

## **BOARD MEETING MINUTES**

August 23, 2022

### **Call to Order**

President Rivera called the Regular Board Meeting of the Shoreline Board of Directors to order in the Board Room of the Administrative Offices at the Shoreline Center at 6:00 p.m. on August 23, 2022. This meeting was also available to the community via Zoom.

### **Roll Call**

Rebeca Rivera, President; Sara Betnel, Member; Sarah Cohen, Member; and Meghan Jernigan, Member.

Absent: Emily Williams, Vice President.

### **Land Acknowledgement**

President Rivera took a moment “to collectively recognize that we are meeting this evening on the traditional lands of the Coast Salish people and here in Shoreline, that includes our local tribes, the Tulalip and the Snoqualmie Tribes, who have been stewards of this land since time immemorial.”

### **Celebrations, Recognitions, Introductions and Gratitude**

None

### **Agenda Review**

No changes

### **Comments from the Community**

None

### **Approval of Minutes**

The minutes of the June 7 and June 21 Regular Board Meetings and June 29 Special Board Meeting had been submitted to the Board for review and approval.

MOTION NO. 65: Director Betnel moved that the Board approve the minutes of the May 24 Regular Board Meeting and June 14 Study Session as submitted. The motion was seconded by Director Jernigan and carried unanimously.

### **Adoption of Consent Agenda**

President Rivera announced that the Board had an opportunity to ask questions on the consent agenda and have them answered prior to this meeting. The following consent agenda was presented for adoption:

- a. Approval of K-12 Comprehensive School Counseling Plan
- b. Award of Contract – Dairy Products
- c. District-wide Safety and Security Systems Project – Elementary Vestibule, Phase 2 – Approval of Final Acceptance
- d. Approval of Extended Field Trips
- e. Approval of Personnel
  - 1) Certificated
  - 2) Classified
  - 3) Administrative
- f. Approval of Payroll and Vouchers

MOTION NO. 66: Director Cohen moved that the Board adopt the consent agenda, items 7a through 7f, which is attached hereto and becomes a part hereof. The motion was seconded by Director Jernigan and carried unanimously.

As of August 23, 2022, the Board, by a unanimous vote, approved for payment, those vouchers described as follows: Payroll Warrants #447879-447906 and Electronic Transfers totaling \$13,312,265.30; Reconciliation of Warrants Issued Between July 8 and July 29, 2022 – General Fund Warrants #96426-96453, 96476-96479, 212201216-212201241, 96482-96540, 212201250, 96560-96611, 96620-96624, 212201252-212201253, and 96626-96635, totaling \$816,020.34; Capital Projects Fund Warrants #96454-96455, 96541-96543, 96612-96614, and 96636-96638, totaling \$626,516.80; Student Body Fund Warrants #96456-96474, 96480-96481, 212201242-212201249, 96544-96559, 212201251, 96615-96619, 96625, 212201254, and 96639-96640, totaling \$78,489.89; and Private Purpose Trust Fund #70 Warrant #96475 in the amount of \$200.00; for a grand total of \$14,833,492.33.

### **Reports and Presentations**

None

### **Board Requested Discussion and Future Topics**

President Rivera proposed an option for the Board to have a day-long board retreat with our student representatives in lieu of attending the WSSDA conference. Because of budget limitations this year, the Board will not be attending the WSSDA conference in November. “The WSSDA conference is a time for us to learn best practices, gain new skills, and talk with and learn from other school board directors across the state. Instead I am proposing we hold one of the days of the WSSDA conference, potentially the Friday of that week, and spend the day building community, shared agreements, vision, and practices between our board, superintendent, and student representatives.” She asked for thoughts from her fellow board members.

The Board discussed the WSSDA conference in terms of researching scholarship options that may be available, student representatives attending, and being mindful of board members who may choose to attend the conference at their own expense. It was agreed that more discussion would take place at the next regular meeting; a decision about the timing of the retreat could be made as November approaches.

