

Budget Development
9/24/2019
1:00pm-2:30pm
Administration Office – Room 137

Attendees:

<input checked="" type="checkbox"/> Aaron Harder	<input checked="" type="checkbox"/> Lori Bica	<input checked="" type="checkbox"/> Joe Luginbill		
<input checked="" type="checkbox"/> Dr. Hardebeck	<input checked="" type="checkbox"/> Abby Johnson	<input type="checkbox"/> Kay Marks	<input checked="" type="checkbox"/> Jim Schmitt	<input checked="" type="checkbox"/> Kim Koller

TOPIC	DISCUSSION
1. Public Comment	<ul style="list-style-type: none"> • No Public Present
2. Establish a Working List of Ideas and Budget Committee Working Timeline	<ul style="list-style-type: none"> • Shared list of Things to keep in mind, outstanding topics, balancing the budget topics • 5-year capital – currently at \$700K for 19-20, does it go back to \$1.6M for 20-21? • Current budget has most outstanding B&G needs because they have been deferred for so long that they needed to go in, but there are still some things that haven't been included in this year's budget • Budget back long, revenue, savings are 3 topics that Budget Development should focus their efforts on • Not sure if Budget Development Committee needs to work on revenue because the Revenue Committee was for 3rd source funding already • If anyone should care or advocate for these topics it should be the Budget Development Committee - Revenue should be part of the overall plan and items may need advocacy to move forward • Some things for the Budget Development Committee to look at, it would be something other than OPEB and compensation, areas as a committee looking at outsourcing, privatizing, reductions, contracted services, cost efficiencies – those are main things the Budget Development Committee should focus on • Want to make sense of these things to help the Board make quicker decisions and to help the Board stay informed • Budget Development Committee is the group that has authority to bring these things forward • Unaware of budget being potentially balanced – surprised - Group has heard to get a hold of the Fund Balance • District has taken up more building blocks from last year to help take a more aggressive approach for staffing and getting class size to the mid-range • As vacancies opened up, we looked options for the position or if we can hire out with EDUStaff and reduce benefits costs • These things will pay off big in the Fund Balance conversation • We did have classes in the past that were under 19 - the recommended levels



- We have been working to keep the classes at the mid-range and we aren't at a place to be able to have very small class sizes anymore
- Referendum helped us and without it we may be at class sizes of 35 students
- We asked if they wanted people or programs? Overall feedback is that we want good people in front of our kids
- Leasing and deferring equipment have helped us to get a balanced budget
- If we continue to apply our cost saving measures, we could be in a good place
- Class size is relative depending on what you are learning/teaching
- Hear staff talking about large class sizes, more students than ever
- When you get used to having low class sizes, 4-5 kids could seem like a lot
- We haven't been able to do all the things that we want to do
- Board can decide that we can go into the Fund Balance
- Draft of budget is providing for basic needs
- List from the Board meeting on Monday is included in the Budget Development Committee working document
- Computer Equipment back log includes staff devices and auditorium equipment
- The student iPads need to be updated because of state testing, but staff don't need them for testing – older versions are acceptable
- We budgeted to lease a quarter of the laptops and all of the student iPads
- There was some talk going into the State budget about 1:1 devices for 9th graders, seemed counterintuitive to purchase if funding is going to be provided
- Foundation contribution, would this be better to come from the Budget Development Committee to the Board
- Foundation has asked to have an MOU with the district, the \$50,000 contribution would be part of that, seems from the beginning minutes it may have been a startup cost until they get up and running. Board would have to decide if and what they want to contribute
- We have seen other district's MOUs with Foundations. They don't include monetary contributions, include space and other non-monetary contributions
- We should include all of the in-kind donations that the district provides, space, printing, server, copies, etc.
- At the Foundation retreat seemed that if a contribution continues it will be at a dollar amount and then diminishing over time
- Don't think that the Foundation had the history that it was a limited contribution
- Make sense of the working lists and boil them down to get the details
- Micro and macro timelines on 3 lists
- South Side expansion, 4k conversation, class size should be part of the conversation
- Articulating class size has a significant impact on budget and being able to talk about these things are helpful
- 5-year capital plan, \$4.1M is on the list for more important that should be on the radar, we normally spend \$1.6M. We will need to prioritize that outstanding list.
- Things could change and we will need to see if anything on the list comes to the top – will be looking at in the next couple of months



