



ADM  
Community School  
District

Proposed  
Certified Budget  
2012-13

ADM Community School  
Budget and Financial

- Presentation designed to give a  
overview of budgeting, finance  
process, and financial health
- Some items consolidate, rearranged,  
or eliminated to simplify
- Presentation covers major budgeting  
and finance components

ADM Community School  
Impacting Students

- School Board's Primary Impact on School
  - ✓ Policy Development
  - ✓ Budget
  - ✓ Vision and Direction
  - ✓ Accountability

ADM Community School  
School Funds

Funds

- ❖ State code allows expenditures and revenue generating methods of various "TYPES".
- ❖ These various "TYPES" are assigned to specific "funds" or accounts.

### ADM Community School School Funds

- General - All school purposes, except "building walls"
- PPEL (Physical Plant and Equipment Levy) Capital expenditures- Board imposed
- Voted PPEL (Voter Approved portion of Physical Plant and Equipment Levy)

### ADM Community School School Funds

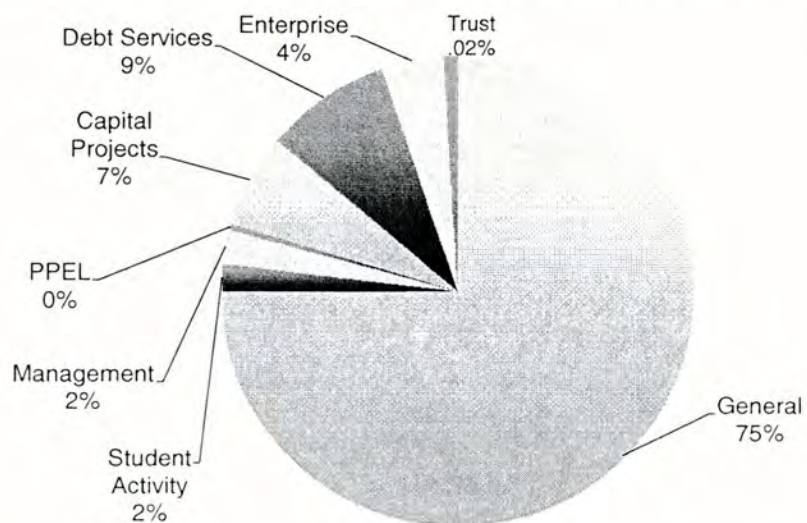
- Management (Insurance, early retirement, and unemployment equipment ins.)
- Hot lunch (Lunch, breakfast, and snack program)
- Activity (Student centered activities outside the curriculum)
- Debt Service - Repayment of school bonds. (Any borrowing longer than one year)



## ADM Community School Other School Funds

- Library Levy Fund
- Capital Projects Funds
- Child Care Fund
- Internal Service Funds
- Trust Funds
- Agency Funds

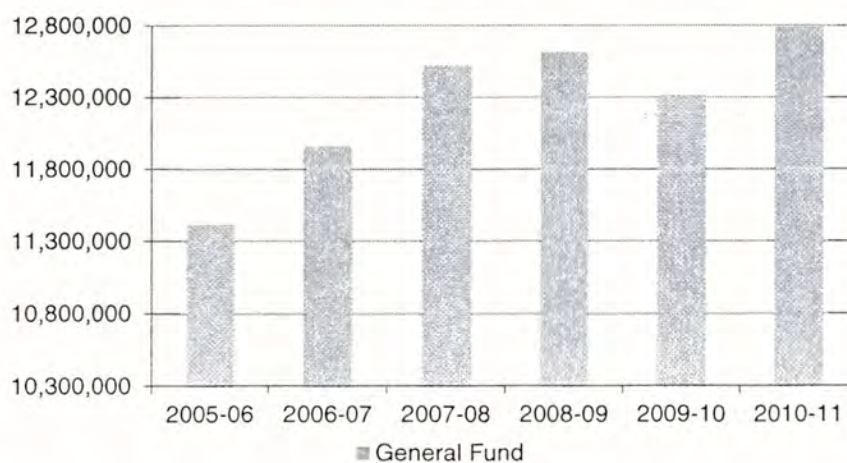
## ADM Community School Fund Spending/2010-11



## ADM Community School Fund Spending

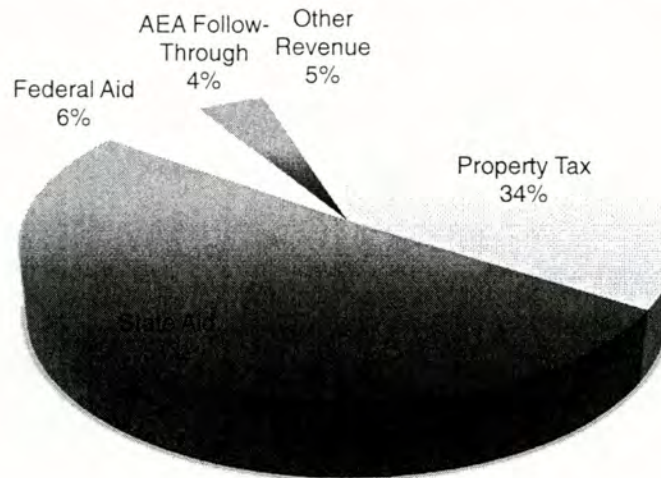
- General fund
  - ✓ Major portion of budgeting
  - ✓ 65-80% of spending is general fund spending
  - ✓ 65-90% of property tax goes to the general fund
  - ✓ Presentation will focus on general fund

## ADM Community School General Fund Spending



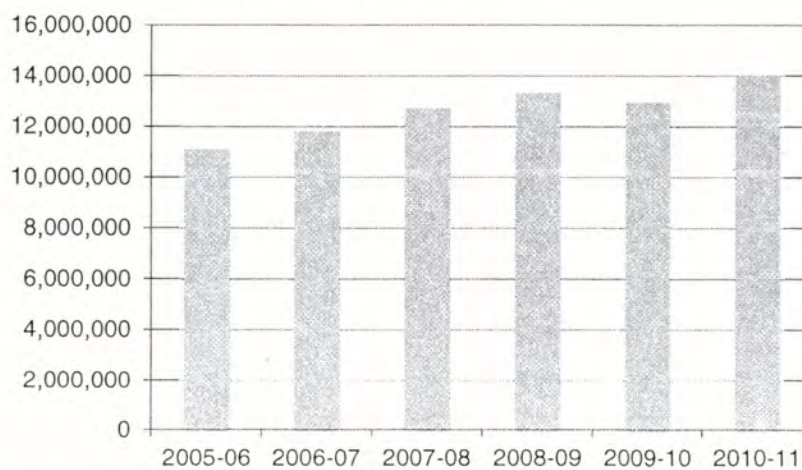
## ADM Community School

### Where General Fund Comes From/2010-11



## ADM Community School

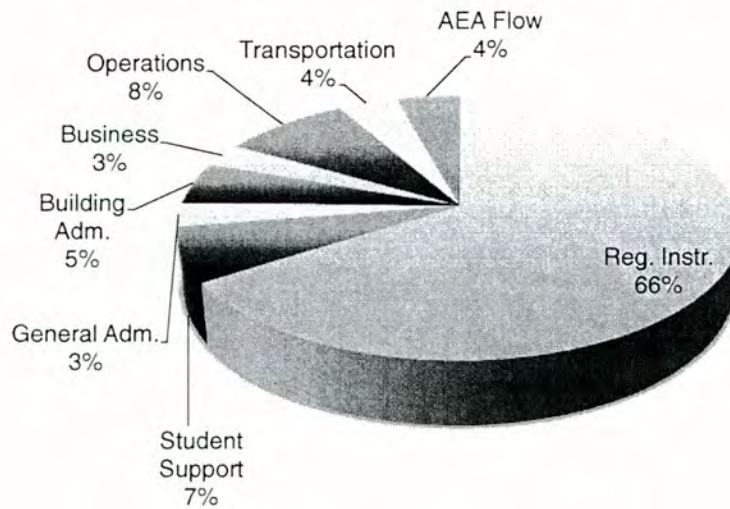
### General Funds Revenue





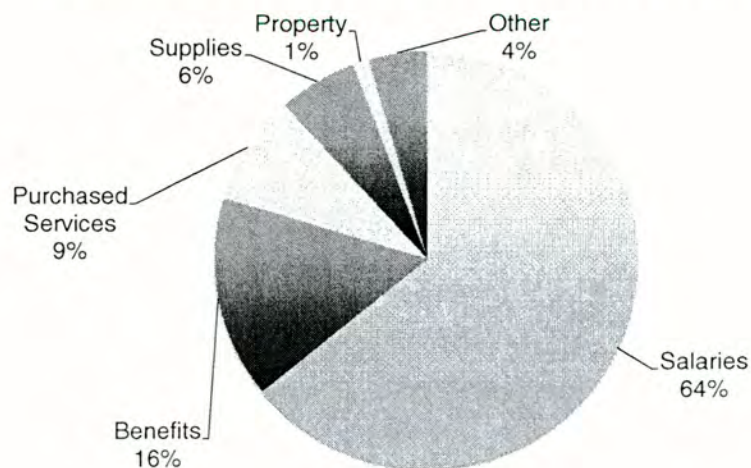
## ADM Community School

Where General Funds Go by Function/2010-11



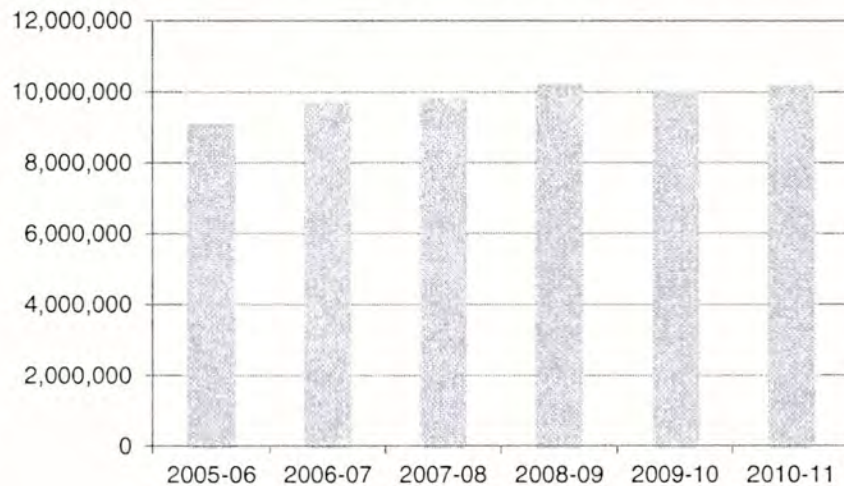
## ADM Community School

Where General Funds Go by Object/2010-11



## ADM Community School

Where General Funds Go /Salaries-Benefits/2010-11



## ADM Community School Budget Presentation Focus

### Budget Review Includes

1. Spending AND Taxing Authority
2. Additional Spending Authority
3. Additional Taxing Authority



ADM Community School  
Taxing and Spending Authority

## Budget driven by

### ✓ Allowable growth

- The % spending is allowed to increase per student

### ✓ Student enrollment

- Count taken October each year. Certified enrollment used for following fiscal year.

School Year	Fiscal Year	Enrollment Count From October
2010-11	2011	2009
2011-12	2012	2010
2012-13	2013	2011
2013-14	2014	2012

## ADM Community School Budget Presentation

- ❖ School Budget (proposed 2012-13)
- ❖ Summary of Aid and Levy, with minor areas omitted!!!! (Homestead)
- ❖ 2% allowable growth for standard and categorical state growth
- ❖ Outline includes
  - Counting students
  - Spending/Taxing Authority (Combined Cost)
  - Uniform property tax
  - Foundation Cost
  - State aid
  - Additional property tax
  - Funding combined (controlled) cost

## ADM Community School Budget Presentation

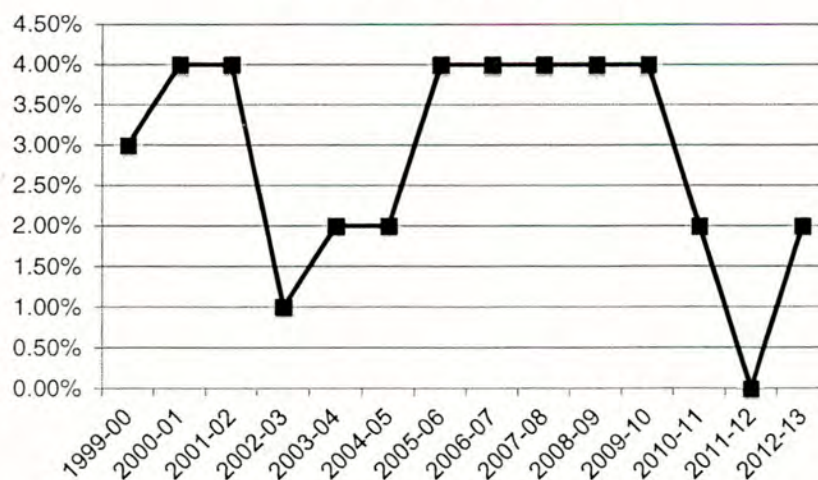
- ❖ Outline also includes
  - Instructional Support Levy
  - Total general fund property tax
  - State aid to district
  - Physical Plant and Equipment Levy (PPEL)
  - Management Fund
  - Debt Service Fund
  - Capital Projects Funds / Sales Tax Capital Project Fund
  - Total property tax levy
  - Total spending authority

## ADM Community School Taxing and Spending Authority

### Allowable Growth

- ✓ % set by state
- ✓ % spending AND taxing allowed to increase per student
- ✓ Set for two fiscal years ahead in first 30 days of legislative session (Jan. 2011 for fiscal year 2013)
- ✓ Unless the Legislature changes the rules!

### ADM Community School Allowable Growth Percent





## ALLOWABLE GROWTH % IMPORTANCE

Fiscal Year	Actual Allowable Growth				Allowable Growth if All Years 4%		
	#Students	Allowable Growth%	Cost Per Student	Regular Prog. Cost \$	Allowable Growth %	Cost Per Student	Regular Prog. Cost \$
2004	1444.7	2%	4,668	6,743,860	4%	4,697	6,785,756
2005	1427.1	2%	4,761	6,794,423	4%	4,885	6,971,212
2006	1414.7	4%	4,951	7,004,180	4%	5,080	7,187,065
2007	1424.4	4%	5,148	7,332,811	4%	5,283	7,525,798
2008	1425.9	4%	5,353	7,632,843	4%	5,495	7,835,072
2009	1424.1	4%	5,566	7,926,541	4%	5,715	8,138,188
2010	1395.8	4%	5,788	8,078,890	4%	5,943	8,295,523
2011	1408.9	2%	5,903	8,316,737	4%	6,181	8,708,314
2012	1408.4	0%	5,903	8,399,904	4%	6,428	9,053,433
2013	1435.2	2%	6,021	8,641,339	4%	6,685	9,594,736
Total				76,871,527	Total		80,095,099
Cumulative Difference							3,223,571

## ADM Community School Counting Students

### Enrollment

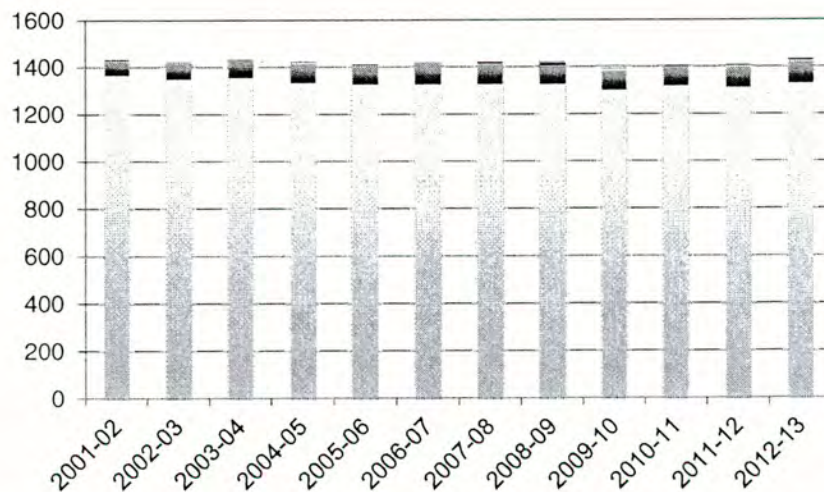
- ✓ Systematic approach to support PEACE
- ✓ Too important to make mistakes
- ✓ Database and physical count support

## ADM Community School Counting Students

Fiscal Year	Resident St.	Open Out	Tuition Out	Shared	PSEO	Comm Col
2001-02	1,370.0	58.0	5.0	0.0	0.0	2.0
2002-03	1,352.2	64.2	5.0	0.0	0.0	1.0
2003-04	1,358.2	77.4	7.0	0.0	0.0	1.0
2004-05	1,336.5	79.4	5.0	0.0	0.0	6.0
2005-06	1,328.6	77.1	4.0	0.0	0.0	5.0
2006-07	1,329.4	85.1	3.0	0.0	0.0	5.0
2007-08	1,329.4	85.1	3.0	0.0	0.0	8.0
2008-09	1,327.6	82.1	1.0	0.0	0.0	12.0
2009-10	1,303.6	81.0	7.0	0.0	0.0	3.0
2010-11	1,321.3	78.2	4.0	0.0	0.0	5.0
2011-12	1,315.7	82.6	6.0	0.0	0.0	4.0
2012-13	1,332.1	89.2	8.0	0.0	0.0	8.0

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## ADM Community School Counting Students



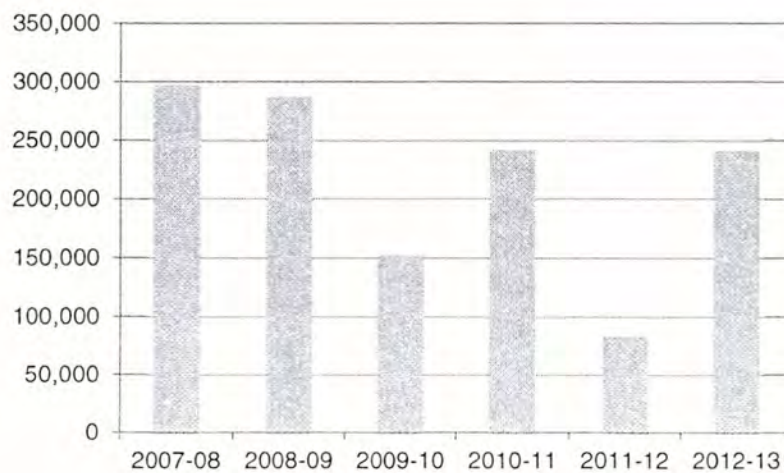
## ADM Community School

New Money

- ❖ Change in regular program cost
  - ✓ Current year certified enrollment times cost per student
  - ✓ Minus last year's certified enrollment times cost per student (or)
- ❖ Budget guarantee (Use of budget guarantee calculator)

## ADM Community School

New Money





ADM Community School  
Controlled (Combined) District Cost

## Why controlled?

- ✓ Controls spending per student
- ✓ Controls special reasons for increased cost and spending
- ✓ Determines "new" taxing AND spending authority
- ✓ Controlled by allowable growth and spec. programs

ADM Community School  
Taxing and Spending Authority

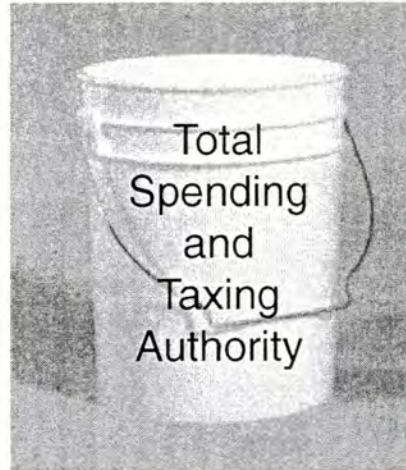
## How many dollars can the district .....

