

**Northfield Public Schools Board of Education**

June 7, 2018 Work Session

5:00 pm - 7:00 pm

Northfield High School Media Center

Agenda

1. Welcome and Overview
2. Potential Tax Impact - Elementary Projects
3. Thoughtexchange Opportunity
4. Next Steps - Discussion
5. Decision-making timeline

**Northfield School District No. 659**

Analysis of Tax Impact for Potential Bond Issue  
November 6, 2018 Election

April 30, 2018

<b>Bond Question(s)</b>	<b>Question 1</b>	<b>Question 2</b>	<b>Question 1 and 2</b>
<b>Bond Issue Amount</b>	<b>\$27,845,000</b>	<b>\$9,040,000</b>	<b>\$36,885,000</b>
<b>Number of Years</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Estimated Debt Service Tax Rate Payable in 2019*</b>			
Existing Debt Only	22.54%	22.54%	22.54%
With Proposed New Issue	<u>26.37%</u>	<u>23.79%</u>	<u>27.62%</u>
<b>Estimated Tax Capacity Rate Change</b>	<b>3.83%</b>	<b>1.25%</b>	<b>5.08%</b>

Type of Property	Estimated Market Value	Estimated Annual Impact on Taxes Payable in 2019*		
Residential Homestead	\$100,000	\$27	\$9	\$36
	125,000	38	12	50
	150,000	48	16	64
	175,000	59	19	78
	200,000	69	23	92
	250,000	90	29	119
	300,000	111	36	147
	350,000	132	43	175
	400,000	153	50	203
	500,000	192	63	255
Commercial/ Industrial +	600,000	239	78	317
	\$250,000	\$163	\$53	\$216
	500,000	354	116	470
	1,000,000	737	241	978
Agricultural Homestead** (average value per acre of land & buildings)	2,000,000	1,503	491	1,994
	\$4,000	\$0.46	\$0.15	\$0.61
	5,000	0.57	0.19	0.76
	6,000	0.69	0.23	0.92
	7,000	0.80	0.26	1.06
Agricultural Non-Homestead** (average value per acre of land & buildings)	8,000	0.92	0.30	1.22
	\$4,000	\$0.92	\$0.30	\$1.22
	5,000	1.15	0.38	1.53
	6,000	1.38	0.45	1.83
	7,000	1.61	0.53	2.14
	8,000	1.84	0.60	2.44

\* Estimated tax impact includes principal and interest payments on the new bonds. The figures in the table are based on school district taxes for bonded debt levies only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the homeowner's Homestead Credit Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net effect of the proposed bond issue for many property owners.

+ For commercial-industrial property, the tax impact estimates above are for property in Rice and Goodhue counties. For commercial-industrial property in Dakota county, the tax impact would be less than shown above, due to the impact of the Twin Cities Fiscal Disparities program.

\*\* For agricultural property, estimated tax impact includes 40% reduction due to the School Building Bond Agricultural Credit. Average value per acre is the total estimated market value of all land & buildings divided by total acres. Homestead examples exclude the house, garage, and one acre, which has the same tax impact as a residential homestead.

**PRELIMINARY INFORMATION - FOR DISCUSSION ONLY**

**Northfield School District No. 659**

Estimated Payments and Tax Levies for Existing Debt and Proposed New Debt

**Questions 1 & 2: \$36,885,000 Building Program  
November 2018 Election; 20 Years  
Wrapped Around Existing Debt**

Principal Amount: \$36,885,000  
Dated Date: 2/1/2019  
Avg. Interest Rate: 3.80%

