



BUDGET HEARING

BOARD OF EDUCATION
92 Lodestone Way – Tooele, Utah

Tuesday, June 18, 2024

THESE MINUTES WERE APPROVED ON 8.20.2024

The budget hearing was held in the boardroom at the district office.

Members Present:

Melissa Rich, Emily Syphus, Scott Bryan, Julia Holt, Elizabeth Smith, ValaRee Shields, Robert Gowans

Administration Present

Superintendent Ernst, Lark Reynolds, Assistant Superintendent Jeff Hamm, Jackie Gallegos, Robert Curfew, Heather Castagno, Cody Reutzel, Angie Gillette, Charles Hansen, Sarah Jarnagin

Notice of the time, place, and agenda was published in the Transcript-Bulletin and the Utah Public Access Website at least ten days prior to the hearing. Supportive documentation for this meeting can be reviewed at: <https://www.boarddocs.com/ut/tooelesd/Board.nsf/Public>.

1. Budget Hearing, 6 pm

1.1 Welcome and Pledge of Allegiance

President Rich called the meeting to order at 6:00 pm, and she led the audience in the Pledge of Allegiance.

2. Budget Presentation

2.1 Budget Presentation

Lark Reynolds, Business Administrator, presented the current working budget as the proposed final FY24 budget. He explained that the initial budget adopted by the Board serves as the foundation for the working budget, which has undergone minor tweaks to certain programs in response to adjustments by State and Federal authorities, ensuring that expenses do not exceed revenues.

Mr. Reynolds highlighted significant expense reductions, totaling over \$15 million from the initial budget, and noted that bond issuance is included in the budget plan. He also indicated that due to an unexpected mid-year budget cut of \$50 million, it may be necessary to utilize up to \$7 million from the General Fund Reserves to cover the

projected revenue shortfall.

Mr. Reynolds then went on to present a proposed FY25 budget. The proposed budget included negotiated salary increases and level advancements (steps) for all qualifying employees. The General Fund, Student Activities & Tax Increment, Debt Service, and Foundation funds are balanced. However, the Capital Projects fund shows a \$92 million deficit due to \$90 million in one-time construction costs, and the Food Services fund has a \$369,000 deficit, though a sufficient fund balance supports it.

Mr. Reynolds informed board members that the proposed tax rate value had decreased from \$8,957,053,770 in 2023 to \$7,745,296,231 in 2024, necessitating rate increases and the maxing out of certain levies. The growth sources include \$7.9 million in new property tax revenue, a \$5.2 million one-time adjustment for the centrally assessed reset, \$1.3 million from new properties, and \$1.4 million from the final issuance of General Obligation Bonds. This growth has resulted in a balanced General Fund Budget, but the \$5 million from centrally assessed properties will be negatively adjusted next year. Consequently, there is a projected shortfall of \$2.6 million this year and \$7.8 million next year due to the fall-off of the \$5.2 million one-time growth. Mr. Reynolds then reviewed four different Truth in Taxation scenarios that would help generate new revenue in the amounts of \$1M, \$2.588M, \$7.588M, and one that would generate max levies.

3. Budget Public Hearing (Limited to three minutes per individual. To address the Board, sign up at the clerk's desk prior to the start of the hearing.)

3.1 Budget Public Hearing

MOTION:

Open the Public Hearing

Motion by Scott Bryan, seconded by Elizabeth Smith

Final Resolution: Motion Carries

Yea: Scott Bryan, Julia Holt, Elizabeth Smith, ValaRee Shields, Melissa Rich, Emily Syphus, Robert Gowans

• NO PATRON COMMENTS

MOTION:

Close the Public Hearing

Motion by Robert Gowans, second by Scott Bryan

Final Resolution: Motion Carries

Yea: Scott Bryan, Julia Holt, Elizabeth Smith, ValaRee Shields, Melissa Rich, Emily Syphus, Robert Gowans

4. Budget Adoption

4.1 Final Budget Adoption Fiscal Year 2024

Lark Reynolds, Business Administrator, presented the district's working budget for FY24 to the Board and proposed the Board adopt this budget as the Final Budget for FY24.

MOTION:

Approve the current working budget for FY24 as the final Board approved Budget for FY24.

Motion by Scott Bryan, second by Robert Gowans

Final Resolution: Motion Carries

Yea: Scott Bryan, ValaRee Shields, Julia Holt, Elizabeth Smith, Melissa Rich, Emily Syphus, Robert Gowans

4.2 Budget Adoption Fiscal Year 2025

Board members discussed the FY25 budget Mr. Reynolds proposed that adopted the certified tax rate and the pros and cons of going through Truth in Taxation to increase the district property tax revenue. Vice President Gowans emphasized the importance of considering the broader implications, noting that depleting reserves could negatively affect the district's bond rating.

Member Syphus acknowledged the limitations of current funding mechanisms for public education, expressing a desire for alternative revenue sources. Member Bryan highlighted the critical need to avoid relying on one-time funds for ongoing operations, suggesting that the Board faces a choice between raising taxes and making significant cuts that could impair student learning.

Member Shields voiced concerns about the impact of tax increases on taxpayers with tight budgets or fixed incomes but stressed the one thing worth raising taxes for is educating our kids.

Ultimately, the Board decided to adopt the budget as presented and proceed with the Truth in Taxation process at a rate of 0.001002. This adjustment will result in an annual tax increase of \$253.50 for the average residence.

MOTION:

Adopt the proposed FY25 budget as presented.

Motion by Robert Gowans, second by ValaRee Shields

Final Resolution: Motion Carries

Yea: Julia Holt, Elizabeth Smith, ValaRee Shields, Emily Syphus, Melissa Rich, Scott Bryan, Robert Gowans

MOTION:

Move to enter Truth in Taxation at the rate of 0.001002

Motion by Elizabeth Smith, second by Emily Syphus

Final Resolution: Motion Carries

Yea: Julia Holt, Elizabeth Smith, ValaRee Shields, Emily Syphus, Melissa Rich, Scott Bryan, Robert Gowans

5. Action Items

5.1 2024-2025 TSSA Framework

Lark Reynolds, Business Administrator, presented the proposed TSSA framework for the 2024-2025 school year for the Board's consideration. Changes in the proposed framework include removing the option for three paid professional development days for qualified employees.

MOTION:

Approve the 2024-2025 TSSA Framework as presented.

Motion by Scott Bryan, second by Elizabeth Smith

Final Resolution: Motion Carries

Yea: Julia Holt, Elizabeth Smith, ValaRee Shields, Emily Syphus, Melissa Rich, Scott Bryan, Robert Gowans

6. Adjourn

6.1 Motion to Adjourn

Adjourned at 7:09 pm

MOTION:

Adjourn

Motion by Scott Bryan, second by ValaRee Shields

Final Resolution: Motion Carries

Yea: Scott Bryan, ValaRee Shields, Julia Holt, Elizabeth Smith, Melissa Rich, Emily Syphus, Robert Gowans