

## **Eau Claire School Board Minutes**

**Monday, October 8, 2018**

*Generated by Patti Iverson*

### **Members present**

Lori Bica, Chris Hambuch-Boyle, Aaron Harder, Laurie Klinkhammer, Joe Luginbill, Eric D Torres, Charles Vue

## **1. REGULAR MEETING - CALL TO ORDER**

Following the Pledge of Allegiance, President Luginbill called the meeting to order at 7 p.m. Board Secretary Patti Iverson confirmed that the meeting had been properly noticed and was in compliance with the Open Meeting Law.

## **2. BOARD/ADMINISTRATIVE REPORTS**

### **2.1 Superintendent's Report**

Dr. Hardebeck reviewed the upcoming School Board events.

Superintendent Hardebeck announced that Ellen Higley has been selected as 2018-19 School Social Worker of the Year by the Wisconsin School Social Worker Association (WSSWA). Ellen was nominated by her colleagues for this award, including fellow social workers, former graduate students, school counselors, school psychologists, and principals. She was nominated due to the positive impact she has had on the profession of school social worker. She has connected with families for long-term positive change through multiple generations, continued to expand the profession of school social work by working with numerous graduate students, and has been a role-model, mentor, and colleague for many school social workers in the area. Ellen was congratulated by the School Board.

State Superintendent Tony Evers has proclaimed October 15-19, 2018 as National School Lunch Week. The District joins in recognizing the significant contributions of food service staff and the importance of a nutritious, well-balanced school lunch to the health, well-being and education of children. Dr. Hardebeck gave a special thanks to all food service staff.

Dr. Hardebeck said that the Wisconsin Association of School Boards (WASB) invites member school boards to submit the names of local businesses that have made important contributions to their school district over the past year. The ECASD nominated five businesses who have partnered with the District. WASB helps promote those business partnerships throughout the state.

Dr. Hardebeck recognized the businesses that were added to the 2018 WASB Business Honor Roll and read the nomination application highlighting why each business was nominated. Representatives from Grace Lutheran Communities,

Reality Works, Metropolis Resort/Action City, and Chippewa Valley Home Builders Association were present and recognized. The Wisconsin Restaurant Association was also added to the Honor Roll but were not able to attend.

## **2.2 Board President's Report**

President Luginbill welcomed Sami West, who is the new *Leader Telegram* education reporter. He thanked Lauren French for her work and wished her well in her new endeavor.

Mr. Luginbill talked about Indigenous People's Day, which was designated by the School Board last year as occurring on the second Tuesday of October. He thanked the three Northstar Middle School students who brought this proposal to the Board last year.

The WASB Policy Committee moved all resolution proposals forward in some form at their last meeting. All resolutions from ECASD were included.

As a follow up to the Work Session on September 24, updates have been proposed for Policy 185 - Board and District Committee, a Board Governance work flow will be created, and books describing the two governance models the Board is considering have been ordered for all Board members.

Mr. Luginbill paid tribute to Lloyd Joyal, who recently passed away. Dr. Joyal was a long-time educator at the university and served on the School Board from 1996 to 2005. He was known as a people person and was a great advocate for public education. Mr. Luginbill passed on condolences to his family.

## **3. PUBLIC FORUM**

Brian Paral and his wife are both teachers in the District. He talked about possible changes to OPEB and whether they will have health insurance when they retire, if they will be able to choose when they retire, or if they should look for work elsewhere. Mr. Paral asked if the Board would keep promises made to staff, and if not, wondered how that would affect the trust between employees and the School Board.

Mike Peplinski said that he and his wife are both teachers in the District. He has concerns about recommendations made by the OPEB Committee that would change OPEB. He said that employees received a scenario of how various options would affect them; however, that did not include what their current benefits are if no changes were made. The OPEB presentations had a slide to explain how employees could calculate their own benefits. He felt that employees would benefit by seeing all scenarios in one chart. He said that although the District will save money by making changes, these savings are over 25 to 30 years. He said there would be a percentage of savings but at what cost? He felt the budget deficit shouldn't be put on employees who have negotiated for these benefits.

