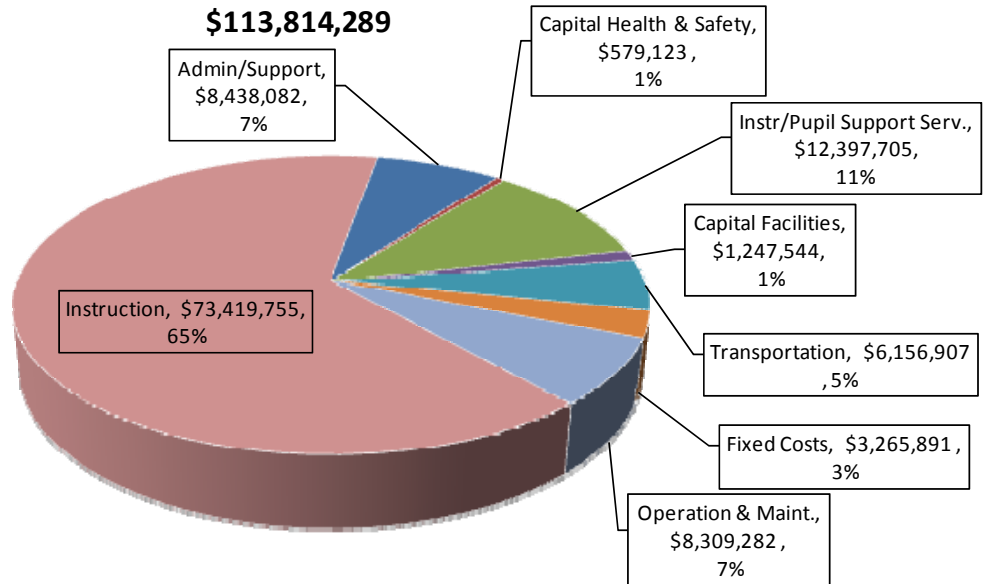
* Allowances are provided for each adjusted marginal cost pupil unit. For purposes of funding, each student in average daily membership is weighted as follows: Kindergarten @ .557 for 2003-04 through 2006-07, & .612 for 2007-08 through 2009-2010. Grades 1-3 @ 1.115, Grades 1-6 @ 1.06 and Grades 7-12 @ 1.3.

ISD 191 BUDGET SUMMARY REVISED BUDGET 2009 - 2010 (CONTINUED)

INDEPENDENT SCHOOL DISTRICT 191 GENERAL FUND REVENUE 2009-10 REVISED BUDGET \$108,628,376

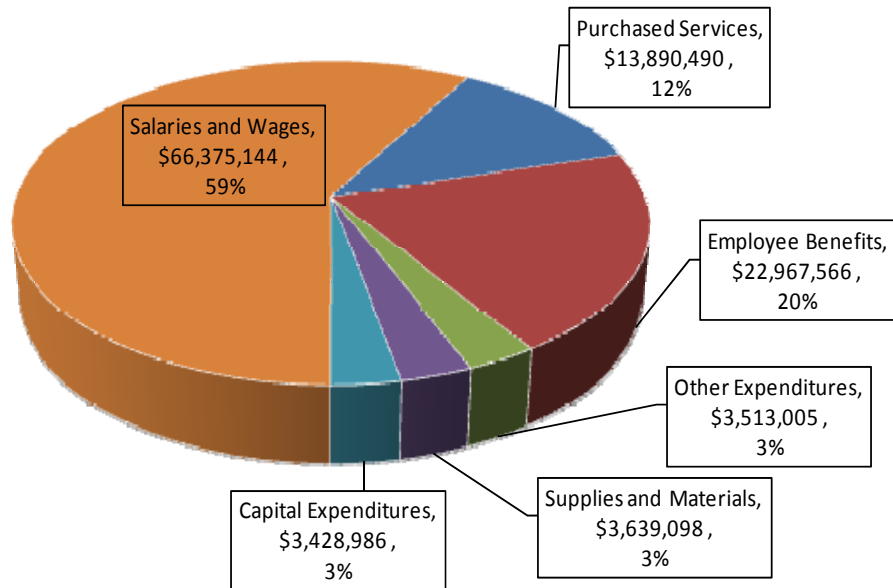


INDEPENDENT SCHOOL DISTRICT 191 GENERAL FUND EXPENDITURES BY PROGRAM 2009-10 REVISED BUDGET \$113,814,289



**ISD 191
BUDGET SUMMARY
REVISED BUDGET 2009 - 2010
(CONTINUED)**

**INDEPENDENT SCHOOL DISTRICT 191
GENERAL FUND EXPENDITURES BY OBJECT
2009-10 REVISED BUDGET
\$113,814,289**



**ISD 191 BURNSVILLE - EAGAN - SAVAGE
ENROLLMENT HISTORY AND PROJECTION
2001-2010**

Year	Total	Change
2000-01 Actual	11,628	-87
2001-02 Actual	11,480	(148)
2002-03 Actual	11,220	(260)
2003-04 Actual	11,080	(140)
2004-05 Actual	10,679	(401)
2005-06 Actual	10,535	(144)
2006-07 Actual	10,391	(144)
2007-08 Actual	10,213	(178)
2008-09 Actual	9,961	(252)
2009-10 Estimate	9,870	(91)

