

**Budget Development**  
**9/10/2019**  
**1:00pm-2:30pm**  
**Administration Office – Room 137**

**Attendees:**

<input checked="" type="checkbox"/> Aaron Harder	<input checked="" type="checkbox"/> Lori Bica	<input checked="" type="checkbox"/> Joe Luginbill		
<input checked="" type="checkbox"/> Dr. Hardebeck	<input checked="" type="checkbox"/> Abby Johnson	<input checked="" type="checkbox"/> Kay Marks	<input checked="" type="checkbox"/> Jim Schmitt	<input checked="" type="checkbox"/> Kim Koller

TOPIC	DISCUSSION
1. Public Comment	<ul style="list-style-type: none"> <li>• Mark Goings, Augusta</li> <li>• Assuming topics on the agenda are how I will interact with the committee going forward</li> <li>• My role is to be a resource, past history was that topic would be discussed with Committee and then there would be discussions after word or embedded in the conversation during the topic</li> <li>• Making 4-minute speeches isn't a great way to be a resource</li> <li>• After each topic there could be an opening for public comment</li> <li>• When looking at different types of cost savings, softest option is getting insurance you need instead of a fixed rate, ask Abby to have this year's retirees to fill out document to see what the District would save – within a certain degree of certainty you could predict things going forward</li> <li>• Success of OPEB committee showed how the Board balances between insurance, musical instruments, and more, rather than having an OPEB committee that looks just at each subject, having a committee to look at a few different things and can help to balance between others, will help staff to understand more</li> <li>• Technically OPEB Committee went beyond their charge, structurally how does that look for other groups going forward</li> <li>• Female products, version of what it looks like is very different at elementary and secondary levels – would suggest talking to elementary counselors too</li> <li>• Future topics and lane movement, embedded in current compensation, with the new schedule and CPI increases, if the schedule drifts high or low it would be seen in the new schedule reviews</li> </ul>
2. Discussion regarding public comment format	<ul style="list-style-type: none"> <li>• How does Budget Development Committee want public interaction, what is the expectation, format, and is there a time limit?</li> <li>• Haven't seen this topic in other committees, thinking we can do it like the Board at each committee report where it is open for comment after each topic, maybe something for clarification and or questions</li> <li>• Not sure if this is something the Budget Development Committee looks at or if the committee policy needs to be looked at</li> </ul>

	<ul style="list-style-type: none"> <li>• Not sure if we operate fully on Roberts Rules or a spin on that, want to be sure that it is kosher for everything across the board</li> <li>• Modeling after the Board meetings could be helpful with discussion after each topic</li> <li>• We need to do something, this or nothing, we cannot engage directly with non-committee members during a meeting, this is the policy</li> <li>• Understand we made these changes, but this room creates separation and the physical space, liked the way we could interact with the people who attend the meetings, needed those extra people to make those decisions, don't know what others in the room know</li> <li>• Powerful examples of when we can interact with the visitors</li> <li>• Policy and Governance – public comment in the beginning and then if there is a guest of a committee they can get a more fluid dialog for a specific topic, welcome to speak on that topic</li> <li>• Why we made these changes, P&amp;G had moved to this room, other committees have been meeting in this room and trying to establish more of a procedure</li> <li>• Like the idea of a smaller group intimate conversations</li> <li>• Having a smaller table and the public comment section after each section can be helpful</li> <li>• Invite public comment at the end of each topic for now and see what happens next</li> <li>• Mark - Would have much less at the beginning and more in the middle, fully understand that things come up and want to help answer questions and ask questions differently based upon the conversation</li> </ul>
<p>3. Fund Balance and OPEB Next Steps</p>	<ul style="list-style-type: none"> <li>• Fund Balance - Abby did research for Fund Balance policies across Wisconsin</li> <li>• 12 districts responded to the requests, there were varying policies</li> <li>• Overall common theme was related to ranges to avoid short term borrowing</li> <li>• Funding payments may change and will affect our cash flow</li> <li>• Cash flow borrowing was very helpful. Was used 4 times this last year and saved us about \$50,000</li> <li>• Policy and Governance discussed on Monday and the overall consensus was a full Board conversation to make this work for the District as a whole</li> <li>• What can this committee do to help prepare for this conversation?</li> <li>• We are working on the fund balance and we are concerned about the balance, we have a decent policy now, not sure what will happen if we don't meet targets and how will that affect the budget going forward</li> <li>• Fund balance should be the driver for our changes and will structure what comes out of our focus</li> <li>• Are we making this the basis of our actions? And what timeframes do we put around it?</li> <li>• Would not like a range, important to have guiding principles and rules, but leaving it more generic gives flexibility for future boards to make decisions</li> </ul>



