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BOARD AND BUDGET COMMITTEE APPROVED 5/9/18

Redmond School District
Board and Budget Committee Meeting
April 25, 2018

Board Members in Attendance: Chair Rick Bailey, Vice Chair Tim Carpenter, Directors Johnny Corbin, and Travis Bennett. **Absent:** Director Shawn Hartfield

PROCEDURAL ITEMS

Chair Bailey called the work session to order at 5:30 p.m. and established a quorum.

Citizen Comments

JJ Ridell – RHS Leadership

- Planning for MORP – informal dance, donations go to Sparrow Club
- OASE spring conference coming up
- May 19th is Prom, Black Tie Affair at Riverhouse in Bend
- Graduation invitations were handed out to Board members

Erin Cork – RPA

- AP testing with after school practice testing
- Theatre troupe is performing Zombie Prom – sold out performances
- Completed a plastic bag drive, seniors won with over 7,000 bags to recycle
- Just returned from helping at Camp Tamarack
- Graduation is May 23 at the fairgrounds

PRESENTATIONS

Christine Reynolds, Orrick and Lauren MacMillan, Piper Jaffray & Co for "Bond 101"

Christine and Lauren explained the definition of a bond is a "written evidence of debt", which is a fancy term for a loan. Districts issue bonds to finance major capital projects. Interest on municipal bonds is generally exempt from both federal and state income taxes.

General Obligation (GO) bonds are issued by municipalities and the debt service is secured by a property tax levied on all properties within the issuer's boundaries. The property tax levy is unlimited and dedicated to payment of debt service. GO bonds must be approved by voters and the GO tax levy is in addition to the permanent rate.

They explained the recipe for a ballot title, which includes a 10 word limit for the caption, 20 word limit for the question, and 175 word limit for a summary. The summary includes an estimate of levy rate impact, this is not a rate limit or guarantee.

Proceeds may be used for capital costs with a useful life of one year or more. Weighted average life of bonds may not exceed weighted average life of projects and routine maintenance and supplies are not eligible. Any interest earnings on proceeds must be used in accordance with the ballot title.

Interest on qualifying municipal bonds is exempt from federal taxation, but the issue is subject to federal tax law. A couple rules worth noting is that proceeds can reimburse pre-issuance expenditures, generally only if a reimbursement resolution has been adopted. The Issuer must reasonably expect to spend at least 85% of sale proceeds in three years.

When the debt is sold into the market, it is required the Issuer agrees to update the market annual and upon the occurrence of any material event, this is a continuing disclosure agreement or certificate. Including it in your CAFR is easiest.

When putting together a levy rate estimate, they look at the historical AV growth to inform future growth assumptions. Other aspects to take into consideration are interest rates and the district's outstanding GO bond debt.

For the November Ballot, this is the estimated timeline:

June 2018 – Begin drafting election resolution and ballot title

July/August 2018 – Adopt election resolution including draft ballot title

August 17, 2018 – SEL Form 805

September 6, 2018 – SEL Form 803

November 6, 2018 – Election

November/December 2018 – Adopt resolution authorizing sale of bonds and approving the abstract of votes

November 2018/January 2019 – Prepare disclosure document, apply for OSBG and obtain credit rating

February/March 2019 – Bonds sold, issue closed and funds wired to the District

July 15, 2019 – Form ED-50 due to County imposing tax levy for bonds

November 2019 – First tax collections received for new bonds

Recessed for Budget Committee Meeting.

BUDGET COMMITTEE MEETING

Budget Committee Members in Attendance: Rick Bailey, Tim Carpenter, Johnny Corbin, Travis Bennett, Michael Baumgartner, Eryn Buermann, Ed Danielson. Absent: Shawn Hartfield, Missy McVay, Tom Linhares

Rick Bailey called the Budget Committee meeting to order at 6:37 p.m.

Election of Officers

Johnny Corbin made a motion to nominate Shawn Hartfield as Budget Committee Chair. Ed Danielson seconded the motion. Motion carried 5-2, Rick Bailey and Tim Carpenter voted no.

Rick Bailey made a motion to nominate Eryn Buermann as Budget Committee Vice Chair. Tim Carpenter seconded the motion. Motion carried, 7-0.

