

Marion Soil and Water Conservation District
Budget Committee Meeting

Locations: Marion SWCD Conference Room & Individual Room(s)/Locations
338 Hawthorne Ave NE - Salem, OR 97301 (District Address)
Date: May 21, 2020
Time: 6:30 PM to 8:42 PM

Video Conference via Zoom (Recorded). Audio recording also via Chat. (Prompted by COVID-19)

ATTENDANCE:

SWCD DIRECTORS PRESENT	CITIZEN COMMITTEE MEMBERS PRESENT	STAFF
Scott Walker	Kenneth Palke	Jane Keppinger, DM/Budget Officer
Doug Krahrmer	Brent Stevenson	
Tim Bielenberg	Karen Garst	
Rochelle Koch	Sarah Bishop	
Terry Hsu	Tim Johnson	
Darin Olson	Bob Dettwyler	
	Ralph Fisher	
SWCD DIRECTORS ABSENT	PUBLIC	
None	Dave Budeau	

Called to order: Previous Chair, Stevenson called the Budget Committee meeting to order at 6:30 PM.

Roll call was taken. (Walker reminded everyone earlier they were being recorded, and if Chat were used a second audio only recording would be made). It was noted by Keppinger, that in addition to herself, all thirteen Committee members were present.

Elect Officer (Chair):

Previous Chair, Stevenson opened the floor for chair nominations.

Action:

Krahrmer motioned to re-elect Brent Stevenson as the Budget Committee Chair. Motion 2nd by Koch.

Discussion: Olson asked Stevenson if he wished to accept the nomination. Stevenson said he would,

Motion Passed: Unanimous vote.

Chair Stevenson asked Keppinger, if the **previous year's Budget Committee minutes** required approval? She responded no, and that copies had been provided so that the new members might familiarize themselves with the process.

Role of Budget Committee

Keppinger advised that the role of the Committee was for everyone to listen to the budget message which she would be presenting, to hold a discussion about the proposed budget, and if they were comfortable with what was proposed - to pass it. She ended by saying, in case no decision is made this evening, two additional meeting dates have been scheduled for next week. That is about it. Hopefully, we can get through the budget proposals and deliberations, see what prevails, and everyone be comfortable with what is proposed.

Receive the Budget Message and Review the Proposed Budget

Keppinger advised the Committee, that each member had received two Budget Proposals: One designated as Budget Draft A, the second Budget Draft B. The difference between the two budgets she said, was that, Draft B has the formation of a Building Fund, which the current Budget does not have. Budget A does not have this either. Budget A is a traditional budget, as it now stands, and it shows three General Reserve Fund Accounts: General Fund, Vehicle Fund, and an Unanticipated Projects *and* Catastrophic Loss Fund. Budget B has the addition of a Building Fund which we do not currently have, and it will require the Unanticipated Projects and Catastrophic Loss Fund to be zeroed out. Please also be advised, someone pointed out that Budget A is missing page 2 of your printed version. The fact is, page 2 is identical to page 2 of the Budget B proposal you have, she said.

MSWCD Board Chair, Hsu interjected, that the Board has been holding numerous discussions about, and are exploring possibilities of either purchasing an existing building or purchasing land to build a new building. He explained how the District has secured a Real Estate agent to assist the District in exploring options available and to show available properties. We would be delighted if the Budget Committee would move forward and allow us to transfer into a new Building Reserve fund as seen in Budget Draft B. The Building Committee came up with some general figures, however if the Budget Committee requires more concrete numbers and we could work to provide those to you within... I'm guessing 2-3 weeks, or could we have more time to do that Jane?

Keppinger responded, typically and what we would hope to do, is to have an approved budget by June 30. However due to the COVID-19 outbreak and stuff, the Governor has allowed a change to the budget process and has extended the budget deadline date to July 31. If we postpone until the July deadline date, I would be required to prepare the budget again for a second time, updating the numbers through the end of June.

