



Greater Albany Public School District 8J  
718 Seventh Avenue SW  
Albany, Oregon 97321-2399  
Maria Delapoer, Superintendent

## ***Budget Committee Meeting***

**October 20, 2010**

**7:00 p.m.**

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### ***MINUTES***

#### ***CALL MEETING TO ORDER***

Board Chair Liisa Reid called the October 20, 2010, Budget Committee Meeting to order at 7:00 p.m.

Present were:

Liisa Reid	Board Chair
Jerry Boehme	Budget Committee Member
Frank Bricker	Budget Committee Member
John Ewing	Budget Committee Member
Julie Jones	Budget Committee Member
Sandi Gordon	Budget Committee Member
Doug Marteeny	Budget Committee Member
Bill O'Bryan	Budget Committee Member
Will Summer	Budget Committee Member
Lyle Utt	Budget Committee Member
Maria Delapoer	Superintendent
Steve Kunke	Assistant Superintendent
Russell Allen	Director of Business
Randy Lary	Director of Human Resources
Nancy Hall	Controller

A list of others present at the meeting is attached to the original minutes.

#### ***PLEDGE OF ALLEGIANCE***

Ms. Reid led those present in the Pledge of Allegiance.

#### ***BUDGET COMMITTEE OPERATIONAL TASKS***

1. Ms. Reid stated that the first item of business was to first elect a Committee Chair. Committee Member Bill O'Bryan made a motion to nominate Doug Marteeny to serve as the new Chair. Ms. Reid asked if there were any other nominations. There were none. **MOTION CARRIED UNANIMOUSLY.**
2. Mr. Marteeny then took his place at the front of the room. He asked if there were any motions to approve or amend the minutes from the August 23, 2010, Budget Committee Meeting. Committee Member Will Summers made a motion to approve the minutes of the August 23, 2010 Budget Committee Meeting. Mr. Marteeny asked for discussion. There was none. **MOTION CARRIED UNANIMOUSLY.**
3. Mr. Marteeny then stated that the Budget Committee Meetings generally began at 7:00 p.m. and ended at 9:00 p.m. He then asked for input. Mr. Summers commented that in the past, if it was necessary to extend a meeting it would be done by making a motion to extend the meeting for 15-minute increments followed by a vote of the committee for each extension. Mr. Marteeny asked for discussion. Mr. Summers made a motion

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to stay with the previously established starting and ending times of 7:00 p.m. and 9:00 p.m. and to extend the meetings if necessary by 15-minute increments and a vote of the Committee. **MOTION CARRIED UNANIMOUSLY.**

## *COMMENTS FROM THE PUBLIC*

Mr. Marteeny asked if there were any comments from the public. There were none.

## *REPORTS*

### 2010/11 and 2011/12 Budget Discussions

Director of Business Russ Allen introduced Nancy Hall to the Committee. He wasn't sure if she had been introduced to the Budget Committee Members yet and stated that she was present to help answer questions that the Committee may have as the meeting proceeded.

Mr. Allen shared that the Board had challenged staff to come up with a short presentation for employees throughout the district that would share the financial difficulties the district was facing. He explained that he and Director of Human Resources, Randy Lary worked together to prepare this presentation. He then turned the presentation over to Mr. Lary.

Mr. Lary commented that there are interesting budgetary times ahead and it is important to see what is coming. He shared that they were asked to develop a "dashboard" presentation to take on the road to talk to staff throughout the district. He stated that the largest challenge is to try to get to most, if not all, 1,000 staff members and keep it down to about 15 minutes. Mr. Lary shared that about 3 weeks ago, he and Mr. Allen gave a presentation to the Certified Association Leadership. He reported that it took 90 minutes between the presentation and questions and answers. Afterwards, they worked together to get the presentation down to "bare bones" and did another presentation, this time to the Classified Association Leadership. This presentation took 30 minutes with questions and answers. Mr. Lary commented that they gave the same presentation this morning to the Administrators which took about 20 minutes. He shared that the information can be foreign but they have tried to make it understandable, palatable, and brief. He believes they have it ready to take to the schools.

Mr. Allen added that there will be a Public Forum where a presentation will be given for the community that will happen in November. Mr. Lary passed out a page entitled "School Budget Vocabulary" that is handed out at each meeting to help individuals understand terms that are used in budgeting. He shared that this is a work in progress.

