AGENDA

I. CALL TO ORDER & PLEDGE OF ALLEGIANCE

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES
   A. August 6, 2018

IV. CITIZEN COMMENTS (non-agenda items)
   (Citizens wishing to address the school board are asked to complete a Citizen Comment Card and submit it to the school
   board secretary prior to the start of the meeting. Citizens wishing to comment on non-agenda items will be invited by the
   chairperson to speak during the Citizen Comments item. Citizens wishing to comment on a specific agenda item will be
   invited by the chairperson to speak when that specific agenda item is reached. Each person may speak for up to three (3)
   minutes and will not be recognized a second time until all citizens wishing to speak have been heard. The chairperson
   reserves the right to limit the discussion and the number of speakers. School Board members shall not engage in a
   response or enter into a debate about any issue(s) brought before the board during this portion of the meeting. Citizen
   comments and concerns will be directed to the Superintendent of Schools, who will deal with the according to policies
   adopted by the Board.)

V. SUPERINTENDENT’S RECOMMENDATIONS FOR DISCUSSION

VI. SUPERINTENDENT’S RECOMMENDATIONS FOR ACTION
   A. Consent Agenda
      1. Appointments
      2. Resignations
   B. Committee Reports:
      1. 8000 Series Policy Review Committee - First Reading of Policies 8100, 8110, 8111, 8120, 8340, and 8507
      2. 3000 Series Policy Review Committee - First Reading of Policy 3200
      3. Finance Committee
   D. Establishing School Board Norms

VII. OTHER
   A. Announcements:
      1. Superintendent’s Keynote - August 21, 8:15 a.m., RRHS Performance Hall
      2. Open House Schedule
      3. First Day of School for Grades K-9 - August 27
      4. First Day of School for Grades 10-12 - August 28
   B. Board Requests for Future Consideration
      (There should be no discussion concerning an individual item that is requested herein. The Board President and
      Superintendent will determine the best method of response to board requests for future consideration.)
   C. Book Study - Intro & Chapter 1

VIII. ADJOURNMENT

Any person who requires an auxiliary aid or service to allow access or participation at a school board meeting is asked to notify the
superintendent’s office (787-4880) at least one day before the meeting.
The school board of Grand Forks Public School District #1 held a regular meeting on Monday, August 6, 2018, at the Mark Sanford Education Center with President Bill Palmiscno presiding.

**Board Members Present:** Douglas Carpenter, Chris Douthit, Amber Flynn, Jacqueline Hoffarth, Eric Lunn, Shannon Mikula (via phone), Bill Palmiscno, Cynthia Shabb, and Matt Spivey. **Board Members Absent:** None.

**Others Present:** Superintendent Dr. Terry Brenner, Associate Superintendent Jody Thompson, Assistant Superintendent Catherine Gillach, Business Manager Ed Gerhardt, GFAFB School Board Liaison Branden Shepperd, and Executive Secretary Cindy Johnson.

**Call to Order and Pledge of Allegiance.** President Palmiscno called the meeting to order at 6:00 p.m. and the Pledge of Allegiance was recited.

**Approval of Agenda.** Dr. Brenner reported there were no additions to the agenda. It was moved by Carpenter and seconded by Shabb to approve the agenda as written. Motion carried unanimously.

**Approval of Minutes.** It was moved by Spivey and seconded by Douthit to approve the minutes of July 16, 2018, as written. Motion carried unanimously.

**Citizen Comments (non-agenda items).** Katie Ayers, 2100 36th Avenue South, Grand Forks, ND, addressed the board about cyber bullying. She proposed the following healthcare policy: To implement an annual review delivered by the school nurse in the middle and high schools that would consist of a presentation about cyber bullying, the dangers and consequences, and identify resources and individuals from whom students can seek guidance.

**Book Study.** Dr. Brenner explained the book study process and requested Board members read the Introduction and Chapter 1 of *High Reliability Schools* in preparation for conversation in a work session format at the August 20 meeting.

**Bus Transportation Contract Update.** As a follow-up to discussion of the transportation contract at the June 11, 2018 school board meeting, Gerhardt reported that some route scheduling was still pending and provided responses to the following topics:
- installing cameras on all buses in the future,
- the length of time a student may spend on the bus when considering route changes,
- the added expense families with multiple students would incur with the increase of 15 cents per ticket (assuming certain ridership),
- making information available on the website about sources for free or reduced bus tickets,
- training for bus drivers, and
- the process for handling complaints from bus riders.

During discussion, Board members requested additional information and/or offered suggestions on the following:
- emphasize donation opportunities to the community,
- the number of buses needed to supply the current routes,
- whether discounts for quantity purchases were available,
- whether the bus company received an insurance discount for installing recording devices on the buses,
- whether there was a route for the middle and high schools from Riverside Park area,
- providing enrollment projections to Dietrich for use in their route planning,
- whether zero hour bus routes at the middle and high schools were possible,
- the discontinuation of Head Start busing,
- training for bus drivers on special education needs and bullying,
- the cost difference if the district were to provide transportation versus it being provided through a vendor,
- accountability of bus drivers for keeping riders safe while on the bus, and
- adding instructions to access the text-a-tip line to the buses.

**School Building Liaison Responsibilities.** Dr. Brenner reviewed responsibilities of the school board liaison to the schools and the building principals as developed following a meeting with district administration and principals last year. It was emphasized that
no board authority is delegated to the school board liaison and that board members have authority only when acting as a board legally in session.

**Substitute Teacher Pay.** Comparative information from school districts in the area and the larger school districts in the state regarding substitute teacher pay was provided for the board’s review. This topic will be brought back to the board on August 20 with a recommendation for action.

**Consent Agenda.** It was moved by Lunn and seconded by Shabb to approve the consent agenda as follows:

- Teacher Appointments effective August 20, 2018, as follows: Ryan Larson (salary $45,844), Holly Lathrop (salary $42,970), Benjamin Lindstrom (salary $40,000), Nicole Novak (salary $41,964), Alisha Spilde (salary $40,000), Tyler Theil (salary $41,200), and Samantha Tighe (salary $46,554); and
- Resignations of Jaclyn Fossum, Laura Knox, and Brenda Stang, effective June 1, 2018.

Motion carried unanimously.

**Preliminary Budget and Tax Levy.** Gerhardt explained the process that school districts must follow to prepare their annual budget and tax levy. The preliminary budget and tax levy, which calls for a total levy of 101 mills, was reviewed. The levy includes 70 mills for the general fund, 12 mills for miscellaneous, 4 mills for tuition, 3 mills for a special reserve fund, 10 mills for the building fund, and 2 mills for special assessments. The levy for the special reserve fund is a new levy and intended to provide a source of funds in the event of an emergency. The proposed levy was reviewed by the Finance Committee in May and given preliminary approval.

Palmiscno requested more conversation in Finance Committee about earmarking the emergency fund for a specific purpose.

Carpenter agreed it should be narrow in its scope and stated that he would like to see it restricted to only facility needs.

Lunn also agreed that it should be designated for a specific purpose rather than the broad purpose as allowed by law.

It was moved by Carpenter and seconded by Spivey to approve the preliminary budget and tax levy of 101 mills as presented. Motion carried unanimously.

**Consolidated Grant Application for Federal Title Funding.** Thompson provided an overview of the federal Title programs and their financial impact on activities in the district.

It was moved by Flynn and seconded by Douthit to approve the 2018-2019 Consolidated Grant Application in the amount of $4,146,100.51. Motion carried unanimously.

**Request to Change Meeting Dates.** Dr. Brenner explained the request to change the September 2018 and January 2019 meeting dates due to administrative conflicts.

It was moved by Carpenter and seconded by Lunn to cancel the September 17, 2018 meeting and to move the January 14 and 28, 2019 meeting dates to January 7 and 21, 2019. Motion carried unanimously.

**NDSBA Template Policy Manual Service Agreement.** Dr. Brenner explained that the district had enrolled in the North Dakota School Boards Association Template Policy Manual Service. This is a more robust level of membership service, which would significantly benefit the school district, especially knowing the pending policy work for this school year. A formality to this service is the approval of an agreement for services, which was provided to the board in the meeting agenda packet.

It was moved by Shabb and seconded by Hoffarth to approve NDSBA Template Policy Manual Service Agreement. Motion carried unanimously.

**Approval of School Board Committee Appointments.** Appointments for school board standing and temporary committees for the 2018-2019 school year were presented as follows:

- Agreement Between Districts Committee - Amber Flynn and Bill Palmiscno.
- Classified Employees Meet & Confer Committee - Chris Douthit, Cynthia Shabb, and Matt Spivey.
- Directors Contract Bargaining Committee - Jacqueline Hoffarth, Eric Lunn, and Matt Spivey.
- Facilities Committee - Chris Douthit, Eric Lunn, Shannon Mikula, and Cynthia Shabb.
- Finance Committee - Doug Carpenter, Amber Flynn, Bill Palmiscno, and Matt Spivey.
- Health Insurance Committee - Matt Spivey.
3000 Series - Business - Doug Carpenter and Bill Palmiscno.
4000 Series - Personnel - Chris Douthit and Cynthia Shabb.
5000 Series - Students - Chris Douthit and Jacqueline Hoffarth.
6000 Series - Instruction - Chris Douthit and Shannon Mikula.
7000 Series - Facilities - Eric Lunn and Shannon Mikula.
8000 Series - Internal Board Operations - Amber Flynn and Eric Lunn.
- Principals Contract Bargaining Committee - Doug Carpenter, Jacqueline Hoffarth, and Eric Lunn.
- Self-Assessment Committee - Amber Flynn, Shannon Mikula, and Bill Palmiscno.
- Superintendent’s Evaluation Committee - Jacqueline Hoffarth, Bill Palmiscno, Cynthia Shabb, and Matt Spivey.
- Teachers Contract Bargaining Committee - Doug Carpenter, Amber Flynn, Jacqueline Hoffarth, and Shannon Mikula.
- CNP Lunch Account Procedure Committee - Jacqueline Hoffarth, Eric Lunn, and Cynthia Shabb.

It was moved by Spivey and seconded by Douthit to approve the school board committee appointments for the 2018-2019 school year. Motion carried unanimously.

Committee Reports. Carpenter reported on a meeting of the Local Government Advisory Committee that he and Palmiscno attended. The meeting consisted of an explanation of why the committee existed and discussion of a request for tax exemption for the Hugos downtown project. The LGAC voted to move forward the exemption at 80% for 15 years. Carpenter explained that the school district can elect not to participate, or to participate at the full or at a reduced level, in the tax exemption. The intent is to discuss it at the Finance Committee meeting this Thursday and then report a recommendation to the school board.

Mikula expressed concern that the tax exemption was mainly for the low-income units associated with the project. She said it was a hard pill to swallow to ask for an increased mill levy and then waive taxes for one entity.

Flynn asked if there was any data justifying the need for low-income property. Carpenter reported that the entity believes there is a strong need and demand for it.

Palmiscno reported that board members would have an opportunity to ask questions of the project representatives at the next meeting when the presentation is made.

Announcements. None.

Board Requests for Future Consideration. Hoffarth recommended the board upgrade its discrimination policy to include protections for students and staff for sexual orientation and gender identity and expression.

Shabb requested that consideration be given to the order of the next meeting in order to accommodate the book study work session so that people who are watching will know when to re-join the meeting.

Douthit requested Item #3 on the Future Requests Matrix be deleted.

Flynn commended Dr. Brenner and the new administration on the level of communication regarding follow-up and progress as to the happenings in his workday and in the district.

Adjournment. There being no further business, the meeting adjourned at 7:34 p.m.
MEMORANDUM

TO:        Grand Forks School Board
FROM:      Dr. Terry Brenner, Superintendent of Schools
SUBJECT:   Consent Agenda
DATE:      August 20, 2018

Many items of a routine nature can be handled as one item rather than spending additional time on each individual item. Therefore, the Consent Agenda has been developed for the school board’s use in order to speed up the process of conducting its meetings. Items that may be listed on the Consent Agenda include:

- Appointments (excludes administrative appointments)
- Leave Requests (excludes requests for extension)
- Open Enrollment Applications
- Resignations
- Student Placements
- Student Travel Requests

There should be no discussion concerning an individual item on the Consent Agenda. However, during the approval of the school board meeting agenda, any board member may request an item be removed from the Consent Agenda for further discussion. Once the school board meeting agenda has been approved, all items listed on the Consent Agenda are handled as one item.

Items appearing on the Consent Agenda at the time of the publishing of this agenda packet with their requested considerations are:

- Appointments (excludes administrative appointments)
- Resignations

Administrative recommendation is for approval.

cj
Attachments
MEMORANDUM

TO: Dr. Terry Brenner, Superintendent
FROM: Tracy Abentroth, Director of Human Resources
RE: Teacher Appointments
DATE: August 20, 2018

Pursuant to North Dakota Century Code 15.1-09-33 the School Board approves the issuance of contracts to school district personnel.

Appointments appearing on this list at the time of the publishing of the agenda packet follow. There may be additional appointments presented for consideration at the meeting.

Administrative recommendation is to approve the appointments, effective August 20, 2018.

Attachment

mjs
<table>
<thead>
<tr>
<th>Name</th>
<th>Degree</th>
<th>Yrs of Exp</th>
<th>Salary</th>
<th>Position</th>
<th>Major</th>
<th>Assignment</th>
<th>Location</th>
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<tbody>
<tr>
<td>Stephanie Albin</td>
<td>BA/BS</td>
<td>1</td>
<td>$41,964</td>
<td>Replacement</td>
<td>Special Education</td>
<td>Special Education Teacher</td>
<td>Red River High School</td>
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<td>Kaitlin Ange</td>
<td>BA/BS</td>
<td>3</td>
<td>$43,495</td>
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<td>Grade 1 Teacher</td>
<td>Ben Franklin Elementary</td>
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<tr>
<td>Kathryn Baker</td>
<td>BA/BS</td>
<td>0</td>
<td>$41,200</td>
<td>New Position</td>
<td>Special Education</td>
<td>Special Education Teacher</td>
<td>Schroeder Middle School</td>
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<td>Tammy Bellione</td>
<td>BA/BS</td>
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<td>$41,964</td>
<td>New Position</td>
<td>Elementary Education</td>
<td>Grade 4/5 Teacher</td>
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<td>Grade 6 Teacher</td>
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<td>Anita Klenner</td>
<td>MA/MS</td>
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<td>$49,669</td>
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<td>Speech Language Pathology</td>
<td>Speech Language Pathologist</td>
<td>Discovery Elementary &amp;</td>
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<td>Phoenix Elementary</td>
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<td>Ashley Lackner</td>
<td>BA/BS</td>
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<td>$41,964</td>
<td>Replacement</td>
<td>Elementary Education</td>
<td>Grade 4 Teacher</td>
<td>Discovery Elementary</td>
</tr>
<tr>
<td>Name</td>
<td>Degree</td>
<td>Yrs of Exp</td>
<td>Salary</td>
<td>Position</td>
<td>Major</td>
<td>Assignment</td>
<td>Location</td>
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<td>Joanne Miller</td>
<td>BA/BS</td>
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<td>Christine Rokke</td>
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<td>Science Teacher</td>
<td>Valley Middle School</td>
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<td>Heather Skogen</td>
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<td>$49,614</td>
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<td>Schroeder Middle School; South Middle School, Red River High School</td>
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<td>Ashley Stavnes</td>
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<td>Replacement</td>
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<td>Family and Consumer Science Teacher (90%)</td>
<td>Central High School</td>
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<td>Jennifer Wittmayer</td>
<td>BA/BS</td>
<td>0</td>
<td>$41,200</td>
<td>New Position</td>
<td>Elementary Education</td>
<td>Grade 1 Teacher</td>
<td>Ben Franklin Elementary</td>
</tr>
</tbody>
</table>
MEMORANDUM

TO: Dr. Terry Brenner, Superintendent
FROM: Tracy Abentroth, Director of Human Resources
RE: Resignations
DATE: August 20, 2018

North Dakota Century Code 15.1-09-33 provides authority for the School Board to act on employment contracts for school district personnel.

Please find attached letters of resignation from the following:

- Katrina Brekke, School Counselor
- Stephen Lyman, Special Education Teacher
- Stephanie Sevigny, Family & Consumer Sciences Teacher (60% of position)
- Discovery Elementary
- Special Education
- Central High School

Administrative recommendation is to approve the resignation effective June 1, 2018.

Attachment
mjs
08/01/2018
Allison Parkinson
School Principal
Discovery Elementary
3300 43rd Ave S.
Grand Forks, ND 58201

Dear Mrs. Parkinson,

Please accept this letter as formal notice of my resignation from my position as the school counselor at Discovery Elementary effective immediately.

My husband has recently learned that he will have an opportunity to work overseas as a helicopter flight instructor. As of right now we are not sure of the exact date we will be leaving, but knowing that I will not be able to finish the school year as Discovery’s school counselor has lead me to the difficult decision not to sign my contract for the upcoming year. I believe this is the best decision for the students and staff at Discovery, because this is will allow the new school counselor to begin at the start of the school year and avoid the difficulty of filling the position during the year. In order to make the transition as smooth as possible I am happy to assist however I can, so please do not hesitate to contact me with questions.

This was not an easy choice as I have enjoyed my time building the school counseling program at Discovery and working with the amazing students and staff over the last three years. I have also enjoyed the valuable opportunity to be a part of the incredible efforts of the district school counselors. Thank you for the opportunity to serve in the Grand Forks Public Schools, and I wish you the best of luck in the future! Keep blazing the trail to greatness!

Sincerely,

[Signature]

Katrina Brekke
11 Aug 2018

To Whom it May Concern:

Please accept this letter as my official resignation from Grand Forks Public Schools. I have enjoyed my time with the school district.

Respectfully Submitted,

[Signature]

Steve Lyman
August 2, 2018

Grand Forks Public Schools
2400 47th Ave. S.
Grand Forks, ND 58201

To whom it may concern,

I would like to inform you of my intention to resign from 60% of my teaching position with Grand Forks Public Schools. I will remain under contract at 40% time for the 2018-2019 school year.

Please let me know what assistance you will need from me during the transition period.

Thank you,

Stephanie Sevigny

[Signature]
MEMORANDUM

TO: Grand Forks School Board
FROM: Dr. Terry Brenner, Superintendent of Schools
SUBJECT: First Reading of Policies 8100, 8110, 8111, 8120, 8340, and 8507
DATE: August 20, 2018

The 8000 Series Policy Review Committee met on August 6 and completed its review of the following policies. Committee members are Amber Flynn, Eric Lunn, Dr. Terry Brenner, and Tracy Jentz. Branden Shepperd attended as the GFAFB School Board liaison pending appointment by that board. Ed Gerhardt also attended the meeting. A copy of the meeting minutes is attached. Proposed changes are indicated by striking through the text when deleting it and underlining and using red ink when it is being added. Copies of the policies are attached for your review and the rationale behind each policy’s review is explained below.

Policy 8100 - Time, Place and Notice
- Added language to reflect the rescheduling of a meeting when it will not be held on the second Monday of the month.
- Deleted superfluous language “if needed” because the word “may” already allows for the scheduling of a second regular meeting if it is needed.

Policy 8110 - Number of Members, Terms of Office, and Procedure for Notification of Candidacy
- Added minor language changes.
- Deleted the election schedule of names and terms.

Policy 8111 - Student Member of the School Board
- This is a new policy that reflects administrative perspective of symbolically having a student at the school board table.

Policy 8120 - Steps in Filling a Board Vacancy
- Added language to clarify the voting procedure when filling a school board vacancy.
- Deleted language that becomes obsolete once the new language is adopted.

Policy 8340 - Retirement
- Deleted language to reflect current practice.
Policy 8507 - Construction of the Agenda, Agenda, Communications, Actions
  ➢ Added minor language changes and language to reflect current practice.
  ➢ Deleted language to reflect current practice.

Administrative recommendation is to approve the first reading of Policies 8100, 8110, 8111, 8120, 8340, and 8507 as recommended by the 8000 Series Policy Review Committee and Administration.

cj
Attachments
GRAND FORK SCHOOL BOARD
8000 SERIES POLICY REVIEW COMMITTEE
GRAND FORKS PUBLIC SCHOOL DISTRICT #1
MEETING MINUTES
August 6, 2018

The 8000 Series Policy Review Committee met on Monday, August 6, 2018, at the Mark Sanford Education Center with Dr. Terry Brenner presiding.

Committee Members Present: Amber Flynn, Eric Lunn, Branden Shepperd, Dr. Terry Brenner and Tracy Jentz. Committee Members Absent: None.

Others Present: Ed Gerhardt, Business Manager and Cindy Johnson, Executive Secretary.

Call to Order. The meeting was called to order at 5:17 p.m.

Review of School Board Policies. The following policies were reviewed:

- Policy 8100 - Organization; Time, Place and Notice; Special Meetings; Notification to Members; Work Sessions; Executive Sessions; Meetings; Summary of Statutory Notice Requirements
- Policy 8110 - Number of Members, Terms of Office, and Procedure for Notification of Candidacy
- Policy 8111 - Student Member of the School Board
- Policy 8120 - Steps in Filling a Board Vacancy
- Policy 8340 - Retirement
- Policy 8507 - Construction of the Agenda; Agenda; Communications; Actions; Roll Call Votes

Dr. Brenner explained that proposed Policy 8111 was new and goes back to his perspective of symbolically having a student at the school board table. Proposed changes to Policies 8100, 8110, 8120, 8340, and 8507 were language changes to reflect current practice, or in the case of Policy 8120, suggested practice.

The committee recommended additional changes to proposed Policies 8111, 8120, and 8340. The changes will be made and forwarded to the school board for consideration.

Adjournment. There being no further business, the meeting adjourned at 5:58 p.m.
Policy 8100

Organization
The corporate name of this school district is Grand Forks Public School District #1. The board, at its first regular meeting in July of each year, will be organized by administering the oath of office to the newly elected members and electing a president and vice president.

Time, Place and Notice
Regular meetings of the board will be held on the second Monday of each calendar month unless rescheduling is necessary as determined by the school board at such place within the district as may be designated in the notice of such meeting.

A second regular meeting, if needed, may be held each calendar month at such place and time as will be designated in the notice of meeting.

Notice should contain the date, time and location of the meeting, and where practicable, the topics to be considered. Lack of an agenda in the notice or a departure from or addition to an agenda does not affect the validity of the meeting or actions taken. The notice must contain the general subject matter of any executive session expected to be held during the meeting. See N.D.C.C. 44-04-20(2) for telephone or videoconference requirements.

Special Meetings
Special meetings may be held at any time upon the call of the president or any two or more members of the board. Only that business for which the special meeting was called and included in the notice may be considered at such special meetings. (44-04-20(6))

Notification to Members
Written notice of a regular or special meeting will be given to each member of the board. The board recognizes that, on occasion, meetings need to be called on short notice. On those occasions, the president and/or superintendent will notify board members, the official newspaper and media representatives who have requested notice in the most expedient manner. (44-04-20(6))

Work Sessions
The School Board may, from time to time, meet in work sessions or extended work sessions at a time and place conducive to in-depth discussion of the policies and goals of the District. All such meetings shall be open to the public and subject to the same notice requirements as any other meeting of the board.