Approval of Minutes

Rick Bailey made a motion to approve the May 24, 2017 and February 7, 2018 minutes. Travis Bennett seconded the motion. Motion carried, 7-0.

Superintendent McIntosh's Budget Message

Superintendent Mike McIntosh reviewed the budget message highlighting key points throughout the message.

(Ed Danielson excused himself at 7:03 p.m. to attend the City of Redmond Budget Committee meeting.)

Kathy Steinert – Overview of General Fund, Measure 98, and Strategic Investments

Kathy explained that while the 2018-19 Proposed Budget aligns with our Districts Strategic Priorities, there are also specific 2018-19 Budget Priorities:

- Build on prior year investments in Strategic Plan priorities and objectives

- Maintain successful programs and equitable class sizes
- Provide competitive compensation to attract, recruit, and retain highly effective staff
- Prioritize and resource instructional technology initiatives
- Expand the Dual Language Program to first grade
- Expand opportunities for at-risk students with the High School Graduation and College & Career Readiness fund monies (Measure 98) and HB 3499 grant funds (ELL)

2018-19 Proposed Budget Overview is organized in fund categories:

100 General Fund
 200 Special Revenue Funds
 300 Debt Service
 400 Capital Projects
 600 Internal Service Fund
 700 Trust & Agency
 Total Budget of \$111,150,700

General Fund & Measure 98

The District's resources are going to increase by 3% due to our beginning fund balance however, we are projecting a 7.7% growth in expenses. The District's ending fund is projected to decrease from 10.7% to 6.4%. The 6.4% includes the emergency reserves.

Budget Assumptions

- Enrollment Growth - 0.7% total district growth
- ADMw – Decreased federal poverty estimates leading to a decrease in SSF poverty weightings and reduction in Title I grant allocations
- State School Fund – Biennial allocation of \$8.2 billion, 50%/50% split
- Measure 98 – Funded at \$170 million for the biennium, \$1.8 million for RSD
- Compensation Increases – Steps & 2.0% COLA and one day added for licensed employees
- Benefit Increases - \$30 increase in health insurance cap to \$1,270 per month

Measure 98 - Tracie Renwick

The goal of Oregon's High School Graduation and College and Career Readiness Act is to increase on time graduation rates. This includes explicit efforts to support student groups with dropout prevention, college level coursework and dropout prevention programs.

Next Steps

- Review budget document and submit questions
- Budget Committee Meeting – May 9
- Public Input
- Approve budget

Rick Bailey made a motion to adjourn the Budget Committee meeting at 8:12 p.m. Tim Carpenter seconded the motion. Motion carried, 6-0.

ACTION ITEMS

Board of Directors meeting continued at 8:15pm

Teacher Appreciation Week

Chair Baily read the resolution and made a motion to declare May 6-12, 2018 Teacher Appreciation Week. Motion carried, 4-0.

Consent Agenda

Vice Chair Carpenter made a motion to accept the Consent Agenda as presented. Director Corbin seconded the motion. Motion carried, 4-0.

Policy Updates

Director Corbin made a motion to accept Policy KG and KG-AR as presented. Director Bennett seconded the motion. Motion carried, 4-0.

Director Corbin made a motion to accept Policy JEBA and JEBA-AR with strike out of #2 Speech/Language Development. Vice Chair Carpenter seconded the motion. Motion carried, 4-0.

DISCUSSION ITEMS

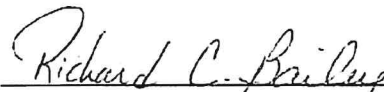
Superintendent Update

- No report

Board Updates

- Director Bennett – No report
- Director Corbin – Promise Scholarship, getting information out about Bond, recruiting for a panel at OMS
- Tim – Attended Empty Bowls event, acknowledged Board Secretary Blanchette on Professional Administrative Day
- Rick – Attended RVHS Academic Awards Assembly where over 400 students were recognized
- Gina – With RPA's graduation on May 23, suggested we change the board meeting date, Board agreed to change the meeting to May 24

Vice Chair Carpenter made a motion to adjourn the meeting at 8:40 p.m. Director Bennett seconded the motion. Motion carried, 4-0.



Richard C. Bailey, Board of Directors, Chair



Elyn Buermann, Budget Committee Vice Chair



Gina Blanchette, Executive Assistant