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Commitment, Excellence, Community

PLEASANT HILL SD #1
SCHOOL BUDGET COMMITTEE MEETING MINUTES
Monday, May 17, 2021; 7:00 p.m.

1.0 CALL TO ORDER

Board Chair Jeff Bernardo called the Pleasant Hill School Budget Committee to order at 7:03 p.m.

2.0 NOMINATION AND ELECTION OF OFFICERS

2.1 Chair

Wylde Cafferata nominated Eric Geyer for Budget Committee Chair, Jeff Bernardo seconded the nomination. The nomination was approved unanimously.

Board Chair Bernardo released meeting leadership to Mr. Geyer.

2.2 Vice Chair

Curt Offenbacher nominated John Goldberg for Budget Committee Vice Chair. Wylde Cafferata seconded the nomination. The nomination was approved unanimously.

3.0 READING OF BUDGET MESSAGE

Superintendent Scott Linenberger read the Budget Message for the Committee. Refer to the 2021-22 Proposed Budget document for the verbatim Budget Message.

4.0 REVIEW BUDGET

Business Manager Sheri Longobardo presented a summary of the 2021-22 proposed budget documents.

The General Fund account is expected to increase by \$315k, the Special Revenue Funds will increase by \$2.5 million, and the Debt Service Fund is expected to increase by \$41k from the 2020-21 budgeted account totals. The total increase is \$2.897 Million.

The large increase in Special Revenue Funds is due to added funding, such as ESSER Funds. In order to best utilize this additional supply, it was placed in the Special Revenue Funds.

Projected enrollment is expected to be approximately 1,000. This is a conservative count in order to avoid overspending of State School Funds. If this number is exceeded, the district is not penalized and will receive funding accordingly.

General Fund staffing is expected to decrease by 3.5 FTE. The additional staffing mentioned in the Budget Message have been added through Special Revenue Funds. Tech, Alt Ed, and Counselor positions were not filled in 20-21, and will be funded by Student Investment Account (SIA), Elementary and Secondary School Emergency Relief (ESSER), and High School Success Funds for the upcoming year.

Total Revenues for 2020-21 are expected to be approximately \$218k less than the 2020-21 budgeted amount. However, with a higher projected Beginning Fund Balance than 20-21, the Total Resources will show an increase over budget by approximately \$432k.

Salaries and benefits decreased by approximately \$437k, and \$681k, respectively. This is due to less use of substitutes, and the two positions not paid for through General Funds.

Purchased Services have decreased by approximately \$779k due largely to busing changes.

Supplies expenses are increased due to changes in supply purchases for the new Special Education classroom and other various supplies.

Total expenditures are expected to be \$1.7 million less than originally budgeted.

Ending Fund Balance is projected to be \$2.1 million above what was originally budgeted and Total Requirements will be \$430k above projections. Unappropriated Ending Fund Balance as a percentage of Revenues will be 19.8%, a 1.6% decrease from budget.

In the 2021-22 Budget, Transfers are budgeted to increase by \$990k. These increases will show in curriculum adoptions, technology needs preparations, and HVAC replacements/maintenance.

The board wants to reiterate that the budget needs to reflect a plan for maintaining current staffing/programs/equipment.

Districts are advised to budget as if the State School Fund is approved at \$9.1 billion for the 2021-23 biennium. Even though school district operation costs increase annually by approximately 3%, PHSD is able to absorb these additional costs and operate as usual with ESSER, SIA and High School Success funds and proper budgeting. Should the SSF be approved at the \$9.3 billion that schools are pushing for, the district may see an additional \$150k over the next two years.

More of this year's unused funds will be put into reserve accounts to be available for future expenses that may not be covered by SSF.

4.1 Comments/Questions

What are top priorities for budgeting?

When budgeting, it's a high priority to ensure all staff receive proper salary/benefit advances. Purchased Services are another top priority, considering some are extremely necessary for operating. Supplies are more flexible than other expenditures.

What was the Insurance/Benefit Reserve?

This fund was established to account for district obligations related to the Public Employees Retirement System (PERS). Funds are reserved to reduce impact of PERS rates. Last year the district approved the use of these funds to participate in a newly created PERS Investment Fund (see Board Resolution 1920.83). This investment depleted the Insurance/Benefit Reserve and the increased amount is a continued replenishment of this fund.

Can funds be transferred out of reserves in the future?

Funds in reserve accounts may be moved out of these accounts with board action.

What is the balance/remaining time in the bond?

Ms. Longobardo will get back to the committee with a balance and pay schedule for this.

Are staffing levels adequate for next year?

Superintendent Linenberger shared that there are two grades exceeding their projected cohort numbers that were set in February by the board. Each building assesses grade cohorts and/or building cohorts to determine staffing needs. Building principals have not requested additional staffing at this point in the budgeting process. If the need for additional staffing arises in the future, funds may be moved to accommodate by board action. The budget committee does not need to reconvene unless a movement is more than 10% of a particular fund.

Please explain the transfer amount of \$990k

The transfer amount is a total of \$1.3 million. This is \$990k more than what was transferred last year. Business Manager Longobardo will return to the board with clarification on transfer funds (balances and increases).

Where does HVAC fall in the reserves list?

Most will be funded with the Maintenance Reserve, and some from the federal ESSER fund. Clarification will be sent out.

Is it correct that federal fund (ESSER) is being put into reserves for future spending?

ESSER III funds will be used over the next few years. ESSER II funds are included in this budget. Unused General Fund Revenues will go into the Ending Fund Balance to be used in the future.

Where are the funds for the new classroom coming from?

The funding for the new classroom will come from the General Fund.

The committee would like to see a prioritized maintenance list. Ms. Longobardo will provide a list of past/current/future projects and updates.

The committee would like to see a breakdown of ESSER funds. Ms. Longobardo will share a breakdown of what is being received and how/where it is being spent.

Eric Geyer shared that it would be beneficial that any large expenditures that may arise in the future be brought to the committee ahead of time and the method of funding be explained.

Public comments/questions may be submitted via email from the PHSD website at <https://www.pleasanthill.k12.or.us/pleasant-hill-school-district-feedback>.

Prior to the June 7th meeting the Business Manager will provide responses to questions from the committee. Additional comments and questions will be discussed. If the committee is satisfied with the proposed budget, it may vote to approve the document. If not, there are future meetings for further discussion.

5.0 FUTURE MEETING DATES

- Board/Budget Committee Meeting – June 7, 2021; 7:00 p.m. – *Virtual Until Further Notice*
- Budget Committee Meeting (If Needed) – June 14, 2021; 7:00 p.m. – *Virtual Until Further Notice*
- Budget Hearing & Board Meeting – June 28, 2021; 7:00 p.m. – *Virtual Until Further Notice*

6.0 ANNOUNCEMENTS/OTHER

7.0 ADJOURNMENT – 8:37 p.m.

Signed: Eric A. Geyer, this 7th day of June, 2021.
Eric Geyer, Budget Committee Chair