



BOARD APPROVED 5/24/18

Redmond School District
Budget Committee and Special Board Meeting
May 9, 2018

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

Budget Committee Chair Shawn Hartfield called the meeting to order at 5:30 p.m. and established a quorum.

PRESENTATION

Katy Olivera, Redmond High School - She is the creator of the artwork chosen for the 2018-19 budget document cover.

ACTION ITEMS

Tim Carpenter made a motion to approve the April 25, 2018 Budget Committee Minutes as presented. Travis Bennett seconded the motion. Motion carried, 8-0.

PRESENTATIONS

Public Comment on 2018-19 Proposed Budget

No comments.

StepUP at Edwin Brown Education Center – Martha Hinman and Karen Mitchell

StepUP is new programming the district is creating for Edwin Brown Education Center, which the district believes aligns better with District Strategic Priority #3, as utilizing our own programming is more fiscally responsible in this instance. In creating this programming, the district put together an eight person “Social/Emotional/Behavior Redesign Team”, all RSD employee survey, and a parent/community survey. The team put together a redesign proposal, which was submitted to the district executive team.

StepUP includes the district’s Transition Program, Expulsion Program and Behavior/Emotional/Social Support Programs by grade level. The programming is purposeful, flexible, inclusive, and supportive. StepUP is supported by a building Mental Health Specialist, a District Student Social/Emotional Advocacy Team, as well as community participation.

Karen Mitchell invited the Budget Committee to enjoy student artwork at the upcoming Art Showcase at Edwin Brown Education Center, Tuesday, May 15, 2018 4pm – 6pm.

Proposed 2018-19 Budget - Overview of Special Revenue and Other Funds and Tax Levy – Kathy Steinert

Q & A -

Kathy provided a handout with questions (and the answers) she received via email from a budget committee member.

Grant Funds -

Due to the decrease in poverty in the district, we had a loss in weights (funding), which affects Title grants as well. Due to this loss, the district will be decreasing programming and FTE. As grant funding ebbs and flows, we have to respond

accordingly. Fortunately, the district has picked up two additional Title grants, which include Title IV for student support and academic enrichment, as well as Title VI for rural and low-income school programming. These new Title funds will allow the district to backfill some FTE, including a .50 behavioral support specialist that could possibly be shared among a few of the district's higher poverty schools.

Outdoor School is being funded for all 5th grade students in our district to attend Camp Tamarack for a 2 night, 3 day program. It previously had to be fundraised, along with asking for contributions from parents.

Debt Service -

The district re-categorized the PERS fund from an internal service fund to a debt service fund. Of the total 13.7% of debt service, 11.1% is GO Bonds and 2.6% is PERS. The district can levy a tax rate to collect the money to pay the debt service of GO Bonds, but the debt service on the PERS must be paid by the district's operating funds. A side account is what the district uses as a rate reduction.

District Tax Rate -

\$5.0251 is the district's permanent rate, established by Measure 5. On top of the permanent rate is the Bond rate. The rate fluctuates by three variables: The known debt service (which increase each year), the taxable assessed value (TAV), and uncollectible taxes. The TAV is growing at a percentage greater than the district's debt service. Since refinancing the 2008 Bonds in 2012-13, the debt service payments have been increasing approximately \$400,000 per year.

PERS -

The component of the PERS rates that is escalating dramatically is the Tier 1 & 2 Unfunded Actuarial Liability (UAL) rate. This is due to the 8% rate guarantee of return on investments irrespective of what the actual investment marketplace is delivering. The system "collars" rates which contains the growth of the rates each biennium. This helps avoid larger increases that are warranted on the basis of the UAL, however in the absence of substantial reforms, it will be quite some time before any relief is seen from increasing rates.

There will be a \$4.7 million in additional PERS expense for 2017-19 biennium, which is a 32% increase. In 2019-21 there will be a \$7.4 million in additional PERS expense, which is a 38% increase. The district started the biennium with over \$2 million in our reserves and have several options as to how to use them, one option includes the SB 1566 PERS Employer Incentive Fund (EIF):

- Establishes and funds EIF with federal tax disconnect savings, approximately \$25 million
- Match up to 25% of employer's side account deposit
- Employers with UAL of at least 200% of payroll are prioritized (RSD is at 226%)
- Must apply for matching funds by December 31, 2019
- Side account deposit must be made by July 1, 2023
- Establishes School District UAL Fund with remainder of disconnect savings, approximately \$115 million
- Allocated proportionately to SD pool to offset rates

The rules around SB1566 are yet to be finalized, once that occurs the district can start conversations around taking advantage of the EIF, or not.

ACTION ITEMS

Tom Linhares made a motion that the Budget Committee of the Redmond School District 2J, Deschutes County, Oregon to approve the budget document as proposed by the Superintendent for the 2018-19 fiscal year in the amount of \$111,160,700. Michael Baumgartner seconded the motion. Motion carried, 8-0.

Tom Linhares made a motion that the Budget Committee of the Redmond School District 2J, Deschutes County, Oregon approve property taxes for the 2018-19 fiscal year at the rate of \$5.0251 per \$1,000 of assessed value for the permanent rate tax levy and in the amount of \$12,424,800 for the general obligation bond levy. Travis Bennett seconded the motion. Motion carried, 8-0.

Johnny Corbin moved to adjourn the meeting at 7:16 pm. Tim Carpenter seconded the motion. Motion carried 8-0.

SPECIAL BOARD MEETING

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

Vice Chair Carpenter called the Special Board Meeting to order at 7:21pm and established a quorum.

Director Hartfield made a motion to award the Promise Scholarships to Redmond High School students Treyson Conley and Kimberly Roberts and Ridgeview High School students Terrik Allman and Maxwell James Hopper in the amount of \$1,250 each. Director Bennett seconded the motion. Motion carried, 4-0.

Director Hartfield made a motion to adjourn the meeting at 7:30pm. Director Bennett seconded the motion. Motion carried 4-0.


Shawn Hartfield, Budget Committee Chair


Vice Chair Tim Carpenter, Board of Directors


Gina Blanchette, Executive Assistant