

NEAH-KAH-NIE SCHOOL DISTRICT NO. 56
BUDGET COMMITTEE MEETING
Monday, April 3, 2023
In Person or Virtual Meeting via Zoom

Present

Present

Board Members

Renae Scalabrin
Landon Myers
Kari Fleisher
Mike Wantland
Sandra Tyrer (absent)
Michele Aeder
Carol Mahoney (absent)

District Office Staff

Paul Erlebach, Superintendent
Mark Sybouts, Business Manager
Kathie Sellars, Administrative Assistant

Budget Committee Members

Kristen Coyle
Kathye Knight
Lisa Wiley
Nazare Cota
Tamara Mautner (virtually at 6:14 p.m.)
Heidi Luquette
Angelica Saucedo

Call to Order

CALL TO ORDER – School Board Chair & Introductions

Vice Chair Fleisher called to order the Budget Committee Meeting at 6:01 p.m. Ms. Fleisher welcomed staff and patrons of the district. All stood for the flag salute. Ms. Fleisher asked everyone to introduce themselves.

Roles &
Responsibilities

REVIEW ROLES AND RESPONSIBILITIES OF BUDGET COMMITTEE

Mr. Sybouts reviewed the roles and responsibilities of the budget committee.

Election of Presiding
Officer

ELECTION OF PRESIDING OFFICER

Ms. Fleisher called for nominations of the presiding officer. Ms. Aeder moved to elect Kari Fleisher as the presiding officer. Ms. Scalabrin offered the second. Ms. Sellars took a roll call vote. The motion carried unanimously.

Designation of
Secretary

DESIGNATION OF SECRETARY

Ms. Fleisher designated Ms. Sellars as secretary.

Budget Message

BUDGET MESSAGE - Superintendent, Paul Erlebach

Mr. Erlebach read the budget message and reviewed the budget assumptions. Mr. Erlebach asked Laura Wilkenson, a lobbyist with Hampton Lumber, to provide the budget committee with an update on the effects of the Habitat Conservation Plan (HCP) on state timber in Tillamook County. She explained that the HCP is a voluntary way to comply with the endangered species act. The plan is currently in the National Environmental Protection Act (NEPA) review phase. The HCP covers all lands managed by Oregon Department of Forestry (ODF). If the plan is approved it will be in place for 70 years, and could set aside 55 percent of forestland. Ms. Wilkenson reviewed a modeling map showing the set asides that affect Neah-Kah-Nie School District. The HCP is expected to come to a vote in September. Mr. Erlebach explained that Neah-Kah-Nie is one of three school districts in Oregon that receive enough timber funding and property tax revenue to keep the district off the state funding formula.

Ms. Coyle asked if Tillamook County forest harvest is going to stay flat or go up just a little, Ms. Wilkenson stated that it all depends on where the harvest areas are located. Mr. Sybouts stated that 25 percent of the district forestland is in the Forest Grove district, which is expected to be impacted more than Tillamook County.

Ms. Fleisher stated that the property tax collection rate has typically been around 98 percent. Mr. Sybouts stated that we have typically used the 93 percent for budget purposed to allow for any changes to the collection rate.

Ms. Scalabrin asked about the expense assumptions, specifically the \$400,000 listed on the General Fund decreases. She asked if that is to make up amount for the HVAC project. Mr. Sybouts explained that we budgeted a \$400,000 this year to the Building & Facilities Fund. The amount of the transfer will be zero. She also asked about the high school extra-curricular and additional pay. Mr. Sybouts explained that Mr. Keefauver and Ms. Buckmaster reviewed all the extra duty contracts, extra coaches, the number of participants in each sport or club. Mr. Keefauver explained the process they used to identify the changes that could be made. The only extra-curricular program that is slated to be eliminated is Cheer due to only having two participants.

