

**REGULAR MEETING  
OF THE EVERGREEN BOARD OF EDUCATION  
JANUARY 14, 2020, 6:00 P.M.**

President Nora Kiefer called the meeting to order. Members in attendance were Nora Kiefer, Jason Miller, Zach Murry, Don Smith and Matt Vaculik.

President Nora Kiefer asked if anyone wished to add, delete, or separate any items of the consent agenda as proposed. No changes were made to the agenda.

**14-20** Matt Vaculik moved, supported by Jason Miller to approve the meeting agenda as presented for the Regular Board meeting on January 14, 2020.

Ayes: Miller, Smith, Vaculik, Murry, Kiefer  
Nayes: None Motion Carried

**15-20** Don Smith moved, supported by Matt Vaculik to approve the minutes of the Regular Board meeting held on December 9, 2019.

Ayes: Miller, Smith, Vaculik, Murry, Kiefer  
Nayes: None Motion Carried

**PUBLIC PARTICIPATION**

None.

**FINANCIAL**

**Treasurer's Report**

Treasurer Denise Leu reviewed the financial reports, noting that as of 12/31/2019, the fiscal year was half over, and that revenues and expenditures continue to trend according to expectations.

**Consent Agenda**

- A. Approved the December 2019 financial reports including the Cash Reconciliation, BALCHK report, Financial Summary reports (FINSUM and FINSUMM), Financial Report (FUNDSUMM), and Annual Spending Plan (Form SM-2).

- B. Approved the Five-Year Forecast and Debt Schedule as the tax budget for the Fiscal Year beginning July 1, 2020 (FY21). The tax budget is required to be filed with the County Auditor (Attachment A).
- C. Approved a revised Auxiliary Services Agreement (Revision #3) with the Educational Service Center of Lake Erie West for the 2019-2020 school year in the amount of \$82,360.60, for services of Auxiliary Services personnel for the benefit of Holy Trinity School and to amend resources and modify appropriations accordingly.
- D. Accepted the following donations:
  - \$500.00 from the South Fairfield Arbor of Gleaner Life Ins. Co. to 018-9221 General Activity-Elementary.
  - \$450.00 from the Evergreen Athletic Boosters to 300-1820 Athletic Dept. Donations for the Booster Parking Spot.
  - \$1,299.85 from the MVP (Mini Viking Parents) to 018-1820-9223 Evergreen PBIS Donations.
  - \$3,956.66 from the MVP (Mini Viking Parents) to 018-1820-9221 Donations/Gifts-General Activity-Elem.
- E. Approved the following federal grant fund reallocations for FY20 and to amend resources and modify appropriations accordingly:
  - Decrease 516-9020 IDEA-B – (\$4,599.93)
  - Decrease 587-9020 ECSE Preschool Disabilities – (\$11.07)

As recommended by the Treasurer, Jason Miller moved, supported by Don Smith to approve the preceding financial motions, reports and other financial items. **16-20**

Ayes: Miller, Smith, Vaculik, Murry, Kiefer  
Nays: None Motion Carried

#### **PERSONNEL CONSENT AGENDA**

- A. Offered the following supplemental contracts for the 2019 – 2020 school year and approve volunteers pending completion of all pupil activity permit requirements:

Chad Richardson	M.S. Wrestling - Volunteer
Brent Simon	Assistant Baseball – Volunteer
Landon Lumbrezer	Assistant Baseball – Volunteer
Aaron Schmidt	Assistant H.S. Track
Shane Chamberlin	JV Softball

All other pay and benefits will be according to Board adopted policy.

- B. To approve the following student tutors for the SOS (Students for Other Students) grant for the 2019-2020 school year at the Ohio minimum wage rate.

Danielle Head

Jazmin Todd

Hannah Gleckler

- C. Amended the contract of **Jennifer Conrad**, Director of Communications, to increase her contractual days from 175 days to 210 days annually, effective January 1, 2020. The contractual days will be pro-rated at 192 total days for the term of her current contract, July 1, 2019 through June 30, 2020. All other provisions of the contract shall remain in force. In addition, the Board approves compensation for an additional 15.5 days worked over and above her contracted days from January 1, 2019 through June 30, 2019, at the per diem rate of pay in force at that time.

- 17-20** Upon the recommendation of Eric Smola, Superintendent, Don Smith moved, supports by Matt Vaculik to approve the preceding personnel items.