April 30, 2018

Levy	Pay. Year	Fiscal Year	Tax Capacity Value <sup>1</sup> (\$000s)	Existing Commitments					Other Levies		Proposed New Debt				Combined Totals				
				Building Bonds <sup>2</sup>	Alt. Fac.	Est. Debt Excess <sup>3</sup>	Net Levy	Tax Rate	Lease Levy	Capital Project Levy <sup>4</sup>	Principal	Interest	Est. Debt Excess <sup>3</sup>	Adjusted Debt Levy	Adjusted Debt Levy	Other Levies	State Debt Aid	Net Levy	Tax Rate
2018	2019	27,855	5.9%	4,661,943	1,168,703	(517,065)	5,313,581	19.08	377,805	750,000	-	-	-	-	5,313,581	1,127,805	-	6,441,386	23.12
2019	2020	28,969	4.0%	4,659,053	1,044,330	(302,689)	5,400,694	18.64	377,805	750,000	-	1,401,630	-	1,471,712	6,872,405	1,127,805	-	8,000,210	27.62
2020	2021	29,259	1.0%	4,661,468	1,089,060	(256,652)	5,493,876	18.78	377,805	750,000	-	1,401,630	-	1,471,712	6,965,588	1,127,805	-	8,093,393	27.66
2021	2022	29,551	1.0%	2,415,728	1,132,530	(258,774)	3,289,485	11.13	377,805	750,000	860,000	1,401,630	-	2,374,712	5,664,196	1,127,805	-	6,792,001	22.98
2022	2023	29,551	0.0%	2,643,664	1,179,990	(159,672)	3,663,982	12.40	377,805	750,000	640,000	1,368,950	(106,862)	2,002,535	5,666,518	1,127,805	-	6,794,323	22.99
2023	2024	29,551	0.0%	2,655,096	1,226,085	(172,064)	3,709,116	12.55	377,805	750,000	605,000	1,344,630	(90,114)	1,956,997	5,666,114	1,127,805	-	6,793,919	22.99
2024	2025	29,551	0.0%	-	1,354,815	(174,653)	1,180,162	3.99	377,805	750,000	925,000	1,321,640	(88,065)	2,270,907	3,451,069	1,127,805	-	4,578,874	15.49
2025	2026	29,551	0.0%	-	-	-	-	-	377,805	750,000	1,840,000	1,286,490	(102,191)	3,180,624	3,180,624	1,127,805	-	4,308,429	14.58
2026	2027	29,551	0.0%	-	-	-	-	-	377,805	750,000	1,950,000	1,216,570	(143,128)	3,181,770	3,181,770	1,127,805	-	4,309,575	14.58
2027	2028	29,551	0.0%	-	-	-	-	-	377,805	750,000	2,025,000	1,142,470	(143,180)	3,182,664	3,182,664	1,127,805	-	4,310,469	14.59
2028	2029	29,551	0.0%	-	-	-	-	-	377,805	750,000	2,100,000	1,065,520	(143,220)	3,180,576	3,180,576	1,127,805	-	4,308,381	14.58
2029	2030	29,551	0.0%	-	-	-	-	-	377,805	750,000	2,180,000	985,720	(143,126)	3,180,880	3,180,880	1,127,805	-	4,308,685	14.58
2030	2031	29,551	0.0%	-	-	-	-	-	377,805	750,000	2,265,000	902,880	(143,140)	3,183,134	3,183,134	1,127,805	-	4,310,939	14.59
2031	2032	29,551	0.0%	-	-	-	-	-	377,805	750,000	2,350,000	816,810	(143,241)	3,181,909	3,181,909	1,127,805	-	4,309,714	14.58
2032	2033	29,551	0.0%	-	-	-	-	-	377,805	750,000	2,440,000	727,510	(143,186)	3,182,700	3,182,700	1,127,805	-	4,310,505	14.59
2033	2034	29,551	0.0%	-	-	-	-	-	377,805	750,000	2,530,000	634,790	(143,221)	3,179,808	3,179,808	1,127,805	-	4,307,613	14.58
2034	2035	29,551	0.0%	-	-	-	-	-	377,805	750,000	2,630,000	538,650	(143,091)	3,183,991	3,183,991	1,127,805	-	4,311,796	14.59
2035	2036	29,551	0.0%	-	-	-	-	-	377,805	750,000	2,730,000	438,710	(143,280)	3,183,866	3,183,866	1,127,805	-	4,311,671	14.59
2036	2037	29,551	0.0%	-	-	-	-	-	377,805	750,000	2,830,000	334,970	(143,274)	3,179,945	3,179,945	1,127,805	-	4,307,750	14.58
2037	2038	29,551	0.0%	-	-	-	-	-	377,805	750,000	2,940,000	227,430	(143,098)	3,182,704	3,182,704	1,127,805	-	4,310,509	14.59
2038	2039	29,551	0.0%	-	-	-	-	-	377,805	750,000	3,045,000	115,710	(143,222)	3,175,524	3,175,524	1,127,805	-	4,303,329	14.56
2039	2040	29,551	0.0%	-	-	-	-	-	377,805	750,000	-	-	-	-	-	1,127,805	-	1,127,805	3.82
2040	2041	29,551	0.0%	-	-	-	-	-	377,805	750,000	-	-	-	-	-	1,127,805	-	1,127,805	3.82
2041	2042	29,551	0.0%	-	-	-	-	-	377,805	750,000	-	-	-	-	-	1,127,805	-	1,127,805	3.82
2042	2043	29,551	0.0%	-	-	-	-	-	377,805	750,000	-	-	-	-	-	1,127,805	-	1,127,805	3.82
2043	2044	29,551	0.0%	-	-	-	-	-	377,805	750,000	-	-	-	-	-	1,127,805	-	1,127,805	3.82
Totals				21,696,953	8,195,513	(1,841,570)	28,050,896		9,822,930	19,500,000	36,885,000	18,674,340	(2,248,638)	56,088,669	84,139,565	29,322,930	-	113,462,495	

1 Tax capacity value for taxes payable in 2017 is the actual figure, and the value for 2018 is based on preliminary data from Rice and Dakota counties. Estimates for future years are based on the percentage changes as shown above.

