

**MARSHALL PUBLIC SCHOOLS**  
**Board of Education**  
**Special Meeting**  
**Minutes**  
**Board Room**  
**July 28, 2020**

The meeting was called to order by Debbie Frigo at 6:01 p.m. as duly posted under State Statutes §19.84(1)(2)(c).

**Roll Call of the Board**

Board of Education Present: Cecil Chadwick, Debbie Frigo, Mike Rateike, Staci Abrahamson, Paul Wehking, Eric Armstrong and Heather Herschleb

Administration Present: Bob Chady, Dan Grady, Paul Herrick (remote), Kathy Kennon (remote), and Rich Peters (remote)

**Approval of Agenda**

A motion to approve the agenda as presented was made by Rateike and seconded by Chadwick. Carried 7-0.

**Proof of Giving Public Notice**

A motion that public notice was provided to The Courier on July 23, 2020 was made by Abrahamson and seconded by Armstrong. Carried 7-0.

**Public Comment** – N/A

**Consent Agenda**

- A. Approval of July 22 meeting minutes
- B. Approve resignations/retirements
  - Brandon Vine- Technology Assistant
- C. Offer contracts/letters of employment

Motion by Wehking and seconded by Rateike. Carried 7-0.

**New Business**

**Discussion and potential action to approve 2020-2021 Reopening Schools Plan**

Motion by Wehking and seconded by Rateike to approve 2020-2021 Reopening Schools Plan as presented with the ability to modify as listed with Board approval. 7-0 vote.

**Discuss and potential action regarding to approve 2019-2020 budgetary transfer to Fund 46 (Capital Improvement Trust Fund)**

Motion by Chadwick and seconded by Herschleb to approve the transfer of an amount not to exceed \$700,000 from the General Operations Fund 10 to the Capital Improvement Fund 46. 6-1 vote.


**Discussion of future board agenda items**

**Adjournment**

Motion to adjourn made by Wehking and seconded by Herschleb. Carried on a voice vote 7-0.

Meeting adjourned at 7:25 p.m.

Respectfully submitted,

  
Debbie Frigo, President

## Special Meeting, Board of Education

July 28, 2020

Marshall Public Schools

### 6.b. Discussion and potential action regarding to approve 2019-2020 budgetary transfer to Fund 46 (Capital Improvement Trust Fund)

#### BACKGROUND:

In 2015, the Board of Education established a Capital Improvement Trust Fund (Fund 46). The requirements of the Capital Improvement Trust Fund (Fund 46) were:

1. The school board must have an approved long-term capital improvement plan, forecasting out anticipated expenditures over the next 10 years.
2. Funds set aside to fund the "trust" must be held in a segregated bank account. *Marshall's "trust"/Fund 46 resources are on deposit with the Local Government Investment Pool (LGIP).*
3. District's are restricted from utilizing trust fund assets for a period of 5 years from the date of trust creation. *DPI records reflect Marshall's trust creation = 7.31.15; thus, Marshall would be able to utilize trust funds for maintenance/improvement purposes no sooner than 7.31.20.*
4. Funds may only be utilized for purposes identified in the approved long-term capital improvement plan, or any subsequent revision(s) approved by the school board.

#### 2019-20 FISCAL YEAR:

As we work to close out the 2019-20 budget, we anticipate having a surplus in funds. Two options are available with such surplus:

1. The surplus funds could be used to increase our fund balance.
2. Surplus funds (either in whole or part) could be transferred to the Fund 46, Capital Improvement Trust Fund.

Over the past few years, the District has been able to increase our fund balance to avoid the need to short term borrow, thus incurring unnecessary interest expense. However, in doing so, we reduce our shared costs (essentially the costs to educate a student) which is a factor in state equalization aid distribution. Reductions in shared costs generally work to reduce the amount of state aid.

Option #2 above is more strategic approach as it permits us to transfer from the General Operations Fund 10 which then recognizes the transfer as an expenditure for shared costs purposes, i.e. it increases our shared costs. Increasing shared costs would positively impact the district with respects to equalization aid, i.e. it would help to mitigate any proposed reductions in state aid or help grow state aid.

As we work with our auditors this week to close out the 2019-20 fiscal year, we anticipate a surplus. We seek the board's approval to transfer an amount up to \$700,000, based upon potential surplus availability to the Capital Improvement Trust Fund, Fund 46. This would permit Business Manager Chady some flexibility in the actual amount of the transfer based upon audit work completed through the time of the transfer.

**PROPOSED MOTION:**

**I move that the board approve the transfer of an amount not to exceed \$700,000 from the General Operations Fund 10 to the Capital Improvement Fund 46**

Motion by: \_\_\_\_\_ Seconded by: \_\_\_\_\_ Vote: \_\_\_\_ - \_\_\_\_