Executive Sessions
Executive sessions of the School Board and committees to which the board has delegated authority are permitted only as specifically provided by law. This includes the non-renewal or discharge hearing of a teacher as defined by law, consultation with the district's attorney concerning reasonable predictable litigation, the discussion of a student's educational records that are protected by the Family Educational Rights and Privacy Act, instructions to individuals who are negotiating on behalf of the Board and committees considering matters for which executive sessions are authorized.

Meetings
All meetings of the school board and any group of two or more persons acting collectively pursuant to authority delegated by the board, with the exception of those permitted to be held in executive session by North Dakota law, will be open to the public.

Summary of Statutory Notice Requirements
Public notice must be given in advance of meetings of the school board and any group of two or more persons acting collectively pursuant to authority delegated by the board. Notice shall be filed with the county auditor, posted at the main office of the school board, posted at the location of the meeting on the day of the meeting, provided to anyone requesting such information and, in the case of special meetings, notice must also be provided to the official newspaper of the district.

Adopted 6-4-68
Amended 2-11-97, 2-24-98, 2-8-00, 2-13-01, 2-11-02, 1-27-03, 2-9-04, 9-26-05, 11-26-07, xx-xx-xx
Legal Reference: NDCC 15.1-09-30; NDCC 15.1-09-27; NDCC 15.1-09-28; NDCC 15.1-09-33; NDCC Ch. 44-04; NDAG Opinion 2007-O-13
# Policy 8110

## Number of Members, Terms of Office, and Procedure for Notification of Candidacy

The Grand Forks School Board consists of nine (9) members, elected at large on the second Tuesday of June in each even-numbered year. Members take office at the first initial school board meeting in July.

Persons elected to the school board must be of legal voting age, residents of the school district, and citizens of the United States.

All school board members shall be elected in even-numbered years for terms of four years each, with four members being elected in one even-numbered year and five members being elected in the alternate even-numbered year, except when the member is completing the unexpired term of another. The term of an individual selected by appointment or special election to fill a vacancy extends until a successor is elected and qualified at the next annual election.

The following is the election schedule:

<table>
<thead>
<tr>
<th>Board Position</th>
<th>Current Member</th>
<th>Current Term Ends</th>
<th>2016 Election</th>
<th>2018 Election</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Vicki Eriksen</td>
<td>2016</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Ward K. Johnson</td>
<td>2016</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Eric Lunn</td>
<td>2016</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>4</td>
<td>Bill Palmisene</td>
<td>2016</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>5</td>
<td>Eric Busin</td>
<td>2018</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>6</td>
<td>Douglas C. Carpenter</td>
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<td>Dane J. Ferguson</td>
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<td>Rebecca Grandstrand</td>
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<td>Meggen Sande</td>
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Adopted 6-4-68
Amended 2-11-97, 2-13-01, 1-27-03, 1-24-05, 10-23-06, 3-11-09, 4-11-11, 6-10-13, 10-13-14, XX-XX-XX
Legal Reference: NDCC 15.1-09-01; NDCC 15.1-09-02; NDCC 15.1-09-03; NDCC 15.1-09-05
Policy 8111

Student Member of the School Board

Up to two students may be appointed to serve on the Board as a representative for the student body to better facilitate communication between the Board and the students, to increase awareness of the democratic process within the District, and to improve the opportunity for participation in the decision-making process.

The student member(s) of the Board shall:

- Be a regularly enrolled junior or senior student of good character and in good standing at Grand Forks Public Schools and abide by NDHSAA guidelines.
- Be nominated by the school principal and be appointed by the superintendent and school board president of Grand Forks Public Schools.
- Be seated at the Board table at all meetings.
- Be an advisor to the Board and shall not have a vote.
- Serve a one-year term, starting July 1 and ending June 30.
- Be bound by all rules and regulations within law which bind the Board.
- Not be furnished with sensitive materials/information pertaining to personnel matters, legal action, negotiation strategy, land acquisition, individual student discipline/family matter, or other confidential data.
- Not receive any payment, compensation, per diem payments, or expense reimbursements for School Board service.
- Have the ability to submit an agenda item for future consideration.
- Have the opportunity to speak to agenda items on which they have knowledge to provide input.
- Not attend executive sessions of the Board.

The School Board reserves the right to control/correct the student representative if the student's actions or comments are out of order or not in keeping with the Board's rules and processes.

The Superintendent and/or School Board President shall have the ability to discontinue student membership on the Board.

The student representative shall be installed on the Board through the following Oath of Office:

"I do solemnly swear, that I will support the Constitution of the United States and the Constitution of the State of North Dakota, and that I will faithfully discharge the duties of Student Representative to the School Board of Grand Forks Public School District #1 according to the best of my ability, so help me God."

Adopted [insert date]
Policy 8120

STEPS in Filling a Board Vacancy

Step 1 - When a vacancy on the school board occurs, the business manager of a school district shall notify the county superintendent that a vacancy exists on the school board. The board will make public announcement of such vacancy and request that individuals interested in being considered for board service apply at the school board business office. The board will establish an application period which will be no less than two and no more than four six weeks, and will have clearly stated beginning and closing dates.

Step 2 - Interested individuals will complete an “application to be considered.” The completed applications will be supplied to each board member. Applicants will be invited to attend the school board meeting at which the appointment would be made.

Step 3 - At a school board meeting, the business office manager will report all applicants by name. Applicants may make a statement to the school board if they choose. School board members may discuss application information with an applicant at the same school board meeting.

Step 4 - If the number of applicants exceeds three there are more than two applicants, one or more votes will be used to limit the field to three two finalists. Each board member present must vote for three two candidates in this initial process. When the field is limited to three two, another vote or votes will be taken with each board member having only one vote. When any applicant secures a simple majority vote of the quorum, the appointee will have been determined.

A. INITIAL PHASE: Limiting the Field to Three Two Finalists

1. Each board member present will must vote for three two candidates on the first ballot. The three two candidates with the largest number of votes will be advanced to the final phase of voting.

2. If a tie occurs for one of the two finalists on the first ballot, succeeding ballots will be taken until two finalists have been selected. Succeeding ballots will have board members selecting from only the candidates involved in the tie on the previous ballot.

A tie vote could occur for one or more of the top three positions as a result of the first ballot. In that case, succeeding ballots will be taken until the three finalists have been selected. On each ballot, the clear winner(s) [i.e., those who have the highest number of votes and are not involved in the tie for the last position(s) in the top three] will be advanced to the final phase of the process. On each ballot, the candidates receiving fewer votes than those who are tied for the last position(s) in the final three will be eliminated from further consideration. Succeeding ballots will have board members selecting from only the candidates involved in the tie on the previous ballot.

a. If there are no clear winners advanced to the final phase of the process, board members will each vote for three candidates from among the four or more involved in the tie. The clear winner(s) will be advanced to the final phase of the selection process.

b. If one candidate has been advanced to the final phase of the process, board members will each vote for one candidate from among those involved in the tie for the last position in the finals. The clear winner will be advanced to the final phase of the selection process.

B. FINAL PHASE: Selecting the Appointee From Among the Final Three Two Candidates

1. Each board member present will vote for only one candidate from among the three two finalists. When a If any candidate receives a simple majority vote of the quorum, the appointee will have been determined.
2. If neither of the two final candidates finalists receives a simple majority after the third on the first ballot, the board will vote a second and a third ballot, if necessary. After the third ballot with no simple majority, the appointment must be decided by a drawing of names. A candidate involved in a tie vote may withdraw the candidate’s his/her their name from consideration if the candidate is willing to sign a statement to that effect in the presence of the school board.

If none of the three candidates receives a simple majority on the first ballot, the board will vote a second and a third ballot, if necessary. After the third ballot, with no simple majority, the candidate receiving the lowest number of votes would be eliminated (provided there is no tie between the second and third candidates.)

3. Each board member will vote for one candidate from among the two finalists. If any candidate receives a simple majority vote of the quorum, the appointee will have been determined.

4. If neither of the two final candidates receives a simple majority after the third ballot, the appointment must be decided by a drawing of names. A candidate involved in a tie vote may withdraw the candidate’s name from consideration if the candidate is willing to sign a statement to that effect in the presence of the school board.

Adopted 7-8-75
Amended 1/97, 6-10-13, 11-23-15, xx-xx-xx
Legal Reference: NDCC 15.1-09-05, 15.1-09-16
Retirement
Retiring members of the board shall be appropriately recognized and thanked for their service to the schools and community.

Continuing privileges, as may be legally provided them, are to be encouraged and may include, but not be limited to, the following:

1. Complimentary passes to athletic and other school activities.

2. Personal invitations to special public functions of the board.

Adopted 6-4-68
Amended 11-13-90, xx-xx-xx
Policy 8507

Construction of the Agenda
The business conducted by the school board at any regular or special meeting will be restricted to those matters included in the agenda except as provided in this section.

Agenda
Items may be recommended for addition to the agenda during preview of the agenda when the agenda is considered for approval by board members and administrators at the beginning of each regular meeting. Additions will require a majority vote of the board.

Communications
The agenda of every regular meeting will provide for an item titled, "Delegations, Petitions, and Communications Citizens Comments (non-agenda items)." Such communications Citizens’ comments may be presented orally or in writing, subject to the policies and regulations of the board. Action on such items is governed by state law and the provisions of the school board’s policies and regulations.

Actions
Formal action by the school board may be taken on any item on the agenda or on any item initiated by a member of the board or the superintendent by whatever majority vote is required by the board or by statute. Action on items initiated by persons other than a board member or administrator will use the following procedure:

A. An appointment to meet with the board must be established at least one week in advance of the meeting.
B. Questions and problems must be submitted in writing at the time of the request for an appointment.
C. Delegates shall indicate whom they represent and shall be asked to comment on their questions or problems.
D. The board will take questions and problems under advisement and issue responses after due deliberation, usually at the next meeting.
E. In cases of emergency, of which the superintendent and/or board shall be the judge, stipulations concerning prior conferences and appointments may be dispensed with by unanimous vote of the board members present.

Roll Call Votes
All non-procedural votes will be recorded roll call votes with the vote of each member being made public at all meetings except executive sessions. The chair may "assume a roll call vote" on all motions which are unanimously approved. Whenever a dissenting vote is cast on a non-procedural matter, the school board secretary will call the roll and record the votes of each member present. All board members are expected to vote on all matters requiring formal action, there being no provision in North Dakota law for school board members to abstain from voting.

Adopted 6-4-68
Amended 11-30-90, 2-9-04, xx-xx-xx.
MEMORANDUM

TO: Grand Forks School Board
FROM: Dr. Terry Brenner, Superintendent of Schools
SUBJECT: First Reading of Policy 3200
DATE: August 20, 2018

The 3000 Series Policy Review Committee met on August 9 and completed its review of the following policies. Committee members are Doug Carpenter, Bill Palmiscno, Terry Brenner, Ed Gerhardt, and Michelle Emineth. A copy of the meeting minutes is attached. Proposed changes are indicated by striking through the text when deleting it and underlining and using red ink when it is being added. Copies of the policies are attached for your review and the rationale behind each policy’s review is explained below.

Policy 3200 - Advertising

➢ This is a new policy that reflects administration’s desire to find a revenue stream aside from taxpayer dollars to support some costs of the school system such as mass communication tools, printing costs for marketing materials, staff recognition programs, etc.

Policy 3211 - Sponsorship Rights of District Programs

➢ This policy would be rescinded, as it would become obsolete once the new advertising policy is adopted.

Administrative recommendation is to approve the first reading of Policy 3200 as recommended by the 3000 Series Policy Review Committee and Administration.

cj
Attachments
The 3000 Series Policy Review Committee met on Thursday, August 9, 2018, at the Mark Sanford Education Center with Dr. Terry Brenner presiding.

Committee Members Present: Doug Carpenter, Bill Palmisano, Terry Brenner, Ed Gerhardt, and Michelle Emineth.

Committee Members Absent: GFAFB School Board Liaison.

Others Present: Tracy Jentz, Communications and Community Engagement Coordinator, and Cindy Johnson, Executive Secretary.

Call to Order. The meeting was called to order at 12:00 p.m.

Review of School Board Policies. The following policies were reviewed:

- Policy 3200 - Advertising
- Policy 3211 - Sponsorship Rights of District Programs

Dr. Brenner explained that proposed Policy 3200 is new and an attempt to find a revenue stream aside from taxpayer dollars to support some costs of the school system such as mass communication tools, printing costs for marketing materials, staff recognition programs, etc.

The committee discussed the possibility of expanding to athletics, and if so, to be aware of the PTOs and Booster Clubs so as to not take away from their revenues. Palmisano shared the Park District's experience with their sponsorship program and rules regarding signage that was appropriate for kids.

Jentz shared the successful experience of a school district in Texas that is comparable in size and demographics to GFPS. Jentz also noted that much of what is described in this policy was taken from best practices across the country.

Jentz shared a personal goal that advertising dollars might also be used to fund school supplies in the future.

Palmisano suggested it could also be used to help fund classroom supplies for the teachers or student passes, which would spread the benefit to all students.

Discussion continued on whether the sponsorships were generally based on benevolence or advertising.

Emineth explained that sponsorships based on benevolence (donations) generally needed to be tracked to ensure they are being spent as intended and then receipted. As in the case of SPA, their donations are managed through the Foundation for Education. Through the Foundation, a contribution letter becomes a routine, annual communication, and the Foundation does the tax letters. She pointed out that donors will want some type of letter acknowledging a donation versus advertising.

It was moved by Carpenter and seconded by Palmisano to forward the proposed Policy 3200 to the school board with a recommendation for approval. Palmisano requested a summary letter that explains the intent and purpose of the policy is included. Motion carried unanimously.

With the adoption of Policy 3200, it is proposed that the current sponsorship policy (3211) be rescinded.

It was moved by Carpenter and seconded by Palmisano to forward the proposal to rescind Policy 3211 to the school board with a recommendation for approval. Motion carried unanimously.

Adjournment. There being no further business, the meeting adjourned at 12:53 p.m.

APPROVED ____________________________

(Date)

Dr. Terry Brenner, Chair
This proposed policy is new.

Policy 3200

Advertising

The purpose of this policy is to provide guidelines for the advertising or promoting of products or services in a manner that is supportive of Grand Forks Public Schools' overall mission. The school system recognizes that public schools provide a potential market for commercial activities. However, it is important that the school system protects students, employees, and all stakeholders from exploitation and ensures commercial activities do not interfere with the educational program.

Advertising shall be accepted solely for the purpose of generating revenue for Grand Forks Public Schools and not for the purpose of establishing a forum for communication. The aim of advertisements is to help defray some costs of the school system (mass communication tools, printing costs for marketing materials, staff recognition programs, etc.) as part of our efforts to continue to be environmentally friendly, embrace innovative technology, and maintain fiscal responsibility.

The name, facilities, employees, students, families, or any part of Grand Forks Public Schools shall not be used for advertising or promoting the interests of a commercial or nonprofit agency or organization except as set forth below and with prior approval of the Superintendent and/or their designee.

For the purposes of this policy, “advertising” is an oral, written, or graphic communication designed to attract attention, patronage by the school community, and communicated through means under the control of Grand Forks Public Schools in exchange for monetary consideration to Grand Forks Public Schools. “Advertising” does not include public recognition of donors or sponsors who have made contributions, financial or otherwise, to Grand Forks Public Schools or support organizations of its schools.

Advertisement includes, but is not limited to:

- Signage;
- Announcements using communication equipment;
- Distribution through technology;
- Or other distribution of information regarding products or services available or for sale.

Except as authorized above, all other types of materials are prohibited and shall not be distributed.

All advertising or related activity must be consistent with the district’s mission, goals, and policies. Minimally, advertisement on Grand Forks Public Schools’ property or at any school system events may not include information or materials that:

1. Are inconsistent with the educational objectives of the school district and/or undermines Grand Forks Public Schools’ curriculum;
2. Are obscene to minors;
3. Are libelous, false, misleading, or deceptive;
4. Are indecent or vulgar or contain any indecent or vulgar language or imagery;
5. Contain personal attacks or abusive language such as language defaming or discriminating a person’s character, gender, age, race, religion, ethnic or national origin, disability, or any other legally protected classification;
6. Invades the privacy of others;

Mission Statement:
Grand Forks Public Schools will provide an environment of educational excellence that engages all learners to develop their maximum potential for community and global success.
7. Infringes on another’s copyright or other intellectual property rights;
8. Advertise any product or service not permitted to minors by law (examples include alcohol, tobacco, vaping, drugs, drug paraphernalia, weapons);
9. Constitute insulting or fighting words, the very expression of which injures or harasses other people;
10. Could cause or clearly threaten to cause, either because of their content or their manner of distribution, a material and substantial disruption of the proper and orderly operation and discipline of the school or school activities or will cause the commission of unlawful acts or the violation of lawful school procedures;
11. Promote any specific religion or religious, ethnic, or racial group and shall be non-proselytizing;
12. Contain a campaign or other political message supporting or opposing a political candidate for public office, a political platform, or a political issue. This does not include objective information from the school system about a ballot proposition, such as a bond;
13. Advocates or promotes a violation of existing laws, regulations, ordinances, policies, and/or rules;
14. Are direct solicitations, as employees and students shall not be solicited during school hours;
15. Collect employee or student data (including, but not limited to name, telephone number, email address, etc.).

Aside from homework and other curriculum-related materials, schools are permitted to distribute to their students: district and school newsletters; materials containing Grand Forks Public Schools and school news, programs, activities, and events; appropriate and approved Parent-Teacher Organization (PTO) and/or Booster Club literature; material concerning the district’s community education program; material from the Grand Forks Foundation for Education; material concerning authorized business partnerships, programs, and/or fundraisers.

**Process**

All individuals/businesses that wish to advertise through Grand Forks Public Schools shall enter into a written agreement to secure the rights and address necessary terms of agreement.

The following guidelines shall apply for sponsorships, contracts, and other promotional agreements proposed to Grand Forks Public Schools. As used herein, the terms “contract” and “agreement” have the same meaning and are defined below:

1. Prior approval by the Grand Forks School Board (as used herein, “Board”) shall be required for any agreement so that it provides for:
   a. Exclusive rights;
   b. A duration in excess of two years; and/or
   c. An indicated value in excess of $20,000.

Such agreements shall be of no force and effect until approved by the Board.

2. Agreements specified at item 1 above may be, and all other agreements shall be, executed on “form” contracts. These proposed agreements shall be reviewed and, unless approval by the Board is required, may be approved by the Superintendent and/or their designee. If in the opinion of the Superintendent and/or their designee, the agreement requires legal review, such review shall be obtained prior to the execution of the contract. The signature of legal counsel reviewing the proposed agreement shall be on the agreement prior to its execution by the Superintendent and/or their designee.

3. Unless prepared on “form” contracts previously approved by the Board, all proposed agreements described at item 1 above shall be sent to the District’s attorney for legal review prior to submission to the Board for consideration.

**Mission Statement:**

Grand Forks Public Schools will provide an environment of educational excellence that engages all learners to develop their maximum potential for community and global success.
4. All requests and agreements shall be in writing. Grand Forks Public Schools shall not be bound by any oral agreement.

5. Only the Superintendent and/or their designee shall have authority to bind Grand Forks Public Schools to any agreement. For the purposes of this policy, "agreement" shall be defined as any contract, understanding, arrangement, agreement, deal, or otherwise, whether written or oral, by or between any individual, group, or organization employed by and/or affiliated in any way with Grand Forks Public Schools, and any individual, group, organization, or entity of any character, charitable, nonprofit, or for-profit, that involves any property or property rights of Grand Forks Public Schools. Property rights include real or personal, tangible or intangible, including, but not limited to:
   a. Advertising;
   b. Use of logo;
   c. Use or occupancy of, or access to, physical facilities;
   d. Access to students and/or their families or employees and/or their families either in person, or by written communication or electronic and telecommunications;
   e. Taping, filming, photographic, audio or video recording, and/or broadcasting of any activity or event and that entails a promise, obligation, or commitment of Grand Forks Public Schools and/or any person, organization, or other group or entity affiliated with Grand Forks Public Schools, to any course of action or inaction in exchange for any consideration whatsoever, irrespective of whether the consideration is money, goods, services, discounts, exclusivity, or otherwise.

Grand Forks Public Schools may:
- Accept or solicit advertising for use on the district's technology (examples include website, district newsletter, mobile application) and facilities used for extracurricular activities at the discretion of the Superintendent and/or their designee. Any such advertising will be limited to the name (brand name and/or trade name), location or place of business, phone number, website address, and/or logo of the advertiser;
- Accept or solicit advertising on extracurricular activity schedules, programs, newspapers, yearbooks, or other district-sponsored publications at the discretion of the Superintendent and/or their designee who will work with school administrators. Advertising generally will be limited to the name, address, phone number, website address, and/or logo of the advertiser.

Grand Forks Public Schools shall:
- Retain final editorial authority to accept or reject submitted advertisements in a manner consistent with the First Amendment;
- Retain the authority to determine the size and location of any advertising;
- Reserve the right to reject advertising that is inconsistent with federal or state law, Board policy, District or school regulations, or curriculum, as well as any content Grand Forks Public Schools determines has a reasonable likelihood of exposing the District to controversy, litigation, or disruption.

The Superintendent and/or their designee:
- Must respond within 30 working days to a request. There is no recourse to reconsider a denied request;
- Is responsible for maintaining the following records: list of advertisers, including their name and address; date of the contract agreement; location of the advertisement; signed contract; list of benefits received, including dollar amounts; information on denied requests, including rationale;

Mission Statement:
Grand Forks Public Schools will provide an environment of educational excellence that engages all learners to develop their maximum potential for community and global success.
- Can terminate the contract on a prorated basis if it is determined by the system to have an adverse impact on the district's image, reputation, programs, services, or activities.

Advertisers shall submit all plans and material specifications for review and approval prior to installation. Only professionals approved by the Superintendent and/or their designee will be permitted to oversee this installation.

Unless otherwise noted, an advertising contract shall not have a term greater than two (2) years or provide for automatic renewals or extensions.

This policy is not intended to limit the use of district resources or forums by district employees to distribute district-sponsored information or advertisements. District-sponsored groups may distribute advertisement to employees and students as determined appropriate by the Superintendent and/or their designee.

Grand Forks Public Schools' interschool mail and employee mailboxes are reserved for communication between employees regarding district business or for distribution of district-sponsored advertisement.

Advertising revenues must be accounted for, and all proceeds from the sale of advertising will be deposited into a designated fund upon collection. A periodic report shall be made to the Board by the Superintendent regarding the scope and amount of such revenues.