2 Initial debt service levies (prior to subtracting debt equalization aid) are set at 105 percent of the principal and interest payments during the next fiscal year.

3 Debt excess adjustment for taxes payable in 2017 is the actual amount and for 2018 is a preliminary estimate based on the debt service fund balance as of June 30, 2016. Debt excess for future years is estimated at 4.5% of the prior year's initial debt service levy.

4 Assumes that the capital project levy will be continued at the same dollar amount prior to expiring.

5 These estimates assume that a portion of the payments due during fiscal year 2021 on the second bond issue, estimated at \$883,000, would be made from funds on hand or bond proceeds.

## PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

### Northfield School District No. 659

Estimated Tax Rates for Capital and Debt Service Levies  
Existing Commitments and Proposed New Debt

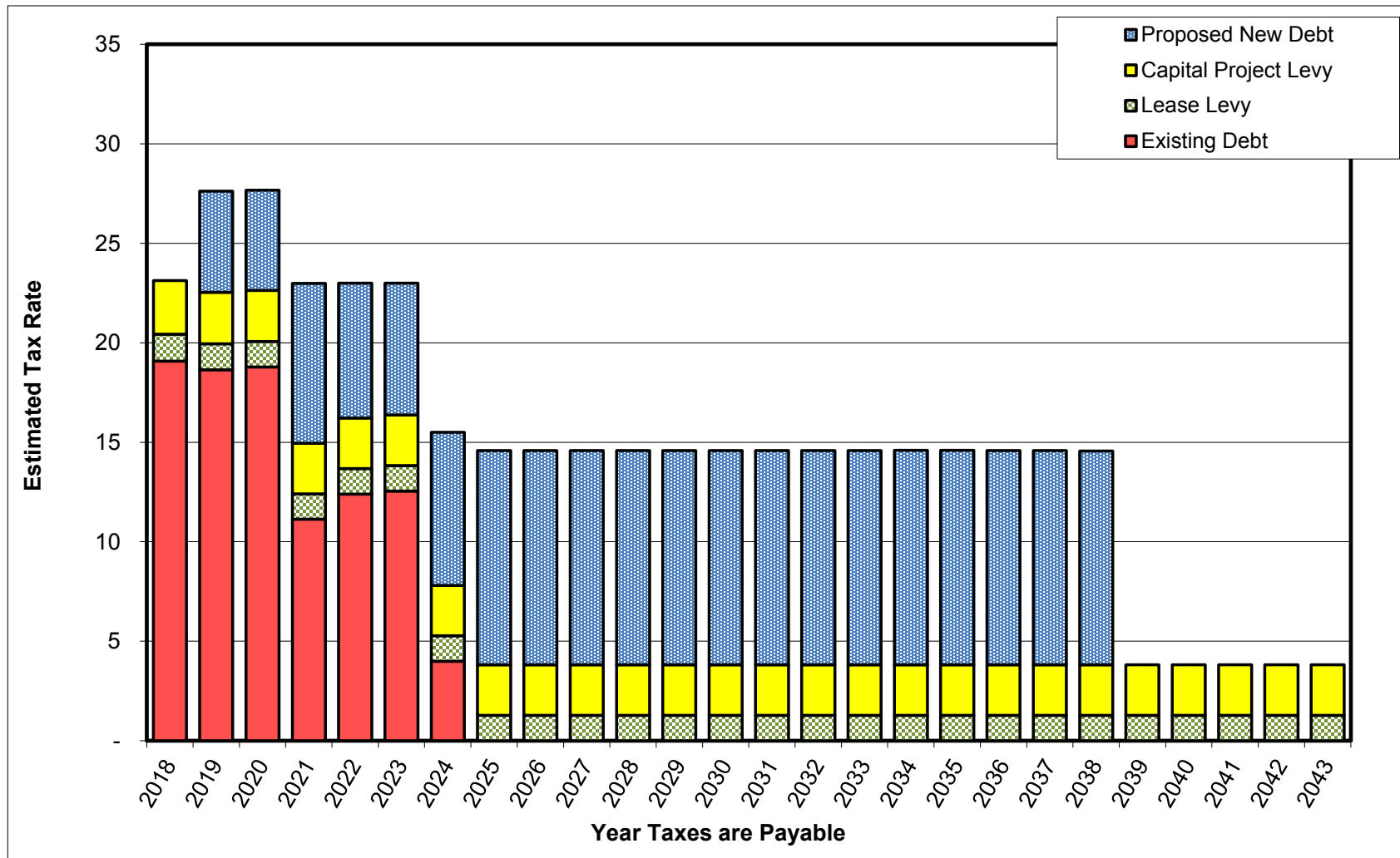
Questions 1 & 2: \$36,885,000 Building Program

