

Budget Committee Meeting

2022-2023 Proposed Budget

K8 Library 5:30 pm

Zoom meeting ID: 828 4825 6706, Passcode: 493027

ATTENDANCE:

BOARD OF DIRECTORS

Bill Hagerty, School Board Chairman – Present
Diane Boisa, School Board Member – Present
Shane Stuart, School Board Member – Present
Linda Fielder, School Board Member – Present

Misty Wharton, Superintendent - Present
Chad Holloway, Facilities Director – Present
Megan Kellow, Special Programs Director – Present
Ken Richwine, High School Principle – Present
Diane Wilkinson, NVELC Director - Present
Andre Schellhaas, NWRESA Accounting Manager – Present

BUDGET COMMITTEE MEMBERS

Travis Daggett – Not present
Arica Sears – Present
Dan Sheridan – Not present
Tami Owens – Present
Irene Barajas - Present

Patrons, Students and Staff: Joseph Boyd, April Bailey, Brooke Boyd, Patsy, Heidi Lugnette

The meeting was called to order by Board Chair Hagerty at 5:30 pm.

Introductions were made between Board members, Committee members and staff. First order of business was to elect the President of the Budget Committee. Tami Owens said that Shane would be an excellent President, but if people would walk her through it, she would be willing to do it. Irene Barajas nominated Tami Owens to be the President. All others were in favor.

Superintendent Wharton said that the NWRESA looks over our accounting and budgets. Andre Schellhaas, who is an Assistant Director of Fiscal Compliance with the NWRESA, works with us on this.

Covid has driven a lot of the decisions this last year, Mrs. Wharton said.

Superintendent Wharton began to go over the 2022-2023 Proposed Budget, starting with the Budget Process on page 2. The budget is in accordance with the State of Oregon, which provides standard procedures and codes to follow. It was noted on page 3, that the revenue assumptions changes every year. In regards to the General Fund revenue, some of this was spent down and moved into other budgets. About 85% of the General Fund revenue comes from local property tax. Unlike most districts who get their funding from money for each child, our district is funded off property taxes, she said. The property tax estimate is a 3% increase every year. The expenditure for personnel make up 71% of the program costs for instruction, support and administrative functions, which is kind of low compared to some, she added.

Moving on to Proposed Budget Changes on page 5, Mrs. Wharton talked about the contingency fund. During the 2019 revisions, the Board raised the contingency fund from 6 % to 12 %. For the 2022-2023 SY, the contingency fund will move back to 6.06 %. This change will allow the district one-time construction expenses to finish some of our Capital Improvement projects. These Capital Improvement projects will include the CTE shop, HS turf field and new 8 lane track, as well as the new field at the K8 this summer. Arica Sears asked if this includes the pump track that will be going in at the K8? Mrs. Wharton answered no, the pump track is grant funded.

The Oregon legislature approved 1 billion in additional funding for school districts (The Student Success Act) which disperses funding to districts based on their enrollment numbers. NVSD will receive approximately \$385,000 annually. They have committed to having this money every year, Mrs. Wharton added.

In attempt to recruit and retain high quality staff, the district has been budgeting for the last two years, planning on a healthy raise for licensed employees. This year's licensed negotiations produced a two year contract with an 8.0% COLA and steps on the pay scale. The classified staff negotiations will take place next year, Mrs. Wharton said.

Mrs. Wharton went on to address the Covid 19 Pandemic impacts on page 6. The budget for the 2021-2022 school year has been impacted greatly by the pandemic and will continue to have a lasting impact on the daily operations of the school district. Post pandemic needs have been identified and are reflected in the 2022-2023 budget. Three areas have been identified as a greater need and include; Alternative Education, Social/Emotional Learning and Health and Summer School.

Regarding concerns for budget transparency (page 7) Mrs. Wharton said the district goes through an audit every year to make sure money is being used appropriately.

The General Fund is the District's primary operating fund. This fund is supported mostly by property taxes and non-dedicated revenues, such as the timber revenues. The District's next State Timber revenue checks will be in May and August, Mrs. Wharton shared.

In the General Fund, Mrs. Wharton said, personnel makes up about 70% of the budget. The projection of funds for the 2022-2023 school year is \$10,226,000. The debt service payments (page 32) were discussed. There is a total debt payment to Tillamook PUD for \$26,070. There

was also a purchase of a brand new bus resulting from a recent bus accident. The cost to fix the damaged bus was estimated to cost \$110,000. With the cost of a brand new bus being \$150,000, the District opted to purchase a brand new one.

Mrs. Wharton talked about the Construction Excise Tax on the Resources Report. She said that every house being built in our area, provides \$1.26 per square foot. She noted that it has been under-performing due to a slower year.

Another resource report she mentioned was the 21st Century Community Learning Centers. This fund has allowed for some flexibility and has paid for things such as staffing for the after school program, laptops, games, art supplies and field trips.

Fund 220, Comp Distance Learning, paid for staff, technology and internet.

Fund 251, SIA, is restricted grants and state sources. There is a very specific narrative on how we can spend this money, Mrs. Wharton explained.

Fund 252, Measure 98, is based on drop out and graduation rates. The Health Center (fund 257) received a grant for \$60,000.

Vocational Education-CTE (fund 260) received another grant for \$149,000. Culinary/food service along with a food truck is something the students are really excited for.

Also on the Resource Report is MISC Grants (fund 285), which is looking near the \$300,000 estimate for incoming grants. Mrs. Wharton said she thinks we will get it. These are the types of grants that will fund the pump track. Irene Barajas asked about the community playground. Mrs. Wharton said this playground will take place this summer. We already have all the equipment for the playground. It will be available to the community after hours and on the weekends. There will be different age appropriate play structures and picnic tables. Irene said she is really excited for this. As someone who runs her own daycare, it will be really nice to have a place to take the kids she said. Mr. Stuart also added that there will be a nature trail that connects it all.

In regards to the FFCO Debt Service (\$500,000), the first payment on the debt will be this next fiscal year. This will be the loan to finish the CTE projects and track/field at the High School.

Mrs. Wharton talked about the Capital Project-Beaver MS sale. She wanted to make it clear that the school district does not own the Beaver Middle School. It was sold and the owners have been kind enough to an agreement of use of the gym, field and building for the CTE program.

Mrs. Wharton asked if there were any questions? There were not immediate questions. Mrs. Wharton said it is a lot to digest. Her recommendation is to have one more meeting next week, giving the member's time to look things over and ask any questions.

Tami Owens asked if there was anyone who wished to speak for public comment? There were no requests for public comment at this time.

The next meeting will be Wednesday the 20th at 5:30 in the K8 Library. Tami Owens adjourned the meeting at 6:15 pm.