No advertising arrangement shall result in any direct pecuniary benefit to any district employee, Board member, or business with which they are associated.

Acceptance of advertising shall not constitute approval or endorsement of any product, service, organization, or activity referenced in the advertising. nor shall acceptance of advertising from a vendor determine whether Grand Forks Public Schools will purchase goods or services from the vendor through the District's formal procurement process.

Additionally, the use of the school district's name, logo and/or a school's name, logo by a third party requires written permission by the Communications and Community Engagement Office.

**Donations**

Donations do not create sponsorship, and donors may not be said to have "sponsored" any school event, program, activity, etc. Donating does not create an exception to the advertising restrictions outlined in this policy, and Superintendent and/or their designee should reject donations that do more to advertise a business or product than provide for the needs of the school system.

The school district or a school may acknowledge a donation it has received from an organization by displaying a "donated by," "sponsored in part by," or a similar by-line with the organization’s name and/or symbol. District/School administrators may choose to recognize donations by briefly announcing the name of the donor at an assembly or activity. No assembly or activity should be held for the sole purpose of recognizing donations, and donors should not be said to have "sponsored" any school activity or event.

This policy must also be administered in compliance with the Facility Rental Agreement, Acceptable Use Policy, all Grand Forks School Board policies, and with the district's wellness policy and procedures.

*Policy Adopted xx-xx-xx*

*Legal Reference: NDCC 15.1-06-15*
Policy 3211

Sponsorship Rights of District Programs
The school board may elect to permit sponsorship rights to certain programs of the district. Examples of these programs may include Summer Performing Arts, athletic events, and regular school year music and drama events.

The board will not approve sponsorships that promote tobacco or alcohol products.

Sponsorship bids and procedures will be reviewed annually by a committee of the board.

Adopted: 10-10-95
Amended: 10-28-02

(The Sponsorship Request Form is found on the next page.)

This policy is proposed to be rescinded.
SPONSORSHIP REQUEST FORM (Policy 3211)

Date: __________________________

Fill in the necessary information below and turn it in to your building principal. This request must be submitted at least 20 school days before the beginning date.

Organization: __________________________
Advisor: __________________________

Type of Sponsorship: __________________________

Beginning Date: __________________________ Ending Date: __________________________

Describe Sponsorship Program: __________________________

Estimated value of sponsorship: __________________________

Additional information: __________________________

Approved _______ Signed: __________________________
Disapproved _______ Principal: __________________________ Date: __________________________

DISTRICT COMMITTEE APPROVAL:

Approved _______ Disapproved _______

By: __________________________ Date: __________________________
MEMORANDUM

To: Dr. Terry Brenner

From: Ed Gerhardt, Business Manager

RE: Finance Committee Meeting – August 9, 2018

Date: August 20, 2018

The Finance Committee met on Thursday, August 9, 2018 and discussed the following topics:

Fire Thorn LLC Tax Increment Financing Assistance Application – Todd Feland and Ryan Brooks from the City of Grand Forks were present to explain the purpose of the Local Government Advisory Committee and the Tax Increment Financing Application submitted by Pure Development for the proposed construction project at the corner of 5th St and Demers Ave. There will be a formal hearing on the application at the September 10th School Board meeting at which time representatives from the City will be available to answer questions.

Update on the fiscal year 2017-2018 financial results – Although the figures have not yet been finalized, the preliminary numbers show a better than anticipated outcome for the year.

Discussion of the fiscal year 2018-2019 budget and tax levy including 3 mills for a special reserve fund - Preliminary information on estimated revenue and expenditures for FY 18-19 were provided to the committee and members discussed the proposed new 3 mill levy for a Special Reserve Fund. The committee voted to recommend to the full board that the District not include the additional 3 mills when the final budget is certified to the County Auditor following the required public hearing at the September 10th School Board meeting.
NOTICE OF COMMITTEE MEETING

The Grand Forks Public Schools School Board
Finance Committee
will meet on Thursday, August 9, 2018, at 6:30 p.m.
at the Mark Sanford Education Center
2400 47th Avenue South, Grand Forks

Agenda Topic(s):

1. Call to Order
2. Approval of Minutes (May 30, 2018)
3. Fire Thorn LLC Tax Increment Financing Assistance Application
4. Update on FY17-18 Financial Results
5. Discussion of FY18-19 Budget and Tax Levy Including Three (3) Mills for Special Reserve Fund
6. Adjourn

Providing Equal Opportunities in Education and Employment
GRAND FORKS SCHOOL BOARD
FINANCE COMMITTEE
GRAND FORKS PUBLIC SCHOOL DISTRICT #1
MEETING MINUTES
August 9, 2018

A meeting of the Grand Forks School Board Finance Committee was held on Thursday, August 9, 2018, at the Mark Sanford Education Center with Dr. Terry Brenner presiding.

Committee Members Present: Doug Carpenter, Bill Palmiscno, Matt Spivey, Terry Brenner, Ed Gerhardt, and Catherine Gillach.

Committee Members Absent: Amber Flynn, GFAFB School Board Liaison, and Jody Thompson.

Others Present: Todd Feland, City of Grand Forks City Administrator, Ryan Brooks, City of Grand Forks Deputy City Planner, and Cindy Johnson (meeting secretary).

Call to Order. The meeting was called to order at 6:26 p.m.

Approval of Minutes. It was moved by Spivey and seconded by Carpenter to approve the minutes of May 30, 2018, as written. Motion carried with all voting committee members present voting aye. Absent: Flynn.

Fire Thorn LCC Tax Increment Financing Assistance Application. Feland gave an overview about why the Local Government Advisory Committee was established, tax incentives available the City may apply to local projects, and affordable housing and market rate housing financing options through the State of ND. For this project, the developer was able to get 25 apartments at an affordable rate and 25 apartments at market rate. The original application was for 100% tax increment financing for 15 years. Feland explained that the project was reviewed by a third-party financial analyst. It was determined that 80% tax increment financing for 15 years was justified.

Feland and Brooks spoke about other upcoming projects in the downtown area that would create a healthier downtown and a more vibrant community and that the school board could see additional applications come before them, but they would all be different. They talked about the benefit the school district would receive with a new parking lot if this project was completed. They suggested the project could be at risk without approval of the tax increment financing application at the requested rate and length of time.

Spivey commented that the District would lose more if the project did not go through than if it did.

Palmiscno commented that the cost for the district to renovate the parking lot could be $200,000-$300,000. The proposed project would not add cost to the District.

Discussion was held on the 30-day timeline for the school district to respond to the City. The school board plans to discuss the application at its August 20 meeting and take action at its September 10 meeting. Brooks pointed out that the printed timeline indicated a deadline of September 10 for the school district to notify the City that they will not participate. No notification would be presumed as agreement.

It was moved by Carpenter and seconded by Palmiscno to recommend to the school board that the application for tax increment financing be approved at 80% for 15 years. Motion carried with all voting committee members present voting aye. Absent: Flynn.

Update on FY17-18 Financial Results. Gerhardt provided an update on the general fund as of June 30. It is still preliminary until the audit is complete. Currently, budgeted revenues continue to be less than budgeted expenditures, and actual expenditures are under budgeted expenditures.

Discussion of FY18-19 Budget and Tax Levy Including Three (3) Mills for Special Reserve Fund. Gerhardt provided preliminary budget information for fiscal year 2018-2019 and reported that he would have numbers that are more accurate when employee settlements are finalized. He also provided preliminary information on property tax estimates and budget information for the Building Fund and Special Assessment Fund for fiscal year 2018-2019.

Discussion was held on the proposed three mills for a special reserve fund. Gerhardt provided copies of state law regarding the same. Committee members discussed allowed uses of
the fund and timing for it to be levied. Some thought the Board should wait and see what the Legislature does in the next session. Public sentiment was also discussed.

Gerhardt pointed out that the levy approved at the August 6th Board meeting has been reported to the County auditor and cannot be undone before the September 10 public hearing on the budget. October 10 is the final deadline to certify the tax levy to the County Auditor.

It was moved by Palmiscno and seconded by Spivey to recommend to the school board not to levy for a special reserve fund in 2018-2019. Motion carried with all voting committee members present voting aye. Absent: Flynn.

Adjourn. The meeting adjourned at 7:41 p.m.

APPROVED

(Date)

Dr. Terry Brenner, Committee Chair
City of Grand Forks
Staff Report
Local Government Advisory Committee: July 30, 2018
City Council: August 6, 2018
City Council: September 17, 2018

Matter of: PURE DEVELOPMENT TIF APPLICATION (#2018-1)

Submitted by: Todd Feland, City Administrator
Prepared by: Meredith Richards, Community Development Deputy Director
             Ryan Brooks, Deputy City Planner
             Maureen Storstad, Finance Director
             Paul Houdek, City Assessor

Staff Recommended Action to Local Government Advisory Committee: Approve an 80% tax increment exemption for 15 years for the subject project.

Local Government Advisory Committee Recommended Action: Approved Staff Recommended Action.

Staff Recommended Action to City Council: Approve an 80% tax increment exemption for 15 years; send certified letter to Grand Forks School District and Grand Forks County per State law and include Grand Forks Park District; and set the public hearing date for City Council on September 17, 2018 with review and approval of the City Attorney.

City Council Action:

BACKGROUND:

The City of Grand Forks revised its tax incentive policy in February 2018. The request for Tax Increment Financing (TIF) assistance for the Pure Development project is the first TIF application received under the updated policy and application process.

On May 7, 2018, City Council reviewed a TIF pre-application from Fire Thorn, LLC, for Pure Development, a mixed-used project at North 5th Street and Demers. The project will contain 25 market-rate and 25 affordable residential rental units, a Hugo's grocery store, and an Alerus Financial drive-up branch (plus surface and underground parking). Fire Thorn principals are Kevin Ritterman (Dakota Commercial) and Craig Tweten (Community Contractors).

Based on the pre-application, City Council invited a full TIF application, which was submitted on June 5. That application requested a 100 percent TIF exemption for 15 years. Analysis of that application by staff from Springsted, a Minneapolis-based financial analyst and the City's
bond consultant, supported an 80 percent exemption for 15 years. In summary, Springsted's
review recommended that the project had sufficient resources for construction so no upfront TIF
assistance was needed; however, TIF assistance in the form of a partial exemption would be
necessary to maintain the long-term reduced rents in the 25 affordable units and sufficient debt
service coverage. The response of Fire Thorn’s principals to this recommendation was that their
project could move forward with an 80 percent exemption over 15 years.

The Local Government Advisory Committee met on July 30, 2018 and recommended approval
of the project. This item now comes before the City Council for preliminary approval and to set a
public hearing date for September 17, 2018.

FINDINGS AND ANALYSIS:

- Third party analysis of the Pure Development project found that the project had sufficient
resources for construction so no upfront TIF assistance was needed; however, TIF assistance
in the form of a partial exemption would be necessary to maintain the long-term reduced
rents in the 25 affordable units and sufficient debt service coverage.
- With the recommended 80 percent exemption, the project would generate a debt coverage
ratio of approximately 1.2, which Springsted considers appropriate for a project of this type.
- Fire Thorn principals have stated that the project would move forward subject to approval of
an 80% exemption over 15 years; however, this is the minimum assistance necessary for the
project to proceed.
- Real estate taxes on this site are now approximately $14,000/year based on the property’s
current value of $881,700. This amount is NOT subject to exemption; only value created by
the new project in excess of this amount (the increment) is eligible for exemption. Per the
TIF application, development costs for this project are estimated at $10.5 million. Assuming
the value of the property upon completion is $7.8 million, it would generate approximately
$117,000/year in property taxes. Thus a maximum of $103,000/year ($117,000 - $14,000) is
subject to TIF exemption.
- This project supports the three pillars of Gov. Doug Burgum’s and Grand Forks’ Main Street
Initiative — Smart, Efficient Infrastructure; Healthy, Vibrant Communities; 21st Century
Workforce. It further serves a public purpose via development of underutilized properties,
supporting expanded housing opportunities to include affordable housing, growing Grand
Forks’ tax base without additional infrastructure and service costs, and creating quality jobs.
- The Grand Forks 2018 distribution breakdown of property taxes is as follows:
  City of Grand Forks – 31.3%
  Grand Forks School District – 31.0%
  Grand Forks County – 24.7%
  Grand Forks Park District – 12.4%
  State Levy (Garrison Diversion) – 0.6%
- If the City Council, County Commission and School Board authorize a TIF exemption for
this project, the City Attorney will develop a Tax Increment Agreement and supporting
documents.
- The project will be subject to standard City review and approvals in terms of site plan,
building permits, platting, and related planning and development requirements.

SUPPORT MATERIALS:
- Proposed Timeline – Pure Development – TIF #2018-1
- Pure Development TIF Application (confidential materials are available to Committee
members upon request)
• Local Government Advisory Committee Agenda – July 30, 2018
• Local Government Advisory Committee Meeting Notes – July 30, 2018
• Local Government Advisory Committee Overview PowerPoint – July 30, 2018
• City of Grand Forks Tax Increment Financing Policy – February 5, 2018
• NDCC 40-05-24
• Memo from Mikaela Huot, Vice President/Consultant with Springsted, Inc. – July 30, 2018
• PowerPoint presentation from Mikaela Huot, Vice President/Consultant with Springsted – July 30, 2018
• PowerPoint presentation from Kevin Ritterman of Dakota Commercial – July 30, 2018
<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>5/7/18</td>
<td>City Council reviews Pure Development pre-application, invites full application</td>
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<tr>
<td>6/5/18</td>
<td>City receives complete application, submits to Springsted for review</td>
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<tr>
<td>Early July</td>
<td>Springsted analysis received, City staff prepares report, schedules LGAC</td>
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<tr>
<td>7/16/18</td>
<td>School Board appoints final LGAC member</td>
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<td>7/30/18</td>
<td>LGAC reviews Pure Development request, makes recommendation</td>
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<td>8/6/18</td>
<td>City Council makes prelim TIF recommendation, sets public hearing date (9/17)</td>
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<td>8/7/18</td>
<td>City sends certified letter to county, school district</td>
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<tr>
<td>8/20/18</td>
<td>School Board hears LGAC/Council recommendation</td>
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<td>8/21/18</td>
<td>County Commission hear LGAC/Council recommendation</td>
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<td>9/4/18</td>
<td>Park Board hears LGAC/Council recommendation</td>
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<tr>
<td>9/10/18</td>
<td>Deadline for School Dist, County to notify City that they will not participate</td>
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<tr>
<td>9/17/18</td>
<td>City Council holds public hearing, acts on TIF – Written findings from City Attorney</td>
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June 5, 2018

Todd Feland
City Administrator
City of Grand Forks

Re: Tax Increment Financing (TIF) Application
The owner entity: Firethorn, LLC
Partners: Kevin Ritterman and Craig Tweten, 50%/50%

Todd,

Please find enclosed exhibits and checklists per your application to include description of our project costs and partnership Firethorn, LLC and its partners along with other LLC information. In addition, a letter of commitment for financing, public assistance and lease intent from our main commercial tenant. You can understand that we are still working through specifics on lease. Our commercial tenants cannot make a business decision as its relates to this development until we have a better understanding of TIF assistance from all taxing authorities.

Firethorn LLC is a new LLC and does not have any current financial statements nor does it have for the last two years. The LLC was created to hold the real estate for this project. The ownership group will provide, if required, financial statements to its third party consultant, but they will not be made public. Firethorn LLC is committed to substantial completion this project by the end of year 2019.

Please review this information and enclosed application. If you have any questions or comments you may contact me at 701-772-3101.

Sincerely,

Kevin Ritterman
City of Grand Forks
Tax Increment Financing Application

Applicant: Fire Thorn, LLC
Primary Contact: Kevin Ritterman
Address: 615 1st Ave N, Ste A, Grand Forks ND 58203
Phone: 701-772-3101 Email: kritterman@dakotacommercial.com
Legal Entity Type: Limited Liability Company

Attorney: Shaft Law Office
Contact: Grant Shaft
Address: 401 Demers Ave, Ste 300, Grand Forks ND 58201
Phone: 701-738-0124 Email: grant@shaftlaw.com

Accountant: Dave Holt - Brady Martz
Contact: Dave Holt
Address: 401 Demers Ave, Ste 300, Grand Forks ND 58201
Phone: 701-775-4685 Email: david.holt@bradymartz.com

Contractor: Community Contractors
Contact: Craig Tweten
Address: 4297 16th Ave N, Grand Forks ND 58203
Phone: 701-772-2111 Email: ctweten@communitycontractorsinc.com

Architect: JLG
Contact: Nicole Washburn
Address: 124 N 3rd St, Grand Forks ND 58203
Phone: 701-746-1727 Email: nwashburn@jlarchitects.com

Engineer: Advanced Engineering - AE2S
Contact: Steve Swanson
Address: 4050 Garden View Dr, Ste 200, Grand Forks ND 58202
Phone: 701-746-8087 Email: steve.swanson@ae2s.com

Lead Lender: Alerus Financial
Contact: Chris Wolf
Address: 401 Demers Ave, Grand Forks ND 58203
Phone: 701-795-3236 Email: chris.wolf@alerus.com
PROJECT INFORMATION

Attach detailed description of proposed project (Exhibit A).

Site Plan Attached? Yes  No

Preliminary Construction Plans Attached? Yes  No

Address of proposed project: 516 Demers Ave, Grand Forks ND 58203

Legal Description: Renewal Resubdivision No. 2, Lot A, Blk B (repleat of Blk B)

Construction Start Date: 9/01/2018

Construction Completion Date: 11/01/2019

Amount of Tax Increment Requested for:

- Land Purchase $890,000.00
- Public Improvement $
- Site Improvement $1,546,454.00

Current Real Estate Taxes on Project Site: $13,903.09

Estimated Real Estate Taxes upon Completion: $117,000.00

PUBLIC PURPOSE

The use of tax increment financing should result in a public benefit. Indicate how this project will serve a public purpose.

☑ It will achieve high quality (re)development and private reinvestment on sites which would not be (re)developed otherwise.

☐ It will remove slum/blight and/or rehabilitate a high-visibility/high-priority site.

☐ It will offset increased costs of infill development (e.g., demolition, site remediation, etc.) over and above the costs normally incurred in “greenfield” development.

☑ It will enhance and diversify the City's economic base.

☑ It will make a meaningful contribution to the City's tax base.

☐ It will retain and/or increase the number and/or diversity of jobs that offer stable employment and/or attractive wages and benefits.

Number of Jobs created/retained by project 50

Average hourly wage of jobs created/retained $22/hr

☐ Other: 
### Sources & Uses

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**Total Sources** $10,522,200.00

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**Total Uses** $1,522,200.00
EXHIBITS AND CHECKLIST:

A complete application must include the following. Please note that application materials are subject to open records requirements; unless applicant requests confidentiality of specific components of this application, all application materials may be made public.

☑ A: Detailed description of proposed project, to include:
  - Number, type, size of housing units
  - Breakdown of commercial square footage by use (e.g., office, retail, manufacturing, etc.)
  - Cost per sq. ft. of each type of housing unit and each type of commercial use
  - Project timeline, to include construction by phase and unit sale or lease and occupancy

☑ B: Detailed breakdown of all project costs, including itemized construction cost statement

☑ C: Description of corporation/partnership's business, including names of officers and shareholders/partners with more than 5% interest in the corporation/partnership

☐ D: Applicant's business plan, including a description of the business, ownership/management, date established, products and services, and future plans  NA

☐ E: Financial statements for past two years
  - Profit & Loss Statement  NA
  - Balance Sheet

☐ F: Current financial statements
  - Profit & Loss Statement to Date  NA
  - Balance Sheet to Date

☐ G: Two-year financial projections  NA

☐ H: Personal financial statements of all officers/shareholders listed in Exhibit C
  - Profit & Loss Statement
  - Most recent tax return

☑ I: Letter of commitment from applicant pledging to complete during the proposed project duration

☑ J: Letter of commitment from all sources of financing, stating terms and conditions of participation in project

☑ K: Letter of commitment from and description of any other public financial assistance, stating terms and conditions of their participation in project

☐ L: List of prospective lessees, including state of commitments/agreements

☐ M: But-for analysis (see attached sample)

☑ Application fee of $2,500

The undersigned certifies that all information provided in this application is true and correct to the best of the undersigned's knowledge, and that the undersigned is a duly authorized representative of the applicant. The applicant hereby authorizes the City of Grand Forks and its agents to verify financial and other information contained in this application. The applicant agrees to provide additional information as may be requested by the City after the filing of this application.

Signature of Applicant's Representative  6/5/18

Date
EXHIBITS AND CHECKLIST

A complete application must include the following. Please note that application materials are subject to open records requirements; unless applicant requests confidentiality of specific components of this application, all application materials may be made public.

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Signature of Applicant’s Representative

Date 6/5/18
State of North Dakota
SECRETARY OF STATE

CERTIFICATE OF ORGANIZATION OF

FIRE THORN LLC
Secretary of State ID#: 41,408,200

The undersigned, as Secretary of State of the State of North Dakota, hereby certifies that Articles of Organization for

FIRE THORN LLC
duly signed and executed pursuant to the provisions governing a North Dakota Limited Liability Company, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Organization to

FIRE THORN LLC

Effective date of organization: June 29, 2016
Issued: June 29, 2016

Alvin A. Jaeger
Secretary of State
AGENDA

LOCAL GOVERNMENT ADVISORY COMMITTEE

July 30, 2018 - 5:30 p.m.

City Hall Room A102

City of Grand Forks:   ___ Sande   ___ Vein

Grand Forks County:   ___ Engen   ___ Falek

School District:      ___ Carpenter ___ Gerhardt

Park District:        ___ Palmiseno

1. Introductions/Roll Call

2. Tax Increment Financing (TIF) and new tax incentives policy overview

3. Pure Development/Fire Thorn, LLC TIF Request

4. Information Only:
   a. PS Doors News/Expanding Business Incentive Request
   b. St. John’s Block Redevelopment TIF Pre-Application

5. Adjournment
LOCAL GOVERNMENT ADVISORY COMMITTEE

July 30, 2018 - 5:30 p.m.
City Hall Room A102


2. Tax Increment Financing (TIF) and new tax incentives policy review

Mr. Feland gave a brief overview of what the Committee was assembled for and the purpose of the meetings. He gave a brief visual presentation of the history of previous TIF projects and what they hoped to accomplish in the future. Mr. Feland went through the last TIF project University Flats, and how that process worked and how it benefited the city. It was noted that the policy had been updated to include the additon of a pre-application fee and an analysis of the project by a third party company. Mr. Feland stated that the bond threshold had also been moved from $100,000 to $750,000 as it was found to be not feasible to do bonding for less than $750,000. Mr. Feland noted that he thought it would be in the best interest of the group to have a Chair and Vice Chair to lead the group. Mr. Feland noted that as the City of Grand Forks is leading the discussions it would make sense to have the City Council members who are part of the committee chair it.