November 2018 Election; 20 Years

Wrapped Around Existing Debt

Date Prepared:

April 30, 2018



## Important School Board Election Dates for Districts Without a Primary

This list is a summary. For details go to our Elections page at [www.mnmsba.org](http://www.mnmsba.org). PLEASE DISCARD PREVIOUS ELECTION LISTS

<b>July 17, 2018</b>	Last day for school district to publish notice of filing period (2 weeks before filing opens).
<b>July 20, 2018</b>	Last day for school district to post notice of filing period (10 days before filing period begins).
<b>July 31-August 14, 2018</b>	Candidate filing period for General Election (not less than 98 days before and 84 days before the election).
<b>August 16, 2018</b>	Last day for candidates to withdraw (no later than 5 p.m. two days after filing closes). Send candidate information to County Auditor(s).
<b>August 24, 2018</b>	Last day to adopt resolution calling General Election. Last day to notify county auditors with written notice of General Election (74 days before the General Election).
<b>September 21, 2018</b>	First day absentee ballots must be available for General Election (46 days prior to date of election).
<b>October 16, 2018</b>	Last day to preregister for General Election (at least 21 days prior to date of election). Registration closes at 5 p.m.
<b>October 23, 2018</b>	Last day to publish first notice of November General Election.
<b>October 26, 2018</b>	Last day to post notice of November election (at least 10 days prior to date of the election). Campaign finance reports due if spent or received more than \$750, an initial report was filed and the name is on the ballot.
<b>October 30, 2018</b>	Last day to publish second notice of November General Election.
<b>November 2, 2018</b>	Last day to post sample ballot of November General Election (at least 4 days prior to date of election).
<b>November 6, 2018</b>	<b>General Election Day. No public meetings or school events may be held between 6 p.m. and 8 p.m. Voting hours are 7 a.m. to 8 p.m.</b>
<b>November 9-16, 2018</b>	Time period to canvass results of the General Election (between the third and 10th day following the General Election). Note that districts should NOT canvass on Veterans Day, Nov. 11.
<b>November 13, 2018</b>	Last day for candidates to file Campaign Financial Report Certification of Filing form (within 7 days of General Election).
<b>November 16-23, 2018</b>	Time period for candidates to request a recount (within 7 days of canvass).

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<b>November 17-24, 2018</b>	Time period to issue certificate of election. (IF candidate has filed the Campaign Financial Report Certification of Filing form, AND no recounts are requested.
<b>November 17- December 24, 2018</b>	Time period for newly elected school district officers to file acceptance of office and oath forms within 30 days of receiving Certificate of Election.
<b>December 6, 2018</b>	Campaign finance reports due (30 days after General Election).
<b>January 7, 2019</b>	Terms begin for members elected at 2018 General Election.

## Introduction

The Facilities Action Team met on April 16th, 24th, and 30th, 2018. The meetings were held at Greenvale Park Elementary School and Northfield High School. The purpose of the meetings were to review the current Master Facilities Plan and make recommendations to the Board of Education regarding the next steps in addressing the District's facilities needs. The meetings were facilitated by Superintendent Hillmann. The following individuals participated on the team. Four additional individuals had agreed to participate but were not able to attend any of the three meetings.

Baraniak, Tom	Fried, Juan	Larson, John	McBroom, Amy	Runzheimer, Lee
Berthlesen, Mike	Green, Craig	Lehmkuhl, Anne	McGovern, Anne	Sandberg, Pete
Bornhauser, Todd	Hager Dee, Jane	Liebenstein, Paul	McWilliams, Jane	Santos, Alejandra
Cox, Tristan	Jennings, Randy	Ludescher, David	Pokorney, Jim	Scheffert, Peter
Estensen, Rick	Kell, Bob	Lyman, Bruce	Pruitt, Zach	Staab, Geoff
Falck, Rich	Knutson, Nathan	Malecha, Al	Quaas, Pasha	Stets, Justin

The following District administrators served as resources on the team: Director of Buildings and Grounds Jim Kulseth, Director of Community Services Erin Bailey, Director of Finance Val Mertesdorf, and Greenvale Park Elementary Principal Sam Richardson. Elias Lawler served as the representative from the District Youth Council.