- ✓ Generate in spending authority?
- ✓ Generate in taxes to support that spending? (Dollar for dollar)

## ADM Community School

Taxing and Spending Authority

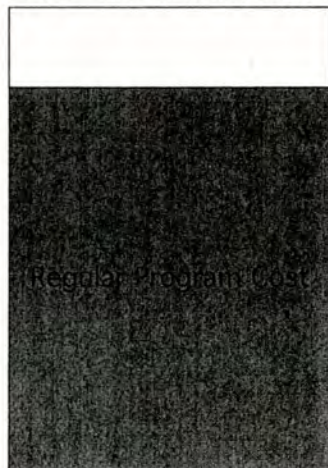
- ❖ Controlled District Cost/1st Component
  - ✓ Regular Program Cost
  - ✓ Certified enrollment times cost per student or budget guarantee
  - ✓ Somewhat like filling a bucket with spending and taxing authority!



## ADM Community School

Taxing and Spending Authority

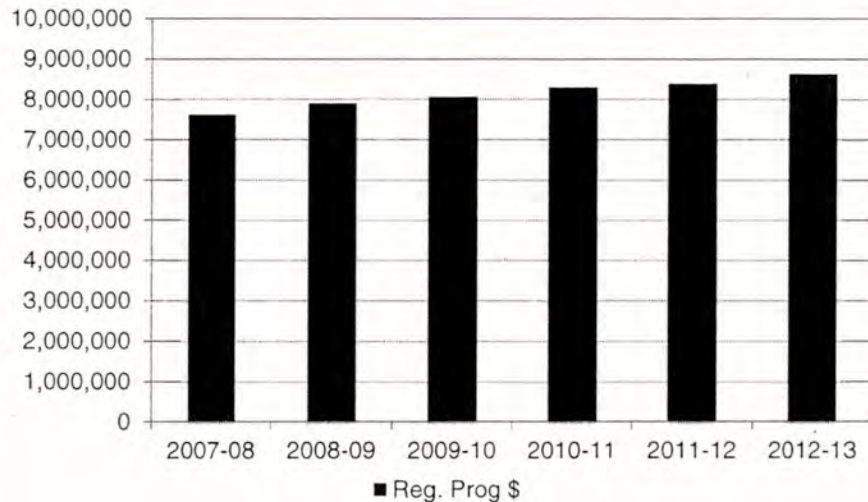
2012-13 Combined District Cost



Regular Program Cost  
Number of students times cost per student.

## ADM Community School

### Taxing and Spending Authority



## ADM Community School

### Taxing and Spending Authority- Budget Guarantee

- ✓ Budget guarantee bill grants districts 100% budget guarantee for the 3 years (FY 2002-04), notify the Department of Management by passing a resolution by April 15 of first year.
- ✓ May claim the greater of 101% of the previous year's regular program district cost or the phased-out annual 10% reduction of their adjusted budget guarantee compared to the base year.
- ✓ After FY 2014, school districts retain the 101% budget guarantee determined by comparing the previous year's unadjusted regular program district cost.
- ✓ Can utilize budget guarantee and have no increase in property taxes (authority v. expenditure) - use the authority or lose it forever.

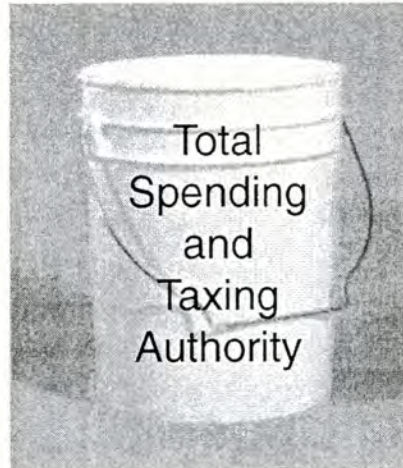


## ADM Community School

Taxing and Spending Authority

### ❖ Controlled District Cost/2nd Component

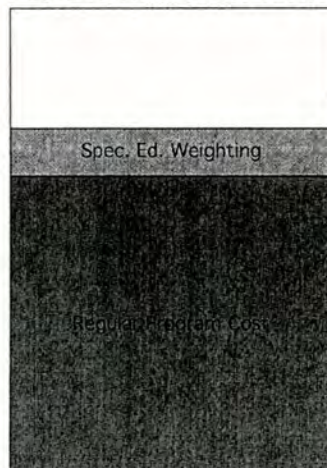
- ✓ Special education weighting
- ✓ Weighting - Since most funding is driven off student numbers, "extra" students or weighting is allowed.
- ✓ Special education students count 1.72, 2.21, or 3.74, depending on disability
- ✓ Several other "weightings" (Later)



## ADM Community School

Taxing and Spending Authority

2012-13 Combined District Cost



#### Special Education

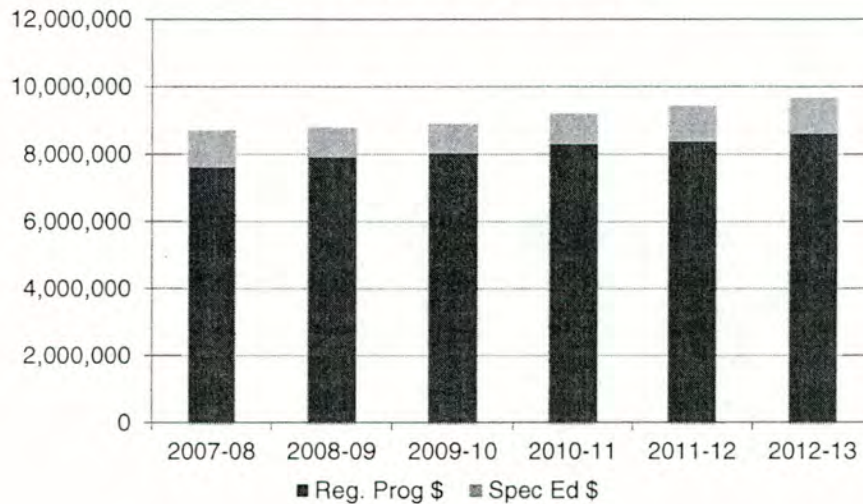
Weighting of students times cost per student

#### Regular Program Cost

Number of students times cost per student.

## ADM Community School

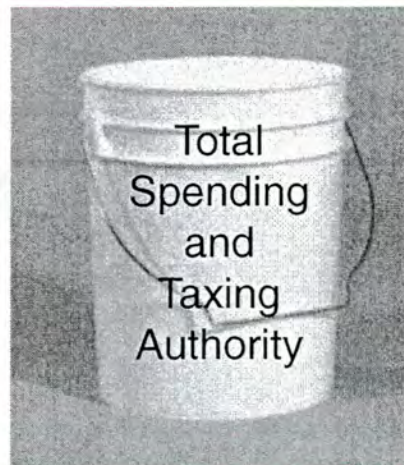
Taxing and Spending Authority



## ADM Community School

Taxing and Spending Authority

- ❖ Controlled District Cost/3rd Component
- ✓ Supplemental Weighting
  - Shared Teachers
  - ESL
  - At-Risk Formula
  - Reorganization incentives

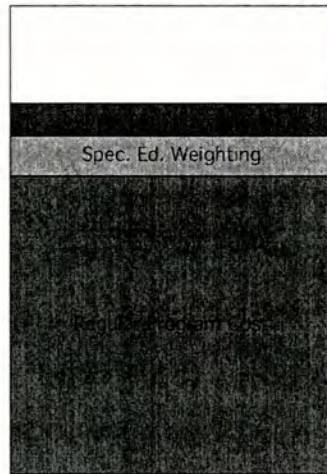




# ADM Community School

Taxing and Spending Authority

2011-12 Combined District Cost



Supplemental weighting

Weighting of students times cost per student

Special Education

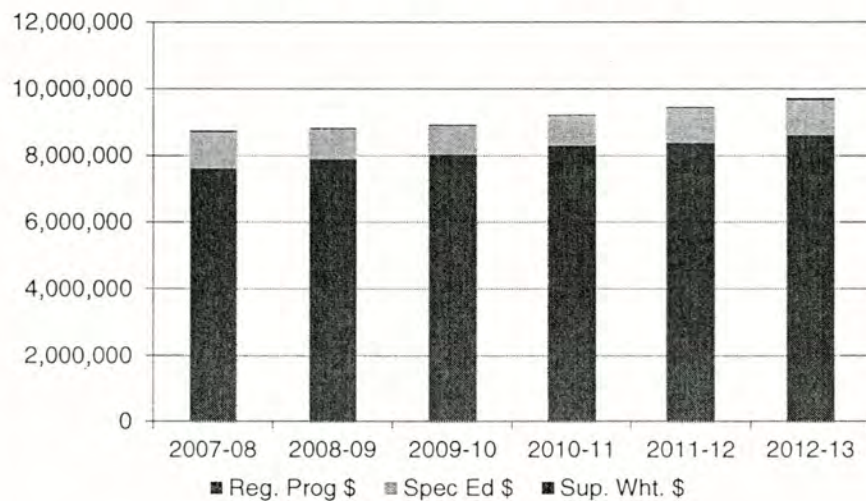
Weighting of students times cost per student

Regular Program Cost

Number of students times cost per student.

# ADM Community School

Taxing and Spending Authority



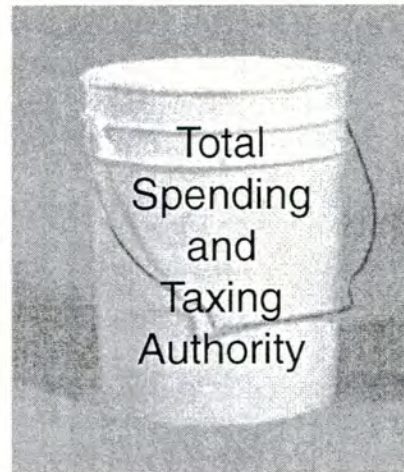


## ADM Community School

Taxing and Spending Authority

### ❖ Controlled District Cost/4th Component

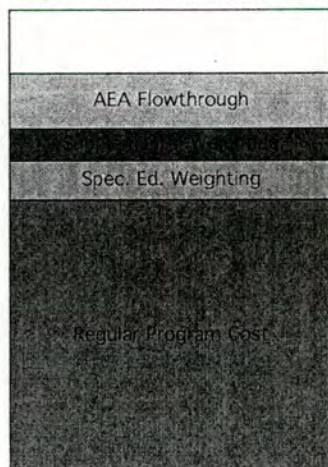
- ✓ AEA Flowthrough
- ✓ Flows through district since AEA can't levy property tax
- ✓ Decreases district state aid with offset of increased property tax



## ADM Community School

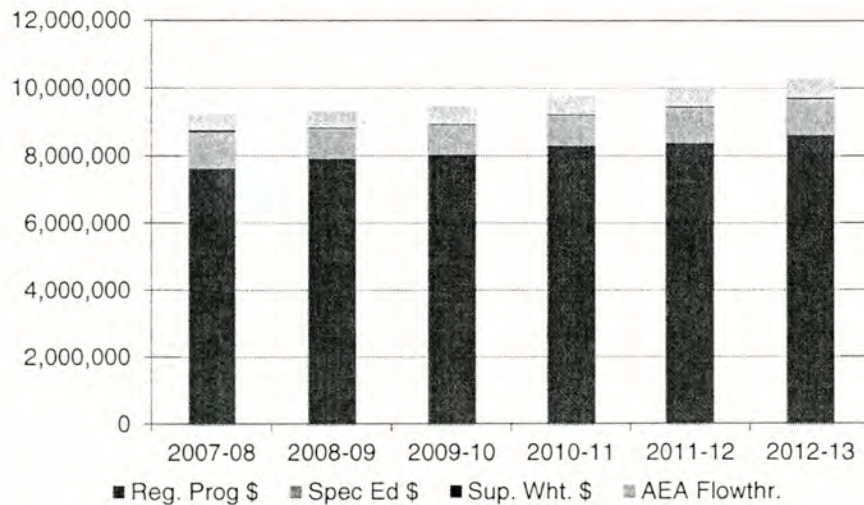
Taxing and Spending Authority

2012-13 Combined District Cost



ighting  
students times cost per  
on  
students times cost  
n Cost  
ents times cost

## ADM Community School Taxing and Spending Authority

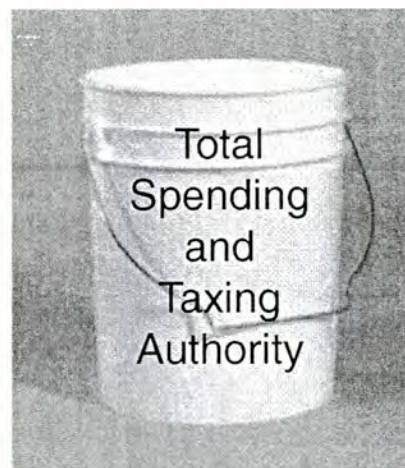


## ADM Community School Taxing and Spending Authority

### ❖ Controlled District Cost/5th Component

#### ✓ At-Risk Allowable Growth

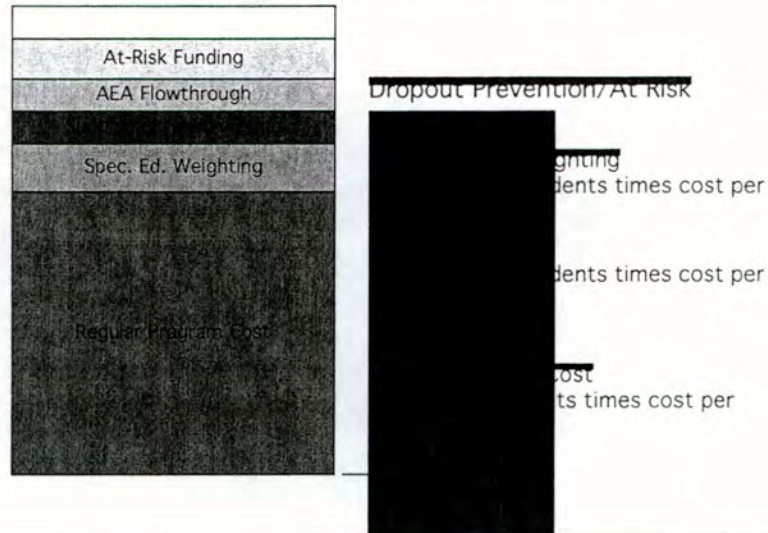
- District applies by December 15th, approved in February SBRC meeting.
- Requirements for spending becoming much more difficult.
- Funding currently based on a percent of population, with at-risk students being identified.
- Likely change will be linking funding to students identified on BEDS.



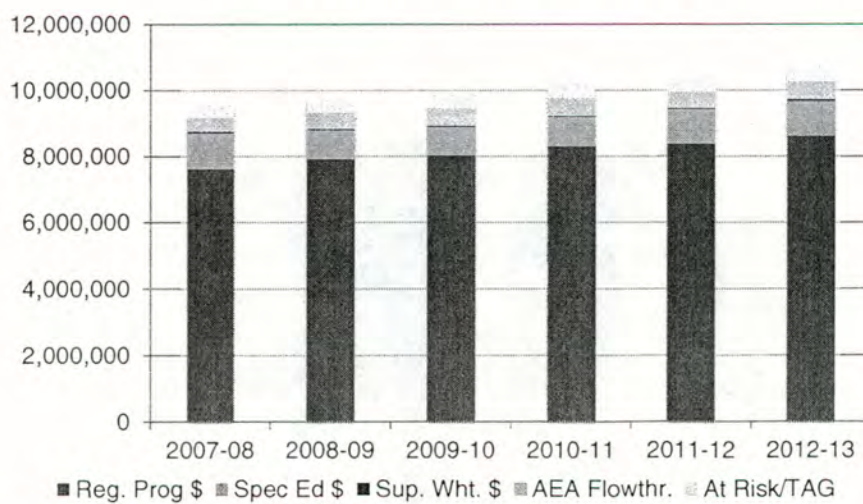


## ADM Community School Taxing and Spending Authority

2012-13 Combined District Cost



## ADM Community School Taxing and Spending Authority





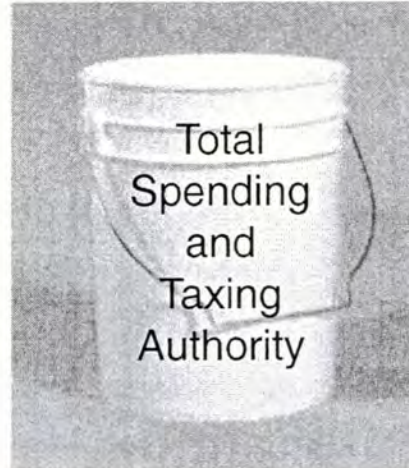
## ADM Community School

Taxing and Spending Authority

### ❖ Controlled District Cost/6th Component

✓ Teacher Quality, Early Childhood, and Professional Development

- Prior to 2009-10, funds were miscellaneous revenue
- 2009-10 Legislature incorporated into the Combined District Cost formula



## ADM Community School

Taxing and Spending Authority

2011-12 Combined District Cost

TSS, EC, & PD
At-Risk Funding
AEA Flowthrough
Spec. Ed. Weighting
Regular Program Cost

Teacher Quality, Early Childhood, and Professional Development

Dropout Prevention/At Risk



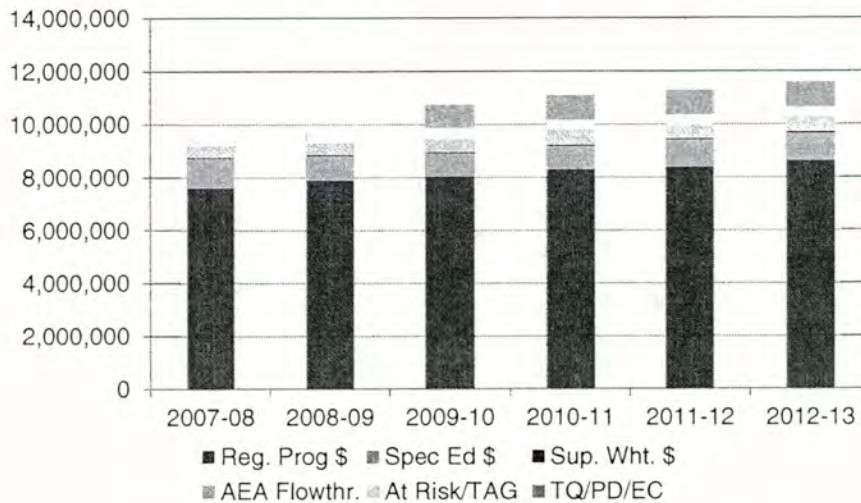
Weighting  
students times cost per

students times cost per

cost  
students times cost per

## ADM Community School

Taxing and Spending Authority



## ADM Community School

Taxing and Spending Authority

2012-13 Combined District Cost

TSS, EC, & PD	\$924,397
At-Risk Funding	\$370,129
AEA Flowthrough	\$549,308
Spec. Ed. Weighting	\$1,037,479
Regular Program Cost	\$8,641,339

Total new  
taxing  
authority  
\$11,593,838

SO!!!!!!!

