

**Community Finance Committee
Meeting Notes October 20, 2009**

The meeting started off with introductions.

Review of Previous Meeting Notes

A question arose from one member: Will the decision by the Board not to move forward with the Capital Projects Levy impact cash flow for the General Fund? Answer: Cash flow for 2009-10 will be okay, however, if something is not in place by 2010-11 for 2011-12, there will likely be an issue with the declining Capital Projects Fund due to increasing needs that could impact General Fund.

The above answer assumes that Central Kitsap will receive Heavy Impact money that can assist with Capital Projects Fund funding.

Study Session

Scheduled for November 24th at 5:00 pm to address End of Year for 2008-09. Community Finance Committee members are encouraged to attend. Long-range budget projections and enrollment will also be reviewed.

Enrollment Projection

We are currently down approximately 185 Full Time Equivalent (FTE) students from budget.

There was discussion regarding Special Education students. David McVicker outlined how Special Education students are funded. These students are not funded beyond 12.7% of total enrollment. One member asked whether or not the Department of Defense provided money. The Department of Defense provided approximately \$174,000 for 2008-09, out of an \$18.0 million budget.

Levy

Information regarding the School Support Levy was provided. The increase to School Support Levy for the first year is \$2.2 million. Only \$1.1 million will be available for the 2010-11 school year as collection in April 2011 is for half of the taxes.

Members felt that the statement around an increase of \$7.15/month conflicts with the “replacement levy” theme and that the message is not as clear as could be regarding the increase of this levy. Annual increases have been included in all past levies since 1997.

Long-Range Budget

The 2009-10 budget leaves us with a shortfall of \$600,000. 2011-12 is an issue due to ARRA money being eliminated and the fact that there is no longer any I-728 funding.

One member asked what the impact of I-1033 would be on a school district? The initiative takes away flexibility but the real impact is currently unknown.

One member asked if a program is eliminated from the state, wouldn't the District reduce those items (such as I-728)? Not necessarily, some items that were paid for out of I-728 are obligated. Central Kitsap chose to continue to pay for interventions and class size.

Present:
Randy Biegenwald
Steven Cook
Tess Danubio
Terry Fischer
Shannon Frith
Mark Gaines
Patrick Higgins
Greg Hunt
Monica Hunsaker
W. Greg Johnson
Kari Ladd
Traci Leslie
Greg Lynch
David McVicker
Wes Moore
Jon Pearson
Timothy Polsin
Roy Rainey
Bob Ramsay
Roxann Stewart
Chris Stokke
Francis Tam
Michael Thomas
Clarke Whitney

Not Present:
Michael Allen
Shannon Frith
Anne Lunden

Finance Committee Future Plans

- Back-Up Plan (no School Support Levy)
- Increased State Deficit
- Capital Projects Funding Options: one member asked what is the timeline? The committee feels that a timeline needs to be established in order to move forward. Bob Ramsay, also a member of the CK Kids Matter group, stated that it took the committee 6-8 months to gather information and the Board needs to make a decision soon in order to provide adequate time for the committee to research and put together information. If the district goes beyond February 2011, taxpayers will see a dip in their taxes because the 1992 Bond will be paid off. One member felt that since the Board was at such a close vote that the Community Finance Committee could review and re-send their recommendation to the Board. The Capital Projects Levy will be reviewed during the November 10th School Board Meeting.

March – May

- Budget 2010-11 (2011-12 and 2012-13)
- Back up plan for School Support Levy – February 9th
- Capital Projects – April

Failing the School Support Levy needs to be discussed as soon as possible. One member says that the discussion of School Support Levy items is required.

It was suggested that November 17th be a joint meeting between the Community Finance Committee and the Facilities Infrastructure Review Committee to discuss Capital Projects and the result of the November 10th School Board Meeting. The committee agreed.

One member felt that the dismissal on the strategic long-range plan was too quick. A long-range strategic plan would feed some of the other items for review.

The committee would like to review what items are funded and by each area: Levy, Local Effort Assistance (LEA), Impact Aid and Heavy Impact Aid.

Next Meeting

The next meeting will be held on **Tuesday, November 3rd** at 5:00 pm in the Jenne-Wright Board Room. The agenda will include beginning to develop a back-up plan for the School Support Levy.

The **Tuesday, November 17th** meeting will be a joint CFC and Facilities Meeting at 5:00 pm in the **Maintenance Training Room** (located next to Silverdale Elementary at 9102 Dickey Road NW) to review the Board's discussion and review of the Capital Projects Levy and to determine tasks and timelines for both groups.