

## **Special Board Minutes *Draft***

Thursday, November 16, 2023 @ 5:30 p.m.

Administration Conference Room

**Present:** Brian Gallup-Chair, Donna YellowOwl, Steve Conway, James RiunningFisher, Rae TallWhiteman, Lockley Bremner, Michael Hoyt, James Evans.

Mr. Gallup called the meeting to order at 5:30 p.m.

**Approval of Agenda:** Motion by Mr. Conway to approve the agenda with no changes. Second by Ms. TallWhiteman. Motion passed with Brian Gallup, Donna YellowOwl, Steve Conway, James RiunningFisher, Rae TallWhiteman, Lockley Bremner, Michael Hoyt, James Evans voting for.

**Public Comment:** None.

### **ITEMS OF ACTION**

**Contract Service Agreements** (pending successful background checks): Motion by Mr. Conway to approve Outlaw Fencing, Repair Fence Around the Babb Elementary School 2023-2024 (\$9,995.00). Second by Ms. YellowOwl. *Board discussion:* Ms. YellowOwl asked if the fencing at Babb was bid out and if the job is completed and asked why the contract was not approved prior to doing the work. Reid Reagan stated that he received a quote from Mild Fence at \$12,000.00 which did not include tearing the old fence down. The second quote was from a local bidder, Outlaw Fencing, who also bid the job at \$12,000.00 but agreed to come down below \$10,000. Mr. Reagan stated that Outlaw Fence cleared the brush in 4 days and spent 2 days fencing, they moved all the trash out and will need to burn the slash piles; the new fence has 3 sides. Mr. RunningFisher stated that the board said to get the fence done 2-months ago, there is less than a quarter mile of fencing and it needs to be stretched. Mr. RunningFisher asked if Outlaw Fence is a local and felt that the bid for the fence is outrageous stated he wants to see the work that was done. Mr. Reagan showed pictures of the completed project where they cleared and moved slash into piles. Mr. RunningFisher asked if the fence will keep the buffalo out. Mr. Reagan stated that he was told the fence is to keep cattle out of the area. Francis Bullcalf stated that he drives bus for Babb and where the bus garage is, there are 4-wheelers going through ripping things and also stated he did see that the new fence is up. Mr. RunningFisher stated that the job should have been advertised then bid out. Mr. Reagan stated the main thing is to have workmans' comp insurance but then no one will apply. Ms. TallWhiteman asked if staff are following the policy and stated that this should not be approved after the fact. Don't pick and choose, plan ahead and do the paperwork and get approved before the work is done. Ms. TallWhiteman also stated that telling someone to bid under \$10,000 could get someone in trouble; and stated that Mr. Reagan did what the board asked of him but he needs to follow procedure and don't look for loop holes. Mr. Hoyt stated that the price is too high for a 3-sided fence and felt that there should have been an estimate; however, the work has been done. Mr. Conway agreed that Mr. Reagan was doing what the board asked to have done but should have followed procedure. Ms. YellowOwl and Mr. RunningFisher stated they don't remember this being discussed at the facilities meeting. Mr. Conway stated it was discussed at the Babb board meeting. Mr. Hoyt stated "remember this is for the kids". Sandra Rivas stated that she is addressing policy and doing staff training trying to catch things before they become an issue, however it will take time. Mr. Gallup called for a vote. Motion passed with Brian Gallup, Donna YellowOwl, Steve Conway, Lockley Bremner, Michael Hoyt, James Evans voting for. James RunningFisher voted for Karlene Whitegrass, DeLaSalle Tutor 2023-2024 and voted opposed to approving Outlaw Fencing, Repair Babb School Fence. Ms. TallWhiteman voted for Outlaw Fencing, Repair Babb School Fence and abstained from vote for Karlene Whitegrass, DeLaSalle Tutor 2023-2024.