Where does  
the money  
come from?

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## ADM Community School

Taxing and Spending Authority

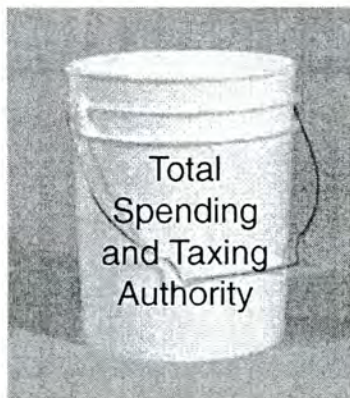
### Summary

- ✓ Regular program cost PLUS
- ✓ Weighting for special education PLUS
- ✓ Supplemental weighting PLUS
- ✓ AEA Flowthrough PLUS
- ✓ At-Risk Funding PLUS
- ✓ Teacher Quality, Early Childhood, and Professional Development EQUALS
- ✓ New Spending AND Taxing Authority

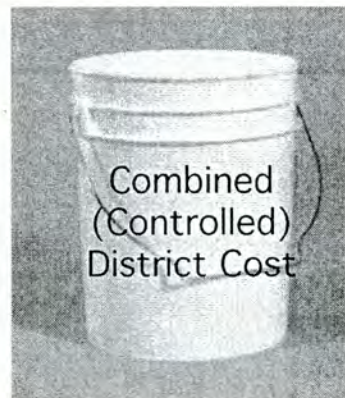
## ADM Community School

Taxing and Spending Authority

### REMEMBER



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## ADM Community School

Taxing and Spending Authority

Combined  
District  
Cost

\$11,454,665

Where will funding  
for combined district  
cost come from?

\$0



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## ADM Community School

Foundation Aid

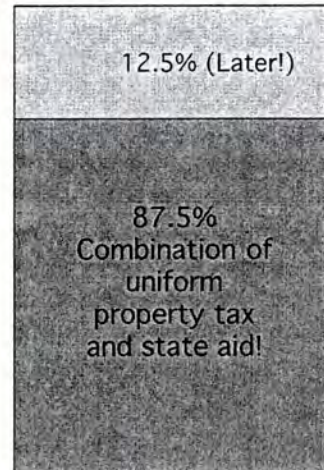
- ✓ State sets a minimum amount of support
- ✓ Currently at 87.5% of state cost per student
- ✓ Developed to balance property poor and property rich districts
  - This 87.5% is a “foundation” of cost per student spending that is derived from a combination of Foundation Property tax and Foundation State aid.
  - With the current foundation property tax level at \$5.40/1000 statewide, this allows foundation state aid to vary depending upon individual district’s property valuation.
- ✓ \$6,001 times 87.5% equals \$5,251 (2012-13)

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## ADM Community School Foundation Aid

2012-13 Combined District Cost

- ✓ Foundation spending level per student that will come from:
  - Uniform (Foundation) Property Tax
  - State Aid (Foundation)
- ✓ Dollar amount of foundation cost not covered by uniform property will be paid in state aid!!!!

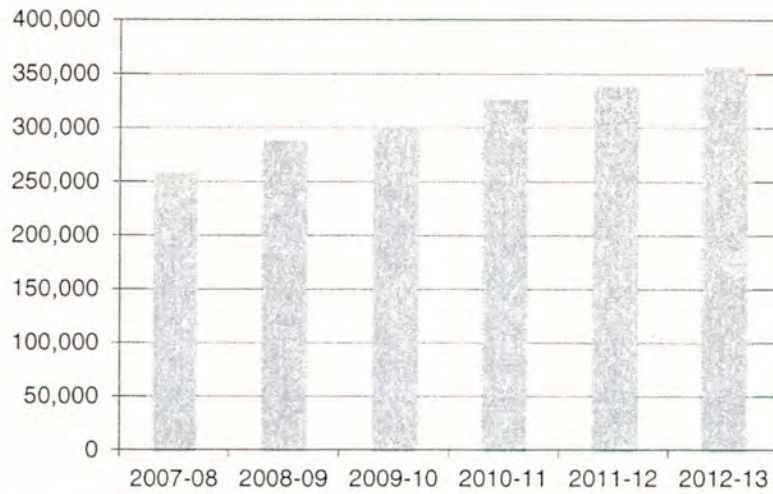


## ADM Community School Uniform (Foundation) Property Tax

- ✓ Every district is the same
- ✓ \$5.40 per \$1,000 taxable valuation
- ✓ Uniform property tax
  - Covers district's portion of foundation cost

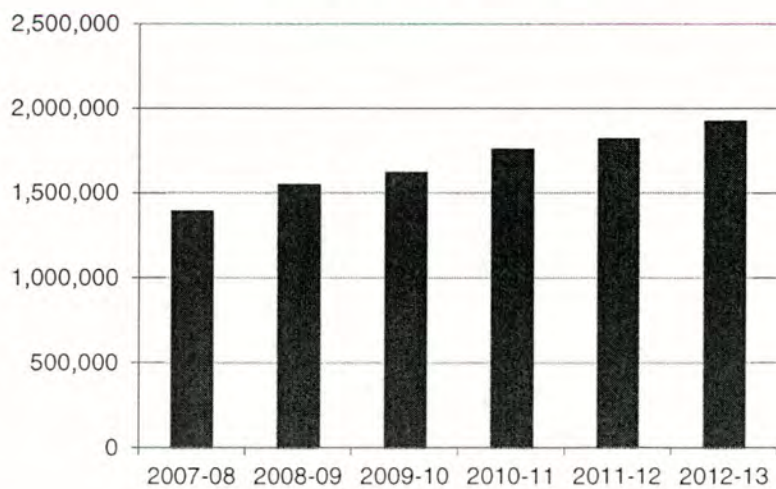
## ADM Community School

Property Tax Valuation Per \$1,000



## ADM Community School

Uniform Property Tax Dollars





# ADM Community School

## Uniform Property Tax Dollars

2012-13 Combined District Cost

\$11,593,838

Now we have the first part of funding for combined district cost!

Uniform Property Tax

\$ 0

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## ADM Community School

### Uniform Property Tax Dollars

2012-13 Combined District Cost



\$11,593,838

Now we have the first part of funding for combined district cost!

Uniform Property Tax

\$ 0

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## ADM Community School

### Foundation State Aid

✓ Dollar amount of foundation cost not covered by uniform property will be paid in state aid!!!!

- Funds from Uniform Property Tax or State Aid
- Whatever isn't covered by Foundation Property will be covered by Foundation State Aid

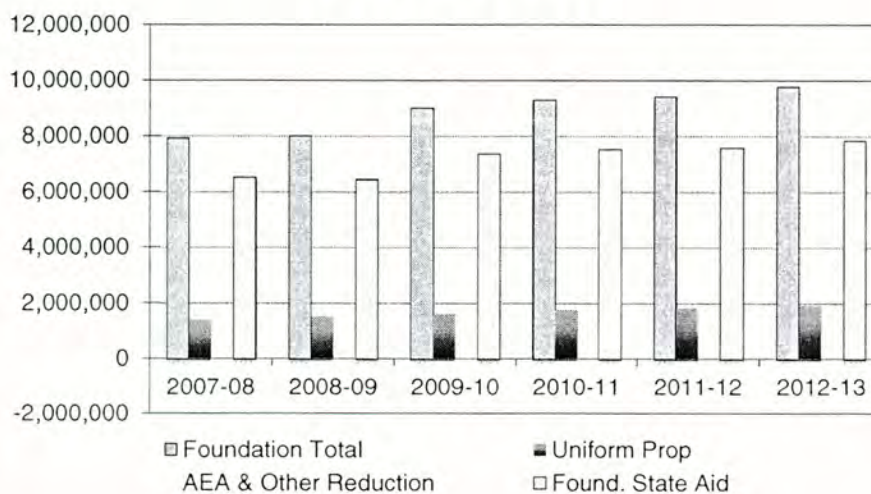
## ADM Community School

### Foundation State Aid

- ✓ Uniform property tax = \$5.40 per \$1,000 taxable valuation
- ✓ State aid
  - Foundation dollars per student times weighted enrollment
  - Plus foundation state aid for special education
  - Plus foundation state aid for AEA (Weighted to cover property tax)
  - Plus all of Teacher Quality, Early Childhood, and Professional Development
  - Minus uniform property tax

## ADM Community School

### Foundation State Aid





## ADM Community School State Foundation Tax Dollars

2012-13 Combined District Cost



\$11,593,838

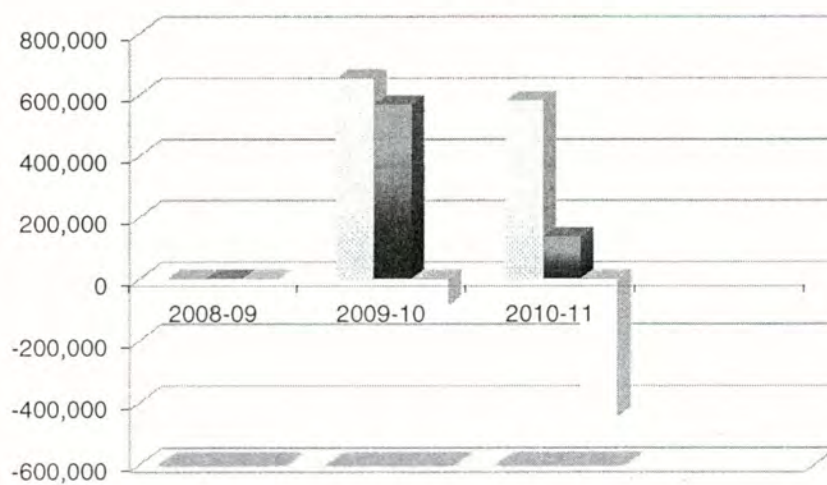
State Aid

Now we have the  
second part of  
funding for  
combined district  
cost!



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## ADM Community School State Aid Reductions and ARRA



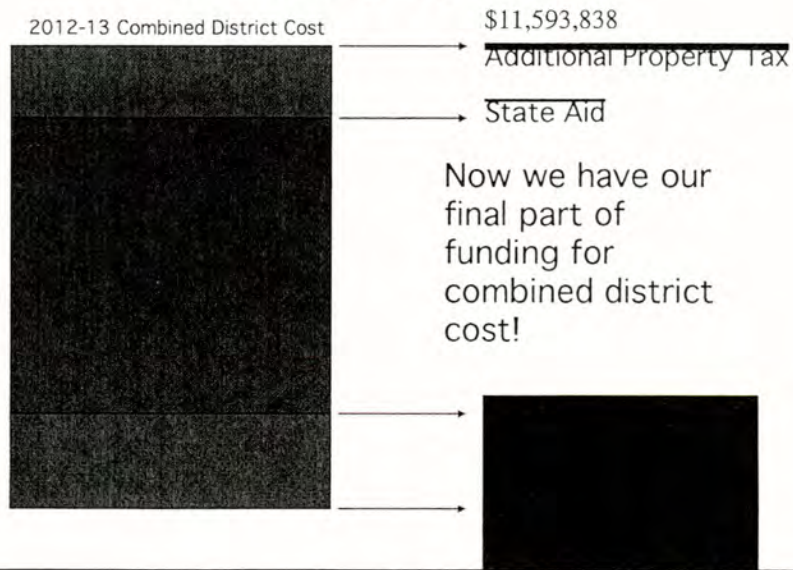
## ADM Community School

### Additional Property Tax

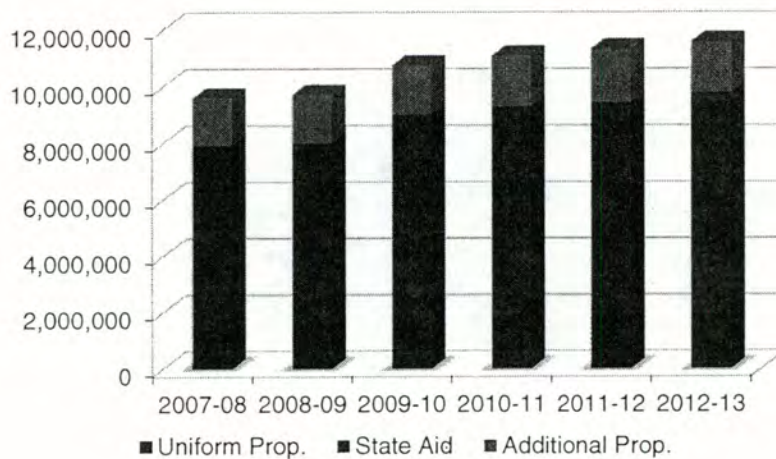
- ✓ Final component of funding combined district cost is:
  - Combined district cost
  - Minus uniform property tax
  - Minus state aid
  - Plus property tax adjustment (????)
  - Equals "Additional Property Tax"
- ✓ Combined district cost that is not paid by uniform property tax or state aid is assessed to additional property tax

## ADM Community School

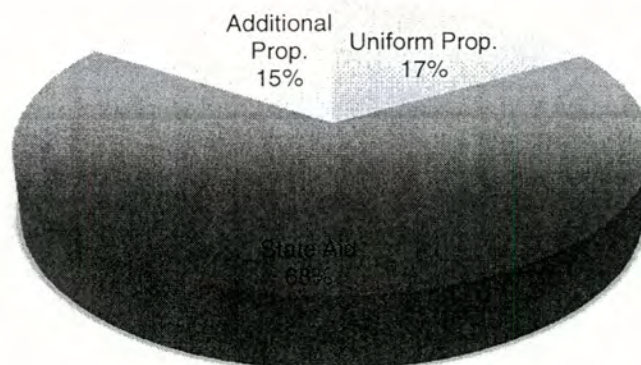
### Additional Property Tax Dollars



## ADM Community School Additional Property Tax Dollars



## ADM Community School Funding Combined District Cost 2012-13





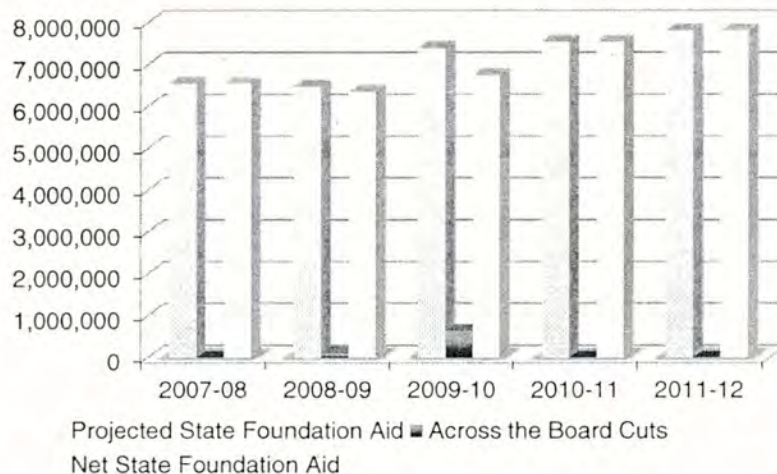
## ADM Community School

Real Funding?!?

- ✓ Projections do not include across-the-board cuts that have been implemented.
- ✓ Spending authority has been maintained, but funding has not.
- ✓ Cash reserve discussion and importance discussed later in the presentation.

## ADM Community School

Real Funding?!?



ADM Community School  
Spending and Taxing Authority

But,  
COMBINED DISTRICT  
COST doesn't include  
all spending AND  
taxing authority!!!!

