

1.0 Call to Order:

On May 13, 2013, Presiding Officer, Mike Kirk, called the second budget committee meeting to order at approximately 6:05 p.m. in the music room of the Central Linn High School.

2.0 Roll Call:

Members Present: Mike Kirk, Tim Moore, Verne Hoyer, Charley Wolff, George Frasier, Eric Gerber, Chris Wyne, Carolyn Jackson, Josh Harris. Denver Pugh arrived at approximately 6:20 p.m. Tim Marchbanks arrived at approximately 6:45 p.m.

Members Absent: David Goracke, Kaye Fox, Dan LaCoste

Employees Present: Brian Gardner, Susan Beaudin, Celeste Van Cleave, Gary VanderStelt, Joanne Neddeau, Wendy Kirk, JoLyne Walton, Carole Boaz, Melissa Shaw, Jennifer Lindsey, Aaron Savage, Linda Red, Cynthia Wooley, Cindy Thibedeau, Kathy McMenamin, Kathy Wagner, Kim Smith, Linda Hoyer, Jon Zwemke, Amanda Sevits, Maria Guerrero, Lori Epperson, Marguerite Burleigh, Lauri Archer and others.

Others: Jennifer Savage, Jane Williams, Don Ware and others.

3.0 Approve Meeting Minutes:

Charley Wolff moved to approve meeting minutes of April 22, 2013 as submitted. Josh Harris second, motion passed 9-0. Members Pugh, Marchbanks, Goracke, Fox, and LaCoste absent for the vote.

4.0 Committee Discussion:

Superintendent Gardner reported there had been no change in state revenue projections since last meeting and no further information on the status of ESD funding. Mr. Gardner commented he had found an alternative for credit recovery which will save the district about \$6,000. He asked Committee to prioritize the potential, add back list/cut list, that was supplied to the Committee at its last meeting.

In an attempt to prioritize the list there were several questions asked by committee members to help clarify some of the information on the cut list:

- Part-time position was a new social studies position at the high school.
- Ten percent (10%) of sports would be mainly for coaches and umpires (transportation had not been defined).
- Booster club impacts general fund by about \$8,000; picks up scholarships for pay-to-play fees
- Willamette Country Music Festival fund raiser money comes back to the school via the Cobra Booster Club.
- General fund, athletic function, pays for athletic equipment/repairs.
- High school Dean position is separate from the athletic director. If Dean position were to be cut a teacher would be assigned the AD duties; discipline duties to principal.
- District not required to provide an RN but have nursing services available. Currently, nurse is contracted to other districts 2 days a week. She also serves as homeless liaison, monitors immunizations, medicaid billing and helps track high cost disability students.
- Proposed budget has a 1.0 FTE high school counselor (currently at .50 FTE). Position is key for academic counseling, PATH program and the redesigning of individualized learning at the school.

Mr. Hoyer asked regarding the school board's consideration of a possible layoff of classified staff slated later that evening at the school board meeting, committee members questioned how many staff members that might effect? Superintendent Gardner explained that the request was procedural. The concern is next year's schedule at the elementary school is not completed yet and we do not know the number of educational assistants needed to meet all the student needs. According to the classified contract,

whenever the Board determines that a layoff is necessary, it shall notify the Association within forty-eight (48) hours of the time of that decision and the affected employees be notified at least thirty days prior to the effective date of the layoff. Timing could be an issue if we were to wait for Board approval later in the summer.

Mr. Hoyer voiced concern that the layoff could also be used for contracting out bus service (from cut list) and affect employees who live in district. The district loses control of student transportation and only saves replacing an old bus fleet. Mr. Gardner stated it was not his recommendation to contract transportation. The district did receive, in the form of state transportation reimbursement, approximately \$350,000 but it cost the district approximately \$510,000 to operate the buses. The percentage of salaries overall is 80% of the total budget and the PERS costs are increasing from 26% to 32% next year. If PERS increases continue it will force the district to make harder decisions. Mr. Hoyer concerned there has been no salary increases for classified the last 3 years and the cost of living continues to increase but he sees the licensed staff receiving increases. Mr. Gardner responded the district was currently in negotiations with the classified unit and the proposed budget did include a rate increase for classified salaries. The proposed budget also reflects a \$160,000 cut in administrative services over the last two years.

Mr. Hoyer voiced concern for how well discipline would be handled if the high school Dean position were to be cut, especially as the alternative education program is located at the high school. Superintendent Gardner responded with the learning lab we will have extended hours beyond the school day. And, eventually an alternative education program wouldn't be needed when you have a true proficiency-based learning program. Mr. Wolff voiced concern for losing control of students; who would handle discipline referrals and how would that affect office staff. Principal Zwemke stated his office could handle the discipline if he were to lose the Dean position.

Mr. Hoyer asked about the home school program we used to have and what it would take to get those and others to attend Central Linn? Superintendent Gardner explained that when he first came, the district was operating a home school program but without licensed teachers. He explained the district could no longer legally claim any ADM for those students without licensed teachers. When he informed the parents the district would need to hire licensed teachers they chose not to return and the program was closed. Mr. Gardner stated that we have approximately 85 students in the district that are home schooled. At least twice a year he has contacted these parents inviting them to school events and notified them of the different learning options we offer. He thought once we have a better product we will see the number of transfers and home school students go down. We also lose about 15 students a year to Oregon Connections. He has recently signed with Insight School of Oregon that will be an alternative we may offer those students and be able to keep their test scores but it is a 90/10 ADM split and, we have to pay in the spring and wait for the money the following spring.