Ayes: Miller, Smith, Vaculik, Murry, Kiefer

Nays: None Motion Carried

## DISCUSSION AND INFORMATION

Superintendent Eric Smola presented the first semester Bullying Report, noting that there was one documented case of bullying in the first semester of the 2019-2020 school year. The bullying took place in the middle school and the behavior was addressed and rectified by the school administration.

Mr. Smola reported that the district has partnered with Metamora United Methodist Church, also known as The Farmhouse Sabbath, to provide non-perishable food items to families in need. Evergreen families who have expressed need have been provided assistance through the school food pantry. The school food pantry has been supported in part through local food donations alongside support and donations such as cheese and fresh fruit from The Farmhouse. Students have been sent home with backpacks containing the following items: cereals, canned goods, pasta, fruit, cheese, granola bars, snack items, pop tarts, along with personal items such as, toothpaste, deodorant, and shampoo. Since late November, approximately 50 backpacks of food items have gone home with students to Evergreen families in need.

## **ADMINISTRATIVE REPORTS**

Maintenance Coordinator, Brent Miller reported on the following items:

- Bid opening for the LED lighting project will take place on January 21, 2020.
- Tyler Athletics will be providing a quote for finishing the football practice field and making it game ready for this fall.
- The front doors of the Middle School have had new electronic strikes installed.
- He will be attending a MVOM (Maumee Valley Operations Management) meeting to take part in a discussion about planning a custodial training day in June, in which district custodial staff will participate.

Superintendent Smola reported on the following items:

- Evergreen Elementary School will be accepting kindergarten registrations for students who are 5 years of age on or before August 1, 2020 for the 2020-2021 school year on Feb. 3<sup>rd</sup> through Feb. 7<sup>th</sup> from 8:30 am to 2:00 pm.
- The Pint-Size Hero Blood Drive is scheduled for Thursday, January 30th from 2:30 pm to 7:30 pm in the elementary cafeteria.
- Congratulated nine Evergreen Middle School students who were selected to attend the all district band and choir performance after submitting a recorded audition. Band students are Alexa Hartbarger, Samantha Miller, Morgan Szozda, and Choir students are Dylan Buck, Cynthia Fritsch, Kristine Hockenberry, Elena Juarez, Brooke Sintobin, and Brittney Slane.
- The Middle School spring testing dates are April 7th, 8th, 14th, 15th, 24th, 27th, 28-30, and May 1st.
- On January 15<sup>th</sup>, families and students interested in participating in College Credit Plus options during the 2020/2021 school year will have an informational meeting in the high school cafeteria.
- On March 10th, all High School Juniors will be taking the ACT Test at Evergreen High School at no cost to our families.
- Thanked Tom “Boz” Ott for his generosity in providing a catered meal for players and family members of our girls varsity basketball team during their trip to Fort Myers, Florida.

- Congratulated Choir members: Sydney Fillinger, Justin Krempec, Chandler Ruetz, Gina Silvestri, Owen Cromly, Simon Cromly, and Alex Majewski who were chosen to participate as members of the District Honors Choir and Band members Joel Miller and Tyler Ackerman. They are invited to participate at the OMEA District 1 Honors Concert on January 26th at Stranahan Hall.
- Three choral students from Evergreen High School will be represented in the OMEA All-State Choir on January 31st and February 1st in Cincinnati, Ohio. Congratulations to Sydney Fillinger, Justin Krempec, and Gina Silvestri who were selected to be part of the 165-member ensemble that represents the top choral musicians in the state.

### **BOARD MEMBER QUESTIONS AND CONCERNS**

Newly elected Board Member, Zach Murry, introduced himself, sharing that he had he was an Evergreen graduate, and after graduating from college, had lived and worked for several years in Washington D.C. He stated that he and his family moved back to the Lyons area a few years ago because they wanted to raise their children in this community, and that he is looking forward to serving the district as a Board Member.

Board President, Nora Kiefer asked if any decision or progress has been made on the issue of how student athlete are recognized. High School Principal, Dan Curtis reported that they have met with and surveyed coaches and are open to looking ways to recognize kids, but have not made any changes to policy regarding the Athletic Hall of Fame at this time. He said he anticipates adding a new policy for the Hall of Fame to the 2020-21 Athletic Handbook that will be approved by the Board prior to next school year.