ADM Community School  
Spending and Taxing Authority

✓ Additional spending and  
taxing authority from:

- Instructional Levy
- Asbestos abatement (Voted/No longer available)
- Instructional levy and asbestos abatement add to spending and taxing authority

## ADM Community School

Spending and Taxing Authority

### ✓Instructional Levy

- District can add a special levy, instructional levy
- Passage can be for five years, if put on by the board only
- Passage can be for ten years if voted on by public

## ADM Community School

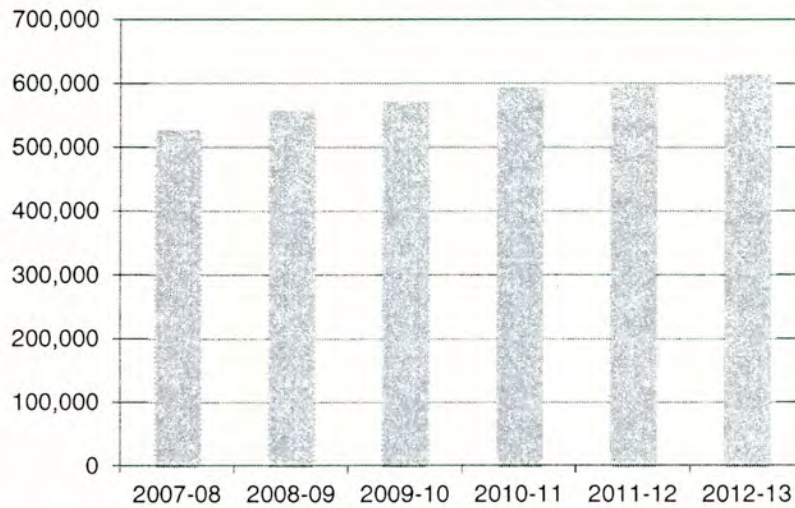
Spending and Taxing Authority

### ✓Instructional Levy

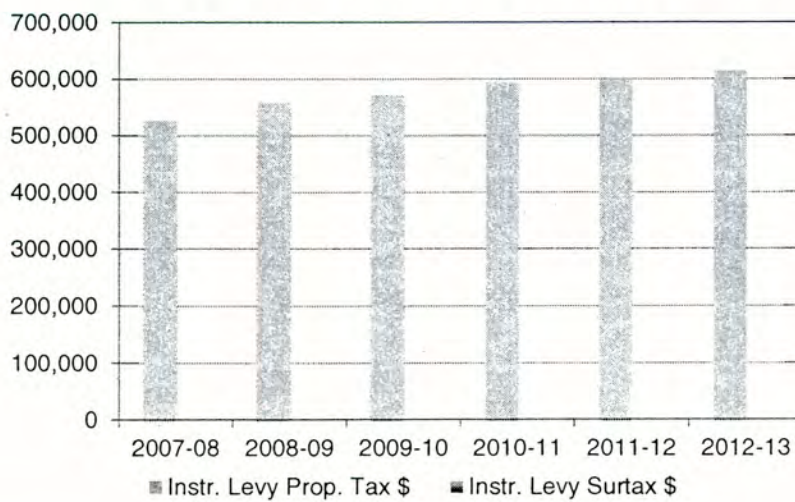
- Levy can be up to 10% of regular program cost
- Levy can be a combination property tax and income surtax
- Combination decided at board vote or public vote
- Some state aid (Size of SHARED pie hasn't increased!)



## ADM Community School Instructional Levy



## ADM Community School Instructional Levy Property Tax and Surtax



## ADM Community School

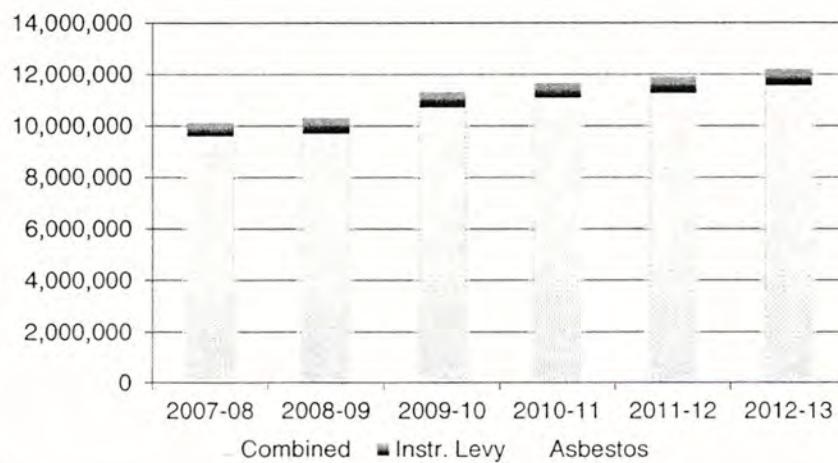
Spending and Taxing Authority

✓ Spending ~~AND~~ Taxing Authority

- Combined District Cost
- Instructional Levy
- Asbestos

## ADM Community School

Spending and Taxing Authority



ADM Community School  
Taxing Authority

But, combined district  
cost, instructional  
levy, and asbestos  
levy aren't the only  
taxing authority!!!!

ADM Community School  
Taxing Authority

✓Cash Reserve Levy

- District can add additional taxes to property tax for the purpose of generating additional cash
  - Cash reserve levy goes entirely on property tax
  - Cash reserve levy increases cash collected, but not spending authority.



## ADM Community School

Taxing Authority

### ✓Cash Reserve Levy (Continued)

- Cash Reserve Levy can only be put on if the district has less than 20% of the previous year's expenditures in cash
- Levy can be the difference between the district's cash and the 20%

## ADM Community School

Taxing Authority

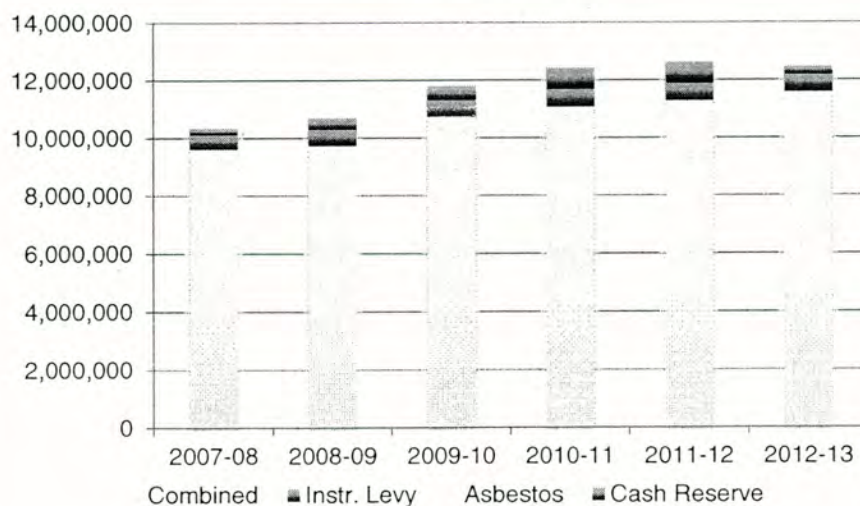
### ✓Why add a cash reserve levy if it doesn't add to spending authority?

- Provides funds for SBRC projects/activities approved, but has no funding
- Provides funds for shortfalls in other revenues
- Source of revenue
- More later on items funded with cash reserve

## ADM Community School Taxing Authority

- ✓ Taxing Authority
  - Controlled Budget
  - Instructional Levy
  - Asbestos
  - Cash Reserve Levy

## ADM Community School Taxing Authority



ADM Community School  
Spending Authority

✓ Spending Authority

- Already included
  - Combined District Cost
  - Instructional Levy
  - Asbestos

ADM Community School  
Spending Authority

✓ Spending Authority

- Is there more?
  - Miscellaneous Revenue (All income minus combined district cost, instructional levy, and cash reserve levy.)



## ADM Community School

### Miscellaneous Revenue

- ✓ Miscellaneous Revenue (Continued)
  - Adds to money district can spend, but the district does not tax to get funds!

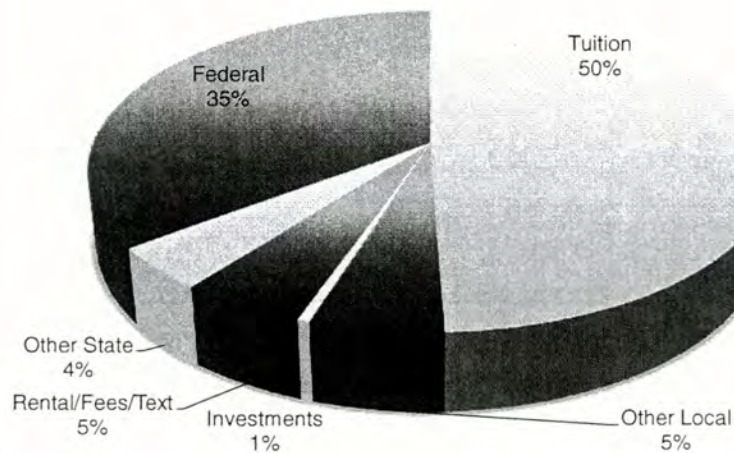
## ADM Community School

### Miscellaneous Revenue

- ✓ Miscellaneous Revenue
  - Tuition (Open enroll , spec. ed. & other)
  - Investments
  - Shared teachers
  - Phase 1, 2, (!!!), and 1 supp.
  - Teachers' Compensation
  - Teacher Quality
  - Federal aid
  - Other miscellaneous

## ADM Community School

Miscellaneous Revenue 2010-11



## ADM Community School

Open Enrollment

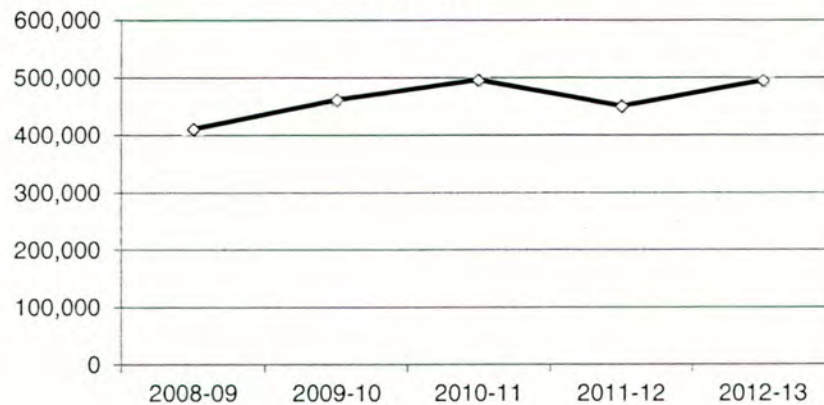
### ✓ Special Attention

- Monitor annually
- Don't commit all to reoccurring expenditures
- Keep out of negotiations, unless it helps and will help in the future
- Keep board, staff, and community aware of this issue
- Work to improve or at least not to harm
- Can make the difference

## ADM Community School

### Open Enrollment

#### Net Cost



## ADM Community School

### Spending Authority

#### ✓ Spending Authority

##### ▪ Is there more?

- Combined District Cost
- Instructional Levy
- Asbestos
- Miscellaneous Revenue
- Unspent Balance

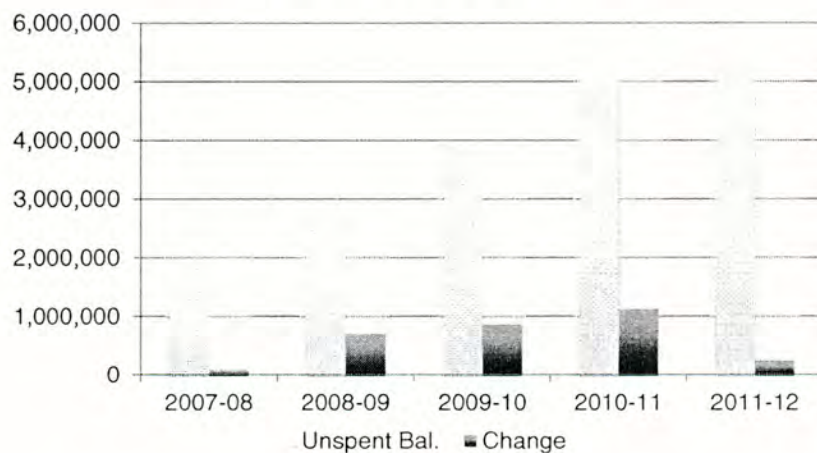


## ADM Community School Spending Authority

### Unspent Balance

Each year a district's maximum spending is set. Unspent balance is the difference between what they spent and what they could have spent!

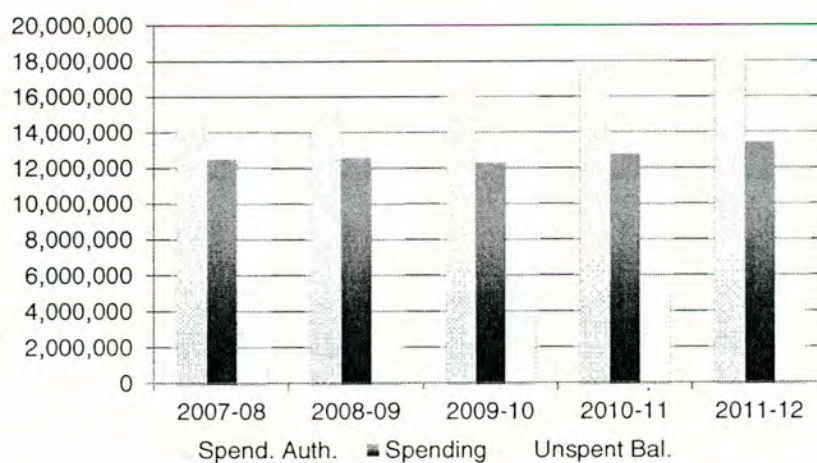
## ADM Community School Spending Authority



## ADM Community School Spending Authority

- ✓ Relationship between spending authority and unspent balance is very direct!
- Total spending authority
  - Minus actual spending
  - Equals unspent balance

## ADM Community School Spending Authority



## ADM Community School

### Spending Authority

✓ To impact unspent balance you must impact the two areas that effect unspent balance.

- Spending authority increased through:
  - Increasing enrollment
  - Increasing special program budget (Special education, sharing teachers, At-Risk)
  - Increase Miscellaneous Revenue
  - Instructional Levy
  - Increasing SBRC approval of special items

## ADM Community School

### Spending Authority

✓ Impacting unspent balance:  
(Continued)

- Decrease spending through:
  - Spend less!
  - Spend different
    - ☐ Management
    - ☐ PPEL
    - ☐ Other fund uses



ADM Community School  
Spending Authority

- ✓ Other items in spending authority
  - SBRC (School Budget Review Committee) Application must be made to the SBRC

ADM Community School  
Spending Authority SBRC

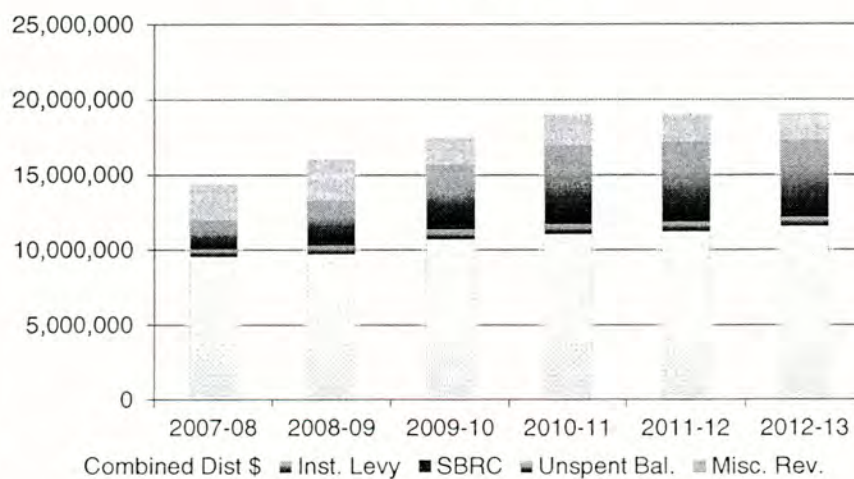
- ✓ Special request
- ✓ Large projects (Boiler, roof, etc.)
- ✓ Overspending special education
- ✓ Increased enrollment in the fall, since budget is based on previous year's enrollment
- ✓ Other special reasons
- ✓ Adds to spending authority, not to taxing authority

## ADM Community School Spending Authority

### ✓ Spending Authority

- Controlled Budget
- Instructional & Asbestos Levy
- Miscellaneous Revenue
- Unspent Balance
- SBRC approval items

## ADM Community School Spending Authority



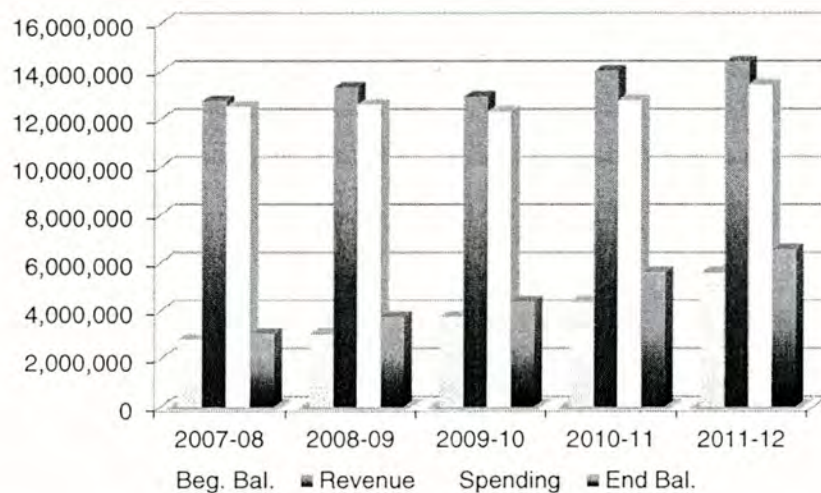
## ADM Community School

### Cash Reserve and Cash

- ✓ The district's cash, or cash reserve, is the amount of cash that is held or invested at the end of the year.
- ✓ Cash reserve equals beginning cash, plus cash received, minus cash spent.

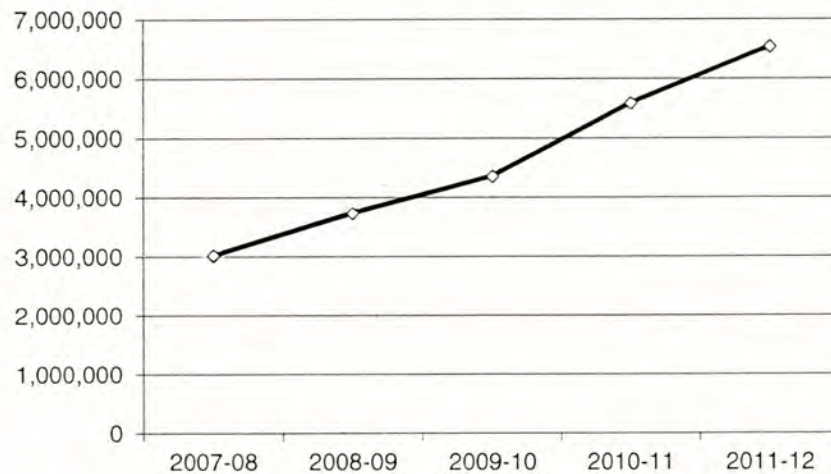
## ADM Community School

### Cash Reserve and Cash





## ADM Community School Cash Balance



## ADM Community School Cash Reserve

- ✓ Impacting cash reserve can be accomplished in several ways:
- Increase controlled budget items, without dollar for dollar increases in spending
  - Increase miscellaneous revenue, without dollar for dollar increases in spending (Many areas and options to consider)
  - Include/Increase cash reserve levy

## ADM Community School

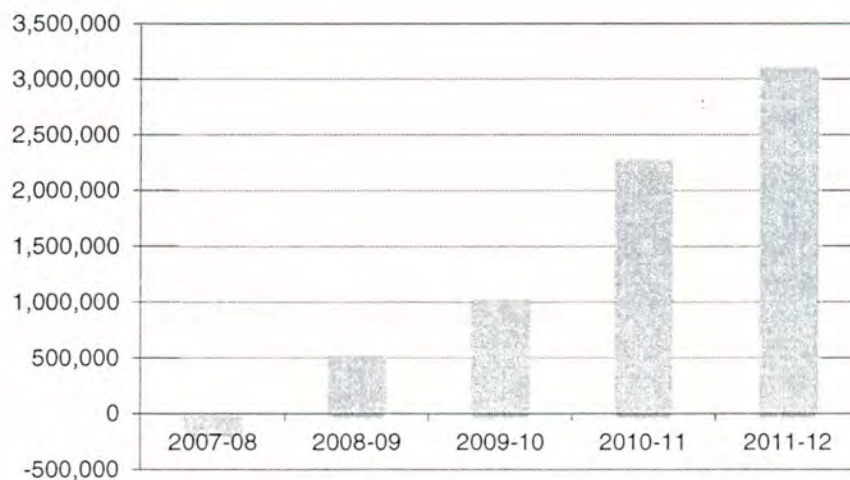
Fund Equity/Uncommitted Funds

### FUND EQUITY/UNCOMMITTED BALANCE

- ✓ AT THE END OF THE YEAR, WHEN ALL BILLS THAT ARE OWED ARE PAID AND ALL REVENUES DUE ARE RECEIVED, WHAT WOULD BE THE DISTRICT'S FUNDS/ASSETS NOT COMMITTED.
- ✓ IF THE SCHOOL CLOSED .....

