

Budget Hearing and Tax Request Hearing
Monday, September 13, 2021 6:30 PM
Administration Center Board Room

1. Call Meeting to Order-Acknowledge Open Meetings Law
2. Roll Call: Barr, Fuller, Glup, Harvey, Muller, Siemonsma, Tesarek-Parsons, Wehrbein, Winters
3. Budget Hearing - Call to Order
 1. Presentation of the 2021-2022 Budget
 2. Invite Public Input
 3. Close the Hearing
4. Tax Request Hearing-Call to Order
 1. Presentation of the 2021-2022 Tax Request
 2. Invite Public Input
 3. Close the Hearing
5. Adjournment-Time _____

NOTICE OF BUDGET HEARING AND BUDGET SUMMARY

Plattsmouth Community Schools (13-0001) in Cass County, Nebraska

PUBLIC NOTICE is hereby given, in compliance with the provisions of State Statute Sections 13-501 to 13-513, that the governing body will meet on the 13 day of September, 2021 at 6:30 o'clock, P.M., at 1912 Old Highway 34, Plattsmouth NE 68048 for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to the following proposed budget and to consider amendments relative thereto. The budget detail is available at the office of the Clerk/Secretary during regular business hours. For more information on statewide receipts and expenditures, and to compare cost per pupil and performance to other school districts, go to: <https://nep.education.ne.gov>

FUNDS	Actual Disbursements & Transfers	Actual/Estimated Disbursements & Transfers	Budgeted Disbursements & Transfers	Necessary Cash Reserve	Total Available Resources Before Property Taxes	Total Personal and Real Property, Tax Requirement
	2019-2020 (1)	2020-2021 (2)	2021-2022 (3)			
General	\$ 20,418,513.00	\$ 20,533,817.00	\$ 21,736,810.00	\$ 1,500,000.00	\$ 13,972,344.00	\$ 9,358,046.00
Depreciation	\$ 50,584.00	\$ 218,633.00	\$ 1,112,082.00		\$ 1,112,082.00	
Employee Benefit	\$ 52,091.00	\$ 45,949.00	\$ 74,094.00	\$ -	\$ 74,094.00	
Contingency	\$ -	\$ -	\$ -		\$ -	
Activities	\$ 312,996.00	\$ 266,781.00	\$ 429,098.00	\$ -	\$ 429,098.00	
School Nutrition	\$ 760,469.00	\$ 673,040.00	\$ 892,005.00	\$ -	\$ 892,005.00	
Bond	\$ 1,524,829.00	\$ 701,510.00	\$ 948,292.00	\$ 450,000.00	\$ 325,236.00	\$ 1,083,895.00
Special Building	\$ 4,904,843.00	\$ 8,223,284.00	\$ 1,961,770.00		\$ 1,961,770.00	\$ -
Qualified Capital Purpose Undertaking	\$ 320,055.00	\$ 316,878.00	\$ 692,618.00	\$ 100,000.00	\$ 416,299.00	\$ 380,120.00
Cooperative	\$ 1,114,965.00	\$ -	\$ -	\$ -	\$ -	
Student Fee	\$ 27,872.00	\$ 60,355.00	\$ 103,542.00	\$ -	\$ 103,542.00	
	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTALS	\$ 29,487,217.00	\$ 31,040,247.00	\$ 27,950,311.00	\$ 2,050,000.00	\$ 19,286,470.00	\$ 10,822,061.00

**PLATTSMOUTH COMMUNITY SCHOOLS
2021-2022 BUDGET COMPARISON and NARRATIVE
SEPT. 13, 2021**

	18-19	% INCREASE	19-20	% INCREASE	20-21	% INCREASE	21-22	% INCREASE
GENERAL FUND	\$19,162,216	-0.1	\$ 19,360,688	1.03	\$ 20,629,169	n/a	\$21,736,810 *	5.10%
SPECIAL EDUCATION	\$ 3,824,150	1.6	\$ 3,834,251	.4	\$ 3,984,738	3.78%	\$ 3,886,215	-2.47%
EXCLUSIONS	\$ 333,960	1.0	\$ 336,490	.8	\$ 336,490	0.00	\$ 328,900	-2.25%
GRANTS	\$ 1,093,935	-4.7	\$ 1,048,590	-4.15	\$ 2,465,868	135%	\$ 4,381,344 *	77.5%