The three-meeting process is intended to support ample opportunity for discussion while creating an appropriate amount of structural pressure that transcends “problem admiration.”

## Meeting No. 1 (Monday, April 16, Greenvale Park Media Center)

### *Reflection and Analysis*

1. Introductions
2. Overview of process
3. Brief review of the current Master Facilities Plan
4. Brief Review: What has changed with facilities?
5. Master Facilities Plan Analysis: World Café activity
  - a. What components of the Master Facilities Plan resonated with the public?
  - b. What components of the Master Facilities Plan were misunderstood by the public?
  - c. What components of the Master Facilities Plan were deal-breakers for the public?
6. Follow-up and next steps

While the agendas for the second and third meetings were conceptualized, they were left open to further development after the first meeting concluded.

### **Meeting No. 2 (Tuesday, April 24, Northfield High School Media Center)**

*Looking Forward:* Review of World Café data, discussion, and distillation activity.

1. Introductions
2. Review of survey data/burning questions
3. Review of World Café activity data - elbow partner activity
4. Brief overview: educational priorities
  - a. Strategic Plan
  - b. Northfield Promise (cradle to career)
  - c. World's Best Workforce
5. Carousel Discussion
  - a. What parts (projects) of the Master Facilities Plan that resonated with the public should still be considered? (Why?)
  - b. What parts (projects) of the Master Facilities Plan that were “dealbreakers” should not be considered at this time? (Why)
  - c. What items should be considered that are not part of the current Master Facilities plan?
  - d. What issues should be addressed that could become deal-breakers for any potential projects that “move forward?”
  - e. What data (quantitative, qualitative, or narrative) could be used to help you (and the public) better understand the educational needs of the District and how facilities relate to those needs.

### **Meeting No. 3 (Monday, April 30, Greenvale Park Elementary Media Center)**

*Moving toward action:* Review of distillation activity, discussion, potential recommendations and prioritization activity.

1. Introductions
2. Review of survey data/burning questions
3. Review of Carousel activity data
4. Rotating Discussion: Possible Recommendations
5. Recommendation activity
6. Follow-up and next steps

Follow-up surveys were conducted after each session. Those survey results, as well as the work products of each meeting, are included in this report.

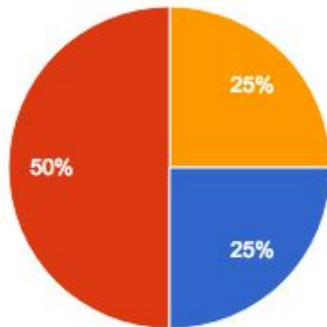
At the end of the final meeting, participants were asked to make recommendations to the School Board. Each of the following 15 recommendations were “moved” by one of the team members and received a “second” from another team member. There were three voting options: (1) I support the recommendation, (2) I can live with the recommendation, or (3) I cannot support the recommendation.



## Facilities Action Team Recommendations

Commit to a board planning process that would measure student performance outcomes compared to capital expenditures.

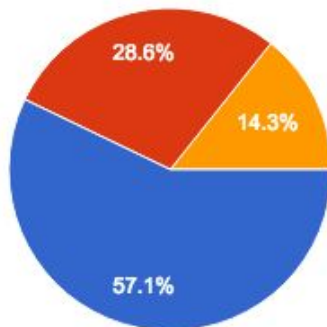
28 responses



- I support this recommendation
- I can live with this recommendation
- I cannot support this recommendation

Re-do the demographic study.

28 responses

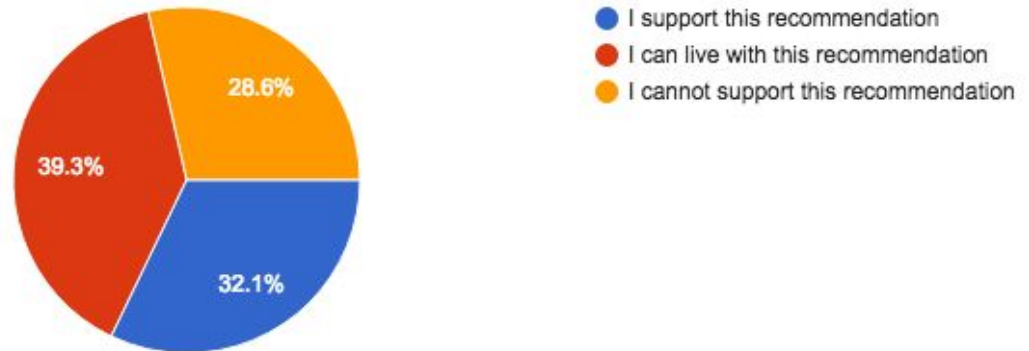


- I support this recommendation
- I can live with this recommendation
- I cannot support this recommendation