Lisa Ausman has taught in the District for 25 years. She said when she was hired, it wasn't the highest paying job, but it came with benefits that surpassed other districts. She said she had a contract with the Board that said if she stayed in the District until she was 55 years old, she would receive the District's health insurance until she turned 65. She said that Act 10 brought many changes to employees including frozen wages, staff funding their own WRS contributions, etc. She asked the Board to live up to its values and look at how it treats employees.

Laura Miller is a school psychologist. She said when she was hired, there were several promises made on both sides. She felt that several of those promises were broken such as reductions made by Act 10 and frozen salaries. Reducing post-employment benefits will change retirement plans. She said that staff are no more responsible for budget problems than anyone else. She asked the Board not to make changes to OPEB and to ask for another plan to make OPEB more predictable but with less costs to employees.

Mary Kae Walters has taught in the District since 1991. She came to Eau Claire because she felt it was a great place to raise kids. As she looks to retirement, she is fearful about what will happen with post-employment benefits. She said she loves her job, but she pleaded with the Board to keep the promises made to teachers today and in the future.

Megan Holmen said there were many in attendance who support Roosevelt School. She said that communities are built around neighborhood schools and that students can easily foster friendships. Neighborhood schools keep communities together. Teachers believe that they can promote students' abilities to engage in things before and after school, but that would be limited if students must be bussed. She asked the Board to keep students at the forefront of their decisions and to find a way to fix facility needs at Roosevelt rather than break it apart.

Shana Schmidt built a home near Roosevelt. They were disappointed when Roosevelt was not included in the last referendum but supported it anyway. She said they trusted the Board's commitment to build a new school as the northwest side of Eau Claire is growing. She felt the recommendation by the Demographic Trends Committee was a short-sited and unsustainable solution. Shana said that closing a high caliber school in the heart of the west side is not how to address overcrowding in the District. She felt that overcrowding should be handled by shuffling students and then reshuffling them when enrollments ebb and flow. She said the Roosevelt staff and families were not consulted or given another way to address the issues and she implored the Board to consider more compassionate options.

Ben Holmen said he was strongly opposed to the Roosevelt proposal to repurpose the building and bus students to other schools. He said the growth on the west side will continue to increase and cited several developments in the area. He felt that Roosevelt should be expanded or replaced with a building that is comparable to

other schools in the District. He said the recommendation forces Roosevelt students to pay the price for overcrowding in other parts of town.

Jessica Irwin read a statement prepared by Jill Christopherson, who represents District 4 on the City Council. She said there are active developments along Hwy. 312 and west of I94. The need for affordable housing will increase in Eau Claire, and current crowding may be in the southern part of town, but there are plans for possible changes. She said that families want schools that are in their neighborhood. She asked the Board to make sure there is equity for all students and to take their time making a decision for families.

#### **4. STUDENT REPRESENTATIVE REPORT**

Abby Green shared some concerns with policies that look at class rank and GPAs. In the past, student reps brought up the issue of weighted vs non-weighted grades, but policy changes dealt with the class rank policy. She feels that students are discouraged from taking rigorous courses because it will ruin their GPA. She also said that students have shared concerns that there aren't enough staff in Student Services to help with career guidance. She feels that staff don't have enough knowledge to help students who want to pursue attendance at more prestigious colleges and have lower socio-economic needs. She felt counselors are pushing the military more than Ivy League schools.

Gwen Heywood said she has had to invest time into researching what college opportunities are out there that fit her needs. She said that many scholarships that are being encouraged by counselors are for staying in state, but that option isn't for everyone. She felt it important to address that students may want to pursue education out of state and those options should be provided by staff. In another matter, Gwen felt the District should encourage sustainability. The Eco Warrior Club at Memorial has been initiating sustainable practices, especially for waste removal in school. They have a successful composting system. They want these practices to be followed across the District so that waste isn't going into landfills when it could be diverted.