Garst asked Keppinger, the act of putting money into a *Reserve* for a building fund, does not obligate you to do that, correct? So adopting Budget Draft B, doesn't say- oh we have decided to spend \$6 mil on a building, it just transfers monies so that in eventuality you will do something with those monies in the future, and that you have started a savings. Isn't that correct? Keppinger responded, Correct. A Building Reserve fund simply sets money aside potentially for whatever activities are outlined within that description for that line-item. Sounds like Draft B gives you the ability to move forward and not have to create a new budget, Garst added. It will simply give you a place to start savings toward. Johnson pointed-out, from an accountant's term those are not restricted funds. Keppinger agreed, they are not restricted, the monies are only reserved or held for whatever use is desired - be it to purchase land, buy a building, or remodel - again according to the description given the building fund. Garst asked, is there any opposition to Draft B. Stevenson stated he was not sure if he agreed to it. Krahmer said he was going to oppose it. Garst asked if he would state his reasons. Krahmer replied yes, but I don't think we are yet at that point in the meeting for that. Bielenberg jumped in saying he felt the Chair should be moving this meeting along and speak about the budget, address this stuff later.

Keppinger advised there were only a few small changes to the budgets with regards to operating costs (both Budget A & B). Revenue and Operating Costs are on page one, two, and top of page three. The only other thing I changed, and yes probably a drastic change, was I zeroed out the Vehicle Reserve fund as I felt we were done purchasing vehicles, as the District has purchased two new vehicles within the past two years, and we have a third vehicle that is in good-shape and that we should have for a few more years. Monies were taken from here and transferred to the General reserve fund and be disbursed amongst various activities. On page three of Conservation Activities/ Programs I have carried over \$7,500.00 for an outstanding project that will be completed this year. Educational Clear Grant monies and Sponsorship monies both remain the same. Line four, Cost-Share monies have been increased by \$50K because we spent over \$300K this year doing conservation programs on the ground. This was a recommendation by our Program Committee she advised. Not knowing what changes and effect on our economy COVID-19 will bring, we can only hope and pray we will continue to put conservation on the ground as we have done. The Native Plant Sale, Scholarships, and

Grant Services expenses stays the same. Educational Expenses and Supplies have been reduced by \$10K because we are pretty much done purchasing new high-end, and additional educational materials or supplies. Marketing and Outreach were increased a bit, as we have some opportunities for more on-line education, video production, and advertising for the District. Invasive Species Programs: we were awarded two different grants and we increased the budget by about \$10K for the additional work and expenses we will incur. The Backyard Habitat Improvement Program, we have been talking to Portland Audubon Society and were working to potentially meld their program with our program. However, with the onset of COVID-19 we are not quite sure of their current status, or state they are in, or how things stand. We hope to proceed as planned, in developing a new program down here. Line 13 are funds awarded in the previous year for the Landowner Assistance Program (LAP) \$206K is being carried over. These funds were allocated this year but have not yet been spent. They will be will be spent next year. Grant match for the Watershed Councils, Line 14 have been reduced to \$12,500.00 it was amount District was awarded not this year, but last year. Grant monies come from Lottery dollars and there is the potential there will be no dollars available next year due to COVID-19. The Conservation Cover Crop Program, a trial program we started this last year has been fairly successful this year, there is interest in the Program by landowners and Staff feel it is worth continuing and moving forward with. Our Board however is having discussions about possible changes for 2021-22 or making it part of our Landowner Assistance Program (LAP). We hope to have the Program Committee work through the process in determining where the Program will go or what it will become and to implement any changes made in the 2021-2022 fiscal year, and maybe that program remains, maybe it doesn't. Those are where the significant changes have been made. There were some slight reductions in a handful of areas in Operating like Vehicles and Travel, as after COVID-19 I don't feel we will be traveling as much but having more connections through electronic means – as this is how business has been conducted these past few months, and it seems to be working well for most of our clientele. Basically, those are the changes made to both budgets, with the exception of creating a Building Fund in Budget Draft B and not in Draft A. Now you can discuss it, if you so choose, she said.

DISCUSSION: 7:01 PM (00:31:45)

