

Special Meeting and Budget Workshop
Monday, August 23, 2021 7:00 PM
High School Media Center

As advertised in the Pilot-Tribune and on the
school's website www.fortcalhouschools.org

Mike Bonacci: Present
Josh Christensen: Present
Mike Conrad: Present
Jon Genoways: Present
Amanda Schrum: Present
Kelli Shaner: Present

ROUTINE BUSINESS

-Call to Order: The president called the meeting to order at 7:00 PM. There were 4 administrators and 3 visitors present.

-Excused Absences: None, all present.

-Note Nebraska Open Meeting Laws: So noted

-Roll Call:

Mike Bonacci: Present
Josh Christensen: Present
Mike Conrad: Present
Jon Genoways: Present
Amanda Schrum: Present
Kelli Shaner: Present

-Approval of Agenda: Moved that the agenda be approved as amended to have the budget workshop/information moved to right after Public Participation. This motion, made by Jon Genoways and seconded by Amanda Schrum, Passed. Mike Bonacci: Yea, Josh Christensen: Yea, Mike Conrad: Yea, Jon Genoways: Yea, Amanda Schrum: Yea, Kelli Shaner: Yea

REGULAR AGENDA

-Public Participation: No one asked to address the board.

-Budget Workshop: David Genoways addressed the status of the district's budget.

Revenue: Revenue is up through 8/20/21 with not much else expected except some miscellaneous payments. The proposed revenue budget shows about \$100,000 less but will be final for the next meeting. We'll get August taxes in September but they will post to this fiscal as people pay taxes when they pay and there will also be reimbursements coming for payrolls from Food Service and the Foundation. All other categories had positive balances with the exceptions of preschool, and rental fees which were expected

as there were fewer rentals at the Community Building. The figures are conservative but will increase in the areas where revenues exceeded the budgeted amount. State Aid is actual and certified and the federal figures are actual except for Medicaid. There will also be reimbursements coming for payrolls for Food Service and the Foundation. ESSR III funds are not included in the budget as it is a 3-year program and we are still finalizing the application and budgeting. We won't be able to spend it all in the first year but best case scenario is to be able to spend at least \$110,000 of it.

Expenses: The expenses shown are the actual, year-to-date numbers. Nothing else will go through August except taking monies to depreciation. Payroll and benefits are a large portion of the proposed budget. This is due in part to a 4% increase in salaries with movement for certified, the addition of a 2nd full time music teacher, a new preschool teacher, an increase in subs, and additional hours for transportation to clean and sanitize vehicles at the end of each day's route. There will also be costs for 1 full time nurse instead of 2 part time at the elementary, paras and custodians to fill open spots, additional staff to piggy back train with the Business Manager position, and the Foundation executive director is budgeted this year. The ESSR III funds could possible cover tutoring, the Before and After Program being our district kids, and some summer school to help mitigate learning loss due to COVID as 20% has to be spent on this. We have to budget for this, not do it, or be over budget at the end. As wages go up so do benefits. There was almost a 9% increase in insurance and differences within their coverage. Workmans Comp is also in this area, but is low. Last year there was an unusual lack of spending in operations. Natural gas, vehicle fuel, legal services and tuition paid to agencies fall in this area. Water and sewer went up and we are anticipating an increase in electricity. With the larger footprint of the campuses, these areas will increase. This area includes replacement materials and supplies. We were under budget last year because computer equipment was purchased through ESSRII which contributes to the excess. Some of the maintenance and equipment was charged incorrectly so will be moved to the correct areas and bring these numbers within the budget. Monies for some of these expenses will be moved to depreciation to include the phone system, the PLC remodel, high school intercom system, acoustics in the Choir room and vehicle purchases. Some expenses were also paid that should have gone through the elementary projects. Dues and fees were also unusual with most meetings virtual and no travel. Jon Genoways commented that this shows about \$1million over our actual and are still asking for more – around \$1Million. It was explained that around \$675,000 is salary and benefits, and a \$400,000 placeholder for future expenses. After the elementary project is paid, there will be an excess of \$150,000 in that budget which will go to the Building Fund.

