

District Finance Advisory Committee (DFAC) Meeting

November 27, 2023

Introductions for all members of the committee:

- John Schutz: Wells Fargo. SPPS is 1 of 13 school districts for whom they manage the Other Post Employment Benefit (OPEB) Trust. Merle Waters business partner, does investments on our behalf.
- Tom Sager: Executive Chief of Financial Services
- Mikisha Nation: Teach for America Twin Cities, Executive Director
- Jim Vue: Board of Education Chair.
- Mee Moua: Parent, member of Hmong Parent Advisory Council, and active PTO member.
- Alan Ickler: Currently retired, spent 30 years in 3 different school districts as an administrator.
- Michael Heart: PMA Financial
- Steve Pumper: PMA Financial
- Joe Gothard: Superintendent of SPPS (7 years)
- Michele Miley: Financial services and brokerage industry.
- Thomas Adams: Non-profit administration Exec Vice President of Common Bond communities
- Andrew Adams: Executive Director of Financial Services
- Michelle Mitchell: 16 years public sector budgeting, PTO treasurer at Capitol Hill
- Christan Tanttari: Executive Assistant, Financial Services

Introductions and overview of two SPPS financial partners, Wells Fargo Wealth & Investment Management and PMA Financial.

PMA's role is a Municipal Advisor that provides guidance and expertise to the school district involving matters of facility planning and financing, as well as leveraging investment opportunities with the district's state aid revenue. PMA's role assists SPPS in managing the bond sale transactions, with a goal of making sure funds are being leveraged for the best possible outcome for the district and community. When large sums of money are received, such as state aid, PMA will invest for the length of time needed, while adhering to IRS rules, which can enhance the budget and best manage cash flow.

[Review purpose of this advisory committee.](#)
[SPPS Achieves Strategic Plan](#)

[School Finance 101 \(Short Video\)](#)

- • MASBO: Minnesota Association of School Board Officials

Program Types for planning, budgeting, and reporting purposes.

23 Pay 24 Levy

- Annual Truth in Taxation Hearing: December 5, 2023 6:00 PM:
 - You are encouraged to attend if your schedule allows.

SPPS current FY 24 budget overview and future challenges for FY 25.

- Starting with a deficit, plus ESSER funds expiring in September 2024. The District has a \$150 million deficit to correct for FY 25.
- Decision to spend down balance FY24: Executive leadership and district leadership team; District fund balance was healthy and we knew ARP funds were going away. Students are receiving services and families getting what they need. Made decisions aligned with what we were hearing in real time to help ensure full recovery from learning loss and social emotional needs during the pandemic.
- Why has SPPS experienced enrollment decline? There are many contributing factors: Proximity, personal choice and perception. The committee brainstormed other factors in the community that also could have led to this decline. Roughly 70 percent of the “open enrolled out” students attend a charter school within the Saint Paul City limits.
- The committee discussed if there was an alternative to yellow buses that would be more cost effective. As a district about \$35 million is spent on transportation and ultimately there was a lot of analysis that went into the decision to add yellow buses to the district.

Identify any follow up items and set dates for future meetings.

- November 27, 2023
- January 29, 2024
 - Goals of January meeting: FY 23 audit results, enrollment, financial Impact, movement & completion of any employment contractual settlements.
- March 25, 2024
 - Goals of March meeting: Planning and delivery for FY 25
- May 28, 2024
 - Goals of May meeting: Checkpoint before FY 25 budget is recommended to the school board.

December 4th is a Virtual Town Hall meeting for the district led by Dr. Gothard to discuss the budget, followed by a Q & A session. The main themes will be shared with this group and the public at large.

Please contact Tom Sager if you have any questions or observations between meetings
tom.sager@spps.org Thank you again for your commitment to this group and this important work.