Walker wished to have clarification and asked Keppinger, in the budget sheets it shows adopted budget for the current year, and projected expenditures. Keppinger explained that the “adopted” were expenses incurred through April 30, and the projected is the unknown expenditures yet to happen for months May and June. Garst and Keppinger clarifying in statement, the budget created was based on 10 months of a 12-month year. For discussions sake and to educate ourselves then, Walker asked, the \$60K under Special Grants show that only \$7,500 was spent through the month of April. Keppinger explained that \$15K had been allocated to a project, \$7,500.00 was distributed in this current year, and the remaining \$7,500.00 would be disbursed during the next fiscal year – with the project being completed by June 30th - and that \$60K was allocated to the last round of LAP projects just completed. These funds (\$67,500.00) will carry forward. Walker then asked of Stevenson if they had jumped forward in the Agenda. Stevenson advised Walker, you asked for clarification, I would like to open it for that, and we will get to a true deliberation later. Stevenson asked Keppinger about the LAP program and a \$60K transfer - is that reflected in the current year? Keppinger explained how it is not a line item as the monies have not yet been spent, it is part of the \$206K, and represents money allocated this last round under LAP, the other remaining funds are allocated for a Special Grant project. These funds will not be disbursed until next year. It was noted that the \$260K LAP line item includes the \$50K increase, based on this year's need/allocation and the \$206K funds awarded in the previous year but not paid out before June 30. It was also pointed out by Krahmer that the \$206K funds were Board approved. This was confirmed by Keppinger. And the \$260K are for new projects we have not considered yet, Krahmer added. Stevenson asked if there were projects to be completed now or before June 30? The \$16K projected year end expenses are for those projects we feel will be completed before the fiscal year end (6/30) said Keppinger. For those landowners who have filed extensions, their project dollars have been included in the \$206K carryover. Keppinger indicated for the landowners who did not request extensions, their project allocations have also been included in the \$206K carryover. Walker asked, looking at data between Lines 13 and 4, then you are anticipating a \$54K increase in activity? Yes, Keppinger replied. Stevenson repeated, so that I understand fully then, there will be \$206K carried over, and \$134K for actual projects ending this year, giving us a total of \$340K, all of which have been

Board approved. Yes, that is correct Keppinger replied, saying we (the District) did really well, and under LAP we almost doubled the amount of landowner participation this third round, exceeding our expectations. Johnson asked, regarding Line 37 on Page 3, the ending fund balance of \$350K: is that money included in the available cash on hand? Yes, Keppinger replied. The zero in column 2 then represents that monies were not spent, Johnson asked. Yes, Keppinger replied, it is technically a savings account that serves to fill in for operating costs for the first couple of months in the new year starting July 1st, until such time that the District receives its tax revenue in November/December. Monies are distributed throughout the General fund as needs arise- and these dollars will keep the District running. Walker asked if Stevenson wished to open to Public Comment. Stevenson replied he wished to continue to address questions for clarification. Walker responded asking of that carryover fund, theoretically, a portion of that money could be used for a program, correct? Keppinger replied, yes, next year that could happen. Keppinger explained to Walker that the \$350K was part of the \$1.146mil, and it (the \$350K) would be used to cover programs/operating costs as needed. Johnson acknowledged that the District still had remaining expenses for May and June that were yet to be paid, under Personnel expenses you have increased the amount substantially from last year by approximately \$70K, why is that he asked. Keppinger responded, that sometimes we may have an opportunity to hire additional staff for a project or temporarily, or if we wish to give raises, and with COVID-19 we don't know what staffing needs will be or if changes will be needed. Johnson suggested the excess could be included in the \$350K carryover of Unanticipated funds. Keppinger added if you wish it to be changed, we can do so. Walker stated Sarah Hamilton is being reimbursed by North Santiam Watershed Council. Where is this noted, he asked. Keppinger responded saying Line 12 Other Grants includes the reimbursement funds. The amount of funding changes each year dependent upon Grant the Council receives. Sarah is not working as much today for the Council as she once was, Keppinger added. Fisher recapped that over the past few years, the District has actually spent more than it has taken in and that the cash balance is flat. Keppinger responded in agreement, saying in the last two years, not including the carryover amount, we have actually spent more than we have received (revenue from interest, grants, etc.) as our costs keep on rising, obviously, as in anything. Garst wished to readdress the previous question on wages, specifically the second column. Again, Keppinger advised those figures represent actual numbers through June 30 (as wages are a fixed item and known). Johnson restated that the Budget Committee is being asked to approve Budget Draft A or Draft B, and the taxation amount of \$.05 per every \$1K assessment. If we do not grant you our approval on the \$.05 taxation how will that affect the budget? Keppinger replied, she would be required to update the figures, totally revise the budget. Garst explained it would mean a 25%-30% cut. Keppinger explained the District could ask to assess a fee up to \$.05 per \$1K or pick a \$ amount you feel is sufficient to continue business. In 2018 we asked for a flat \$1mil, what we received was closer to \$950K. Walker wished to respond to the nickel. Whatever happens, some will choose not to pay their taxes. In 2010, 2011 when the District went through the big crunch. And now with COVID it is likely we will come up short again in taxes. Fisher asked Keppinger, on that \$1.146 carryover, what percentage of total revenue did you calculate? 90%? Keppinger replied, she had projected 95% to be collected in tax revenue. At 100% the figure would be closer to \$1,250K in revenue. Fisher pointed out Line 3, Previously Collected Taxes, saying eventually the monies will be added. Keppinger agreed, saying in some instances as Walker pointed out, a taxpayer will choose to pay their property taxes, or a part of their taxes a few years down the road to avoid losing their home to foreclosure. Once those taxes are paid, the dollars received are accounted for in Line 3. Palke asked, if you don't get budgeted funds what will you do? Furlough employees one day a week or month, or cut Programs perhaps? Keppinger replied, if we feel we would fall short say 3, 6, 9 even 11 or 12 months down the road, we would come back to the Budget Committee with a new supplemental budget, ask you to review and approve it, then take it forward to the Board for their approval. Walker added, also, the Board can transfer funds from one fund to another based on need – and that would not necessarily require Budget Committee action. Keppinger agreed saying it would depend upon where the funding lie, what the need(s) were and what the line items description said the monies can be used for. Johnson added, or you could use the \$350K for that. Fisher said, I think you are debating something that is basically insignificant. If you look back over the past 40 years, we have never yet had a decline of 30% of the people not paying their taxes. We have seen fluctuations of say 3 to 5% but never 30%. Garst stated, the big issue here is which Budget do we adopt? Draft A or Draft B?