MOTION BY ENGEN, SECON BY FALCK TO INSTALL DANA SANDE AS CHAIR AND KEN VEIN AS VICE CHAIR. VOTING “AYE” ALL. MOTION PASSED UNANIMOUSLY.
3. Pure Development/Fire Thorn, LLC TIF Request

Mr. Kevin Ritterman from Dakota Commercial came forward and spoke about the project. It is a multi-use building located on the corners of 5th Street and Demers Ave. The building is planned to have a 25,000 sq/ft area that is slated to be Hugo’s store. It will also house Alerus Financial, and apartment housing on the upper floors. In addition it will also still provide parking for the Grand Forks Public Schools. Mr. Ritterman stated that 25 of the housing units will be low to moderate income housing. Mr. Ritterman stated that this project is similar to what they did with the University Flats apartments.

Mr. Craig Tweten gave a more detailed description of the what the interior and exterior of the building will look like.

Ms. Mikaela Huot from Springstead, the city’s municipal advisor, gave a presentation of how the project had been reviewed. She gave a visual presentation of all of the factors used to provide their recommendation. Ms. Huot stated that Pure Development/Fire Thorn LLC had asked for 100% for the full term of 15 years. Per the review of the financial information provided by the applicant, it was determined that it would meet the threshold for 80% over 15 year period. Discussion was held about if it was allowable to “front load” that so the 80% was achieved overall but it started at 100% and then stepped down. Ms. Huot stated that as long as it was 80% over the time period that would fall within the recommendation.

Mr. Feland asked about how long the affordable rents are required. Mr. Ritterman stated that the affordable rents are required for the length of the mortgage 20-25 years. Discussion was held about the state money being invested, Mr. Ritterman stated it was in the form of a forgivable loan, every year they are able to certify their low/moderate income tenants a portion of the loan would be forgiven. Mr. Feland questioned if the recommendation allowed the committee to look at a front loaded deferrment, and Ms. Huot said as long as the total deferment was 80% over the exemption period they would consider that as following the recommendation.
MOTION BY VEIN, SECOND BY FALCK TO APPROVE AS RECOMMENDED. VOTING "AYE" ALL. MOTION PASSED UNANIMOUSLY.

4. Information Only
   a. PS Doors News/Expanding Business Incentive Request

      Mr. Keith Lund came forward and gave information about a 48,000 sq/ft expansion that PS Doors is planning. They have requested a 5 year tax exemption for New or Expanding Business. It would be a declining exemption 100% the first year, and declining 20% each additional year. This will be being brought before the City Council on August 20th.

   b. St. John’s Block Redevelopment TIF Pre-Application
      Mr. Feland gave information about a TIF pre-application that was being prepared for the St. John’s Block Redevelopment. Mr. Feland stated that this project may be looking for a possible bond and not a tax exemption.

   c. Information was given about a couple of projects that had not been previously discussed. Arbor Lofts was given a 5 year tax exemption at 100%. Red River Bio Refinery was given declining 5 year tax deferrment as well.

5. Adjournment- Meeting adjourned at 6:47pm

Respectfully Submitted by:

Cary McMahon
Planning & Community Development

Dana Sande
Chair
LOCAL GOVERNMENT
ADVISORY COMMITTEE

Welcome to Meeting #1

JULY 30, 2018
Today's Agenda

LOCAL GOVERNMENT ADVISORY COMMITTEE

July 30, 2018 - 5:30 p.m.
City Hall Room A102

City of Grand Forks:
_____ Sande

Grand Forks County:
_____ Engen
_____ Vein

School District:
_____ Carpenter
_____ Falck

Park District:
_____ Palmisano
_____ Gerhardt

1. Introductions/Roll Call
2. Tax Increment Financing (TIF) and new tax incentives policy overview
3. Pure Development/Fire Thorn, LLC TIF Request
4. Information Only:
   a. PS Doors News/Expanding Business Incentive Request
   b. St. John's Block Redevelopment TIF Pre-Application
5. Adjournment
TAX INCENTIVES OVERVIEW

- Governed by NDCC
  - Discretionary nature
  - Local options

- Public purpose examples
  - Address slum, blight and deterioration
  - Encourage development of underutilized properties
  - Create quality jobs
  - Support expanded housing opportunities
  - Promote historic preservation and a vibrant downtown
  - Level the playing field for redevelopment vs greenfield development
  - Grow Grand Forks' tax base
DISCREETIONARY TAX EXEMPTIONS

Remodeling Exemption - NDCC 57-02.2-03 This provides an exemption for buildings that have been improved by means of renovation, remodeling, alteration, or addition. The amount of valuation added due to the remodeling may be exempted for 5 years. This is available to residential buildings that are at 25+ years old and commercial buildings of any age.

Residential New Construction Exemption - NDCC 57-02-08 This allows for an exemption of up to $150,000 in value on newly constructed residential dwellings, duplexes, townhomes, and condominiums. This is available to the property's first owner/occupant for the two years following completion of construction (57-02-08(35)). A maximum two-year exemption for unoccupied single-family residences is available to the builder (57-02-08(42)).

Day Care Exemption - NDCC 57-02-08(36) All or part of non-residential buildings used to provide day care are exempted from property tax.

RELEVANT TO LOCAL GOVERNMENT ADVISORY COMMITTEE:

RENAISSANCE ZONE PROGRAM - NDCC 40-63 This encourages private investment to rehabilitate or redevelop geographically targeted areas through 5 year property tax, state income tax and historic preservation tax credit incentives. Grand Forks' Renaissance Zone operates downtown and in the Grand Cities Mall area.

NEW AND EXPANDING BUSINESS EXEMPTIONS - NDCC 40-57.1 This allows for a 5-year exemption of buildings (not land) for certain new or expanding business (primary sector) projects; it may be extended to 10 years for value-added agriculture projects. In addition to, or instead of, a property tax exemption, projects may be granted an option to provide up to 20 years of payments in lieu of taxes (PILOT). The PILOT would be determined through negotiations between the City and the project operator.

TAX INCREMENT FINANCING - NDCC 40-58 This encourages rehabilitation or re-development of urban areas by means of tax increments. Projects may be assisted through the issuance of bonds or may take the form of some level of exemption of taxes paid on the incremental increase in property value.
Tax Increment Financing

“NDCC 40-58 - Urban Renewal Law”

**Bonds:** City borrows funds for project at front end, debt is repaid from *incremental* increase in taxes generated by project.
- Traditional urban renewal model
- Provides funds for project up front
- City responsible for debt repayment
- Bonding costs

**Exemption:** City provides no funding for project but exempts owner from taxes on the *value added* by project (increment) for a specific time.
- Less risk to City
- Provides no/minimal cash to do project
Tax Increment Financing

NDCC Requirements

- Project must qualify as slum/blight or underutilized commercial/industrial
- TIF is limited to eligible basis:
  - Cost/market value of property
  - Demolition/site clearance or building improvement costs
  - Cost of utilities and other public improvements
  - Bonding costs
- Hold public hearing and provide following information:
  - Development costs to be reimbursed by tax incentives
  - Estimated annual tax increment
  - Estimated completion of development plan
  - Estimated annual value to each taxing entity
- Participation/concurrence of County, School District required if exemption exceeds 5 years (NDCC 40-05-24, effective 8/1/17)
CASE STUDY: UNIVERSITY FLATS
Approved 8/3/15

Dakota Commercial requested 100% TIF exemption for 10-15 years

Findings: conformed with general plan of the city area should be included in Urban Renewal District site meets NDCC definition of slum and blight

Increment: Estimated True & Full Value as complete $6,758,200
Current 2015 Value (base) $733,600
Estimated Increment $6,024,600

Eligible Cost: Land Acquisition $1,250,000
Demolition $300,000
Estimated Basis $1,550,000

City approved 10-year declining exemption

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<td>7</td>
<td>2022</td>
<td>$6,325,800</td>
<td>$74,391</td>
<td>80%</td>
<td>$528,985</td>
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<tr>
<td>8</td>
<td>2023</td>
<td>$6,325,800</td>
<td>$55,800</td>
<td>60%</td>
<td>$584,785</td>
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<td>9</td>
<td>2024</td>
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<td>$37,200</td>
<td>40%</td>
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<td>10</td>
<td>2025</td>
<td>$6,325,800</td>
<td>$18,600</td>
<td>20%</td>
<td>$640,585</td>
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</table>
10-year declining exemption began 2016 (6 years at 100%, then 80%, 60%, 40%, 20%)

By 2030, estimate property value increase of 905% over pre-project assessed value

By 2030, estimate project increases tax revenues generated by 1,255%
## Grand Forks TIF Policy

<table>
<thead>
<tr>
<th>Previous (2/16/10)</th>
<th>Current (approved 2/5/18)</th>
</tr>
</thead>
<tbody>
<tr>
<td>- No application form or fee</td>
<td>- Application with $2500 fee required; fee funds third party review</td>
</tr>
<tr>
<td>- Requests reviewed by Finance &amp; Development Committee</td>
<td>- City Council must agree project has merit (via pre-application) prior to third party review</td>
</tr>
<tr>
<td>- Bonding threshold: $100,000</td>
<td>- Bonding threshold: $750,000</td>
</tr>
<tr>
<td>- Includes review criteria and excludes specific uses from commercial/industrial TIF</td>
<td>- Includes similar review criteria</td>
</tr>
<tr>
<td>- Park District, School District and County notified</td>
<td>- LGAC created to advise taxing entities (members include City, Park District, County, School District).</td>
</tr>
<tr>
<td></td>
<td>- May have Chair/Vice Chair, meet as needed</td>
</tr>
<tr>
<td></td>
<td>- Certified notice sent to School &amp; County</td>
</tr>
<tr>
<td></td>
<td>- Annual Report</td>
</tr>
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</table>
## Timeline/Next Steps

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/7/18</td>
<td>City Council reviews Pure Development pre-application, invites full application</td>
</tr>
<tr>
<td>6/5/18</td>
<td>City receives complete application, submits to Springsted for review</td>
</tr>
<tr>
<td>Early July</td>
<td>Springsted analysis received and reviewed by City</td>
</tr>
<tr>
<td>7/16/18</td>
<td>Final LGAC member appointed</td>
</tr>
<tr>
<td>7/30/18</td>
<td>LGAC reviews Pure Development project and TIF request, makes recommendation</td>
</tr>
<tr>
<td>8/13/18</td>
<td>City Council Committee of the Whole hears LGAC recommendation</td>
</tr>
<tr>
<td>8/20/18</td>
<td>City Council makes preliminary TIF recommendation, sets public hearing date (10/1)</td>
</tr>
<tr>
<td>8/21/18</td>
<td>City sends certified letter to county, school district</td>
</tr>
<tr>
<td>8/27/18</td>
<td>School Board hears LGAC/Council recommendation</td>
</tr>
<tr>
<td>9/4/18</td>
<td>Park Board hears LGAC/Council recommendation</td>
</tr>
<tr>
<td>9/18/18</td>
<td>County Commission hear LGAC/Council recommendation</td>
</tr>
<tr>
<td>9/24/18</td>
<td>Deadline for School District, County to notify City that they will not participate</td>
</tr>
<tr>
<td>10/1/18</td>
<td>City Council holds public hearing, acts on TIF- Written findings from City Attorney</td>
</tr>
</tbody>
</table>
Alternative Timeline

5/7/18 City Council reviews Pure Development pre-application, invites full application
6/5/18 City receives complete application, submits to Springsted for review
Early July Springsted analysis received and reviewed by City
7/16/18 Final LGAC member appointed
7/30/18 LGAC reviews Pure Development project and TIF request, makes recommendation
8/13/18 City Council Committee of the Whole hears LGAC recommendation
8/06/18 City Council makes preliminary TIF recommendation, sets public hearing date (9/17)
8/07/18 City sends certified letter to county, school district
8/13/18 School Board hears LGAC/Council recommendation
8/21/18 County Commission hears LGAC/Council recommendation
9/4/18 Park Board hears LGAC/Council recommendation
9/10/18 Deadline for School District, County to notify City that they will not participate
9/17/18 City Council holds public hearing, acts on TIF – Written findings from City Attorney
CITY OF GRAND FORKS
TAX INCREMENT FINANCING POLICY
Approved February 5, 2018

I. INTRODUCTION

North Dakota law allows a municipality to utilize Tax Increment Financing, either in the form of bonds or through the use of tax exemptions, to alleviate slum and blighted areas or to develop or redevelop undeveloped or underdeveloped industrial and/or commercial property (North Dakota Century Code Chapter 40-58). The City of Grand Forks will, when determined appropriate by the City Council, use such authority.

Tax Increment Financing (TIF), when used prudently, can be an important economic and community development tool. Through the use of TIF, the City has the authority to leverage public sector dollars against other types of investments to encourage development and growth. The decision to utilize TIF impacts units of government by limiting tax revenues for a period of time that TIF is in place. Further, in the instance of the issuance of bonds, TIF poses certain risks to the City in the event that adequate funds are not generated by a project to service any outstanding debt. The City of Grand Forks, in recognition of its commitment to provide for the health, safety, morals and welfare of its citizenry, as well as the need to provide for economic growth and development, adopts this policy to accomplish these goals through the use of TIF.

This policy is to be used as a guide in the processing and review of applications seeking tax increment assistance for either the elimination of slum or blight or for the development of undeveloped or underdeveloped commercial or industrial property within the City limits. The Grand Forks City Council will consider and, at its discretion, approve the use of TIF for projects consistent with this policy.

II. LOCAL GOVERNMENT ADVISORY COMMITTEE

To facilitate intergovernmental collaboration for matters related to Tax Increment Financing, and other functions as may be delegated by the respective governmental entities, a Local Government Advisory Committee is hereby established to provide non-binding recommendations to the Grand Forks City Council, Grand Forks School District, Grand Forks County Commission, and the Grand Forks Park District. The Committee shall consist of two (2) members of the City Council, two (2) members of the School District, two (2) members of the County Commission and one (1) member of the Park District. The Committee may elect a chair and vice-chair from among its members. It shall meet on an as-needed basis at the call of the chair or vice-chair.
III. TIF BONDS

1. Slum and Blighted Areas.

Tax Increment Financing maybe used as a tool to prevent, eliminate and/or redevelop areas of slum and blight. For purposes of this policy, the City has adopted the definition of slum and blight area as used in the North Dakota Century Code §40-58-01.1, which provides as follows:

"Slum area" means an area in which there is a predominance of buildings or improvements whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of these factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals, or welfare.

"Blighted area" means an area other than a slum area which by reason of the presence of a substantial number of slums, deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of these factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use.

A. Review and Approval Process.

a. An owner or developer interested in potentially utilizing Tax Increment Financing for the improvement of slum and blighted areas shall submit a pre-application for review by the City Council. Upon invitation of the City Council, an owner or developer may proceed to completing and submitting a full application. Submission of a full application must be accompanied by a $2,500 non-refundable fee payable to the City. The full application may be subject to third party review and analysis at the discretion of the City Council.

b. Following receipt of any reports resulting from a third-party review, all Tax Increment Financing requests for the alleviation of slum and blight which involve the sale of bonds will be submitted to the Local Government Advisory Committee (Committee) for review. The Committee is charged with the responsibility of reviewing the proposed project and the fiscal impact that the project may have on the community as well as the City, School District, County and Park District. The Committee will make a recommendation to the City Council, School District, County Commission and Park District regarding the TIF financing application.
c. Generally, the City will consider only projects seeking the sale of TIF bonds of $750,000 or more.

d. The City will provide notice of a TIF application prior to final action as provided by law.

e. All requests for TIF financing, including pre-applications and full applications, as well as any attachments or referenced information, may be public information as provided by NDCC Chapter 44-04.

B. Review Criteria.

In addition to the criteria established in North Dakota Century Code Chapter 40-58 regarding TIF, the City will use the following criteria in evaluating applications for TIF seeking to alleviate slum and blight to determine appropriateness of TIF, sale of bonds, the amount of such financing, and the length of the amortization schedule, if any:

a. The availability and use of other forms of public assistance.

b. The impact the proposed project will have on slum and blighted conditions.

c. The impact the project will have on the local tax base.

d. The financial strength of the project.

e. The need for project.

f. The need for TIF assistance.

g. The ratio of TIF funds to the total project cost.

h. Affect upon competition.

i. City cost to provide municipal services, infrastructure, and utilities to project.

j. Feasibility of project.

k. Level of public assistance necessary.

l. Whether the development, rehabilitation, conservation or redevelopment, or a combination thereof, of the project is in the best interests of the public health, safety, morals, welfare and/or economy of the City.

m. Impact upon proposed site and neighborhood as well as compatibility with existing and planned zoning and land uses.

n. Such other criteria as the City Council deems appropriate for the evaluation of the proposed project.

C. Written Plans and Agreements.

The City Council will enter into Tax Increment Financing agreements and development plans for all slum and blight qualifying projects utilizing TIF.

D. Decision by City Council

The City Council, in its discretion, will approve or disapprove, in whole or in part, any completed application for TIF financing. The City Council will make written findings of its determinations and actions.
2. Economic Development.

Tax Increment Financing may be used as a tool to promote and create economic growth and development of undeveloped or underdeveloped commercial and/or industrial property within the City.

A. Review and Approval Process.

a. An owner or developer interested in potentially utilizing Tax Increment Financing for economic growth and development projects on undeveloped or underdeveloped commercial and/or industrial property shall submit a pre-application for review by the City Council. Upon invitation of the City Council, an owner or developer may proceed to completing and submitting a full application. Submission of a full application must be accompanied by a $2,500.00 non-refundable fee payable to the City. The full application may be subject to third party review and analysis at the discretion of the City Council.

b. Following receipt of any reports resulting from a third-party review, all Tax Increment Financing requests for economic development purposes which involve the sale of bonds will be submitted for review by the Local Government Advisory Committee (Committee). The Committee is charged with the responsibility of reviewing the proposed project and the fiscal impact that the project may have on the community as well as the City, School District, County and Park District. The Committee will make a recommendation to the City Council, School Board and County Commission regarding action on and participation in the proposed TIF the application.

c. Generally, projects seeking the sale of TIF bonds in an amount less than $750,000 will not be considered.

d. The City will provide notice of proposed tax incentives to other taxing entities as provided by law.

e. All requests for TIF financing, including pre-applications and full applications, as well as any attachments or referenced information, may be public information as provided by NDCC Chapter 44-04.

B. Review Criteria.

In addition to the criteria set forth in the North Dakota Century Code Chapter 40-58, the City will use the following criteria to evaluate applications for the use of Tax Increment Financing for development or redevelopment of undeveloped or underdeveloped commercial and/or industrial property within the City to determine the appropriateness of TIF, sale of bonds, the amount of such financing, and the length of the amortization schedule, if any:

a. The availability and use of other forms of public assistance.
b. The need for TIF assistance.
c. The need for the project.

d. The importance of the project to the local economy.

e. The quality and quantity of jobs created or saved.

f. The growth potential, likely expansion or spin-off ventures.

g. Affect upon competition.

h. Whether the project and TIF is in the best interest of the City as a whole.

i. The ratio of TIF funds to the total project cost.

j. City cost to provide municipal services, infrastructure, and utilities to project.

k. Estimated real estate taxes to be paid to the taxing authorities per year upon completion of any TIF

l. Impact upon proposed site and neighborhood as well as compatibility with existing and planned zoning and land uses.

m. Feasibility of project.

n. Level of public assistance necessary.

o. Whether the proposed development will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the development or redevelopment of undeveloped or underdeveloped property by private enterprise.

p. Such other criteria as the City Council deems appropriate for the evaluation of the proposed project.

C. Qualifying Projects.

Qualifying economic development TIF projects will typically be unique commercial or industrial developments providing unique and enhanced economic benefit to the City of Grand Forks and its residents. The intent is that the projects will afford maximum opportunities for economic growth and development, consistent with the needs of the community as a whole and the enticement of additional private enterprise and investment without creating an unreasonable competitive advantage over other local competing business concerns.

Except when proposed within the scope and context of a project eliminating or alleviating slum and blight conditions or located within the B4 zoning district, the City Council considers the following type projects or developments to be significantly competitive in nature and not appropriate for economic development activities utilizing TIF bonds or TIF tax exemptions: hotels/motels; restaurants; bars; individual retail facilities or strip malls; residential housing units.

D. Decision by City Council

The City Council, in its discretion, will approve or disapprove, in whole or in part, any completed application for TIF financing. The City Council will make written findings of its determinations and actions.
IV. TIF TAX EXEMPTION ALTERNATIVE

As an alternative to the sale of TIF bonds, the City Council may approve a total or partial tax exemption pursuant to North Dakota Century Code § 40-58-20(11) for slum and blight or economic development purposes. For TIF property tax exemptions of more than five years, the same review process and criteria utilized for a TIF bond shall be utilized when considering the granting of a tax exemption. For TIF property tax exemptions of five years or less, the City shall provide notice of the request to the Local Government Advisory Committee without the necessity or requirement of the Committee's review and recommendation.

V. DISCRETIONARY APPROVAL

The City reserves the right to approve or reject projects on a case by case basis, taking into consideration established policies, project criteria, and demand on City services in relation to the potential benefits derived from the project. Meeting policy criteria does not guaranty the approval of a TIF application for any particular project, and approval or denial of a project is not intended to set a precedence for approval or denial of another project. Approval of an application is a discretionary decision on the part of the Grand Forks City Council in an effort to address the specific and unique needs of the City as determined by the City Council in its position as governing body for the City of Grand Forks.

VI. ANNUAL REPORT

The City shall make an annual report to the City Council, County Commission, School District and Park District of all current projects receiving tax increment financing. Such report shall include information regarding the status of each project; the project's compliance with project requirements, if any; and the achievement of any stated purposes and goals of the project or the project owner made in connection with the approval of the tax increment financing. All project owners shall cooperate with the City in compiling the necessary and appropriate information regarding their project to complete the report.

VII. AUTHORITY TO SUSPEND, RESCIND OR REVOKE

The City reserves the right and authority to suspend, rescind or revoke any tax increment financing approved under this policy in the event that project criteria goals, agreements and plans are not fulfilled or complied with by the developer.

1. Notwithstanding any other provision of law, before granting a property tax incentive on any parcel of property that is anticipated to receive a property tax incentive for more than five years, the governing body of a city shall send the chairman of each county commission and the president of each school district affected by the property tax incentive a letter, by certified mail, which provides notice of the terms of the proposed property tax incentive.

2. Within thirty days from receipt of the letter, each affected county and school district shall notify the city, in writing, whether the county or school district elects to participate in granting the tax incentive on the county or school district portion of tax levied on the property. The notification from a county or school district electing not to participate must include a letter explaining any reason for which the entity elected not to participate and whether the county or school district is willing to negotiate the terms of the property tax incentive with the city.

3. If the city does not receive a response from an affected county or school district within thirty days of delivery of the letter, the county and school district must be treated as participating in the property tax incentive.