**ISD 191
BUDGET SUMMARY
REVISED BUDGET 2009 - 2010
(CONTINUED)**

GENERAL FUND COST PER STUDENT		
GENERAL CATEGORY	COST PER STUDENT (ADM)	DESCRIPTION
Instruction \$ 85,817,460 75.4%	Regular Instruction \$ 49,569,989 Total \$ 5,022 Per Student 43.56% of Total Exceptional Instruction \$ 22,265,779 Total \$ 2,256 Per Student 19.56% of Total Instructional Support Services \$ 8,767,696 Total \$ 888 Per Student 7.70% of Total Pupil Support Services \$ 3,630,009 Total \$ 368 Per Student 3.19% of Total Vocational Instruction \$ 1,583,987 Total \$ 160 Per Student 1.39% of Total	Classroom Instruction K-12 Special Education Media Centers, Technology, Curriculum & Staff Development, Associate Principals Guidance, Health Services, Attendance, DARE Secondary Vocational Classes, Industrial Technology, Family Science
Facility Maintenance & Operations \$ 10,135,949 8.9%	Building Maint & Custodial \$ 10,135,949 Total \$ 1,027 Per Student 8.91% of Total	Custodial, Facility Repair and Improvements, Health & Safety, Utilities
Administration \$ 8,438,082 7.4%	School Administration \$ 4,962,723 Total \$ 503 Per Student 4.36% of Total District Administration & Support Services \$ 3,475,359 Total \$ 352 Per Student 3.05% of Total	Principals, Offices, Clerical Support Technology, Business, Human Resources, Community Relations, School Board, Superintendent, Clerical Support
Student Transportation \$ 6,156,907 5.4%	Student Transportation \$ 6,156,907 Total \$ 624 Per Student 5.41% of Total	Regular & Special Education Transportation
Fiscal & Fixed Costs \$ 3,265,891 2.9%	Fixed Costs \$ 3,265,891 Total \$ 331 Per Student 2.87% of Total	Property & Liability Insurance, Transfers
Total \$ 113,814,289	\$ 11,531 Per Student	Total General Fund Expenditures

**ISD 191
BUDGET SUMMARY
REVISED BUDGET 2009 - 2010
(CONTINUED)**

FOOD SERVICE FUND

The Food Service Fund is essentially operated as an enterprise within the school district. The Director of Food Services is charged with the responsibility of providing nutritious school lunches for students with no financial subsidy from the General Fund.

Most of the revenue in the Food Services Fund is attributable to the sale of lunches to students. Additional revenue is received from the State of Minnesota and U.S. Department of Agriculture to supplement the program. The revenue budget assumes the sale of 1 million lunches at \$2.30 per meal for elementary, \$2.40 per meal for secondary lunches, and \$.40 for reduced price meals. Additional revenue is generated through the sale of food items a la carte, primarily at the secondary schools.

Expenditures in the Food Services Fund are split evenly between the cost of preparation (labor) and the cost of the food served. All costs are projected on the basis of the number of meals served at each location. We estimate the number of meals served to be slightly over 1 million.

The budget indicates Revenue of \$4,414,207 and Expenditures of \$4,431,964. The Food Service Department pays careful attention to revenues and expenses with the intention of producing better financial results than indicated in the budget.

The following table compares the 2008-09 Food Service Fund actual results with the 2009-10 revised budget.

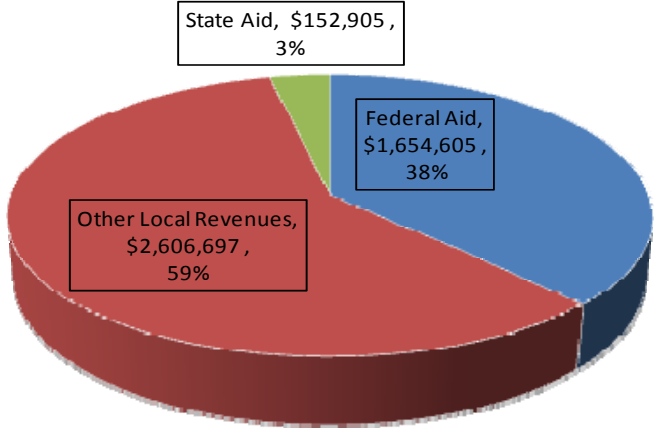
	<u>2008-2009 ACTUAL REVENUE & EXPENDITURES</u>	<u>2009-10 REVISED BUDGET</u>
Beginning Fund Balance		
Unreserved- Undesignated	\$ 378,688	\$ 486,203
Revenues	4,781,180	4,414,207
Expenditures	(4,673,665)	(4,431,964)
Net Change in Fund Balance	<u>107,515</u>	<u>(17,757)</u>
Ending Fund Balance		
Unreserved- Undesignated	<u>\$ 486,203</u>	<u>\$ 468,446</u>