Board Member, Jason Miller asked Mr. Curtis and Mr. Smola about the status of the Bill Steck Memorial. Mr. Curtis reported that the Athletic Boosters, donations to the Bill Steck Memorial, and the Athletic Department will each cover a third of the cost, and that a meeting is being scheduled to solidify plans. He said that work would be completed this spring as soon as weather allows.

### **ADJORNMENT**

18-20 Don Smith moved, supported by Jason Miller to adjourn the January 14, 2020 Regular Meeting of the Evergreen Local Board of Education.

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Nora Kiefer, Board President

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Denise K. Leu, Treasurer

Evergreen Local School District Board of Education

1/6/2020 13:17

The Evergreen Local School District Board of Education submits the following debt schedule and Five Year Forecast for the year commencing July 1, 2020 for consideration of the County Budget Commission.

*Monica Kufon*  
 President of the Board  
 January 14, 2020

PURPOSE OF BONDS AND NOTES	Authority for Levy Outside 10 Mill Limit	Date of Issue	Date Due	Serial or Term	Rate of Interest	Amounts Outstanding at 7/1/20 (FY21)	PRINCIPAL & INTEREST REQUIREMENTS				AMOUNT RECEIVABLE TO PAY DEBT				
							BUDGET YEAR (FY21)	FY22	BUDGET YEAR (FY21)	FY22	BUDGET YEAR (FY21)	FY22	BUDGET YEAR (FY21)	FY22	
OUTSIDE 10 MILL LIMIT: (1999 Refunded 1999) Renovating, rehabilitating, adding to, constructing, furnishing, equipping and otherwise improving school facilities and acquiring and improving their sites	By Vote 5/4/99	09/08/99 (original date) Refunded 2001, 2005, 2015	Annually through 12/01/24	Serial, Term, and Capital Appreciation	2.203% 4.20%	\$3,965,000	\$803,674	\$35,303	\$610,303	\$230,749	\$913,470	\$230,749			
General Obligation Tax Refunding Bonds															
OUTSIDE 10 MILL LIMIT: (2002 Refunded) Local share of school construction under the State of Ohio Classroom Facilities Assistance Program for new elementary	By Vote 5/7/02	10/22/02 (original date) Refunded 2012	Annually through 12/01/25	Serial, Term, and Capital Appreciation	3.78%	\$795,000	\$135,026	\$12,758	\$137,758	\$69,225	\$94,041	\$57,667			
Energy Conservation Improvement Bonds, Series 2010-Federal Taxable QSCB's-Direct Payment	Unvoted	11/02/10	Semi-annually through 12/1/2025		5.21% .04% effective	\$490,000	\$97,765	\$10,550	\$95,550	n/a	n/a	n/a			

FILED  
 JAN 15 2020  
 FULTON CO. AUDITOR

# Evergreen Local School District

Fulton

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2017, 2018 and 2019 Actual;  
Forecasted Fiscal Years Ending June 30, 2020 Through 2024