Superintendent Gardner cited another possible way to help reduce PERS costs would be to contract employees through a non-profit organization. He gave the example of Kings Valley Charter School. The School only has one employee, the superintendent. All other staff are contracted positions through "Friends of King Valley", a non-profit organization. The positions are non-union but, the state employee unions most likely not allow this. People have to feel comfortable that they are doing what is in their best interest, it will take time to gain their trust to try this.

Question was asked about reducing the area of equipment replacement. Mr. Gardner responded technology is an easier place to cut and the tech budget has been reduced over the past few years. Although last year the district received some Title VI funding and we were able to purchase for the elementary some mimeos and document cameras. The next big step will be the netbooks. They cost \$50 each plus a 10 month contract (each netbook) at \$30 a month. That cost is e-ratable in the current year at an 80% discount. And, we don't need wireless to operate them as each netbook has its own CIM card and phone number. Internet access is through its own phone number. We would still have the servers for student and employee records but ultimately, and when available, like to access the ESD via the web. Right now there is a lot of technology that doesn't effect budget. If we make cuts we have to ask the

community for more or you continue the re-organization of the district. Long term we look at a different tech plan. Facility costs are huge, the district spends a ton of money in maintenance and fuel on all buildings.

George Frasier stated the District Facilities Committee, a sub-committee of the board, has been meeting monthly (open to the public) trying to answer three questions put to the school board. The district buildings are not sustainable in their present situation and our funding source needs to be re-evaluated. It was his feeling that the Committee would probably be recommending in the next few months to the school board going out for a bond. It would be for the school board to decide whether to attempt a bond or not. The Committee has researched studies and talked to engineers. Right now, it looks like a majority of the Committee would be suggesting to replace the high school; not sure about the elementary school.

Superintendent Gardner stated there could be a \$200,000 to 300,000 adjustment in state funding made in the next month but at this point he has submitted a balanced budget, but it is fluid. Mr. Hoyer confirmed the proposed budget did not include any classified cuts but it did include raises. Mr. Gerber noted the private sector jobs are not making what they used to either. If the district receives less money than budgeted we will have hard decisions to make. Mr. Hoyer stated the bus program is the worst place to cut and the food service. Mr. Gardner asked if we have to cut \$200,000, what is the next suggestion? Mr. Hoyer suggested athletics and he thought the community will help pick up those programs.

5.0

Input from Audience:

Kathy McMenemy, classified employee for 34 years, had the following concerns regarding the proposed budget. Function 2520, administrative salary increase from \$50,000 to \$67,500 for next year; Function 2120, guidance service, increase in salary from \$31,497 to \$49,306; Function 2410, elementary principal, salary increase of \$6,000; and Function 1220, special education classified salaries decreasing to \$59,438.

Superintendent Gardner responded to the questions as follows:

There were no reductions in special education classified staff in the proposed budget. The District received increased Title I funding which allowed parts of those classified salaries to be paid out of Title I. This was done to help decrease the maintenance of effort (MOE) where you have to spend the same next year as last year in special education. It is a one-time opportunity to lower our MOE with a shift in the budget.

A portion of the high school counselor's salary, the previous year, was picked up with a grant from Linn County for Safe and Healthy Schools. The counselor was teaching a class. It also reflects the current counselor is more experienced and therefore higher on the salary schedule.

Regarding Function 2410, the elementary principal, Mr. Gardner's only apology is it is not enough. He is looking to keep qualified people. He also eliminated \$160,000 from the administrative area of the budget compared to last year. Other Administrators in same size schools are making \$69,000 to \$94,000.

Function 2520, that salary is not a one year jump. It was increased by \$10,000 this past year and \$7,500 for next year. The average salary is \$75,000 for that position and we are competing with other area school districts. The Superintendent has to have staff consistency to do his job so he made the management decision to increase the salary.

Chris Wyne felt we should trim in a variety of areas to make up any difference. George Frasier stated Superintendent Gardner had proposed a fair and balanced budget but decisions were being made in Salem that could effect the budget. We don't have to increase positions like vo-ag, counselor, classified salaries. Verne Hoyer stated we need to be cautious, it was too easy to cut things that will help only in the short run and, he didn't like administrative increases with potential cut of classified staff. Eric Gerber stated the Superintendent asks himself how does a decision(s) impact our students. We need to be positive, if there are other areas to reduce throw them out there.

6.0 **Approval of Budget:**

Chris Wyne moved Central Linn School District's budget in the aggregate amount of \$7,421,568 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 \$2,494,371 (estimated tax levy for the General Fund). Eric Gerber second the motion as read. Motion to approve passed 10-1, Verne Hoyer voted no. Members David Goracke, Kay Fox and Dan LaCoste absent for the vote.

7.0 **Adjourn:**

With no further business before the Committee, Presiding Officer, Mike Kirk, adjourned the meeting at approximately 7:40 p.m.

Susan Beaudin
Susan Beaudin, Board Secretary

Michael Kirk 5-20-13
Mike Kirk, Presiding Officer - Date

6-10-13
Date Votes Were Acknowledged by the School Board