

NEAH-KAH-NIE SCHOOL DISTRICT NO. 56  
BUDGET COMMITTEE MEETING  
Monday, May 2, 2016

**CALL TO ORDER**

Call to Order

The budget committee meeting for the Neah-Kah-Nie School District was called to order at 6:00 p.m. by Chairman Terry Kelly. Mr. Kelly welcomed all. All present stood for the flag salute. Mr. Kelly asked everyone to go around the table and introduce themselves.

**Present**

Present

**Board Members**

Terry Kelly, Chairman  
Pat Ryan, Vice Chair  
Lisa Hooley (absent)  
JoDee Ridderbusch (absent)  
Trisha Hixson  
Carol Mahoney  
Michele Aeder

**Budget Committee Members**

Janet Lease  
Kristin Grassetth  
Jim Doyle (left @ 7:30)  
Tami Schild  
Mike Tosch  
Tamara Mautner  
Jennifer Purcell

**District Office Staff**

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

**REVIEW ROLES AND RESPONSIBILITIES OF BUDGET COMMITTEE**

Roles and Responsibilities of Budget Committee

Mr. Sybouts stated that the goal and legal requirements of the budget committee is to approve the budget document and to establish the tax rate. There needs to be a quorum of at least eight people present to have a meeting, same with a motion, there must be eight votes to pass a motion.

**ELECTION OF PRESIDING OFFICER**

Election of Presiding Officer  
Motion to Approve

Janet Lease nominated Mike Tosch as the presiding officer, Kristin Grassetth seconded the motion. Motion carried unanimously.

**DESIGNATION OF SECRETARY**

Designation of Secretary  
Motion to Approve

Mr. Kelly nominated Ms. Sellars as the secretary, Ms. Mahoney seconded. Motion carried unanimously.

**BUDGET MESSAGE - Superintendent, Paul Erlebach**

Superintendents Budget Message

Mr. Erlebach reviewed the budget message showing general fund revenues and increases and decreases to the budget. Fortunately we are not reducing staff this year. He also reviewed the Board goals.

**BUDGET DOCUMENT OVERVIEW – Business Manager, Mark Sybouts**

Business Manager's Budget Overview

Mr. Sybouts reviewed pages 8 & 9, where resources are coming from and going to. He also reviewed the proposed transfers. Reviewed grants, maintenance fund, he stated that we have been spending down that fund. He reviewed and explained the debt service fund. He also mentioned that the unappropriated ending fund balance will be \$6 million dollars. Mr. Sybouts also mentioned that the bonds issued in 2004-2005 have now all been fully refinanced. We have a 2012 issue and a 2015 issue. The 2015 issue will only go to 2018, it was a small private offering. We will continue to pay of the 2012 issue until 2025.

**BUDGET COMMITTEE REVIEW AND DISCUSSION – Budget Committee**

Budget Committee Review and Discussion

Ms. Lease asked about the \$50,000 increase the maintenance fund, she wanted to know if the funds were for a specific project. Mr. Sybouts stated that it is a place holder in case a need arises. In current year we are spending down the maintenance fund and the \$50,000 would be for any projects that might come up. She also noted that all buildings have an increase in salaries. Mr. Sybouts stated that is due to negotiated salary increases.

Ms. Purcell asked about the added FTE at the district office for student services. Mr. Sybouts stated that it will be for the Special Ed/Student Services Director.

Ms. Lease mentioned the decreases in special education in the budget message. Mr. Sybouts explained that the decreases are only the elimination of the stipends that were being paid to administrators for additional duties. Those stipends were applied to the Special Education/Student Services Director cost.

Mr. Kelly asked about the pay to play fees. He mentioned that in years past when the district has not been under tight budget constraints the district has waived the pay to play fees. Will that happen next year? Mr. Sybouts mentioned that it was not discussed.

Mr. Tosch asked about the cost for the refurbished sports field. He stated that the price tag for lighting seemed quite high. He wanted to know if the board has discussed if some of the cost could be defrayed by public donations. Mr. Erlebach stated that what other communities have done is to have different groups sponsor their lighting. Mr. Erlebach stated that the board needs to approve the project before we can go out and seek donations. Ms. Mahoney added that it is expensive, but the lighting is substandard and the current poles cannot support any more lighting, they must be replaced. Mr. Erlebach stated that the community, by way of the construction excise tax, has been taxed \$300,000 which will go toward the project.

Ms. Purcell asked if other funding opportunities been explored. Mr. Erlebach stated that we would apply for the lodging tax grant. One of the criteria for applying for the lodging tax grant is that the facility, in the off season, increase tourism. Mr. Erlebach shared that we will be able to hold district track meets, which we cannot currently do. We can also rent out the track, like we currently rent out our gym. Mr. Erlebach stated that we are interested in other funding sources.

Mr. Tosch asked if the additional stages of the project include restroom facilities. Mr. Erlebach stated that in his conversations with staff and community members that has been the biggest proposed increase. It would add \$200,000 to the project. There is also interest from the community and board members for adding that to the project.

Ms. Mahoney would like to see us include the restrooms and concessions to this phase. She stated that it makes sense in public and student use of the facility.

Mr. Tosch stated that if we are going to ask the public to be actively involved in supporting the project, it would be hard to sell that without restrooms. Mr. Tosch shared that he would like to encourage the board to look for a way to find additional funding for the project by reaching out to the community and/or grants to include the restrooms and concessions.