#### **5. OTHER REPORTS**

##### **5.1 School Board Committee Reports**

The Policy and Governance Committee has been working on policies to bring forward to the Board for consideration regarding family engagement, concussion protocol, tobacco and vaping-free school zones, and crowdfunding/crowdsourcing.

##### **5.2 Legislative Update**

There was no report by Eric Torres, Legislative Liaison.

## **6. CONSENT RESOLUTION AGENDA**

Chris Hambuch-Boyle moved, second by Charles Vue, to adopt the following consent resolution items:

- Minutes of September 24, 2018
- Human Resources - Employment Report
- Appoint Representatives to the Ad Hoc Revenue Committee
- Appoint Representatives to the Equity Committee on All-Night Graduation Parties
- Adopt Proclamation Designating October as Dyslexia Awareness Month

Motion carried

Yes: Lori Bica, Chris Hambuch-Boyle, Aaron Harder, Laurie Klinkhammer, Joe Luginbill, Eric D Torres, Charles Vue

## **7. INDIVIDUALLY CONSIDERED RESOLUTION(S)**

### **7.1 Adopt Resolution Supporting Increased State Funding for UW-Eau Claire Phillips Hall Expansion**

The Board was asked to consider adopting a resolution to support the inclusion of UW-Eau Claire's Science and Health Sciences building in the 2019-21 Wisconsin State Budget as recommended by the UW System Board of Regents. A policy was drafted that would support increased state funding for the expansion of Phillips Hall on the UW-Eau Claire campus.

Motion by Eric D Torres, second by Chris Hambuch-Boyle, to adopt resolution of support for UW-Eau Claire Science and Health Sciences Building Project.

Motion carried

Yes: Lori Bica, Chris Hambuch-Boyle, Aaron Harder, Laurie Klinkhammer, Joe Luginbill, Eric D Torres, Charles Vue

## **8. ADJOURN TO COMMITTEE**

## **9. COMMITTEE REPORTS/ITEMS FOR DISCUSSION**

### **9.1 Update from Demographic Trends & Facility Planning Committee**

Kim Koller, Executive Director of Administration, and Phil Lyons, Chair of the Demographic Trends and Facility Planning Committee, shared a report from that committee. Ms. Koller said that on May 7, 2018 the committee presented information to the Board regarding trends that might affect long-term planning including early childhood needs, north side schools that are under capacity, and south side schools that are nearing or are over capacity. At that meeting, they shared that to have a full set of options to look at, it was recommended that its decision to renovate or build a new Roosevelt be rescinded. The Board asked that

the following be studied and returned to the Board: the recommendations from the committee on long-term planning, that equity be considered when planning for Roosevelt, and a plan for safety due to lack of a secure entrance at Roosevelt and the fact that there is no safe drop off for the building.

Phil Lyons said that the charge of their committee was to provide at least annual recommendations to the full Board regarding demographic trends, boundary issues, capacity updates, and other relevant information from around the District. He shared the committee's planning principles and highlighted those that set the stage for their recommendations and discussions:

- Reliable, current, and projected demographic and housing-impact data from internal and external sources.
- Building enrollment greater than 65% of capacity, not to exceed 100%.
- Consideration of cost to maintain existing buildings vs new construction.
- New elementary school construction will provide a minimum of three-section grade level arrangements, 450 students with room for expansion.

Population groupings across the city were geo-mapped to help the committee understand population densities and potential trends across the District. The committee examined schools that were below 65% capacity and those nearing 100% to determine which areas within the District were currently facing or were likely to soon be facing enrollment and capacity issues.

Between August 2016 and early spring 2018, the committee examined elementary enrollment trends across the District. At that time, it was evident that, although the needs of Roosevelt were undisputable, addressing those needs in isolation would solve only one of the many issues ECASD was facing and did not create a long-term viable plan.

In spring 2018 the committee looked at overcrowding at Prairie Ridge and schools under capacity on the north side. The committee discussed options to provide relief to schools that were over capacity by adding to schools that were under capacity or moving students. They also discussed absorbing and redistributing Roosevelt students. In April 2018 the committee voted to rescind its previous recommendation to the Board regarding Roosevelt. They felt there were other options that weren't previously considered such as the potential of Roosevelt being an early childhood education center or changing boundaries for Roosevelt to reduce its high capacity. It also opened the potential to bring schools, such as Locust Lane or Longfellow, above the 65% capacity benchmark established by the Board.

