

WHO/WHY

Clifty Creek Elementary School Best Practice (Dr. Parsons)

Clifty Creek Principal, Dr. Parsons, shared the Clifty Creek information slide and highlights from the past year. This included information on the Legado Spanish Immersion Academy, facility upgrades, 100% staff survey satisfaction and a new Assistant Principal, Mrs. McIntyre. Dr. Parsons noted that students deserve the best education and they deserve a champion; Clifty teachers are champions for their students.

Clifty teachers, Ms. Tekulve and Ms. Diehn, shared information on the upcoming Clifty Creek Day of Service. Students, parents and staff will deliver mums and cards to eight neighborhoods. Students presented mums to the board and Dr. Roberts. Clifty will also host their first annual Thanksgiving dinner for families where free family pictures will be taken.

Mrs. Wilson, Clifty Creek Instructional Coach, shared information on the online software program, Reading A-Z, and their best practices that are based on the book *Focus: Elevating the Essentials*. All classrooms are using Reading A-Z, therefore, all are speaking the same language throughout the building and focusing on reading, discussing and writing.

The following information was shared in response to questions from the board.

There are 30-minute intervention times in place for Reading A-Z.

The Legado Spanish Immersion Academy enrollment is increasing, and Clifty Creek is blessed with classroom space for the future. In long-term planning, Clifty is considering classroom space for this growth.

Technology General Obligation Bond (Mr. Phillips/Mr. Williams)

Mr. Phillips and Mr. Williams, Director of Technology, shared information on the Technology General Obligation Bond. This bond is for \$900,000 to purchase staff devices and high school student devices. The staff devices are on a six-year life cycle and desktops and laptops will be purchased. The student devices are on a four-year replacement rotation.

The following information was shared in response to questions from the board.

The number of replacement devices could change a little each year, and there could be a slight increase in the purchase price from year to year.

This is a one-year bond with payments being made in June 2020 and December 2020. Interest rates to borrow the money are very favorable; likely under 2%.

The Technology Department is doing a high school technology study and looking at other districts that have one to one devices. The state collects data on schools that have one to one

devices that includes how the devices are funded. Other corporations that fund student devices exclusively with Operations Funds are not as large as BCSC.

It is likely a bonding request will happen each year; if not for technology it could be to purchase school buses or other items.

Mr. Caldwell spoke to how the tax caps cause school corporations to have to borrow money and use taxpayers' dollars to pay interest. He encouraged people to contact their legislators in regards to how difficult and complex they have made budgeting for school corporations.

The Technology Bond request is tax neutral, and there is no public hearing required due to the dollar amount of the bond.

2020 Budget Work Session (Mr. Phillips)

Mr. Phillips noted that this was an informal budget work session, and at the next board meeting there would be a public hearing for the 2020 budget. The board will be asked to approve the budget in October. He shared a budget summary and noted that the advertised 2020 budget is up just under 2%; a total budget of \$117,078,181. The overall theme is that health costs are up and the increase affects each budget except for the debt funds.

Mr. Phillips shared that after salaries, health insurance premiums are the largest budget item. Through January, health claims were up 32% from 2014 due to numerous large claims and prescription costs. Claims are paid each week by the corporation. In the last two weeks of August, claims totaled more than \$1 million. There were not sufficient funds in the Health Trust to pay the claims in full. The Trust voted to increase premiums beginning the next pay, and with reinsurance reimbursement for large claims, revenue should increase in October. For each \$1.00 an employee pays in insurance premiums the corporation pays approximately \$6.00. Since the corporation has increased what they pay in premiums due to higher health costs, there will be fewer dollars for other items, including raises. The high health costs also affect the 2019 budget, and Mr. Phillips will be requesting an additional appropriation in October because there will be a need to spend more than what was approved in the budget last fall.

The following information was shared in response to questions from the board.

Starting September 27th, health premiums increase 15% and this will total about \$700,000 in additional revenue in 2019.