Heidi Luquette asked about the reduction in the library assistant. Ms. Buckmaster stated that the MS/HS share a library assistant. A few years ago, the budget committee asked for the library media position to be funded. The library assistant is only there to monitor the space. They will use the librarian to support checkouts and do book talks by reducing the other classes that she teaches giving her more time in the library.

BUDGET DOCUMENT OVERVIEW – Business Manager, Mark Sybouts

Mr. Sybouts reviewed the budget document, fund by fund. State forestry has not provided any projections to the county treasurer.

GGs – licensed salaries remain the same, there is a reduction in classified salaries because some will be paid out of federal grant funds. We have an increase in special education due to a .5 Full Time Equivalency (FTE) addition of a speech/language assistant. ELL will remain the same, with one FTE teacher split between the four schools. Guidance services will remain the same, as will library services. The district nurse is split across four buildings.

NES – Staffing levels are the same. In the PreK program, we had to pull some cost for the instructional assistants back into the general fund. Ms. Coyle asked about difference in the insurance rates in the PreK program at NES. Mr. Sybouts stated the change is due to adding staff and the insurance plan they choose.

Mr. Wantland asked Mr. Erlebach if he asked the administrators to cut a certain amount out of their budget. Mr. Erlebach stated that we did. We tried to make the cuts as far away from students as possible. Mr. Wantland also wanted to know what we would do if timber does go down. He asked if we put together a proposal where we did not make any cuts, and what would that look like. Mr. Erlebach stated that we in a very fortunate situation in that our property tax revenue would still keep us off the state funding formula. When we expect that timber funds are going to go down, it is not fiscally responsible to continue to spend.

NKN MS – The guidance counselor at the middle school is paid out of Student Investment Account (SIA). Ms. Luquette asked about the budget of TAG. Ms. Dilbeck stated that TAG is charged to the office of the principal.

NKN HS- Mr. Sybouts mentioned that the Family Resource Coordinator at the MS/HS is paid out of the SIA grant. We also have two FTE guidance counselors but they are each paid out of different funds. Ms. Luquette asked about the Multimedia services not having any budget. Ms. Buckmaster stated that we just do not have a need for projector bulbs since we have transitioned all our projectors to ViewSonic board.

Ms. Scalabrin asked about the workload of the custodial person who is retiring would that workload be spread across the other buildings. Mr. Erlebach stated that they will be discussing this at leadership tomorrow. Mr. Sybouts stated that on page 51, the garbage service should be \$12,000 and not \$112,000. We will need to shift some of that \$100,000 to fuel costs. Mr. Wantland asked about the extra person for facilities and grounds, Mr. Erlebach stated that is summer help and is out of the district office budget. Ms. Scalabrin asked Ms. Buckmaster and Mr. Keefauver if they are comfortable with the cuts. Ms. Buckmaster stated that no one likes to cut, but they made cuts that have the lowest impact on students.

DO - Ms. Luquette asked about the increase in professional services. Mr. Sybouts stated it has to do with services from the ESD. There was an added cost to the district for a speech/language assistant at Garibaldi. Mr. Sybouts identified the additional \$10,000 for grounds maintenance is for additional summer help if it is approved by the superintendent.

Other special funds:

Ms. Coyle asked who manages the student body funds at the buildings; Mr. Sybouts stated that he lets the building principals manage their own student body funds. Ms. Luquette asked if the District has a foundation. Mr. Sybouts stated that we do, but it is not very active. The Mudd Nick and Eugene Schmuck Foundations provide more to the district.

Federal Projects Fund

Mr. Sybouts mentioned the increase in the Title 1 funding; this is where some of the instructional assistants are charged. He also mentioned the ESSER II and III, which will mainly be used for the high school HVAC project, but there are still educational opportunities within the ESSER III.

State and Local Grants

Mr. Sybouts brought up the transfers needed for curriculum, which is an additional \$130,000 to pay for adopted curriculums. Mr. Sybouts stated that we would need to transfer from Contingency – Reserve/Contingency to transfer to local grants.