Mr. Allen began his presentation by stating that tonight's presentation is to echo those that are to be done in the schools except for two or three additional slides that the Superintendent asked be added for the Committee. He then went on to give his presentation and answered questions as they came up. A copy of his Power Point presentation is attached to the master copy of the minutes. There were several suggestions for the presentation which Mr. Allen took under advisement.

Mr. Lary commented that he and Mr. Allen had several discussions about the assumptions to use in the dashboard application and determined that there should be no assumptions made. He explained that all labor agreements and Memoranda of Understanding will expire on June 30, 2011 which will move the district into a status quo state. This means that the calendar and steps are restored but salary contributions and benefits stay as they are. Mr. Lary added that rather than making guesses on what "could" happen, it was less confusing to look at the model using the status quo. Mr. Allen referred to a packet at each individual's place and stated that a copy of the "assumptions page" was toward the back of the packet. He cautioned that if the assumptions are changed then everything changes.

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Mr. Allen's presentation sparked discussion regarding the increased PERS rates, lower enrollment in the district than expected and high birth rates coming up. Mr. Allen commented that he doesn't want the budget to show an expectation of extra money so the graph at the end of the presentation assumes flat enrollment and flat staffing.

GAEA President Cheryl Hultberg was in the audience and asked how looking at a flat staffing rate, the district takes into account more experienced employee costs comparative to retiring and new hires. Mr. Allen responded that the assumptions take into account attrition. There was also concern about how the district's experience level could affect the amount of funds the district gets from the state. Ms. Delapoe added that it is also a factor in regards to early retirement.

Mr. Allen reviewed the rest of the packet for the Committee. He stated that he had originally anticipated providing the Committee with a revised budget, however since the \$3.8 million adjustment made earlier in the year, there have been other circumstances that require more change. After reviewing the summary page and the detail pages behind it, Mr. Allen announced that the budget was approximately \$760,000 out of balance. He stated that there were two primary contributors to the problem; the difference in enrollment and ending fund balance which put us \$240,000 less than budgeted. The ending fund balance was a problem because after the audit it was shown that because the estimate of local property tax revenues was low, we received an overpayment from ODE. In the past with overpayments, the district decided not to worry about it, however with the increased amount it was determined that it would be better to identify the available beginning fund balance and identify the overpayment as a separate item and as an accounting liability.

Ms. Gordon asked why it should be shown as a liability. Ms. Hall responded that when the end of the year audit was done, the district estimated the local property tax income incorrectly. Since the State had already sent us the money, they would be looking for that difference back so in essence it is "owed" back to the state.

Mr. Allen commented that since the district rebalanced the budget after the May forecast (the \$3.8 million) nothing has gone in a positive direction. As things are today, the \$750,000 has to come from somewhere and that is the discussion that needs to take place. Should these funds come from contingency or from somewhere else? She stated that other options are the same ones that were considered when making the \$3.8 million cut (cutting programs, close smaller schools, and cuts in athletics and activity programs). She stated that there is not much more available in the non-staff portion of the budget to tap that wouldn't spill over and cause serious consequences to other parts of the budget. She reminded the Committee that the reserves were originally set aside for next year's expected PERS increase. The only other area to look at is cutting employee costs. However, reducing the number of employees mid-year is problematic because of layoff language and seniority. In addition, any other change in employee compensations at this point must be bargained. This is an issue that the Board will have to discuss.

Mr. O'Bryan asked what staff cuts represent \$750,000. Mr. Lary responded about 10 teachers. He reminded the Committee that we are essentially one-third of the way through the school year so it wouldn't yield as much savings. Mr. Boehme asked if there were unemployment costs associated with any type of layoff. Mr. Allen responded that yes, the district is self-funded in regards to unemployment costs. Ms. Reid asked how much another cut day (not a student day) would save. Mr. Lary responded that it would be about \$165,000 maybe as high as \$180,000 capturing Administrative, Certified, and 12-month Classified folks. Ms. Gordon asked if there were any projections on retirements yet. Mr. Lary responded that he was getting some inquiries and questions but that was all. Ms. Hultberg added that she had individuals asking questions but feels they won't know for sure until later.

Mr. Bohme commented that this is why staff has been asked to take this information out to the buildings. It is important to have everyone be a part of sharing and gathering information. Ms. Delapoe reminded the Committee that the optimal time for making any staffing changes would be at the end of each trimester. Mr. Allen shared that the next projection is due just before Thanksgiving.

