



The Helena Public Schools educate, engage, and empower each student to maximize his or her individual potential with the knowledge, skills and character essential to being a responsible citizen and life-long learner.

Board of Trustees – Budget and Programs Committee

Friday, August 7, 2020 – 12:00pm

MINUTES

ATTENDEES

Committee:

John McEwen, Committee Chair
Sarah Sullivan, Committee Member
Terry Beaver, Committee Member
Luke Muszkiewicz, Board Chair

Others:

Tyler Ream, Superintendent
Josh McKay, Assistant Superintendent
Janelle Mickelson, Business Services Administrator
Stacy Collette, Human Resources Director
Barb Ridgway, Chief of Staff

I. CALL TO ORDER

Committee Chair, John McEwen, called the meeting to order at 12:02pm.

II. GENERAL PUBLIC COMMENT

No comments were offered.

III. REVIEW OF AGENDA

No changes were requested to the agenda.

IV. REVIEW OF MINUTES

No changes were requested to the May 8, 2020, committee meeting minutes.

V. ITEMS FOR INFORMATION/DISCUSSION: Fiscal Year 2020-2021 Budget Analysis

Ms. Mickelson provided the committee with an analysis of the FY 20-21 school district budget.

Highlights included the following:

- The elementary technology fund saw a significant decrease.
- The building reserve fund decreased due to ongoing construction and maintenance projects.
- Benefits and salaries increased: 9% for paras, 12% for secretaries, \$.50/hour increase for carpenters, and step increases for all other classifications.

- Any decrease in salaries reflected the savings from the retirees' incentive.
- One high school administrative position was eliminated, resulting in savings in the administration salaries and benefits.
- Utilities increased 4% based on previous years' adjustments.
- Liability insurance increased 34% due to the new buildings.
- ANB increased in the elementary schools but decreased in the high schools.
- Inflationary increases for all funding components were reflected in the budget.
- Operating reserves are at 7%.
- Transportation increased 10-15% due to necessary social distancing on buses and school-specific routes.
- The tuition fund, which pays for one-on-one SPED services, one-on-one day treatment for resident students, and educational services at county or regional detention centers, increased at the elementary level and decreased slightly at the high school level.
- The retirement fund reduced because the 2019-2020 retirement incentive would not be paid this year.
- Debt services reflected the principal and interest payments on the bond.
- Technology trends show expenditures outpacing revenue.
- Based on the aging schools needing maintenance, it is anticipated that the building reserve budget will reduce each year in the next few years.
- The building reserve fund, which came from a voted and permissive levy, was at \$1.25 million at the elementary level and \$750,000 at the high school levy.

Mr. McEwen requested clarification on the decrease in the elementary technology fund. Ms. Mickelson stated, for the past few years, expenditures in the elementary technology fund have outpaced revenue. She added the funds were from a perpetual levy.

Ms. Sullivan asked if there was a sense of what would not happen as a result of the deficiency in the elementary technology fund. Ms. Mickelson answered there were some funds with larger cash balances than normal at the end of the last fiscal year. Those funds had been transferred to the interlocal which would be used to supplement technology. She added, with the supplemented funds from interlocal and CARES, the technology fund would be able to cover anticipated increases this year.

Mr. McEwen asked if the number of FTEs at Helena High had been decreased. Ms. Collette answered the plan had been to decrease seven FTE teacher positions, one secretary position, and one administrator position.

Mr. Beaver asked if negotiations were complete. Ms. Collette answered they were not. Mr. Beaver asked if the second-year agreements were valid if the 2020-2021 negotiations had not been

ratified. Ms. Collette answered the contracts were valid due to a provision in the contracts stating contracts and PCAP held if negotiations were not ratified. Ms. Collette added that paras, secretaries, and custodians were on two-year contracts.

Mr. McEwen asked if additional custodians were being added. Ms. Collette answered the district was looking for volunteers to move from the night shift to the day shift, and if additional staffing was needed, it would come from additions to the sub pool rather than as additional FTEs. Ms. Mickelson added the budget did not reflect the potential of hiring more custodial subs.

Mr. McEwen asked if the board would approve how CARES funds were spent. Ms. Mickelson answered that a board member's signature was required to receive the funds. She added the board approved how the funds were spent when warrants are approved at each board meeting.

Mr. Beaver noted the At-Risk Funding decrease at the elementary level and asked why there was a decrease when there was a higher number of students. Ms. Mickelson answered the funding was based on Title I allocation, not enrollment.

Mr. McEwen asked for confirmation that transportation was a levy. Ms. Mickelson clarified transportation was paid through a permissive local levy, county transportation reimbursement, and state transportation reimbursement. Mr. McKay added the adjustments to the bell scheduled allowed transportation to be more efficient with bus routes.

Ms. Sullivan asked if the district went to 100% remote learning, what would happen with the transportation budget. Ms. Mickelson answered the contract would be renegotiated, similarly to the spring of 2020.

Mr. Beaver asked how many of the guaranteed 12 spots at Shodair had been utilized last year. Mr. McKay answered the spots were filled and stayed filled though remote learning.

Mr. Beaver asked how many retirements were anticipated this year. Ms. Collette replied she has conversed with employees, and many people said they were watching the market. She added she would be surprised if there were five retirees. Ms. Mickelson added that she kept termination pay at \$500,000 in both the elementary and high school general funds since it was difficult to predict what would happen.

Mr. Beaver asked what SIDs the district was paying. Ms. Mickelson answered she could obtain a list, but there were several within city limits. The SIDs were paid from a permissive levy.

Ms. Sullivan suggested the budget committee discuss what levies to run this spring at a future Budget Committee meeting.

Ms. Mickelson provided the committee with the trends for taxable values, explaining the drop at the high school occurred when East Helena formed a K-12 district. She added though the trend in taxable values was increasing, ANB was decreasing.

Ms. Mickelson provided a visual of state revenue compared to taxes: when state revenue was down, taxes went up. She added property taxes currently were flat.

Ms. Mickelson provided the committee with the trends in operating reserves. Ms. Sullivan added additional clarification that a few years ago, there were no reserves, so the board adopted a policy stating the district should maintain at least 6% in reserves. Ms. Mickelson added the maximum general fund operating reserves pursuant to state law is 10%.

VI. BOARD COMMENT

Mr. McEwen asked if the budget would be presented to the board for approval next Tuesday and if there would be any changes to what was presented at the committee meeting. Ms. Mickelson replied there potentially could be changes to the transportation fund.

VII. ADJOURNMENT

Mr. McEwen adjourned the meeting at 1:14pm.