



MEETING MINUTES

<p><u>BOARD MEMBERS PRESENT:</u> Tom Oliver, Chair Mike Martin, Vice Chair Richard Borden Tammy Schilling Todd Gestrin</p> <p><u>BUDGET COMMITTEE MEMBERS PRESENT:</u> Jason Pottorf, Chair Todd Gestrin, Vice Chair Jeff Vandiver Terry Deacon Corey McEldowney, Committee Altnernate</p> <p>William Barish, Absent Kris Latimer, Absent</p>	<p><u>EXECUTIVE STAFF PRESENT:</u> Bo Yates, Superintendent Jennifer Meckley, Assistant Superintendent William Lewis, Business Director</p>
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The meeting minutes were recorded by Executive Secretary Ruth Hopkins.

1. WELCOME AND CALL TO ORDER

Board Chair Tom Oliver called the meeting to order at 6:00 PM and welcomed the new members.

2. ELECTION OF OFFICERS

Election of Budget Committee Chair

Upon a motion made by Mike Martin to elect Jason Pottorf as Budget Committee Chair, duly seconded by Richard Borden, the Board voted unanimously to elect Jason Pottorf as the Budget Committee Chair.

3. PRESENTATION OF BUDGET MESSAGE

Superintendent Bo Yates read his 2020-21 Budget Message into the record, which included projected deficits to the State School Fund as result of the negative tax impact from closures due to COVID-19 pandemic in the State of Oregon. He also discussed the impact Student Success Act funding that the district was projected to receive and the projected decrease of 30% to 40% regarding that account. The Lebanon School District has taken eight furlough days for the 2019-20 school year to help increase the beginning fund balance for the 2020-21 budget, as well as

cuts in spending for the spring of 2020. However, regardless of funding issues, the priorities and goals remain the same: increased student achievement, graduate 90% of the intact cohort on time, 100% of our cohort students reading at grade level by third grade and students below grade level receiving immediate support in math and reading.

4. INFORMATION AND DISCUSSION OF PROPOSED 2020-21 BUDGET

Business Director William Lewis mentioned that he will do a budget training for the new members next week.

William Lewis then presented information on the LCSD Proposed 2020-21 Budget. He mentioned that the one of the keys to our success in 2020-21 will be fiscal flexibility. We do not currently know what the educational model will be in September for students and it will require flexibility within our budget to meet the needs of our students.

He then discussed the budgetary trends. The 2020-21 proposed budget is based on a \$9 billion biennium budget. It is based on the February 26, 2020 estimate of the State School Fund from ODE, as that is the last factual information that we have received. The state fiscal impacts of COVID-19 are based on the June 2020 State Economic Forecast. In the last three months the 2019-21 biennium revenue forecast has dropped \$2.7 billion. The 2021-23 biennium is down \$4.4 billion and the state stability fund is down \$1.6 billion in April.

In regard to the general fund revenue, the revenue is based on the February 26 State School Fund estimate, which is pre-COVID. Currently, the property tax growth rate is trending down. The 20-21 enrollment projection is flat. Prior to COVID-19, the district was forecasting flat general fund revenue already, and we are now looking at more adjustments that will need to be made. Grants and other funds revenue includes the Student Investment Account, Measure 98 and federal grants such as Title I and ESSER Fund, which is a part of the CARES Act and is additional funding. It is currently sitting at \$916,000.

For expenditures, PERS is a large part of the budget. We are expecting a 4 to 5% increase in 2021-22. There is also an increased transfer to the unemployment fund and we have increases in insurance costs as well. We are decreasing the transfer for bus replacement, as we are receiving a grant that will allow us to purchase more busses.

William Lewis further went on discuss that the district has save some money this spring, with the closure of schools due to COVID-19, such as the cost of utilities for all of the schools. There has also been a savings of \$1.5 million due to the eight furlough days that the district is taking, which will help the beginning fund balance for the 2020-21 budget. We are looking to start next year with a beginning fund balance of \$48,256,864.

William Lewis then pretend the proposed budget and went through the budget spreadsheet, item by item, going through all of the revenue and the expenditures.

Superintendent Yates added that it was important to recognize that we were trying to maintain things in the short run, but that we need to have a long-range plan for spending.