Stevenson asked for Public input.

PUBLIC INPUT:

Keppinger was asked if anyone else was on the phone. She in turn asked, is anyone else on the phone? Associate Director, Dave Budeau, responded he was listening to the meeting, but he had no comment to make. *(No Comments)*.

COMMENTS:

Walker wished to advise that the Board had a tie vote (3 to 3) when **asked if they might allocate \$20K to a new Line Item for Distance Conservation Learning**. Creating professionally made videos for targeted to specific audiences. Walker stated he was aware Staff have been involved in creating videos. He also indicated he has had conversations with various other Partners about his idea, and “they” all were in favor of it. He now asked the Budget Committee if they would consider adding a new Line Item to the Budget for this purpose. The amount could be taken from the amount being carried forward, or from Special Projects fund he said, of which by the way, we have not been spending much from. I feel we are deficient in this area and it is important. Hsu interjected saying, yes, the Board had reviewed the idea, but felt Staff are currently working to create videos and how the Board can guide Staff in the direction they would like to go in creating more. Hsu also said how he had personally voted in favor of the idea however, the Board was not in agreement, and he did not feel it a necessary action to make. Johnson said he had no strong opposition to this. Olson said he was on the Education Committee, and he would prefer that a program be developed, that discussions be held, that content be defined, costs determined, and an action plan created first and foremost, and that there are ample sums available that can be used in support of creating professional videos. Bielenberg agreed, both were not against the creation of videos, but each feel there are funds available in other categories/line items that can be used to create educational videos. Hsu added that he felt by adding this as a Line item it would tell the public we feel this is important. But again, he added, I didn’t feel that strongly about it. Walker then said, the budget is not only about how/where we spend money but also about policy. If you have a Line item, you are saying you are making a commitment to this thing. Stevenson asked, do you believe there is enough money within the current components to get the job done? Yes, Walker replied, however this is more of a policy issue. Stevenson indicated this would require a rewrite. Koch asked couldn’t we take a vote and add a Line item. Bishop responded she feels this to be a Board decision. We are simply reviewing the budgets presented to see if their actions are just. Keppinger advised that yes there were ample available funds that could be used to support Distance Learning Videos. She also advised it important not to duplicate efforts by **so** many others in ways of creating videos, that we (the District) determine where needs lie and to fill that niche. Garst indicated it was now 7:30PM, and **her concern pertaining to the budget was that the District is paying \$200K for rent to house nine people, which she feels is outrageous**. She hoped the Committee would discuss this matter. Koch added, moving ahead with Draft B will allow us to save the Taxpayers money. Olson agreed, he wished to find a cheaper place to rent/or buy and added that the Board desires to be careful. He understands that the Budget Committee might need/require more concrete numbers. Stevenson responded, you are asking for \$1mil, yet we don’t know what you are proposing. Walker indicated the District has already hired a Real Estate professional to assist them in looking at all real estate options available, and that they are in “the what is available process”. Hsu added they (the Board) have hired Terry Hancock, who handles the types of transactions we would be interested in. Hancock strongly advised it to be in the District’s best interests to buy a property, and that renting does not make sense he told the Board. The majority of Board members agree to this. We can go back to the Architect I suppose, to obtain some concrete figures to build a new building. Fisher asked what are the requirements for owning or renting a building? When asked what he meant by requirements, Fisher replied, things like: Staff Safety, #1, , easy accessibility to I-5. Koch indicated that a couple of lists had been created for things Staff wished to have like parking lot, cameras, windows, etc. etc. and with the onset of COVID we may want to re-visit to see what our current needs are, as Staff may continue to spend some of their time working from home/remotely. In the bigger picture, looking out for the taxpayers and not throwing money away is a big part of why we wish to look for other options. She noted how Clackamas SWCD’s new building was toured and prompted a desire to make a change, and that building a new building was a real possibility and

