

1.0 CALL TO ORDER

On May 5, 2014, Board Chairman, David Goracke, called the first budget committee to order at approximately 7:00 p.m. in the conference room of the district office.

2.0 ROLL CALL

Members Present: Mark Penrod, Kaye Fox, Chris Wyne, David Goracke, Josh Harris, Tim Moore, DeeDee Thomas, Charley Wolff, George Frasier, Denver Pugh, Mike Kirk; Eric Gerber arrived at 7:14 p.m.

Members Absent: Carolyn Jackson, and Zone 5 Position Vacant

Employees Present: Brian Gardner, Superintendent; Celeste Van Cleave, Deputy Clerk; Susan Beaudin, Board Secretary

Others: Tim VanLeeuwen, Jennifer Moody, Brian Thomas

3.0 INTRODUCTION OF BUDGET COMMITTEE MEMBERS – Budget Committee members introduced themselves.

4.0 ELECTION OF BUDGET OFFICERS – Charley Wolff moved to nominate Mike Kirk as Presiding Chair, Denver Pugh second; David Goracke nominated Denver Pugh as Vice Presiding Chair, Charley Wolff second; Charley Wolff moved to close nominations, Josh Harris second; motion to approve the slate of nominations as listed passed 11-0. Committee members Eric Gerber, Carolyn Jackson, absent for the vote, Zone 5 position vacant.

5.0 ESTABLISH COMMITTEE PROCEDURES

5.1 Robert's Rules of Order – It was the consensus of the Committee to hold meetings using Robert's Rules of Order.

5.2 Review of Adopted Calendar – The Committee reviewed the budget calendar as adopted by the school board.

5.3 Review Ground Rules – It was the consensus of the Committee to follow the basic ground rules as submitted.

6.0 REVIEW COMMITTEE RESPONSIBILITIES – Superintendent Gardner explained the Committee hears the budget message and reviews the budget document as proposed. The Committee has the authority, at the function level, to appropriate at the function level. As a school district we cannot spend money that has not been appropriated or collected. When setting the funding level the Committee needs to make a thorough review of the proposed budget and determine there is enough appropriated to maintain the budget as proposed. He asked the Committee to communicate to their neighbors our budget information. Mrs. Van Cleave explained pie charts of the proposed general fund revenue, function summary and general fund object summary.

7.0 BUDGET MESSAGE – Superintendent Gardner read the budget message in total as submitted and as attached to these meeting minutes. As an alternative to going through the proposed budget line by line, the budget document was completed a week in advance of the meeting for members to review prior to the first meeting. Mrs. Van Cleave provided the Committee with highlights of the general fund and special revenue to assist in the review of the proposed budget.

8.0 REVIEW HIGHLIGHTED CHANGES

8.1 **Revenue** – Superintendent Gardner explained how state revenue is received and how if the District’s estimates are too high or too low the state makes adjustments in the following May payments to districts. He reported Central Linn’s allocation should equal \$3,587,623. Items noted under General Fund revenue were: Taxes, 6% compounded on 2012-13 actuals; over collected in both 2012-13 and 2013-14 to budgeted numbers; and Beginning Fund Balance of \$300,000 was calculated on year-to-date 2013-14 expenses and anticipated revenue and expenditures to June 30, 2014. Mrs. Van Cleave clarified that miscellaneous revenue included everything received that was not state revenue, student fees or ESD flow through funds. Restricted revenue was explained as severe disability dollars from the ESD, or grant money restricted to a certain purpose, i.e. kindergarten assessment. Discussed small grants written by teachers (robotics) and as we do not have a grant writer on staff the district will be looking into some seismic grants. Mr. Gardner stated the district did receive a state incentive grant, Focus School grant, targeted for the elementary school.

8.2 **Expenses** – Mr. Gardner and Mrs. Van Cleave reviewed budget additions and changes as listed on the 2014-15 Budget Highlights (attached to these minutes). Some areas discussed were: Add a special education teacher at the high school; a 0.50 FTE special education director (since budget was printed Mr. Gardner explained he opted to purchase with Tier 2 dollars a 0.40 FTE director position from the ESD); increased architecture and engineering to \$30,000 in anticipation of research required related to long term facility use; will be moving current athletic director from Dean of Students to Director of Facilities; increased maintenance repairs to accommodate smaller repair projects; and increased professional development for staff focusing on individualized education for our students.

Committee Questioned:

Facilities Director - It was explained this position would oversee all maintenance, custodial and grounds for the district as well as maintenance contractors. This position would also be collecting information on facilities in addition to his athletic director duties.

