

Dickinson Public Schools
Unapproved Public Hearing Minutes
August 14, 2017; 6:00 p.m., Central Office Board Room

The Dickinson Public School Board held a public input hearing on August 14, 2017, at the Central Administration Office. Board members present were: President Sarah Ricks, Vice President Brent Seaks, Mrs. Kim Schwartz, Mr. David Wilkie, and Mrs. Tanya Rude (via conference call). Administrators present were: Superintendent Douglas Sullivan, Business Manager Kent Anderson, Mrs. Susan Cook, Mrs. Tammy Peterson, Mrs. Sara Streeter, Mr. Jay Hepperle, Mr. Ron Dockter, Mrs. Kristy Goodall, Mrs. Melanie Kathrein, and Dr. Marcus Lewton. Others present: Mr. Richard Benz, Mrs. Twila Petersen, and Mr. Patrick Bernadeau from the Dickinson Press.

Call to Order – Board President Sarah Ricks called the public input hearing to order at 6:00 p.m. She explained Business Manager Kent Anderson would provide a brief explanation of the property tax levy and then Board members will ask questions. President Ricks also indicated that members of the public will be given the opportunity to provide input.

Property Tax Levy – Business Manager Kent Anderson addressed the Board and the audience. He distributed a handout to the Board members and the audience with information including the proposed 2017-2018 budget and mill levy, a comparison of the 2016 Dickinson Public Schools (DPS) tax liability with the proposed 2017 mills, and a comparison of DPS tax levies to the 2016-17 tax levies for other Class A schools in North Dakota. Mr. Anderson indicated that the proposed total mill levy for schools may increase by a dollar amount equal to 13.48 mills but the actual increase may be different depending on the final taxable valuation for the school district. The estimated increase of 13.48 mills is based on the estimated taxable valuation information received from the Stark and Dunn County auditors and the actual valuations will likely be different.

The budget/mill levy proposal recommended by the administration and Budget Committee would be a general mill levy of 65.57 mills which is an increase of 7.89 mills compared to 2016. The budgeted deficit expenditures after this increase would be approximately \$741,000. The total mill levy recommended is 104.38 mill which consists of 65.57 general fund mills, 10.00 building fund mills, and 28.81 sinking and interest fund mills. Mr. Anderson provided estimates of the tax increase on various properties. For a home on the tax roll valued at \$100,000, the proposed mill increase would increase taxes by ~\$37 per year or just over \$3 per month. A home on the tax roll valued at \$175,000 would increase by ~\$65 per year and a \$250,000 home would increase by about ~\$93 per year.

Mr. Anderson provided a breakdown of the proposed mills to be levied. When excluding the sinking and interest mills and comparing Dickinson Public Schools mills with other class A schools, DPS would remain at the bottom of the list even after the proposed increase.

Superintendent Sullivan inquired if the general fund mills increasing by 7.89 mills was an estimate based on a projected 5% decrease in taxable valuation. Business Manager Anderson responded that was accurate. Dr. Sullivan asked if Mr. Anderson was working with a range of expected valuation decreases. Mr. Anderson responded that he had worked within a range of 3.5-5% and the proposed 7.89 mills would be the worst-case scenario which projects a 5% valuation decrease. Mr. Anderson also indicated that final taxable valuations will not be available until the end of September. Dr. Sullivan inquired that given the projected taxable

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Property Tax Levy (cont.)

valuation decrease, how many mills would be necessary just to break even or sustain the District at its current level of revenue when compared to last year. Mr. Anderson responded that with a 5% estimated taxable valuation decrease, just over 3 mills would be necessary to remain at par.

There was information shared regarding the sinking and interest fund, bond indebtedness, and unpaid property taxes.

Public Participation – President Ricks invited members from the audience to come forward for public participation. She made a call twice for public input. Mr. Richard Benz addressed the Board and stated he was a resident of Dickinson. It was his impression from reading the Century Code that taxes would be increased on those property owners that had an assessed value increase on their property. He inquired if the tax increase would apply to all Dickinson Public School District taxpayers. Business Manager Anderson responded that was accurate, the school mill levy will affect all taxpayers in the school district. The Century Code requires that the school district send notices to taxpayers that had a taxable valuation increase of 10% or \$3,000 or more in their property taxes, but the proposed increase would affect all taxpayers.

Mr. Benz stated MDU was projecting an increase, the City of Dickinson was projecting an increase, and the School District was projecting an increase. This is a hardship for those on a fixed income. He inquired if the District is making any cuts. Superintendent Sullivan responded that the District does look at ways to cut costs and provided an example of collapsing classrooms. He added the District is in a difficult situation with the current demographic environment of increasing enrollment with the District not receiving any additional funds related to that increase until next year. State funding uses prior year enrollment figures for their school funding formula.

President Ricks and Board members thanked Mr. Benz for providing his input. President Ricks made another call for public participation. There was no other input.

Adjournment – At 6:22 p.m., Chair Ricks declared the public hearing adjourned.

Sarah Ricks, Board President

Kent Anderson, Business Manager

Twila Petersen, Secretary