

**CORBETT SCHOOL DISTRICT NO.39
BUDGET COMMITTEE MEETING
APRIL 28, 2010**

Budget Committee approved June 9, 2010

The Board of Directors and Budget Committee members of Corbett School District No. 39, Multnomah County, Oregon, met at Corbett Grade School Library/Board Room in said district on Wednesday, April 28, 2010. The following board members were present: Bob Buttke; Mark Hyzer; Maureen Childs; Jeff Aho; Todd Mickalson (in at 7:43 p.m.) and Charlie O'Neil. Board member Brian James had an excused absence. Budget committee members in attendance were Eric Stevens, Presiding Officer; Brad Garrett; Annette Calcagno; Stuart Childs; Michael Wilson and Leota Pulliam. Budget member Ed Kalberg was absent. Also present were Bob Dunton, Superintendent; Jan Younker and Robin Lindeen-Blakeley, Deputy Clerks and Randy Trani, K-12 Principal. NOTE: The minutes are prepared to coincide with time scheduled matters and the numbering system of the agenda and is not necessarily the actual order of happenings at the meeting.

7:37 p.m.

1.0 CALL TO ORDER - FLAG SALUTE Eric Stevens
Presiding Officer, Mr. Stevens, called the meeting to order and led all in attendance with the pledge of allegiance.

2.0 REVIEW AND ACCEPT AGENDA Eric Stevens

Brad Garrett moved and Maureen Childs seconded the acceptance of the agenda. The Budget Committee voted in favor unanimously.

3.0 APPROVAL OF MINUTES Eric Stevens

No minutes ready to approve at this meeting.

4.0 QUESTIONS - COMMENTS Eric Stevens

4.1 Audience – none

4.2 Committee – not at this time in the meeting.

5.0 REVIEW OF ALL FUNDS Bob Dunton

Mr. Dunton announced that we are stalled out with reporting due to upgraded software program not working. Patches are being done, vendor is looking at problems.

He handed out a one page report and explained that we can become derailed in the details, and reminded that the budget is a planning document.

The dollars are spent mainly on Instruction and Support. We estimate \$700,000 instead of \$500,000 for Beginning Fund Balance, due to notice on April 27 of a final adjustment for 2008-2009 Revenue in our final payment in May 2010. This will help us go into next year stronger and prepare for shortfalls (about \$500,000) anticipated in the 2011-2012 year.

Proposed Budget: Capital Outlay additional \$100,000, Contingency leave at \$300,000, adding \$100,000 to Un-appropriated Ending Fund Balance and \$120,000 for Purchased Services.

We anticipate ending 2009-2010 school year with \$670-\$770,000 balance forward is about 9% carry forward on an approximately 7.5 million budget, that's defensible.

No major construction, not daycare, no Sun Schools. Dollars spent on teachers in the classrooms and support staff for the classes, utilities and professional services.

PERS increase of about \$125,000 if our payroll is flat predicted for 2011-2012, so then carry forward of 5% at most looking further ahead.

Salaries for this budget doesn't include contract negotiations for certified. Still plan on bargaining this spring in good faith. Salaries include previous negotiated salaries with step increases for certified, 3% increases as negotiated for classified and 4% increases for confidential/supervisory/administrators.

Charlie O'Neil asked if it is fair to use 0% (certified staff).

Mr. Dunton replied that the difficulty is using a percentage, and then we have to bargain that.

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Maureen Childs added that we have a cushion.

Jeff Aho asked if there is a bargaining timeline and would it be done by budget adoption.

Mr. Dunton noted that the certified negotiated agreement expires 6/30/2010. Oregon Education Association would like to have it completed by then and we anticipate that time frame with Corbett Education Association working on it. The current contract really never goes away until re-bargained. Maureen Childs asked about insurance.

Mr. Dunton said we've projected the caps in place now.

The budget committee has the luxury to look at programs as they are now, as well as electives, athletics, classroom sizes of 24-27. Centennial is looking at cutting 36 certified and looking for concessions. Less or more of anything is up to the budget committee. These are Mr. Dunton's priorities; please provide input for final adoption.

Stuart Childs asked what would be the first thing Mr. Dunton would add.

Mr. Dunton replied that given our size and strengths, nothing. If we had 200 more students, performing arts center, but have to have critical mass. We're at equilibrium with size, shape and logistical limits. The next two million would involve construction.

Charlie O'Neil concurred that if you add, end up having to cut.