Mr. Lyons shared data that showed the buildings that are under capacity and those nearing capacity. Four of six north side schools are under 75% capacity and combined could accommodate 850 additional students before reaching 100% capacity. On the south side, four schools are between 81% and 94% capacity and combined would accommodate 236 students before all of them were at 100% capacity. This means that of 1,036 seats available, 850 are on north side. When considering long-term planning, there is a greater and more urgent need to address

the shortage of space in elementary schools on the south side of the District.

The committee also talked about programming for students so that all have access to equitable programs and services that accompany them. A graph was shared that had the number of staff members assigned to a typical three-section building as compared to what is assigned to Roosevelt. Committing to three and four-section schools maximizes the efficiency of resources.

Mr. Lyons said that after studying current and projected trends at the elementary level and considering the Board's request for long-term planning, equity, and safety, the committee developed two potential solutions to meet the needs of the entire District.

- Option 1: Develop plan to repurpose Roosevelt into 4K Center including a facility upgrade for that purpose. Reestablish elementary school boundaries absorbing Roosevelt students into other north side schools so that Roosevelt can become a 4K center. Develop a facility plan to address capacity issues at south side elementary schools.
- Option 2: Develop a plan to address capacity issues at north side schools by maintaining Roosevelt as an elementary site. This would include reestablishing elementary boundaries to balance enrollments and a facility plan for Roosevelt as an elementary school. This plan also calls for the District to develop a separate plan for dealing with capacity issues at Prairie Ridge and to develop a facility plan to address the capacity issues at south side elementary schools.

The estimated costs for each option were shared. Option 1 was estimated to cost between \$17.5 million to \$21 million. Option 2 was estimated at \$46 million to \$51.9 million. In both cases, boundary changes would be cost neutral. Based on the study of District needs and the cost of the options outlined, the committee recommended that the District go with Option 1.

Over the next several months, the committee recommends the Board hold several listening sessions regarding the recommendation so that the Board can vote on which option the District will utilize moving forward in the spring of 2019. Since both options recommend boundary changes at the elementary level, the 2019-20 school year would be used to support and prepare families who are impacted by the changes, and those changes would be implemented in the 2020-21 school year.

Mr. Lyons said the committee needs direction from the Board before moving forward with additional work for the coming year.

Board members requested more time to learn and discuss this recommendation. They wanted to provide opportunities for public input over the next several months.

Mr. Lyons said that when looking at district boundaries, there are many

developments south of I94. The north side is more land locked by school boundaries with other districts (Chippewa Falls and Altoona). There is the potential for growth on the west side of town, but that hasn't materialized yet. It is estimated that the four south side schools that are at or near capacity are one sub-development away from being full. Several sub-developments could occur on the north and west sides and there would still be room within the schools. Mr. Luginbill said that would be good information for the Board to have. Mr. Lyons added that the proposed changes in elementary boundaries would not change the boundaries of middle or high schools.

The concept of the importance of neighborhood schools was discussed. Mr. Lyons said the committee struggled with that because it knows the value of students being able to walk to school and to have their school be the center of their community. However, when faced with the costs to build a new three-section school when there are several schools on the north side of town that are under 65% capacity, the committee started to look at changing all elementary boundaries. It was suggested that the Board shift from looking at problems in isolation to a more holistic approach.

It was recommended that the District work closely with the City of Eau Claire and the Planning Commission, so the District is kept abreast of new developments.

Board members expressed support for having listening sessions in the fall and winter. It was suggested that perhaps a study group of the Board could be developed to determine what the Board would be presenting to the community and what will be asked at these sessions. It was hoped that participants could be active stakeholders in finding solutions to the issues addressed.

Ms. Koller was asked to obtain a formal report from the City of Eau Claire about growth on the northwest and south sides of town along with potential developments.