OCT	Actual				Average Change	Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020		Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	
<b>Revenues</b>										
1.010	General Property Tax (Real Estate)	\$3,881,592	\$3,863,121	\$3,811,758	-0.9%	\$3,848,188	\$3,812,000	\$3,812,000	\$3,812,000	\$3,812,000
1.020	Tangible Personal Property Tax	576,498	491,989	1,268,118	71.5%	1,141,018	1,121,727	1,103,111	1,085,147	1,067,812
1.030	Income Tax	4,114,611	4,166,746	3,902,461	-2.5%	3,749,364	3,411,832	3,445,748	3,186,280	3,023,764
1.035	Unrestricted State Grants-In-Aid	5,214,976	5,218,677	5,181,934	-0.2%	5,239,780	5,204,203	5,204,203	5,204,203	5,204,203
1.040	Restricted State Grants-In-Aid	86,634	93,871	92,724	2.3%	56,666	56,666	56,666	56,666	56,666
1.045	Restricted Federal Grants-In-Aid - SFSF									
1.050	Property Tax Allocation	574,589	575,328	575,085	0.0%	571,559	571,559	571,599	571,599	571,599
1.060	All Other Revenues	935,444	1,079,932	1,166,621	11.7%	1,136,503	1,114,296	1,102,778	1,091,944	1,081,760
1.070	<b>Total Revenues</b>	<b>15,386,342</b>	<b>15,489,462</b>	<b>16,008,709</b>	<b>2.0%</b>	<b>15,741,056</b>	<b>15,292,083</b>	<b>15,296,105</b>	<b>15,007,939</b>	<b>14,817,804</b>
<b>Other Financing Sources</b>										
2.010	Proceeds from Sale of Notes									
2.020	State Emergency Loans and Advancements (Approved)									
2.040	Operating Transfers-In									
2.050	Advances-In	2,139	313	41,934	999.9%	102,450				
2.060	All Other Financing Sources	60,288	39,503	82,795	37.6%	60,000				
2.070	<b>Total Other Financing Sources</b>	<b>62,427</b>	<b>39,816</b>	<b>124,729</b>	<b>88.5%</b>	<b>162,450</b>				
2.080	<b>Total Revenues and Other Financing Sources</b>	<b>15,448,771</b>	<b>15,529,278</b>	<b>16,133,438</b>	<b>2.2%</b>	<b>15,903,506</b>	<b>15,292,083</b>	<b>15,296,105</b>	<b>15,007,939</b>	<b>14,817,804</b>
<b>Expenditures</b>										
3.010	Personal Services	7,267,208	7,512,799	8,069,346	5.4%	8,449,304	8,613,012	8,895,127	9,154,586	9,423,403
3.020	Employees' Retirement/Insurance Benefits	3,045,233	3,100,501	3,317,572	4.4%	3,593,722	3,657,854	3,745,150	3,861,093	3,982,220
3.030	Purchased Services	2,327,236	2,635,198	2,621,220	6.4%	2,780,167	2,870,306	2,964,264	3,062,218	3,164,357
3.040	Supplies and Materials	633,819	653,763	615,203	-1.4%	693,627	634,077	647,487	669,587	692,479
3.050	Capital Outlay	465,582	599,963	285,801	-11.8%	841,242	505,290	520,449	536,062	552,144
3.060	Intergovernmental:									
	Debt Service:									
4.010	Principal-All (Historical Only)									
4.020	Principal-Notes									
4.030	Principal-State Loans									
4.040	Principal-State Advancements									
4.050	Principal-HB 264 Loans									
4.055	Principal-Other									
4.060	Interest and Fiscal Charges									
4.300	Other Objects	198,454	176,872	198,365	0.6%	205,741	216,028	226,830	238,171	250,080
4.500	<b>Total Expenditures</b>	<b>13,937,532</b>	<b>14,679,096</b>	<b>16,107,507</b>	<b>4.1%</b>	<b>16,563,803</b>	<b>16,496,567</b>	<b>16,999,317</b>	<b>17,521,717</b>	<b>18,064,683</b>
<b>Other Financing Uses</b>										
5.010	Operating Transfers-Out	26,131	25,160	2,080,518	999.9%					
5.020	Advances-Out	478	42,527		999.9%	102,450	50,000	50,000	50,000	50,000
5.030	All Other Financing Uses	551								
5.040	<b>Total Other Financing Uses</b>	<b>27,161</b>	<b>67,687</b>	<b>2,080,518</b>	<b>999.9%</b>	<b>102,450</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
5.050	<b>Total Expenditures and Other Financing Uses</b>	<b>13,964,693</b>	<b>14,746,783</b>	<b>17,188,025</b>	<b>11.1%</b>	<b>16,666,253</b>	<b>16,546,567</b>	<b>17,049,317</b>	<b>17,571,717</b>	<b>18,114,683</b>
6.010	<b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>1,484,078</b>	<b>782,495</b>	<b>(1,054,657)</b>	<b>-141.0%</b>	<b>780,747</b>	<b>(1,254,484)</b>	<b>(1,753,212)</b>	<b>(2,563,778)</b>	<b>(3,296,879)</b>
7.010	<b>Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies</b>	<b>8,718,494</b>	<b>10,202,572</b>	<b>10,985,067</b>	<b>12.3%</b>	<b>9,930,480</b>	<b>9,167,733</b>	<b>7,913,249</b>	<b>6,160,037</b>	<b>3,596,159</b>
7.020	<b>Cash Balance June 30</b>	<b>10,202,572</b>	<b>10,985,067</b>	<b>9,930,480</b>	<b>-1.0%</b>	<b>9,167,733</b>	<b>7,913,249</b>	<b>6,160,037</b>	<b>3,596,159</b>	<b>299,280</b>
8.010	<b>Estimated Encumbrances June 30</b>	<b>306,397</b>	<b>83,423</b>	<b>323,772</b>	<b>107.7%</b>					
<b>Reservation of Fund Balance</b>										
9.010	Textbooks and Instructional Materials									
9.020	Capital Improvements									
9.030	Budget Reserve									
9.040	DPIA									
9.045	Fiscal Stabilization									
9.050	Debt Service									
9.060	Property Tax Advances									
9.070	Bus Purchases									
9.080	<b>Subtotal</b>									
10.010	<b>Fund Balance June 30 for Certification of</b>	<b>9,896,175</b>	<b>10,901,644</b>	<b>9,606,708</b>	<b>-0.9%</b>	<b>9,167,733</b>	<b>7,913,249</b>	<b>6,160,037</b>	<b>3,596,159</b>	<b>299,280</b>
<b>Revenue from Replacement/Renewal Levies</b>										
11.010	Income Tax - Renewal								292,881	490,189
11.020	Property Tax - Renewal or Replacement									
11.300	<b>Cumulative Balance of Replacement/Renewal Levies</b>								<b>292,881</b>	<b>783,070</b>
12.010	<b>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</b>	<b>9,896,175</b>	<b>10,901,644</b>	<b>9,606,708</b>	<b>-0.9%</b>	<b>9,167,733</b>	<b>7,913,249</b>	<b>6,160,037</b>	<b>3,889,040</b>	<b>1,082,350</b>
<b>Revenue from New Levies</b>										
13.010	Income Tax - New									
13.020	Property Tax - New									
13.030	<b>Cumulative Balance of New Levies</b>									
14.010	Revenue from Future State Advancements									
15.010	<b>Unreserved Fund Balance June 30</b>	<b>9,896,175</b>	<b>10,901,644</b>	<b>9,606,708</b>	<b>-0.9%</b>	<b>9,167,733</b>	<b>7,913,249</b>	<b>6,160,037</b>	<b>3,889,040</b>	<b>1,082,350</b>
<b>ADM Forecasts</b>										
20.010	Kindergarten - October Count					91	91	91	91	91
20.015	Grades 1-12 - October Count					1047	1047	1047	1047	1047
<b>State Fiscal Stabilization Funds</b>										
21.010	Personal Services SFSF									
21.020	Employees Retirement/Insurance Benefits SFSF									
21.030	Purchased Services SFSF									
21.040	Supplies and Materials SFSF									
21.050	Capital Outlay SFSF									
21.060	<b>Total Expenditures - SFSF</b>									