Valuations: Valuations in Washington County rose 4.7% and Douglas County had a 1.67% increase. This will have a potential change on the levy for Bond and QPC funds and would result in a 1.25¢ decrease. The budget must generate at or near \$1 million for bond responsibility but there are reserves and this will be the 4th year “we are giving something back” with the elementary bond being paid off in 5 years or less. David is asking for board input on transfers and savings to complete the state forms in order to have it ready for the September meeting. There was discussion about the bond schedule, bond redemption, expiration dates, and that because of the debt service refinancing years and interest were reduced. There was discussion about the amount to be transferred to

Depreciation from General and that this account is less restrictive than the Building Fund, if you could save enough in Depreciation for a big project, and what planning needs to be done to spend from the Building Fund. The board needs to give direction for the budget and advertising to be done in time. Discussion continued that the ESSR monies can not be used for current programs or projects, the interest on the loan for the elementary projects and to put \$150,000 in the Building Fund. Mike Conrad said we can do this, still give back with the goal to be 1.25¢, have the debt service at around \$1 million and have cash reserves in case we need them as they have to be budgeted in order to spend them. He affirmed the \$929,099 to be transferred to Depreciation. Jon Genoways asked about the \$1 million increase and that it seemed high which other members concurred. He understands that \$650,000 is wages and salary and wondered about the rest. Conrad explained that the 2-year contract did not keep up with the array and this is part of the large increase in salary so the board went back to yearly negotiations. 80% of the budget is salaries and this generally mirrors most schools. Jon Genoways would like to see totals on spreadsheets for the replacement schedule and depreciation schedule and follow monies spent on what was originally designated. He's "not a fan of having monies all over the budget", and wants it in one place. It's hard to follow when the amounts are in various categories of the budget. Transfers for buses and staying on a 2-year schedule of replacement were also discussed asking if we needed to transfer this year with the large amount already in the account. Increases for maintenance and custodial were discussed in relation to having unemployment benefits hamper our search. Jon Genoways said his option would be to put money in one general area not split among line items. "We see it on the budget but when moved to Savings & Depreciation we don't see the line items". Conrad explained this process has been in place for several years and it's just a difference in philosophy. David Genoways said when monies are designated rarely is it moved to another category and there is more control in the General than Depreciation and yes purchases are made as needed but are pretty transparent when it is done, then added that the board is informed of the reasonings and changes. There was additional discussion about asking for \$1 million more than what was spent this year and why are we are budgeting for equipment etc. from the general fund when we have transferred the money to Savings & Depreciation. Conrad asked for board consensus and members commented on the amount but also the needs and were "good with it". He appreciated all members for the dialog and agreed with the figures adding they had to play "catch up" because of the 2-year contract.

-Approval of Claims: Moved that the Claims be approved in the amount of \$1,064,336.69 which includes a \$929,099 transfer to Savings & Depreciation from the General Fund, and \$7,059.82 from Savings and Depreciation. This motion, made by Jon Genoways and seconded by Amanda Schrum, Passed. Mike Bonacci: Yea, Josh Christensen: Yea, Mike Conrad: Yea, Jon Genoways: Yea, Amanda Schrum: Yea, Kelli Shaner: Yea

-Board Committee Reports: The American Civics Committee met. Josh Christensen reported on their discussions regarding the board goal of developing a 5 to 10 year district-wide facility plan. This included replacing the track and what to do with the football field, the wrestling facility, and fitness and storage. Other items included

potential growth in the district, upgrades for the Community Building, ball fields, auditorium, new classrooms, and possible new building plans but these need more discussion, adding that this is “a long ways down the line”. They also discussed seeking professional help on developing a layout of facilities and structural plans.

-Superintendent Report: Mr. Green reported on board goals including finishing the playground and landscaping, and the parking lot having more work to be done and redone as it hasn't been the smoothest process and we haven't gotten their new plan yet. Information and a flow chart was sent out regarding the weekly COVID report and people have been talking about it with the flow chart giving direct instructions on how families should proceed. There have been 2 positive and 1 negative responses and are all concerned because of the rapid spread. We continue to work with Three Rivers Health and follow their guidance. This is a great partnership and it is a collaborative effort. The Friday reports have been posted on the website and we are seeing students in households where there are positive members. All members of the board will attend the Area Membership meeting.

ADJOURN

There being no further business, the president declared the meeting adjourned at 8:52PM.