4. The term "negotiation" as used in this section means the governing body of an affected county or school district may negotiate the terms of participating in the tax incentive, including the duration of the tax incentive and the taxable value selected for the base year for purposes of computing tax increments.

5. If an agreement is reached through negotiation under this section, the property tax incentive must be applied in accordance with the agreement.

6. Property subject to a development agreement entered pursuant to section 40-58-20.1 before August 1, 2017, and all amendments to the development agreement, is not subject to the requirements under this section. (Effective for property tax incentives approved after July 31, 2017)
MEMORANDUM

TO: Meredith Richards, Deputy Director Community Development
Maureen Storstad, Director of Finance
Candice Stjern, Asst. Director of Finance
Todd Feland, City Administrator

FROM: Mikaela Huot, Vice President/Consultant
Paul Steinman, Vice President/Cient Representative

DATE: July 30, 2018

SUBJECT: Tax Increment Financing Application from Pure Development

The City of Grand Forks has received an application for financial assistance through Tax Increment Financing (TIF) to assist with financing a portion of the development costs related to the construction of a mixed-use project with 50 units of residential rental multi-family apartments, comprising 25 affordable and 25 market rate. In addition, they are proposing 20,000 square feet of commercial retail space with an additional 2,000 square foot stand-alone commercial building. The developer proposing this project is Firethorn, LLC with Kevin Ritterman and Craig Tweten as partners.

The developer has requested tax increment assistance to finance costs associated with the project so that 25 of the residential units can be maintained as affordable long-term. The purpose of this memorandum is to provide a summary of Springsted's review of the proposed project to determine project eligibility, financial feasibility and to explain the need for assistance. The review will be used to assist the City with understanding if the project as proposed would be likely to proceed "but-for" the requested Tax Increment Financing (TIF) assistance, and to determine the appropriate amount, if any, of public assistance required.

Background: Firethorn, LLC Housing Project
The developer submitted a request for TIF assistance related to the proposed construction of a mixed-use project with 50 total housing units (25 of which are to be qualified as affordable) and 22,000 square feet of commercial space. The developer has proposed the approximate $10.5 million project will be funded by an estimated $7.9 million of private financing, $1.5 million of owner cash equity and City assistance of $1.1 million of state grant/loan for the affordable housing. If the City agrees to the TIF request, the increment will be provided annually to shore up the operating cashflow and ultimately the developer's return on investment. The rental units comprise of 1, 2 and 3-
bedroom units with a minimum of 25 total units restricted to occupants at 30%, 80%, and 140% of area median income. These 25 restricted units will have reduced rental rates to provide long-term affordability. The remaining 25 units will be market rate. The developer is requesting tax increment financing through tax exemption on an annual basis to assist with financing the affordable housing costs. The developer has indicated that City financial assistance is necessary for the project to proceed. See the complete sources and uses below from the developer’s supporting financial materials submitted to Springsted.

<table>
<thead>
<tr>
<th>Sources</th>
<th>Amount</th>
<th>Uses</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Developer Equity</td>
<td>1,530,000</td>
<td>Land Acquisition</td>
<td>890,000</td>
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<tr>
<td>Bank Loan</td>
<td>7,891,700</td>
<td>Site Work</td>
<td>350,600</td>
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<tr>
<td>City TIF Assistance*</td>
<td>0</td>
<td>Construction</td>
<td>7,941,450</td>
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<td>State loan/grant</td>
<td>1,100,000</td>
<td>A/E Fees</td>
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<td>Legal Fees</td>
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<td></td>
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<td>Construction Interest</td>
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<td>Debt Service Reserve</td>
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<td>FFE</td>
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<td></td>
<td></td>
<td>Misc Costs &amp; Fees</td>
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<tr>
<td>Total</td>
<td>10,522,200</td>
<td>Total</td>
<td>10,522,200</td>
</tr>
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* TIF is proposed to be provided on an annual (tax exemption) basis, therefore it is not shown as an upfront source.

**Project Financing**

There are generally two ways in which assistance can be provided, either upfront or on an annual basis. With upfront financing, the City would finance a portion of the developer's initial project costs through the issuance of bonds or through an internal loan. Future tax increment would be collected by the City and used to pay debt service on the bonds or to repay the internal loan. With annual tax exemption, the developer would finance all project costs upfront and would receive a tax exemption over a period of time for a portion of those costs as tax increment revenues are available.

Tax exemption is a generally acceptable financing mechanism for the City because the developer bears all the risk. If tax increment revenues are less than originally projected, the developer receives less and therefore bears the risk of not being reimbursed the full amount of the requested assistance. However, in some cases upfront financing is necessary to make the project financially feasible. With bonds, the City would be required to make debt service payments and would have to use other sources to fill any shortfall of tax increment revenues. With internal financing, the City reimburses itself with future revenue collections and may risk a shortfall if tax increment revenues are not sufficient. The developer’s financial request includes 100% tax exemption, which significantly limits any financial exposure to the City. The developer would only be reimbursed for actual incurred project costs, subject to availability of revenues, and based on the terms of an agreement between the City and Developer.
Developer Pro forma But-For Analysis

In approving a TIF district and project, the City must make several findings, including the "but for" test which is to find: that the proposed development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future, therefore making tax increment financing necessary in order for the project to proceed. The developer has provided financial information showing that the operating cash flow requires annual tax exemption financial assistance from the City (tax increment) to increase total revenues enough to support annual operating expenses and debt service. The tax increment also helps to provide the developer a reasonable return on investment. The developer has stated the assistance is necessary due to the costs associated with the affordable housing units and the inability of the project to cashflow these costs. The "but-for" test is used to determine whether a project is likely to proceed as proposed without public financial assistance. The test for this project is to determine if it would be developed without public assistance with 25 affordable units. Based on the developer's stated position and our analysis of the supporting information, our opinion is the City could reasonably make a finding that the but-for test has been met.

The City should also consider an appropriate level and type of TIF assistance for the project. Most cities' use of tax increment is focused on financing the extraordinary project costs while working to limit the term of assistance so that the value of the project can, as soon as possible, start contributing to the City's overall tax base. This is balanced by the fact that the affordable units are proposed to be maintained over an extended period of time. The level of assistance is in part dictated by the extraordinary costs of the project – specifically to maintain the affordability of the 25 designated affordable housing units.

To understand the project performance and returns shown by the developer we utilized the project cost and operating information to generate ten-year operating pro formas to calculate the estimated performance of the project. The purpose of evaluating the operating pro formas, with and without assistance, is to understand the potential returns to the developer through the initial development of the project and the operation of the enterprise over a period of time.

Generally, should the rates of return lie below a reasonable range without assistance; we could assume the project would not move forward without assistance. Should the returns lie within a reasonable range with the assistance, we could assume the amount of assistance tested is appropriate for the project. All such estimates should be viewed as general indicators of performance and not exact forecasts. The number of current and future variables affecting these estimates are great.

An additional measure of project feasibility is the Debt Coverage Ratio (DCR), which is a calculation detailing the ratio by which operating income exceeds the debt-service payments for the project. If the DCR is greater than 1.0 it indicates the project has operating income that is greater than the debt-service payment by some margin; conversely if the DCR is less than 1.0 it indicates the project is incapable of meeting its debt-service payment and would need to seek additional revenue sources to pay its debt. Typical lending standards will require a DCR of significantly greater than 1.0 as a measure of cushion in the event actual revenues and expenses are different than projected.
Without assistance, the debt coverage ratio is projected to be at approximately 1.0. With assistance at 100% tax exemption, the debt coverage ratio is projected to be closer to 1.25. With assistance at 80% tax exemption, the debt coverage is projected to be closer 1.2 at stabilization. Our analysis of the pro formas included a review of the development budget, projected operating revenues and expenditures, and the project’s capacity to support annual debt service on the first mortgage and any secondary notes.

Our review of the various operating pro formas with and without assistance provides a range of projected returns to the developer. We made certain assumptions based upon the following information provided by the developer:

- debt and equity amounts
- lease rates for market rate and affordable
- lease rates for commercial space
- vacancy rates
- annual revenue and operating expense inflators

Substantial changes to these developer assumptions would likely have a significant impact on our analysis of the proposed project.

Based on our analysis of the information provided, without assistance through annual tax exemption the project would be infeasible due to the reduced rental revenues related directly to maintaining the affordability of 25 housing units. With assistance it is projected to provide rates of return and debt coverage ratios that are within reasonable market standards. A reduction in project costs and/or increase in revenues may also assist the project with achieving maximum feasibility and returns.

Conclusion
The City has received an application for tax increment financing assistance that involves redevelopment of a current site into a mixed-use project with multi-family market rate/affordable housing and commercial space. The developer has indicated that financial assistance through 100% tax exemption is necessary to support annual operating cash flows and to meet required debt coverage ratios and provide a market rate of return. Without assistance through tax exemption, due to the cost of keeping 25 affordable units, the project is not feasible as it shows below-market returns and insufficient debt service coverage. With assistance the project as proposed is expected to generate returns that would be considered sufficient, as well as meet minimum debt coverage requirements. However, based on our review, we believe that less than 100% of tax exemption may be required to meet project feasibility and the City could consider providing 80% tax exemption. And alternatively, without assistance and if all 50 units were market rate, the project would exceed market standards for returns and coverage. An overall reduction in project costs, reducing and/or deferring the development fee, increasing upfront equity and/or increasing other project revenues, if available, may assist with achieving greater market feasibility and potentially reduce the need for tax increment financing assistance.
Local Government Advisory Committee

Presentation to: City of Grand Forks
Presenter: Mikaela Huot, Vice President/Consultant

July 30, 2018
Tax Increment Financing

- A method of capturing tax base growth resulting from new development
- Fixed term for capture, then new development capacity is added to existing tax base
- Tax increment is generated by the increased property value that is created when a property is developed
How TIF revenue is derived

Base Value—value before development or redevelopment

Taxes “Captured” during term of the TIF district

Continues to pay local taxes (city, county, school, etc)
How TIF is calculated

\[
\text{Total TMV} \times \text{Increase in Taxable Market Value} \times \text{Taxable Ratio} \times \text{Local Mill Rate} = \text{Total Property Taxes}
\]

\[
\text{Tax Increment Revenue (TIF)} = \text{Taxes to Entities}
\]
Using TIF for Tax Base Growth

Basic TIF Model

Existing Tax Base
(frozen at start of project and continues to current taxing jurisdiction)

Incremental Taxes
(partially used to finance debt service)

New Tax Base
(post project to general fund and taxing jurisdictions)

25 Year TIF
Tax Increment Financing (TIF)

- Cities Use TIF to:
  - Stimulate development where it would otherwise not occur ("but for" test)
  - Retain existing tax base
  - Encourage development of uses that would otherwise not occur, such as low income housing
  - Enhance tax base
  - Facilitate infrastructure improvements
  - Coordinate new developments with existing plans
Tax Increment Financing (TIF)
Common Methods for Financing Costs

• **Upfront**
  - Financed through bond issue
  - City collects revenue to pay debt service

• **Exemption**
  - Up to 15 years
  - Flexible on terms
  - Annual basis for developer
  - Low risk to City
Due Diligence Review for New Projects

- Statutory authority to use financial tools (Legal)
- Market demand for the use developed (Developer)
- Site control and qualified developer (FA/Legal)
- Healthy growing employer (Industry Evaluation)
- Extent to which the expected positive consequences of a project outweigh the negative consequences
- Probability that the project will leverage additional private investment or spin-off investment
What Drives The “Gap” Or Need For Public Financing Assistance?

- Extraordinary redevelopment costs
- Extraordinary affordable housing costs
- Hold out property owner, land price too high
- Development needs more than it can pay for
- “Oversizing” of utility and infrastructure for future growth
- Developer wants less risk/more return than typical market conditions dictate
- Market competition
Needs Assessment for Public Financing Assistance

- Determine need for and amount of public assistance
- Financing of public improvements that could not be supported by developer alone without assistance
- Financing of private eligible improvements not supported by development performance
- Verification of developer assumptions
- Matching funding sources with project costs
- Development would not occur 'but-for' assistance
Proposed Firethorn, LLC Redevelopment Project

- Assistance has been requested to enhance cash flow necessary to support operations and debt service
  - Annual tax exemption (100% for 15 years)
  - No financial risk to the City – based on developer performance

- Financials provided
  - Sources and Uses of Funds
  - Operating Proforma (cash flow)
Proposed Firethorn, LLC Redevelopment Project

- Financials provided
  - Sources include
    - Developer equity
    - Debt
    - State loan/grant for housing
  - Uses include
    - Acquisition, Construction, Site Work, Soft costs including financing, reserves, developer fee and other
Needs Assessment for Public Financing Assistance

- Prepare cash flow model
- Perform sensitivity analysis: what might be driving gap?
  - Expenses:
    - Project cost estimates
    - Operating expenditures
  - Revenues:
    - Lease rates for residential and commercial
      - Market rate and affordable
    - Any financial public assistance
Needs Assessment for Public Financing Assistance

- Perform feasibility analysis
  - Test assumptions against comparables
- Perform sensitivity analysis
  - absorption rates,
  - lease rates,
  - vacancy rates, and
  - occupancy, etc.
Proposed Firethorn, LLC Redevelopment Project

- Gap is driven by reduction in rents (annually) for 25 affordable housing units
  - Low debt coverage
  - Lower equity returns
- Annual tax exemption enhances cash flow
  - Meet minimum debt coverage requirements
  - Provide reasonable rate of return
  - Provides project feasibility
Contact Information

Mikaela Huot, Vice President/Consultant
Springsted Incorporated
380 Jackson Street, Suite 300
Saint Paul, MN 55101
(651) 223-3036

Paul Steinman, Vice President/Client Representative
(651-223-3066)
### Dwelling Unit Summary

<table>
<thead>
<tr>
<th></th>
<th>1 BR</th>
<th>2 BR</th>
<th>3 BR</th>
<th>TOTAL</th>
<th>BEDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2ND</td>
<td>6</td>
<td>8</td>
<td>1</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>3RD</td>
<td>8</td>
<td>11</td>
<td>0</td>
<td>19</td>
<td>30</td>
</tr>
<tr>
<td>4TH</td>
<td>8</td>
<td>7</td>
<td>1</td>
<td>16</td>
<td>25</td>
</tr>
<tr>
<td>TOTALS</td>
<td>22</td>
<td>26</td>
<td>2</td>
<td>50</td>
<td>80</td>
</tr>
</tbody>
</table>

**Percentage Breakdown:**
- 1 BR: 44%
- 2 BR: 42%
- 3 BR: 4%
- Total: 100%

---

**Second Level Plan**

1" = 50'-0"

---

**Mixed Use Grocery and Housing**

Grand Forks, North Dakota
FOURTH LEVEL PLAN
1" = 50'-0" (3RD LEVEL SIMILAR)

MIXED USE GROCERY AND HOUSING
GRAND FORKS, NORTH DAKOTA
# GRAND FORKS PUBLIC SCHOOLS
## GENERAL FUND FINANCIAL STATEMENT
### AS OF JUNE 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>2017-2018 Budget</th>
<th>2017-2018 Actual</th>
<th>%</th>
<th>Budget Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Local Sources</td>
<td>25,675,000</td>
<td>25,657,112</td>
<td>99.9%</td>
<td>(17,888)</td>
</tr>
<tr>
<td>B. State Sources</td>
<td>66,875,000</td>
<td>66,000,649</td>
<td>100.2%</td>
<td>125,649</td>
</tr>
<tr>
<td>C. Federal Sources</td>
<td>9,950,000</td>
<td>9,291,259</td>
<td>93.4%</td>
<td>(658,740)</td>
</tr>
<tr>
<td>D. Grant Reserves</td>
<td>500,000</td>
<td>-</td>
<td></td>
<td>(500,000)</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>102,000,000</td>
<td>100,949,020</td>
<td>99.0%</td>
<td>(1,050,979)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Salaries</td>
<td>67,850,000</td>
<td>66,359,514</td>
<td>97.8%</td>
<td>1,490,486</td>
</tr>
<tr>
<td>B. Fringe Benefits</td>
<td>20,160,000</td>
<td>19,677,375</td>
<td>97.6%</td>
<td>482,625</td>
</tr>
<tr>
<td>C. Other Expenses</td>
<td>13,365,000</td>
<td>13,025,146</td>
<td>97.5%</td>
<td>339,854</td>
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<tr>
<td>D. Utilities</td>
<td>2,125,000</td>
<td>1,997,920</td>
<td>94.0%</td>
<td>127,080</td>
</tr>
<tr>
<td>E. Grant Reserves</td>
<td>500,000</td>
<td>-</td>
<td></td>
<td>500,000</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>104,000,000</td>
<td>101,059,955</td>
<td>97.2%</td>
<td>2,940,045</td>
</tr>
</tbody>
</table>

### REVENUES OVER/(UNDER) EXPENSES

(110,935)

- Beginning General Fund Balance 7-1-17: 18,396,147
- General Fund Balance 6-30-18: 18,285,212
# Grand Forks Public Schools

## General Fund Financial Statement

**As of June 30, 2018**

<table>
<thead>
<tr>
<th>A. Local Sources</th>
<th>2017-2018 Budget</th>
<th>2017-2018 Actual</th>
<th>%</th>
<th>Budget Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>19,275,000</td>
<td>18,964,575</td>
<td>98.4%</td>
<td>(310,425)</td>
</tr>
<tr>
<td>Revenue in Lieu of Taxes</td>
<td>625,000</td>
<td>576,826</td>
<td>92.3%</td>
<td>(48,174)</td>
</tr>
<tr>
<td>Impact Aid</td>
<td>3,000,000</td>
<td>3,000,000</td>
<td>100.0%</td>
<td>0</td>
</tr>
<tr>
<td>Tuition</td>
<td>1,500,000</td>
<td>1,725,579</td>
<td>115.0%</td>
<td>225,579</td>
</tr>
<tr>
<td>Adult Ed Tuition</td>
<td>15,000</td>
<td>13,088</td>
<td>87.3%</td>
<td>(1,913)</td>
</tr>
<tr>
<td>Drivers Education</td>
<td>45,000</td>
<td>43,665</td>
<td>97.0%</td>
<td>(1,335)</td>
</tr>
<tr>
<td>Interest Income</td>
<td>50,000</td>
<td>242,224</td>
<td>484.4%</td>
<td>192,224</td>
</tr>
<tr>
<td>Bus Tickets</td>
<td>100,000</td>
<td>94,768</td>
<td>94.8%</td>
<td>(5,232)</td>
</tr>
<tr>
<td>ENCORE Fees</td>
<td>280,000</td>
<td>335,319</td>
<td>119.8%</td>
<td>55,319</td>
</tr>
<tr>
<td>SPA Activities</td>
<td>170,000</td>
<td>134,452</td>
<td>79.1%</td>
<td>(35,549)</td>
</tr>
<tr>
<td>Summer School Activities</td>
<td>1,000</td>
<td>8,698</td>
<td>869.8%</td>
<td>7,698</td>
</tr>
<tr>
<td>Rental Income</td>
<td>20,000</td>
<td>12,715</td>
<td>63.6%</td>
<td>(7,285)</td>
</tr>
<tr>
<td>Sale of Real Property</td>
<td>400,000</td>
<td>394,009</td>
<td>98.5%</td>
<td>(5,991)</td>
</tr>
<tr>
<td>Contributions / Donations</td>
<td>35,000</td>
<td>17,528</td>
<td>50.1%</td>
<td>(17,472)</td>
</tr>
<tr>
<td>Other Local</td>
<td>159,000</td>
<td>93,668</td>
<td>58.9%</td>
<td>(65,332)</td>
</tr>
<tr>
<td><strong>Total Local Revenue</strong></td>
<td><strong>25,675,000</strong></td>
<td><strong>25,657,112</strong></td>
<td><strong>99.9%</strong></td>
<td><strong>(17,888)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B. State Sources</th>
<th>2017-2018 Budget</th>
<th>2017-2018 Actual</th>
<th>%</th>
<th>Budget Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Aid Formula Payment</td>
<td>63,700,000</td>
<td>63,869,537</td>
<td>100.3%</td>
<td>169,537</td>
</tr>
<tr>
<td>Transportation</td>
<td>406,000</td>
<td>455,649</td>
<td>112.2%</td>
<td>49,649</td>
</tr>
<tr>
<td>Special Education</td>
<td>975,000</td>
<td>930,081</td>
<td>95.4%</td>
<td>(44,919)</td>
</tr>
<tr>
<td>Career &amp; Technical Education</td>
<td>300,000</td>
<td>319,938</td>
<td>106.6%</td>
<td>19,938</td>
</tr>
<tr>
<td>Adult Education</td>
<td>204,000</td>
<td>125,000</td>
<td>61.3%</td>
<td>(79,000)</td>
</tr>
<tr>
<td>Medicaid Reimbursement</td>
<td>58,000</td>
<td>35,895</td>
<td>61.9%</td>
<td>(22,105)</td>
</tr>
<tr>
<td>Restricted State Aid - Northeast</td>
<td>83,000</td>
<td>99,896</td>
<td>120.4%</td>
<td>16,896</td>
</tr>
<tr>
<td>Restricted State Aid - Day Treatment</td>
<td>44,000</td>
<td>43,750</td>
<td>99.4%</td>
<td>(250)</td>
</tr>
<tr>
<td>Restricted State Aid - EL</td>
<td>35,000</td>
<td>21,770</td>
<td>62.2%</td>
<td>(13,230)</td>
</tr>
<tr>
<td>Restricted State Aid - Other</td>
<td>70,000</td>
<td>99,134</td>
<td>141.6%</td>
<td>29,134</td>
</tr>
<tr>
<td><strong>Total State Revenue</strong></td>
<td><strong>65,875,000</strong></td>
<td><strong>66,000,649</strong></td>
<td><strong>100.2%</strong></td>
<td><strong>125,649</strong></td>
</tr>
</tbody>
</table>
### C. FEDERAL SOURCES