- Within the fund balance policy, what are strategies to maintain or strive to, to build the balance the Board supports x, y, z. Helpful tools for the Board now and in the future
- Fund balance best practices may be a healthy start to the changes
- What about just balancing the budget? What if the budget is not balanced, maybe nothing or if not nothing, if the fund is not balanced, the Budget Development Committee will do x, y, z to try to direct certain attention and effort in budget decisions to create a healthy budget
- A lot of that happens naturally with Administration and the buildings already
- Something to keep in mind, when budgeting, you are hoping to come within 1% of your projections, hopefully it is under not over and in our budget that is about \$1.4M
- When we think of having a projected budget deficit of \$3.2M we are about double the recommendations
- In many states you must have a balanced budget, but having + or – 1% is a good target to start
- Wisconsin has helped us be flexible and the recent trend has been that there is more support from the Governor and includes the ability to edit the budget
- Starting with small steps and promising bigger steps. We will wait to see what happens, but as you look at the fund balance, as an Administrative Team we have taken cost effective measures to balance
- We have looked for several creative strategies to balance the budget
- And at some point, you hope to reinvest in the fund balance
- It is okay to have a range, but if nothing else it helps the Board to note we may be heading in a direction that we need to be looking into
- There is the percent range that the creditors look at for borrowing
- What is the lowest range that you could have without drawing on the line of credit, but what is the upper range where you want to get to where the District is healthy?
- Has the budget ever been healthy? At a minimum for the last 12 years ECASD have short term borrowed
- We were one of the latest borrowers in November and then first to pay off in August
- Most districts are borrowing now and again throughout the school year
- Structurally what do we need to do to avoid short term borrowing, are there any levers that we can push now to avoid that?
- Much of this is due to cash flow and is out of our control, timing of property tax and State aid payments
- A balanced budget may help because cash needs are greater at certain times of the year - If you are in 35-40% range you are better able to bridge the gaps
- Even with the line of credit we did have to borrow, but borrowed the minimum we needed
- Some of the balance is liquid, but most is property



- We don't have enough cash now and not enough liquid to not cash flow borrow
- Do we need two policies? Fund balance and Balanced budget
- Could state the goal of having a balanced budget within the fund balance policy
- How do we start to articulate to the full Board?
- This policy can be objective, include some fundamental changes on how to get there, and we can have firm drivers then to say why we do what we do
- We have some work to do, we have sample policies from other districts, we would share and let Board members react before the full conversation
- OPEB Next steps – potential timeline with actuary dates
- This week ECASD will be submitting our census data
- Getting people what they need was already part of the actuary study, normal assumptions for how many spouses and children may drop off, we also got data from Security Health for the actuaries to see if the assumptions are on target
- This model may not affect the projections at all, but it will affect cash flow
- Actuary will review data in September, October, and November and will come to us with new data late November
- After we get data back, will discuss with Budget Development Committee and they can decide what to do going forward
- Included a timeline that does have in February 1, 2020 on it because that is the certified staff retirement date deadline
- If we are going to try to make some changes, that is an important date
- Not sure how important this is currently
- One item is to fix the budget as a whole, but also how do we communicate the status to ourselves as a Board and to the larger staff
- Plan for fixing budget includes steps about other things including OPEB
- Big list of items is important and working through the list is also important for the next couple months
- A committee member thought differently about the conversation, felt it was okay for communicating to staff that for this academic year there is no OPEB changes
- Actuarially study will be back in November and talking through this should happen with the full Board
- Assumption after votes on OPEB earlier in August, was that after the studies, OPEB will come back to the full Board
- Would the next budget presentation to the Board include an OPEB discussion? Not necessarily, it is part of the budget, but it wasn't anticipated
- Important for whole Board to have the discussion on what is coming
- Will have a discussion on the first October meeting about OPEB conversation
- Timeline should be created, drafted, worked through with the full Board  
What is and isn't put to bed, there are already some assumptions that the votes were the last of OPEB, we will just have to be very clear, we need to educate staff and Board, there is no end to the OPEB discussion, until the law changes, there is no end to this, it will always be part of the conversation