Mr. Dunton is conservative with sustainability and we benefit down the road with program dependability. Charlie O'Neil mentioned that staff morale and education for teachers is why we have luxury, even with extraordinary amounts of work. The leanness of the administration and on down, example of four AP classes per teacher are unheard of. Life could be easier for current staff.

Mr. Dunton agreed with the sentiment. He spoke with someone at Hood River SD that thought our Advance Placement classes were mainly online! Our 29 sections of AP are literally packed, 31 if you count art, or over a quarter of our entire offerings. We average two sections per course and the funding is thoroughly maximized for kids, except for our electives.

Stuart Childs asked what the extra \$100,000 in capital outlay is covering.

Mr. Dunton explained about \$60,000 for a tank for Robotics, a middle school classroom, storage in the grade school and the plans and permits needed for these three projects.

Randy Trani added that the grade school building has a lot of dead space above the ceiling.

Mr. Dunton wishes they had thought about storage when building.

Jeff Aho understands that in the past years we have paid teachers more, what is the threshold, and to help out administration.

Mr. Dunton said that Purchased Services beefed up to explore what can be contracted out, but not replace business manager. Work saving technology, five years ago we spent less hours than we do now. If you hire someone, make friends for life. This is the same affect as buying a planning period. We don't get to be wrong with payroll.

Maureen Childs added "or late" with payroll and contracting out has staffing and pieces in place with expert service.

Jeff Aho asked if we are contracting out payroll.

Mr. Dunton replied some piece of the work, finding what is modular and the strings that go across.

Stuart Childs joked has the Culinary Arts approach been considered for the business manager.

Mr. Dunton answered that we execute with high level of quality and fine tuning. Our priority is high college preparatory. He regrets never working where there has been a track or performing arts center, two disappointments in his career. East County needs a coalition for that sort of thing. Providing mediocre experiences for kids is not the way to go.

Eric Stevens remembered that we took a large whack out of extracurricular a few years back. Is it feasible that Boosters could provide less?

Mr. Dunton answered yes, that would be doable, but not sustainable, and what is the downside or shifting.

Eric Stevens wanted sharing of costs, year to year.

Mr. Dunton noted the essential division, coaches salaries are paid by the district. This has grown with kids and increased and added to with finances.

Eric Stevens asked if a figure could be proposed.

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Mr. Dunton said that the unofficial expenditures of the Boosters about \$59,000. Some proportion could be changed in the budget if committee so desired. This is a judgment and priority call, as if shortfalls next year there would be cutting.

Charlie O'Neil asked the hypothetical if Boosters doesn't raise money.

Mr. Dunton answered that the District makes the commitment, whether or not the economy dictates.

Bob Buttke acknowledged the carry forward, if fall short can backfill with commitment and hopefully not have cuts.

Mr. Dunton mentioned that a motion could be done.

Eric Stevens, noted with \$59-\$60,000 from Boosters could \$30,000 be shifted, like paying officials?

Brad Garrett moved that the budget committee move \$30,000 to be transferred from Contingency to the athletics budget to pay for referees and officials.

Maureen Childs seconded the motion.

Mr. Trani confirmed this is what Jan Schaefer, Secondary Administrative Assistant, pays out at this time.

Charlie O'Neil asked if the Boosters are burnt out.

Eric Stevens acknowledged a changing of the guard and energy may be a question.

Jeff Aho asked if we are anticipating another budget meeting.

The vote of the budget committee was unanimous.

Mark Hyzer asked about the Capital Improvement Fund. The grade school is our newest building.

Robin Lindeen-Blakeley said it is about 15 years old, built in 1995. About \$30,000 balance in the Capital Improvement Fund now.

Jan Younker added that we paid for winter storm damages (year ago) as well.

Eric Stevens mentioned improvements to the front and back gyms of the high school.

Randy Trani said the high school building should take precedence with the high school gym boiler (two motors burnt out) heating it.

Jeff Aho asked Mark Hyzer if he had improvements in mind. Are there opportunities to open the middle school basement?

Mr. Dunton said that after it rains one should see the ramp area in middle school basement.

Mr. Trani said we'd know what to do with a million, we could replace. We spent about \$100,000 on the gym roof two years ago.

Mark Hyzer noted that we spent down Capital Improvement, so nothing stashed away.

Mr. Dunton said that the Un-appropriated Ending Fund Balance has same affect, can't spend easily.

Mark Hyzer noted that doesn't show up as easily, so the affect is less emotional.

Mr. Dunton again said we could move projected revenue.