doable, and overtime it will pay off. Fisher wished to have a list of priorities and stated that he believed Staff Safety would be a top priority. Koch responded that although no one had yet discussed Staff Safety per se, it would be of high importance to everyone. No one would wish to put a Staff member or one attending an evening meeting in harm's way. Hsu agreed. Olson said, wherever you go you face those challenges, and that the Board is very aware of them. Garst said, to me the real issue is, do you wish to continue paying \$200K per year for ten staff members or do you want to find something for less money and use the balance for something else? She gave an example saying I just pulled up a building on Zillow which has a 6,100 sq. ft retail building with 51 parking spaces on Fairgrounds, which is a fairly safe area, for a million dollars. And you are spending \$200K each year, that you will never get to see again. So, I really feel you should do Draft B and give the Board the flexibility to take- a look and see how you can reduce that. Think about it, you are spending \$20K per person, for your current space. Johnson added, when you have a long-term horizon like the District has, rent makes little sense. Again, he reiterated, this seems irresponsible to continue paying rent based on the long horizon before you. Krahmer advised he has been on the Board since about 2000, and back when the tax base was approved it included Operations. I am not comfortable using the money for capital expenditures. If we desire to purchase a building, he said. then we need to go to the taxpayers and propose a Bond Measure or something similar, stating what it is we wish to do and ask them for money for that. It is not a safe move to take from our Catastrophic Loss Fund as we are living in unknown times now, and we do not yet know the outcome. He also reiterated what Fisher had said, saying the last time we looked for a building we had a list of 10 to 15 items /requirements that had first to be met, before any proposal was made. We need such a list now as part of our plan, those are the reasons I am not in support of plan B at this time. Olson asked Krahmer, originally you and others created a Building Fund, to possibly make a building - how is this point in time different from that point in time? Krahmer said, the Board discussed back when - whether or not we should be building a building or purchasing a building or not. As now, the Board was not in agreement, however upon review of the tax base definition, the majority came to the conclusion it was not part of the tax base and so we took those monies and created the two funds we have now instead of a building fund. Hsu followed saying back then he was an Associate Director and he recalled that the Board did not feel it was their role. My understanding now is that there is nothing stating outright that we cannot build a building. I feel it would be an acceptable step. Bishop began to ask a question, and Stevenson interrupted her asking if the Committee might please take a 4 to 5-minute break.

BREAK: Time: 8:00PM (1:30:40)

Back in session (6 minutes later)

Sarah Bishop has the floor, Stevenson announced. Bishop began: If I recall correctly from the conversation during last year's meeting, it was that the original intent for leasing this building was to rent out additional office spaces to other not-for-profit organizations. It seems that it hasn't really been a possibility. I'd like to know if a shift to rent a smaller building has been considered, and what that cost savings would be in that regard and also, if the Board has cash flows for other things like aesthetics, and major things like HVAC repairs, roof repairs and those type of things. Bielenberg said he was against the budget because he feels the Board is not far enough along in their decision-making process to be asking for money at this point-in-time. He agrees the District is paying too much in rent. He also feels there is the unknown to be considered, and that it is possible that Staff will continue to work from home. Bielenberg said he is not in favor of Draft Budget B, but will support A. Hsu said, we need the flexibility to make-a decision either way, be it we rent ,or we proceed to build a new building. When the right piece of real estate presents it-self, we need to have the means to act, as it (the property) will not wait for us. We don't know when this will happen, it may be a while, we just don't know. But we don't want to miss on an opportunity. And we hashed this out in previous Board meetings, and we had Realtor Terry Hancock advise us that you should absolutely be owning your own building, and there were other realtors present during this meeting, including our current Landlord. When Hancock was asked who should be renting? He responded something like: if you are just starting a new medical office or dental office and you don't know how long you will be there - you would want to rent. As you get your feet on the ground/more established you would purchase a building. There is a transcript which documents the conversation word by