*** 21-22 includes CARES II and the American Rescue Plan grants totaling \$2,174,000. Grants are impacted similarly.

VALUATION	754,461,543	4.98%	794,395,826	5.29%	826,012,830	4.0%	894,862,876	8.3%
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LEVY	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22
GENERAL	.98470	1.04670	1.04673	1.04851	1.04886	1.04753	1.04690	1.04575
BOND	.22305	.19802	.17927	.18159	.17414	.12306	.13759	.12112
SP BLDG	.02715	.00158	.00301	0.00	0.00	0.00	0.00	0.00
QCPUF	.02218	.01080	.02587	.03890	.04776	.04610	.04696	.04247

TOTALS	1.25892	1.25708	1.25580	1.25488	1.26901	1.21669	1.23145	1.20935
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Certified State aid for 20-21 is \$5,577,327. Certified State aid for 20-21 was \$5,927,291. Valuations were certified at \$894,862,876, with an approximate increase of 8.0%. We welcome the increased valuation and with our housing uptick and new industry coming into our community we look forward to future increases. Unfortunately, as the Legislature works through the continuing challenges with State funds, and the past decreases in enrollment, our state aid was reduced by \$349,964. This resulted in an additional review of expenditures and an effort to reduce our budget and accommodate the loss of state aid. Class sizes were examined, and with the help of administrators, efficiencies in delivery of instruction were identified. The reduction of \$805,257 was an effort by the board and administration to address revenue decreases and cost increases in the future, while reducing our dependence on borrowing from our bank. Building reserves will eliminate that need. We are working towards a goal of setting dollars aside in our general fund budget to address additional payments toward that line of credit. Of course, that entails reducing current expenditures even more to allow for that line-item expense. Our bank has suggested that if we can do that, they will further reduce our interest rate.

As we have articulated in the past, our goal is to begin rebuilding our cash reserves. For 21-22, we have again included \$1.5 million in reserves. This is a difficult process, considering our loss of state revenues, but we will continue to work towards our goal of rebuilding our reserves. The ideal reserves a school district should carry is approximately three months of expenditures. In our case, this would be \$5 million dollars. As you will recall, when our state aid was cut over \$1 million beginning in 2016, no major reductions in any staffing levels occurred. We looked at other types of efficiencies, such as supplies, contracted costs, etc., in the hopes that our funding levels would improve and valuations would help offset the losses. We will continue to review all levels of expenses with a goal of increasing our reserves in the future.

Salary negotiations for all certified and classified staff have been completed for 21-22, which included a range of 1.0 to 2.5% for various classes of employees.

The 2021-22 budget, as presented, reflects the reduction of over \$800,000 in expenditures. Per guidance from the Department of Education, our Head Start grant fund is now included in the General Fund. That accounts for \$1,270,364. The increase in our general fund budget reflects the CARES II and American Rescue Plan dollars of approximately \$2,174,000, as well as adjusted amounts in our other various grants, such as Title I, IIA, IV, 21st Century, etc. As you can see, by comparison, our expense reductions, as well as salary and benefit increases, utility increases, etc., have resulted in a reduced budget increase outside of these COVID-19-related dollars. The additional dollars generated from CARES II and the American Rescue Plan are restricted dollars related to loss of learning and other COVID-19-related purposes. The plan for CARES II is already written and approved and includes dollars for online learning web-based programs, continuing infrastructure improvements, and PPE supplies and equipment. The plan for the American Rescue Plan is being written at this time. All of the grants noted above are not reimbursed until after the expense is paid by the school district and appropriate documentation is submitted to the governing agency to justify the expense. This could result in a cash flow issue if reimbursement is not received in a timely manner.

Reflected in the budget are salary increases for all staffing levels, retirement rates (which remained stable at 9.8778%), as well as a Blue Cross increase of 2.96%.

The district continues to reduce the general fund contribution to the early childhood center, in part because of the Head Start allocation plan and the Birth to 3 Endowment. Head Start has also been granted CARES funding to assist in the challenges posed by the pandemic.

Grant exclusions are up substantially. This again directly related to the CARES II and American Rescue Plan. You will also see an exclusion for the increased retirement rates implemented several years ago by our legislature. The increase was not allowed to sunset as originally intended and will continue into the foreseeable future. We did ask the State Board of Education for permission to exclude our ROTC program from our budget limitation. We are reimbursed for 50% of the cost of salary and benefits for our ROTC instructors by the Department of Defense.

As most of our \$1.05 levy cap is needed this year for the general fund expense obligations, we do not have an allocation for the special building fund. The combined levy for both general and special building funds must not exceed \$1.05.

