

LEVY DEVELOPMENT COMMITTEE MEETING  
Final Minutes: April 1, 2009

**ATTENDANCE**

In attendance: Seth Adams, Josh Almy, John Baringer, Maryann Bellavia, Terri-Ann Betancourt, Matt Bott, Susan Cohodes, Trina Davis, Tina Dunne, Paul Dutton, Kate Emerson, John Gorow, Wayne Hamasaki, Jane Harris, Jon Hegstrom, Holly Hollinger, Tania Issa, Doug Jones, Yuni Kim, Sharon Klein, Janine Kotan, Susan Lammers, Tola Marts, Maureen McCarry, Jeff McGowen, Anne Moore, Kimberly Montague, Rick Moulton, Jody Mull, Kelly Munn, Deborah Parsons, Floyd Rogers, Pat Sansing, Duane Silvestri, John Somers, Carol Stamper, Leigh Stokes, Drew Terry, Dean VanDyke, Dawn Wallace, Connie F. Wan, Antonnette Wood. Absent from meeting: Tera Coyle, Bernie Gibson.

**WELCOME AND INTRODUCTIONS**

Ron Thiele and Dr. Steve Rasmussen welcomed the committee members and thanked them for coming out. Both expressed appreciation for the work committee members would be doing. Each explained that developing the 2010 levy is critically important work because of the state's \$9 billion shortfall. Dr. Rasmussen also explained that levies are now only presented every four years. Levies used to be presented every year.

Ron Thiele introduced the Technical Team: Ron Thiele - Associate Superintendent, Jake Kuper - Chief of Finance and Operations, Steve Crawford - Director of Capital Projects, Sara Niegowski – Director of Communications, Jo Porter – Director of Transportation, Colleen Dixon – Director of Educational Technology and Claudia Hunter – Administrative Support. Claudia Hunter will distribute copies of minutes for approval at each meeting. The committee is made up of 45 people representing 24 of the 25 schools (Echo Glen not included because they are 100% State funded), ISD administrative representatives from each level and each region of the district, community members, staff representatives, local business and government representatives.

Committee members then introduced themselves. Members were reminded to sign in for each meeting. Mr. Thiele explained that the Technical team has designed a streamlined process for developing the 2010 levy package, and the Levy Development Committee is a critical element for including the community's voice.

**CHARTER REVIEW AND TIME-LINE**

All committee members were given notebooks which include documents they will need along with a Guide to Understanding the ISD 2008-2009 Budget. The Levy Development Committee Charter (authorized by the Superintendent) was then reviewed which is available on the web page and also included in the binders that have been provided to each committee member.

It was communicated to the committee that after the package is approved by the School Board, a committee at the Issaquah School District will be organized over the summer so the Levy is ready to be introduced to the public in the fall.

**OPERATING NORMS**

Mr. Thiele discussed the Parameters reiterating the current economic climate and noting that each levy package will include funding essential to: Ensure the ISD has all the resources possible to meet its

mission and Ends student learning goals and safely and efficiently maintain facilities and property according to State and District use standards and schedules.

Roles and Responsibilities were also reviewed.

### **TAX INFORMATION**

The Committee will be given information to learn the basics of school finance. The District has determined that the timing is not right to run a bond in this economic climate. We also have unfinished and ongoing projects at Issaquah High School, Skyline High School, a new elementary on the Plateau, and expansion and modernization projects at Briarwood Elementary, Maywood Middle School, and Liberty High ., . Tentatively a bond package will be presented in 2012. This committee will only be developing a levy package, which will actually appear as three separate measures on the ballot.

Considering the recent announcement from the State House and Senate, the District's ability to raise local dollars that we have always counted is more critical than ever. Mr. Thiele communicated that this Levy proposal maintains key things – not luxury items. Facilities need to be maintained and safe transportation must be provided in an environmentally friendly system. It is important to commit to pursue the interests of all students and the greater good of the entire system in this district which encompasses 110 square miles and over 16,000 students.

Mr. Thiele went on to explain that updated communications will be available on the Web page, via ENews and a notebook will be available for the public to access. The public is invited to observe meetings and may contribute by filling out comment cards or sending emails.

Mr. Thiele also stated that one of most important parameters of this levy package is to not exceed the combined tax rate from the previous bond and levy. In 2006 a tax rate of \$3.97 per \$1000 of assessed value was established as a promised rate. It would be difficult to have the superintendent support or have the board accept an increase in that rate.