See accompanying summary of significant forecast assumptions and accounting policies  
Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt



**EVERGREEN LOCAL SCHOOL DISTRICT**  
**5-YEAR FORECAST**  
FY2020 - FY2024  
FY20 - October

**REVENUES:**

**Line 1.01 - General Property Tax**

*Property tax revenues were the 2<sup>nd</sup> largest source of tax revenue and the 3<sup>rd</sup> largest source of overall General Fund revenue, accounting for approximately 23.7% of total revenues in FY19.*

FY19 property tax revenues decreased 1.06% in Fulton County, and 2.14% in Lucas County over the previous fiscal year. Downward adjustments to the C.A.U.V formula are the reason for the decrease in both counties. In anticipation of a decline in revenue, FY20 and FY21 have been projected using 1% decrease in Fulton County and a 2% increase in Lucas County, with revenues flat-lined at FY21 levels for the remainder of the forecast. FY20 revenues may need to be adjusted upwards, as second half 2019 collections received this fall came in at approximately 3.5% higher in Fulton County, and 1.3% higher in Lucas County than the same collection in FY19.

**Line 1.02 - Tangible Personal Property Tax**

*Typically, PUPP revenues account for approximately 3-4% of total General Fund revenues, however due to Rover pipeline revenues, will account for approximately 8% of total GF revenues.*

Two natural gas pipelines run through the Evergreen Local School District. The smaller of the two, the Rover pipeline, first generated revenue in FY19, with Evergreen receiving a full year's tax payment in February 2019. It is expected that a full year's payment upfront will be received again in 2020, and those revenues, based on the amount received in FY19, are reflected in this forecast. Evergreen will also receive revenue in February 2020 from the NEXUS pipeline, the larger of the two projects.

