



MINUTES

Board of Education Operations Work Group Meeting – October 17, 2016

Ed Hughes, Chair

MEMBERS PRESENT: Michael Flores (via conference phone—went offline at about 5:40 p.m.), James Howard, Ed Hughes, Dean Loumos, TJ Mertz

MEMBERS ABSENT: Mary Burke, Anna Moffit

STUDENT REP. PRESENT: Ameya Sanyal

STAFF PRESENT: Mike Barry, Jen Cheatham, Nancy Hanks, Zachary Herrmann, Lisa Kvistad, Liz Merfeld, Dylan Pauly, Kelly Ruppel, Chad Wiese, Barbara Osborn—Recording Secretary

Board action in italics (all materials provided via [BoardDocs](#))

1. Call to Order

Action: *Chairperson Ed Hughes called the meeting to order at 5:01 p.m.*

2. Public Appearances (Registration slips are attached to the meeting in BoardDocs.)

There were no public appearances or written registrations.

3. Approval of Minutes

Action: *It was moved by Ed Hughes and seconded by TJ Mertz to approve the minutes from the Operations Work Group meeting dated September 19, 2016. Student advisory vote was aye. Motion unanimously carried with Mary Burke and Anna Moffit absent.*

4. 2016/17 Budget/Tax Levy and 2017/18 Budget

Discussion Item: (Documents within BoardDocs: PowerPoint presentation, memo regarding plan for Promissory Note (TID #25) proceeds, 2017/18 budget development calendar by month and role/responsibility as of 10.15.16)

Staff: Mike Barry, Assistant Superintendent—Business Services

Staff Overview:

- Wrapped up 2016/17 budget, expenditures for 2016/17 from TID 25 to be included in the budget, launch of 2017/18 budget planning process.
- Focused on establishing initial feedback on goals, guiding principles, priority actions, and calendar.
 - Favorable state equalization aid update resulting in a lower property tax rate, other fall adjustments, challenges of the 2016/17 budget process, levy with and without the \$5 million revenue authority, favorable enrollment projections, favorable tax base growth estimate.
- May require a budget adjustment in areas of substitute teachers and utilities, 4K provider sites.
- Reviewed eight guiding principles for use of the TID 25 proceeds.
- Sought input on 2017/18 budget goals and guiding principles, started strategic priority action discussion, and reviewed the development calendar.

Board Member Topics--Questions/Comments:

- Wrap-up of 2016/17 budget:
 - Enrollment count questions:
 - How the increase of 73 pupils was accounted for in the verified resident count of public school students.
 - Breakdown of elementary/middle/high enrollment.
 - Swing in open enrollment creates an opportunity.
 - Enrollment fluctuations by school already addressed during first few weeks of school.
 - Full enrollment reports will be presented at the November Regular meeting.
 - Electricity rate/volume issue is under analysis.

- Two levies will be proposed in October; one with the referendum and one without in order to be in compliance with adopting a levy by November 1 statutory deadline.
- How enrollment and referendum will impact the projected \$1.6 million deficit; now looking at places in need of shoring up.
- Tax Incremental District (TID) #25 Promissory Note proposed uses:
 - Note issued to the City that can be drawn upon in equal installments over the next 4-5 years totaling \$9.27 million (about \$2 million ever year).
 - **Follow-up items:**
 - **Create a policy for how playgrounds are upgraded that includes a public transparent process and also requires a minimum percentage of local funding, e.g., ten-percent.**

Michael Flores went offline at this time.

- **High school gymnasium wood floor maintenance schedule/cost.**
 - **Proposed Doyle building renovations.**
 - **Tech infrastructure; net change to annual operating expenditures/efficiencies to be gained.**
 - These will be considered annually in October. **Follow-up item: Suggestion was made to integrate this use of TID 25 proceeds into the regular budget process, possibly as a separate chapter.**
 - Build capacity of MMSD people v. use of outside consultants where possible by use of release time.
 - Student suggested increasing resources for facilities maintenance; issues at school keep persisting. Study done 5-6 years ago said that about \$8 million per year was needed to keep up on maintenance but this line item is currently at just a little over \$4.5 million per year.
 - **Follow-up item: Begin to explore the use of solar panels on our properties to gain some energy savings. MG&E has a program that extends the life of the roofs.**
- 2017/18 Budget Development:
 - Options for compensation/benefits:
 - There was some discussion about levying \$5 million for a balanced budget before voting on the budget. This issue was part of the strategy used in going to referendum and was discussed at the time the strategy was structured back in August. Feedback was taken in terms of communication.
 - Some of the points for going to referendum were reiterated, including getting out of the cycle of reductions, leveraging priority actions, using guiding principles, and become more forward-leaning using the momentum that has been built.
 - Including the re-design within the guiding principles. **Follow-up item: might be something about long-term stability, supportive environment for student achievement and staff.**
 - Budget goals:
 - Pre-decisions will be requested in the area of priority actions to keep amendments to a minimum.
 - Priority actions--what the Board wants to have on the radar for presentation next month that will significantly accelerate momentum toward achieving the MMSD goals. These would be ideas to be well-formed over time:
 - More proactive ways to increase enrollment.
 - Provide the details of the past priority actions as a reminder.
 - Note those priority items that have some carry over into multiple years (when do they stop being priority actions and become part of the budget?).
 - Input on staffing, input on the 4K evaluation, input on the reports from the major tutoring programs (including professional development for our partners and our own people, better integration into the schools, student selection). What strategies we will have to boost the Multi-Tiered System of Supports (MTSS) around differentiation.
 - Special Education Plan and Advanced Learner Program may have some financial impacts.
 - Long-term strategy with staff regarding salaries and benefits as part of the compensation coin; staffing models, looking at the study we did that says we have lower student-to-teacher ratios than other districts but people who are doing the work perceive it as being understaffed. We need to hear from staff on that.

- Mr. Barry distributed the annual calendar (a copy is attached to BoardDocs):
 - **Follow-up item: Add another row for public input.**
 - Assumptions that are previewed in December on compensation and benefits will inform subsequent work; some may come back to the board as needed.

Follow up (see items in bold).

5. Adjournment

Action: *It was moved by Ed Hughes and seconded by TJ Mertz to adjourn the meeting at 6:46 p.m. Student advisory vote was aye. Motion unanimously carried by those present.*

bjo