Additional graphs show the following information:

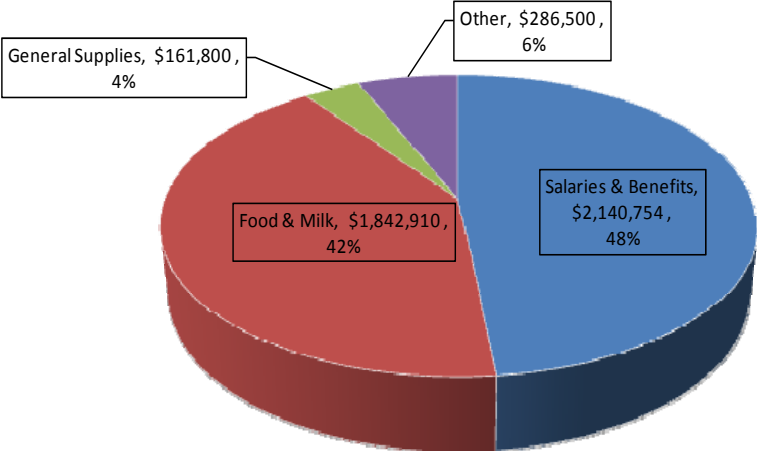
- Revenue By Source
- Expenditures By Object

**ISD 191
BUDGET SUMMARY
REVISED BUDGET 2009 - 2010
(CONTINUED)**

**INDEPENDENT SCHOOL DISTRICT 191
FOOD SERVICE REVENUE
2009-10 REVISED BUDGET
\$4,414,207**



**INDEPENDENT SCHOOL DISTRICT 191
FOOD SERVICE EXPENDITURES BY OBJECT
2009-10 REVISED BUDGET
\$4,431,964**



**ISD 191
BUDGET SUMMARY
REVISED BUDGET 2009 - 2010
(CONTINUED)**

COMMUNITY SERVICE

Like Food Services, the Community Education program operates on a financially self-sufficient basis. The bulk of the revenue in the Community Education Fund is derived from fees/tuition paid by participants. Additional funding, although limited, is provided through property taxes and state aids as provided in Minnesota Statutes.

Expenditures in the Community Education Fund relate primarily to the direct cost of providing the programs and services offered to our residents. A substantial portion of the budget is for the school age childcare program, Project Kids.

The following table compares the 2008-09 Community Service Fund actual results with the 2009-10 revised budget.

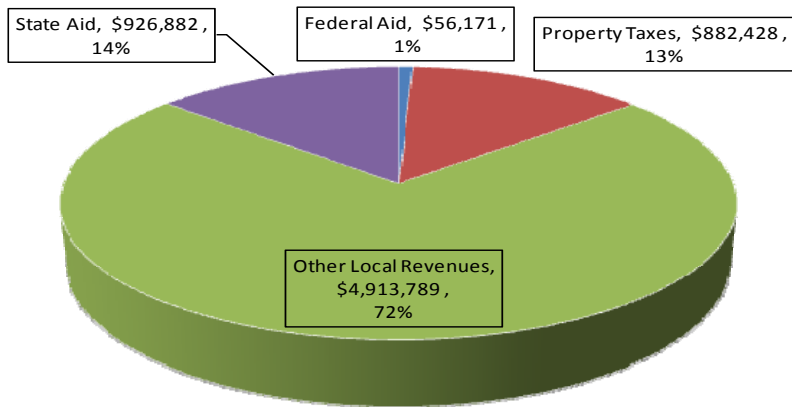
<u>2008-2009 ACTUAL REVENUE & EXPENDITURES</u>	<u>2009-10 REVISED BUDGET</u>
Beginning Fund Balance	
Reserved	\$ 84,938
Unreserved- Undesignated	(38,577)
Total Fund Balance	<u>106,862</u>
Revenues	7,461,484
Expenditures	(7,400,983)
Net Change in Fund Balance	<u>60,501</u>
Ending Fund Balance	
Reserved	110,567
Unreserved- Undesignated	(3,705)
Total Fund Balance	<u>\$ 106,862</u>
	<u>\$ 106,862</u>

Additional graphs show the following information:

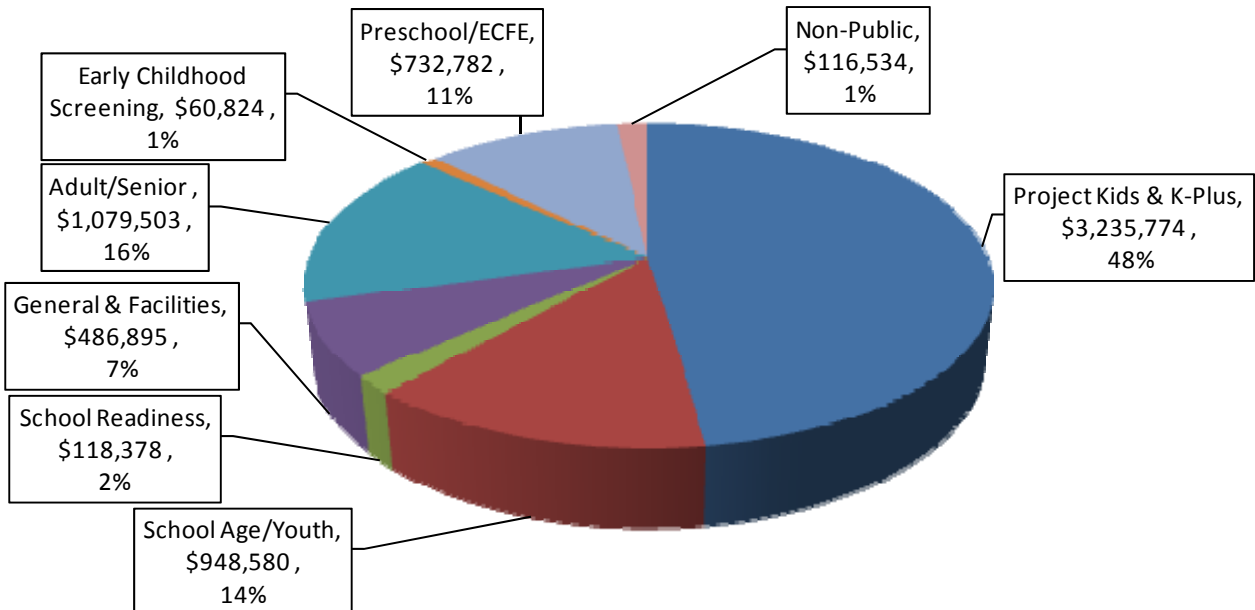
- Revenue By Source
- Expenditures By Program

**ISD 191
BUDGET SUMMARY
REVISED BUDGET 2009 - 2010
(CONTINUED)**

**INDEPENDENT SCHOOL DISTRICT 191
COMMUNITY SERVICE REVENUE
2009-10 REVISED BUDGET
\$6,779,270**



**INDEPENDENT SCHOOL DISTRICT 191
COMMUNITY SERVICE EXPENDITURE
2009-10 REVISED BUDGET
\$6,779,270**



**ISD 191
BUDGET SUMMARY
REVISED BUDGET 2009 - 2010
(CONTINUED)**

BUILDING CONSTRUCTION CAPITAL PROJECTS FUND

The Building Construction Capital Projects Fund is used to account for facility improvements that have been funded through the property tax levy. In April, 2008 the District sold bonds to fund these projects. The revenue budget for 2009-10 reflects the remaining interest earnings from the sale of the bonds of \$30.58 million. Principal and interest payments will be made on bonds with funds received through property tax levies. These projects must be approved by the Minnesota Department of Education to qualify for Alternative Facility Levy Authority. Projects to be included during fiscal year 2010 are as follows:

PROJECT	BUILDING	BUDGET
Building Wide Projects		
	BHS	\$ 6,305,394
	MJH	3,995,375
	SO	1,085,353
	Rahn	378,000
	MWS	148,962
	HV	141,269
Total Projects		\$ 12,054,353

The following table compares the 2008-09 Capital Project Fund actual results with the 2009-10 revised budget.

2008-2009 ACTUAL REVENUE & EXPENDITURES		2009-10 REVISED BUDGET
Beginning Fund Balance		
Reserved	\$ 28,250,141	\$ 14,259,443
Revenues	2,498,712	2,235,239
Expenditures	(16,489,410)	(12,054,353)
Net Change in Fund Balance	(13,990,698)	(9,819,114)
Ending Fund Balance		
Reserved	\$ 14,259,443	\$ 4,440,329

**ISD 191
BUDGET SUMMARY
REVISED BUDGET 2009 - 2010
(CONTINUED)**

DEBT SERVICE FUND

The Debt Service Fund is used to record revenues and expenditures relating to the District's bonded debt. The proceeds from the sale of the bonds are used to fund the proposed construction. Each year the District levies property taxes to pay interest and make payments on the principal to retire the bonds. This is similar to the principal and interest payments that homeowners make on their home mortgage.