According to information received from the Ohio Department of Taxation through the County Auditor, Evergreen could *potentially* be receiving significantly more than had been anticipated for *both* pipelines. The valuation on both pipelines has come in much higher than the original projections. Both pipelines have until 12/6/19 to file for revisions of those valuations, so the amount of revenues to be expected from either pipeline is unknown as of this filing of the 5-year forecast.

Shown below, are the initial estimated general fund revenues provided by the pipeline companies, and the new estimates provided by the County Auditor and Ohio Dept. of Taxation on 10/15/19 for tax year 2019 payable in calendar year 2020:

	<u>Original Estimated Revenue</u>	<u>New Estimated Revenue</u>	<u>Increase</u>
Rover	\$551,171	\$1,132,521	\$581,350
NEXUS	\$1,493,726	\$1,826,522	\$332,796

These new estimates assume that the pipelines will not file for a revision; however, if they do, there is no way to know at this time, what the impact on revenues might be. Due to the uncertainty of the amounts to be received, **no** revenue has been included in this forecast for NEXUS, and **no additional** revenue has been included for Rover. An updated forecast will be filed at a later date, reflecting accurate revenue projections.

**Line 1.03 - Income Tax**

*The income tax has been the district’s largest source of tax revenue for several years, accounting for approximately 24.3% of the district’s total General Fund revenue in FY19.*

Evergreen Local Schools has three separate income tax levies:

- 1) A .75% continuing traditional income tax levy
- 2) A five-year .50% traditional income tax levy renewed at a reduced rate (from .75% to .50% in November 2018 to begin collection in 2020 through 2024.
- 3) A five-year .25% traditional income tax levy renewed at a reduced rate (from .50% to .25%) in November 2017 that began collection at the reduced rate in calendar years 2018 through 2022.

Since the five-year .25% income tax levy will expire at the end of 2022 and will need to be renewed within the timeframe of this forecast, line 1.03 reflects the tapering off of collections starting in FY23, and the corresponding assumption that the levy will be renewed at the rate of .25% on line 11.01. Income tax growth has been conservatively forecast at approximately 1% growth annually.

**Line 1.035 - Unrestricted Grants in Aid**

*FY19 State Foundation funding accounted for 32.2% of Evergreen’s total General Fund revenues, and was the single largest source of income. Over the past twelve years, the percentage of state foundation funding to overall general fund revenue has shrunk from a high of 43% to its current level, which underscores the district’s continuing reliance on local funding sources.*

FY20 is the first year of a new two-year biennial budget cycle, during which funding is essentially flat-lined to FY19 levels. For the two years of the current budget, districts will also receive Student Wellness and Success funding which is not included in forecast revenues. Evergreen will receive \$56,791 in FY20, and \$81,131 in FY21. This funding will be used to help cover the cost of a Social Worker/Attendance Officer. There is some level of interest in the state legislature, to try to pass the Cupp-Patterson school funding plan mid-budget cycle. However, should such legislation be passed, the timing of and impact on funding are unknown.

*\*Note: In FY22, the district will likely start to see the impact of the increase in valuation from the Rover and NEXUS pipelines in the Foundation calculation, resulting in a reduction in state funding. This reduction will increase each year until approximately FY25, at which point the full impact of reduced state funding is realized. At this point in time, NO reduction has been included in this forecast, as it is impossible to estimate the amount of this impact until 1) valuation is known, and 2) future funding methodology is known.*

**Line 1.04 - Restricted Grants in Aid**

Restricted grants-in-aid include career tech weighted funding, special education catastrophic aid, and economically disadvantaged aid. Catastrophic aid in particular, tends to fluctuate from year to year, as it is based entirely on the number of and category of disability of special education students with severe disabilities that are being educated in any given year.

**Line 1.05 - Property Tax Allocation**

*Property Tax Allocations accounted for 3.6% of total General Fund Revenues in FY19.*

Property Tax Allocation includes Homestead & Rollback Taxes.

