

## Unapproved School Board Meeting Minutes

Dickinson Public Schools  
Special School Board Meeting

October 10, 2014; 7:00 a.m.  
Board Room, Central Office

The Dickinson Public School Board held a special meeting on October 10, 2014, at the Central Administration Office. Board members present were: President Kris Fehr, Vice President Jason Hanson, Mrs. Tanya Rude, Ms. Leslie Ross, and Mrs. Sarah Ricks (via telephone call). Administrators present were: Superintendent Douglas Sullivan and Assistant Superintendent Vince Reep. Others present were: Mr. Lyle Smith and Ms. Katherine Lymn from the Dickinson Press.

**Call to Order** - Board President Fehr called the meeting to order at 7:00 a.m.

**Public Participation** - There were no requests for public participation.

**Budget and Tax Levy** – Assistant Superintendent Reep explained the administration is requesting a two part action by the school board this morning. The first step is a request to increase the Capital Projects Budget. Due to the passage of the bond the school district will incur some expenses for the construction during this fiscal year. Mr. Reep explained that the budget may be amended at any time during the year. President Fehr inquired about the request to increase the budget and whether it needed to be completed before October 10. Mr. Reep explained that since the District needed to have a meeting to discuss the tax levy the administration felt it appropriate to conduct both actions this morning as a matter of convenience. The administrative recommendation was to increase the Capital Projects Fund by \$500,000 to \$5,099,500. Ms. Ross moved to approve the amended capital projects fund expenditures from \$4,599,500 to \$5,099,500. Mrs. Rude seconded the motion. The motion carried unanimously.

Mr. Reep explained the second item this morning was consideration of the tax levy for tax year 2014. Yesterday afternoon he and Dr. Sullivan had a discussion with the bond consultant PFM about selling the bonds. He explained that the discussion involved the possibility of selling \$10 million in bonds prior to the end of the calendar year. Selling the bonds at this time would decrease interest expenses for the taxpayers. It is estimate the savings will be 31 basis points or approximately \$31,000. If the bonds are sold there would be a payment due in August of 2015 which is in the 2014 tax year. To facilitate the sale requires amendment of the Certificate of Tax Levy that the district filed in August 2014. The Certificate of Tax Levy can only be amended by the school board. If the district chose to defer the principal payment until the 2015 tax year it would result in additional expenses on the bonds. Additionally, the administration is considering the sale of \$25 million in bonds during the second semester of this school year. Mr. Reep also explained the district is working on acquiring a school construction loan for \$10 million during the next biennium. This loan would be at a lower interest rate than the bonds. Mr. Reep indicated that it may be as low as 0% depending on the upcoming legislative session. There is currently no revenue remaining in the construction loan program for this biennium.

Superintendent Sullivan asked Mr. Reep to clarify the timing of the election on October 7 and how this affected the Certificate of Levy. Mr. Reep explained that one reason the election was set on October 7 was so that if it was successful, it would be possible for the Certificate of Levy to be amended by the school board. When the administration heard from bond counsel it became

**Budget and Tax Levy (cont.)**

apparent there would be significant cost savings by amending the Certificate of Levy. The administration felt it appropriate to request the school board amend the Certificate of Levy to pass the savings onto the taxpayers.

Mr. Reep explained the school district will sell bonds over the course of two school years. President Fehr said it is not unusual for public entities to conduct more than one bond sale when selling bonds.

Ms. Ross inquired clarification why the Dickinson Public Schools set the tax levy in August and did not wait until October since many other class "A" school districts wait until October. Mr. Reep explained the Century Code requires the Certificate of Levy be set by August 15th. The Dickinson Public Schools has always followed the Century Code. He further explained that some auditors in other counties do not want the Certificate of Levy until October. President Fehr clarified that setting the tax levy in August helps with the budgeting process. Ms. Ross moved to approve the Certificate of Levy for \$11,428,800 for the fiscal year ending June 30, 2015. Mr. Hanson seconded the motion. The motion carried unanimously.

**Adjournment** – At 7:15 a.m. Mrs. Rude moved to adjourn. Mr. Hanson seconded the motion. The motion carried unanimously. The meeting was adjourned at 7:15 a.m.

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Kris Fehr, Board President

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Vince Reep, Business Manager

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Twila Petersen, Secretary