## Facilities Action Team Recommendations

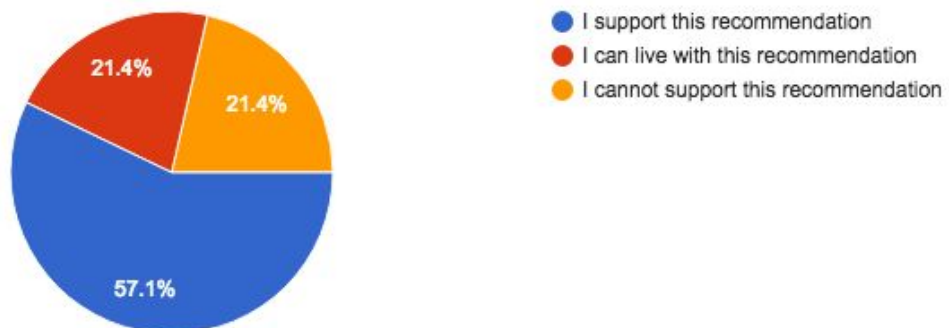
School Board will focus its attention on increasing revenue through engagement of the colleges, partnershi...il to change their development model.

28 responses



Move forward with the Elementary Projects for Nov 2018.

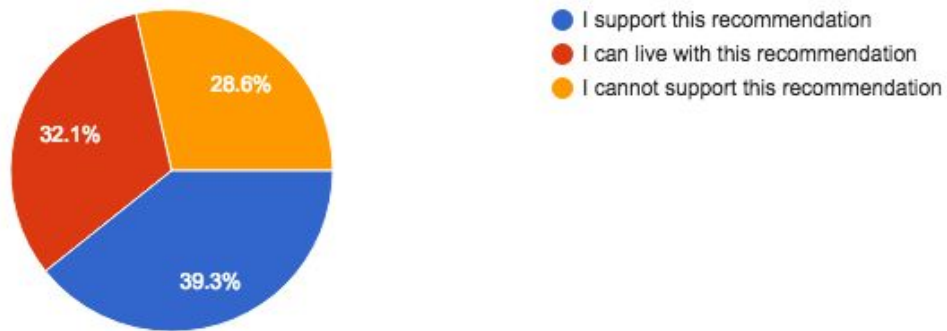
28 responses



## Facilities Action Team Recommendations

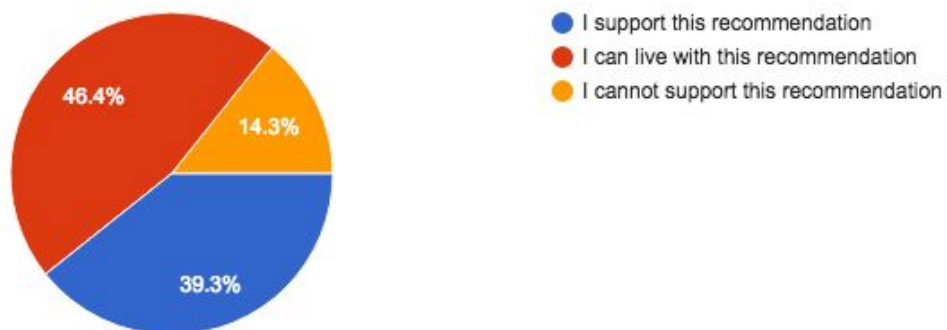
Establish a target for Nov 2020 to bring the HS project forward. Utilizing time for public engagement.

28 responses



Fall 2019 Referendum for all elementary projects with debt beginning in 20-21.