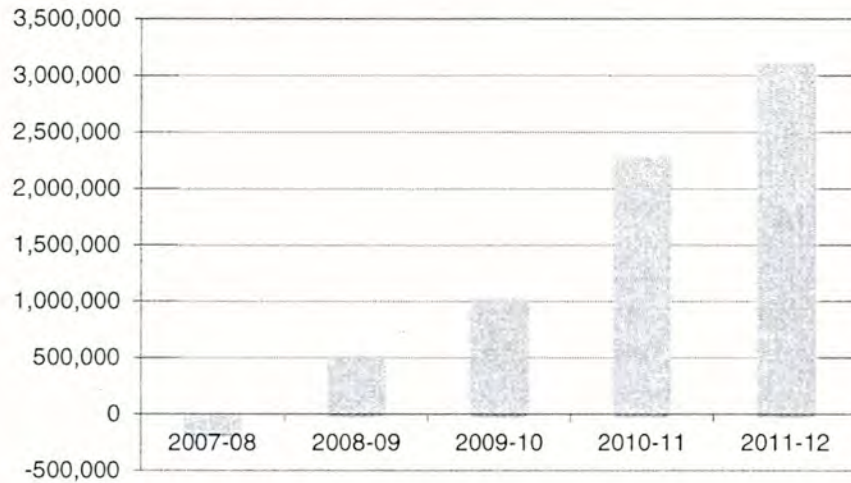
## ADM Community School

Fund Equity/Uncommitted Funds



## ADM Community School

### Fund Equity/Uncommitted Funds



## ADM Community School

### Solvency Ratio

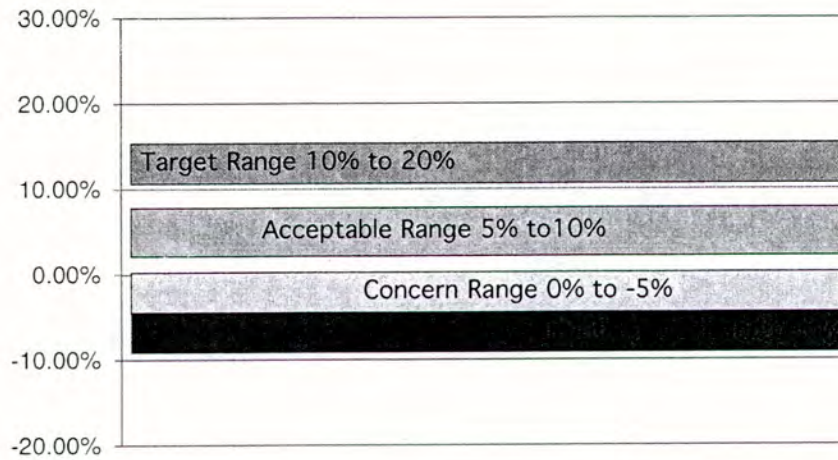
#### Solvency Ratio

Relationship of fund equity/uncommitted fund balance to total revenue.

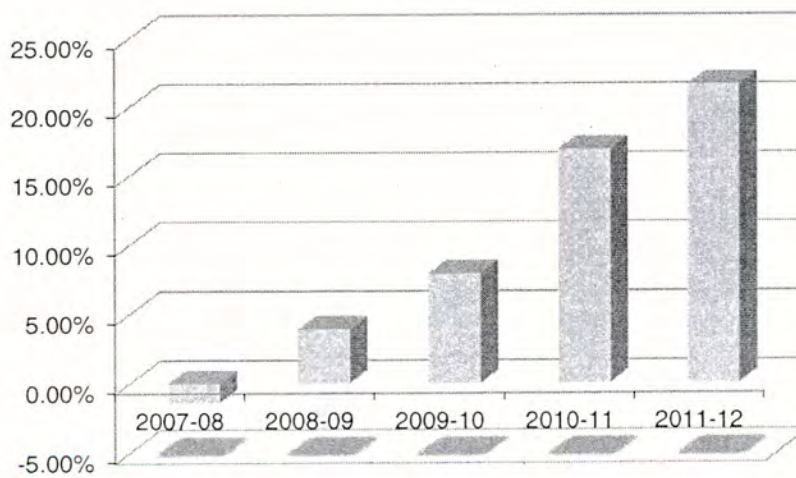
$$\frac{\text{Uncommitted Fund Balance (Fund Equity)}}{\text{Revenue Total for the Year}}$$



## ADM Community School Solvency Ratio

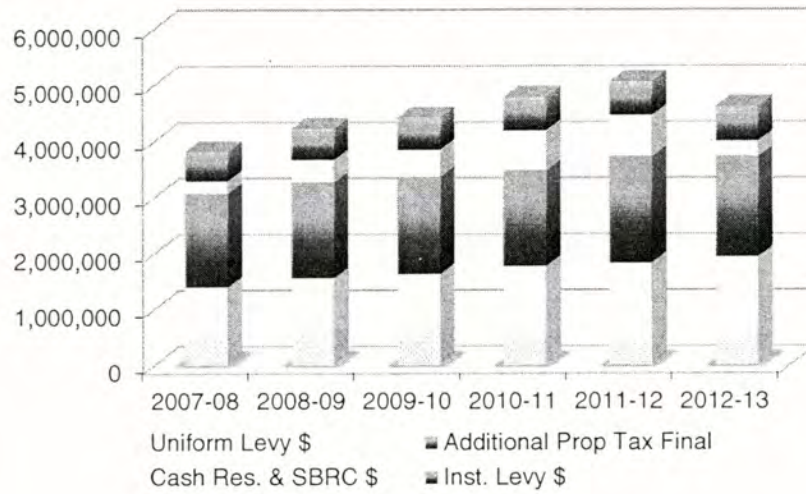


## ADM Community School Solvency Ratio



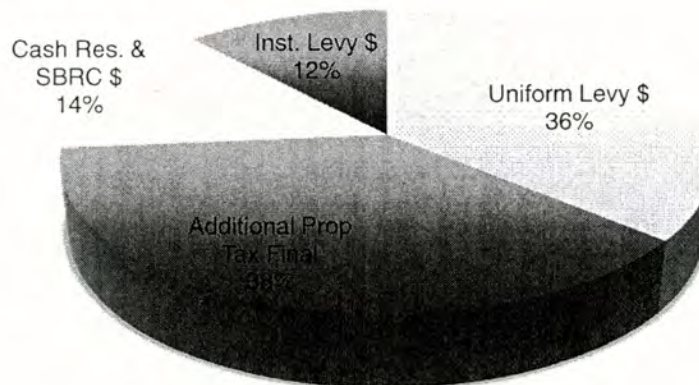
## ADM Community School

### Determining General Fund Property Tax Dollars

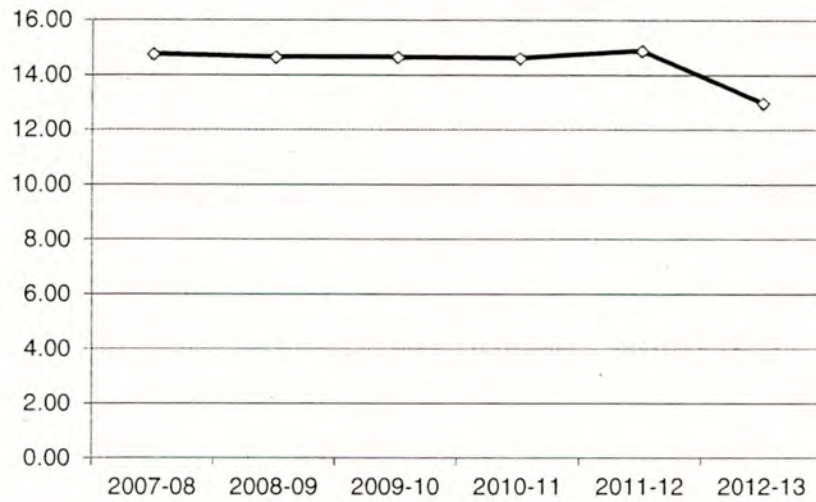


## ADM Community School

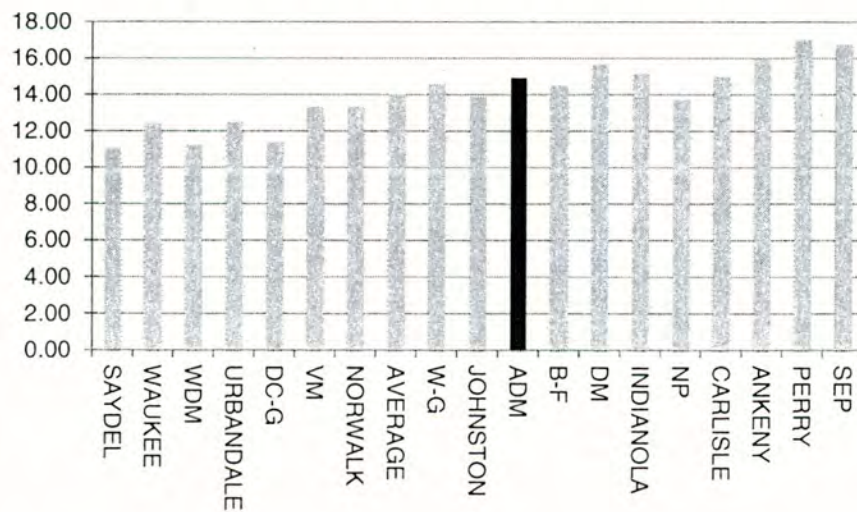
### 2010-11 Property Tax Dollars



## ADM Community School General Fund Tax Rate



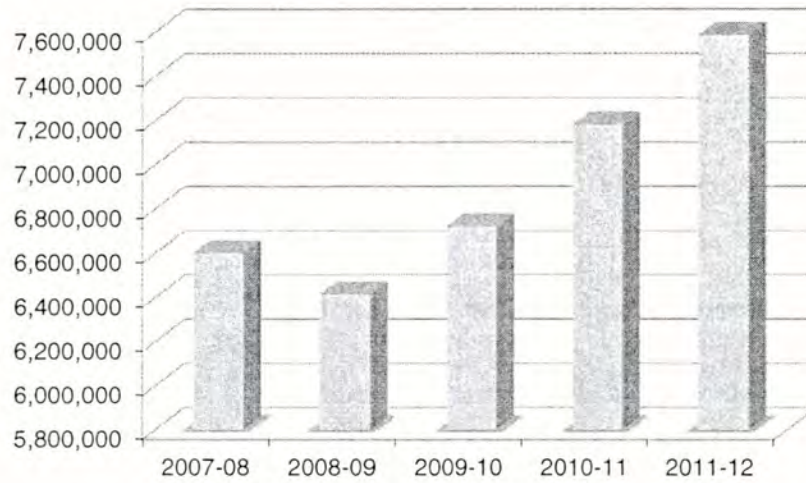
## ADM Community School Comparing 2011-12 General Fund Tax Rate





## ADM Community School

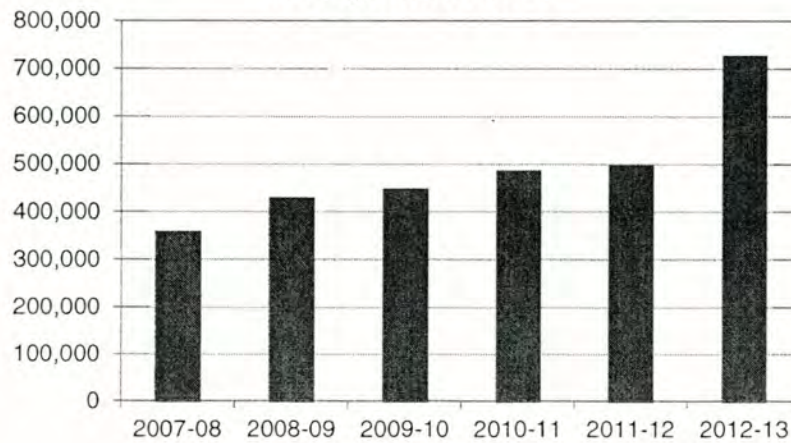
Actual State Aid to District (After A-T-B Cuts)



## ADM Community School

Other Property Taxes

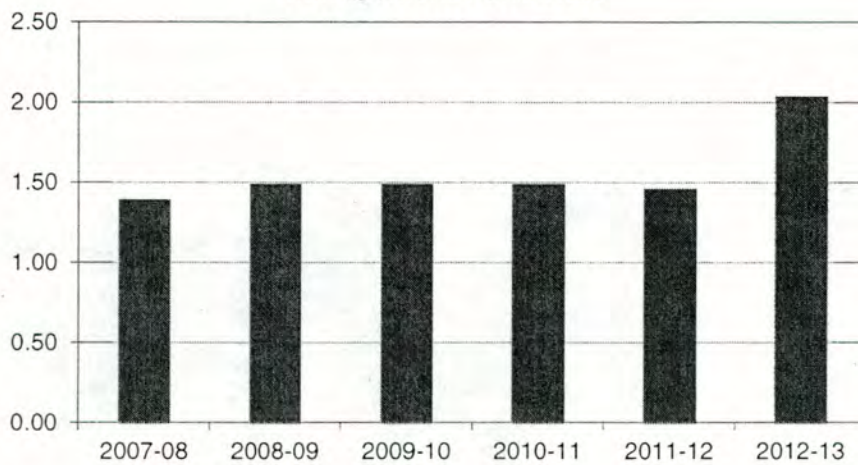
### Management Fund \$



## ADM Community School

Other Property Taxes

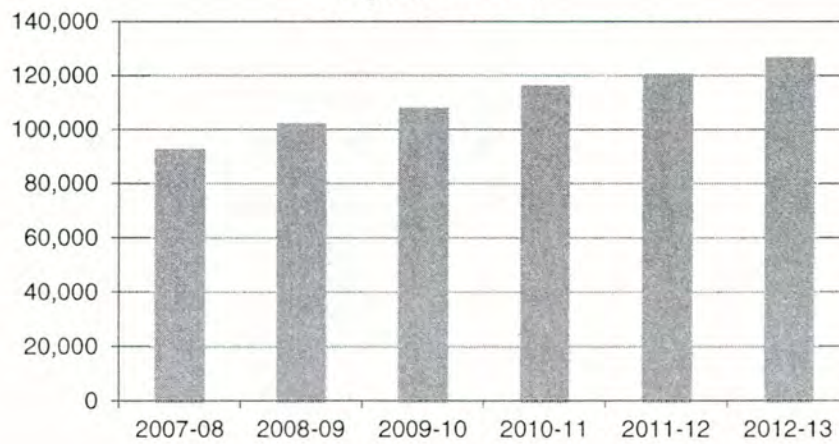
### Management Fund Rate



## ADM Community School

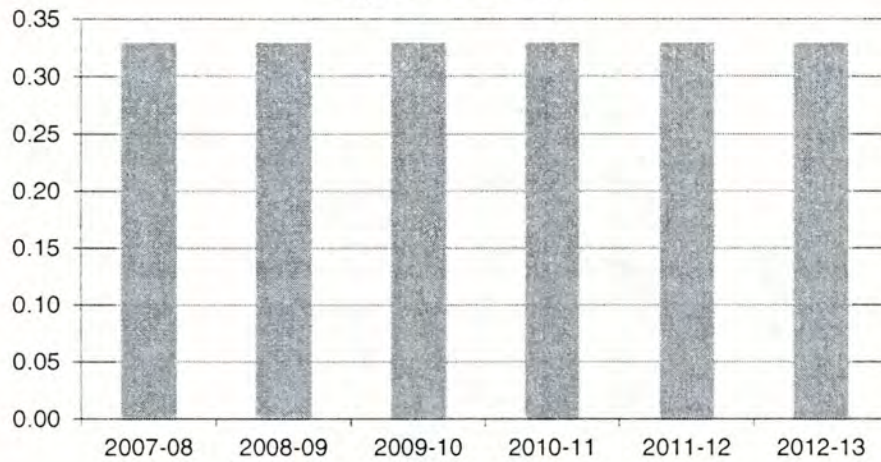
Other Property Taxes

### Regular PPEL \$



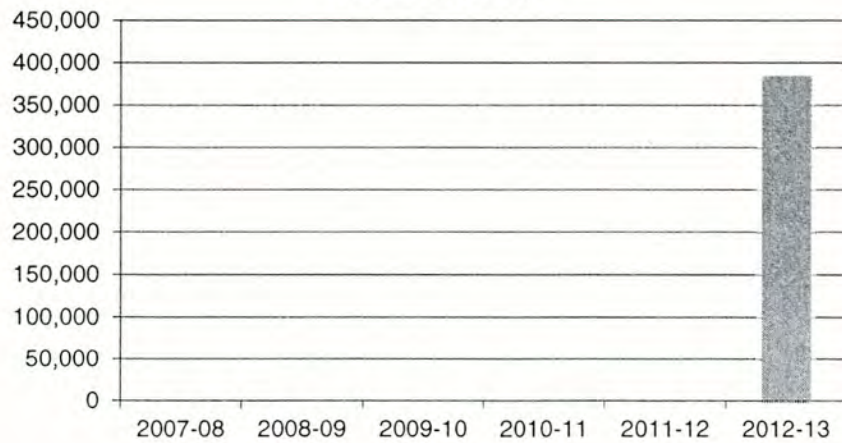
## ADM Community School Other Property Taxes