<table>
<thead>
<tr>
<th>Source</th>
<th>Budget</th>
<th>Actual</th>
<th>%</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title I, Part A</td>
<td>3,151,884</td>
<td>2,715,648</td>
<td>86.2%</td>
<td>(436,236)</td>
</tr>
<tr>
<td>Title II, Part A</td>
<td>799,420</td>
<td>675,227</td>
<td>84.5%</td>
<td>(124,194)</td>
</tr>
<tr>
<td>Title III, Part A</td>
<td>39,981</td>
<td>38,860</td>
<td>97.2%</td>
<td>(1,121)</td>
</tr>
<tr>
<td>Title IV, Part A</td>
<td>76,637</td>
<td>27,621</td>
<td>36.0%</td>
<td>(49,016)</td>
</tr>
<tr>
<td>ENCORE (21st Century CCLC)</td>
<td>479,203</td>
<td>587,127</td>
<td>122.5%</td>
<td>107,924</td>
</tr>
<tr>
<td>Head Start</td>
<td>2,556,269</td>
<td>2,531,971</td>
<td>99.0%</td>
<td>(24,298)</td>
</tr>
<tr>
<td>IDEA B - Special Education</td>
<td>2,318,451</td>
<td>2,092,043</td>
<td>90.2%</td>
<td>(226,408)</td>
</tr>
<tr>
<td>Preschool Program</td>
<td>73,554</td>
<td>70,447</td>
<td>95.8%</td>
<td>(3,107)</td>
</tr>
<tr>
<td>Indian Education Programs</td>
<td>80,485</td>
<td>78,876</td>
<td>98.0%</td>
<td>(1,609)</td>
</tr>
<tr>
<td>Carl Perkins</td>
<td>210,000</td>
<td>215,005</td>
<td>102.4%</td>
<td>5,005</td>
</tr>
<tr>
<td>Adult Education</td>
<td>93,000</td>
<td>93,000</td>
<td>100.0%</td>
<td>0</td>
</tr>
<tr>
<td>E-Rate Funding</td>
<td>54,720</td>
<td>128,071</td>
<td>234.0%</td>
<td>73,351</td>
</tr>
<tr>
<td>Restricted Federal - Other</td>
<td>16,395</td>
<td>37,363</td>
<td>227.9%</td>
<td>20,968</td>
</tr>
<tr>
<td><strong>TOTAL FEDERAL REVENUE</strong></td>
<td>9,950,000</td>
<td>9,291,259</td>
<td>93.4%</td>
<td>(658,740)</td>
</tr>
</tbody>
</table>

### D. GRANT RESERVES

| Reserve for Additional Grants         | 500,000 | -      | 0.0%  | (500,000)      |
| **TOTAL RESERVES**                   | 500,000 | -      | 0.0%  | (500,000)      |
| **TOTAL REVENUE**                    | 102,000,000 | 100,949,020 | 99.0% | (1,050,979)    |
### GRAND FORKS PUBLIC SCHOOLS

**GENERAL FUND FINANCIAL STATEMENT**

**AS OF JUNE 30, 2018**

<table>
<thead>
<tr>
<th></th>
<th>2017-2018 BUDGET</th>
<th>2017-2018 ACTUAL</th>
<th>%</th>
<th>2017-2018 BUDGET BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. SALARIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Staff</td>
<td>51,600,000</td>
<td>50,597,302</td>
<td>98.1%</td>
<td>1,002,698</td>
</tr>
<tr>
<td>Paras / Classified Staff</td>
<td>15,000,000</td>
<td>14,488,471</td>
<td>96.6%</td>
<td>511,529</td>
</tr>
<tr>
<td>Subs / Other</td>
<td>1,250,000</td>
<td>1,273,742</td>
<td>101.9%</td>
<td>(23,742)</td>
</tr>
<tr>
<td><strong>TOTAL SALARIES</strong></td>
<td>67,850,000</td>
<td>66,359,514</td>
<td>97.8%</td>
<td>1,490,486</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B. FRINGE BENEFITS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Insurance</td>
<td>8,268,000</td>
<td>8,140,970</td>
<td>98.5%</td>
<td>127,030</td>
</tr>
<tr>
<td>TFFR (Employer Share)</td>
<td>6,095,000</td>
<td>5,938,315</td>
<td>97.4%</td>
<td>156,685</td>
</tr>
<tr>
<td>FICA (Employer Share)</td>
<td>4,850,000</td>
<td>4,740,845</td>
<td>97.7%</td>
<td>109,155</td>
</tr>
<tr>
<td>IRA/403B (Employer Share)</td>
<td>550,000</td>
<td>492,318</td>
<td>89.5%</td>
<td>57,682</td>
</tr>
<tr>
<td>Disability Insurance</td>
<td>200,000</td>
<td>204,363</td>
<td>102.2%</td>
<td>(4,363)</td>
</tr>
<tr>
<td>Workers Comp</td>
<td>155,000</td>
<td>119,459</td>
<td>77.1%</td>
<td>35,541</td>
</tr>
<tr>
<td>Unemployment Comp</td>
<td>2,000</td>
<td>6,675</td>
<td>333.7%</td>
<td>(4,675)</td>
</tr>
<tr>
<td>Life Insurance</td>
<td>40,000</td>
<td>34,430</td>
<td>86.1%</td>
<td>5,570</td>
</tr>
<tr>
<td><strong>TOTAL FRINGE BENEFITS</strong></td>
<td>20,160,000</td>
<td>19,677,375</td>
<td>97.6%</td>
<td>482,625</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>C. OTHER EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>2,235,000</td>
<td>1,980,733</td>
<td>88.6%</td>
<td>254,267</td>
</tr>
<tr>
<td>Equipment &amp; Furniture</td>
<td>1,380,000</td>
<td>1,537,348</td>
<td>111.4%</td>
<td>(157,348)</td>
</tr>
<tr>
<td>Textbooks / Curriculum Adoption</td>
<td>654,000</td>
<td>465,299</td>
<td>71.1%</td>
<td>188,701</td>
</tr>
<tr>
<td>Library Books &amp; Materials</td>
<td>145,000</td>
<td>134,281</td>
<td>92.6%</td>
<td>10,719</td>
</tr>
<tr>
<td>Purchased Services</td>
<td>1,670,000</td>
<td>1,516,595</td>
<td>90.8%</td>
<td>153,405</td>
</tr>
<tr>
<td>Legal Services</td>
<td>10,000</td>
<td>7,375</td>
<td>73.7%</td>
<td>2,625</td>
</tr>
<tr>
<td>Student Transportation</td>
<td>1,300,000</td>
<td>1,433,795</td>
<td>110.3%</td>
<td>(133,795)</td>
</tr>
<tr>
<td>Field Trips</td>
<td>65,000</td>
<td>58,789</td>
<td>90.4%</td>
<td>6,211</td>
</tr>
<tr>
<td>Tuition</td>
<td>1,000,000</td>
<td>1,086,295</td>
<td>108.6%</td>
<td>(86,295)</td>
</tr>
<tr>
<td>Telephones</td>
<td>250,000</td>
<td>252,167</td>
<td>100.9%</td>
<td>(2,167)</td>
</tr>
<tr>
<td>Postage</td>
<td>75,000</td>
<td>71,545</td>
<td>95.4%</td>
<td>3,455</td>
</tr>
<tr>
<td>Printing</td>
<td>125,000</td>
<td>121,004</td>
<td>96.8%</td>
<td>3,996</td>
</tr>
<tr>
<td>Insurance</td>
<td>360,000</td>
<td>350,817</td>
<td>97.4%</td>
<td>9,183</td>
</tr>
<tr>
<td>Rent</td>
<td>490,000</td>
<td>547,523</td>
<td>111.7%</td>
<td>(57,523)</td>
</tr>
<tr>
<td>Apple Lease</td>
<td>211,000</td>
<td>210,669</td>
<td>99.8%</td>
<td>331</td>
</tr>
<tr>
<td>Service Agreements</td>
<td>635,000</td>
<td>625,749</td>
<td>98.5%</td>
<td>9,251</td>
</tr>
<tr>
<td>Construction Services</td>
<td>1,000,000</td>
<td>1,004,067</td>
<td>100.4%</td>
<td>(4,067)</td>
</tr>
<tr>
<td>Travel</td>
<td>225,000</td>
<td>149,329</td>
<td>66.4%</td>
<td>75,671</td>
</tr>
<tr>
<td>Car Allowances</td>
<td>200,000</td>
<td>177,335</td>
<td>88.7%</td>
<td>22,665</td>
</tr>
</tbody>
</table>
### GRAND FORKS PUBLIC SCHOOLS
### GENERAL FUND FINANCIAL STATEMENT
### AS OF JUNE 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>2017-2018 BUDGET</th>
<th>2017-2018 ACTUAL</th>
<th>%</th>
<th>BUDGET BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas &amp; Oil</td>
<td>50,000</td>
<td>45,221</td>
<td>90.4%</td>
<td>4,779</td>
</tr>
<tr>
<td>Supervisor Meals</td>
<td>40,000</td>
<td>29,417</td>
<td>73.5%</td>
<td>10,583</td>
</tr>
<tr>
<td>Dues / Fees</td>
<td>625,000</td>
<td>661,320</td>
<td>105.8%</td>
<td>(36,320)</td>
</tr>
<tr>
<td>Service Awards / Employee Recognition</td>
<td>20,000</td>
<td>16,027</td>
<td>80.1%</td>
<td>3,973</td>
</tr>
<tr>
<td>Indirect Cost</td>
<td>50,000</td>
<td>40,865</td>
<td>81.7%</td>
<td>9,135</td>
</tr>
<tr>
<td>Transfer to Fund #61</td>
<td>550,000</td>
<td>501,582</td>
<td>91.2%</td>
<td>48,418</td>
</tr>
<tr>
<td><strong>TOTAL OTHER EXPENSES</strong></td>
<td><strong>13,365,000</strong></td>
<td><strong>13,025,146</strong></td>
<td><strong>97.5%</strong></td>
<td><strong>339,854</strong></td>
</tr>
</tbody>
</table>

**D. UTILITIES**

<table>
<thead>
<tr>
<th></th>
<th>2017-2018 BUDGET</th>
<th>2017-2018 ACTUAL</th>
<th>%</th>
<th>BUDGET BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water &amp; Sewage</td>
<td>375,000</td>
<td>341,436</td>
<td>91.0%</td>
<td>33,564</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>500,000</td>
<td>457,065</td>
<td>91.4%</td>
<td>42,935</td>
</tr>
<tr>
<td>Electricity</td>
<td>1,250,000</td>
<td>1,199,419</td>
<td>96.0%</td>
<td>50,581</td>
</tr>
<tr>
<td><strong>TOTAL UTILITIES</strong></td>
<td><strong>2,125,000</strong></td>
<td><strong>1,997,920</strong></td>
<td><strong>94.0%</strong></td>
<td><strong>127,080</strong></td>
</tr>
</tbody>
</table>

**E. GRANT RESERVES**

<table>
<thead>
<tr>
<th></th>
<th>2017-2018 BUDGET</th>
<th>2017-2018 ACTUAL</th>
<th>%</th>
<th>BUDGET BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserve for Additional Grants</td>
<td>500,000</td>
<td></td>
<td>0.0%</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>TOTAL RESERVES</strong></td>
<td><strong>500,000</strong></td>
<td></td>
<td><strong>0.0%</strong></td>
<td><strong>500,000</strong></td>
</tr>
</tbody>
</table>

**TOTAL GENERAL FUND EXPENDITURES** | **104,000,000** | **101,059,955** | **97.2%** | **2,940,045** |
### EXPENDITURES

<table>
<thead>
<tr>
<th>Category</th>
<th>2017-2018 Budget</th>
<th>2017-2018 Actual</th>
<th>Diff</th>
<th>% Diff</th>
<th>2018-2019 Proposed</th>
<th>% Compared to Budget</th>
<th>$ Compared to Actual</th>
<th>% Compared to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Salaries</td>
<td>67,850,000</td>
<td>66,359,514</td>
<td>-1,490,486</td>
<td>-2.20%</td>
<td>66,500,000</td>
<td>2.43%</td>
<td>1,650,000</td>
<td>3,140,486</td>
</tr>
<tr>
<td>B. Fringe Benefits</td>
<td>20,160,000</td>
<td>19,677,375</td>
<td>-482,625</td>
<td>-2.36%</td>
<td>20,600,000</td>
<td>2.18%</td>
<td>440,000</td>
<td>922,625</td>
</tr>
<tr>
<td>C. Other Expenses</td>
<td>13,365,000</td>
<td>13,025,146</td>
<td>-340,854</td>
<td>-2.54%</td>
<td>13,500,000</td>
<td>1.01%</td>
<td>135,000</td>
<td>474,854</td>
</tr>
<tr>
<td>D. Utilities</td>
<td>2,125,000</td>
<td>1,997,920</td>
<td>-127,080</td>
<td>-5.98%</td>
<td>2,125,000</td>
<td>0.00%</td>
<td>0</td>
<td>127,080</td>
</tr>
<tr>
<td>E. Grant Reserves</td>
<td>500,000</td>
<td>-500,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(500,000)</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td><strong>104,000,000</strong></td>
<td><strong>101,069,585</strong></td>
<td>(2,940,415)</td>
<td>-2.83%</td>
<td><strong>105,725,000</strong></td>
<td>1.66%</td>
<td><strong>1,725,000</strong></td>
<td><strong>4,665,045</strong></td>
</tr>
</tbody>
</table>

### ENDING GENERAL FUND BALANCE

- **16,396,147**, **18,285,212**
- Percentage of Total Expenditures: **15.8%** **18.1%** **15.0%**
### GRAND FORKS PUBLIC SCHOOLS
### GENERAL FUND BUDGET
#### FISCAL YEAR 2018-2019

<table>
<thead>
<tr>
<th>A. LOCAL SOURCES</th>
<th>2017-2018 BUDGET</th>
<th>2017-2018 ACTUAL</th>
<th>$ DIFF</th>
<th>% DIFF</th>
<th>2018-2019 PROPOSED</th>
<th>% COMPARED TO ACTUAL</th>
<th>2018-2019 BUDGET</th>
<th>% COMPARED TO ACTUAL</th>
<th>$ COMPARED TO BUDGET</th>
<th>$ COMPARED TO ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>19,275,000</td>
<td>18,964,575</td>
<td>(310,425)</td>
<td>-1.61%</td>
<td>19,800,000</td>
<td>2.72%</td>
<td>525,000</td>
<td>4.41%</td>
<td>835,425</td>
<td></td>
</tr>
<tr>
<td>Revenue in Lieu of Taxes</td>
<td>625,000</td>
<td>576,826</td>
<td>(48,174)</td>
<td>-7.71%</td>
<td>600,000</td>
<td>-4.00%</td>
<td>(25,000)</td>
<td>23.17%</td>
<td>300,000</td>
<td>74,421</td>
</tr>
<tr>
<td>Impact Aid</td>
<td>3,000,000</td>
<td>3,000,000</td>
<td>0</td>
<td>0.00%</td>
<td>3,000,000</td>
<td>0.00%</td>
<td>0</td>
<td>0.00%</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Tuition</td>
<td>1,500,000</td>
<td>1,725,579</td>
<td>225,579</td>
<td>15.04%</td>
<td>1,800,000</td>
<td>20.00%</td>
<td>300,000</td>
<td>4.31%</td>
<td>74,421</td>
<td></td>
</tr>
<tr>
<td>Adult Ed Tuition</td>
<td>15,000</td>
<td>13,088</td>
<td>(1,912)</td>
<td>-12.75%</td>
<td>15,000</td>
<td>0.00%</td>
<td>14.61%</td>
<td>0</td>
<td>1,913</td>
<td></td>
</tr>
<tr>
<td>Drivers Education</td>
<td>45,000</td>
<td>43,665</td>
<td>(1,335)</td>
<td>-2.97%</td>
<td>45,000</td>
<td>0.00%</td>
<td>3.06%</td>
<td>0</td>
<td>1,335</td>
<td></td>
</tr>
<tr>
<td>Interest Income</td>
<td>50,000</td>
<td>64,768</td>
<td>14,768</td>
<td>28.44%</td>
<td>100,000</td>
<td>5.26%</td>
<td>5.52%</td>
<td>5,000</td>
<td>5,232</td>
<td></td>
</tr>
<tr>
<td>Bus Tickets</td>
<td>95,000</td>
<td>242,224</td>
<td>147,224</td>
<td>384.45%</td>
<td>250,000</td>
<td>400.00%</td>
<td>0</td>
<td>200,000</td>
<td>20.776</td>
<td></td>
</tr>
<tr>
<td>ENCORE Fees</td>
<td>250,000</td>
<td>335,319</td>
<td>85,319</td>
<td>15.63%</td>
<td>345,000</td>
<td>18.97%</td>
<td>2.89%</td>
<td>56,000</td>
<td>9,681</td>
<td></td>
</tr>
<tr>
<td>SPA Activities</td>
<td>170,000</td>
<td>134,452</td>
<td>(35,548)</td>
<td>-20.91%</td>
<td>140,000</td>
<td>-17.65%</td>
<td>4.13%</td>
<td>(30,000)</td>
<td>5,549</td>
<td></td>
</tr>
<tr>
<td>Summer School Activities</td>
<td>1,000</td>
<td>8,698</td>
<td>7,698</td>
<td>769.75%</td>
<td>8,000</td>
<td>700.00%</td>
<td>-8.02%</td>
<td>7,000</td>
<td>(698)</td>
<td></td>
</tr>
<tr>
<td>Rental Income</td>
<td>20,000</td>
<td>12,715</td>
<td>(7,285)</td>
<td>-36.43%</td>
<td>12,000</td>
<td>-40.00%</td>
<td>-5.62%</td>
<td>(8,000)</td>
<td>(715)</td>
<td></td>
</tr>
<tr>
<td>Sale of Real Property</td>
<td>400,000</td>
<td>394,009</td>
<td>(5,901)</td>
<td>-1.50%</td>
<td>410,000</td>
<td>2.50%</td>
<td>0.60%</td>
<td>10,000</td>
<td>15,991</td>
<td></td>
</tr>
<tr>
<td>Contributions / Donations</td>
<td>30,000</td>
<td>17,528</td>
<td>(12,472)</td>
<td>-41.57%</td>
<td>25,000</td>
<td>-16.67%</td>
<td>42.63%</td>
<td>(5,000)</td>
<td>7,472</td>
<td></td>
</tr>
<tr>
<td>Other Local</td>
<td>200,000</td>
<td>93,669</td>
<td>(106,331)</td>
<td>-52.56%</td>
<td>100,000</td>
<td>-37.11%</td>
<td>9.76%</td>
<td>(99,000)</td>
<td>6,332</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL LOCAL REVENUE</strong></td>
<td><strong>25,675,000</strong></td>
<td><strong>25,657,112</strong></td>
<td><strong>(17,888)</strong></td>
<td>-0.07%</td>
<td><strong>26,650,000</strong></td>
<td><strong>3.80%</strong></td>
<td><strong>3.87%</strong></td>
<td><strong>975,000</strong></td>
<td><strong>992,888</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B. STATE SOURCES</th>
<th>2017-2018 BUDGET</th>
<th>2017-2018 ACTUAL</th>
<th>$ DIFF</th>
<th>% DIFF</th>
<th>2018-2019 PROPOSED</th>
<th>% COMPARED TO ACTUAL</th>
<th>2018-2019 BUDGET</th>
<th>% COMPARED TO ACTUAL</th>
<th>$ COMPARED TO BUDGET</th>
<th>$ COMPARED TO ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Aid Formula Payment</td>
<td>63,700,000</td>
<td>63,869,537</td>
<td>169,537</td>
<td>0.27%</td>
<td>64,400,000</td>
<td>1.10%</td>
<td>700,000</td>
<td>0.83%</td>
<td>530,463</td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>406,000</td>
<td>455,649</td>
<td>49,649</td>
<td>12.33%</td>
<td>455,000</td>
<td>12.07%</td>
<td>-49,000</td>
<td>-1.41%</td>
<td>649</td>
<td></td>
</tr>
<tr>
<td>Special Education</td>
<td>975,000</td>
<td>930,081</td>
<td>(44,919)</td>
<td>-4.61%</td>
<td>950,000</td>
<td>-2.56%</td>
<td>20,000</td>
<td>2.14%</td>
<td>(25,000)</td>
<td>19,919</td>
</tr>
<tr>
<td>Career &amp; Technical Education</td>
<td>300,000</td>
<td>319,938</td>
<td>19,938</td>
<td>6.65%</td>
<td>315,000</td>
<td>5.00%</td>
<td>-1.54%</td>
<td>15,000</td>
<td>(4,938)</td>
<td></td>
</tr>
<tr>
<td>Adult Education</td>
<td>204,000</td>
<td>125,000</td>
<td>(79,000)</td>
<td>-38.73%</td>
<td>85,000</td>
<td>-58.33%</td>
<td>-32.00%</td>
<td>(119,000)</td>
<td>(40,000)</td>
<td></td>
</tr>
<tr>
<td>Medicaid Reimbursement</td>
<td>56,000</td>
<td>35,895</td>
<td>(20,105)</td>
<td>-35.11%</td>
<td>36,000</td>
<td>-37.93%</td>
<td>0.29%</td>
<td>(22,000)</td>
<td>105</td>
<td></td>
</tr>
<tr>
<td>Restricted State Aid - Northeast</td>
<td>83,000</td>
<td>99,886</td>
<td>16,886</td>
<td>20.36%</td>
<td>100,000</td>
<td>20.48%</td>
<td>0.10%</td>
<td>17,000</td>
<td>105</td>
<td></td>
</tr>
<tr>
<td>Restricted State Aid - Day Treatment</td>
<td>44,000</td>
<td>43,750</td>
<td>(250)</td>
<td>-0.57%</td>
<td>44,000</td>
<td>0.00%</td>
<td>0.57%</td>
<td>0</td>
<td>250</td>
<td></td>
</tr>
<tr>
<td>Restricted State Aid - ELL</td>
<td>35,000</td>
<td>21,770</td>
<td>(13,230)</td>
<td>-37.80%</td>
<td>22,000</td>
<td>-37.14%</td>
<td>1.06%</td>
<td>(13,000)</td>
<td>230</td>
<td></td>
</tr>
<tr>
<td>Restricted State Aid - Other</td>
<td>70,000</td>
<td>99,134</td>
<td>29,134</td>
<td>41.62%</td>
<td>93,000</td>
<td>32.86%</td>
<td>-0.19%</td>
<td>23,000</td>
<td>(6,134)</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL STATE REVENUE</strong></td>
<td><strong>65,875,000</strong></td>
<td><strong>66,000,649</strong></td>
<td><strong>125,649</strong></td>
<td>0.19%</td>
<td><strong>66,500,000</strong></td>
<td><strong>0.95%</strong></td>
<td><strong>0.76%</strong></td>
<td><strong>625,000</strong></td>
<td><strong>499,351</strong></td>
<td></td>
</tr>
</tbody>
</table>
### C. FEDERAL SOURCES