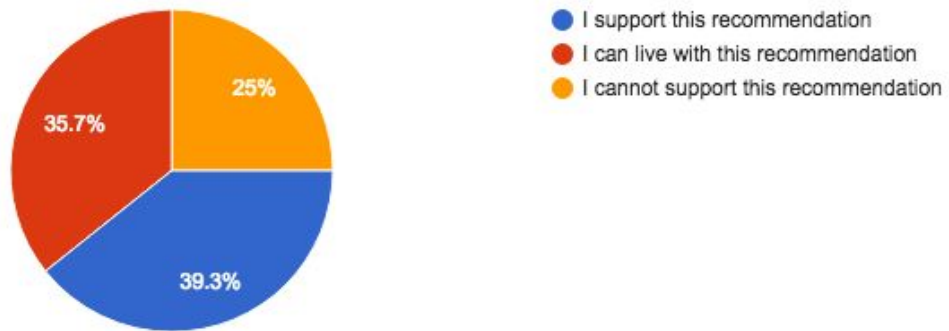
28 responses



# Facilities Action Team Recommendations

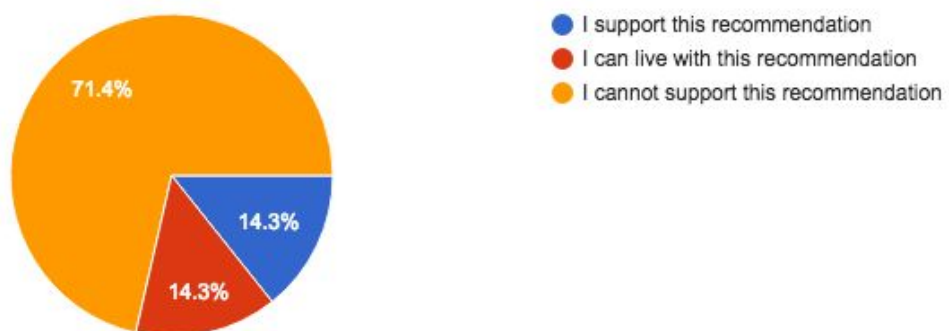
Study HS plans to balance renovation and new targeting 2025 to balance debt service.

28 responses



No new building bonds until debt falls off in 2025.

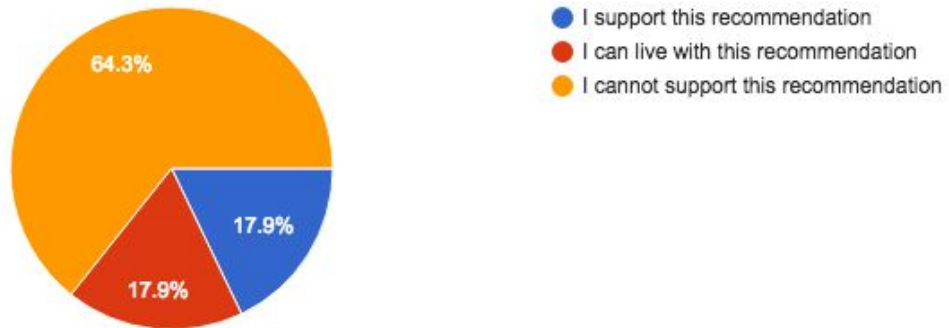
28 responses



# Facilities Action Team Recommendations

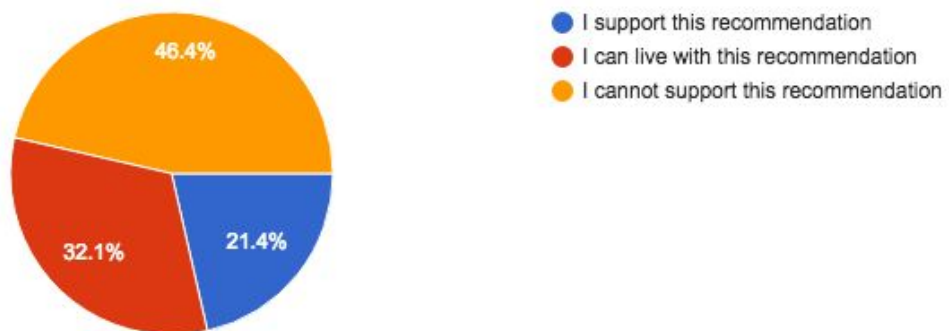
Bring same bond referendum back in Nov 2018. One question, all projects.

28 responses



Conduct a feasibility study of flipping the HS and MS.

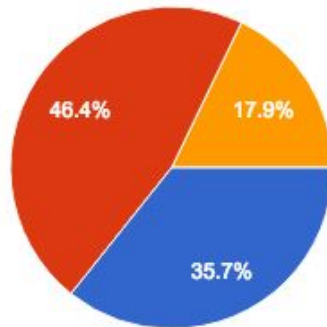
28 responses



## Facilities Action Team Recommendations

Don't replace HS right now, but assure the HS is adequate for next 10 years with targeted modifications for 21st century learning needs.

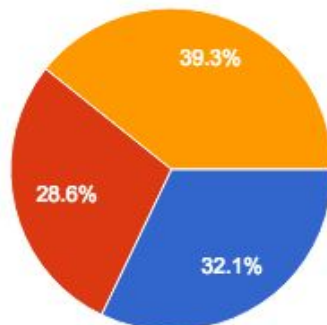
28 responses



- I support this recommendation
- I can live with this recommendation
- I cannot support this recommendation

Run the 2017 referendum in 2 questions in Nov 2018.