**Regular PPEL Rate**



## ADM Community School Other Property Taxes

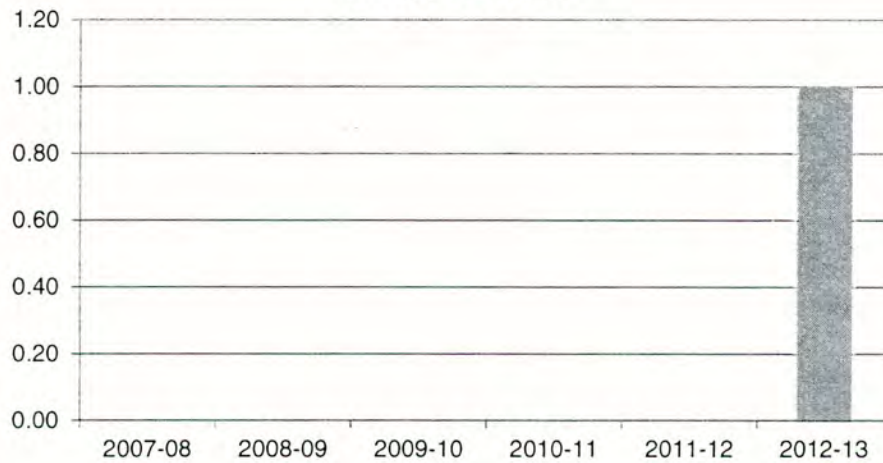
**VOTED PPEL \$**





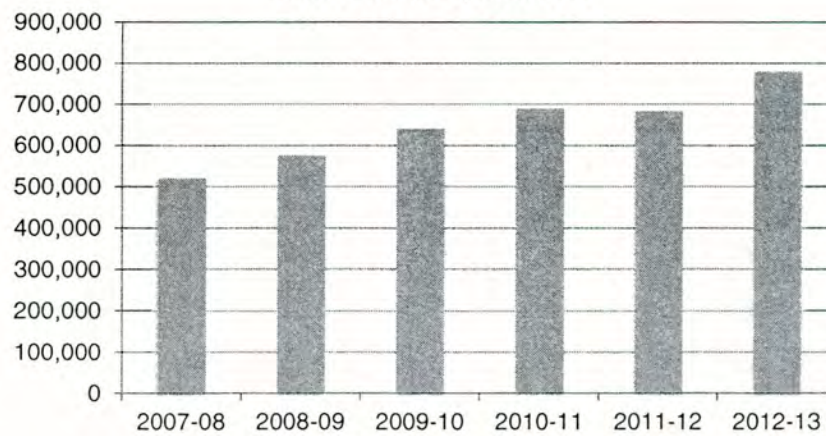
## ADM Community School Other Property Taxes

**Voted PPEL Rate**



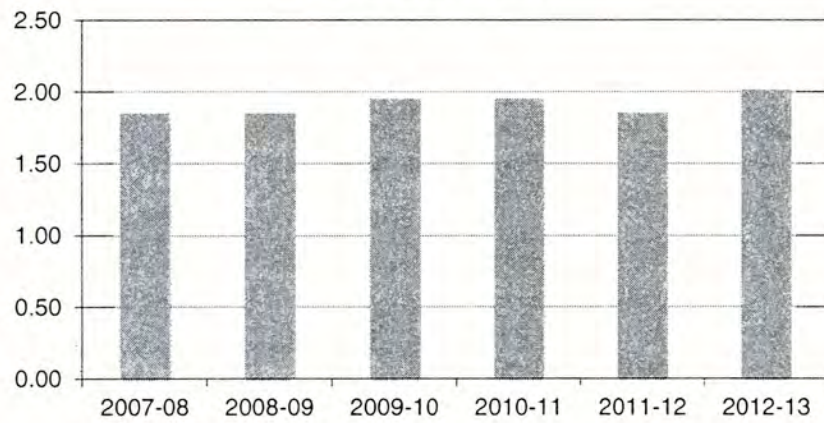
## ADM Community School Other Property Taxes

**Debt Service \$ Needed**



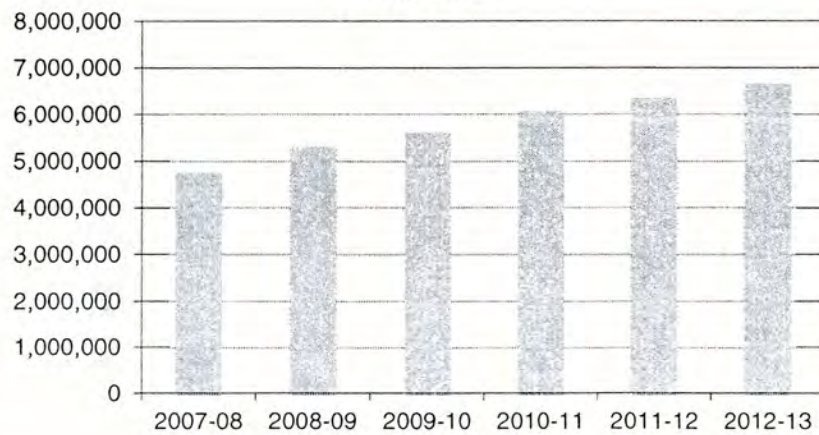
## ADM Community School Other Property Taxes

**Debt Service Rate**

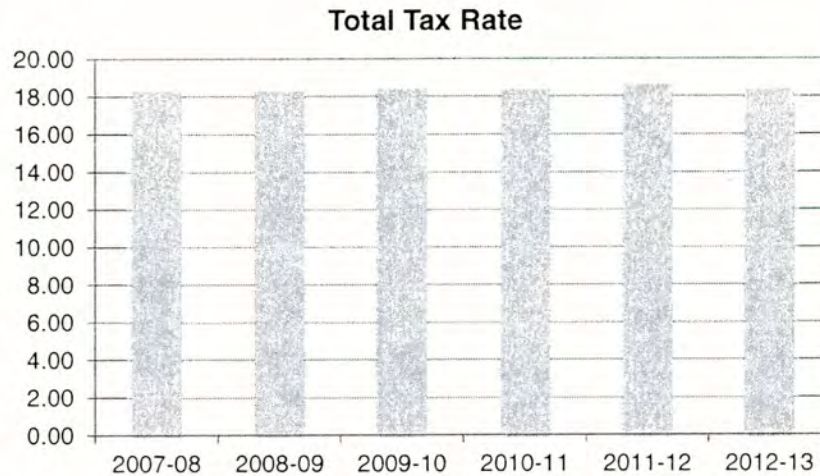


## ADM Community School Other Property Taxes

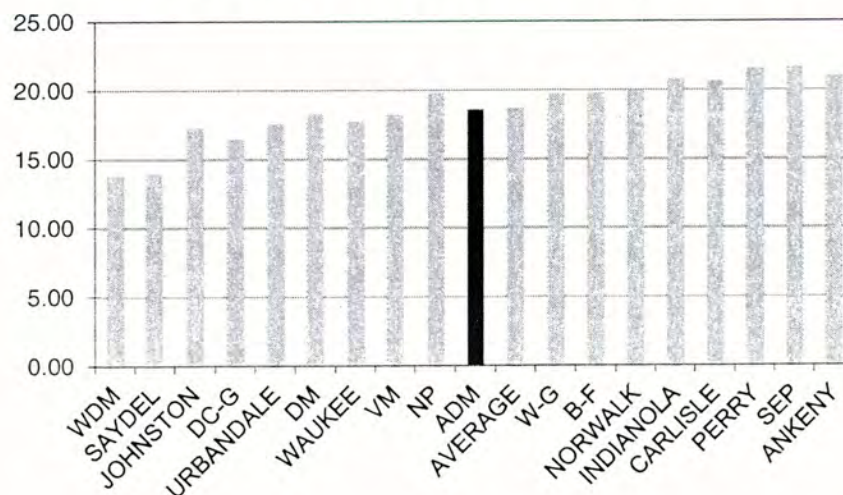
**Total Tax \$**



## ADM Community School Other Property Taxes



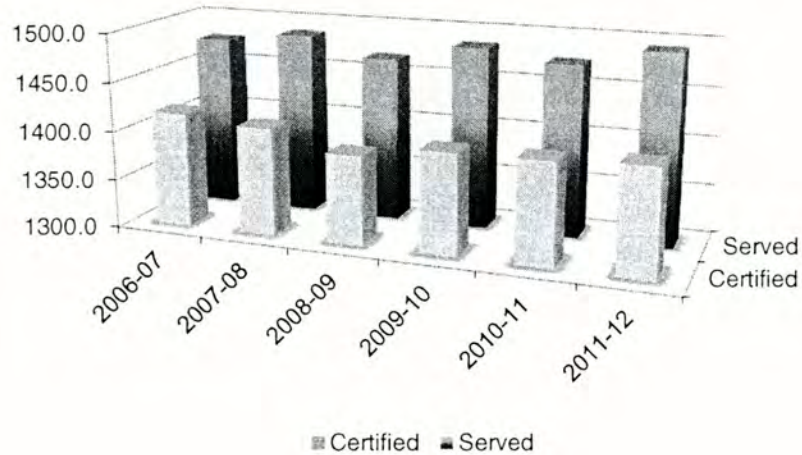
## ADM Community School Comparing 2011-12 Over-All Property Tax Rates





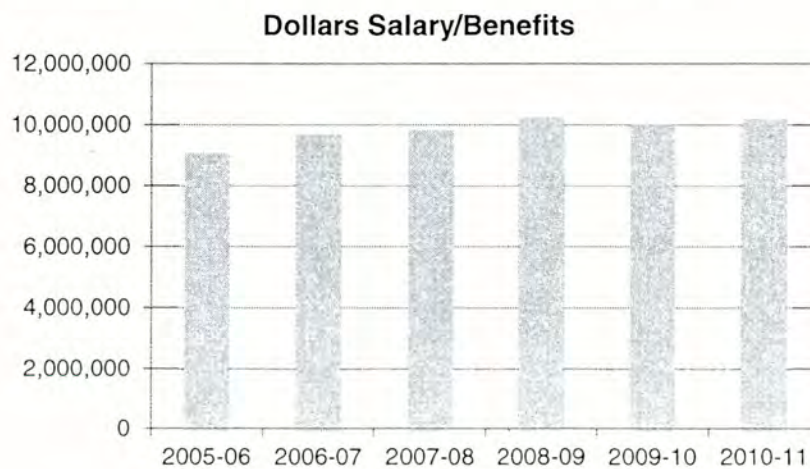
## ADM Community School

### Key Financial Heath Measures-Enrollment Trends



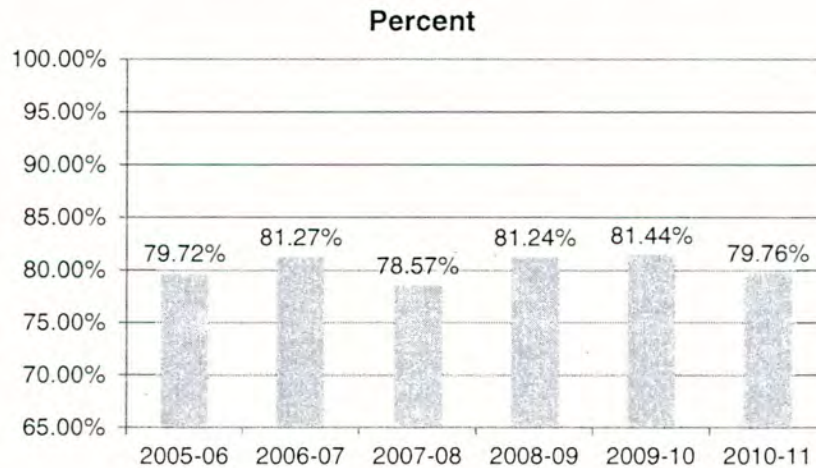
## ADM Community School

### Key Financial Heath Measures-Staff Cost



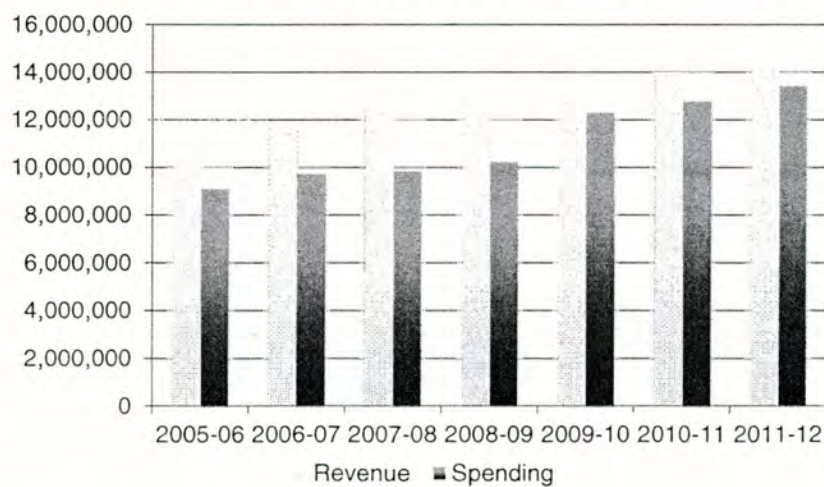
## ADM Community School

### Key Financial Health Measures-Staff Cost



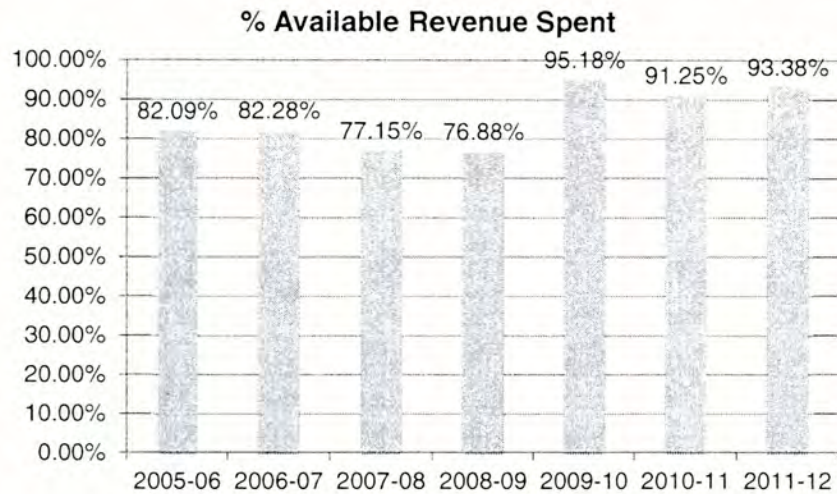
## ADM Community School

### Key Financial Health Measures-Balanced Budget



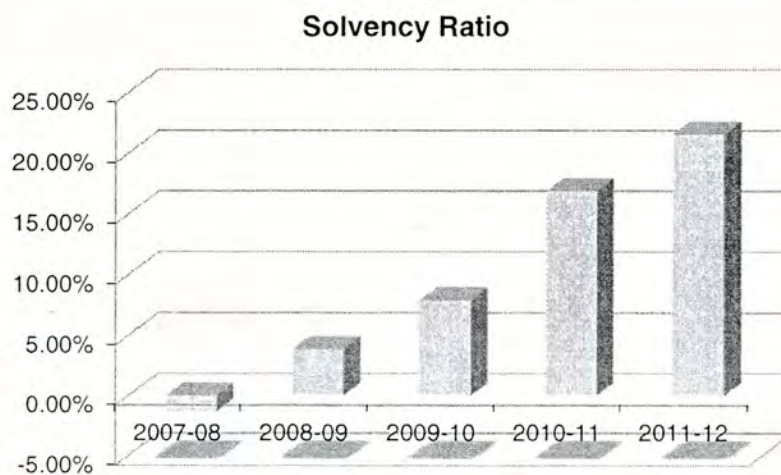
## ADM Community School

### Key Financial Health Measures-Balanced Budget



## ADM Community School

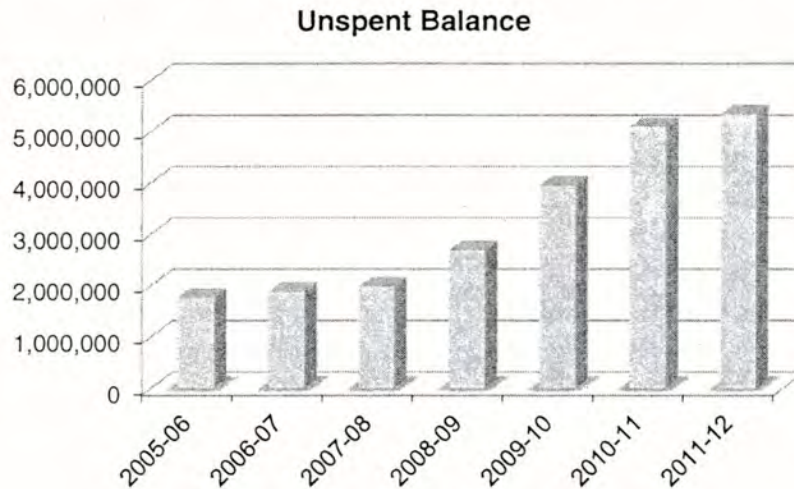
### Key Financial Health Measures-Solvency Ratio





## ADM Community School

### Key Financial Health Measures-Unspent Balance



## ADM Community School

### 2012-13 Budget Presentation



- ✓ This is the conclusion of the 2012-13 budget presentation.
- ✓ What other questions do you have or information do you need?

From: "Squires, Travis" <Travis.R.Squires@pjc.com>

Subject: **Refinancing Update from Piper Jaffray**

Date: February 1, 2012 12:16:15 PM CST

To: "Adel-DeSoto-Minburn CSD: Greg Dufoe (gdufoe@adel.k12.ia.us)" <gdufoe@adel.k12.ia.us>, "Adel-DeSoto-Minburn CSD: Nancy Gee (ngee@adel.k12.ia.us)" <ngee@adel.k12.ia.us>

1 Attachment, 248 KB

Greg / Nancy –

I hope you had a nice holiday season. Over the past couple of weeks, interest rates have continued to fall, therefore, I wanted to provide you with another update of the refinancing opportunity for the District.