<table>
<thead>
<tr>
<th>Source</th>
<th>2017-2018 BUDGET</th>
<th>2017-2018 ACTUAL</th>
<th>DIFF</th>
<th>% DIFF</th>
<th>2018-2019 PROPOSED</th>
<th>% COMPARED TO BUDGET</th>
<th>% COMPARED TO ACTUAL</th>
<th>% COMPARED TO ACTUAL</th>
<th>$ COMPARED TO BUDGET</th>
<th>$ COMPARED TO ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title I, Part A</td>
<td>3,151,884</td>
<td>2,715,648</td>
<td>(436,236)</td>
<td>-15.84%</td>
<td>2,959,973</td>
<td>-6.09%</td>
<td>9.00%</td>
<td>(191,911)</td>
<td>244,325</td>
<td></td>
</tr>
<tr>
<td>Title II, Part A</td>
<td>799,420</td>
<td>675,227</td>
<td>(124,194)</td>
<td>-15.54%</td>
<td>770,248</td>
<td>-3.65%</td>
<td>14.07%</td>
<td>(20,173)</td>
<td>95,021</td>
<td></td>
</tr>
<tr>
<td>Title III, Part A</td>
<td>39,981</td>
<td>38,860</td>
<td>(1,121)</td>
<td>-2.80%</td>
<td>35,260</td>
<td>-11.79%</td>
<td>-9.25%</td>
<td>(4,715)</td>
<td>(3,594)</td>
<td></td>
</tr>
<tr>
<td>Title IV, Part A</td>
<td>78,637</td>
<td>27,821</td>
<td>(49,816)</td>
<td>-63.96%</td>
<td>43,614</td>
<td>461.89%</td>
<td>1459.00%</td>
<td>353,977</td>
<td>402,993</td>
<td></td>
</tr>
<tr>
<td>ENCORE (21st Century CCLC)</td>
<td>479,203</td>
<td>587,127</td>
<td>107,924</td>
<td>22.52%</td>
<td>500,000</td>
<td>4.34%</td>
<td>-14.84%</td>
<td>20,797</td>
<td>(87,127)</td>
<td></td>
</tr>
<tr>
<td>Head Start</td>
<td>2,556,269</td>
<td>2,531,971</td>
<td>(24,298)</td>
<td>-0.95%</td>
<td>2,621,867</td>
<td>2.57%</td>
<td>3.55%</td>
<td>65,998</td>
<td>89,896</td>
<td></td>
</tr>
<tr>
<td>IDEA B - Special Education</td>
<td>2,318,451</td>
<td>2,092,043</td>
<td>(226,408)</td>
<td>-9.77%</td>
<td>2,378,728</td>
<td>2.60%</td>
<td>13.70%</td>
<td>60,277</td>
<td>286,665</td>
<td></td>
</tr>
<tr>
<td>Preschool Program</td>
<td>73,554</td>
<td>70,447</td>
<td>(3,107)</td>
<td>-4.22%</td>
<td>77,881</td>
<td>5.88%</td>
<td>10.55%</td>
<td>4,327</td>
<td>7,434</td>
<td></td>
</tr>
<tr>
<td>Indian Education Programs</td>
<td>80,485</td>
<td>78,876</td>
<td>(1,609)</td>
<td>-2.00%</td>
<td>87,129</td>
<td>8.25%</td>
<td>10.46%</td>
<td>6,644</td>
<td>8,253</td>
<td></td>
</tr>
<tr>
<td>Carl Perkins</td>
<td>210,000</td>
<td>215,005</td>
<td>5,005</td>
<td>2.38%</td>
<td>215,000</td>
<td>2.38%</td>
<td>0.00%</td>
<td>5,000</td>
<td>(5)</td>
<td></td>
</tr>
<tr>
<td>Adult Education</td>
<td>93,000</td>
<td>93,000</td>
<td>0</td>
<td>0.00%</td>
<td>63,000</td>
<td>-32.26%</td>
<td>-32.26%</td>
<td>(30,000)</td>
<td>(30,000)</td>
<td></td>
</tr>
<tr>
<td>E-Rate Funding</td>
<td>54,720</td>
<td>128,071</td>
<td>73,351</td>
<td>134.05%</td>
<td>46,968</td>
<td>-9.42%</td>
<td>-61.30%</td>
<td>(5,152)</td>
<td>(78,503)</td>
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</tr>
<tr>
<td>Restricted Federal - Other</td>
<td>16,266</td>
<td>37,363</td>
<td>21,097</td>
<td>127.99%</td>
<td>10,727</td>
<td>-34.57%</td>
<td>-71.29%</td>
<td>(5,888)</td>
<td>(26,636)</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL FEDERAL REVENUE</strong></td>
<td><strong>9,950,000</strong></td>
<td><strong>9,291,259</strong></td>
<td><strong>(658,740)</strong></td>
<td><strong>-6.62%</strong></td>
<td><strong>10,200,000</strong></td>
<td><strong>2.51%</strong></td>
<td><strong>9.78%</strong></td>
<td><strong>250,000</strong></td>
<td><strong>908,741</strong></td>
<td></td>
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</table>

### D. GRANT RESERVES

<table>
<thead>
<tr>
<th>Reserve for Additional Grants</th>
<th>500,000</th>
<th>- (500,000)</th>
<th>- (500,000)</th>
<th>- (500,000)</th>
<th>0</th>
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</thead>
<tbody>
<tr>
<td><strong>TOTAL RESERVES</strong></td>
<td>500,000</td>
<td>- (500,000)</td>
<td>- (500,000)</td>
<td>- (500,000)</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>102,000,000</td>
<td>100,949,020</td>
<td>(1,050,980)</td>
<td>-1.03%</td>
<td>103,350,000</td>
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</table>

FY 18-19 Budget.xlsx - FY18-19 Proposed
### GRAND FORKS PUBLIC SCHOOLS
### GENERAL FUND BUDGET
### FISCAL YEAR 2018-2019

<table>
<thead>
<tr>
<th></th>
<th>2017-2018 BUDGET</th>
<th>2017-2018 ACTUAL</th>
<th>$ DIFF</th>
<th>% DIFF</th>
<th>2018-2019 PROPOSED</th>
<th>% COMPARED TO BUDGET</th>
<th>% COMPARED TO ACTUAL</th>
<th>$ COMPARED TO BUDGET</th>
<th>$ COMPARED TO ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. SALARIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Staff</td>
<td>51,600,000</td>
<td>50,597,302</td>
<td>(1,002,698)</td>
<td>-1.94%</td>
<td>53,000,000</td>
<td>2.71%</td>
<td>4.75%</td>
<td>1,400,000</td>
<td>2,402,698</td>
</tr>
<tr>
<td>Paras / Classified Staff</td>
<td>15,000,000</td>
<td>14,488,471</td>
<td>(511,529)</td>
<td>-3.41%</td>
<td>15,200,000</td>
<td>1.33%</td>
<td>4.91%</td>
<td>200,000</td>
<td>711,529</td>
</tr>
<tr>
<td>Subs / Other</td>
<td>1,250,000</td>
<td>1,273,742</td>
<td>23,742</td>
<td>1.90%</td>
<td>1,300,000</td>
<td>4.00%</td>
<td>2.06%</td>
<td>50,000</td>
<td>26,258</td>
</tr>
<tr>
<td><strong>TOTAL SALARIES</strong></td>
<td>67,850,000</td>
<td>66,359,514</td>
<td>(1,490,486)</td>
<td>-2.20%</td>
<td>69,500,000</td>
<td>2.43%</td>
<td>4.73%</td>
<td>1,650,000</td>
<td>3,140,486</td>
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</tbody>
</table>

| **B. FRINGE BENEFITS** |                  |                  |        |        |                    |                      |                     |                      |                      |
| Health Insurance     | 8,268,000        | 8,140,970        | (127,030) | -1.54% | 8,500,000          | 2.81%                | 4.41%               | 232,000              | 359,030              |
| TFFR (Employer Share)| 6,065,000        | 5,938,315        | (126,685) | -2.07% | 6,275,000          | 2.95%                | 5.67%               | 180,000              | 330,685              |
| FICA (Employer Share) | 4,850,000        | 4,740,845        | (109,155) | -2.26% | 4,900,000          | 1.03%                | 3.36%               | 50,000               | 159,155              |
| IRA/403B (Employer Share) | 550,000      | 492,318          | (57,682)  | -10.49%| 550,000            | 0.00%                | 11.72%              | 0                    | 57,682               |
| Disability Insurance | 200,000          | 204,363          | 4,363    | 2.18%  | 205,000            | 2.50%                | 0.31%               | 5,000                | 637                  |
| Workers Comp         | 155,000          | 119,459          | (35,541)  | -22.93%| 123,000            | -20.65%              | 2.96%               | (32,000)             | 3,541                |
| Unemployment Comp    | 2,000            | 6,675            | 4,675    | 233.75%| 7,000              | 250.00%              | 4.87%               | 5,000                | 325                  |
| Life Insurance       | 40,000           | 34,430           | (5,570)  | -13.93%| 40,000            | 0.00%                | 16.18%              | 0                    | 5,570                |
| **TOTAL FRINGE BENEFITS** | 20,160,000    | 19,677,375       | (482,625) | -2.39% | 20,600,000         | 2.18%                | 4.69%               | 440,000              | 922,625              |

| **C. OTHER EXPENSES**  |                  |                  |        |        |                    |                      |                     |                      |                      |
| Supplies              | 2,235,000        | 1,980,733        | (254,267) | -11.38%| 2,200,000          | -1.57%               | 11.07%              | (35,000)             | 219,267              |
| Equipment & Furniture | 1,380,000        | 1,537,348        | 157,348  | 11.40% | 1,500,000          | 8.70%                | -2.43%              | 120,000              | (37,348)             |
| Textbooks / Curriculum Adoption | 654,000 | 465,299          | (188,701) | -28.85%| 500,000            | -23.55%              | 7.46%               | (154,000)            | 34,701               |
| Library Books & Materials | 145,000    | 134,281          | (10,719)  | -7.39% | 135,000            | -6.90%               | 0.54%               | (10,000)             | 719                  |
| Purchased Services    | 1,670,000        | 1,516,595        | (153,405) | -9.19% | 1,640,000          | -1.80%               | 8.14%               | (30,000)             | 123,405              |
| Legal Services        | 10,000           | 17,375           | (7,375)   | -26.25%| 9,000              | -10.00%              | 22.04%              | (1,000)              | 1,625                |
| Student Transportation| 1,300,000        | 1,433,795        | 133,796  | 10.29% | 1,500,000          | 15.38%               | 4.62%               | 200,000              | 66,205               |
| Field Trips           | 65,000           | 58,789           | (6,211)   | -9.56% | 65,000            | 0.00%                | 10.57%              | 0                    | 6,211                |
| Tuition               | 1,000,000        | 1,086,295        | 86,295    | 8.63%  | 1,100,000          | 10.00%               | 1.26%               | 100,000              | 13,705               |
## GRAND FORKS PUBLIC SCHOOLS
### GENERAL FUND BUDGET
#### FISCAL YEAR 2018-2019

<table>
<thead>
<tr>
<th></th>
<th>2017-2018 BUDGET</th>
<th>2017-2018 ACTUAL</th>
<th>$ DIFF</th>
<th>% DIFF</th>
<th>2018-2019 BUDGET</th>
<th>2018-2019 PROPOSED</th>
<th>% COMPARED TO</th>
<th>% COMPARED TO</th>
<th>$ COMPARED TO</th>
<th>$ COMPARED TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephones</td>
<td>250,000</td>
<td>252,167</td>
<td>2,167</td>
<td>0.87%</td>
<td>250,000</td>
<td>0</td>
<td>0%</td>
<td>-0.86%</td>
<td>0</td>
<td>(2.167)</td>
</tr>
<tr>
<td>Postage</td>
<td>75,000</td>
<td>71,545</td>
<td>(3,455)</td>
<td>-4.61%</td>
<td>75,000</td>
<td>0</td>
<td>0%</td>
<td>4.83%</td>
<td>0</td>
<td>3,455</td>
</tr>
<tr>
<td>Printing</td>
<td>125,000</td>
<td>121,004</td>
<td>(4,006)</td>
<td>-3.20%</td>
<td>125,000</td>
<td>0</td>
<td>0%</td>
<td>3.30%</td>
<td>0</td>
<td>3,996</td>
</tr>
<tr>
<td>Insurance</td>
<td>360,000</td>
<td>350,817</td>
<td>(9,183)</td>
<td>-2.65%</td>
<td>380,000</td>
<td>20,000</td>
<td>5.56%</td>
<td>8.32%</td>
<td>20,000</td>
<td>29,183</td>
</tr>
<tr>
<td>Rent</td>
<td>490,000</td>
<td>547,523</td>
<td>(57,523)</td>
<td>11.74%</td>
<td>500,000</td>
<td>60,000</td>
<td>12.24%</td>
<td>0.45%</td>
<td>60,000</td>
<td>2,477</td>
</tr>
<tr>
<td>Apple Lease</td>
<td>211,000</td>
<td>210,669</td>
<td>(331)</td>
<td>-0.16%</td>
<td>211,000</td>
<td>0</td>
<td>0%</td>
<td>0.16%</td>
<td>0</td>
<td>331</td>
</tr>
<tr>
<td>Service Agreements</td>
<td>635,000</td>
<td>625,749</td>
<td>(9,251)</td>
<td>-1.46%</td>
<td>635,000</td>
<td>0</td>
<td>0%</td>
<td>1.46%</td>
<td>0</td>
<td>9,251</td>
</tr>
<tr>
<td>Construction Services</td>
<td>1,000,000</td>
<td>1,004,067</td>
<td>(4,067)</td>
<td>0.41%</td>
<td>1,000,000</td>
<td>(85,000)</td>
<td>-8.5%</td>
<td>-0.41%</td>
<td>(4,067)</td>
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<tr>
<td>Travel</td>
<td>225,000</td>
<td>149,329</td>
<td>(75,671)</td>
<td>-33.63%</td>
<td>160,000</td>
<td>-28.89%</td>
<td>7.15%</td>
<td>(65,000)</td>
<td>10,671</td>
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</tr>
<tr>
<td>Car Allowances</td>
<td>200,000</td>
<td>177,335</td>
<td>(22,665)</td>
<td>-11.33%</td>
<td>100,000</td>
<td>-50.00%</td>
<td>-43.61%</td>
<td>(100,000)</td>
<td>77,335</td>
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</tr>
<tr>
<td>Gas &amp; Oil</td>
<td>50,000</td>
<td>45,221</td>
<td>(4,779)</td>
<td>-9.56%</td>
<td>50,000</td>
<td>0</td>
<td>10.57%</td>
<td>0</td>
<td>4,779</td>
<td></td>
</tr>
<tr>
<td>Food (Head Start)</td>
<td>40,000</td>
<td>29,417</td>
<td>(10,583)</td>
<td>-26.46%</td>
<td>30,000</td>
<td>-25.00%</td>
<td>1.98%</td>
<td>(10,000)</td>
<td>583</td>
<td></td>
</tr>
<tr>
<td>Dues / Fees</td>
<td>625,000</td>
<td>661,320</td>
<td>(36,320)</td>
<td>5.41%</td>
<td>685,000</td>
<td>6.40%</td>
<td>0.56%</td>
<td>40,000</td>
<td>3,680</td>
<td></td>
</tr>
<tr>
<td>Service Awards / Empl Recognition</td>
<td>20,000</td>
<td>16,027</td>
<td>(3,973)</td>
<td>-19.87%</td>
<td>20,000</td>
<td>0.00%</td>
<td>24.79%</td>
<td>0</td>
<td>3,973</td>
<td></td>
</tr>
<tr>
<td>Indirect Cost</td>
<td>50,000</td>
<td>40,665</td>
<td>(9,335)</td>
<td>-18.27%</td>
<td>50,000</td>
<td>0.00%</td>
<td>22.35%</td>
<td>0</td>
<td>9,135</td>
<td></td>
</tr>
<tr>
<td>Transfer to Fund #61</td>
<td>550,000</td>
<td>561,682</td>
<td>(11,682)</td>
<td>-2.09%</td>
<td>550,000</td>
<td>0</td>
<td>0%</td>
<td>9.05%</td>
<td>0</td>
<td>48,418</td>
</tr>
<tr>
<td><strong>TOTAL OTHER EXPENSES</strong></td>
<td><strong>13,365,000</strong></td>
<td><strong>13,025,146</strong></td>
<td><strong>(339,854)</strong></td>
<td><strong>-2.54%</strong></td>
<td><strong>13,500,000</strong></td>
<td><strong>1,01%</strong></td>
<td><strong>3.85%</strong></td>
<td><strong>135,000</strong></td>
<td><strong>474,854</strong></td>
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</table>

### D. UTILITIES

<table>
<thead>
<tr>
<th></th>
<th>2017-2018</th>
<th>2017-2018</th>
<th>$ DIFF</th>
<th>% DIFF</th>
<th>2018-2018</th>
<th>2018-2018</th>
<th>% COMPARED TO</th>
<th>% COMPARED TO</th>
<th>$ COMPARED TO</th>
<th>$ COMPARED TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water &amp; Sewage</td>
<td>375,000</td>
<td>341,436</td>
<td>(33,564)</td>
<td>-9.56%</td>
<td>375,000</td>
<td>0</td>
<td>0%</td>
<td>9.83%</td>
<td>0</td>
<td>33,564</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>500,000</td>
<td>457,065</td>
<td>(42,935)</td>
<td>-8.59%</td>
<td>500,000</td>
<td>0</td>
<td>0%</td>
<td>9.39%</td>
<td>0</td>
<td>42,935</td>
</tr>
<tr>
<td>Electricity</td>
<td>1,250,000</td>
<td>1,199,419</td>
<td>(50,581)</td>
<td>-4.05%</td>
<td>1,250,000</td>
<td>0</td>
<td>0%</td>
<td>4.22%</td>
<td>0</td>
<td>50,581</td>
</tr>
<tr>
<td><strong>TOTAL UTILITIES</strong></td>
<td>2,125,000</td>
<td>1,997,920</td>
<td>(127,080)</td>
<td>-5.98%</td>
<td>2,125,000</td>
<td>0</td>
<td>0%</td>
<td>6.36%</td>
<td>0</td>
<td>127,080</td>
</tr>
</tbody>
</table>

### E. GRANT RESERVES

|                      | 500,000   | 0         | (500,000)| 0         | (500,000) | 0         | 0%           | 0%           | 0             | 0             |

| **TOTAL GENERAL FUND EXPEND** | **104,000,000** | **101,059,955** | **(2,940,045)** | **-2.83%** | **105,725,000** | **1.66%** | **4.62%** | **1,725,000** | **4,665,045** |

FY 18-19 Budget.xlsx - FY18-19 Proposed

Page 5

8/9/201
### PROPERTY TAX ESTIMATES

**FISCAL YEAR 2018-2019**

<table>
<thead>
<tr>
<th>FY 17-18</th>
<th>Valuation</th>
<th>Calculated</th>
<th>Est @ 97%</th>
<th>Budgeted</th>
<th>Actual $</th>
<th>Actual %</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>85.36 Mills</td>
<td>$19,885,028</td>
<td>$19,289,350</td>
<td>$19,275,000</td>
<td>$18,964,575</td>
<td>95.4%</td>
</tr>
<tr>
<td>Building Fund</td>
<td>10.00 Mills</td>
<td>$2,329,654</td>
<td>$2,259,764</td>
<td>$2,250,000</td>
<td>$2,260,468</td>
<td>97.0%</td>
</tr>
<tr>
<td>Special Ass'ts</td>
<td>2.00 Mills</td>
<td>$465,931</td>
<td>$451,953</td>
<td>$450,000</td>
<td>$445,151</td>
<td>95.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>97.36 Mills</td>
<td><strong>$22,681,513</strong></td>
<td><strong>$22,001,067</strong></td>
<td><strong>$21,975,000</strong></td>
<td><strong>$21,670,194</strong></td>
<td><strong>95.5%</strong></td>
</tr>
</tbody>
</table>

2.33% Increase

<table>
<thead>
<tr>
<th>FY 18-19</th>
<th>Valuation</th>
<th>Calculated</th>
<th>Est @ 97%</th>
<th>Budgeted</th>
<th>Inc. in Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>85.00 Mills</td>
<td>$20,502,475</td>
<td>$19,887,401</td>
<td>$19,800,000</td>
<td>$525,000</td>
</tr>
<tr>
<td>Special Reserve</td>
<td>3.00 Mills</td>
<td>$715,203</td>
<td>$693,747</td>
<td>$650,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>Building Fund</td>
<td>10.00 Mills</td>
<td>$2,384,009</td>
<td>$2,312,488</td>
<td>$2,300,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>Special Ass'ts</td>
<td>2.00 Mills</td>
<td>$476,802</td>
<td>$462,498</td>
<td>$460,000</td>
<td>$10,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>101.00 Mills</td>
<td><strong>$24,076,488</strong></td>
<td><strong>$23,356,133</strong></td>
<td><strong>$23,210,000</strong></td>
<td><strong>$1,235,000</strong></td>
</tr>
</tbody>
</table>

### PROPERTY TAX EXAMPLE BASED ON TOTAL LEVY:

<table>
<thead>
<tr>
<th></th>
<th>FY 17-18</th>
<th>FY 18-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Value</td>
<td>$300,000</td>
<td>$300,000</td>
</tr>
<tr>
<td>Assessed Value</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Residential Ratio</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Taxable Value</td>
<td>$13,500</td>
<td>$13,500</td>
</tr>
<tr>
<td>Total Mill Levy</td>
<td>97.36</td>
<td>101.00</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>$1,314.36</td>
<td>$1,363.50</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$49.14</td>
</tr>
<tr>
<td></td>
<td>3.74%</td>
</tr>
<tr>
<td>------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Beginning Fund Balance</td>
<td>(1,604,843)</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
</tr>
<tr>
<td>Property Tax @ 10.00 mills</td>
<td>2,250,000</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>2,250,000</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
</tr>
<tr>
<td>Bond Payments - Principal</td>
<td>1,710,036</td>
</tr>
<tr>
<td>Bond Payments - Interest</td>
<td>536,690</td>
</tr>
<tr>
<td>Bond Payments - Paying Agent Fees</td>
<td>3,000</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>2,249,726</td>
</tr>
<tr>
<td><strong>Ending Fund Balance</strong></td>
<td>(1,604,569)</td>
</tr>
</tbody>
</table>
## Grand Forks Public Schools
### Special Assessment Fund Budget
#### Fiscal Year 2018-2019

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Fund Balance</strong></td>
<td>(407,942)</td>
<td>(407,942)</td>
<td>(150,221)</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Tax @ 2.00 mills</td>
<td>450,000</td>
<td>445,151</td>
<td>460,000</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>450,000</td>
<td>445,151</td>
<td>460,000</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Assessments</td>
<td>350,000</td>
<td>187,430</td>
<td>300,000</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>350,000</td>
<td>187,430</td>
<td>300,000</td>
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<tr>
<td><strong>Ending Fund Balance</strong></td>
<td>(307,942)</td>
<td>(150,221)</td>
<td>9,779</td>
</tr>
</tbody>
</table>
CHAPTER 57-19
SCHOOL DISTRICT SPECIAL RESERVE FUND

57-19-01. School district - Establishment of special reserve fund.
Each school district in this state may establish and maintain a special reserve fund, subject to the limitations in section 57-15-14.2. The balance of moneys in the fund may not exceed that which could be produced by a levy of fifteen mills in that district for that year.

57-19-02. Special reserve fund - Transfer.
1. Moneys in the special reserve fund may be deposited, held, or invested in the same manner as the sinking fund of the district or in the purchase of shares or securities of federal savings and loan associations or state-chartered building and loan associations, within the limits of federal insurance.
2. Each July first, the board of the school district shall transfer from the special reserve fund to the district's general fund any amount that exceeds the limitation in section 57-19-01.

