

**1.0 CALL TO ORDER**

On May 16, 2016, Board Chairman, Mark Penrod called the first budget committee meeting to order at approximately 7:00 p.m. in the cafeteria of the high school.

**2.0 ROLL CALL**

**Members Present:** David Goracke, Willie Tenbusch, Carolyn Jackson, Mark Penrod, Tim Moore, George Frasier, DeeDee Thomas, Denver Pugh, Chris Wyne, Eric Gerber, Josh Harris, Parker Leigh

**Members Absent:** Mike Kirk, Kaye Fox

**Employees Present:** Brian Gardner, Superintendent; Celeste Van Cleave, Business Manager; Susan Beaudin, Board Secretary; Jon Zwemke, Principal

**Others:** None

**3.0 INTRODUCTION OF BUDGET COMMITTEE MEMBERS**

Committee members introduced themselves.

**4.0 ELECTION OF BUDGET OFFICERS**

George Frasier nominated Denver Pugh as Budget Committee Chair, Josh Harris second, motion passed 11-0; Denver Pugh abstained. Mike Kirk and Kaye Fox absent for the vote. Mark Penrod nominated Willie Tenbusch as Budget Committee Vice-Chair. Chris Wyne second, motion passed 11-0. Willie Tenbusch abstained. Mike Kirk and Kaye Fox absent for the vote.

**5.0 ESTABLISH COMMITTEE PROCEDURES**

**5.1 Robert's Rules of Order** – Acknowledged meetings would be run using Roberts Rules of Order.

**5.2 Review of Adopted Calendar** – Acknowledged the budget meeting calendar as adopted by the school board.

**5.3 Review Ground Rules** - George Frasier made a motion, beginning in 2016-17 budget committee meeting start time would change from 7:00 to 6:30 p.m. Chris Wyne second, no discussion, motion passed 12-0. Mike Kirk and Kaye Fox absent for the vote.

**6.0 REVIEW COMMITTEE RESPONSIBILITIES**

Superintendent Gardner explained the Committee approves the budget document as submitted or as revised by the Committee. The committee has the authority, at the function level, to appropriate at the major function level. The committee also specifies the property tax amount or rate for all funds in the approved budget.

## **7.0 BUDGET MESSAGE**

Superintendent Gardner read the message as submitted and as attached to these minutes.

## **8.0 REVIEW HIGHLIGHTED CHANGES IN GENERAL FUND**

**8.1 Revenue Fund** – Celeste Van Cleave reviewed the different sources of district revenue. She explained the district was in the second year of the 2015-17 biennium with next year's state school fund allocation at \$3,500,064; however, with the over collection of taxes and the state's adjustment, the district should collect \$3,371,603 in state school funds. General fund revenue includes: an anticipated 3% increase in local property tax collections over what was budgeted for 2015-16; new intermediate dollars from Linn-Benton-Lincoln ESD for Early Learning Hub grant; and an increase in High Cost Disability grant funds due to increased IEP requirements of high needs students. The district is estimating a \$300,000 beginning fund balance for next year.

**8.2 Expense Fund** – Ms. Van Cleave reviewed expenses where approximately 77% of the budget would be dedicated to wages and benefits. She explained the teacher on special assignment this year would be moving to an administrator position next year. The district would also be increasing the number of educational assistants next year. Superintendent Gardner spoke to adding a vice-principal position where 80% of the day would be spent at the elementary covering discipline; the remainder of the day would be functioning as the athletic director at the high school. He explained reducing teachers at both the 5<sup>th</sup> and 6<sup>th</sup> grades, as we anticipate smaller class sizes next year. We will add additional support staff as needed. Mr. Gardner commented the district would also be providing a two week math training for classified instructional staff this summer.

In other expenses next year Ms. Van Cleave reported the district would need to make a general fund transfer for approximately \$39,386 to food service. Mr. Gardner commented on the Early Learning Hub grant the district was receiving for \$25,000 as a joint effort between Linn-Benton-Lincoln ESD and LBCC to increase monies for preschool and early learning. In his conversations with the two local preschool programs they will be sending 18 students to kindergarten next year. We normally anticipate 45 incoming kinders so many children may come in without preschool experience.

Chairman Pugh questioned the \$255,000 marked as "Other" on the General Fund Object Summary. Ms. Van Cleave responded the majority of that is long term debt service reflected under Function 5110, Long Term Debt Service. Function 5110 covers the purchase of buses, and the Cool School loan for the elementary heating project. She clarified Object 600 found under each function covers mostly dues and fees.