Bob Buttke likened us to Salem, taking out of here and here and here.

Mr. Dunton said he would support adding to Capital Improvement Fund out of the Un-appropriated Ending Fund Balance.

Jeff Aho asked if there is a separate building fund.

Mr. Dunton said no, just Capital Improvement. Levy for building and bond measure money is in Debt Service Fund.

Todd Mickalson clarified Debt Service Fund was for when the grade school was built.

Brad Garrett asked if the strategy with Un-appropriated Funds is to carry them year to year, then go to the voters with nest egg. What is prudent or legal?

Mr. Dunton said it is legal. Our practice is to meet instructional needs. The public believes that schools waste money and the strategy would be to pass a construction bond when we win a state championship. Really we would need to talk about buckets for the leaks, as it is deferred maintenance and desperation that drives it.

Brad Garrett noted the viscous cycle when engineers say a building is fine, you patch holes in good faith.

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Mr. Dunton reminded that Oregon has a ballot measure on this May 18. Oregon funds based on mathematical formula for direct instructional costs, no thought about funding for buildings, only happened about 70 years ago. The legislature feels it is a local issue, and not funded at level for buildings. Brad Garrett asked if we've considered 10 modulars out on the field, as that starts the conversation. Mark Hyzer says the Charter School complicates that matter.

Bob Dunton, yes, because who would own property and rent it out?

Bob Buttke added that we could have left if half empty.

Jeff Aho noted that we are using money wisely for 90 year old school to be replaced.

Charlie O'Neil said the board has discussed over the last three years, we are four years away from paying the bond off.

Maureen Childs supposed we want a new building.

Michael Wilson questioned how long to build.

The budget committee had discussion about Springdale School and Old Corbett Grade School.

Eric Stevens asked about Springdale School risk.

Mr. Dunton commented that we can take amount of risk we want. The county wants us to bring in alignment to school use, and we need to argue that Corbett Youth Sports and Corbett Children's Theater have used. We are not approved for commercial use to voluntarily comply. No monetary or exposure liability but how to shepherd with SSCA, if they are contemplating not going through with their sales agreement. The District doesn't want to put money where no school can be.

Annette Calcagno asked what Springdale School is approved for.

Mr. Dunton replied not a thing, because per Multnomah County, they believe it was abandoned for two years.

Todd Mickalson asked if considering regular school?

Mr. Dunton answered yes, and not considering other school use.

Todd Mickalson asked if the May 13 Board workshop will discuss that.

Charlie O'Neil added SSCA has land use expeditor, architect, developers and they are close to making decision about giving back, believe meeting next week.

Todd Mickalson asked if we'll know by workshop.

Charlie O'Neil said yes, we need them to make their decision so we can make ours. The community wants the school building preserved for some use.

Leota Pulliam asked if we don't use, can the Corbett Charter School use?

Maureen Childs assumed question for board workshop.

Mr. Dunton said that we would demand they charge rent for Charter and we cannot violate their sales agreement. We can't invest time, resources and compliance to non-school.

Annette Calcagno asked how much for AP classes.

Mr. Dunton alleged that the teacher doesn't get more money for teaching AP and the books are over \$20 more than regular textbooks. Teacher training is paid for and can cost nothing or we can send teachers across the country where they are trained. We pay for each exam costing \$68-\$70, except the state pays 25% for free and reduced lunch students, so averages \$50. We have 18 courses and not all are taken every year. About 800 exams, \$40-\$50 each, charter pays their portion and Alumni Association fundraises to help pay for exams. Mr. Dunton conversed with Roger Mackaness, Corbett Education Foundation President, regarding benefits for graduates, so they may also look at funding AP.

Brad Garrett asked if one of our Board members is also on CEF Board. He encourages Board to spend money where it comes back and reaps best reward, professional development is good.

Bob Buttke is CEF trustee.

Mr. Dunton noted CEF has scholarship database.

Bob Buttke said CEF gives \$23-\$24,000 in scholarships yearly.

Mr. Dunton supposed that our AP strength helped students now attending Harvard and Smith.

Maureen Childs looks at the AP program as huge plus, and the big picture is the strength of the programs we offer.

Jeff Aho asked Mark Hyzer about his suggestion for money in another fund (Capital Improvement Fund).

Mark Hyzer suggested yes, that he thinks it is advantageous and a good idea.

Jeff Aho agreed it shows commitment and community likens it to looking ahead.