### Public Comment

Gina wanted to know how the District boundaries would be redrawn. She also asked if 4K could be included in a lower-capacity elementary school rather than two separate buildings. She confirmed that the recommendation to change boundaries would occur in the 2020-21 school year. She was confused by the estimates provided for renovation of Roosevelt and asked why it would cost \$18.5 million to renovate as an elementary school but only \$1.5 million to \$3 million to repurpose it as a 4K site. She also asked if Little Red could be considered as a possible site for 4K.

Kelly was concerned about students having to be bussed through other attendance areas to schools with lower enrollments. She asked if Roosevelt students would be displaced and bused or if boundaries across the District would be redrawn. She also asked if the enrollments to determine building capacity could be updated with the new September 2018 counts.



Shana asked about having a different site for 4K and wondered if it would be more prudent to have early childhood sites at different locations in town rather than a few blocks away from each other. She asked about minutes from the committee meetings and if everyone was in attendance when the vote was made for the recommendation presented to the Board.

Megan said the vote of the committee members to build a new Roosevelt in January 2017 passed with 81% of the committee supporting it. When that decision was rescinded, only 56% of the committee were in favor of it. She asked why the District waited to make facility improvements to Roosevelt, which led to the condition it is in. She said there are more children in the Roosevelt area than are being included because each year parents are asked to send their children to Sherman instead. She asked what other ideas could be considered to alleviate overcrowding on the south side and wondered if Little Red could be used. She asked the Board to commit to a long-term solution rather than a band-aid fix and to be proactive rather than reactive to growth on the northwest side of town.

Ben asked that the Board look at not only the number of seats available at other schools, but the overall capacity of the facilities including cafeterias and gymnasiums.

## **9.2 Update from OPEB Listening Sessions**

Abby Johnson, Executive Director of Business Services, said that the first series of presentations to staff about Other Post-Employment Benefits (OPEB) began in April. There were five sessions held this fall.

Mrs. Johnson reviewed some of the slides that were shared with staff. She pointed out a slide that shows staff how to calculate their current benefit, so they could compare the various options. She noted that as new questions came up at listening sessions, she made changes to the Power Point to address those issues.

Mrs. Johnson shared common themes heard at listening sessions:

- Employees feel they are being forced out (referring to possible decision not to grandfather staff).
- Staff felt they were promised this benefit and that the District was breaking the trust with staff. They felt that by signing a yearly contract, they were promised this benefit.
- If Board makes changes now, how does staff know it won't be reviewed again? (It is unknown what future Boards could decide on this matter.)
- Is this legal? (Yes, only base wages can be negotiated.)
- Why doesn't the District put Tier 3 in account each year? Employee hired after 2008, 2010, and 2012 can earn interest. You must retire to access those funds. (Shared that budget viewed as option but couldn't be sustainable.)

- Why isn't Tier 3 equal regardless of classification? (With the current proposal, dollar amounts are based on the District's current defined contributions amount.)
- Why is this change necessary? (The current plan is unsustainable.)
- Why doesn't the District cap the plan a person retires with? (The overall savings didn't meet the Budget Development Committee's goal and was still tied to unpredictable health and dental costs.)
- Why not cap yearly increase to eliminate the unpredictability of health insurance costs? (Overall it didn't meet the goals.)
- What about the November election? (There is belief that change in leadership will result in more funds for schools.)
- What does ECASD have planned for mass exiting of staff?
- Why are we making decision so close to November election? (The discussions about OPEB started in 2012 and changes were proposed in April 2018.)
- How is the Board getting information from listening session? (Minutes from the listening sessions will be shared with the Board.)
- How many staff fall into the grandfather category? (It is based on who meets age requirements in the next five years. About 655 staff were hired before the 2008, 2010, or 2012 dates and meet the age requirements.)
- The most common option shared by staff was that no changes be made.

Mrs. Johnson said there are significant budget consequences if nothing is done to OPEB. The impact for this year's budget is \$880,000. If nothing changes, the Board must look at tradeoffs such as salary freezes, increased class sizes, less staff, employees contributing more to health insurance, or increased health insurance deductibles. The health insurance costs are almost 46% of the employee benefit line alone.