Transportation – Due to an increase in fuel costs this area of the budget was increased. The added activity bus route was also a factor in the increase. Committee commented if the Activity/Friday School bus route(s) could be extended we likely could increase attendance at Friday School. Superintendent commented the \$90,000 for fuel is probably light but if we need more Friday routes and it’s good for kids we will make it happen.

Budget Changes

Long Term Debt - Cool Schools only budgeted for half of year; utilizing returned loan proceeds for first half of year. Superintendent stated the district did not realize the savings it thought it would at the high school with the control systems. Pneumatic controls were not maintained well although we are seeing savings of natural gas at the elementary.

Office of the Principal - We are taking away the Dean of Students position at the high school and replacing with one non-licensed person to deal with low behavior issues at both the elementary and high school.

Technology—Contracted services to be used for netbook service or changing wiring to have wireless capacity in every classroom. The cost of the netbook service is e-ratable and reimbursable at 80%. The Internet service for those at the elementary will be cancelled this summer as the summer project is to increase wireless at the elementary and add more computers in the classrooms. We do not have a full-time technology person. Mr. Rowton handles the networking and contracting with the ESD for network support (one day a week). Mr. Rowton receives one dedicated class period and a summer stipend for this work which is not adequate. We look to the ESD to provide desktop support.

Reserve and Special Funds

PERS – New reserve fund created with revenue transfer from general fund. Pending litigation regarding 2013-15 rate structure could result in retroactive payment of higher rates. Superintendent Gardner stated the District needs to set aside dollars as the likelihood of the court case affecting us next year could impact 2017 rates. We are being conservative and the Committee needs to let us know how to proceed. One of the Board’s goal is to have 10% in contingency; with Board approval the district could repurpose the PERS Reserve Fund if it is not needed.

Vehicle Replacement – Closing the Vehicle, Bus Replacement and Repair Reserve Fund and rolling that balance into the Maintenance Reserve until the district makes long term decision regarding transportation services. If the District did need to buy a bus it would need to do a supplemental budget. If an engine needed to be replaced it would bust the transportation budget. The District still owes on one bus; we are in the second year (2013-14) of a seven year loan.

It was clarified the money raised by working at the Willamette Country Music Festival goes to the booster club. The booster club determines what is distributed to student activity accounts. Those dollars are not part of general fund.

Grieve Estate - A new fund was added to allow distribution of the estate left by Dave Grieve, former district groundskeeper. The district has used some of the money to offset the rental of the mobile home. A committee has discussed purchasing technology and focusing on our fine art program(s). This money is not co-mingled with the general fund.

Track Reserve –The District has a \$20,000 transfer from general fund as its commitment towards replacing the OSAA condemned track. Under the proposed budget the district would have \$71,159 in the Track Fund.

Title I - The District will receive increased funding compared to 2013-14 Adopted Budget due to US Department of Education use of 2012 Census results instead of 2010 Census results. We are estimating \$400,000 and with Focus School funds and Title I carryover we should have approximately \$600,000. This will allow us to add a math specialist at the elementary; pay wages for professional development related to Mass Customized Learning and Proficiency; increase Friday School to full licensed staff from 10 to 20 days per year, and increase technology at the elementary. It was clarified Central Linn Elementary is designated a focus school for another 2 years.

9.0 REVIEW OF SPECIAL REVENUE FUNDS

Included in previous discussion

10.0 INPUT FROM THE AUDIENCE

Patron questioned if the district would be bringing back an industrial arts program. Superintendent Gardner responded the school does offer welding, shop, FFA and the agriculture program but couldn't afford to bring back a full industrial arts program. The district is working on a grade 7-12 transition program partnering with other school districts and community businesses to help fill that void as well as developing personal education plans for each student.

11.0 COMMITTEE DISCUSSION

Clarified speech services are provided by the ESD, three days a week, primarily at the elementary school. Superintendent Gardner explained if a student in the lower grades has only articulation problems the student is not necessarily identified. Student would receive minimal service and definitely identified by end of second grade if further services were needed.

It was explained under Function 3000, Community Services, people who have worked in Friday Fun and our summer enrichment programs have been paid as contract services. Pending school board policy will require these people become employees of the district and as such the budget reflects that cost increase.

Function 1132, confirmed district is required to pay social security and other associated payroll costs for coaches even those not on regular employee status.

Function 1210, concern was stated for the small amount of money budgeted for Talented and Gifted. Superintendent explained he was trying to increase activities for TAG students, i.e. OSU pre-college summer programs.

Function 2540 – confirmed the salary for Facilities Director was included in the proposed budget; the maintenance secretary position was removed; however, it did not reflect the \$40,000 transfer. There was further discussion and clarification on building maintenance costs.

Insurance – PACE has recommended a 5% increase over 2013-14 actual rates which was reflected in both property and vehicle 2014-15 insurance premiums. The District does provide health insurance for employees as members of the Oregon Educators Benefit Board (OEBB). New rates are expected by the end of this month.

