

Budget Development
4/10/2019
1:00pm-2:30pm
Administration Office – Room 123B

Attendees:

<input checked="" type="checkbox"/> Dr. Hardebeck	<input checked="" type="checkbox"/> Abby Johnson	<input checked="" type="checkbox"/> Aaron Harder	<input checked="" type="checkbox"/> Lori Bica	<input checked="" type="checkbox"/> Chris Hambuch-Boyle
<input type="checkbox"/> Kay Marks	<input checked="" type="checkbox"/> Jim Schmitt	<input checked="" type="checkbox"/> Kim Koller	<input checked="" type="checkbox"/> Mark Goings	<input checked="" type="checkbox"/> April from CLA

TOPIC	DISCUSSION
1. Public Comment	<ul style="list-style-type: none"> • Mark Goings – nothing today
2. Audit Presentation	<ul style="list-style-type: none"> • April from CliftonLarsonAllen came to go through the audit • Supplement given for 32 districts across NW Wisconsin that work with CLA • Audit Opinion – unmodified opinion – clean or highest opinion the District can receive • No deficiencies reported with audit processes and procedures – District has enough staff on hand to review and approve and District drafts its own financials • Compliance and internal compliance over requirements – Federal and State grants have no deficiencies or discrepancies noted • Audit is posted on the website for public view along with all of the other budget information • There will be fluctuation year to year due to the timing that aid was received (before or after year end) • Fund Balance – non-spendable and unassigned went down \$1.6M between 2017 & 2018, ECASD did anticipate a \$2.4M deficit • Fund Balance is currently at 18.3% in Fund 10 Operations • Average for CLA's 32 Districts is 27-28% • 25-33% is recommended by auditors (3-4-month reserve) • Is this alarming to the auditors? Where should we be targeting for Fund Balance? Okay right now, but cannot continue with that trend, unsustainable • District is very limited on what revenues that can come in, need to be looking at expenditures • There is a prepaid in the unassigned (available funds) • Debt Service – recording principal and interest payments with tax levy offset • Long Term Obligations – General outstanding \$61M • Debt limit for School Districts is 10% of equalized value - ECASD is currently 9-10%, ECASD is doing really well, other districts are about 20% - ECASD has room to issue more debt • OPEB – \$80M 15-16, \$70M, 16-17 change due to accounting – this is how much we owe employees right now



	<ul style="list-style-type: none"> • Stipend - \$2M to be paid out – accounting standard changed in 2015 • WRS-Local Life Insurance – \$3.4M new accounting standards 2018, ECASD is following the standards for all governments and funding the policy at 100% • Good Results for the 2018 ECASD Audit • Charges may be different by districts, but are due to high Open Enrollment • Recently CLA expanded and may have access to build to show other data against other bigger districts • Will the Fund Balance not inhibit us for borrowing? They do look at this as part of the borrowing process, but it is a piece of lots of other things they look at
<p>3. Discussion on Health & Dental Insurance</p>	<ul style="list-style-type: none"> • Abby’s Presentation • RFP Process for insurance • 2018-19 Board negotiated with SHP directly to finalize 5th year of contract • 2019-20 Board started the formal RFP process going forward • Prevea Option A <ul style="list-style-type: none"> ◦ HMO is ONLY using Oakleaf and HSHS ◦ PPO is for Mayo and Marshfield • SHP B adjustments to current plan • SHP Option C no changes other than deductible, copay, coinsurance • Prevea Options have about 20% of our employees • Holistic noted the 80% that would need to change their providers and get the buy-up – the cost shift to employees is about \$4.8M increase • Pros and Cons for all options presented • Clairemont Center is looking to add another provider, possibly male, talked about piloting Teladoc options at the high schools • Extending hours was a pretty definite no from Marshfield • Marshfield Clinic employees don’t want to work nights and weekends • Marshfield is saying there are times available, but the times are not available when our staff is available • Administration has been negotiating with providers as much as they can • District has polled employees to see what access issues are, will be sharing with Clinic on the 25th • Marshfield Clinic’s mission is customer service and it seems strange that they would not want to meet needs • Prevea – savings to District is about \$2M but shifts about \$4.8M to staff • Security Health was able to work with Mayo to provide Mayo or Marshfield doctors • School Board has already made \$1.7M in budget decisions for 2019-20 • Every time we are in a deficit, we have to go into the Fund Balance – Balance is already at a place of concern • Holding 19% would be great, 20% could also be a great option to shoot for • What are we talking about in Millions? • The Board needs to be talking about budget discussions on all big decisions, what is the decision tree?



- Board needs to have the budget conversation each time the District wants to do new things
- Do we need to have a policy that shows we maintain a Fund Balance of 20% or more?
- This could help make budget decisions – policy was brought up in the past and was rejected by the Board
- Holistic would like Option B, but can BDC justify that to the community?
- Need a good answer as to what happens if the District breaks its policy
- If the Board is getting close to the number, they would need to make reductions somewhere else
- Special Ed funding and Fair Funding need to be fixed
- Seems like a difficult decision to put this on the backs of employees
- CPI is something that not all districts in WI are doing
- What else needs to be determined in the budget that can help us make this decision?
- Staffing seems pretty stable
- There is an awareness at buildings that they need to reduce something to get something else
- Each year it is a trade off of what is urgent and what do we have to do? Reduced B&G last year this year may be T&L?!
- Looking at the 80% will cut dollars and help meet the goal of 20% Fund Balance
- We did wait until after the Board passed the budget to post additional jobs
- We didn't restrict access to PD, but we reduced the number of people who could attend the PD
- Board doesn't feel deeply connected to all budget reductions from last year, most come from the negotiations with the Departments
- A number from the Board is helpful, the granular detail of what is reduced is a lot to take in
- We go to departments and tell them to reduce a %, but don't tell them what to reduce, they get to choose what is most important
- Has Holistic seen the full budget impact? No, their job was to see how it would affect the employees
- In the past we haven't gotten into the budget details, the group just looks at the RFP options
- The group discussed the options within a 5% increase
- Holistic did understand that the Prevea option is a great thing for the District, but for employees it is not as friendly
- Where is the assumption that Prevea cannot handle the District's needs? They have a legal option to uphold their bid. Holistic was thinking because they are just starting their presence in Eau Claire they may not be able to handle an influx of 4,000 members
- This concern may need to be set aside when making the final decision

	<ul style="list-style-type: none"> • The 80% that would need to change their provider is much more concerning to BDC • Need to make a decision on April 15 because Open Enrollment starts the beginning of May • Understands why Holistic choose B to stay within the 5% increase \$1M • The budget impacts are in addition to what we are paying now • Would like to add a context of how many millions we need to save • Is the Board willing to adopt a deficit or does it need to be a balanced budget? • If we go out like we predicted, we would end up at 16.6% • Balanced budget is a \$0 deficit • We really shouldn't be doing any increasing, no level movement, no CPI, get something give something • There are a lot of decisions that we use the lowest bid, but others we don't • SHP was lowest bid over a 5-year period • We heard concerns about Mayo, and we were able to negotiate to get what the employees wanted • Prevea would be a different model offering two plans • Option C is in the middle for cost • Option C would be an increase of \$1,000 towards the deductible with the bridge and HRA • Seems the best compromise is C – good idea to lead with that • MOTION by Aaron Harder – Move we recommend Option C: Chris seconded voted unanimously
4. Future Agenda	<ul style="list-style-type: none"> • Budget Conversations

Next Meeting: 5/30/2019