### **Action Items**

#### **Public Hearing and Adoption of Resolution 2022-9, Adoption of 2022-2023 Budget**

*Presenters:*

*Jennifer A. Farmer, Assistant Superintendent*

*Mark Spangenberg, Director of Finance and Business Services*

Ms. Farmer began with a review of the budget cycle, which is a continuous cycle. Typically, much of the budget work for the following year in terms of early budget parameters and any needed reductions takes place in the winter/spring portion of the cycle. However, due to the magnitude of what’s ahead of us budgetarily, that process will begin sooner. Staff want to hear from the Board, our community, our directors and our principals regarding budget priorities.

The development of the budget each year includes the leadership team, the Business Office, departments and schools and Human Resources. There are five funds of school budgeting: General Fund (most of the time in this presentation would be spent on this fund), Capital Projects Fund, Associated Student Body Fund, Transportation Vehicle Fund and Debt Service Fund.

OSPI uses the Prototypical School Funding Model to allocate resources to school districts. District funds were increased this year by state generated implicit price deflator (IPD) increases and other legislative measures, but reduced by 2% for the regionalization step-down and reduced enrollment projects. With the support of the community, levy funds allow the District to enhance educational programs and supports. Levy funds are also dependent on enrollment, growth rate and assessed value. Enrichment levies are capped at \$2.50 per \$1,000 of assessed valuation on a property, or \$2,782.70 (formerly was \$2,500, has been adjusted for inflation) per student, whichever is less.

Ms. Farmer provided budget comparisons (to 2021-22) for revenues and expenditures.

<b>Revenues/Other Sources</b>	<b>2021-2022</b>	<b>2022-2023</b>
Local Taxes	\$25,121,815	\$25,987,163
Local Nontax Support	\$6,536,034	\$6,969,015
State General Purpose	\$90,906,397	\$93,559,801
State Special Purpose	\$21,397,375	\$22,195,627
Federal General Purpose	\$2,659	\$2,659
Federal Special Purpose	\$11,343,720	\$7,213,735
Other Financing Sources	\$1,539,000	\$2,619,000
<b>Total Revenues</b>	<b>\$156,847,000</b>	<b>\$158,547,000</b>

<b>Expenditures</b>	<b>2021-2022</b>	<b>2022-2023</b>
Certificated Salaries	\$76,670,856	\$77,822,203
Classified Salaries	\$29,781,719	\$31,968,332
Employee Benefits	\$38,590,159	\$39,207,106
Supplies and Materials	\$6,757,975	\$6,861,808
Purchased Services	\$14,750,802	\$12,916,212
Travel	\$136,650	\$125,500
Capital Outlay	\$351,839	\$131,839
<b>Total Expenditures</b>	<b>\$167,040,000</b>	<b>\$169,033,000</b>

Fund balance is an important indicator of a district’s financial health and is a key factor in a bond rating, affecting the interest rate our community pays on borrowed funds for capital projects. It also allows flexibility for unforeseen conditions or mitigation of reductions once the budget cycle begins. It can help offset unexpected declines in funding or enrollment and it ensures continuity of operations in an emergency, e.g. mitigates any delays/changes in state funding. Policy 7130 stipulates that the District’s fund balance target should be 4-5% of budgeted expenditures. For the proposed budget, that should be \$6.7-8.4 million. The budget is a plan; expenditures in the budget are based on averages and known assumptions at the budget stage. It should be noted that ESSER-infused dollars skewed trends and history during the pandemic.

Ms. Farmer again provided five-year budget history/comparison for the Board’s review. The data below depicts budgeted information, not final actual expenditures.

	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>
Budget Revenue	123,124,171	150,525,591	157,231,588	154,952,663	156,847,000
Budget Expenditures	125,610,994	142,624,248	163,002,681	160,411,940	167,040,000
Net Difference	(2,476,823)	7,901,343	(5,771,093)	(5,459,277)	(10,192,999)
Levy	26,000,000	19,374,568	23,500,000	25,032,669	25,603,594
Total FTE	9,583	9,781	9,595	9,456	9,197
Cert Staff	607	630	667	641	627
Class Staff	403	417	427	377	409
Teaching	72,648,224	82,871,058	96,878,162	98,796,798	99,583,193

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	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Teaching Support	17,886,703	21,745,639	25,828,654	23,951,360	25,323,778
Mandatory Benefits	30,291,600	33,201,579	39,338,102	39,445,955	38,590,159
Ending Fund Balance	14,596,245	15,555,201	11,470,469	14,086,568	Est 11,525,707

The budget situation is a multi-year challenge. A fund balance this narrow is a very difficult target to hit accurately, given assumptions will change as the year progresses, e.g. enrollment, 2021-2022 ending fund balance, utilities/fuel/insurance and general expenditures. The process will need to commence immediately for budget reductions, likely to be in the range of several million dollars, over the course of the 2022-2023, 2023-2024 fiscal years and beyond.

