



Budget Development and Input Committee Meeting Minutes

August 2, 2022; 8:30 a.m.

Central Administration Office – Board Room

Present: Board Member Brent Seaks (Chair), Board member Jason Rodakowski, Superintendent Marcus Lewton, Assistant Superintendent Keith Harris, Business Manager Stephanie Hunter, and Accounting Manager Naomi Obrugewitch. Also present: Director of Communications and Community Relations Sarah Tristem

Called to Order – The meeting was called to order at 8:33 a.m. by Chair Brent Seaks.

Additions/Deletions to Agenda Items – No additions or deletions to the agenda.

Old Business – No Old Business was reported.

New Business

2021-2022 End of Fiscal Year Update – Business Manager Hunter gave an overview of the 2021-2022 fiscal year. Expenditures of \$56,728,097.00 exceeded revenue leaving a deficit of \$653,592.00. Approximately 83.5% of the expenditure budget are for staff and 16.5% are for operations. This deficit was corrected by backfilling the budget with ESSER II and ESSER III funds. The ESSER II grant expires September 2023 and the ESSER III grant expires September 2024.

2022-2023 Preliminary Budget Update – Business Manager Hunter reported on the 2022-2023 preliminary budget. The preliminary budget is due to the County on August 10, 2022. The revenue budget has been estimated at \$58,925,783.00. The remaining ESSER II funds that will expire in September are included in the revenue budget. The expenditure budget has been estimated at \$58,657,096.00. Of this budget, 81.5% is for staff and 18.5% is for operations. The decrease in staff expenditures is due to retirees and resignations, as well as reductions in technology and contracted services budgets for the 22-23 fiscal year. The ESSER Spending has driven the increase in Operations costs, due the increase in one-time costs, such as professional development and virtual libraries for all grade levels. **The committee recommends Business Manager Hunter present the preliminary budget update at the August 8, 2022, board meeting.**

2022-2023 Preliminary Certificate of Levy – The District currently levies 113.7 mills: 70 general fund mills, 10 building fund mills, 21.7 sinking and interest mills, and 12 miscellaneous mills. The debt service fund had a short fall of \$822,170 in 2021-2022. The committee discussed the option of reducing the miscellaneous mills to 8 and absorbing them into the sinking and interest mill levy. This change would allow the district to keep the number of mills levied the same and balance the sinking and interest fund. Business Manager explained that by making this change and reducing the mills in the Miscellaneous fund, the District budget for 22-23 would have to decrease the contingency budget from \$1,300,000 to \$700,000. The committee was in agreement that it would be the best move to not increase property taxes and to move towards balancing the Sinking and Interest

Fund. The committee will recommend the board decrease the Miscellaneous Levy by four mills for a total of 8 mills being levied versus the current levy of 12 mills. The committee will also recommend the board to approve the Sinking and Interest Levy to increase four mills bringing the levy to 25.7 mills versus the current levy of 21.7 mills. The recommended levy for the 22-23 Fiscal Year will be as follows: General Fund Levy- 70 mills, Miscellaneous Levy- 8 mills, Building Fund Levy- 10 mills and Sinking Interest Levy- 25.7 mills for a total levy of 113.7 mills, which will not be an increase from the 21-22 mills that were levied.

The committee discussed dedicating the March, April, and May ND State Treasurer Oil and Gas payments to either the capital projects or sinking and interest funds, but will make a finalized decision after the fall when the school board knows where enrollment and staffing numbers are at. Business Manager Hunter suggested that the Budget Committee meet again in December 2022 to reevaluate and see if it is feasible to make the transfer of the March, April and May 2023 Oil and Gas payments outside of the General Fund.

Chair Seaks stated there are several different levies that schools could levy, for example there is a tuition mill levy the district could levy in the future if needed.

Further discussion was held on the continuing need of space, primarily at the high school, but also a concern is for elementary space and the overall maintenance and repair of existing buildings. Superintendent Lewton commented that the board will receive hold further discussion during their Board retreat later in the week.

Adjournment – At 10:40 a.m., Chair Seaks declared the meeting adjourned.