William Lewis then went through the proposed budget document for 2020-21.

There were some questions from the board and committee members. Board Vice Chair Mike Martin asked about the textbook fund and if there might be an option to get rid of textbooks and use an online option to save money. William Lewis indicated that the district is exploring those

options. We are currently reducing the budgeted amount to \$200,000, from the \$400,000 of previous years.

Board Vice Chair Mike Martin then asked about optimizing fully functionally buildings and closing buildings that are not optimal, and he asked if William Lewis to provide some information on that option.

Superintendent Yates added that it would be part of a bigger discussion and if we are allowed to go back to school in a normal way, and what the guidelines will be that the state will expect us to follow. He noted that there has already been a comprehensive study of our buildings and what that might look like if we have to make those changes. He added that it would be a conversation to have when we know more about what we are going to be doing next school year.

William Lewis asked if there were any additional questions and if there are items that the committee would like him to bring back for the next meeting.

Member Todd Gestrin asked about the charter school what our fiscal responsibilities are for them, and if that plays into the budget for any worries or concerns that have not been discussed.

William Lewis responded that we have the Sand Ridge Charter School and that he has been working with them regularly, looking at academic and fiscal management. The charter school has been in business for a long time and he feels they know what they are doing. We pay them \$2.3 million for ADM from the State School Fund, which we just pass along to them when we receive it from the state. He added that we have been in constant communication with them regarding the COVID requirements as well.

Board Chair Tom Oliver added that he appreciated what William Lewis and the leadership team has put forward. This is a challenging time and we are moving forward and not cutting things that we do not think we need to cut, but are still trying to keep our district mission and goals in sight. He added that while we do not know what will come in the next biennium, he feels that this is a good balance of not cutting too much, too soon.

William Lewis then asked that members email him directly if there are any questions and he will share it with the whole budget committee, and that he would also set up a budget committee training for our new members.

5. Election of Budget Committee Vice Chair

Board Chair Tom Oliver then brought up that we had neglected to elect a vice chair for the budget committee.

Richard Borden then nominated Todd Gestrin for the position of vice chair for the budget committee.

Upon motion made by Richard Borden, duly seconded by Tom Oliver, the board voted unanimously to elect Todd Gestrin for Vice Chair of the Budget Committee.

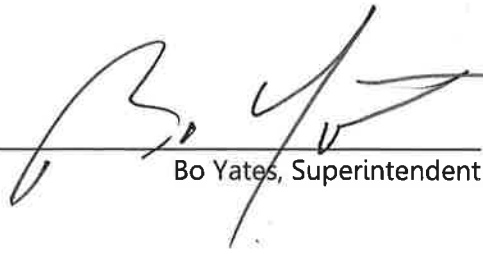
It was then decided that the meeting for June 11, 2020 will be held at the Lebanon High School Library and will begin at 6:00 PM.

6. ADJOURNMENT

There being no further questions or comments, the meeting was adjourned at 7:24 PM.



Jason Pottorf, Chair



Bo Yates, Superintendent

Motion to Approve the Budget

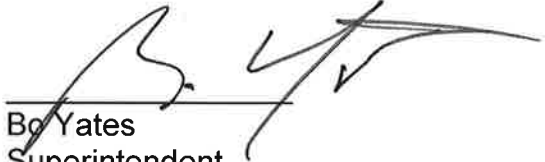
"I move that the budget committee of the Lebanon Community School District has reviewed and hereby approves the budget for the 2020-2021 fiscal year in the amount of \$74,573,822. This is comprised of:

All Funds	2020-2021 PROPOSED
General Fund	\$ 48,256,864
Special Revenue	\$ 17,439,022
Debt Service	\$ 5,531,687
Capital Projects	\$ 2,474,249
Enterprise	\$ 572,000
Internal Services	\$ 300,000
Grand Total	\$ 74,573,822

Motion to Approve Taxes

"I move that the budget committee of the Lebanon Community School District #9 approves taxes for the 2020-2021 fiscal year, at the rate of 4.9925 per \$1,000 of assessed value for operating purposes in the General Fund and \$4,044,968 for the general obligation bond levy in the Debt Service Fund for principal and interest."


Jason Pottorf
Budget Committee Chair


Bo Yates
Superintendent