Motion by Ms. Yellow Owl to approve a contract service agreement for Gwyn Andersen to Reconcile Budget, Train Interim Finance Director/District Clerk 2023-2024 (\$35,360.00). Second by Mr. Conway. *Board discussion:* Ms. Rivas stated this CSA is part of finishing up and for continued training. Mr. RunningFisher asked if this is new work or work already done. Ms. Rivas stated that Ms. Andersen has been working since October without a contract. Mr. Gallup stated that the work had to be done and this CSA has been brought back for

approval a few times due to not having a full quorum. Motion passed with Brian Gallup, Donna YellowOwl, Steve Conway, James RunningFisher, Rae TallWhiteman, Lockley Bremner, Michael Hoyt voting for. James Evans abstained from vote.

### **ITEMS OF DISCUSSION**

**Budget Work Session:** Gwyn Andersen reviewed structure of the budget noting the tabs at the bottom of the report. Each school receives money per student to generate the budget (EL \$450.00; BMS \$300.00; BHS \$500.00+). Each tab shows what cost is at each building; some comes from the general fund and some from Impact Aid. The district pays all instructional staff out of the general fund so there is no carryover. Impact aid is discretionary funds and covers custodians and no other wages. Salaries are set based on negotiations and the salary schedules. IA has \$74,000.00 that is not obligated. Transportation fund will be exceeded by \$190,000.00. There is a reserve that can be accessed and would need to levy for the money before May 2024. Ms. Andersen will do a budget amendment for next year. Food service is supplemented by board approval each year; last year \$260,000.00 and it generated \$1.7 million in reimbursements from the State. Retirement may be short and Ms. Andersen can do a budget amendment. Federal programs look good, Hi-Set has no funds on the HS side. Ms. Rivas noted that Hi-Set is for any kind of adult education and cannot be used to teach students. Mr. RunningFisher asked if it is an \$8 million cap every year. Ms. Andersen stated it is a formula based on student count, teachers, SpEd students, etc. and next year it will be higher because of numbers from last year. Expenditure is \$10.5 million out of IA and the revenue for this year is \$9 million and noted that that fund will be in the red and the board could choose to use Setaside for this or go on record not to use it. Mr. RunningFisher suggested using the Setaside to cover the negative amount because we need it and it is there. Mr. Conway stated that the Setaside is used for construction. The technology fund is overspent and Ms. Andersen will move the \$10,000.00 into the general fund; the flex fund bought new cameras and can be used for anything; the debt service is used to pay the mortgage and will zero out; the building reserve levied each year \$457,000.00 and can be used for anything, elementary side is good for construction; the building fund is \$634,000.00 and the total is \$1.3 million. Mr. RunningFisher asked if BPS has depended on the slush funds in the past or if they had not been used. Ms. Andersen stated that the building reserve is building; have had the flex fund for years and will not be replenished unless legislature enacts it. Ms. TallWhiteman stated that the board was unsure of all of this until Ms. Andersen started and spent that fund down for \$189,000.00 for cameras; these accounts have been sitting there and building, and have not been used. Ms. Andersen stated that the bulk of maintenance comes out of IA \$1.4 million; Revenue has \$1.3 million for this year; 15% of current year IA base and Setaside will be \$1.3 million. Small amounts of money left can be moved to the Interlocal agreement fund \$1.7 million at the end of each year and does not have to go back to the state. The building reserve fund is the only fund that continues to grow and the other amounts will not be restored, i.e. interlocal fund, flex fund, etc. HS, BHS, SpEd, BNAS \$4.3 million and is short \$16,000.00. Transportation is good, bus depreciation is good, tuition will be spent due to legislature, retirement is good; budget authority all looks good. Setaside will be short \$194,000; technology is small, if flex is spent on cameras is gone. Debt service \$0, Building reserve \$120,000, the copy center works out of this fund and is \$100,000.00. The Elementary IA is the worse but other funds can be moved to cover the amount. IA Setaside is EL-HS and is districtwide. There is \$22.6 million in investment accounts. The district recently received AI from last year and will be at 100% allocation; this will be recorded as an increase this year but is from last year. Mr. Gallup stated that IA payments will be delayed and are not guaranteed to get 100% allocation. Setaside is \$3.4 million and can be used for construction or leave there and continue to build adding the \$1.3 million. IA is \$9.5 for one year and that is the amount the district has always maintained; in July, BPS starts paying out of IA. \$1.5 can come out of EL IA to reduce the amount we don't have and it goes down to \$9.2 million. HS has problems and is short \$194,000+\$16,000 and have \$5.4 available; we have half million from last year IA; the board can decide whether to use Setaside. Mr. Gallup stated that he was told there was \$30 million and can see that it is not; what BPS has is a good reserve and BPS is not in trouble because we have the reserve. Ms. Andersen noted that you cannot spend elementary in the high school since they are separate pots. In construction, the BHS chillers are not listed at \$1.3 million; the student support project is going to be around \$7million. BMS will use the baseball field and can use be split 43% BMS and 53% HS and can access \$2 million from HS to use on construction. Ms. Andersen stated that they will need to watch their spending as there is not a lot to spend, if we take \$2 million, the savings drops to \$3.9 million and the law does allow the board to do this. Choices will have to be made on HS