Page 1 – Existing Debt that is target of refinancing (2003 & 2004 GO Bonds)

- the remaining bond payments on the prior bonds, interest rates from 3.30 – 4.40%

Page 2 – Debt Service Schedule ("New Debt")

- proposed new bond payments (column B&C)
- interest payments on new debt are paid by escrow (column D)
- existing debt is paid through the call date of the original debt 05/01/2014 & 05/01/2015 as scheduled (column E & F)
- interest rates range from 0.80 to 2.25% (average of 1.65% or true interest rate of 1.76%)
- these rates are 0.10% more conservative than what you could get if you were selling today

Page 3 – Savings Analysis

- Prior Debt Service payments in column B (from Page 1): \$12,174,693
- New Debt Service payments in column C (from Page 2): \$11,276,065
- Estimated Savings in column H: **\$901,379**

Page 4 – Sources & Uses of Funds

- issue is structured so that all costs involved with refinancing are covered out of bond issue, with no additional out of pocket expenses incurred by the District (similar to rolling closing costs into a mortgage)
- the escrow deposit (\$8,373,999) is the sum of the escrow requirements (\$8,408,825) offset by estimated interest earnings in the escrow (34,826)

Let me know if you have any questions or would like to discuss in more details. Or if preferred, we could set up a meeting to review this information with the Board at a work session as we are working on the upcoming PPEL note issuance (assuming it passes!). Thanks!

Travis

**Travis R. Squires**

Vice President

Des Moines Public Finance Services

Piper Jaffray & Co.

3900 Ingersoll Avenue, Suite 110



Des Moines, IA 50312-3800

Direct Dial: 515-247-2354

Toll-free: 800-333-6008 ext 5

Cellular: 515-326-0411

Fax: 515-280-7567

[travis.r.squires@pic.com](mailto:travis.r.squires@pic.com)

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[013012 cros....pdf \(248 KB\)](#)



## Existing Debt that is target of refunding

### Existing 2003 Bonds

Adel-DeSoto-Minburn CSD, Iowa

### Existing 2004 Bonds

Adel-DeSoto-Minburn CSD, Iowa

Date	1-Dec-03 Principal Payment	1-Dec-03 Interest Payment	Paying Agent Expense	1-Dec-03 P & I Payment	1-Dec-03 Interest Rate	Date	1-May-04 Principal Payment	1-May-04 Interest Payment	Paying Agent Expense	1-May-04 P & I Payment	1-May-04 Interest Rate
5/1/2012						5/1/2012					
11/1/2012		51,583		51,583		11/1/2012		136,710		136,710	
5/1/2013	185,000	51,583	500	237,083	4.000%	5/1/2013	450,000	136,710	500	587,210	3.300%
11/1/2013		47,883		47,883		11/1/2013		129,285		129,285	
5/1/2014	190,000	47,883	500	238,383	3.650%	5/1/2014	470,000	129,285	500	599,785	3.400%
11/1/2014		44,415		44,415		11/1/2014		121,295		121,295	
5/1/2015	200,000	44,415	500	244,915	3.800%	5/1/2015	480,000	121,295	500	601,795	3.550%
11/1/2015		40,615		40,615		11/1/2015		112,775		112,775	
5/1/2016	205,000	40,615	500	246,115	3.900%	5/1/2016	500,000	112,775	500	613,275	3.650%
11/1/2016		36,618		36,618		11/1/2016		103,650		103,650	
5/1/2017	215,000	36,618	500	252,118	4.000%	5/1/2017	520,000	103,650	500	624,150	3.800%
11/1/2017		32,318		32,318		11/1/2017		93,770		93,770	
5/1/2018	225,000	32,318	500	257,818	4.100%	5/1/2018	535,000	93,770	500	629,270	3.900%
11/1/2018		27,705		27,705		11/1/2018		83,338		83,338	
5/1/2019	235,000	27,705	500	263,205	4.150%	5/1/2019	560,000	83,338	500	643,838	4.000%
11/1/2019		22,829		22,829		11/1/2019		72,138		72,138	
5/1/2020	250,000	22,829	500	273,329	4.250%	5/1/2020	575,000	72,138	500	647,638	4.100%
11/1/2020		17,516		17,516		11/1/2020		60,350		60,350	
5/1/2021	255,000	17,516	500	273,016	4.300%	5/1/2021	600,000	60,350	500	660,850	4.150%
11/1/2021		12,034		12,034		11/1/2021		47,900		47,900	
5/1/2022	265,000	12,034	500	277,534	4.350%	5/1/2022	625,000	47,900	500	673,400	4.200%
11/1/2022		6,270		6,270		11/1/2022		34,775		34,775	
5/1/2023	285,000	6,270	500	291,770	4.400%	5/1/2023	650,000	34,775	500	685,275	4.250%
11/1/2023		0		0		11/1/2023		20,963		20,963	
5/1/2024		0		0		5/1/2024	975,000	20,963	500	996,463	4.300%
11/1/2024		0		0		11/1/2024		0		0	
5/1/2025		0		0		5/1/2025		0		0	
11/1/2025		0		0		11/1/2025		0		0	
5/1/2026		0		0		5/1/2026		0	0	0	
11/1/2026		0		0		11/1/2026		0		0	
5/1/2027		0		0		5/1/2027		0	0	0	
Totals:	2,510,000	679,568	5,500	3,195,068		Totals:	6,940,000	2,033,895	6,000	8,979,895	

### Debt Service Schedule ("New Debt")

Adel-DeSoto-Minburn CSD, Iowa

Dated: 5/1/2012  
Closing: 5/1/2012  
Bond Called: 5/1/2014

A	B	C	D	E	F	G	H	I
Date	Proposed 2012 Bonds Principal	Interest Payments	Less Interest Paid from Escrow	Existing unrefunded Principal	Interest Payments	Paying Agent Expense	Annual Debt Service	Interest Rate
5/1/2012								
11/1/2012		63,456	-63,456		188,293			
5/1/2013		63,456	-63,456	635,000	188,293	1,000	1,012,585	
11/1/2013		63,456	-63,456		177,168			
5/1/2014		63,456	-63,456	660,000	177,168	1,000	1,015,335	
11/1/2014		63,456						
5/1/2015	880,000	63,456				500	1,007,413	0.800%
11/1/2015		59,936						
5/1/2016	890,000	59,936				500	1,010,373	1.000%
11/1/2016		55,486						
5/1/2017	900,000	55,486				500	1,011,473	1.100%
11/1/2017		50,536						
5/1/2018	910,000	50,536				500	1,011,573	1.300%
11/1/2018		44,621						
5/1/2019	925,000	44,621				500	1,014,743	1.500%
11/1/2019		37,684						
5/1/2020	940,000	37,684				500	1,015,868	1.650%
11/1/2020		29,929						
5/1/2021	950,000	29,929				500	1,010,358	1.800%
11/1/2021		21,379						
5/1/2022	965,000	21,379				500	1,008,258	1.950%
11/1/2022		11,970						
5/1/2023	990,000	11,970				500	1,014,440	2.100%
11/1/2023		1,575						
5/1/2024	140,000	1,575				500	143,650	2.250%
11/1/2024		0						
5/1/2025		0					0	2.400%
11/1/2025		0						
5/1/2026		0				0	0	2.550%
11/1/2026		0						
5/1/2027		0				0	0	2.700%
Totals:	8,490,000	1,006,970	-253,825	1,295,000	730,920	7,000	11,276,065	



## Savings Analysis

Adel-DeSoto-Minburn CSD, Iowa

A	B	C	D	E	F	G	H
Date	Existing Bond Payments	Proposed "New" Bond Payments	Estimated Semi-Annual Savings	Plus Surplus Bond \$	Plus Accrued Interest	Annual Savings	Present Value of Savings
5/1/2012	0	0	0	2,481	0	2,481	2,481
11/1/2012	188,293	188,293	0				0
5/1/2013	824,293	824,293	0			0	0
11/1/2013	177,168	177,168	0				0
5/1/2014	838,168	838,168	0			0	0
11/1/2014	165,710	63,456	102,254				98,150
5/1/2015	846,710	943,956	-97,246			5,008	-92,582
11/1/2015	153,390	59,936	93,454				88,246
5/1/2016	859,390	950,436	-91,046			2,408	-85,271
11/1/2016	140,268	55,486	84,781				78,756
5/1/2017	876,268	955,986	-79,719			5,063	-73,449
11/1/2017	126,088	50,536	75,551				69,041
5/1/2018	887,088	961,036	-73,949			1,603	-67,025
11/1/2018	111,043	44,621	66,421				59,712
5/1/2019	907,043	970,121	-63,079			3,343	-56,244
11/1/2019	94,966	37,684	57,283				50,659
5/1/2020	920,966	978,184	-57,218			65	-50,189
11/1/2020	77,866	29,929	47,938				41,706
5/1/2021	933,866	980,429	-46,563			1,375	-40,179
11/1/2021	59,934	21,379	38,555				32,998
5/1/2022	950,934	986,879	-35,945			2,610	-30,513
11/1/2022	41,045	11,970	29,075				24,480
5/1/2023	977,045	1,002,470	-25,425			3,650	-21,232
11/1/2023	20,963	1,575	19,388				16,058
5/1/2024	996,463	142,075	854,388			873,775	701,895
11/1/2024	0	0	0				0
5/1/2025	0	0	0			0	0
11/1/2025	0	0	0				0
5/1/2026	0	0	0			0	0
11/1/2026	0	0	0				0
5/1/2027	0	0	0			0	0
Totals:	12,174,963	11,276,065	898,898	2,481	0	901,379	747,497
Savings as a % of refunded bonds:							9.17%



## Sources & Uses of Funds

Adel-DeSoto-Minburn CSD, Iowa

	<b>Dated:</b>	5/1/2012
	<b>Closing</b>	5/1/2012
<b>Uses of Funds</b>	<b>Bond Called:</b>	5/1/2014

Purchase of Escrow Securities	8,373,998.83
Issuance Costs:	45,600.00
Underwriting Costs:	67,920.00
Original Issue Discount:	0.00
Deposit to Sinking (Accrued):	
Rounding	2,481.17
<b>Total Uses of Funds:</b>	<b>8,490,000.00</b>

### Sources of Funds

Bond Proceeds:	8,490,000.00
Accrued Interest:	
Original Issue Premium:	0.00
<b>Total Sources of Funds:</b>	<b>8,490,000.00</b>

### Summary of Financing

Average Maturity of Bonds:	7.18
Average Interest Rate:	1.65280263%
Net Interest Cost:	1.76428396%
Net Interest Cost (\$)	1,074,890.00
Bond Yield:	1.64506593%
True Interest Cost (TIC):	1.76465649%
All-In True Interest Cost:	1.84562109%

## LEASE - BUSINESS PROPERTY - SHORT FORM

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2012 by and between Adel Desoto Minburn Community School District ("Landlord" or "ADM"), whose address, for the purpose of this lease, is \_\_\_\_\_, Adel, IA 50003, and City of Minburn ("Tenant" or "City"), whose address for the purpose of this lease is 315 Baker, P O Box 213, Minburn, IA 50167.

The parties agree as follows:

1. **PREMISES AND TERM.** Landlord leases to Tenant the following real estate, situated in Dallas County, Iowa:

Minburn School and all real property ADM owns which surrounds the school building itself, known as but not limited to parcels #07-07-227-008 Mutual Plat Lot 15 & 150' of the South 264' of Lot 13 (gym, metal shop and 2 classrooms); Parcel #07-07-227-009 Mutual Plat Lot 5 (bare land); Parcel #07-07-227-011 Mutual Plat Lot 3 & South 25' of Lot 2 (old gym & building); Parcel #07-07-227-015 Mutual Plat S 142' of Lot 2 except Parcel A and except South 25' (land); Parcel #07-07-226-003 Mutual Plat 13 except East 150' of South 264' (pole building, concession stand, dugouts, and athletic field); Parcel 07-07-231-003 Mutual Plat Lot 6 except commencing at the Northwest corner East 60' Southwest 83' North 60' to place of beginning (tennis courts and ballfield); and Parcel #07-08-103-001 Lots 4 & 9 Block 35 (outfield and volleyball area)

together with all improvements thereon, and all rights, easements and appurtenances thereto belonging, for a term beginning on the \_\_\_\_\_, and ending on the \_\_\_\_\_, upon the condition that Tenant performs as provided in this lease.

It is the intent of the landlord and tenant that this agreement will be phased in over a period not to exceed 2 years 6 months to give the tenant an opportunity to determine the feasibility of the tenant taking over complete ownership of the property as described above. The first 6 months would be used to make modifications/preparations and market the spaces and the actual lease term would commence at the end of this six months and run for a period not to exceed 2 years. During the term of this lease, the tenant has the right to exercise an option to purchase any or all of the property described above at \$1.00 per parcel during the term of this lease with the requirement that parcels containing the physical buildings, including Parcel #07-07-227-009 Mutual Plat Lot 5 (bare land) and Parcel #07-07-227-015 Mutual Plat S 142' of Lot 2 except Parcel A and except South 25' (land). ADM has the right to use unused spaces in the building free of charge, with the exception of any additional costs associated with its use including but not limited to costs of utilities over the baseline cost, janitorial services, garbage removal, damages or any



cost incurred by the City due to the use by ADM. Coordination and usages will be made through the City, which will be in charge of calendaring any events.

2. **RENT.** Tenant agrees to pay Landlord as rent \$1.00 per month, in advance commencing on the \_\_\_\_\_, and on the first day of each month thereafter, during the term of this lease. All sums shall be paid at the address of Landlord may designate in writing. Delinquent payments shall draw interest at 0% per annum.

3. **POSSESSION.** Tenant shall be entitled to possession six months prior to the first day of the lease term, and shall yield possession to Landlord at the termination of this lease. SHOULD LANDLORD BE UNABLE TO GIVE POSSESSION ON SAID DATE, TENANT'S ONLY DAMAGES SHALL BE A PRO RATA ABATEMENT OF RENT.

4. **USE.** Tenant may use the school building for community events and commercial and/or light industrial usage and it shall be able to market the balance of the land surrounding the school as it deems fit, and in particular for a housing development.

5. **CARE AND MAINTENANCE.**

- (a) Tenant takes the premises as is, except as herein provided.

- (b) Landlord shall keep the following in good repair: roof, exterior walls, foundation, sewer, plumbing, heating, wiring, air conditioning, plate glass, windows and window glass, parking area, driveways, sidewalks, exterior decorating, interior decorating, Landlord shall not be liable for failure to make any repairs or replacements unless Landlord fails to do so within a reasonable time after written notice from Tenant.

- (c) Tenant shall maintain the premises in a reasonable safe, serviceable, clean and presentable condition, and except for the repairs and replacements provided to be made by Landlord in subparagraph (b) above, shall make all repairs, replacements and improvements to the premises, INCLUDING ALL CHANGES, ALTERATIONS OR ADDITIONS ORDERED BY ANY LAWFULLY CONSTITUTED GOVERNMENT AUTHORITY DIRECTLY RELATED TO TENANT'S USE OF THE PREMISES. Tenant shall make no **repairs, replacements and improvements to the premises** without the prior written consent of Landlord. Unless otherwise provided, and if the premises include the ground floor, Tenant agrees to remove all snow and ice and other obstructions from the sidewalk on or abutting the premises.

6. **UTILITIES AND SERVICES.** Tenant shall pay additional fees for utilities (electric and water) and for liability and fire insurance for sub-tenants to the extent they can be determined during the term of this lease. City shall remit same to the landlord to help share these costs. Landlord shall be responsible for all other utilities and services which may be used on the premises. Landlord shall not be liable for damages for failure to perform as herein provided, or for any stoppage for needed repairs or for improvements or arising from causes beyond the control of Landlord, provided Landlord uses reasonable diligence to resume such services. O & M costs shall be shared by ADM and the City to the extent that City's share of O & M costs shall be expenses pertaining to



usage and occupancy, not the physical facility and grounds, and as spaces are leased. ADM will cover any shortfall and the method of oversight and coordination will be determined by the parties to this lease.

7. **SURRENDER.** Upon the termination of this lease, Tenant will surrender the premises to Landlord in good and clean condition, except for ordinary wear and tear or damage without fault or liability of Tenant. Continued possession, beyond the term of this Lease and the acceptance of rent by Landlord shall constitute a month-to-month extension of this lease. **See item 16 below.**

8. **ASSIGNMENT AND SUBLETTING.** Assignment and subletting shall be at the sole discretion of the Tenant.

9. **INSURANCE.** **See item 6 above.**

A. **PROPERTY INSURANCE.** Landlord and Tenant agree to insure their respective real and personal property for the full insurable value. Such insurance shall cover losses included in the special form causes of loss (formerly all risks coverage). To the extent permitted by their policies the Landlord and Tenant waive all rights of recovery against each other.

B. **LIABILITY INSURANCE.** Sub-tenant shall obtain commercial general liability insurance in the amounts of \$1,000,000 insurance each occurrence and \$3,000,000 annual aggregate per location. This policy shall be endorsed to include the Landlord and Tenant as an additional insured. Any premises used exclusively by the City (such as for a library) shall require the City to provide insurance as stated herein and to name the Landlord as an additional insured for said premises.

10. **LIABILITY FOR DAMAGE.** Each party shall be liable to the other for all damage to the property of the other negligently, recklessly or intentionally caused by that party (or their agents, employees or invitees), except to the extent the loss is insured and subrogation is waived under the owner's policy.

11. **INDEMNITY** Except for any negligence of Landlord, Tenant will protect, defend, and indemnify Landlord from and against any and all loss, costs, damage and expenses occasioned by, or arising out of, any accident or other occurrence causing or inflicting injury or damage to any person or property, happening or done in, upon or about the premises, or due directly or indirectly to the tenancy, use or occupancy thereof, or any part thereof by Tenant or any person claiming through or under Tenant.

12. **DAMAGE.** In the event of damage to the premises, so that Tenant is unable to conduct business on the premises, this lease may be terminated at the option of either party. Such termination shall be effected by notice of one party to the other within 20 days after such notice; and both parties shall thereafter be released from all future obligations hereunder.

13. **MECHANICS' LIENS.** Neither Tenant, nor anyone claiming by, through,



or under Tenant, shall have the right to file any mechanic's lien against the premises. Tenant and Sub-tenant shall give notice in advance to all contractors and subcontractors who may furnish, or agree to furnish, any material, service or labor for any improvement on the premises on behalf of the tenant or sub-tenant.

#### **14. DEFAULT, NOTICE OF DEFAULT AND REMEDIES.**

##### **EVENTS OF DEFAULT**

A. Each of the following shall constitute an event of default by Tenant: (1) Failure to pay rent when due; (2) failure to observe or perform any duties, obligations, agreements, or conditions imposed on Tenant pursuant to the terms of the lease; (3) abandonment of the premises. "Abandonment" means the Tenant has failed to engage in its usual and customary business activities on the premises for more than fifteen (15) consecutive business days; (4) institution of voluntary bankruptcy proceedings by Tenant; institution of involuntary bankruptcy proceedings in which the Tenant thereafter is adjudged a bankruptcy; assignment for the benefit of creditors of the interest of Tenant under this lease agreement; appointment of a receiver for the property or affairs of Tenant, where the receivership is not vacated within ten (10) days after the appointment of the receiver.

