



# **Budget Development and Input Committee Meeting Minutes**

## **August 1, 2017; 8:00 a.m.**

### **Central Administration Office – Board Room**

Present: Board Vice President Brent Seaks (Chair), Board President Sarah Ricks, Superintendent Douglas Sullivan, and Business Manager Kent Anderson. Also present was Mrs. Naomi Obrigewitch and Mrs. Twila Petersen.

**Called to Order** – The meeting was called to order at 8:00 a.m. by Chair Brent Seaks.

**Additions/Deletions to Agenda Items** – There were no additions or deletions to the agenda.

#### **Old Business**

**2017-2018 Budget** – Business Manager Anderson distributed handouts to be referred to during the budget discussion. The first handout was a summary of major assumptions underlying the proposed 2017-2018 budget, starting with the expectation that taxable valuation for Dickinson Public Schools is projected to decrease by 5% when compared to last year. Mr. Anderson explained if there is no change in the general mill levy, given the budgeted expenditures, there will be approximately a \$2 million budget expenditure deficit. If the District would levy up to the maximum allowable levy dollars, it would put the budget expenditure deficit at ~\$241,000. The preliminary budget proposal increases the general levy 7.89 mills, from 57.68 to 65.57, and the debt service levy 5.59 mills, from 23.22 to 28.81, for a combined increase of 13.48, and a budgeted deficit of ~\$741,000.

Mr. Anderson then referred to a couple handouts that showed mill levies for other Class A schools and how Dickinson compared. He noted that if DPS increased its total mill levy by 13.48 mills as proposed, Dickinson would move from the bottom of the list showing total 2016-17 school levies for 14 Class A schools, up to 8<sup>th</sup>. The other handout showed 2016-2017 tax levies for Class A schools and excluded levies related to debt service. Mr. Anderson noted that several schools, including DPS, have debt service mill levies that have been approved separately by the voters and that if these are excluded, Dickinson is at the bottom of the list both before and after the proposed increase of 7.89 general mills.

Mr. Anderson also noted that the Board may change the Certificate of Levy up until October 10 and commented that in the past several years, it appears Dickinson Public Schools has been consistent with the preliminary budget following through as the final budget. Mr. Anderson also referenced a tool that several school districts use is a Special Reserve Fund which allows school districts to levy up to 3 mills with the ability to transfer up to 50% of that fund balance into the general fund at the discretion of the board.

Vice President Seaks inquired what the change would be for a taxpayer that had a \$200,000 home with the proposed increase in mills. Mr. Anderson responded that due to the taxable valuation decrease of approximately 5%, the general fund mills could be raised to just under 61 to keep it at par. Vice President Seaks inquired if it would be feasible to raise the mills incrementally using the reserve to ease the burden of the mills going up. Since the District is at the bottom in comparison to other class A districts, he questioned if the District was shorting itself. Could the District be looking

more at its needs, such as a better technology initiative, etc., and raise the mills even more to align with the strategic plan. Mr. Anderson responded that he and Dr. Sullivan reviewed the budget and put a lot of thought into the budget line items and they felt that the proposed 8% increase is sufficient to meet the needs of the school district and added that he did not think the proposed budget short changed the district. He also noted that the District is well positioned where it could absorb the proposed deficit expenditures. Dr. Sullivan concurred with Mr. Anderson's assessment and added that the proposed budget still has some flexibility in it that he feels is sufficient. He noted there is some financial pain in the area due to the drought and the proposed budget attempts to strike a balance. There is the added concern the drought may last more than a year. President Ricks inquired if there were any stakeholders that might be upset with the recommended increase. Mr. Anderson responded that in addition to the projected 5% taxable valuation decrease, the 17-18 budget also includes an increase of 5.59 mills related to debt service on the new middle schools which was agreed to by the community on a separate vote so that information should be shared with stakeholders as well. Vice President Seaks felt this was an ideal time since there was devaluation to some properties and some taxpayers could end up paying the same amount as last year depending on the valuation percentage. Mr. Anderson pointed out that another unknown is what the other entities are going to request for mills. Vice President Seaks shared his appreciation for the work Mr. Anderson and Dr. Sullivan have put into the information. As a taxpayer, Mr. Seaks appreciated where the District was as far as being placed at the bottom of the list for mills. If the District was at the top of the performance chart, it would be at an optimum setting.

There was further discussion regarding the special reserve fund. The committee also discussed some talking points regarding the mills.

**New Business** – There was no new business topics for discussion.

**Other** – There was no other topics for discussion.

**Adjournment** – Chair Seaks declared the meeting adjourned at 8:40 a.m.