**Chairman Pugh questioned the status of the Brownsville School. Superintendent Gardner stated the gym gets a lot of active use through our partnership with the Rec Center and LBCC. Mark Penrod stated the district has an offer from Willamette Neighborhood Housing to purchase 2.1 acres of the 3.1 acre property, leaving the gym to the district, and building single family and multiple family mid-scale housing. The district is moving forward with that offer. Regarding the gym, the district is working with the Rec Center but the district will probably be keeping it up for the short term. It was explained the rental income (private parties, LBCC classes) from the gym is included in rental revenue. As the Rec Center is under a partnership with the district, it does not pay a rental fee for the use of the gym.**

**DeeDee Thomas asked if the district had a TAG program. Mr. Gardner responded yes, but it is a stipend position with no FTE attached. The \$55,000 in contract services on the counseling function 2120 is for Sue Frasier's services that provides career guidance to students.**

**Carolyn Jackson asked who makes a decision regarding the Brownsville property. Mr. Gardner stated it was a school board decision and they were waiting for more information. He further stated the sale price could not be higher than the appraised value; however, there is a clause in the offer for sale that the Board would be willing to compromise on the sale price considering the demolition and abatement expenses. The district is trying to minimize the tear down liabilities.**

**DeeDee Thomas asked if the bond passes would the \$114,000 dedicated to maintenance projects be extra. Mr. Gardner responded yes, but would have to do something temporary for heating the classrooms and money would be moved to contingency.**

**Mr. Gardner stated this budget reflects the outcome of the current employee contracts and negotiations. The proposed classified contract has a four year term and represents 3 1/2% increase in salary each year.**

**Tim Moore questioned payment of PERS. Ms. Van Cleave responded the district pays on all employees the employers required Tier I/II or OPSRP rates plus the employees 6%. There will be an increase in PERS rates coming July 2017.**

**DeeDee Thomas commented she didn't see increased insurance rates reflected in the proposed budget. Ms. Van Cleave responded insurance caps are determined by negotiated contracts and not based on insurance rates.**

## 9.0 REVIEW OF SPECIAL REVENUE FUNDS

**Food Service** – The majority of the revenue is federal reimbursement of meals; however, the program will need a general fund transfer to balance the fund this year. New food requirements lend to higher food costs; discussing with Food Service Director on ways to grow the program. Discussed what the requirements are for receiving free/reduced meals and the advantages of a high number of students eligible for the meal program.

**YTP Grant** – This is a federal grant for our Youth Transition Program and is a general fund transfer for one third of the expenses. This grant operates on a biennium and next year is a continuance of the grant.

**Title I** – Our Title I funds are directed towards the elementary for reading and math interventions. It pays for a reading teacher, some programs, and elementary professional development.

**IDEA** – Federal dollars directed for students with disabilities.

**Title IIA** – Federal dollars used for professional development.

**Perkins** – Supports CTE programs such as our Ag program.

**Student Activities** – Manages classroom accounts at the elementary and student activities/ club funds at the high school.

**Vehicle Replacement Fund** – The district is looking to close this fund next year. We bought new buses last spring; however, in 5 years or so we will need to make another purchase. If the interest rates make a legitimate swing it might make sense to set aside money to pay cash for additional buses; but currently anything we purchase is depreciated over 10 years and reimbursed at a 70% rate. It would not make good business sense to use our cash in that manner.

**Maintenance Reserve** – This fund would be used if the bond passes or the district receives donations.

**Grieve Estate** - Previous employee, Dave Grieve, left his estate to the district. This fund is dedicated to managing this donation. There is a small committee that oversees any expenditure from this fund.

**Track and Athletic Reserve Fund** – This fund originated from large donations received from Tinker Hatfield Jr. and other donations received for track replacement. Chairman Pugh asked if bond passes what happens to this fund; school board will decide.