**Line 1.06 - All Other Revenues**

*All Other Revenue sources accounted for approximately 7.2% of GF revenues in FY19.*

All Other Revenue includes items such as tuition, open enrollment, interest, student fees, rent, contributions in lieu of taxes, other contributions, sale of assets and Medicaid reimbursement, etc. The single largest source of revenue included in this line item, accounting for nearly 49%, is tuition for open enrollment, followed by interest income at nearly 25%. Open Enrollment can change from year to year; therefore, FY20 open enrollment revenue has been conservatively forecast, and may need to be adjusted when actual enrollment is known.

**Line 2.05 - Advances In – 6,606.0%**

**Line 2.06 – All Other Financing Sources**

This line item includes amounts classified as refunds of prior year's expenditures, such as reimbursements and other receipts from the prior year received in the current year. Also included are return of advances made from the general fund, and FY20 reflects an estimated \$103,000 including advances made to food service and federal funds.

**EXPENDITURES:**

**Line 3.01 - Personal Services**

*Historically, salaries and wages account for a little more than half of total General Fund expenditures; the largest single category of the budget. Salaries/wages were 53.4% of general*

*fund expenditures, and benefits were 22% of general fund expenditures in FY19, and together are expected to account for about 73% of general fund expenditures in FY20.*

FY20 is the second year of three-year contracts with both the Evergreen Education Association (certified) and O.A.P.S.E. Local #528 (classified), which granted a 2.3% increases for the 2019-20 school year, and these increases have been factored into this forecast. FY20 through FY24 include the addition of several new positions added for the 2019-20 school year, including an Attendance/Social Worker, In-School/Online Education Teacher, and three new Special Education teachers. In addition, a part-time Curriculum Director position was increased to full-time. For FY20 and FY21, the salary for the Attendance/Social Worker position has been backed out of the forecast, and will be covered by Student Wellness & Success funding. Due to uncertainty of that funding beyond the current biennial budget, that cost is added back in FY22-FY24. The potential for several retirements is reflected in estimates for severance pay, as has the assumption that all retired positions will be replaced.

### **Line 3.02 - Employees Retirement/Insurance Benefits**

*Employee benefits including retirement, Medicare, Workers Compensation, medical, dental, vision, life insurances, and tuition reimbursement accounted for 22% of the General Fund budget in FY19, and are expected to account for approximately the same percentage in FY20.*

In the last negotiated agreement, the district moved away from the traditional percentage share of premium to an allocation for insurance benefits based on 130% of the cost of a HDHP for Family Plans, and 160% of the cost of a HDHP for Single Plan in each plan year. Medical insurance premiums will increase by 8% for CY2020, and dental and vision premiums will increase by 4%. However, under the new negotiated agreements, the Board's share of any increase to the allocation is capped so as not to exceed an approximate 2% increase per year. There are currently approximately 140 employees covered under the districts health insurance plans, approximately 68% of whom are taking the HDHP.

STRS, Medicare and Worker's Compensation are forecast at the rates currently in effect.

### **Line 3.03 - Purchased Services**

*In FY19, purchased services accounted for 17.3% of all general fund expenditures. The largest areas of expenditure within this category are for special education, tuition payments, and utilities. Purchased services are expected to account for approximately 17% of total expenditures in FY20.*

FY20 expenditures for purchased services are expected to be approximately 3% higher than FY19 expenditures. For this forecast, the FY20 initial cost estimate from the ESC for special education contracted services was used, which reflects a decrease from last years contracted costs. However, the actual amount spent may fluctuate, depending on the services needed, and will likely need to be adjusted in a later update. FY20 special education, community school and open enrollment tuition estimates are based on the most current foundation settlement, which still reflects FY19 enrollment data. The district entered into a new two-year Power4Schools agreement, effective 1/1/20, which is expected to reduce the cost of electricity. However, until actual results are known, electricity costs for FY20 have been flat-lined at FY19 actual

expenditures. Natural gas reflects a potential 8% increase due to predictions of a potentially colder than usual winter. A 3% to 4% inflationary factor was used to forecast most other purchased services.

### **Line 3.04 - Supplies and Materials**

*FY19 expenditures for supplies and materials were 4.2% of General Fund expenditures, and are expected to be approximately 3.8% in FY20.*

Over the past several years, the district has made a concerted effort to establish a curriculum replacement/update schedule, and purchased new science math, and social studies curriculum in FY17, FY18, and FY19 respectively. In FY20, new English/language arts curriculum was purchased, with total curriculum expenditures expected to be approximately \$180,000. The district was able to lock in a lower price for propane, and costs are expected to be close to last year due to the addition of two new propane buses to the fleet, bringing the total to eleven. Due to the potential for price volatility, diesel fuel has been conservatively forecast for FY20-FY24. A 3% inflationary factor was used to forecast most other material and supplies items.