The following table compares the 2008-09 Debt Service Fund actual results with the 2009-10 revised budget.

	<u>2008-2009 ACTUAL REVENUE & EXPENDITURES</u>		<u>2009-10 REVISED BUDGET</u>	
Beginning Fund Balance				
Unreserved- Undesignated	\$	1,781,004	\$	2,250,541
Revenues		7,223,603		7,108,156
Expenditures		(6,754,066)		(7,775,172)
Net Change in Fund Balance		<u>469,537</u>		<u>(667,016)</u>
Ending Fund Balance				
Unreserved- Undesignated	\$	<u>2,250,541</u>	\$	<u>1,583,525</u>

Currently scheduled debt payments are provided on the following Debt Payment Schedule.

Year Ending June 30,	<u>LONG TERM DEBT PAYMENTS</u>						
	<u>General Obligation Bonds</u>		<u>Capital Leases</u>		<u>Special Assessments</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2010	\$ 3,750,000	\$ 4,019,672	\$ 289,842	\$ 198,048	\$ 13,443	\$ 4,234	\$ 8,275,239
2011	4,480,000	4,091,632	496,120	224,929	13,443	3,293	9,309,417
2012	4,640,000	3,915,806	486,777	201,695	13,443	2,352	9,260,074
2013	4,825,000	3,724,006	508,428	180,045	13,443	1,411	9,252,333
2014	5,140,000	3,524,456	531,060	157,413	6,719	470	9,360,118
2015-2019	22,510,000	14,294,808	1,990,435	476,066	-	-	39,271,309
2020-2024	16,815,000	10,195,626	884,653	82,012	-	-	27,977,291
2025-2029	19,995,000	5,723,082	-	-	-	-	25,718,082
2030-2034	10,850,000	1,360,000	-	-	-	-	12,210,000
	<u>\$ 93,005,000</u>	<u>\$ 50,849,088</u>	<u>\$ 5,187,315</u>	<u>\$ 1,520,207</u>	<u>\$ 60,491</u>	<u>\$ 11,760</u>	<u>\$ 150,633,861</u>

**ISD 191
BUDGET SUMMARY
REVISED BUDGET 2009 - 2010
(CONTINUED)**

TRUST, AGENCY AND INTERNAL SERVICE FUNDS

The District has created other Funds to account for monies that we hold in trust for a particular purpose such as scholarships and employee contributions to their flexible spending accounts.

Internal Services Funds are used to account for the following activities, all of which are funded through the Operating Funds:

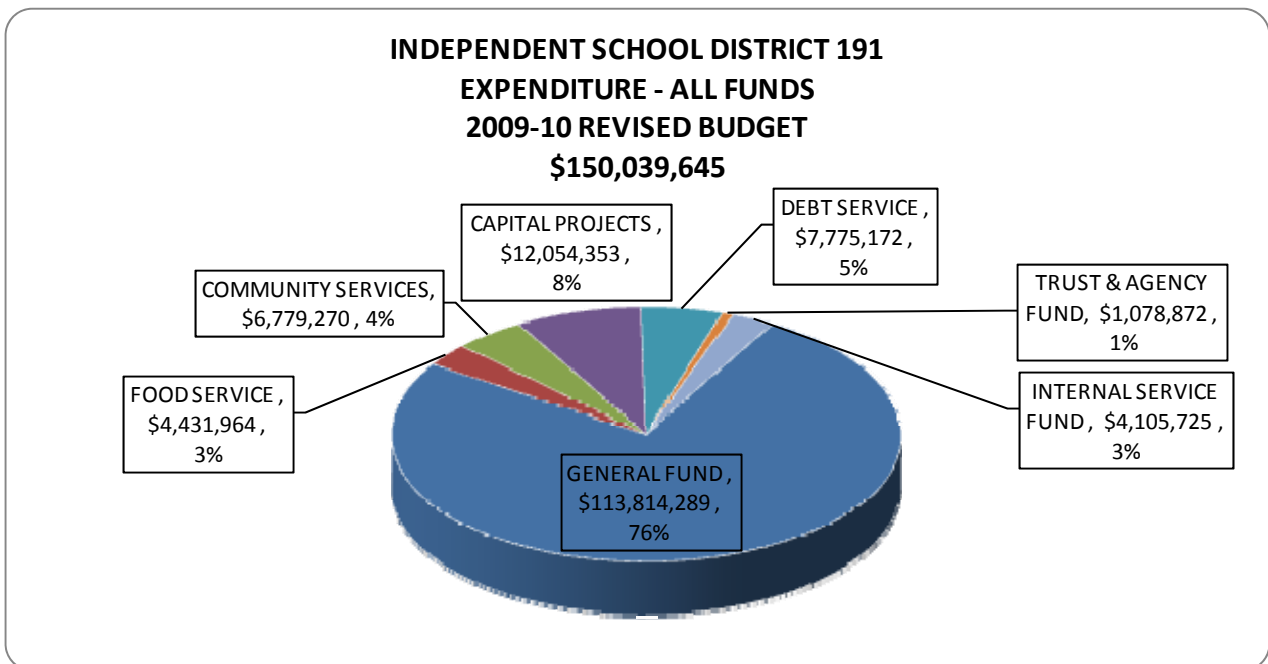
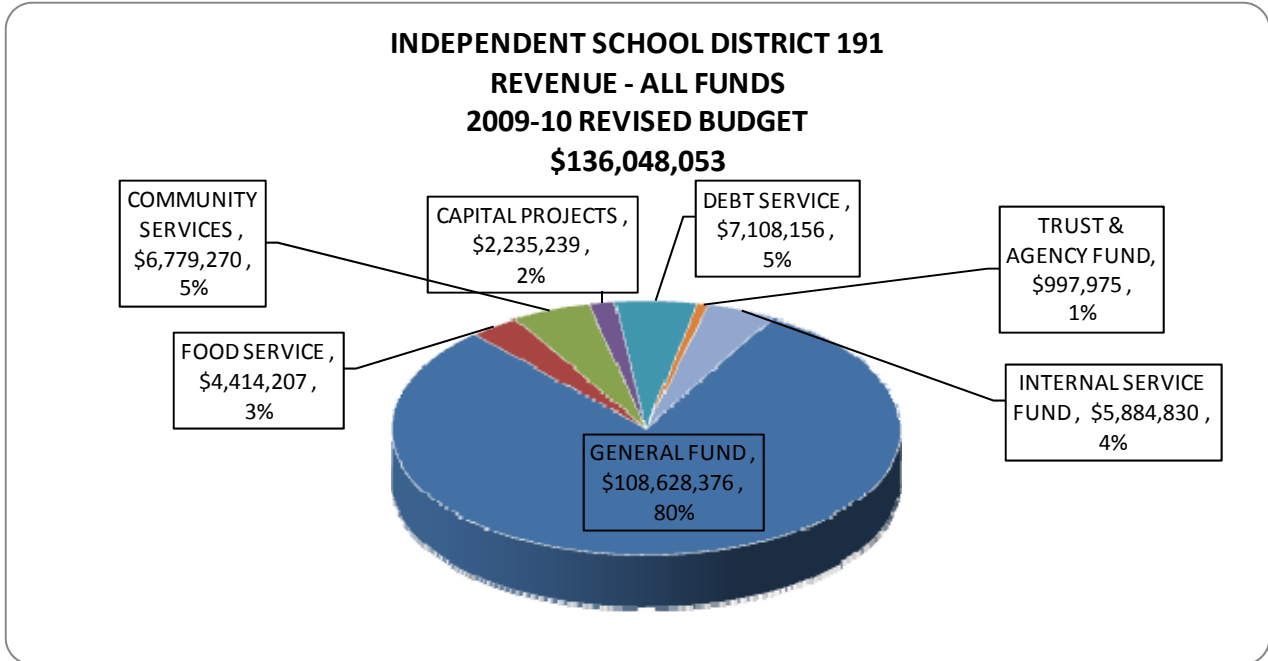
- Dental Self-Insurance
- Post Retirement Benefits Funds
- Health Insurance Select 105 Plan
- OPEB Trust Fund

While the financial transactions in these Funds must be recorded and reported as under the District's jurisdiction, they do not represent operating expenditures of the School District.

BUDGET- ALL FUNDS

The 2009-10 Budget provides Revenues of \$136,048,053 and Expenditures of \$150,039,645. The following pie charts offer a breakdown of Revenues and Expenditures by Fund.

**ISD 191
BUDGET SUMMARY
REVISED BUDGET 2009 - 2010
(CONTINUED)**



**ISD 191
BUDGET SUMMARY
REVISED BUDGET 2009 - 2010
(CONTINUED)**

In prior years the school board was forced to make some very difficult decisions in an effort to more closely align revenues with expenditures. This budget reflects those decisions and demonstrates the success of those actions. Stabilization of programs and budgets is a primary goal of the school board. Whether stability is achieved is dependent on continued vigilance with respect to spending, favorable response from the legislature and retaining enrollment.

School board members are acutely aware of the role played by the State Legislature in school finance. The State provides 73% of our General Fund revenue and also exercises control over the property tax levy. The basic funding allowance remained constant at \$4,601 per pupil unit for three years. This basic allowance was increased by the legislature to \$4,783 for 2005-06, to \$4,974 for 2006-07, \$5,074 for 2007-08, and \$5,124 for 2008-09 and 2009-10.