word, Hsu said, but Hancock basically said, our District has longevity and we should *absolutely* own. Johnson asked if financing was an option for the District. Walker responded yes. And in the long run it would free up more money and funding for programs in the field. Garst stated, as I understand it the lease is up prior to July 1, 2021. Keppinger corrected her saying it expired the end of August 2021. Garst said she had another question. Let's say the majority of people vote for Draft A and the Board explores that option. Can they come back to the Committee or is this it? Keppinger replied, if Budget A were passed and an opportunity pertaining to real estate were to come available, then the District would create a supplemental budget, bring the Budget Committee back, let them know what the changes are and ask that they approve the transfer of monies to allow the Board to do whatever they had wanted to do with them. The Committee would pass it. The Board would pass it, and then have the monies do whatever they needed to do with it. Garst asked another question. The Board did vote to explore, they have hired a real estate agent to explore buying a building. So, the Board has essentially made a decision, is that correct? Walker responded, that is correct. Then the Budget Committee in wanting to support the Board, and desiring to save the taxpayers money, we should ...

MOTION:

I move so that we put something on the table, and I vote for Draft B (Garst said). Motion 2nd by Johnson. Stevenson announced we have a motion and a second. Any further discussion?

DISCUSSION:

Bielenberg said, hey Brent I think there has been a motion to actually buy a building. Garst said, no. The motion I made was to accept Draft B. Which moves money into a fund to purchase a building. It would be a Board decision, whether they do that or not. It's simply a transfer of funds. It's adopting one budget versus another budget. Jane is that correct? Keppinger replied, yes. Johnson said, and yes that was my understanding when making a second. Keppinger said, I think what Tim Bielenberg meant, is that the Board has not necessarily officially voted on whether they wish to purchase land or a building or build a building or doing whatever. Garst said, passing Budget B does not say you must buy or build a building, it simply gives the Board the flexibility to do something with the money. Fisher added that he felt something should be added about rent reduction, as no one here is really happy with \$200K - the current situation. Garst replied, well that would be up to the Board. They may decide because they cannot rent the second floor because there is not an elevator in the current building ...they are not ever going to be able to rent it, they are not ever going to have that many staff and they may wish to rent a smaller place. I think everyone on this panel agrees paying \$200K for 10 people is outrageous. Fisher said, I just make to want it clear if the Board goes looking for another space that they make rent reduction a part of the discussion. Stevenson asked Koch, what are the criteria you have all agreed upon? Like size, build, rent? Koch replied, we've talked about a build, size, board rooms, meeting rooms/conference, need for a storage closet for equipment like shovels and such. parking spaces. We've explored and discussed things and are happy to provide details to you. We are simply asking for the flexibility to do something. Maybe we don't build a building or purchase land, we just want to have the ability to do something should an opportunity arise. And this maybe a good time, as it is a buyer's market right now. Stevenson said, upon review of information presented, and based on last year's Budget meeting, he did not feel there was clear articulation from the Board on where you were going, what they desire to do. And given that we have COVID-19 and some truly unknowns, getting rid of all the contingency monies for the District I just feel it is dangerous, and moving in one year isn't slow when you have been renting for decades. Koch responded we have been renting here now for seven years. The District could have owned the property by now, had we purchased it. And we are going to be here the next seven years. To continue renting at this location...well I think it is time to move on it. We've already spent a year talking about it. Just last year there were discussions with Chemeketa, and that's where it all started. At that time I was new to the District, and I learned about how much we were paying for the building, I took a tour of the upstairs and was appalled to see we were not using any part of that area in the building, and that in the very middle of the building no one was using any of the cubicles there. I don't want to sit for another year, it's not right, she said. Stevenson asked, but how did you establish a million dollars? I think that was something Scott decided that it was a place to start, Koch replied. Stevenson responded you are asking for us in our fiduciary capacity to place that money

