

MINUTES OF THE CITIZENS FINANCE ADVISORY COMMITTEE (CFAC)
SHAKOPEE PUBLIC SCHOOLS

February 9, 2021

Updates/Informational Items

1. Upgraded Bond Credit Rating Moody's Investor Services: Shakopee Schools received good news that our bond credit rating has been upgraded from Baa1 to A3. The ratings rationale was based on improved liquidity in FY 20 and planned structural adjustments to balance the budget in FY 22 and going forward.
2. 2020D and 2021A Bond Refunding: Recently Shakopee Schools was able to refund debt obligations in order to save district taxpayers \$6.79 million through 2035. Bond refunding was made possible by a low interest rate environment and the upgraded credit rating.

Discussion Items

1. Student Enrollment Projections: The committee reviewed enrollment assumptions for FY 22 and beyond. There are fewer kindergarten students in FY 21 as a result of the ongoing Covid_19 pandemic. Looking forward, overall K-12 enrollment is forecast to fall due to graduating classes close to 700 and incoming classes closer to 500 students.
2. FY 21 Revised Budget: The School Board approved the current year revised budget on Jan. 25. Adjustments were made to general fund revenue to account for enrollment losses and related revenue, and one-time revenue for pandemic response funds. Expenditure adjustments primarily included covid related expenses. The unassigned fund balance at June 30, 2021 is expected to be \$1.029 million, or approximately 1% of general fund expenditures.
3. Long Range Planning: The committee had a discussion about long range financial planning. Included in the discussion was operating levy discussion, compensatory revenue loss for FY 22, and a continued structural deficit in the general fund.

Upcoming 2021 Meetings: March 9, May 11, July 13, September 14, November 9.

Adjourn 6:00 P.M.