57-19-03. Transfer of other funds to special reserve fund.
Any school district having on hand funds, other than sinking or building funds, which are not otherwise encumbered, and which are not required for the payment of the items contained in the current operating budget, by a resolution of the governing board of the school district, may set aside a part or all of such surplus funds in such a special reserve fund, subject to the limitation contained in section 57-19-01 on the size of such fund.

57-19-04. May levy tax beyond levy limitations.

57-19-05. Fund not considered in fixing budget.
Such special reserve fund and the funds therein may not be considered in determining the budget or the amount to be levied for each school fiscal year, for normal tax purposes, but must be shown in such budget as a special trust fund, and may not be deducted therefrom as otherwise provided by law.

57-19-06. Special reserve fund - How and when used.

57-19-07. Limitation on amount drawn from fund - Tax collections used to restore fund.

57-19-08. When officers personally liable.

57-19-09. Special reserve fund - Correction of error.
If a school district considered all or part of its special reserve fund in determining its budget and deducted all or part of its special reserve fund from the amount necessary to be levied for a fiscal year, the district may transfer from its special reserve fund into its general fund all or part of the amount that was so considered, contrary to section 57-19-05.

57-19-10. Special reserve funds - Transfer of control.
Repealed by S.L. 2013, ch. 13, § 64.
57-19-11. Special reserve fund - Use.
If collections from taxes levied for the current budget are insufficient to meet the requirements of the budget for teacher salaries, heat, light, and fuel, a majority of the school board may direct the school district business manager to draw on funds in the special reserve fund of the district. The school board, by resolution, may withdraw without repayment fifty percent of the funds from the special reserve fund of the school district.
MEMORANDUM

TO: Grand Forks School Board  
FROM: Dr. Terry Brenner  
SUBJECT: Establishing School Board Norms  
DATE: August 20, 2018

In *The Key Work of School Boards Guidebook* (National School Boards Association, 2015) that school board members received, and under the heading of *Establishing Norms and Bylaws to Ensure Effective Governance*, the following is stated:

A code of conduct starts with the basic rules of good board service: Do your homework, don’t surprise other board members in public, and don’t resort to personal attacks (p. 52).

This section also goes on to state:

No code, of course, is complete without such traditional ethics as honesty, trust, fairness, and integrity (p. 52).

The aforementioned is a good reminder of how you will want to proceed with establishing school board working norms and what attributes rise to the top when considering five to six characteristics. And for your review, I have attached samples from various school districts and/or states for your review and reflection. Further, you will find our own Policy 8615 that may assist in developing school board norms.

Administrative recommendation is for the school board to identify norms and/or attributes that will guide its work moving forward.

 cj
Attachments
Policy 209

School Board

Code of Ethics

I. Purpose

This policy assists the individual school board member in understanding his or her role as part of a school board and the contribution that each member must make to develop an effective and responsible school board.

II. General Statement of Policy

Each school board member will follow the code of ethics stated in this policy.

A. As a member of the school board, I will:

1. Attend school board meetings.

2. Come to the meetings prepared for discussion of the agenda items.

3. Listen to other's opinions (e.g., school board members, administration, employees, community members, students).

4. Vote my conscience after informed discussion, unless I abstain because a conflict of interest exists.

5. Support the decision of the school board, even when my position concerning the issue was different.

6. Recognize the integrity of my predecessors and associates and appreciate their work.

7. Be primarily motivated by a desire to provide the best possible education for students enrolled in my school district.

8. Educate myself about the proper duties and functions of a school board member.

B. In performing the proper functions of a school board member, I will:

1. Focus on education policy as much as possible.

2. Remember that the board's responsibility is to promulgate policy – not to implement policy.
3. Consider myself a trustee of public education and do my best to protect, conserve, and advance its progress.

4. Recognize that my responsibility, exercised through the actions of the school board as a whole, is to see that the schools are properly run – not to run them myself.

5. Work through the superintendent – not over or around the superintendent.

6. Delegate the implementation of school board decisions to the superintendent.

C. To maintain relations with other members of the school board, I will:

1. Respect the rights of others to have and express opinions.

2. Recognize that authority rests with the school board in legal session – not with the individual members of the school board except as authorized by law.

3. Make no disparaging remarks, in or out of school board meetings, about other members of the school board or their opinions.

4. Maintain an open mind about how I will vote on any proposition until the board has met and fully discussed the issue.

5. Make decisions by voting at school board meetings after all sides of debatable questions have been presented.

6. Insist that committees be appointed to serve only in an advisory capacity to the school board.

D. In meeting my responsibilities to my community, I will:

1. Attempt to appraise and plan for both the present and future educational needs of the school district and its community.

2. Attempt to obtain adequate financial support for the school district's programs.

3. Insist that the school district's business transactions be ethical and open.

4. Strive to uphold my responsibilities and accountability to the taxpayers in my school district.

E. In working with the superintendent of schools and staff, I will:
1. Hold the superintendent responsible for the administration of the school district.

2. Give the superintendent authority commensurate with his or her responsibilities.

3. Ensure that the school district will be administered by the best professional personnel available.

4. Consider the recommendation of the superintendent when hiring all employees.

5. Participate in school board action after considering the recommendation of the superintendent and only after the superintendent has furnished adequate information supporting the recommendation.

6. Insist that the superintendent keep the school board adequately informed at all times.

7. Offer the superintendent counsel and advice.

8. Recognize the status of the superintendent as the chief executive officer and a nonvoting, ex officio member of the school board.

9. Refer all complaints to the proper administrative officer or insist that they be presented in writing to the whole school board for processing in accordance with district policy.

10. Present any personal criticisms of employees to the superintendent.

11. Provide support for the superintendent and employees of the school district so they may perform their proper functions on a professional level.

F. In fulfilling my legal obligations as a school board member, I will:

1. Comply with all laws relating to my work as a school board member.

2. Comply with all school district policies as adopted by the school board.

3. Abide by all rules and regulations as promulgated by state and federal agencies with jurisdiction over school districts.

4. Recognize that school district business may be legally transacted only in an open meeting of the school board.
5. Avoid conflicts of interest and refrain from using my school board position for personal gain.

6. Take no private action that will compromise the school board or administration.

7. Guard the confidentiality of information that is protected under applicable law.

III. School Board Member Discipline

The school board will follow Minnesota law when addressing inappropriate behavior by a board member.

Legal References:
Minn. Stat. § 123B.02, Subd. 1 (School District Powers)
Minn. Stat. § 123B.09 (School Board Powers)
Minn. Stat. § 123B.143, Subd. 1 (Superintendent)
Appendix I

COMMUNICATIONS GUIDELINES

The school board may communicate outside an open meeting for scheduling and maintenance types of communications. School board social gatherings and educational training sessions without any discussion of school district business do not violate the open meeting law or Minnesota Government Data Practices Act.

The use of electronic communications, including email, by school board members, will conform to the same standards of judgment, propriety and ethics as other forms of school board-related communication. Board members will comply with the following guidelines when using electronic communications in the conduct of board responsibilities:

1. The school board will not use electronic communication as a substitute for deliberations at board meetings or for other communications or business properly confined to board meetings.

2. Board members will be aware that electronic communications and electronic attachments received or prepared for use in board business or containing information relating to board business are likely to be regarded as public records, which may be inspected by any person upon request, unless made confidential by the law.

3. Board members should avoid references to confidential information about employees, students and other matters in electronic communications because of the risk of improper disclosure. Board members should comply with the same standards as school employees with respect to confidential information.
Board Norms

ISD Vision

A community united to improve the quality of life through education.

District Mission Statement

The Independence School District will ensure that each learner will achieve the skills and self-confidence to be successful in an ever-changing world.

Board of Education Goals

Academic Achievement, Communication and Collaboration, Fiscal Responsibility, Legislative Advocacy

In order to achieve the District’s Vision, Carry out its Mission, and achieve the Board of Education’s Goals, it is expected that ISD Board members will:

Demonstrate Professional and Ethical Behavior: Whether interacting with each other, administration, staff or community, Board members will adhere to the character standards that are at the core of the ISD-respect, responsibility, compassion and integrity.

Engage in the Work of the Board: Members will thoroughly prepare for meetings by reading the Board packet and asking the Superintendent questions in advance of meetings when possible. Board members will attend Board and committee meetings, arrive on time, remain on topic and adhere to the agenda. Regular and intentional communication between the Board and the Superintendent will help ensure that all are on the same page and that information is shared in a timely manner. Board members will maintain confidentiality when necessary and appropriate.

Value and Respect Each Other, the Superintendent and Staff: Each opinion deserves the listening ear of every Board member. We will deliberate in many voices, but we will govern in one. While believing that each member is working for the best interests of ISD students, staff and community, the Board of seven will collaboratively engage to reach decisions as a whole board; and each member will give his or her undivided support of board decisions both in public and private. Courtesy shall be extended to every Board member, Superintendent and staff at all times.

Serve as Advocates for K-12 Public Education: Within the community, state and nation. ISD Board members will fight fiercely for the preservation of the public education system. Maintaining open communication with legislators, attending forums and pursuing opportunities to become educated about public education is essential to the effectiveness of the ISD Board of Education.

Listen and Communicate Effectively: Board members will be District ambassadors in the community. As concerns, questions, and issues arise, Board members will be available and will listen to understand the situation. They will show appreciation for the information, direct the individual to make contact with the appropriate district personnel, and if circumstances warrant, shall channel this information to the Superintendent. Board members should make no promises to district residents related to administrative or policy issues nor should they contact district staff other than the superintendent in an effort to resolve administrative or policy issues. The first and most direct line of communication for Board members shall be with the Superintendent.

Adopted March 2018
Sample Board Norms

Oregon School Boards’ Association

Focused Use of Meeting Time
- Start on time, use time wisely and end on time.
- Allow all members time to express themselves without feeling rushed by:
  - Utilizing the phrase, “I agree with _____” to avoid repetition of the same ideas and points.
  - Balance board members’ speaking time.
  - Be succinct to maintain opportunity for all to express themselves.
- Engage in meaningful discussion.
- Develop a system to provide updates regarding the work of district committees.
- Allow moments of silence between commentaries to provide time to consider the discussion.

Orderly Procedure
- Effectively employ parliamentary procedure to facilitate a smooth meeting.
- Relegate input and comments from the public to the time allotted for public testimony to maintain equal opportunity to speak.

Consider Staff and District Capacity and Resources
- Be cognizant of diminishing resources and time when requesting action from staff.
- Assess whether a majority of the board desires particular information from staff before making the request.

Thoughtful Deliberation and Conversation
- Actively listen to those sharing their points of view, to facilitate full understanding and the possibility of changing viewpoints.
- Vocalize what another individual’s statement has helped you learn or reconsider.
- Facilitate focused, open conversation.
- Refrain from deriding other individuals’ ideas. Strive to value all opinions.
- Avoid assigning “ownership” of a question, thought, or idea expressed by a single board member during a meeting to encourage open discussion and exploration of ideas and information.

Board Requests Regarding Staff Presentations
- Avoid sending additional reports to the board after packets have been disseminated, in order to facilitate adequate preparation for meetings.
- Develop a system to provide updates regarding the work of district committees.
- Limit staff reports to introductory and additional remarks; avoid restatement of written reports or PowerPoint presentations.
- Keep staff presentations succinct.

Stapleton, NE

At the July 15, 2013 school board meeting, the Stapleton Board of Education adopted norms that will be used as a guide. They are:
- **Listening** - We will listen to understand by using eye contact, not interrupting or having side conversations.
- **Decisions** - We make decisions based on what is best for all students of Stapleton Public Schools using current data, considering the impact on staff, and following all legalities.
- **Expectations** - We collaborate to do great things for students. We avoid negativity but encourage dissent and constructive criticism without repercussion. We value different opinions and trust that everyone one is working for best interests of students.
- **Confidentiality** - In order to freely discuss what we need to discuss; we keep what occurs during executive session confidential.
• **Time** - We agree to come prepared by reading the packet before the board meeting and for administrators to share only highlight during their reports. Utilize a timekeeper and timed agenda in order to have efficient meetings.

• **Participation** - We invite input from all. We agree to be respectful of everyone’s thoughts and ideas. We will articulate clearly, concisely, on topic and loudly enough so all can be heard.

**Jamestown, VA**

• All board members will maintain a professional decorum.
• Board members will complete foundation work to be prepared for meetings.
• All perspectives will be voiced and heard.
• Meetings will be short and efficient.
• Decisions will be based on the board's strategic plan, its mission and what's best for students.

**DeKalb County School Board of Education Norms and Standards (2013)**

**Board Interactions**

- We will treat each other with respect at all times by being cordial and engaging in active listening.
- We will respect differences and opinions of other board members.
- We will exhibit respect for each other at all times.
- We will practice active listening. We will be aware of nonverbal as well as verbal behaviors and we will be accountable for self-behaviors and their impact on board activities.

**Communication & Constituent Interactions**

- We will respect staff, employees, parents, students and other stakeholders verbally and nonverbally at all times.
- We will speak with one voice.
- We will respect different opinions of each board member; engage in compromising and consensus until we reach a decision as a collective board, while supporting the decision in words and actions, privately and publicly.
- We will recognize and respect a single official voice as that of the board chair (or vice chair, as appropriate).
- We will speak with clarity about the role of the board.
- We will seek to understand and respect diverse opinions and perspectives espoused by board members and others.
- We will assist parents, the community and other stakeholders in following the designated protocol for the chain of command.

**Interaction with District Administrators & Staff**

- We will do our best to remain informed of incidents within the District.
- We will recognize that the Superintendent is the only employee that reports directly to the Board of Education.
- We will not attend staff meetings and/or staff training unless invited.
- We will respect all administrators and staff of the DeKalb County School District.

**Interpersonal Relationships**

- We will engage in responsible, intentional, and continuous relationship building with board members, the superintendent, the administration, teachers, staff, and other stakeholders.
- We will work consistently to respect, support, and empower the superintendent as he carries out his duties to the school district and the community.
We will strive to become culturally competent, respecting the cultural difference of board meetings and others.

We will strive to encourage open and honest communication with board members, the superintendent, the administration, teachers, staff, parents, students, and other stakeholders on a consistent and continuous basis.

We will strive to work with board members with a spirit of harmony, cooperation, respect, and connectedness.

We will work to empower the board as a whole, to carry out its responsibilities.

**Time Management**

- We will use best efforts to be on time for all meetings and when unable to do so to provide the chair and staff with notice of said delay.
- When late or absent board members will assume responsibility to be briefed on the items or information missed.
- We will read all materials provided in preparation for all regularly scheduled board meetings.
- We will respect each other’s time, by being brief in our comments, adhering to reasonable time constraints and avoiding the repetition of comments already made by other board members.
- We will not rush discussions or deliberations for personal reasons.
- We respect time allotted for all presentations at board meetings and if the allotted time has ended we will follow Robert’s Rules of Order for extending the discussion.

**Media and Public Relations**

- We will respect different opinions of each board member; engage in compromise and consensus until we reach a decision as a collective board, while supporting the decision in words and actions, privately and publicly.
- The chair (or vice chair, as appropriate) will respond to any and all official and public inquiries directed to the full board; providing official statements and responses on behalf of the full board.
- We will respect and remain mindful of the different roles within the school system, including, but not limited to the school board, the superintendent, the administration, teachers, and staff.
- We will ensure that any communication with the media about the DeKalb County School District is helpful, and not harmful.
Policy 8615

The board shall concern itself primarily with broad questions of policy, rather than with administrative details. The application of policies is an administrative task to be performed by the superintendent and staff, who shall be held responsible for the effective administration and supervision of the entire school system.

Methods of Operation
The board, functioning within the framework of laws and recognizing the authority of the State, fulfills its mission as the governing body of a political subdivision by acting as follows in the execution of its duties:

1. Enacts policy.
2. Provides for the planning, expansion, improvement, financing, construction, and maintenance of the physical plant of the school system.
3. Prescribes the minimum standards needed for the efficient operation and improvement of the school system.
4. Requires the establishment and maintenance of records, accounts, archives, management methods, and procedures incidental to the conduct of school business.
5. Approves the budget, financial reports, audits, major expenditures, payment of obligations, and policies whereby the administration may formulate procedures, regulations, and other guides for the orderly accomplishment of business.
6. Estimates and levies taxes for the operation, support, maintenance, improvement, and extension of the school system.
7. Adopts courses of study.
8. Provides staff and instructional materials.
9. Reviews the educational program to determine the effectiveness with which the schools are achieving the educational purpose of the school system.
10. Provides for the dissemination of information relating to the schools necessary for creating a well-informed public.
11. Engages in two-way communication with the general public in order to assess the feelings and wishes of the community with regard to the education of its children.

Adopted 6-4-68
Amended 11-23-93, 2-13-01
Legal Reference: NDCC 15.1-09-33
## 2018-2019 Open House Schedule

<table>
<thead>
<tr>
<th>SCHOOL</th>
<th>DATE</th>
<th>TIME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ben Franklin Elementary</td>
<td>August 22</td>
<td>4:00 – 6:00 p.m.</td>
</tr>
<tr>
<td>Century Elementary</td>
<td>August 20 (Kindergarten)</td>
<td>6:00 – 8:00 p.m.</td>
</tr>
<tr>
<td></td>
<td>August 22 (Gr. 1-5)</td>
<td>4:00 – 6:00 p.m.</td>
</tr>
<tr>
<td>Discovery Elementary</td>
<td>August 22</td>
<td>4:00 – 6:00 p.m.</td>
</tr>
<tr>
<td>J. Nelson Kelly Elementary</td>
<td>August 22</td>
<td>4:00 – 6:00 p.m.</td>
</tr>
<tr>
<td>Lake Agassiz Elementary</td>
<td>August 22</td>
<td>4:00 – 6:00 p.m.</td>
</tr>
<tr>
<td>Lewis &amp; Clark Elementary</td>
<td>August 22</td>
<td>4:00 – 6:00 p.m.</td>
</tr>
<tr>
<td>Phoenix Elementary</td>
<td>August 22</td>
<td>4:00 – 6:00 p.m.</td>
</tr>
<tr>
<td>Nathan Twining Elementary/Middle</td>
<td>August 22</td>
<td>4:00 – 6:00 p.m.</td>
</tr>
<tr>
<td>Viking Elementary</td>
<td>August 22</td>
<td>4:00 – 6:00 p.m.</td>
</tr>
<tr>
<td>West Elementary</td>
<td>August 22</td>
<td>4:00 – 6:00 p.m.</td>
</tr>
<tr>
<td>Wilder Elementary</td>
<td>August 22</td>
<td>4:00 – 6:00 p.m.</td>
</tr>
<tr>
<td>Winship Elementary</td>
<td>August 22</td>
<td>4:00 – 6:00 p.m.</td>
</tr>
<tr>
<td>Elroy Schroeder Middle School</td>
<td>August 29</td>
<td>5:00 – 7:00 p.m.</td>
</tr>
<tr>
<td>South Middle School</td>
<td>August 29</td>
<td>5:00 – 7:00 p.m.</td>
</tr>
<tr>
<td>Valley Middle School</td>
<td>August 29</td>
<td>5:00 – 7:00 p.m.</td>
</tr>
<tr>
<td>Central High School</td>
<td>August 29</td>
<td>4:00 – 6:00 p.m.</td>
</tr>
<tr>
<td>Community High School</td>
<td>August 30</td>
<td>4:00 – 6:00 p.m.</td>
</tr>
<tr>
<td>Red River High School</td>
<td>August 27</td>
<td>4:00 – 6:00 p.m.</td>
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### Grand Forks School Board

#### Board Requests for Future Consideration

**2018-2019**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Requested By</th>
<th>Date</th>
<th>Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redistrict area between 32nd Avenue South, Washington Street, 40th Avenue South, and South 20th Street from Viking Elementary School to Discovery Elementary School</td>
<td>Flynn</td>
<td>7/16/2018</td>
<td>Refer to Facilities Committee</td>
</tr>
<tr>
<td>Review Policy that puts cap on the number of times a board member may attend conferences that are paid for by the district</td>
<td>Flynn</td>
<td>7/16/2018</td>
<td>Refer to Policy Review Committee</td>
</tr>
<tr>
<td>Follow-up discussion on Middle School special topics courses</td>
<td>Shabb</td>
<td>7/16/2018</td>
<td>Pending</td>
</tr>
<tr>
<td>Discussion on having a primary spokesperson for the board</td>
<td>Mikula</td>
<td>7/16/2018</td>
<td>Refer to Policy Review Committee</td>
</tr>
<tr>
<td>Hoffarth recommended the board upgrade its discrimination policy to include protections for students and staff for sexual orientation and gender identity and expression.</td>
<td>Hoffarth</td>
<td>8/6/2018</td>
<td>Refer to Policy Review Committee</td>
</tr>
<tr>
<td>Consideration be given to the order of the next meeting in order to accommodate the book study work session so that people who are watching will know when to re-join the meeting.</td>
<td>Shabb</td>
<td>8/6/2018</td>
<td>Refer to Administration - The agenda item has been placed at the end of the meeting. A sign will be posted on You Tube that the board is engaged in a book study and that the meeting will adjourn immediately following the book study discussion.</td>
</tr>
</tbody>
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#### Topic | Requested By | Date | Disposition | Completed
--- |--------------|------|-------------|---------
Refresher for board members regarding open meetings and open records law | Mikula | 7/16/2018 | Links provided in 7-26-18 Friday Focus | 7/26/2018
Follow-up discussion on suggestions made during discussion of the transportation contract, i.e., the length of time students are on a bus, costs, cameras, etc. | Hoffarth | 7/16/2018 | Add to August 6 school board agenda as discussion topic - Bus Transportation Contract Update - Gerhardt to lead | 8/6/2018
MEMORANDUM

TO: Grand Forks School Board
FROM: Dr. Terry Brenner
SUBJECT: Book Study - Intro & Chapter 1
DATE: August 20, 2018

Thank you again for being a part of the *High Reliability Schools* book study. Below are some comments leading to questions for you to consider prior to our conversation on Monday, August 20.

On page 3 and in Table I.1: Top Fifty Factors Influencing Student Achievement, only 4 of the 50 indicators are not within a school's control. On page 4 and in Table I.2: Levels of Operation for a High Reliability School, you can see that the hierarchical relationships are mostly intuitive. Presently, our school district migrates between Levels 1 (Safe and Collaborative Culture), 2 (Effective Teaching in Every Classroom), and 3 (Guaranteed and Viable Curriculum) with *leading* and *lagging* indicators as evidences.

Please familiarize yourself with the "Quick Conversation" questions on page 33 (1.1 through 1.8). Board members will be divided into 3 groups with Mr. Thompson, Ms. Gillach, and me facilitating the conversation and serving as resources to you relative to the questions. In summation, each group will move through all of the questions. We will conclude with a short report out from each group.