construction. Ms. Andersen stated that expenditures next year will not change much. The general fund budgets and revenue will exceed expenditures. IA is same and will exceed revenues by \$1 million if everything stays the same. Right now, we are paying all EL out of Esser money and will have to cover \$950,000.00; there are 27 Tas in Esser not including vacancies. Esser wants school to hire this group out of there however Ms. Andersen stated it is not a benefit to BPS; they are lost in Esser, and no benefit to move them this year. BPS negotiations begin next year and about 2% need approximately \$270,000.00 and there will be additional costs with staff getting a masters, moving on steps, etc. Negotiation discussions will talk about percentage on the base and if given more on the base, it will cost the district more. Ms. Tall Whiteman asked what the administrators were given; Ms. Andersen stated 3% and this would add another \$350,000.00. Ms. TallWhiteman stated if the board gave another 3% for everyone, it would be another \$409,000.00 and would be \$2.2 in the hole. Mr. Evans asked for the percentage in budget on wages. Ms. Andersen stated IA is 60%-70% and general fund is 100% and noted that 70% is low compared to other schools. BPS will have to change spending priority or go back to the Setaside of \$3.8 million. Mr. Gallup stated it is nobody's fault and stated he is pleased to have Sandra and Gwyn here. Ms. Andersen stated she has a list of things that could be changed the rest of this school to get on track. HS looks better but not in construction money. Some things could be changed the rest of year and next year to get on track; HS looks better but not construction money. BPS would be ahead on the general fund and IA; the problem is we can't give just HS teachers an increase and not elementary. We need to balance things that are district wide; things that are not split. BPS has been splitting 75/25% and if you change to 70/30% it will help balance the money out. Mr. Conway stated the yearly IA Setaside is \$9.5 million in EL; and asked if this has been increased. If BPS gives 2% to 3% increase plus everything else, it would be closer to \$1 million to get through one year of schooling. Ms. Andersen stated next year it will be short \$1 million and if the district did not get IA for a whole year, it would be bad. Mr. Conway we would have to pay vouchers like the county. Mr. Conway stated it is sad that BPS has overspent the Setaside, it will hurt us. Dennis stated that increasing student attendance will help; there are 100 students out there yet. Ms. Andersen asked Tim Peterson to talk about construction: Mr. Peterson stated the baseball field is half way through on the cost of the field and they could hold on that project and pull back on cost with \$2.1 million left on the project. The earth would settle more if BPS holds off for another year. The student support building; could hold off on the project and not erect the building and not spend \$4.1 million. The foundation is down and the building material is laying on the ground; could have a shell and hold onto \$.5 million, \$6.4 million and \$3.6 million. Ms. Andersen stated that OPI prefers that the district do the HVAC; get bids to make a better decision. Reid Reagan suggests to do the gym chiller, Mr. Gallup stated that the district has the money to finish baseball field and the student support building. Mr. Evans stated and it is approved and asked if it was taken out of the budget. Ms. Andersen stated no the budget was not together when these were approved. Mr. Evans stated the investment is already in over half of both projects and felt they should continue on both not leave half finished. Superintendent Hall stated use the 3-year Setaside to help pay BPS back; Ms. Andersen stated the HS side will still be short and we have to build the student project in order to use the Esser money for the HVAC and if we don't build, we cannot use the Esser by next September. Mr. Conway stated bps is not fully staffed; Ms. Andersen stated those staff are in the budget, close to \$1 million. Mr. RunningFisher asked what the building cost; Mike Sletten stated \$6.4 million out of \$10.4 million. Les Munro stated if BPS stops now, it will cost more money in material costs later. Mr. Gallup stated that BPS has documentation that says we can pay for this out of Esser; schools lost money this year. Mr. Conway asked Ms. Andersen to make suggestions and the board needs to think about this stuff and stated that the board will need to have more budget meetings to make sound decisions. Dennis Juneau stated there is a lot of spending in the budgets that is not needed and some positions that shouldn't be filled stating that his building does not need the Junior Academy. Superintendent Hall stated that she has met with the principals and all are already working on this. Mr. Juneau stated that each building and grade level has different needs and there should not be a straight across the board cuts. Mr. Gallup asked to hear more ideas before the end of November. Mr. RunningFisher stated there should be no more new projects, and if we don't need to hire then don't hire. Mr. Gallup felt that this is not a problem, and it can be fixed; BPS maintained their reserve, and we can't overbudget by \$3 million and do well. In normal situation the board would have known more. Mr. Conway stated it will be tough to finish the projects and with wage increases coming; this just didn't happen overnight and it all comes back to the finance people doing their job; this is what happens and it caught up to us. This happened to BPS in the 90s and we need to know how do we stay out of this; these people are important to BPS and it shouldn't be political. Policy and procedures need to be followed. Board