Ms. Scalabrin asked if we could use \$100,000 from the high school garbage fund to cover the shortfall in curriculum. Mr. Sybouts indicated that it could.

Mr. Wantland stated that he is not comfortable having a vote without the full board present. Ms. Fleisher stated that we have to keep the process moving. She went on to state that this is the proposed budget; the board will have an opportunity to change the budget before it is adopted in June.

Ms. Coyle asked about the grants and how the district reports the use of these funds and the success of the programs that are charged to the state and local grants. Mr. Sybouts stated that the district provides various reports to the state.

Maintenance Fund

No questions. We will carryover \$500,000 into the following year.

Food Service Funds

We added the full salary for the cafeteria manager to this fund.

Debt Service Fund

We will transfer in \$200,000 to help reduce the tax levy rate for our taxpayers.

Vehicle Replacement Fund

We will be purchasing a scissor lift to replace the current one, which is irreparable. We will also need to begin thinking about replacing the district pickup.

BUDGET COMMITTEE REVIEW AND DISCUSSION – Budget Committee

Budget Committee
Review and Discussion

Ms. Fleisher stated that now is the time for the budget committee to have a discussion on the budget. The budget committee members asked their questions as Mr. Sybouts reviewed the budget.

Mr. Myers stated that we need to address the \$100,000 in garbage service; Mr. Myers asked if we could apply \$25,000 to fuel with the other \$75,000 to offset the extra \$130,000 needed for curriculum purchases. There was no further discussion.

Public Hearing

PUBLIC HEARING FOR PUBLIC COMMENTS

Ms. Fleisher opened the public hearing at 8:55 p.m. Hearing no public comments, Ms. Fleisher closed the public comment period at 8:56 p.m.

ADDITIONAL BUDGET COMMITTEE DISCUSSION – Budget Committee

Additional Budget
Committee Discussion

Ms. Fleisher stated that the only thing she saw in the budget was in the contingency reduction, and in accordance with the board budget goals, we need to maintain the ending fund balance at a certain level to cover payroll costs until our property tax and timber revenue come in November.

APPROVE CHANGES TO THE BUDGET DOCUMENT – if any

Approve Changes to
the Budget Document

M-Myers/2nd Aeder to reduce the General Fund high school building maintenance garbage service line item by \$100,000 and increase high school building maintenance fuel line item by \$25,000 and District Office Contingency – Reserve/Contingency line item by \$75,000. Motion carried unanimously.

Motion to Approve

Motion to Approve

M-Myers/2nd Scalabrin to transfer within the 2023-2024 proposed budget in the general fund \$130,000 from Contingency – Reserve Contingency to transfer to local grants – Curriculum. And to increase the state and local grants fund line items resources: Transfers in by \$130,000; and requirements: increase Primary K-5 instruction textbooks by \$20,000; increase middle school program textbooks by \$9,000 & software by \$31,000; and increase high school programs software by \$70,000. Motion carried unanimously.

Closure

CLOSURE – At this point, we will ask the Budget Committee to approve the proposed budget, establish the maximum tax levy rate/amount at \$4.5002/\$1,000 of assessed valuation for the General Fund, and to establish the maximum Debt Service Fund tax levy amount of \$1,283,134.

If the determination is that more information is needed, the Budget Committee may set another meeting to receive additional information before approving the budget document that is sent to the Board of Education for their deliberations, potential modification and adoption.

M-Fleisher/2nd Aeder to approve the proposed budget, establish the maximum tax levy rate/amount at \$4.5002/\$1,000 of assessed valuation for the General Fund, and to establish the maximum Debt Service Fund tax levy amount of \$1,283,134. Motion carried unanimously.

Motion to Approve the
Proposed Budget and
Establish the Maximum
Tax Levy and to
establish the maximum
Debt Service Fund tax
levy

ADJOURN

Hearing nothing more to come before the budget committee the meeting adjourned at 9:05 p.m.

Adjourn