**Cobra Student Enterprise – High school business class operates Cobra Café and proceeds from the sales are managed in this fund; mainly used to help offset their DECA expenses.**

**Question was raised regarding the money earned working at the Willamette Country Music Festival. Money earned from the festival goes to Booster Club not the district. Teams or clubs that work the festival are paid by the Booster Club and money managed through student activity accounts.**

**10.0 INPUT FROM THE AUDIENCE**

**None**

**11.0 COMMITTEE DISCUSSION**

**No further discussion by Committee. Chairman Pugh requested next year the Committee receive the proposed budget document earlier than this year. Mr. Gardner described the process and time needed for developing the budget but would work to have the budget and budget highlights to Committee two weeks in advance of first budget meeting next year.**

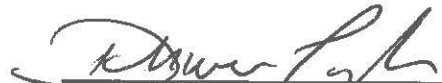
**12.0 APPROVE BUDGET OR SET TOPICS FOR SECOND MEETING**

**DeeDee Thomas made the motion that the Central Linn School District budget in the aggregate amount of \$8,502,062 be approved, and that the permanent tax rate of \$4.6179 per \$1,000 of assessed value be assessed in support of the General Fund. This permanent tax rate is expected to raise \$2,978,866 (estimated tax levy for the General Fund). Mark Penrod second the motion, no further discussion, motion passed 12-0. Mike Kirk and Kaye Fox absent for the vote.**

**13.0 ADJOURN**

**With no further business before the Committee the meeting was adjourned at approximately 8:39 p.m.**

  
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Susan Beaudin, Board Secretary

  
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Denver Pugh, Budget Chair

6-3-2016  
\_\_\_\_\_  
Date Approved

# CENTRAL LINN SCHOOL DISTRICT 552C

## 2016 BUDGET MESSAGE

As I look to the 2016-2017 school year I am excited. Yes, some of this is due to the tremendous effort put out by this community in an effort to build a new school; the results of which I do not know as I write this message. I am also excited about the wonderful education our learners are receiving from one of the best, and clearly the most dedicated, staff in the state. The hard work is paying off in a number of ways throughout our organization: test scores are up, learners are taking responsibility, and the culture of a growth mindset is taking hold. I am proud of the educational product that we are delivering to our children and our community. This product is also being noticed by learners and families outside of Central Linn. We will be welcoming at least 16 new transfers in the fall, joining the 33 already being served.

Prudent management and organizational teamwork have made financial crisis a thing of the distant past. We have been able to maintain many programs that have disappeared across the state such as: elementary P.E. and music, Jr. high sports, a high school agriculture program, full funding of high school sports, choir, band; as well as activities such as Friday School, Friday Enrichment, FFA, DECA, TAG summer day camps, summer programs for all learners and Outdoor School.

We have also been able to move our district towards our vision of "An Individualized Education for All Learners." This work is evident in the Jr/Senior High's proficiency based grading; High School Humanities that connects learners with the instruction that meets their needs; a flexible Friday School that is designed to help learners be proficient in their skills, not just get through a class; a math curriculum that is aligned K-12; progress monitoring that aids teachers in delivering instruction the learners need, rather than what is next; and a staff that is active in their own professional development.

These accomplishments could not have been possible without a tremendous amount of support from our PTC, Cobra Boosters, the Willamette Country Music Festival, FFA Alumni, teacher and classified unions, parents, community members, local seniors, Veterans' of Foreign Wars, a supportive school board, and a culture of "no excuses, let's just make it happen." The district and the children owe a great deal of thanks to all of these groups; I apologize if I have missed anyone.

This budget celebrates and supports our accomplishments as well as moves us forward in developing the organizational capacity to propel the district towards our vision. By no means is our work complete, it will continue with diligence and at times it will be uncomfortable; but Central Linn is becoming a leader of a movement that puts the focus on learners' needs, rather than the needs of the adults. We are recognized for this around the state by invitations to present at conferences, other school districts doing site visits, as well as just the talk amongst educational leaders.

The questions I asked myself in developing this budget were as follows:

1. What is the impact on learners and classroom instruction?
2. How does this decision impact school board goals?
3. Do people have the tools they need to accomplish the job we have asked them to do?

What this budget does:

- Pays for a full school year without furlough days;
- Dedicates \$114,000 to maintenance and upgrade projects in addition to the \$102,500 dedicated to maintenance and repairs: these dollars are in addition to the money we spend on people and technology;
- Increases special education support;
- Continues the summer breakfast/lunch program;
- Provides summer enrichment and academic classes at the elementary school;
- Maintains Friday programs;
- Maintains music and P.E. K-12; band, choir and drama;
- Supports the school board's goals; and
- Maintains our commitment to serving all learners.

This is not a perfect budget; but I do believe that it is a budget built around the needs of our learners and reflects the input that I have received from the Central Linn Community. I want to remind the Community that I consider this document still fluid based on conditions we as a district do not control; but I will always honor its' intentions. This proposed budget is balanced.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian K. Gardner". The signature is fluid and cursive, with a long horizontal stroke at the end.

Brian K. Gardner  
Budget Officer