Commitment, Excellence, Community

BUDGET COMMITTEE MEETING
MINUTES
Monday June 1, 2015, 7:30 p.m.
Pleasant Hill Community Center

1.0 CALL TO ORDER

The meeting of the Pleasant Hill School Budget Committee was called to order by Chair Raegan Miller at 7:27 p.m. in accordance with the public notice of this meeting. Budget Committee Members in attendance were: Paul Johnson, Bill Allsup, Raegan Miller, Joyce Weaver, Gary Shearer, John Oldham, Kevin Parrish, Curt Offenbacher, Wylda Cafferata and Barbara Orre. Also in attendance were Tony Scuro, Superintendent; Caroline Passerotti, Business Manager; and Becky Johnson, Board Secretary.

2.0 APPROVAL OF MINUTES

The May 18, 2015 Budget Committee Meeting Minutes were approved by consensus.

3.0 BUDGET DISCUSSION

3.1 Recommended Changes

Ms. Passerotti noted that when the proposed budget was developed, it looked likely that the State would appropriate an additional $105.8 million for K-12 schools. We now know that these funds will be distributed through the State School Fund formula and are comfortable including an additional $87,760 in General Fund revenue from this Grant for this next school year. In addition, we have $97,604 in additional spending authority from the net decrease in PERS costs. Budgeted PERS costs have been corrected to reflect updated PERS rates, the elimination of duplicate charges for administrators, the assignment of PERS rates to non-FTE salaries, and corrections to rates for new positions. Between the amount from the State School Fund Grant and PERS cost decrease, we now have an additional $185,364 to invest. Ms. Passerotti brought forward the suggested uses for these funds:

1. Elementary PBIS behavior (1.0 FTE)
2. Custodial/Maintenance Staff (1.0 FTE)
3. Health Clerk position (0.125 FTE addition to existing staff)
4. Licensed Staff (1.0 FTE-Undesignated)
5. Licensed Tuition Reimbursement
6. Professional Development (All Staff)
7. Contingency (Target 2% of operating expenditures)
Budget Committee follow-up questions to recommended changes

1. If you don’t fill the teaching position, does the funding go into the ending fund balance?
   Yes, unless the Board allocates it to another area.

2. Will the custodial/maintenance position be filled now?
   The timing depends on the schedule for our current custodial staff this summer.

3. Please clarify between the licensed tuition reimbursement and professional development.
   Tuition reimbursement is used to reimburse teachers for college coursework. Professional development may be used by all staff for specialized trainings, in-service and workshops.

4. Could money be transferred to other areas like TAG?
   We are considering recommending that the Beyond High School Connections Reserve be repurposed to allow funds in this reserve to be more open for uses. The proposed budget includes a $3,000 transfer to this fund.

   The TAG program has a budget of $14,000 for next year. Most of this is staffing costs, but there is $1,500 for supplies and services. Ms. Cafferata would like to see a dedicated TAG position, rather than providing a stipend. Mr. Scurto responded that at this time we are still operating in the needs mostly and focusing on core areas. At the elementary we have staff trained on differentiation and at the high school students are able to select higher level classes.

5. Is the typical vision of tuition reimbursement for a lot of teachers or just a few teachers diving deeper?
   Recently it has been used for a few that are taking full college classes to work on their licenses. We anticipate more cost due to having a younger staff now.

3.2 Receive Responses to Email Questions Submitted by Budget Members

Ms. Passerotti reviewed the handout “Budget Committee Questions and Comments, May 29, 2015.”

There was an update on the PERS rate impact. We received information today which helped clarify how future rate increases might affect our district. First, the rate increase is expected to be closer to 4.24 percentage points instead of the 5.5 originally predicted, and the increase will apply only to Tier 1/Tier 2 salaries and not OPSRP salaries. Offsetting this improvement, the PERS actuary is recommending that the PERS Board lower its assumed investment earnings rate to more reasonable levels. The net effect of these two changes is that our estimated annual cost increase looks to be more like $160,000 than $220,000.
Budget Committee Chair Raegen Miller suggested that the District consider asking employees pick up all or part of the 6% PERS employee contributions paid by the District, should PERS costs increase to the level being projected. Currently, most districts pay the entire amount for their employees. This benefit was negotiated with employee groups through collective bargaining, and any change would need to be negotiated as well. Ms. Passerotti will keep the Board updated on PERS developments.

The Committee continued on to discuss the drawing down of reserves in the Debt Service Fund. Ms. Passerotti explained that the way bonds are structured, principal cannot be down in advance. However, we do have the option to draw down reserves more slowly and lower the impact of the tax rate. Ms. Passerotti presented the following scenarios.

<table>
<thead>
<tr>
<th>Tax Rates per $1,000 AV</th>
<th>2014-15 Projected</th>
<th>Budget 2015-16</th>
<th>Forecast 2016-17</th>
<th>Forecast 2017-18</th>
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<tbody>
<tr>
<td><strong>One-year reduction (Proposed Budget)</strong></td>
<td></td>
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<td>Reserves</td>
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<td>$95,000</td>
<td>$100,000</td>
<td>$104,000</td>
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<tr>
<td>Amount in excess of 1/12 P&amp;I</td>
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<td>-$1,642</td>
<td>-$976</td>
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Ms. Passerotti addressed the remaining Budget Committee Questions and Comments, May 29 then proceeded to go over Budget Committee Questions and Comments #2, June 1, 2015.

3.3 **Discussion**
The Budget Committee discussed the proposed reserve reduction scenarios above. Budget members liked option three.

3.4 **Additional Questions & Answers**
There were no further questions.

4.0 **PUBLIC COMMENT**
No members of the audience spoke

5.0 **ACTION ITEMS**
5.1 Motion to Approve 2015-16 Proposed Budget

Gary Shearer read the following motion:

"I move that the Budget Committee of the Pleasant Hill School District No. 1 approve the budget for the 2015-16 fiscal year in the amount of $32,251,773. This represents a General
Fund budget of $10,355,035, a Special Revenue Fund budget of $2,647,300, a Debt Service Fund budget of $1,432,174, and a Capital Projects Fund budget of $17,817,264.”

“I move that the Budget Committee of the Pleasant Hill School District No. 1 approve property taxes for the 2015-16 fiscal year at the rate of $4.6414 per $1,000 of assessed value for the permanent rate tax levy and in the amount of $1,075,077 for the general obligation bond levy.”

Gary Shearer moved to Approve the 2015-16 Proposed Budget. Joyce Weaver seconded the motion. The motion passed unanimously.

6.0 FUTURE MEETING
   •  Budget Hearing & Budget Adoption, June 22, 2015, 7:00 p.m., PHCC

7.0 OTHER

Budget Committee Chair Raegen Miller said that it was a pleasure to serve on the committee and gave notice that this would be his final year of service, as he was moving to Bellingham, Washington. Mr. Scurto thanked Mr. Miller for his service and dedication to our school.

8.0 ADJOURNMENT 8:30pm

Signed: [Signature] on behalf of on this 22 day of June, 2015

Raegen Miller, Budget Committee Chair