Mr. Phillips shared information on the Education Fund noting that it was built on an assumption of the ADM count of February 2020 and September 2020. The September 2019 ADM student count is expected to be down and that funds the first semester of the 2019-2020 school year. The February 2020 ADM count is expected to be down and that funds the second semester, January 2020 through July 2020. In addition, the state reduced the funds applied to the complexity index. This will be a loss of nearly \$700,000 for 2020.

The following information was shared in response to questions from the board.

Some of the student count losses in February are due to the number of students that graduate at the end of the first semester. There are approximately 50 mid-term graduates. It was noted that the staff is hired for the entire year.

The state is keeping track of how many students transfer from one district to another, but there is only a number of students, no other data is shared.

Mr. Phillips shared the total assumed revenues for the Education Fund to be \$79,876,452 and the total assumed expenditures with transfers to be \$79,781,791. Salary and benefits equal 97% of the expenditures in this budget.

The board asked if Mr. Phillips could add an overall impact for each bullet point in his next presentation.

Mr. Phillips noted that the Education Fund revenues are up about \$2 million but nearly all of this will fund the increasing health costs. He added that the Cabinet and departments have worked hard to find savings and cuts so there might be dollars for salary increases in the budget. There has been a trend in the corporation where less is being spent on everything else except salaries and benefits. Of all the new dollars received from the state since 2009, 88.4% has gone directly into the classroom for teachers, teaching assistants, and substitute teachers.

Mr. Phillips shared that the Operations Fund is primarily supported by property taxes. The assessed value is expected to increase 4.34%, but the tax cap losses are expected to double from 2019 to \$2.5 million. This loss impacts the corporation's ability to fund transportation and capital projects. The increase in assessed valuation allows existing debt payments to have less tax rate impact, and it gives the corporation capacity to bond and maintain a consistent tax rate.

The Capital Projects Fund (CPF) budget is a part of the Operations Fund and it is likely the Department of Local Government Finance (DLGF) will reduce the budget due to pension bond neutralization and tax cap losses. The CPF includes salaries and benefits for custodial staff and skilled trades with an increase of \$250,000 in health premiums compared to the 2019 budget. The equipment budget had to be cut drastically, and the emergency facility needs allocation was increased since the budget no longer includes facility improvements. Large facility projects will be bonded. There is an increase in the utility line item; savings are expected from the LED lighting and solar projects, but Duke Energy had informed the corporation of a large rate increase. It was noted that the new property and liability insurance carrier had been helpful to the budget, giving a savings of over \$250,000. The advertised 2020 capital projects portion of the Operations Fund will be \$10,888,152.

The transportation portion of the Operations Fund is nearly the same as last year; with the only increase being in benefits and salaries. The assumed 2020 budget was reported to be \$6,189,052.

The Bus Replacement Plan is to replace ten buses, but with the Pension Bond neutralization in this fund, the corporation will likely only purchase six buses.

Mr. Phillips shared a 2020 budget summary noting an increase of just under 2% from 2019 and again shared that the health costs are taking the vast majority of all the new revenue of 2020.

Mr. Phillips shared that money between the Education Fund and the Operation Fund moves in both directions. The net reduction in the Education Fund is an equivalent net increase in the Operations budget of \$5.8 million.

Mr. Phillips shared the Debt Service Fund budget for 2020 to be \$12,358,307. There is an increase in this budget, but the assessed value growth, lower operating balances, and a decrease in the Referendum Debt Fund budget will allow the corporation to maintain a stable total tax rate for 2020.

The Pension Debt Fund was reported to be \$313,452. This payment will automatically reduce the Operations Budget, and due to this neutralization fewer buses will be purchased.

The Referendum Debt Fund budget was reported to be \$6,271,100. This reduced payment allowed the corporation to increase the budget for the Debt Service Fund.

Mr. Phillips shared the rough estimates of year-end reserves for 2019 to be: Education Fund \$1,900,000; Rainy Day fund \$4,874,348; Operations Fund \$3,100,000. These are modest cash balances; the Education/Rainy Day Fund and Operations reserves would fund approximately two payrolls each.

