



Board of Trustees – Budget and Finance Committee

Friday, October 01, 2021 – 12:00pm

MINUTES

ATTENDEES

Committee Members:

John McEwen, Committee Chair
Terry Beaver, Committee Member
Janet Armstrong, Committee Member

Others:

Rex Weltz, Superintendent
Brian Cummings, Assistant Superintendent
Luke Muszkiewicz, Board Chair
Janelle Mickelson, Business Services
Administrator
Josh McKay, Assistant Superintendent
Barb Ridgway, Chief of Staff
Gary Myers, Education Technology Director
Karen Ogden, Communications Officer

I. CALL TO ORDER

Committee Chair, John McEwen, called the meeting to order at 12:00 pm.

II. GENERAL PUBLIC COMMENT

No comments were offered.

III. REVIEW OF AGENDA

No changes were made to the agenda.

IV. ITEMS FOR INFORMATION/DISCUSSION

A. Review Budget to Actual Report

The committee reviewed the budget to actual report for both the elementary general fund and the high school general fund. The committee discussed fluctuations in gas prices and how we budget for that.

B. Discussion of Levies

The committee reviewed the Helena Public Schools 10-year levy history document. The top line of the general fund displayed the Helena Elementary voted levies. We don't always vote levies, in 2015 and 2017 we did not vote on a levy. Once it is voted it becomes a permanent levy unless we fail to levy it in the prior five years. As long as we levy this, it is a permanent levy, and it becomes permissive. The committee then reviewed on the document the Helena Elementary permissive levies on the general fund. It shows whenever we vote on something it increases that. Our permissive levies increase as enrollment increases because it increases our base which is permissive. A permissive levy is not votable. Typically, the Superintendent and Business Manager sit down and discuss what the budget looks like. Then in the permissive levies, we can ask for more money, which would increase our mills, or we can say we don't need as much money, so we are going to lower those mills. We put that into the budget that we would submit to the board in August, and then the board approves that. What isn't permissive is when we go out and ask the taxpayers to vote for a levy.

Last year we voted \$100,000. If we don't levy that in 1 of 5 years, then in that 6th year that is no longer permissive. We would have to revote if it can be revoted. If you have a permissive levy and you fail to levy it in 1 year and in that 6th year your enrollment has dropped, then you will never get it back. We have levied every year. Under permissive levies, the transportation fund, tuition fund, and adult education fund act the same and are funded the same. We can levy for whatever needs we have, and we don't have to ask taxpayers for permission on those.

The committee then moved on to discuss technology and the building reserve. The technology levy was passed in 2005, and it is a perpetual levy unless we go out to vote and that levy passes. Then it becomes a 10-year levy. It has not changed since 2005 because it is a set amount. Mills will change based on taxable value, but the dollar amount does not change. As the taxable value increases the number of mills required decreases. The building reserve is a 10-year levy that was passed in 2015. That fund is for items such as boilers, roofs, facilities, maintenance, and repairs. In around fiscal year 19 the legislature passed a senate bill which allowed us to permissively levy for anything on our facility plan as long as you have updated that. Originally it was for safety and security. So, you can see the permissive levies increased in fiscal year 19 because of that. The committee discussed different times that they would possibly run the levies in the future, and which levies they want to run. The committee discussed that it would be essential to run the building reserve levy in the spring of 2022, and that is very important to educate the community about what we are asking for in the levies. It is possible we could have three levies coming up: general fund, technology, and facilities.

At the high school level, the general fund levy is important because we are losing enrollment and we need to vote just to get to where we were.

The committee then discussed the premiums from the sale of the bonds, and how much of it has been expended. That amount is still being determined because of invoices that still must be paid.

The committee discussed if there will be an election in May, you must give notice 70 days before, and before that we must present at our board meeting in January for approval. We don't need an amount but need to call for the election at that time. The committee also discussed about doing research about finding what has worked and what has not worked in the past for levies.

C. Budgeted Funds & Non-Budgeted Funds

The committee then reviewed and discussed charts explaining budgeted and non-budgeted funds, where the revenue sources come from, and the rules of the fund. It was noted that on some of these funds, reserves are allowed, and some reserves are not allowed or capped. The committee also discussed enrollment, retirement, and tuition.

V. BOARD COMMENT

The board discussed if the technology levy is run at the same time as the building reserve levy in the spring, and if the technology levy fails, how critical is it that we run it again in the fall. It was discussed that one of the things about our current technology levy is that if we run one and it doesn't pass, then we revert to what we currently have, we do not go to zero. We have that perpetually until we pass a new levy. The spot that we are in right now with our ESSER funding helps a little bit with technology and keeps us from being in a crisis mode with technology. We do need to keep in mind there is that financial cliff out there that we know is coming, and technology is a part of that cliff. If we wait to pass the technology levy until 2024 there would be things that wouldn't happen. There would be device refreshes that wouldn't happen, and it could potentially get tight. A certain amount of the general fund goes into technology. If we are successful with the technology levy, then overtime there will be minimal impact on the general fund. It was discussed that an option could be rather than asking for the full three million dollars for the tech levy, possibly asking for two million dollars, and backfilling the rest with other funds. It is important to find our needs and then calculate what that burden is for a \$100,000 house over the period of the levy. That will tell us a lot.

VI. ADJOURNMENT

Mr. McEwen adjourned the meeting at 1:04 PM.