

SPECIAL BOARD MEETING  
JUNE 15, 2010  
DISTRICT ADMINISTRATION OFFICE

TRUSTEES PRESENT: Trustee Rodney, Trustee Reynolds, Trustee Murray, Chairman Alexander (arrived 7:08 p.m.)

OTHERS PRESENT: Tim McMurtrey, James Gilbert, Cliff Ogborn, Sharon Whitman, Connie Donahue, Nikki Crusier

A special budget hearing of the Board of Trustees of Mountain Home School District No. 193 was convened at 7:00 p.m. on June 15, 2010, at the District Administration Office, 470 North 3<sup>rd</sup> East, Mountain Home, Idaho, in said district, pursuant to authority provided by Section 33-510 and 67-2340 through 67-2347 Idaho Code, and pursuant to affirmation by the Clerk that notice of the special meeting had been given to each trustee and had been announced by written and posted public notice as required by law. A copy of the Notice of a Special Meeting of School Trustees so posted follows:

NOTICE OF BUDGET HEARING  
MOUNTAIN HOME SCHOOL DISTRICT  
ELMORE COUNTY, IDAHO

NOTICE IS HEREBY GIVEN, that a special meeting of the Board of Trustees of Mountain Home School District No. 193, Elmore County, Idaho, will be held on June 15, 2010, at 7:00 p.m., at the District Administration Office, located at 470 North 3<sup>rd</sup> East, in Mountain Home, at which meeting there shall be a public hearing on the proposed budget for the forthcoming school year.

A copy of the proposed budget, as determined by the Board of Trustees, is available for public inspection at the District Administration Office, 470 North 3<sup>rd</sup> East, Mountain Home, Idaho, between the hours of 8:00 a.m. to 5:00 p.m., Monday thru Thursday, and 8:00 a.m. to 4:00 p.m., Friday, from the date of this notice until the date of the hearing.

This budget hearing is called pursuant to Sections 33-510, 33-801, 33-801A, and 67-2340 through 67-2347, Idaho Code as amended.

Dated the 28<sup>th</sup> day of May 2010.

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Sharon M. Whitman  
Clerk, Board of Trustees

At 7:00 p.m., Trustee Rodney convened the special meeting of the Board of Trustees and stated that the purpose of the budget hearing was to allow an opportunity for the Board to receive public testimony from interested patrons. He asked Mr. Ogborn to present the budget for FY 2010-11.

Mr. Ogborn presented the proposed budget for 2010-2011 school year. He stated the General M&O Fund begins with a deficit of \$950,000. We are projecting a decrease in state and federal revenue, so our total revenue dropped over \$1,100,000 from last year. Salaries are down from \$14,155,600 to \$13,275,000. Benefits, Materials & Supplies, and Capital have all been reduced from last year. He also said the Insurance & Judgments are down and the Transfers In is up. Mr. Ogborn explained the reason the Transfers Out are up is that we need to transfer funds from General Funds over to the Technology account to cover technology. He said the Transfers In is up in the revenue side is because we are transferring funds from the Federal Forest Fund into the General Fund to offset salaries and benefits. This leaves us with a Zero (0) fund balance at the beginning of the next school year.

Mr. Ogborn also reported the All Other Funds are about the same as last year with a small decrease in Federal Revenue. The Transfers In of the \$126,150 in revenue equals the Transfer Out in expenditures from the General Funds. He said a

decrease in salaries and benefits from the All Other Funds leaves us with an ending balance in the Total All Funds of \$1,738,850. Total of all funds have a -9.1% decrease from FY2010.

Mr. Ogborn said the Supplemental Levy saved us. He said the patrons were kind, caring, and compassionate, and very giving this year. Mr. Ogborn said the Plant Facility Election is coming up in May 2011 and the county will run that election with the Primary, so the vested interest won't be there. He doesn't see us going back in 2012 and asking for an extension. He would like the district to wean itself off the supplemental levy.

Mr. McMurtrey said we haven't upgraded technology for over two years, our textbooks are literally falling apart, and we don't have the money to buy textbooks or technology. Trustee Rodney asked about how much it costs to purchase textbooks and keep technology up-to-date. Mr. Ogborn replied it averages about \$250,000 for technology and about \$400,000 for textbooks. He said we are already behind the curve and we will be another two years behind the curve. Trustee Reynolds asked if it's possible to purchase other school districts' old textbooks or textbooks they are getting rid of. Mr. McMurtrey replied that's a good idea and he will check into it. Chairman Alexander stated that chances are good the books that are for sale are probably very outdated.

Mr. Ogborn also said he was concerned about the 5% holdback that is still being brought up by the state legislature, so that might be a concern in the future.

Discussion continued regarding technology and how it is the wave of the future, textbooks, additional 5% holdback, etc. Mr. McMurtrey stated that our district doesn't have the money for technology. Chairman Alexander stated that he didn't know if we could crawl out of this without the state coming up with a solution to this. He said the state is going to have to come up with something different from what they are doing right now. Chairman Alexander said what he has heard is that legislature doesn't plan on raising or even rearranging taxes. He said M & O taken off property tax was popular with the voters, but it wouldn't be popular to reinstate it, and the state could do something innovative with personal income tax. This situation won't take care of itself.

Mr. Ogborn said the district has done a very good job of positioning ourselves with the reduction in salaries and the reduction in days, etc. He thinks that was instrumental in passing the levy at 72% and he also thinks it's instrumental in keeping our expenses down for a couple of years, but as we start getting funding, we need to give that back to the cuts made, but only to the extent that we have a sustainable revenue source.

Chairman Alexander said we've been talking about General Funds; we haven't even begun to discuss the Plant Facility or Federal Forest Funds. He said if the Plant Facility doesn't pass, we may have to live with buildings falling apart, textbooks falling apart, and out-of-date technology. Trustee Murray said we need to make sure people know that the Plant Facility is not a new tax and that property taxes aren't going up, but it's how property taxes are allocated. Chairman Alexander said there's a small group of people who do not understand how that works.

Trustee Murray stated that hypothetically what if we take the money from the three properties, if we get any at all, and invest it in something else such as buying property here and renting it out or investing in something else. Mr. Ogborn responded that he feels that if one sells their assets and then puts that money into operations, one then no longer has it as an asset. If one takes that asset and then replace it with an asset (upgraded equipment, purchase a better piece of property, or purchase something that is usable in the future then one maintain their asset base. Mr. Ogborn suggested that maybe we take what money we get from selling the three parcels of land and purchase textbooks and technology. Trustee Murray said the only way we can get away from levy's and state funding is to create our own. Chairman Alexander said we don't want to compete with other businesses in town. Discussion began about the Meridian building and the renters of the building. Chairman Alexander also said that we have to invest with the State Investment Fund and every time we try to leave the fund, some lawyer tells us we can't leave and makes us stay.

Chairman Alexander and Trustee Murray then asked for any public input. There were no patrons in attendance other than a few principals, therefore there being no public input at the budget hearing, the budget hearing concluded.

A motion from Trustee Murray to adjourn was seconded by Trustee Reynolds. Motion approved. Budget Hearing was adjourned at 7:27 p.m..

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Chairman Alexander

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Clerk Whitman