### **ACTION: VOTING PARAMETERS**

It was communicated to the committee that the process of developing this package will require discussion about individual items that should be included or not included in the levy. This will require discussion, input and a vote. The Committee will also need to vote on the 3 levy package as a whole.

The Committee broke out into table groups to discuss appropriate voting parameters.

After input from representatives of the table groups, the voting procedures recommended were:

- (1) 75% would be required to pass a vote. A show of hands in favor of this was unanimous.
- (2) For the final package vote, Committee members are required to have attended at least 2 of the 3 meetings or 3 of the 4 meetings to be eligible to vote. A show of hands in favor of this was unanimous.

### **SCHOOL FINANCE OVERVIEW**

The committee reviewed the Levy Overview document (refer to notebook) which outlines the recommendation of a three-levy package: Maintenance and Operations (replacement of current M&O Levy) School Bus Levy and Capital Levy. The focus tonight is on the M & O and Transportation Levies.

Jake Kuper presented his Public School Finance 101 overview utilizing the ISD “Guide to Understanding the 2008-2009 Budget” as a reference. (Refer to the notebook and district website). The goal of this discussion is to identify the 2 different types of school funding:

1. M & O Levy (a replacement levy). It is the only type of funding that can go directly to the operating budget of the district.
2. Categorical Levies and Bonds can only be used for specific items and cannot be used for operating costs like staffing. Examples would be Construction Bonds, a Capital levy or Transportation Levy.

Mr. Kuper noted that the general fund budget reductions all over will be impacted by state reductions. Mr. Kuper shared that state funding is the largest portion of ISD revenue (Refer to Fiscal Year 2008-2009 pie chart in PPT Presentation).

Levy capacity issues were discussed by the committee. The statutory cap of levy lid was explained (24.97% of prior year state and federal revenue).

Enrollment growth was discussed and the district noted that student growth is projected to be static.

Mr. Kuper’s presentation continued regarding district finances.

#### **MAINTENANCE AND OPERATIONS LEVY**

Mr. Kuper presented the context of the M&O Levy. It is the only local tax that can support the general fund (including classroom, basic education support, classified and teacher’s salaries, utilities). This type of levy is no longer a supplement to state funding. It is now fundamental to the operating budget. Levies have become the most important contribution a community can make for education. It was also noted that running a levy every 4 years instead of every 2 years provides stability, saves cost of elections and provides consistency of tax rate.

Please refer to the Maintenance and Operations Levy page provided in your notebook for details about this levy. The committee will not be asked to take action on this levy as a single measure because of the complexity of the financial calculations. This will be voted on as a part of the whole package.

The committee’s objective should be to not exceed the total combined tax rate \$3.97/1000 rate.

#### **TRANSPORTATION LEVY**

Mr. Kuper explained that ISD buses have driven 1.3 million miles this year and over ½ of all ISD students ride the bus daily. We have 150 buses and are one of the largest transportation systems in the area.

The School Bus Levy – this only allows only for the purchase of school buses.

The purchase plan was explained. The State reimburses ISD on straight line depreciation over an 8-12 year period. The plan would be to ask for \$1,700,000 in levy money to maximize the state reimbursement funds of \$3,347,000. This would generate a tax rate of \$.07/1000 of assessed value for calendar year 2011.

Jo Porter communicated that 2009 is the first year that all busses are on the state depreciation schedule. The District has been modernizing buses with new engines and in 2010 or after, Hybrid buses may be added to the fleet.

Mr. Kuper explained that the purchase of these buses will maintain the level of service and the relative fleet size. He reminded people that it would be necessary to use operational funding for drivers, fuel, tires, etc.

**Information Requested: Jo Porter will bring in comparative bus data**

**Requested Action for Next Meeting: Approve the proposed Bus levy for \$1,700,000 which is estimated to generate a tax rate of \$.07/1000 of assessed valuation for 2011**

**NEXT STEPS and CLOSURE**

Mr. Thiele concluded by stating that the Technical Team has given the committee a spring board, which will give the committee an opportunity to have conversation about tonight's materials. Mr. Thiele said the next meeting will begin with a quick review of tonight's materials, gather input and then ask for a vote. A reminder that information will be on the website and the committee remains open to input and ideas.

Ron invited committee members to call or email the Technical Team if they have questions. Phone numbers and email addresses are available on the district website directory.

The next meeting will be on April 15<sup>th</sup> at 6:00.

Meeting Adjourned: 8:35 PM.