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B10



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A10



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Enrollment drop: Less money in the bank for Falls district

Superintendent hopeful reducing staff won't be necessary – yet

BY EMILY GEDDE
Staff Writer

The International Falls School District will lose about \$300,000 in state funding this year with the loss of 52 students from the district.

Superintendent Nurdy Nelson expressed frustration over the decline in enrollment with hopes changes in how the district structures its class sizes and electives will help keep students in desks at the district's three schools — Falls High School, Falls Elementary and West End Elementary. "I'm surprised we had the number of students leave that we did because of what the board has done in addressing the class size issue," Nelson said.



Nurdy Nelson

Last spring, the board agreed to hire additional teachers in several elementary grade levels to bring class sizes down.

While Nelson said he understands it will take time for parents in the district "to trust that the district" will shrink the numbers of students in each class, he can't pinpoint why 44 elementary students have sought education elsewhere this school year.

"It's too many," he said of the number, adding Falls High School's enrollment is down eight students. That number does

not include high school juniors and seniors who enroll in classes at Rainy River Community College through the Post-Secondary Education Option Program.

The state contributes about \$6,000 for each pupil enrolled in the public school system and the loss of 52 students easily impacts the finances of a district with 1,114 students.

Nelson said he was also alarmed by the incoming and outgoing figures for open enrollment.

"Every district has an open enrollment going in and an open enrollment going out," he explained. "This district has five (students) coming in and 191 going out...That is the highest number I've seen wherever

I've been."

Nelson said the number has been consistent for the last decade or more and said he hopes by offering more electives, a more even balance might be achieved.

"If we can get maybe 100 kids coming in and 100 kids going out, it'd be a wash," he said. "We are looking to stop the outflow of students."

MORE ELECTIVES

Offering more electives at the secondary level would only make the district more attractive to students, Nelson said.

"We need to have something different than a six-period

Enrollment to A7 ►

Auditor: 2012 county finances in great shape

Board sets proposed 2014 levy at no increase over 2013

BY LAUREL BEAGER
Editor

Koochiching County's finances are in great shape, according to comments made Tuesday by Colleen Hoffman.

Hoffman, an auditor with Hoffman, Dale & Swenson PLLC, met in a committee session with the county board to review the 2012 audit. She said the county has conservatively adequate resources.

Other highlights of the audit showed a \$1.5 million positive end balance for the year. Hoffman noted the county's worth is set at \$82 million.

Commissioner Brian McBride noted the \$82 million is not in cash, but assets.

Commissioner Wade Pavleck joked county Administration Director Teresa Jaksa protects the county's money from its use by commissioners.

"That a good thing," said Hoffman laughing. "This is a tough budget climate and you are fortunate you do have fund balances."

Hoffman said the county is heavily dependent — \$11 million — on state and federal funding. "I want to make sure you are aware of that," she said. "You don't always know what will happen to that funding."

Hoffman, who said she has been conducting audits of counties for many years, said she believes the budget climate will change, but in the meantime counties must tighten their belts.

"You do need (fund) balances," she said. "Sometimes cuts come with short notice. Now, there are no restrictions on transferring funds, like there has been in the past."

Hoffman also noted the county's sale of its timber resources offer a "wonderful revenue stream," but McBride noted that may come with a cost as there is little private property in the county, creating a low tax base.

Meanwhile, Hoffman recommended the funds of Koochiching Development Authority, an entity created by the legislature with the county serving as fiscal agent, be placed in the county's financial accounting.

Now, she said there are separate books for the KDA outside the county's mechanisms. While she said the KDA has operated well, without any concern, the rules dictate the finances be "run through the safeguards of the county."

Commissioners noted Jaksa had suggested that change in June.

As a part of the audit, Hoffman said she is required to audit 25 percent of the federal money the county receives, and she said she found no irregularities in how Medical Assistance funding is handled.

As an independent auditor,

County to A7 ►

Training youth

The first youth day hosted by the Trail's End Chapter of the Minnesota Deer Hunters Association drew 130 kids and many parents, reports Bobbi Bernath, Trail's End president. Conducted at the Moonlight Rock Archery Range, the kids moved through 11 stations where volunteer instructors provided lessons on archery,

gun handling and safety, orienteering, how to leave no trace, what to do in a lost scenario, skeet shooting, and wildlife habitat among others. The day was funded by raffle sales and donations. Bernath reported that six new members joined the chapter during the day, which is expected to become an annual event.



CONTRIBUTED PHOTOS

A youngster takes aim with a bow Saturday while an instructor leans in to help during a youth day event hosted by the Trail's End Chapter of the Minnesota Deer Hunters Association.



Children practice safe gun handling while crossing a fence with a volunteer instructor assisting.

Jim Dornhecker shows black powder guns to youngsters Saturday.



City expected to propose no levy increase

Council to meet Thursday to consider preliminary levy, budget

BY LAUREL BEAGER
Editor

The International Falls City Council is scheduled to meet in special session Thursday to consider adopting no increase in the proposed 2014 levy.

The meeting is scheduled to begin at 4:30 p.m. in the council chambers at the Falls Municipal Building, where the council will also consider a preliminary budget for next year.

Councilor Cynthia Jaksa, chair of the city's Budget and Finance Committee, said Tuesday that the 2014 preliminary levy is expected to be set at the same

level as this year, meaning no increase in 2014 over the amount collected from city property owners this year.

The council must set the preliminary levy by Sept. 15. It may reduce the proposed levy, but not increase it, until Dec. 15, when the final levy and budget must be completed.

Jaksa said the committee, made up of the entire council, began discussing the 2014 budget this week and is expected to continue meeting once or twice a week until the Dec. 15 deadline.

More information about the total net tax capacity of the city is needed to help determine the

levy rate, she said.

A property's net tax capacity is determined by multiplying the property's taxable market value by the relevant class rate or rates. Class rates are set by statute, vary by property type, and are uniform statewide.

Over the last decade, Jaksa said the tax burden has shifted more to homeowners, with the reduction by 2 percent in the industrial tax rate.

She said the impact to homeowners of this shift and the anticipated reduction of 265 jobs at the Boise Inc. paper mill in the city will be considered as the budget is developed.

"As we take this blow to our economy, it certainly will impact our assessed values, which will reduce our tax capacity, which drives up the levy rate," she said.

The true impact to the local assessed values won't really be understood until after 2014, because taxes are based on the previous year's values, she said.

Meanwhile, Jaksa said she expects the request of Falls Police Chief Mike Musich for an additional police officer to be considered.

Jaksa said the police force was reduced from 12 officers to

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