The bond levy is still under the projected .14 cents as proposed when the bond issue was passed. It has decreased to .121124 for 21-22 due to increased valuations. Bond money is placed into the special building fund for expenditures related to the bond issue. The bonds are levied in the actual Bond Fund, and that levy is used exclusively to pay the bond principal and interest obligations each year. As we build the cash flow in the bond fund for future payments, we are including a cash reserve in that fund not to exceed 50% of the total expenditures. As you know, cash flow and bond payment dates don't always coincide. The good news is that our old bond was paid off in December of 2019, and our cash flow for the new bond is substantially in a better position.

Our bond sale proceeds are deposited into the Nebraska Liquid Asset Funds. They are invested totally in government securities, such as treasury bonds. We feel comfortable that our money is safe. We will report that interest income separately on the treasurer's report each month. As we noted last year, the local banks were not interested in having our bond proceeds initially, as they would be required to pledge securities for our governmental funds on deposit, which reduces any possible income they may see from the investment.

The Qualified Capital Purpose Undertaking Fund (QCPUF) is levying dollars, again this year, to support the bond payments for the Build America Bonds (BABS)/Qualified School Construction Bonds (QSCBG). We did refinance two of the BABS issues in 2015, showing a savings in interest. In addition to the refinance of the two BABS issues, the Board made the decision to utilize the QCPUF fund to issue an additional \$2,000,000 in bonds to address the growing need for HVAC repairs, roofs, parking lots, etc. in our district. The Finance Committee and Operations Committee developed a plan for use of those funds for capital improvement projects and upgrades to our facilities. We have substantially completed those projects. The QCPUF levies will be paid off in 2026.

Overall, the budget is tight. Our reserves have been severely depleted as we worked through the \$1 million loss in state aid over the last few years. As some other districts chose to maintain cash reserves and reduce programs and staff, our district continued with our employee levels and has been cautious about reducing programs that benefit students. The increased valuation will help, but it doesn't put immediate cash in the bank. Our cash carryover into the 21-22 school year continues to be concerning, and expenditures will be monitored very closely. As we reported last year, there is no room for any non-budgeted items in the 21-22 proposal. Our continued goal is to replenish the reserves in future years.

**Respectfully submitted,
Mrs. Tonda Haith, Business Manager
Dr. Richard E. Hasty, Superintendent**

Notice of Special Hearing To Set Final Tax Request

Plattsmouth Community Schools (13-0001) in Cass County, Nebraska

PUBLIC NOTICE is hereby given, in compliance with the provisions of State Statute Section 77-1601.02, that the governing body will meet on the 13 day of, September 2021 at 6:30 o'clock P.M., at 1912 Old Hwy 34, Plattsmouth NE 68048 for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to setting the final tax request.

	2020-2021	2021-2022	Change
Property Valuations	828,012,830	894,862,876	8%

2020/21 Budget Information

2021/22 Budget Information

Fund	2020-2021 Operating Budget	2020-2021 Property Tax Request	2020 Tax Rate	Property Tax Rate (2020-2021 Request Divided By 2021 Valuation)	2021-2022 Operating Budget	2021-2022 Proposed Property Tax Request	Proposed 2021 Tax Rate	Change in Tax Rate	Change in Operating Budget
General Fund	20,629,169.00	8,647,573.00	1.046905	0.966357	21,736,810.00	9,358,046.00	1.045752	0%	5%
Bond Fund(s) K - 12	1,246,918.00	1,136,518.00	0.137591	0.127005	948,292.00	1,083,895.00	0.121124	-12%	-24%
Bond Fund(s) K - 8			0.000000	0.000000			0.000000		0
Bond Fund(s) 9 - 12			0.000000	0.000000			0.000000		0
Bond Fund			0.000000	0.000000			0.000000		0
Special Building Fund	10,354,457.00	-	0.000000	0.000000	1,961,770.00	-	0.000000	0%	-81%
Qualified Capital Purpose Undertaking Fund K - 12	691,478.00	387,982.00	0.046968	0.043354	692,618.00	380,120.00	0.042478	-10%	0%
Qualified Capital Purpose Undertaking Fund K - 8			0.000000	0.000000			0.000000		0
Qualified Capital Purpose Undertaking Fund 9 - 12			0.000000	0.000000			0.000000		0
Total	32,922,022.00	10,172,053.00	1.231464	1.136716	25,339,480.00	10,822,061.00	1.209354	-2%	-23%