28 responses

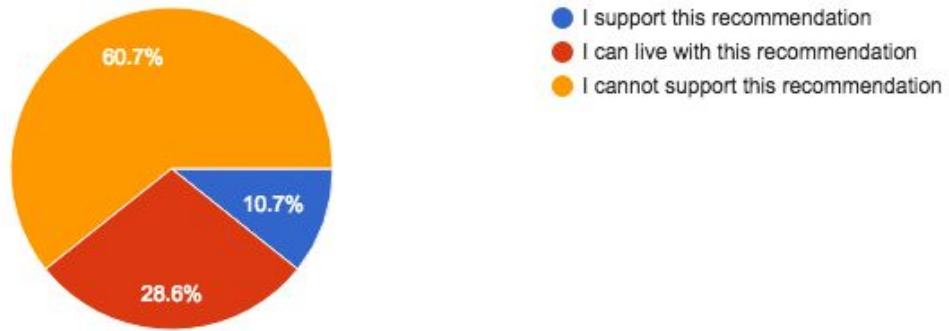


- I support this recommendation
- I can live with this recommendation
- I cannot support this recommendation

## Facilities Action Team Recommendations

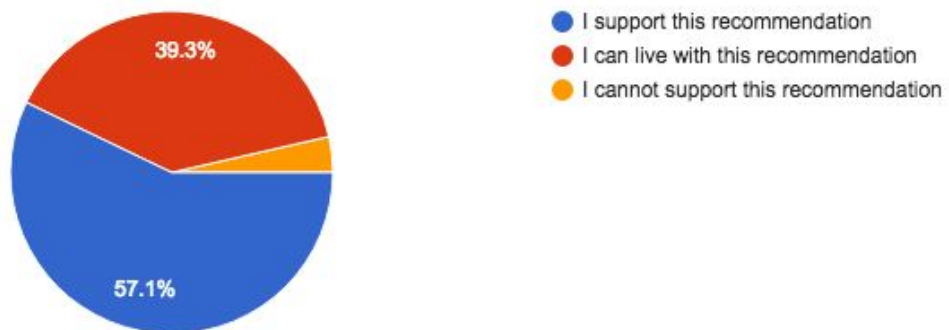
Add enough money into the next bond referendum to ensure HS lasts for 30 years.

28 responses



Explore corporate sponsorship or private donors to supplement funding.

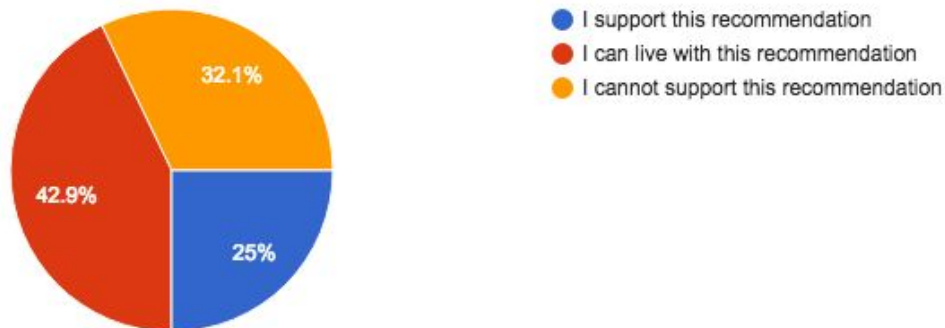
28 responses



# Facilities Action Team Recommendations

## Incremental building plan.

28 responses



### Analysis

The Facilities Action Team represented a broad stakeholder group within the District. The discussion was dynamic and respectful. It was thrilling to observe people with equally passionate support for public education respectfully debate the District's needs for facilities and the role they can play in student learning.

Some key takeaways:

- Participants mostly supported the recommendation to consider updating the District's 2013 demographic study.
- Participants mostly supported asking the voters (57% "support" + 21% "can live with it") in November 2018 to consider the elementary school projects.
- Participants generally rejected the concept of bringing back the 2017 bond referendum in one question as previously presented (64% could not support) nor bringing it back in two different questions (32% support).
- Participants generally rejected (71% could not support) waiting until all current debt is retired in 2025.
- Participants encouraged (57% support) the School District to consider exploring corporate sponsorship or private donations to supplement funding.
- Participants generally rejected (60% could not support) adding enough dollars to any Fall referendum to renovate the High School to last 30 more years.

In summary, this Facilities Action Team generally supported a potential bond referendum to fund the District's elementary projects. The same team indicated the current High School plan should be placed on hold.