Enrollment decline is another uncertainty that haunts our financial future. About 94% of the General Fund revenue budget is determined by enrollment. As enrollment declines, revenue falls in direct proportion to the student loss. Enrollment projections are based on historical data. Furthermore, in/out student transfers affect approximately 21% of our student population annually. It is only reasonable to assume that enrollment projections are not absolutely accurate and actual student membership will almost certainly deviate from the projection by 1% - 2%. This deviation may be positive or negative but must be accepted as a likelihood on an annual basis.

Finally, the budget is a best estimate of anticipated revenues and expenses. It is accurate only to the extent that the assumptions are accurate. Both favorable and unfavorable deviations should be expected as the year unfolds. Special Education is a prime example of a program where costs can vary significantly from what is budgeted because the budget is based on what is known or reasonably anticipated when the budget is prepared. As Individual Educational Plans are developed or the incidence of disabilities varies, the budget must be adjusted accordingly.

The School District's budget is a very complex document and requires an understanding of education finance and accounting to conduct a meaningful analysis. Therefore, comparison of data from year to year or even among programs must be done cautiously to avoid inappropriate conclusions. A wealth of data supports the budget as presented and by re-configuring the budget printouts, even more information can be extracted from this document. Residents desiring additional budget information are encouraged to visit the District's website www.isd191.org or call the Business Office at (952) 707-2050.

AGENDA ITEM: IV.A.
February 4, 2010

To: Members of the Board of Education
Superintendent Randy Clegg

From: Sue Grissom
Executive Director of Human Resources

Date: February 4, 2010

RE: Adopt Resolution Proposing the Termination of Continuing Contract Teachers

RECOMMENDATION: THAT THE BOARD OF EDUCATION ADOPT THE FOLLOWING RESOLUTION PROPOSING THE IMMEDIATE TERMINATION OF THE CONTRACTS OF THE FOLLOWING TEACHERS WHO HAVE NOT RETURNED FROM LEAVE NOR REQUESTED ADDITIONAL LEAVE

Discussion:

A number of teachers requested and were granted a leave of absence from the school district. They did not return to work following the leave nor did they request additional leave. Some have left the profession as evidenced by the fact their licenses have lapsed. Others are teaching in other districts and have been for quite some time. Others may have moved. They were all sent a letter notifying them of their status and informing them that they could submit a resignation by December 31, 2009 or the board would take action to officially terminate their employment with the district. The board accepted the resignations of several teachers at the last board meeting. Each teacher will again be contacted prior to the board taking final action to terminate their employment.

This action is NOT disciplinary in any way. Rather it is a way of cleaning up the books and documenting the status of their employment relationship with the district. The law requires a very formal process to terminate the employment of a continuing contract teacher.

Christine Boberg	Heidi Knaus	Lisa Pavek
Jennifer Brophy	Amy Kodet	Gail Peterson
Janet Crawford	Kathryn Langdon	Kristine Pierson
Carolyn Ellison	Megan Lark	Nicole Van Daalen
John Jacobson	Patricia McGuigan	Rachel VanWyk
Kathleen Kero	Heather Norman	Constance Will

Member _____ introduced the following Resolution and moved its adoption:

**RESOLUTION PROPOSING THE IMMEDIATE
TERMINATION OF THE FOLLOWING CONTINUING
CONTRACT TEACHERS:**

WHEREAS, the following teachers have been notified at their last known address that they failed to return from leave and did not request additional leave; and

WHEREAS, the following teachers have been given the opportunity to submit a resignation and have not done so by the date specified

NOW, THEREFORE BE IT RESOLVED by the School Board of Independent School District #191 as follows:

1. Notice will be sent to said teachers proposing their immediate termination from employment in ISD #191
2. A copy of this resolution and the accompanying letter will be sent to the last known address of each teacher
3. The School Board Chair is authorized to sign the attached letter on behalf of the School Board and
4. The Superintendent is directed to place a copy of the attached letter in the school district's personnel file of each teacher.

The motion for the adoption of the foregoing Resolution was duly seconded by _____ and upon a vote being taken thereon, the following voted in favor thereof: _____ And the following voted against the same: _____

Whereupon, said Resolution was declared duly passed and adopted.

February 5, 2010

Sent via regular mail

Name
Address

Dear Name,

This letter follows the one sent in November in which I explained your employment status and provided you with the opportunity to resign. We have not heard from you.

So at the February 4, 2010 regularly scheduled meeting of the School Board of Independent School District No. 191, consideration was given to proposing your immediate termination from employment with the School District.