##### **NOTICE OF DEFAULT**

B. Landlord shall give Tenant a written notice specifying the default and giving the Tenant ten (10) days in which to correct the default. If there is a default (other than for nonpayment of a monetary obligation of Tenant, including rent) that cannot be remedied in ten (10) days by diligent efforts of the Tenant, Tenant shall propose an additional period of time in which to remedy the default. Consent to additional time shall not be unreasonably withheld by Landlord. Landlord shall not be required to give Tenant any more than three notices for the same default within any 365 day period.

##### **REMEDIES**

C. In the event Tenant has not remedied a default in a timely manner following a Notice of Default, Landlord may proceed with all available remedies at law or in equity, including but not limited to the following: (1) Termination. Landlord may declare this lease to be terminated and shall give Tenant a written notice of such termination. In the event of termination of this lease, Landlord shall be entitled to prove claim for and obtain judgment against Tenant for the balance of the rent agreed to be paid for the term herein provided, plus all expenses of Landlord in regaining possession of the premises and the reletting thereof, including attorney's fees and court costs, crediting against such claim, however, any amount obtained by reason of such reletting; (2) Forfeiture. If a default is not remedied in a timely manner, Landlord may then declare this lease to be forfeited and shall give Tenant a written notice of such forfeiture, and may, at the time, give Tenant the notice to quit provided for in Chapter 648 of the Code of Iowa.

15. **SIGNS.** Landlord, during the last 90 days of this lease, shall have the right to



maintain on the premises either or both a "For Rent" or "For Sale" sign. Tenant will permit prospective tenants or buyers to enter and examine the premises.

**16. NOTICES AND DEMANDS.** All notices shall be given to the parties hereto at the addresses designated unless either party notifies the other, in writing, of a different address. Without prejudice to any other method of notifying a party in writing or making a demand or other communication, such notice shall be considered given under the terms of this lease when it is deposited in the U.S. Mail, registered or certified, properly addressed, return receipt requested, and postage prepaid. At any time during this lease, the tenant may provide written notice of its intention to opt out of the agreement in 90 days; which will transfer all responsibility and stewardship back to the landlord for disposition of the building and property as it deems fit. The City shall provide 90 days written notice to any tenants in the building.

**17. PROVISIONS BINDING.** Each and every covenant and agreement herein contained shall extend to and be binding upon the respective successors, heirs, administrators, executors and assigns of the parties hereto.

**18. CERTIFICATION.** Tenant certifies that it is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and it is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Tenant hereby agrees to defend, indemnify and hold harmless Landlord from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification.

**19. OTHER.**

A. City shall have an Asbestos Containing Materials Inspection as approved by the Iowa Brownfield Redevelopment Program run by the Iowa Department of Natural Resources, using Ames Environmental which is the firm suggested by ADM. This assessment is required before conducting significant renovation or demolition and City shall share the results with ADM. City, if deemed appropriate, shall then proceed to have a Phase 1 Environmental Site Assessment as approved by the Iowa Brownfield Redevelopment Program, using Shive-Hattery Engineering, which is the firm suggested by ADM. The costs for both the Asbestos Containing Materials Inspection and Phase 1 Site Assessment are reimbursable to the City. Any abatement of asbestos can be done only if the City is the owner of said parcel of land, which then makes the City eligible for 50% cost-share for environmental cleanup to \$10,000. The results of the Asbestos Containing Materials Inspection indicate asbestos removal is required, at an estimated cost of \$100,000 (+ or - \$10,000). ADM will need to bear the entire cost of this asbestos removal in order for the property to be marketable and said removal needs to be done as soon as possible. ADM knows and understands it would be required to remove any



asbestos prior to demolition of the property if it retains ownership of same.

**B.** It is further understood the Tenant has the intention of subletting the building to appropriate parties. All proceeds of any kind, including rent and user fees, collected by the City shall be placed into a fund called Minburn Building Vision Fund (or something similar), with the intention that said funds can be used for management, administration, O & M costs, other items as needed and as noted in item 6 above. Also, the tenant will place the proceeds from the sale of fixtures, furnishings or equipment left in the building or on the grounds into this Fund. Further, the City or its agent shall have full and complete authority to negotiate the sale(s) of surrounding property as it deems appropriate and ADM will cooperate as required to complete any sale as negotiated by the City. Net proceeds there from shall be placed in the Fund. The City has the discretion to use the monies in this Fund as it deems appropriate, with such uses included but not limited to items shown above, and those items pertaining to the building and grounds, advertising and marketing, building improvements and modifications to make the spaces more suitable for occupancy by prospective tenants, etc.

**C.** Written notice will be provided to ADM at least 90 days prior to the end of the lease as to City's intention of accepting or declining ownership. If the City declines ownership at the end of the lease period, the balance in this fund, after paying all bills, including future property taxes for the portions leased to for-profit entities, shall be transferred to ADM to help defray the cost of demolition or other disposition of the premises.

**D.** As spaces are leased for commercial purposes, the City shall advise the County Assessor to value the leased area for tax purposes. The amount of taxes shall be collected from the tenant by the City as part of the terms of its lease. Said funds shall be set aside by the City and shall be paid to Dallas County Treasurer when the property tax statements are issued for said property.

\_\_\_\_\_  
Board President of Adel Desoto Minburn Community School District

ATTEST:

\_\_\_\_\_  
Secretary of ADM School District

\_\_\_\_\_  
Mayor, City of Minburn

ATTEST:

\_\_\_\_\_  
City Clerk



## Economic Impact Example

	Annual Payroll Year 1	Annual Payroll Year 2	Annual Payroll Year 3				Total Jobs	Annual impacts after Year 3
Direct Jobs	\$ 9,381,784.00	\$ 3,070,446.00	\$ 2,870,446.00				100	\$ 15,322,676.00
Indirect Jobs							TBD	\$ -
Total disposable Income								\$ 15,322,676.00
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Cumulative Collection	Annual Collection
<b>City Revenues</b>								
Water Revenue	\$ 2,978.88	\$ 2,978.88	\$ 2,978.88	\$ 2,978.88	\$ 2,978.88	\$ 2,978.88	\$ 17,873.28	\$ 2,978.88
Sewer Revenue	\$ 1,345.60	\$ 1,345.60	\$ 1,345.60	\$ 1,345.60	\$ 1,345.60	\$ 1,345.60	\$ 8,073.60	\$ 1,345.60
Building Permitting Fees	TBD							
Property Taxes project specific		\$ 7,701.32	\$ 7,701.32	\$ 7,701.32	\$ 7,701.32	\$ 7,701.32	\$ 38,506.60	\$ 7,701.32
Property Taxes - Ancillary Development			\$ 15,402.64	\$ 19,445.83	\$ 23,489.03	\$ 28,109.82	\$ 86,447.32	\$ 28,109.82
Total City Revenue							\$ 150,900.80	\$ 40,135.62
<b>School Revenues/savings</b>								
Property Taxes (school)		\$ 9,312.12	\$ 27,936.36	\$ 32,825.22	\$ 37,714.09	\$ 43,301.36	\$ 151,089.15	\$ 43,301.36
LOST	\$ 5,109.06	\$ 6,477.56	\$ 9,214.56	\$ 11,769.10	\$ 13,776.23		\$ 46,346.51	\$ 13,776.23
PPEL	TBD							
Annual Operational Expense	\$ 41,886.15	\$ 41,886.15	\$ 41,886.15	\$ 41,886.15	\$ 41,886.15	\$ 41,886.15	\$ 251,316.90	\$ 41,886.15
total School Benefit							\$ 448,752.56	\$ 98,963.74
Total Impacts								\$ 15,461,775.36

DIST	STATE	AREA COLLEGE	COUNTY BUDGET	OTHER AGENCIES	SCHOOL	CITY	TOTAL
MINBURN	0.00320	0.59018	4.28299	0.95578	18.62424	15.40264	39.85903

### FY 2011 Minburn Building Expenses

Custodial	4,062.02
Water/Sewer	1,625.40
Storm Sewer	144.00
Garbage	339.78
Pest Control	160.00
Snow Removal	810.00
Heat	13,552.84
Electric	7,993.15
Grounds - Mowing/Weeds	3,599.94
HVAC Repairs	5,623.42
Roof Repairs	2,383.26
Boiler Motor Repair	297.00
Misc. Maint Supplies	983.34
A Tech - Security	312.00
Total	41,886.15





Adel DeSoto Minburn

801 Nile Kinnick Drive S., Adel, Iowa 50003  
515-993-4283

Greg Dufoe, Superintendent

Nancy Gee, Business Manager

TO: Board of Directors  
FROM: Greg Dufoe, Superintendent  
SUBJECT: Memorandum for February 13, 2012

**Honoring Excellence:**

Carole Schlapkohl will be our Honoring Excellence recipient after 33 years of service to ADM Schools. Bob Hall and several administrators will introduce Carole to the Board. This will be a special night as we get closer to Carole's official retirement.

**Personnel contracts:**

I recommend the following new contracts:

Shanna Anglin, assistant to the central office staff, \$10.74/hour, effective 1/23/12  
Jeff Duffy, route bus driver, step 8, effective 1/30/12  
Kim Timmerman, MS principal, effective 8/1/12

I announce the following transfers:

Sarah Boesen from 8<sup>th</sup> grade science teacher to 9<sup>th</sup> grade science teacher  
Cassidy Noring from MS choir/5<sup>th</sup> grade band to MS band teacher  
Brett Watson from HS math teacher to MS math teacher

Pending resignation:

Brett Watson, Ass't. HS Football Coach  
Della Weems, Mock Trial coach

**Biomedical PLTW contract (Exhibit 1):**

I recommend approval of the contract to implement Biomedical PLTW. This does not bind us to offer Biomedical PLTW, but is a necessary step as we continue our planning. With the passage of our PPEL plan, we are getting closer to this decision, but still need additional time to make this decision. The cost of the program is high and we are still investigating alternative funding sources.

**Hazardous chemical plan (Exhibit 2):**

The exhibit outlines the district's program to address the requirements of the federal and state laws governing hazardous chemicals in the workplace. I recommend approval of its continuation.

**Grant application (Exhibit 3):**

Lee is seeking a grant from the Dallas County Foundation for Biomedical PLTW. A requirement for the application process is Board approval. There is no matching requirement from us if a grant is approved. I recommend approval of this grant application.

**REM contracts:**

I recommend approval of the School to Work Transition Service Agreement with REM Iowa Developmental Services for two students. This program provides a work setting to improve and develop appropriate work habits and attitudes, to formulate the functional capacity to work effectively with the agency, co-workers, and the general public, and to earn a paycheck for performing a job.

***"Experiencing Success Today, Achieving Dreams Tomorrow"***



The rate of pay is \$41.50 per half day or \$88 per full day when in attendance. The program will run from January 2012 through the end of the school year. One of the students is scheduled for one half day per week and the other is scheduled for four half days per week.

**SRO agreement with City of Adel (Exhibit 4):**

Included in your packet is the breakdown of costs for our SRO, Monte Keller. Nancy has reviewed for accuracy. This relationship with the city in providing a SRO presence for our district is an essential service for us and is one of the primary ways we work to ensure student safety.

**Middle School Energy Team presentation:**

Hazel Purtell will be on hand with the middle school energy team to present to the Board. These students, part of our GATE program, will update the Board on their progress on energy efficiency in our school.

**EARLY START CALENDAR PUBLIC HEARING**

This hearing provides an opportunity for anyone to address the Board regarding a school start prior to what is allowed by Iowa code for 2012-13. The public notice was published in the Dallas County News. We have not had comments or feedback at the central office.

**EARLY START CALENDAR APPLICATION**

I recommend the Board approve an early start calendar application. We would note this on our Spring BEDS report to the Department of Education. This application allows us to start school earlier than Iowa code, as mentioned earlier. In administrative reports, I will be discussing our draft calendar for 2012-13.

**NEW TEACHING POSITIONS 2012-13**

I recommend approval of two full-time teaching positions for 2012-13. The first is the 8<sup>th</sup> grade writing position that was reduced in 2010. The middle school has patched this position together by having other English/Language Arts teachers from both the middle school and high school teach the required number of sections. The staff has done a tremendous job these past two years, but it is now time to bring this position back. This will not only help the middle school, but also the high school as they will have additional sections of English classes to offer their students.

I also recommend the approval of the full-time GTT/High School Science position. This position would teach four periods of Gateway to Technology at the middle school and also teach sections of science courses at the high school (these courses to be determined based on need and other science staff assignments). Our implementation of GTT was delayed one year in order to further improve our financial situation. Now we are ready to take the step to bring the middle school PLTW program to ADM. We would teach three 9-week units to our 7<sup>th</sup> and 8<sup>th</sup> grade students.

These two positions are extremely exciting for us. Additional staffing needs will be analyzed in the coming weeks and will be focused on elementary sections and needs at that level. We have obvious staffing needs beyond these positions, but I feel extremely fortunate to be able to recommend these additions.

**DLR GROUP CONTRACTS – CLASSROOM RENOVATION AND FOOTBALL/SOCCER/TRACK LIGHTS (Exhibit 5)**

In your packets there are two contracts from DLR Group. The first is a contract for the "bonus room" renovation. This work would convert our large storage room at the high school into three spaces. There would be two science classrooms and one storage room. The science classrooms would be for the GTT/HS science and the



other would be for 8<sup>th</sup> grade science. This would allow the added 8<sup>th</sup> writing position to have classroom space. I recommend approval of this contract with DLR for \$8,500. We did have another quote from Design Alliance for this same amount. I very much like the design ideas/concepts from DLR and feel they will do great work for us. (long-range goal #7)

The other contract from DLR is for the football/soccer/track lighting project for \$19,000. We had one other proposal from RFK for \$25,000. This is work I would like to get started, as I do not feel comfortable going into next fall with the current lighting situation, both from a quality of lighting and a safety perspective. We most certainly will be sure that the placement of the lights will take into consideration the likelihood of future work at that complex, including stadium expansion, new/improved concessions and restrooms, etc.

#### **Administrative Reports/Discussion items:**

##### **PPEL – implementation timeline**

We may be able to review the official results from our PPEL election at the board meeting. Unofficially, we had a 78% approval with 406 yes, 114 no. Suffice to say, I am extremely proud of the administrative team and the work that went into a successful campaign!

Adam Kurth will discuss with us the timeline for the coming months now that PPEL has passed. We will also touch on the professional development plan being developed. (short-range goal #8)

##### **Professional development update – PK-12 writing**

Carole Erickson will provide the Board with an update on the writing professional development progress with a focus on the secondary level. Carole will be sharing a video of some of the teachers discussing their work. As noted previously this exciting work continues to build towards implementation for 2012. (long-range goal #8)

##### **Curriculum revision update (Exhibit 6)**

In your packets is a short PowerPoint that summarizes the work done to-date in science and math curriculum revision. February is going to be an exciting month as a great many decisions will be made regarding staffing, scheduling, resources, course changes and changes to sequences, etc. (short-range goal #6)

##### **Partnership in Comprehension Literacy program (Exhibit 7)**

Included in your packets is a short PowerPoint on the Partnership for Comprehensive Literacy (PCL) that we are investigating. I want to continue our planning for participating in this program. The applications are due in early April and I plan on recommending to the Board in March that we submit a completed application. This would not bind us to participate. I strongly feel that the third-grade retention strategy that is part of the Governor's education plan is one of the components that will be adopted by the legislature this spring. This will certainly raise the bar for all Iowa schools and us. The PCL is a natural next step for ADM and would allow for in-depth training for Carole. Carole, as the "literacy coach" would work with her staff to provide intensive assistance at all elementary grade levels and possibly through middle school.

##### **2012-13 calendar (Exhibit 8)**

We will discuss in detail the calendar draft 2A. We plan on bringing a recommendation for approval of this calendar to the March Board meeting.

##### **FY13 budget presentation (Exhibit 9)**

Included in your packet are budget documents Nancy will review with the Board. This month really begins the budget development process.

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**Refinancing debt service information (Exhibit 10)**

I am including in your packets information from Travis Squires of Piper Jaffray updating us on the refinancing opportunity for our debt service obligations. Travis estimates the savings with the reduced interest rates to be over \$900,000. If, after discussion, the board would like more detailed information, I can have Travis come to a board meeting to review. I just want to keep this in front of us as the savings available continues to grow due to interest rates falling.

**Minburn lease proposal (Exhibit 11)**

Included in your packets is a copy of the revised lease agreement from the City of Minburn. We will take some time to discuss these terms and develop a response to the City. We will also take into consideration Drew Bracken's comments and guidance. In short, the district still seems very much in a position to assume all the risk and still be in jeopardy of having the City opt out of the agreement at the end of the 2.5 years with a building that has been remodeled to a degree that would mean it no longer could function as a school.

**Open enrollment in for 2012-13**

Riley Becker, K, from DM to ADM (met timeline)  
Cloey Deitrick, K, from Perry to ADM (met timeline)  
Brienne Fields, 5<sup>th</sup> grade, from Perry to ADM (continuation)  
Chad Gray, 1<sup>st</sup> grade, from Perry to ADM (continuation)  
Jamie Gray, 2<sup>nd</sup> grade, from Perry to AD (continuation)  
Noah Hansen, K, from WG to ADM (met timeline)  
Aidan Lippincott, K, from Johnston to ADM (met timeline)  
Lucy Mallory, 2<sup>nd</sup> grade, from Earlham to ADM (met timeline)  
Sam Mallory, K, from Earlham to ADM (met timeline)  
Amirah Olson, 9<sup>th</sup> grade, from Panorama to ADM (met timeline)  
Emily Piepmeier, K, from WCV to ADM (met timeline)  
Katelyn Priestley, K, from DCG to ADM (met timeline)  
Sadie Spencer, 4<sup>th</sup> grade, from Waukee to ADM (met timeline)  
Shelby Spencer, 8<sup>th</sup> grade, from Waukee to ADM (met timeline)  
Kennedy Stanford, K, from Winterset to ADM (met timeline)

**Open enrollment out for 2012-13**

Carsten Caves, K, from ADM to Urbandale (met timeline)

**Important dates:**

February 1	Dismiss 1:00 p.m. – PD
February 17	No School – PD/TQ day
February 22	Dismiss 1:00 p.m. – PD
March 1	– Board Work Session 4:30-6:30 – TENTATIVE

NEGOTIATIONS STRATEGY SESSION – following board meeting

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