basically hand you a blank check without having information. That's my little bit of un-comfort. I've been supportive of rent-reduction, new building, whatever it is. I just need more... Walker interrupted saying, Brent we did scope out what was needed and determined we needed a larger conference room, a break room, etc. Being generous we came to a figure of 4,000 sq. ft. which did not figure in cubicles but individual offices with doors. It would be most economical to buy an existing building and make alterations as needed, or simply deal with what we got. Right now, the current facility is lacking as you know, particularly in the meeting room. It is hard to get many people into the meeting room. Especially now with the age of COVID, it becomes not useful. So, in answer to the question, the Board did go through an exercise in trying to scope out what the square footage was. And we are looking at 4,000 sq. ft. if we are going to build from the ground up. And that is with very spacious office space, Walker advised. Hsu said, I think I should add... Scott you may be right that building new might be the best course of action, but that was not a Board conclusion. Just so that it is clear. Bishop stated, you have a year left on the lease. Do you have you a ball-park figure that you anticipate wanting to spend? As wanting \$1.1 mil to spend is asking that we give you quite a large blank check. I think we would all be more comfortable if you have something like \$500K needed for the building, \$100K towards capital improvements – something a little more delineated. Do you have those numbers? Koch said she had just received a listing for a couple of properties, of which they were going to explore. I have no idea what the properties are going for. I think the idea was to get the information, come back and present the information to the Board. I get the impression that you think we are going to run out and buy a building. That is not going to happen. I get the feeling you think we are being irresponsible. In the big picture we are being extremely responsible by trying to get out of the property we are in right now. I think that shows that we are here working for the better good. If you look at a \$1mil property, then let's just say we could pay cash for – that's going to add \$100K a year that we can use for more programs. It's not going to be just thrown away. Bishop replied, I think Rochelle, that my biggest concern at this present time is ..not that we feel the Board will be irresponsible and go buy the Taj Mahal... but...Brent I think I am echoing what you were saying earlier, that it is a little bit scary to remove everything out of that Reserve fund straight into that new Building fund. I think truly, that is where my main hesitation lies. That unknown. Brent asked, what if Governor Brown were to say no property taxes for the next six months? And you then need another \$750K to cover yourself. I think that is the concern when I look at it too. Bishop asked, how does the Board feel about leaving some monies in the Reserve fund, but also moving some monies into the new Building fund? As it does sound as though you wish to move forward with this. I feel it would be wise to set some funds aside, for the just in case scenario. Walker said, all we are asking for is some flexibility to do the work. We had a deal on the line, we put some money down and then we have to haul your Budget Committee back, get a quorum to approve a supplemental budget. If we have monies in a Building Reserve fund, we have easy access to the monies without holding another Budget meeting. Bishop asked, would it be enough if we held back and kept \$200K in the Catastrophic Loss Reserve fund, and move the rest into the Building Reserve fund? This would show that we are being fiscally responsible. So that you do have some money set aside for those just in case times ...like this period-in time with COVID (events that are totally unexpected). Johnson pointed out that there is \$350K available in Unallocated/Unappropriated Expenses. Bishop pointed out that one could not have access to those funds until the following year. Garst said, what if we move...No...

MOTION:

I move to amend the earlier motion to move \$750K into the new Building Reserve fund, and that the remaining balance remain in the Catastrophic Loss fund (that Sarah spoke of). 2nd by Bishop.

DISCUSSION:

Johnson said, that makes perfect sense. As there are ample funds available elsewhere. **Garst agreed saying we have a 2nd so now we have Draft C on the table.**

MOTION:

Garst continued saying, **Draft B amended**, which is putting \$750K into the Building fund and placing the rest into the Catastrophic Loss fund. 2nd by Bishop. Garst said, **I call to question**. Stevenson asked Keppinger for a roll call vote.

Fisher asked, the motion is simply an amendment and not for total plan B, right? Garst responded, it is an amended motion the person who made the second considers it a friendly amendment and it gets added to the amendment so the new motion is to pass the budget that has the \$750K for the Building Reserve fund. We are not voting on the Budget then, Fisher again asked. Garst replied, no you are. Olson said, doesn't this have to go back to Jane, and she will have to amend it? Bishop responded, no we can do this in this form. **Karen, your motion is to approve Draft B amended to show a transfer to the Building Reserve fund of \$750K with the remainder remaining in the Unanticipated Projects & Catastrophic Loss fund.** Garst said, right. **It's basically a new motion for a Draft C.** I'm making a motion to accept a budget, in between A & B, has \$750K for the Building Reserve. That's the motion.