A Resolution was adopted by a majority roll call vote of the School Board proposing to terminate you effective immediately pursuant to Minnesota Statute Section 122A.40, subdivision 13 on the following statutory grounds:

- Failure to return from leave and/or request additional leave which constitutes the legal definition of willful neglect of duty.

A copy of the Resolution is enclosed.

If you would prefer to submit a letter of resignation, please submit it to:

Ms. Susan Grissom
Executive Director of Human Resources
ISD #191
100 River Ridge Court
Burnsville, MN 55337

You are entitled to a hearing before final action is taken on your proposed termination if you make a written request to the Superintendent within ten (10) days of the receipt of this notice. You may request that the hearing be held before an arbitrator. If you fail to request arbitration, the hearing will be held by a hearing officer retained by the District, with the final decision on your employment being made by the School Board.

Failure to timely request a hearing shall be deemed to constitute acquiescence to the School Board's proposed action. If you do not submit a letter of resignation or request a hearing, the Board will terminate your employment at the March 4, 2010 board meeting. If a hearing is timely requested, it shall be held upon timely notice to you and may be public or private, at your discretion. A copy of Minn. Stat. § 122A.40 is enclosed for your review.

Please contact Sue Grissom, Executive Director of Human Resources at 952.707.2008 or via e-mail at sgrissom@burnsville.k12.mn.us should you have any questions.

Sincerely,

DeeDee Currier, Board Chair

Encl: Minn. Stat. § 122A.40
Board Recommendation and Resolution

cc. Personnel File



**AGENDA IV-B
February 4, 2010**

**TO: Members, Board of Education
Dr. Clegg**

FROM: Lisa K. Rider, Executive Director of Business Services

DATE: February 4, 2010

RE: Preliminary Guidelines & Assumptions for Developing 2010/2011 General Fund Budget.

I am requesting that the school board receive the following preliminary guidelines and assumptions for developing the 2010/2011 General Fund Budget:

Enrollments

Enrollments are projected to decrease from 9,870 in the 2009/2010 year to 9,708 in the 2010/2011 year. This is a decrease of 162 ADM's and does not include anticipated enrollment growth due to open enrollment into the magnet schools.

Revenues

With the legislature beginning its session, it is difficult to determine what might happen with the general education funding formula amount for next year. The expectation is we will see up to eight years of flat funding for K-12 education with some speculating a decrease in per pupil funding for 2010-2011.

With that in mind, it is recommended that the initial budget include a decrease of 1% in the general education formula amount.

Expenditures

Bargaining will continue with remaining employee groups in upcoming months, so actual salaries and benefits will be adjusted upon reaching negotiated settlements.

All general fund expenditures will be adjusted at inflationary rates consistent with historical averages and trends for purposes of preparing the 2010/2011 budget.

Fund Balance

School Board Policy recommends an unreserved/undesignated general fund balance of one months average expenditures (8.33%). Our unreserved/undesignated general fund balance for June 30, 2010 is projected to be around 7% of total general fund expenditures. With this in mind, it is recommended the Board of Education temporarily waive this policy and maintain an unreserved/undesignated general fund balance of at least 3% of average annual expenditures. This will allow of use of fund balance to balance the 2010/2011 general fund budget.

I thank you in advance for your consideration of this recommendation, and please feel free to contact me should you have any additional questions.

To: Members of the Board of Education
From: Dr. Randy Clegg, Superintendent
Date: February 4, 2010
RE: **Approve Cabinet Contracts for 2009 - 2011**

RECOMMENDATION: THAT THE BOARD OF EDUCATION APPROVE THE PROPOSED REVISIONS AND RE-ADOPT THE UNCHANGED LANGUAGE IN THE 2009-2011 CONTRACTS WITH CABINET MEMBERS SUE GRISSOM, SANDI NOVAK, LISA RIDER, MARK STOTTS AND INDEPENDENT SCHOOL DISTRICT 191

Highlights of the agreement include:

- 1% salary increase effective July 1, 2009
- 1% salary increase effective July 1, 2010
- After three years of service on the cabinet, employees will increase vacation from 25 days to 28 days. Cabinet members are currently the only 12-month employee group that does not have 28 days of vacation.
- Severance remains the same; however the disbursement will now follow language in the principals' contract.
 - * Deposit 15% into the post-retirement healthcare savings plan
 - * Deposit remainder into a 403(b) up to the annual limit at the time of retirement
 - * Deposit the remaining amount into a 403(b) up to the annual limit in January of the next calendar year, following retirement
- Language regarding the district's contribution to health insurance will be modified in the Novak contract such that the contribution will continue from "retirement until eligibility for Medicare."

The cost of cabinet will not increase over the next two years. The deletion of the car allowance in the Stotts contract and the difference in salary between the old business manager and the new executive director of business services will pay for the salary increase of 1%.