



Budget Development and Input Committee Meeting Minutes

July 26, 2018; 9:00 a.m.

Central Administration Office – Board Room

Present: Board President Brent Seaks (Chair), Board member Jason Rodakowski, Superintendent Shon Hocker, Assistant Superintendent Keith Harris, and Kent Anderson. Also present: Iain Woessner, and Naomi Obrigewitch,

Called to Order – The meeting was called to order at 9:05 a.m. by Chair Brent Seaks.

Additions/Deletions to Agenda Items – Budget Development and Input Meeting structure.

Old Business

No Old Business was reported.

New Business

Audit Service Proposals – Mr. Anderson informed the group that Dickinson Public School’s previous auditor, James Wosepka, CPA, recently notified the district that he would no longer be performing audit services for the district. Dickinson Public Schools subsequently requested proposals to provide audit services and received three proposals for consideration. The entities that responded were the North Dakota State Auditor’s Office, Brady, Martz & Associates, P.C., and Eide Bailly. The quoted fees and proposals were reviewed by the administration and the administration recommends that the District enter into a three-year contract with Brady Martz based on their fee proposal, other school district experience listed in their proposal and them having a local office in Dickinson. Mr. Rodakowski agreed with this recommendation and consensus of the Committee was to recommend approval by the full board of the administration’s recommendation.

Mechanical/Electrical Design and Consulting Services Proposals – Mr. Anderson reported the district received two proposals in February 2018 for the HVAC Upgrade at Heart River Elementary. The proposals were received from KLJ and JLG. KLJ proposed an 8.75% fee of the approximate \$2,100,000.00 - \$2,600,000.00 construction cost. JLG proposed a fixed rate of \$153,125.00 based on an approximated project cost of \$2,400,000.00 which computes to approximately 6.4%. Superintendent Hocker inquired about the background of the current system and if it is operating efficiently. Chair Seaks stated the current HVAC system has lived its life and is in need of replacement. Mr. Harris inquired whether the proposed new system had the ability to be added on to and Chair Seaks confirmed that it does. Chair Seaks recommended moving forward with including the Heart River HVAC upgrade project in the 2018-2019 preliminary budget and to recommend that the full board approve JLG’s proposal for design services related to the project.

Preliminary 2018-2019 Budget and Certificate of Levy – Mr. Anderson reported on the 2018-2019 preliminary budget. The preliminary budget due date to the County has been moved up to August 10 compared to prior years when it was due August 15. Mr. Anderson referred the committee members to a list of assumptions used in putting the preliminary budget together, specifically referencing that the proposed general fund mill levy is at a maximum of 70 mills which given the projected 4% decrease in taxable valuation is basically a break-even from the 2017-2018 general fund mill levy from a dollar standpoint. Mr. Anderson referred to other major assumptions, including an increase of ~\$2,800,000 in State Foundation Aid (primarily due to the enrollment increase from 2016-2017 school year to the 2017-2018 school year), a decrease of ~\$500,000 in Hub City Oil & Gas Production Tax income and an increase of ~\$90,000 in State Foundation Aid specific to transportation reimbursements. On the expenditure side of the budget, Mr. Anderson explained how projected costs of re-opening Berg have been included which accounts for much of the increase in budgeted salaries and benefits. The district is also anticipating increases in other expense areas, one larger area being transportation equipment (~\$450,000 budgeted new buses). Chair Seaks asked the Committee keep in mind the Board is still interested in researching the impacts of potentially offering free busing and Dr. Hocker confirmed that the administration will be working on that analysis in the near future. Mr. Anderson noted that the preliminary general fund budget is a zero-dollar budget, budgeting an even \$46,747,840.00 in both revenue and expenditures. Chair Seaks inquired about whether a technology mill levy is available. Mr. Anderson stated there is a miscellaneous 12 mill levy available and a tuition levy but he wasn't aware of there being a specific technology mill levy and that he would research and report back to the committee. It was recommended that Mr. Anderson present the preliminary budget as presented along with the proposed Certificate of Levy at the August 6, 2018 board meeting for approval. Mr. Anderson also indicated that Dickinson Public Schools will need to set its Budget Public Hearing date, time and place which is required as part of filing the Certificate of Levy with the County. The new requirements state that the budget hearing cannot be held prior to September 7 and the final Certificate of Levy is required to be filed by October 10. Consensus of the Committee was to propose the budget hearing be held on the date of the regular board meeting scheduled for September 10, 2018. Dr. Hocker suggested that the regular meeting adjourn at 6 PM (MDT) for the public hearing, and could then reconvene once the public hearing has concluded.

Other - Mr. Rodakowski voiced concern for the affordability of a much needed expansion to the high school. Superintendent Hocker also voiced his concerns about the timeline of a high school expansion and feels that critical information is gathered and prepared to be sent out for vote in January 2019. The meeting structure of the Budget Development and Input Committee was discussed. It was decided that current structure of the committee's role of making recommendations to the Board should remain the same.

Adjournment – At 10:15 a.m., Chair Seaks declared the meeting adjourned.