

### **1.0 CALL TO ORDER**

On May 16, 2022, Board Chair, David Karo called the first budget committee meeting to order at approximately 6:34 p.m.

### **2.0 ROLL CALL**

Members Present: Kirt Glenn, Suzy Parker, Brian Tenbusch, David Karo, Parker Leigh, Jeanne Whitted, Willie Tenbusch, Stacey Winter, George Price, Kyle Olson, Johnna Neal

Absent: Tony Isom

Employees Present: Candace Pelt, Superintendent; Celeste Van Cleave, Business Manager; Dena Crowell, Board Secretary

Other: None

### **3.0 INTRODUCTION OF BUDGET COMMITTEE MEMBERS**

Committee members introduced themselves

### **4.0 ELECTION OF BUDGET OFFICERS**

Johanna Neal nominated Kyle Olson as Budget Committee Chair. David Karo seconded the motion. Stacey Winter nominated himself for Budget Committee Vice-Chair. David Karo seconded the motion. Motion passed 9-0. Stacey Winter and Kyle Olson abstained.

### **5.0 ESTABLISH COMMITTEE PROCEDURES**

5.1 Kyle Olson announced the use of Robert's Rule of Order for Budget Committee procedures.

5.2 Celeste Van Cleave reviewed the Budget Committee Calendar.

5.3 Kyle Olson read aloud and reviewed the Budget Committee Ground Rules.

### **6.0 REVIEW COMMITTEE RESPONSIBILITIES**

Superintendent Pelt explained that the Budget Committee has a two fold purpose; the responsibility to the public in understanding and explaining the budget and the responsibility to set the local tax rate and approve appropriation authority at the function level.

### **7.0 BUDGET MESSAGE**

Superintendent Pelt read aloud highlighted parts of the posted Budget message and invited questions.

### **8.0 REVIEW HIGHLIGHTS**

Celeste Van Cleave reviewed with the Committee the 2022-2023 Budget Highlights. The Highlights page looks different than previous Budget Highlights; this year's Highlights is focused on what main concepts do we wish to share.

#### **State Funding**

Central Linn is estimating the 22/23 State School Fund to be \$3,737,207 reflecting a decrease of \$19,269 over the 2021/2022 allocation and decrease of \$274,969 from previous 2020/2021 allocation. This decrease is due to the significant decrease of student enrollment for the 2021/2022 school year.

### **22/23 Revenue Sources (all Funds)**

How the District is funded has changed over the past ten years, taxes heavily contributed to the District's funding whereas now we're seeing more funding from the state resources; the balance has shifted.

### **Funding Outlook Long-Term**

As long as ESSER, HSS and SIA funds are available the legislature will continue to fund the State School Fund at a level that does not cover rollup costs with the expectation that districts will use ESSER dollars to offset the shortage.

### **Labor Assumptions**

Currently in the middle of both union contracts. Licensed staff will receive 1% COLA on 3.45% step with 3.5% column movement. Classified staff receive 1.5% COLA with 2.5% step increase. Both unions receive \$50 per month health insurance cap increase. **FTE** - With the loss of student enrollment, we are also losing staff FTE.

### **Liability Insurance**

Pace is recommending a 15% increase over 2021-2022 actual rates.

### **Expenditures**

Proposed All Fund Function Summary - Majority: 36% Instruction; 29% Support Services; 22% Capital Construction

Proposed All Fund Object Summary - Majority: 32% Wages; 29% Purchased Services; 19% Benefits

Celeste Van Cleave reported of the estimated \$600,000 General Fund transfer, \$500,000 will be transferred into the maintenance reserve fund, \$18,000 will be transferred into the YTP fund and \$135,000 transferred into the food service fund. Food service costs equate to unrecovered student paid meal plan debt and labor costs. The District is looking into the Community Eligibility Provision (CEP) program where all students would receive free meals. Currently the elementary building qualifies for the CEP program, working on the qualification for the middle and high school.

With the loss of enrollment, a mid-year adjustment was made to State School Fund ADM though the District didn't estimate high. If enrollment doesn't increase, and the District owes the state, the offset will come from contingency fund and unappropriated ending fund balance.

Candace Pelt received approval notification today to use \$800,000 in ESSER funds to apply towards reconstruction of the Central Linn Agriculture building. Construction is anticipated to start Summer of 2023. The 2022/2023 proposed budget exhausts the remainder of all ESSER money.

## **9.0 COMMITTEE DISCUSSION**

Kyle Olson questioned what debt services we have. Celeste answered the repayment of the purchase of two buses and the Cool Schools Loan for the Elementary's HVAC system. Brain Tenbusch asked if the District will be able to keep up with inflation costs within our negotiated union contracts. Celeste reported that COLA is factored into each contract, but that it has been a topic of discussion amongst districts of how to keep pace of COLA with actual nationwide inflation. At this time, there is no answer amongst the districts. Kyle Olson asked about transportation department plans for whether to contract services or keep current plans. Candace Pelt reported the budget reflects maintaining current transportation staffing and student routes.

Brian Tenbusch reflected that enrollment funds the budget. The community wants more of the District but if enrollment declines, so does the budget. Celeste reported HSS, SIA, SSF is all based/funded on student enrollment. As far as the status of the buildings go; we need bonds. The District is one major infrastructure system from failure. Brian Tenbusch reminded the committee that the Elementary and High School flat roofs have a silicon seal that requires maintenance; cleaned and pressure washed. David Karo reported the biggest issue to the silicon seal is UV mitigation though it has a fifteen year life expectancy. Johnna Neal suggested a track maintenance fund. Candace Pelt reported that track maintenance is considered into the \$500,000 maintenance reserve.

**10.0 INPUT FROM THE AUDIENCE**

No input

**11.0 APPROVE BUDGET OR SET TOPICS FOR SECOND MEETING**

Parker Leigh made a motion that the proposed Central Linn School District Budget in the aggregate amount of \$14,369,202 be approved, and that the permanent tax rate of \$4.6179 per \$1,000 of assessed value be assessed in support of the General Fund. This permanent tax rate is expected to raise \$3,514,024 (estimated tax levy for the General Fund). Johnna Neal seconded the motion. Motion passed 11-0.

**12.0 ADJOURN**

With no further business before the Committee the meeting was adjourned at approximately 7:30 p.m.

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Dena Crowell, Board Secretary

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David Karo, Budget Committee Member  
and Board Chairman

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Date Approved

**Board meeting minutes approved on June 13, 2022.  
Original minutes with signatures on file at the District Office.**