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Mr. Dunton imagined the full blown equivalent of a secondary facility is \$12-15 million, so what we would put away would not have proportionate down payment. We paid \$6 million 15 years ago for grade school building.

Jeff Aho likened it to being symbolic but what a vicious cycle.

Eric Stevens thought it more to be prepared for a roof blowing off.

Michael Wilson asked if the grade school building was underspecified.

Mr. Dunton believed they changed some plans on execution.

Mark Hyzer moved that \$100,000 be moved from Un-appropriated Ending Fund Balance to Capital Improvement Fund. Jeff Aho seconded the motion.

The vote of the Budget committee was unanimous.

Mr. Dunton thanked the budget committee for good work.

Todd Mickalson liked the large picture and that overspending or under spending we look at end results.

Jeff Aho hopes that commitment to buildings is wise and sends a message to the teaching staff.

When Mr. Dunton was asked by a former teacher when he applied for the Superintendent job if he would spend \$100,000 for roof or on teachers, he pointed out that when it is warm, dry and safe, teachers are freed up to do better teaching. It is not lost on staff.

Annette Calcagno asked about student count this year and how next year nine classes become 10.

Mr. Dunton said there is room for 10 classrooms, projected room for average 30 in a class, with a huge cohort of 33-35 not significant.

Annette Calcagno wondered what would be significant. Is the current class size about 26?

Mr. Dunton guessed ballpark is about 26 students. 45-50 students would be significant. Kindergarten is only funded half of what students in grades 1-12 are funded. That is the benefit of multi-age to level out numbers, but there is a breaking point. We have flexibility and money in the Contingency budget. May 6 is Kindergarten Roundup, to give us a sense.

Annette Calcagno confirmed that even with half day funding we still hold full day kindergarten.

Mr. Dunton answered yes, go multi-age and go full day. Five year olds have the option to be taken home after half a day.

Michael Wilson noted experience that 3.5 hours worked, but not four for his kindergartner.

Charlie O'Neil asked how it worked for full day kids versus half day kindergartners.

Mr. Dunton preferred that everyone start the day at the same time and then leave in afternoon if necessary. The benefit is there for safe, controlled, structured time and process to be away from siblings and parents for the kindergartner value.

Annette Calcagno asked how the kindergartners do in multi-age. She knows a 3rd grader annoyed by kindergartners.

Mr. Dunton noted that the 3rd graders mature, more careful around kindergartners. Kindergartners love being around 3rd graders, just like raising siblings. Third graders can be annoyed, but it happens in same age groups as well, human dynamics, depends on attentive adults. Most of the older kids step up and tend to cultivate those relationships with fun interchanges.

Michael Wilson asked about the \$200,000 payment coming.

Mr. Dunton sensed it was missing at the end of 2008-2009. We have fixed number per kid formula, and they had us down for too few students. The growth at the high school impacted the small high school adjustment, explaining it is a secret formula, but credit 35 and adjusted 13 to the actual count equaling 48 times about \$6000 per student for about \$220,000 bump.

Todd Mickalson wondered if the same adjustment could happen next year.

Mr. Dunton said the District reports all numbers to the State and then District distributes to Charter School based on count.

6.0 DISCUSSION

Eric Stevens

As noted in 5.0.
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7.0 APPROVAL/RECOMMENDATIONS

Eric Stevens

Mark Hyzer asked about clarity.
Bob Buttke wondered if we should wait to approve all Funds at one time.
Mr. Dunton noted the constraints of the budget calendar and the public document.

Mark Hyzer moved and Bob Buttke seconded:

7.1 Motion to approve the 2009-2010 Corbett School District general fund budget in the amount of \$7,439,120.

The vote of the Budget Committee was unanimous.

Maureen Childs moved and Brad Garrett seconded:

7.2 Motion to approve the permanent rate of the following property taxes to be imposed.

FUND	TYPE	AUTHORIZED
General	Permanent Rate	\$4.5941

The vote for 7.2 was approved unanimously.

Brad Garrett moved and Mark Hyzer seconded:

7.3 Motion to recognize the need and authority of the Board to adjust both revenue and expenditures in the document that is to be presented June 16 to the Budget Committee for their final approval.

The vote for 7.3 was approved unanimously.

Mr. Dunton noted that we will convene to budget committee before final approval, thanks for discussion and good patience.

Mark Hyzer thanked Mr. Dunton for the pain free process, as he has made the budget easy to understand. The focus and leadership is appreciated in light of his resignation.

8.0 ADJOURNMENT at 9:34 p.m.

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