An itemized list of reductions to the General Fund expenditure plan to date was shared with the Board.

Item	Note	Amount
Remove contingency budgets	Limits flexibility to respond to issues	\$315,000
Tech levy/bond staffing support and software alignment	Appropriate alignment of staff effort and support software to levy/bond	\$1,000,000
Motor Pool	Reduces to zero, no vehicle purchases from General Fund	\$50,000
Curriculum Adoption/Sustaining	Downsizing/shifting to minimize impacts	\$130,000
CTE support of secondary	Increased	\$110,000
North City vacated	Before and after care provided by the YMCA will be at Parkwood, Echo Lake, Lake Forest Park	\$70,000
Position Control	Reductions to staffing through vacancies, strategic hiring freeze	\$100,000 and ongoing
Revenue adjustments	Safety Net planning, food and nutrition reimbursement rate not known until July	\$700,000
<b>TOTAL</b>		<b>\$2,475,000</b>

The budget adoption resolution includes a waiver from the 4-5% ending fund balance required by Board Policy 7130. This is required now and very likely will be necessary next fiscal year as well.

General Fund Recommended Budget for 2022-2023

- Beginning Fund Balance, estimated \$11,526,000
- Plus Revenues \$158,547,000
- Minus Expenditures \$169,033,000
- Ending Fund Balance, estimated \$1,040,000

Capital Projects Fund Recommended Budget for 2022-2023

- Beginning Fund Balance, estimated \$49,566,000
- Plus Revenues 4,071,000
- Minus Expenditures \$24,865,000
- Transfers to General Fund: \$2,619,000
- Ending Fund Balance, estimated \$26,153,000

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Debt Service Fund Recommended Budget for 2022-2023

- Beginning Fund Balance, estimated \$13,318,000
- Plus Revenues \$34,084,000
- Minus Expenditures \$32,912,000
- Ending Fund Balance, estimated \$14,490,000

The Debt Service Fund is strictly for the payment of principal, interest, and expenditures related to the redemption of outstanding bonds.

Associated Student Body Fund Recommended Budget for 2022-2023

- Beginning Fund Balance, estimated \$1,060,000
- Plus Revenues \$2,588,000
- Minus Expenditures \$2,587,000
- Ending Fund Balance, estimated \$1,061,000

Transportation Vehicle Fund Recommended Budget for 2022-2023

- Beginning Fund Balance, estimated \$1,315,000
- Plus Revenues \$738,000
- Minus Expenditures \$2,000,000
- Ending Fund Balance, estimated \$53,000

Additionally, four-year revenue, expenditure and enrollment projections were provided for all five funds as well as a list of anticipated capital projects.

The fee schedule is also included in this year’s budget. Most fees remained the same with the exceptions noted in the chart below. School lunch returns to fully paid unless a student’s family qualifies for free or reduced price meals. Meal price adjustments are due to the following:

- Increased food costs
- Increased costs for food to be delivered to the District
- Increased labor costs
- Maintenance of paid-lunch equity required by the U.S. Dept. of Agriculture

<b>Fee</b>	<b>Amount</b>	<b>Note</b>
Support staff for facility rentals	\$4-\$15 per hour	Staff wage increases
Elementary breakfast	\$.10	
Elementary lunch	\$.25	
Middle school breakfast	\$.15	
Middle school lunch	\$.30	
High school breakfast	\$.20	
High school lunch	\$.30	
Adult breakfast	\$.10	
Adult lunch	\$.70	
Various a la carte food items	\$.25-\$.75	
Middle school yearbooks	\$5.00	Additional pages
Pool, gymnastics, golf	\$100	Facility rental costs for activity
High school parking	\$10 reduction	Fee reduced by 50%
Print Shop labor costs	\$.73 per quarter hour	Staff wage increases

Priorities for 2022-2023 include: closely monitor enrollment, closely monitor all expenditures, seek and implement additional budget reductions, continue to monitor and support pandemic recovery and celebrate our students and their successes!