- We know that all of those things will not be able to be done
- \$2.2M for Roosevelt deferred maintenance and secure entrances, includes things like roofing, flooring, fire alarm systems, ADA compliance items
- You can issue debt without a referendum – could Roosevelt maintenance be part of that?
- Would announce that we are issuing debt, then the public has time to show concerns, and after that you can issue debt, would need one of our financial people to help with the prescribed process
- Seems like we should have School Board and Demo & Trends Committee come up with a long-term plan
- What is the total amount that we can issue?
- Can you get Budget Development the information regarding what to know, how much can be issued, and what would the public have to do to stop issuance?
- Can Budget Development see the structure of what it could look like?
- Would feel more comfortable if Demo & Trends and School Board weigh in on a longer-term plan
- If we can get the District into a better financial state, you may not need to issue debt
- Budget Development Committee should look at the pros and cons of looking at issuing debt now and later
- We know what our needs are, community knows what our needs are, issuing debt for things that are no brainers seems like a good idea, framing that with the rest of the rational and showing our homework and what is coming up is important
- Board, District, Administration are being challenged by Roosevelt Parents to start the construction right away
- Eric has been talking about a 10-year comprehensive plan, School Board hasn't had an opportunity to talk it through
- What are the next steps including clearly defining those and the dates?
- Check in on those dates to see if we are meeting our goals
- Demo & Trends has been given direction to wait to study the south side and 4K until after the comprehensive study is complete
- Should Demo & Trends be involved with the study?
- Why is there hesitation for them being involved?
- There has been talk about the Board and P&G having a work session, could this be involved too?
- Demo & Trends will need time to do the research and would need something formal to start the research
- Budget Development worked to add dates and topics to the running working list
- Athletic Fees – there is a group that pays full and there is a free and reduced group, we also received donations for those kids on the bubble that may not be able to afford fees, have been able to find funding in other places for extenuating circumstances - Gymnastics, Girls Basketball, Hockey seem to be the highest
- ECASD vs Big Rivers participation seems to be lower

	<ul style="list-style-type: none"> • We are one of the largest districts and we offer things other than athletics • Concerns were raised by students who were just above free and reduced, it is a cost to families • Have we asked if fees are a concern? Not that specific question • What is worth our time at this point? • Is there another place we should ask other groups? Band and Athletic (Foundation) • In the MOU there should be a section stating that the School Board will reach out from time to time • The Foundation was surprised that there was a need for instruments • MHS/NHS facility issues – someone mentioned gopher holes and we did research to see the fields are safe, community issues come to light • With the opening of schools report you will see class size and how our buildings are using their resources • Bridge Question or Suggestion – we are currently spending \$665,000, increasing the bridge contribution, was instituted when we had to make significant health insurance changes • Can we figure out with a round table who have navigated our system with what has and hasn't worked – when you hit \$1501 of deductible expenses the bridge kicks in and sends a check sometimes before your EOB comes • Currently co-pays and prescriptions do not count, only deductible expenses • As we raise the deductible the bridge merits review as it goes up, let's review it to make sure it is where it should be • District is unique that we have a bridge and an HRA this is not normal; in other districts it is one or the other • Most other districts have a bridge or a HSA because of qualified plan • Would be a significant difference from what we currently have, would have to pay the full deductible up front • Lots of things that will need to change in order to make that plan work properly, to do it well, would take up to two years to transition • Budget Development Committee will work on updating the list and we will reconvene next meeting • Giving staff a piece of mind about OPEB and where we are at a coming School Board Meeting, there doesn't seem to be consistently understood across the Board
<p>3. Future Agenda Items</p>	<ul style="list-style-type: none"> • Structure of Issuing Debt • Spreadsheets for Budget Development Committee Working Items

Next Meeting: 10/8/2019