

**SULTAN SCHOOL DISTRICT NO. 311
 MINUTES OF SPECIAL BOARD MEETING
 July 26, 2011
 BUDGET HEARING
 SULTAN ELEMENTARY SCHOOL
 501 DATE STREET, SULTAN, WA 98294
 6:00 P.M.**

Roll Call

Board Members Present

Steve Fox
 Tracy Cotterill
 Russ Sumpter
 Patty Fountain

Superintendent Present

Dan Chaplik

Board Members Absent

Craig Roesler

Student Rep Absent

Staff Present: Layne Anderson, Dave Moon, Carlene Crossman, Jonathan Stratman, Steve Becker

Visitors Present: Gini Sorgen, Charlie Weaver, Deborah Knight, Larry Foley

Vice-Chairman Patty Fountain called the special meeting to order at 6:05 p.m.

Call To Order

Superintendent Dan Chaplik addressed the Board of Directors regarding the difficulty of preparing the 2011-2012 budget due to cuts at the state level, late information from the state as well as the change in accounting system from WSIPC to WESPAC. Budget time is extremely difficult, but more so this year. Mr. Chaplik also discussed with the Board of Directors the fact that although there have been cuts to the budget it is extremely difficult to understand the process due to the fact that revenue is more this year than last, which is confusing. Revenue is marginally increasing but expenses, particularly employee benefits, have also increased. A goal is to maintain a balance between revenue and expenses, while keeping the target 3% fund balance (\$610,000) as a goal. He also stated that the current draft budget projects an ending fund balance somewhat lower at \$547,000.

**2011-2012
 F-195 Review**

Layne Anderson, Director of Fiscal Services, presented the 2011-2012 Draft F-195 Report to the Board of Directors. Mr. Anderson presented highlights of the budget report to the Board of Directors, as well as discussing the expenditure amount for each fund as follows:

- General Fund \$20,327,311
- Capital Projects Fund 228,000
- Debt Service Fund 291,825
- ASB Fund 368,939
- Transportation Vehicle Fund 242,000

Layne presented an overview of the ASB, DSF, CPF and TVF funds; expenditures vs. revenue for the 2011-2012 year. Layne stated that a \$160,000 transfer from DSF to CPF will be made available for capital projects in 2011-2012. Layne stated that currently there is \$82,000 DNR funds in the DSF and expects \$80,000 DNR funds between now and January 2012 to complete the \$160,000 transfer to CPF.

Layne discussed the CP fund; he stated that the energy savings grant will need to be completed. The grant consists of \$500,000 with \$250,000 state funded and \$250,000 district funded. The balance of the fund will be approximately \$68,000 plus the \$160,000 transfer for a total of \$228,000 designated for capital projects in 2011-2012 leaving a restricted balance only. (Impact Fees)

The TVF has \$226,000 in revenue and \$220,000 proposed expenditures for two new buses. Layne stated that there is a sufficient fund balance to purchase two buses with no GF transfer and keep the district on track with the planned depreciation schedule.

Layne presented a summary analysis of the GF and noted a \$600,000 capacity amount in revenues and expenditures built into the budget eliminating the need for budget extensions. He stated the primary change to the budget is the alternative program being housed in district, as well as a larger amount of the funding remaining in district. Layne also stated that no Federal stimulus funds are available in this year's budget. With a 2% increase in district rates to retirement services (DRS) there is roughly a \$200,000 increase. The RIF of three certificated positions for a total of \$283,000 as well as six classified positions in the amount of \$189,000 for a total of \$472,000 reduction has been included in the 2011-2012 budget.

Director Russ Sumpter questioned the ending fund balance for 2011-2012; Mr. Sumpter stated he was not comfortable with the ending fund balance being lower than 3%. Mr. Sumpter also asked by what the General Fund budget has actually been cut. Layne stated in terms of expenditure .3% is what has changed budget to budget. Mr. Sumpter also asked how much the revenue dropped from 10/11 compared to 11/12; Mr. Chaplik stated that the revenue numbers are eschewed due to the alternative education funding staying in the district in 11/12.

Superintendent Dan Chaplik stated that there is a \$162,000 revenue decrease in the area of salaries for the 11/12 budget. Salary adjustments will be done group by group due to method used by OSPI in making the budget cut to salaries by groups. The district has settled with the Teamsters; administrators are flexible. The challenge is in how to cut some groups and not others. Russ Sumpter restated that he is uncomfortable with a projected less than a 3% ending fund balance. Mr. Chaplik stated that the budget could be adjusted easily but it currently reflects good estimates of what expenditures may be in 2011-2012.

Steve Fox requested that a simplified version of the budget be presented to the Board at the next board hearing in summary form, for example the top fifteen line items and from 2010/2011 to 2011/2012.

**Adoption of
Resolution 10-
11 2011-2012
Budget
Adoption
tabled**

It was determined that the projected ending balance be 3% before the Board of Directors approve the 2011/2012 budget. Resolution 10-11 was tabled until the budget has been adjusted to reflect a 3% ending balance for 2011/2012. Russ Sumpter made a motion to schedule another budget hearing. Tracy Cotterill seconded the motion. The motion carried unanimously.

**SUMPTER/
COTTERILL
UNANIMOUS**

There will be another meeting scheduled to discuss and approve the 2011/2012 budget.

Being there was no further business Vice-Chairman Patty Fountain adjourned the meeting at 7:06.

Jackie Whaley
Recording Secretary

Dan Chaplik, Superintendent

Craig Roesler, Chairman