Board Members thanked Abby Johnson and Marisa Anton, Executive Assistant to Mrs. Johnson, for attending all the OPEB listening sessions. Mr. Luginbill noted that the presentations were what the Board asked Mrs. Johnson to do. He said there were inappropriate things that people said about her at these sessions and that was not fair. He said there were some concerns by staff that the Board would not be given accurate information about the listening sessions. The Board received a large document with minutes from those sessions and nothing was hidden. He added that since 1993 when revenue limits were imposed in the state, the District has had to make substantial cuts. When faced with challenges, the District must cut the budget. He said the District needs to think seriously about the consideration of stimulus.

Mr. Luginbill said a Revenue Committee is being developed to explore some different ideas to generate revenue. He hopes this may provide some options that could make up the difference.

Board members shared their thoughts on moving forward with the process:

- The Wisconsin Public Education Network and Wisconsin Association of School Boards were invited to DPI to have a conversation about upcoming budget

requests for the biennium budget. This partnership will continue in future years. The District passed a resolution relative to 90% funding for special education since that is what the state is funding in vouchers to private school partners. DPI is advocating for a 30% increase the first year of the biennium budget and 60% in the second year. This could have an impact of an additional \$1 million the first year and \$6.5 million the second year. This increase could help with the District's OPEB decision.

- This situation may involve increasing class sizes, reducing staff or freezing salaries. The District may have to limit its resources. It was likened to a family making the decision not to have more children when they don't have enough food on the table. Health and dental insurance are a basic need and getting rid of those benefits is like asking staff not to eat.
- This may need to be delayed and discussed more after hearing the reaction from staff at listening sessions. It would be interesting to hear from staff about alternatives they may suggest. Those could be explored to see if they would be viable options.
- The District may know more about the state's budget process after the November election. This could affect OPEB decisions. Some supported moving the decision back to allow for consideration of the election, as well as to consider the upcoming work of the Ad Hoc Revenue Committee.

As a follow-up to a question raised in the public forum, the Board did not direct Mrs. Johnson to send another letter to staff that included their current benefits. Staff can review the slide that gives step-by-step instructions on how to calculate that. Anyone who has issues with that can contact Mrs. Johnson.

### **9.3 Referendum Projects Update**

Larry Sommerfeld, Director of Buildings & Grounds, shared an update on referendum projects that have been completed to date and those planned for next summer. Deferred maintenance projects have included playground/parking lot paving, reroofing, window and door replacements, secure entrances, ADA compliance, HVAC and plumbing upgrades, fire alarm system upgrades and six miscellaneous projects.

Mr. Sommerfeld shared information on projects completed in 2018 and pictures of those projects at Lakeshore, Longfellow, Manz, McKinley, Memorial, Montessori, North, Northstar and Prairie Ridge

Mr. Sommerfeld shared a list of projects that were completed in 2017, which totaled \$4,903,823. It is anticipated that the project costs for 2018 will be \$13,451,177, and that the 2019 projects are estimated at \$6,645,000. Those totals make up the \$25 million that was approved in the 2016 referendum.

It was noted that the safety grants that the District received did not supplement referendum projects but rather things like security cameras.

A question was asked about whether Roosevelt would have any deferred maintenance projects. Mr. Sommerfeld said that if the Board decides to do any work at Roosevelt, it will cost approximately \$180,000 for a secure entrance.

Board members thanked the Buildings and Grounds staff and the contractors who have done the great work to complete the projects.

#### **9.4 2018-19 Budget Update**

Abby Johnson, Executive Director of Business Services, shared an update on the 2018-19 budget. The final recommended budget will be shared on October 29, 2018 after figures are received from DPI on October 15, 2018 to do calculations.