members agreed by consensus to continue the student support building and baseball field. Ms. TallWhiteman asked to have a conversation with the school board; see the writing on the wall. Ms. TallWhiteman has asked before what is happening and where we are at and everything was downplayed in some areas and stated that the board has to start asking people in the know on the budget; she has heard Mr. Conway asking ‘where are the people that knew this stuff’. This has been going on for long time and the board has been told that everything is ok and yet the board did not get the information they needed. When questions were asked the board was told BPS has over \$30 million yet we are less than \$3 million. We are going to have to negotiate with staff. Is it feasible to give them the money for increases, insurance and the increases to the subs. Ms. TallWhiteman felt they made some rash decisions. Ms. TallWhiteman stated she doesn’t want to cut from the students or jobs away from people and also stated that the board has been asking to find the 200 students that are not in school and is glad to have this happening. Esser funds are going to go away and BPS needs to cutback; there has to be responsibility somewhere. Board has part in this too; responsibility that was missed and she is very upset with that. Ms. TallWhiteman stated the first thing is teachers and students have to make cuts and tighten belts; when we knew we were in crisis mode, when we needed 5 to run payroll; if they are dead weight then cut them loose; if staff is not performing and not effective then we should not continue to carry them. Mr. Gallup stated that fiduciary responsibility is the main authority of the board. All need to come together in December and look at everything again and continue into the spring. Mr. Gallup stated he feels comfortable with the numbers Ms. Andersen presented and will look at the calendar for the next meeting.

Mr. Bremner asked if we are out of compliance with Esser II and Esser III. Ms. Andersen stated BPS is square with Esser II and she will be making the draw-downs on money next week, but noted that it is spent.

Respectfully submitted:

\_\_\_\_\_ Carlene Adamson, Board Secretary

\_\_\_\_\_ Brian Gallup, Board Chairperson

\_\_\_\_\_ Sandra Rivas, District Clerk