Ms. Purcell asked about high school staffing. She stated that several years ago we saw significant decreases in the number of classified staffing, particularly in the area of support staff, office staff and counseling staff. She shared that she was under the impression that time that it was a budget decision. She would like to see classified support staff be part of the discussion. She shared that student population is growing and has a concern that student needs may be falling through the cracks. She stated that it is concerning to her that the student population is increasing and the support staff is not being restored. She specifically addressed support staff in the counseling office and the library.

Mr. Ryan asked if there had been any indication from the administrators that those positions should be added back. Mr. Erlebach stated that it was not discussed. Ms. Purcell asked that if we have the resources then she would like to see counseling services and librarian added back. Discussion occurred about how or if those positions could be added back.

Mr. Tosch asked about the role of the budget committee, is it their role to suggest changes to the budget or to just approve the budget. Mr. Sybouts stated that over the last few years the problem has been reducing revenues and trying to cut as far away from the class room as possible. Mr. Sybouts stated that the budget committee can make recommendations to the board. The board has a public hearing and can modify the budget. The board has the final say.

Mr. Kelly asked if the committee could make changes to the budget. Mr. Sybouts stated that it is possible that the committee could change the budget. The board would then take it up and determine if they would or would not fill a position. Mr. Tosch stated that in order to make a recommendation to the board, he would need data about positions that were cut on classified positions that should be reinstated or partially reinstated.

Ms. Schild asked Mr. Erlebach when he sat down with his administrators, did he ask them what their budget priorities are. She further stated that she assumed that those positions were not on Ms. Buckmaster's list.

Discussion occurred about timber funding in good and not so good years and how adding back positions would impact the budget.

Open Public Hearing

#### **PUBLIC HEARING FOR PUBLIC COMMENTS**

Mr. Tosch open the public hearing at 7:05 p.m.

Public Comment

Ms. Purcell stated that she has heard some comments from students, that there is more investment in athletics but we have very successful academic extra-curricular activities that do not receive any support at all. She wondered if the board has opportunity to hear from students. Mr. Erlebach stated that he talked with students and there is support for the track. Mr. Erlebach stated that the track is more than just a track it is a classroom. He sought input from staff, students and community members. Mr. Kelly and Mr. Ryan both stated that the academic extra-curricular activities are very well supported by the district. The track has not been touched in two decades and is in desperate need of improvement.

Mr. Tosch stated that it is not an either or, it is both. He stated that both can and have been happening at a high level. He feels it is time to invest in the track. Mr. Tosch stated that he has actually walked the track on his crutches and it is in bad shape. Ms. Purcell shared that it might be an opportunity to educate students. Mr. Erlebach shared that he will be meeting with the elementary principals and the athletic director to determine how to facilitate the elementary schools using the track.

Close Public Hearing

Hearing no more public comments the hearing closed at 7:22 p.m.

#### **ADDITIONAL BUDGET COMMITTEE DISCUSSION – Budget Committee**

Ms. Mahoney asked about the field and the pipes going out the field if at some point in the future we need to irrigate. Mr. Erlebach stated that will be part of the project. He explained that last year we had a water rights issue and we could not irrigate our field.

Ms. Mautner asked why the restroom/concession stands were left off the original proposal. Mr. Erlebach stated they were not left off, they were proposed in another phase of the project.

**APPROVE CHANGES TO THE BUDGET DOCUMENT – if any**

Approve Changes to  
the Budget  
Document

**M-Mahoney/2<sup>nd</sup> Aeder proposed that we increase the transfers out of the general fund by \$200,000 to accommodate the restroom facility and reduce the operating contingency in the general fund by \$200,000 to cover the cost of the restroom and concessions for the high school track and increasing transfers in the capital projects building facilities fund of \$200,000 and increasing building acquisition by \$200,000. Mr. Tosch added an addendum to the previous motion with Ms. Lease offering the second strongly encouraging the board to look for and seek alternate funding sources and if possible maintain the cost of the project at \$1.5 million dollars with the reserve of \$200,000 being available for the restroom/concessions project. Motion carried unanimously.**

Motion to Approve

Mr. Doyle had to leave at 7:30.

Mr. Tosh asked that a discussion be had with Dr. Buckmaster about whether we have adequate staffing and if FTE needs to be restored and to also consider reviewing counseling services at the high school.

~~M-Kelly/2<sup>nd</sup> Grassetth that the board consult with Dr. Buckmaster the need for a 1.0 FTE in the high school media and an additional staff in the counseling office. Mr. Kelly and Ms. Grassetth rescinded their motion and second.~~

Motion to Approve  
and Motion  
rescinded

~~M-Kelly/2<sup>nd</sup> Grassetth to restore the 2014-15 staffing level for the middle school/high school media after consulting the building administrators. Motion carried unanimously.~~

~~M-Kelly/2<sup>nd</sup> Tosch to consult with the administrator at the high school the need for additional counseling services. Motion carried unanimously.~~

After further discussion and as well as a process discussion the two previous motions with regard to the high school media position and the high school counseling center staffing were rescinded and the vote nullified.

The budget committee recommends that the board consider both a high school media staffing and counseling center staffing prior to adopting the budget.

**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 \$1,024,991. 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-Tosch/2<sup>nd</sup> Schild to approve the modified proposed budget as well as approving 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 \$1,024,991. Motion carried unanimously.**

Approve Budget  
and Approve  
Maximum Tax Levy

**OREGON RISING PRESENTATION**

This item was not discussed due to the length of the budget committee meeting.

**ADJOURN**

Adjourn

Hearing nothing more to come before the budget committee the meeting adjourned at 8:00 p.m.