DISCUSSION:

Fisher said he was not ready to vote on this as he wished to discuss the Vehicle Reserve fund. Garst responded that when you make a **call to question** according to Robert's Rule of Order there has to be a vote, according to someone who is opposed to calling to question. Olson asked, Brent you are the Chair, what do you think? Stevenson responded she is right. But I will open it for discussion.

DISCUSSION:

Fisher indicated he was not opposed to the motion and the \$750K, but that he would like to see in the budget the \$52,877.00 remain in the Vehicle Reserve fund. He realizes the District does not feel it will need a new vehicle within the next 2 to 3 years, but eventually we would have to move monies back into that fund.

MOTION:

Ralph said he would move to put the \$52,877.00 back into the Vehicle Reserve fund. Garst said, if my 2nd agrees with me, we will include that into the motion. My second, are you cool with that Tim she asked. Johnson replied, I agree. Garst said, we still have one motion on the floor: \$52,877.00 goes back into the Vehicle Reserve fund, \$750K into the Building Reserve fund. Fisher said, I'm good. Olson voiced an objection to the Vehicle funds, saying he would rather not see the funds moved back where they might remain for years and years, better he said to be able to use those monies let it work for us. Garst said, it is **8:27 PM** and we are trying to get through this year. So, let's look at this again next year, and if monies haven't been touched and remain in the Vehicle Reserve fund then, I will promise to move it. Olson asked, it's been two years hasn't it? Krahmer and Keppinger both responded no. Keppinger said, no Darin we purchased a new vehicle within the last two years. Not to go against you Ralph, Keppinger said, it would be easier if the motion only included the \$750K. If we change the \$52,877.00 amount, I will be required to make several adjustments to the budget, reducing amounts from line items within the Operations and General funds to equal that amount. Garst asked Fisher if he was okay if that motion was taken back (rescinded). He replied, he would remember next year. (yes).

MOTION:

Garst restated that the motion is to transfer \$750K into the Building fund and placing the rest into the Unanticipated Expenses & Catastrophic Loss fund. And I call to Question to vote on. Dettwyler said there was a motion on the floor to approve Draft B. Garst responded that a motion was made to amend Draft B and it was 2nd. This motion stands. You don't have to vote for this in pieces. Stevenson recapped that there was a motion on the table, and it was seconded. Jane will you do a roll call please.

ACTION:

Krahmer:	No,	Dettwyler:	No,	Stevenson:	No,	Garst:	Yes,
Palke:	Yes,	Fisher:	Yes,	Johnson:	Yes,	Olson:	Yes,
Johnson:	Yes,	Bishop:	Yes,	Walker:	Yes,	Koch:	Yes,
Hsu:	Yes,	Bielenberg	No				

Motion Passed - 9 Yes, 4 No.

ACTION:

Bishop motioned to approve the recommended taxation amount of \$.05 every \$1K of assessed value. 2nd by Koch. Walker asked that the motion be repeated, as he did not hear it. The motion recommended taxation amount of \$.05 every \$1K of assessed value, Bishop repeated. 2nd by Walker. Stevenson said, we have a motion and a 2nd, and asked Jane for a roll call.

Krahmer: Yes,	Dettwyler: Yes,	Stevenson: No,	Garst: Yes,
Palke: Yes,	Fisher: Yes,	Johnson: Yes,	Olson: Yes,
Johnson: Yes,	Bishop: Yes,	Walker: Yes,	Koch: Yes,
Hsu: Yes,	Bielenberg: Yes		

Motion Passed – Unanimous

RECAP:

Keppinger advised as it now stands you have revised Budget Draft B and unless you leave the remaining balance which I am assuming you want to do, into the Catastrophic Loss fund, your budget does not now balance. The motion included direction to leave the remaining balance in the Unanticipated Expense & Catastrophic Loss fund Garst responded. Johnson and Stevenson both agreed, that is how they understood it would go. Keppinger apologized saying she had not heard that.

MEETING ADJOURNED:

Garst said, hopefully our next meeting will be in person. **Stevenson then thanked everyone for attending and announced the meeting was now adjourned.**

Time: 8:42 PM (2:12:16)

Minutes submitted by Janice Calkins, Office Coordinator