Mrs. Johnson said that the revenue limit accounts for 90% of the operating revenue. It is a combination of equalized aid and property tax. As one value goes up, the other will go down. Last year the revenue limit was 52% in equalized aid and 48% for property taxes. In 2019 the projected budget is 53.5% in equalized aid and 46.5% for property taxes. When looking at property taxes and equalized aid, the equalized aid shows an increase of \$2.2 million, which brings property taxes down \$1.3 million. This results in an increase to the revenue limit of \$910,390. Mrs. Johnson noted those numbers will likely change once the information is received from DPI in October.

Mrs. Johnson shared a summary of revenue from operating funds, which shows a 1.5% increase. The state source increased \$206 per pupil. The total projected operating expenses show an increase of 2.72%. There is a projected increase of \$3.7 million for salary, health insurance, and OPEB costs.

The impact of the CPI increases shows a cumulative increase of \$1.1 million. Purchased services have increased \$354,707. Supplies will increase \$502,454 and capital objects will decrease by \$1.3 million. Insurance went down by \$151,837, which is the result of using the Trifecta model for the District's Workers Compensation Plan. Debt retirement shows a decrease of \$15,052 decrease and other objects are down \$38,786.

Mrs. Johnson said that last year when the Board adopted the budget, there was a \$2.4 million deficit. The actual deficit came in at \$817,199. The projected deficit for 2019 is \$1.7 million. The District would have been in much worse shape if the referendum hadn't passed. The District knew that the referendum wouldn't solve all the budget problems and that we would still be facing a deficit in the future.

The Budget Development Committee asked for feedback from the Board on budget recommendations for 2018-19 which included:

- Postponing athletic fee reduction conversation to 2019-20.

- Paying half of year two for the Mentor Program at a cost of \$44,000.
- Paying one-third for band instruments each year for three years at a cost of \$50,000 and to continue working with the Public Schools Foundation for donations for instruments.

Lori Bica is on the Budget Development Committee and she was strongly opposed to only funding half of year two for the Mentor Program. She felt the total amount of \$88,000 should be covered to keep the integrity of the program. Several Board members agreed the total program should not be cut and would not support the recommendation as it was presented. It was stated that the commitment was made to the teachers participating in the program and it felt like it shouldn't be changed half-way through the program.

It was explained that at Budget Development, the recommendation for \$44,000 for half of the mentor program and \$50,000 for a third of the band instruments would keep both programs moving along without cutting anything. It was presented as either/or between those two programs and given the deficit of \$3.5 million, it was felt it was better to provide part of the mentorship program than none of the second year.

Mrs. Johnson said she would talk to the Budget Development Committee to get a sense of direction for approval at the next Board meeting.

Dr. Hardebeck said that if the full amount is supported by the Board, potential reductions could also be made for curriculum writing, additional time for collaboration, and professional development. If those changes are made, it would have a significant impact on the way we do business in the District. She asked how much deficit the District could bear. She said they would need guidance on whether additional reductions should be made.

The fund balance is currently just over \$25 million. Mrs. Johnson said the auditors recommend the fund balance of \$25 million or 25%. The District is close to that threshold now. This impacts bond ratings and the rates the District gets when bidding. Some were concerned about taking the fund balance any lower. There were also concerns about having to make additional cuts to curriculum writing, collaboration time, and professional development.

Dr. Hardebeck asked for guidance about using \$3.3 million from the fund balance, which would take the District under the \$25 million threshold. She said that significant cuts have been made already and something must be done to offset the salary and benefits line, which makes up 78% of the budget.

It was suggested that staff be surveyed to get input on their budget priorities. Another suggestion was to solicit participation with staff at the problem-solving level.

There will be an approval item on the agenda on October 22, 2018 for the Board to make a decision on these recommended budget priorities.

## **10. REQUEST FOR FUTURE AGENDA ITEMS**

There were no requests for future agenda items.

## **11. ADJOURN**

Motion by Chris Hambuch-Boyle, second by Charles Vue, to adjourn meeting.

Motion carried

Yes: Lori Bica, Chris Hambuch-Boyle, Aaron Harder, Laurie Klinkhammer, Joe Luginbill, Eric D Torres, Charles Vue

Meeting adjourned at 10:53 p.m.