### **Line 3.05 - Capital Outlay**

*Capital expenditures (equipment, computers, buses, etc.) accounted for just under 2% of general fund expenditures in FY19, but are expected to account for about 5% in FY20.*

Two new propane buses were purchased in August, 2019, and the forecast reflects plans to purchase two more diesel buses prior to the end of the fiscal year. FY21-FY24, include provisions for two buses to be funded each year, which will keep the district on a fifteen-year replacement cycle. The next largest area of expenditure is for technology. FY20 and future years reflects the ongoing implementation/replacement of the district's one-to-one Chromebook initiative. Chromebooks needed for the 2019-20 school year were purchased in early FY20, and the forecast also reflects plans to purchase Chromebooks needed for the 2020-21 school year, prior to the end of the fiscal year, which will result in a doubling of expenditures for FY20 only. A significant investment in new classroom and district office equipment was made in FY20.

### **Line 4.30 - Other Objects**

*In FY19, expenditures for Other Objects accounted for 1.3% of General Fund expenditures and are expected to be approximately the same for FY20.*

Other Objects includes expenditures for memberships, dues, annual audit fees, county auditor and state tax department fees, and liability insurance. Future year projections include a 5% inflationary factor.

### **Line 5.01 Operating Transfers-Out – 4,082.7%**

In FY19, the Board approved the establishment of three Capital Project Funds:

1. **Roof Replacement Capital Project Fund**, into which \$1,300,000 was initially transferred. The Board will transfer an amount not to exceed \$200,000 each year until it determines that a sufficient amount has been accumulated for the purpose of the fund.
2. **HVAC Improvement Capital Project Fund**, into which it \$200,000 was initially transferred. The Board will transfer an amount not to exceed \$200,000 each year until it determines that a sufficient amount has been accumulated for the purpose of the fund.
3. **Athletic Facilities Capital Project Fund** (specifically for locker room and weight room renovations), into which \$500,000 was initially transferred. The Board will transfer an amount not to exceed \$500,000 each year until it determines that a sufficient amount has been accumulated for the purpose of the fund.

Transfers totaling \$2,000,000 were made to the capital project funds in FY19, and once pipeline revenues are known, additional transfers will be made in FY20. Also included in FY20, is a potentially significant transfer to the Food Service Fund (\$45,000-\$50,000), and possibly a smaller, as yet-to-be determined transfer to the Athletic Fund.

**Line 5.02 Advances-Out – 4,339.1%**

**Line 5.04 – Total Other Financing Uses - 1,561.5%**

**Line 20.01 – Kindergarten Enrollment – OCT 2019: 91**

**Line 20.015 – Grades 1-12 Enrollment – OCT 2019: 1,047**

**CONCLUSION:**

The district ended FY19 having achieved a major accomplishment with the establishment of three Capital Project Funds to address long-term, high cost maintenance and facility needs that will need to be funded within the next ten (10) years. The Board was able to make a General Fund transfer \$2,000,000 to these special funds in FY19, with the expectation of making additional transfers each year as necessary to complete these projects. Although accurate revenue estimates will not be known until early December, PUPP revenue from the Rover and NEXUS pipelines, will help ensure that these projects will be fully funded as needed.

The district is fortunate in that it continues to carry a healthy fund balance, and certainly stands to benefit from future pipeline revenues. However, the increase in valuation due to the pipelines will likely result in a reduction in state funding, which at this point, is impossible to calculate. In addition, the pipeline revenue will decrease each year due to depreciation, and the large amounts of additional revenue to be received in the initial years, will steadily decline. A challenge facing the Board over the next number of years, will be navigating the dynamics of managing an initially large, but steadily diminishing windfall, determining how to manage existing tax levies, and planning for future revenue streams as this source declines, and eventually dries up.

While the Board is able to exercise some degree of control over certain revenues and expenditures, many factors are not within the district's ability to control and are very difficult to forecast with accuracy. With that reality in mind, it should be noted, that this forecast has been prepared as conservatively as reasonably possible.