The following information was shared in response to questions from the board.

The ADM student count is Friday, September 13. It will take a few weeks to clean up conflicts with other districts. Mr. Phillips will share a brief update in Friday Notes and another update at the September 23 school board meeting.

Budgets are intentionally conservative, and in the past five years, it has been common practice to ask for the approval of additional appropriations in different funds. An Additional Appropriation is asking the board to allow more dollars to be spent in a certain fund than what was approved in the original budget, and there is always revenue to support it.

Mr. Phillips closed by saying this should have been a positive budget year, but health premiums, decreases in ADM and tax cap losses will make it a challenging year.

PUBLIC COMMENTS

Amanda Reeves, 592 Collier Street, shared her concerns around the bus stop for her children. She would like the bus stop to be in front of her house. There are no sidewalks, no street lights and drivers are rushing to work and driving too fast.

Gabriella Crandall, 598 Collier Street, shared her concerns for her children and her neighbor's children, seven in total, that have to wait in the dark in the middle of the road for the bus. She would like the bus to stop in front of her house and asked the board to consider the safety of her children.

WHAT

1) Board Commendations:

There were no commendations shared.

2) School Board Member Reports:

There were no reports shared.

3) Cabinet Reports

There were no reports shared.

HOW

4) Requests for Approval: (Dr. Roberts)

Dr. Roberts reviewed the following items for the Board.

- a. Minutes of the Executive Session of August 26, 2019 and Minutes of the Regular School Board Meeting of August 26, 2019
- b. Supplemental Contracts (Dr. Hack/Mr. Jensen)
- c. Field Trips/Professional Leaves (Dr. Hack/Mr. Jensen)
- d. School Fundraisers (Dr. Hack/Mr. Jensen)
- e. Claims and Payroll (Mr. Phillips)
- f. Change Order for Taylorsville Roof (Dr. Boezeman/Mr. Surface)
- g. School Board Policies (Dr. Roberts)
 - Policy 5136-Personal Communication Devices
 - Policy 5512-Use of Tobacco/Nicotine
 - Policy 5530-Drug Prevention

Dr. Roberts shared additional information on the requests for approval. He requested approval of Items 4) a-g.

Dr. Bilz made a motion to approve the reviewed items, and Mr. Bryant seconded the motion.

The following information was shared in response to questions from the board.

The Taylorsville roof was replaced in 2004, however, only the upper half of the insulation was replaced at that time. The lower half was left in place. The contractor was responsible for replacing the roof and insulation that was under warranty, but the lower half of the insulation was not in that scope of work. Due to moisture penetration, the lower half of the insulation was in need of replacement.

Mr. Phillips noted that the claims and payroll requests had been reviewed and were in order.

Upon a call for the vote, the motion was carried unanimously to approve Items 4) a-g.

5) Request for Approval of Human Resources Recommendations (Ms. Heiny)

Ms. Heiny requested approval of the Human Resources recommendations that included an additional recommendation that was submitted to the board.

Mrs. Dayhoff-Dwyer made a motion to approve the Human Resources recommendations, and Mr. Caldwell seconded the motion.

Upon a call for the vote, the motion was carried unanimously.

BOARD INPUT/REVIEW

Mr. Caldwell thanked the parents for coming and speaking and let them know that their concerns were heard.

Mr. Stenner shared that the kick-off for the week long Council for Youth Development Youth Empowerment Summit-Power of Belonging would be Saturday, September 14, 12:00 p.m. at Columbus City Hall.

Board members thanked Clifty Creek Elementary for the mums, and for the positive energy and creative student engagement that is happening at Clifty Creek.

Dr. Shedd reported that the next school board meeting would be September 23, 6:30 p.m. at Clifty Creek Elementary School. Also on September 23, there will be a 4:30 p.m. Executive Session at Clifty Creek.

There being no further business, the meeting adjourned at 8:02 p.m.

_____ Secretary

Attest: _____ President