	<ul style="list-style-type: none"> <li>• Current Board cannot pass a moratorium for future Boards to not look at OPEB</li> <li>• We can talk about what we are doing and what timelines look like</li> <li>• Communication with staff is very important on why the conversation will continue - Trying to get a timeline together</li> <li>• OPEB Timeline first and then a second timeline for other items to talk about</li> <li>• Started a list of items that needs to be addressed</li> <li>• If talking about the budget as a whole, what are things that are easily looked at that are low hanging fruit</li> <li>• Outsourcing in general, level movement, instruments, on the document the fund column – adding dollars from outside sources, foundation, and granting agencies</li> <li>• For open positions into increments, we already utilize with the overload model to help with some of that</li> <li>• Two lists – things that are outstanding topics of conversation and ideas to help balance the budget</li> <li>• Meal pricing needs to be in Fund 50, it is run like a business and will not affect overall District fund balance</li> <li>• Reorganization should be on the list as well meaning, Instructional Coaches, use of the staff across the district, there may be a few things like this that we can look at and accept or reject and for what reason</li> <li>• Restructuring means at every level, are you looking at how we staff, including support staff, administration, an educational model at the UW was going from four administrators down to one and one and a half assistants</li> </ul>
4. Compensation Equity	<ul style="list-style-type: none"> <li>• Wanted Budget Development Committee to get this topic in front of the Board</li> <li>• There is a group that identifies as Glitch Group – have quantified their reasonings and it includes about 15 to 20 people with 2008 or 2009 hire dates</li> <li>• The group collected data on their particular leap frogging from staff coming in from outside of the District</li> <li>• Email was sent out to all Board members last month about this group</li> <li>• This is a question that we need to sort out... what and how to proceed?</li> <li>• This is a subset of everyone that identifies as the Gap Group</li> <li>• Their claim is subjective, and it can be quantified. They can provide consistent examples of people coming from outside the District with same or less experience and they are getting a level more</li> <li>• The Board needs to be committed to a process</li> <li>• Give us your concerns and we will determine a process if the claim has the ability to move on the scale</li> <li>• The total affected is not an infinite number, could be 500 people, but it could be less</li> <li>• How is it similar or different from what we did last time?</li> <li>• Was lumped in by staff last time with the transition to the new salary scale</li> <li>• Have staff prove why they are needing to move, and each item would be considered individually</li> </ul>



- We either say no, or set up an equitable process for other groups to identify as being part of
- This is a Board level conversation, but if Budget Development Committee can lay out the questions for the Board to see would be essential to the conversation
- When we bring the conversation to the Board, we need to entertain across the board for all those who believe they are affected, or we need to not entertain
- When looking at the budget, if this door opens that has been closed for several years, for an undetermined number of staff, where is the money going to come from?
- This small group is about \$50,000 per year and they make the case that they are the only group and shoot down others claims to be included
- They are measurably a step behind, we need to have a limited time frame on this process, 6 months or something, where we are going to consider, we will try to group into a larger class and then decide if we are going to do anything for that group of people and then it is closed and we don't talk about this going forward
- We are looking for ways to help this in the future, this is the path to a better place
- This committee has looked at how competitive we are in salary and benefit, we are okay, not great, one strategy is to go away from granting this to this group, but I also don't know what an equitable process would be
- UW freezes salaries and staff have been leaving, they decided to take some money and put into salary
- Everyone's salary was put into to be looked at, if your salary was out of range, peer group, it was a raise, the other was competitive with a review
- They can quantify their case, doesn't matter why, just that you are not competitive, then you can make your case, do you want an injection into staff salaries, is it worth it to the District for that
- \$50,000 seems worth it, but when does it stop, to make people feel they are part of the team, we know there are people who are not being dealt with, let's find the money, we are talking about potential millions, spending money to fix a wound is okay, and is a good question on where does it come from
- Spending money strategically on things that are hurting our District, and when we do the research, we will then have an answer on why we can or cannot do anything about it
- Are we going to increase salaries or are we going to lose staff was a question the University asked before they decided to put money into salaries
- We have people who leave, and then people who stay because they don't have a choice
- Agenda setting for a closed session on this – in the past we have been trying to crack the formula, that will not work, but now, we have a group, do we say yes or no, and if we say yes, do we open the list to everyone

	<ul style="list-style-type: none"> <li>• A visual will help in the closed session – we owe the requestor to tell them yes, or to tell them no and why not</li> <li>• Knowing there are others that consider being part of this group is part of this too - Abby will work on a visual for closed session</li> </ul>
<p>5. Alliance for Substance Abuse Prevention Request</p>	<ul style="list-style-type: none"> <li>• Email came in to request funding from our Budget</li> <li>• We have historically budgeted for .1 FTE</li> <li>• We have funded in the past with a grant and have found out that the grant is no longer available. The position has been funded in Eau Claire County for 10 years</li> <li>• This group is involved with SADD, Parents who Host Lose the Most, mock car crashes, surveys and many other great resources for our families</li> <li>• The District has had organizational commitment to the group and there is one main staff member for the group</li> <li>• They have asked member groups in Eau Claire County for contributions based upon their size and utilization</li> <li>• We are very involved, and we encourage the families to get involved with them as needed as well</li> <li>• Strong case going forward for more funding, but this is stop gap funding for this group to keep going</li> <li>• What else does the District fund? SROs is all that we can think of that there is a cost sharing</li> <li>• Funding that is outside the district would have to go to the full board</li> <li>• Marshfield Clinic acts as the statewide clinic, federal law mandates that clinics in Wisconsin work with the Alliance, they have been asked for money in the past, but this year they are asking all the clinics in the county</li> <li>• MOTION – to move forward to the full Board</li> <li>• SECOND – Aaron</li> <li>• Discussion – don't like that the other members have been asked to fund this type of group</li> <li>• Happy for the Board to take a look and to think about it, not bring to recommend, but a request for Full Board to</li> <li>• Vote – 2 (Harder, Luginbill) to 1 (Bica)</li> </ul>

**Next Meeting: 9/24/2019**