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## District Accountability Plan.

Mr. Marteeny proceeded to the next item on the agenda, the District Accountability Plan. Ms. Reid shared that she had e-mailed out a draft copy of the District Accountability Plan and hoped that everyone had an opportunity to review it. She explained that this was a document the Board has worked on to help district priorities line up with the priorities set by the S2F Committee last year. She reviewed the document for the Committee and explained many of the measures used to evaluate progress on the goals.

Ms. Gordon commented that the Board was looking into putting together a committee to oversee the audit, like an internal audit committee, and the benefits of having one. Mr. Summers asked to have the pros and cons e-mailed to him for review. Ms. Reid stated that she will share some of the information she obtained from the OSBA Conference.

After a lengthy discussion on how a majority of the public has no concept of how schools are funded and how to help them understand the complexities, the Committee hopes that by engaging individuals it may not only help with the understanding of finances but strengthen and add community partnership programs. It was also agreed that continual conversations and transparency is very important for the public. These presentations and discussions are efforts at that transparency. Mr. Utt cautioned that although the ELL and other federal or grant funds are not included in the General Fund, it is important to include those because of the public's perception of the full budget. Ms. Reid stated that the District will be doing a Community Education Forum in the fall each year, the first of which is coming in November. Ms. Delapoer shared that the presentation would be held on November 15, 2010 from 4:00 – 6:00 p.m. at the Central Willamette Credit Union Administrative Offices.

Ms. Reid concluded that the Board had started a community liaison list and suggested that it be sent to the Budget committee members to add their connections. She also suggested that Mr. Haggart be a point of contact to collect information on interested groups and help figure out who would be available to attend to present information.

Mr. O'Bryan stated that with the public meeting in 3 weeks it will be a challenge to get community members there and wanted to know what the district had planned to facilitate this. Ms. Delapoer shared that she was working with Central Willamette Credit Union and trying different methods of outreach but she would entertain suggestions. Mr. O'Bryan suggested that maybe a public announcement on KGAL might be an option to consider. He added that there is a need to find other new ways (facebook, twitter) to reach our community. Ms. Delapoer stated that reaching out to individuals is more labor intensive but is much more effective like the outreach the Board participated in for the Bond.

## ***BUDGET CALENDAR***

Mr. Marteeny asked if there were any revisions or discussion that needed to happen in regards to the Budget Calendar.

Ms. Reid commented that there is a conflict with a November 17 Board work session and suggested that the Committee have a discussion at the November 1 meeting to see if another date needed to be set. Ms. Gordon added that any of the Budget Committee members were welcome to attend that work session if they desired. Discussion ensued regarding goals and the District Accountability Plan and that these would be discussed further at the next meeting on November 1.

## ***NEW BUSINESS***

Mr. Marteeny moved to Operational considerations on the agenda. Mr. Allen stated that there had been a request to include a copy of last year's Operational Considerations for the Committee in their packet for review, there was no expectation for discussion.

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## ***QUESTIONS FROM THE PUBLIC***

Mr. Marteeny asked if there were any questions from the public. There were none.

## ***BUDGET COMMITTEE REQUESTS FOR INFORMATION***

Mr. Boehme commented that although the presentation is put together he felt that the district was behind the curve on getting it out to employees. Mr. Lary responded that after the presentation this morning to the Administrators, staff contacted the buildings to see if they could meet with building staff at the same meeting being scheduled for the Section 125 plan. Between noon and the end of the work day, there were 11 staff meetings scheduled over the next few weeks. Mr. Allen added that it is their goal to visit every school in the district. He also asked if they may know of other school functions that the presentation could piggyback on. Mr. Utt commented that he may know of a function at Tadena that would have a captive audience. Mr. Allen stated that it would be great as long as it was not a surprise to those in attendance.

Mr. O'Bryan commented that the next Budget Committee was scheduled for November 1 yet the next state forecast isn't out until just before Thanksgiving, if it would be more meaningful to meet after the next forecast rather than on the first. After discussion it was determined that the meeting scheduled for November 1 would include more discussion on possible goal setting and how that would work with the district's accountability plan.

## ***ADJOURN***

Mr. Marteeny adjourned the meeting at 9:00 p.m.

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Doug Marteeny, Committee Chair

Recorded by Kathie Caldwell-Sullivan