FTE Increase – Clarified increase of 4 FTE to include: Special Education Director, Special Education Teacher, Director of Facilities and a Math Specialist at the elementary school.

As it was slightly past 9:00 p.m. Denver Pugh moved to continue the budget discussion; Josh Harris second, motion passed 12-0. Carolyn Jackson absent; Zone 5 position vacant.

ESL instruction primarily served at the elementary school with limited number of students at the high school. This is a part-time position.

Long Term Debt Services – Confirmed the District has five years including the 2014-15 proposed budget left to pay on bus purchase. The loan on the high school stadium project will pay off next year during the 2014-15 proposed budget.

Clarified Transfers of Funds - \$13,000 to YTP Grant; 4% of wages to PERS Reserve Fund; \$20,000 to Track Replacement Fund and \$40,000 to the Maintenance Reserve Fund.

Long Range Facilities Plan – Superintendent Gardner stated the answer to the question on the district’s long term facilities plan is not addressed in this budget. It is our hope with better management and an increase in supply budgets that some of the smaller repair and maintenance projects will be addressed. The school board has the decision to make on the next steps in addressing a long term facilities plan.

12.0 APPROVE BUDGET OR SET TOPICS FOR SECOND MEETING

It was the consensus of the Committee to hold a second budget committee meeting slated for Monday, May 19, at 7:00 p.m. Topics of discussion will be community and committee input.

13.0 ADJOURN

Josh Harris moved to adjourn the meeting; DeeDee Thomas second; motion passed 12-0. Carolyn Jackson absent for the vote; Zone 5 position vacant. The meeting adjourned at approximately 9:37p.m.



Susan Beaudin, Board Secretary



Mike Kirk, Presiding Chair

5-19-14
Date Approved

CENTRAL LINN SCHOOL DISTRICT 552C

2014 BUDGET MESSAGE

As I look to the 2014-2015 school year, the word that keeps coming to mind for me is 'hopeful'. Hopeful, not in a wishful or dreamy way, but in the sense of the pending fulfillment of hard work that is starting to pay off in a number of ways throughout our organization; for which we can be proud. Prudent management and organizational teamwork have delivered us from the time when we needed to borrow money just to get through the year and maintain the status quo, to a time where we are actively improving the product that we are delivering to our children and our community.

Not only have we been able to maintain many programs that have disappeared across the state, we have been able to enhance many of our programs. These include: elementary music and physical education, a high school agriculture program, Jr. High Sports, full-funding of High School Sports; activities such as Friday School, Friday Enrichment, Robotics, FFA, DECA, Outdoor School and summer programs for all learners.

We are moving the district towards our vision of "an individualized education for all learners." This work is evident as the Jr. and Sr. High programs move toward proficiency-based grading; High School Language Arts moves from age-based groupings to a system that places learners with instruction that meets their individual needs; a flexible Friday School that is designed to help learners become proficient in their skills, not just pass through a class; a math curriculum that is aligned K-12; progress monitoring that aids teachers in delivering instruction that learners need, rather than what's 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, the Brownsville Art Association, FFA Alumni, teacher and classified unions, parents, community members, local seniors, a supportive school board, and a growing 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 am sorry 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 us toward 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 district in the lead of a movement that puts the focus on our learners' needs, rather than the needs of the adults. We are starting to be recognized for this around the state by invitations to present at conferences, teachers receiving state recognition for their work, 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?

This budget supports progress in all of these areas but does not adequately address:

- The building of an adequate reserve to ensure sustainability (but we do have one);
- Address the long term condition of our buildings;
- Unfunded liabilities such as deferred maintenance or employee sick leave; and
- The need to bring our labor contracts in line with surrounding districts;

These are real needs that we must confront. I acknowledge that it will take a few more years of prudent management and additional community involvement, to achieve them without significantly harming the education of our children.

What this budget does accomplish:

- Pays for a full school year without furlough days;
- Dedicates \$40,000 to maintenance reserve in addition to the \$65,000 dedicated to maintenance service and repairs;
- Increases staff professional development;
- Transfers \$20,000 from General fund to the Track Reserve Fund;
- Creates a PERS Reserve in case recent reforms are reversed in the courts;
- Continues funding the advanced diploma for up to 20 students, giving them a free jump on college;
- Expands the summer TAG program;
- Increases special education support;
- Continues the summer feeding program;
- Provides summer enrichment and academic classes at the elementary school;
- Expands Friday programs;
- Maintains music and P.E., K-12;
- 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 fluid based on conditions we as a district do not control; but I will always honor its' intentions. This proposed budget is balanced.

Sincerely,

Brian Gardner
Superintendent