**President Rivera opened the public hearing.** *“RCW 28A.505.170 specifies that the school district board of directors shall first hold a public hearing prior to the adoption of the budget for the ensuing school year. I will now open the public hearing. So that everyone who is interested in addressing the Board has a chance to be heard and so that all community comments have equal time, each person will be allowed two minutes to speak and the Board would ask that you conclude your comments at that time. To monitor your time, please see the light indicators on the table or in a separate zoom window. The lights are green, yellow, and red. When the color turns red, you are out of time. The yellow light indicates when you are almost out of time. When you see the yellow light please make your concluding remarks. As a reminder the Board does not respond to public comments and your two-minute comment does become part of the public record. At this time are there any persons present who would like to speak for or against the recommended 2022-2023 F-195 Proposed Budgets including the General Fund, Capital Projects Fund, Debt Service Fund, Associated Student Body Fund and Transportation Vehicle Fund?” (No one came forward in the room or over Zoom.) “Seeing that no one has come forward to comment on the Proposed 2022-2023 Budgets, this public hearing is now closed.”*

**Superintendent Reyes stated the following:** *“I recommend Board adoption of Resolution 2022-9, Adoption of the 2022-2023 Budget, which authorizes the Secretary of the Board of Directors to certify the appropriated expenditure amounts, authorize interfund transfers, certify the collection of excess levies for the 2023 tax year, and authorize the 2022-2023 fee schedule, as presented. A draft of the resolution was provided in the electronic Board packets and previously made available to the public on the District’s website. Do any members of the Board have any questions or comments?” (There were none.)*

**Board President Rivera then stated:**

*“In accordance with the statutes of the State of Washington, it is recommended that the Board adopt the 2022-2023 proposed budgets as outlined in Resolution 2022-9 for the period of September 1, 2022 through August 31, 2023. Is there a motion?”*

MOTION NO. 67: Director Cohen moved that the Board adopt the 2022-2023 proposed budgets as outlined in Resolution 2022-9 for the period of September 1, 2022 through August 31, 2023. The motion was seconded by Director Jernigan. President Rivera asked if there was any further discussion. There was none. The motion carried unanimously.

### **Reports and Communications – Board Members, Superintendent**

Director Betnel announced that the WSSDA General Assembly would be taking place on September 30 and October 1 and it would be entirely virtual. All board members across the state are welcome and encouraged to attend. Each school board is given one voting credential that can be used in supporting or opposing new proposals and positions. A prioritization process will follow the General Assembly. President Rivera and the rest of the board members confirmed that Director Betnel would be voting on their behalf. Director Betnel requested that board members share with her if they had any oppositions or questions. This will allow her to go into the General Assembly with clear affirmations. Director Jernigan asked if school boards typically discuss these issues in a study session format or possibly a regular board meeting. Director Betnel stated she would be happy to share information in that manner. The deadline for sharing information would be September 30. Superintendent Reyes reminded the Board that the assigned item for the September 6 regular meeting (listed on the back of this meeting’s agenda) was “legislative priorities”.

President Rivera expressed her enthusiasm for the start of school. She was able to attend her daughter’s swim team meeting at Shorecrest and was moved by the excitement of the students and the coaches for the upcoming year.

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Superintendent Reyes thanked the community for the two farmers’ markets (Shoreline and LFP) and the Celebrate Shoreline events that were held over the weekend. There had also been a number of kindergarten camps and academies during the past week.

**Executive Session**

None

Adjournment: 6:53 p.m.

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Dr. Rebeca Rivera, School Board President

Attest: November 1, 2022

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Dr. Susana Reyes, Secretary  
Shoreline Board of Directors

**All documents referenced in the minutes may be viewed in the Superintendent’s Office during normal business hours.**