

Budget Development
1/14/2020
1:00pm-2:30pm
Administration Office – Room 137

Attendees:

<input checked="" type="checkbox"/> Aaron Harder	<input type="checkbox"/> Lori Bica	<input checked="" type="checkbox"/> Tim Nordin		
<input checked="" type="checkbox"/> Dr. Hardebeck	<input checked="" type="checkbox"/> Abby Johnson	<input 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"> • Sarah French • Handed out a folder including documentation showing support for the District • Because the Foundation and the District have a great deal of due diligence the Foundation is working to ensure that every dollar given is utilized, noted, thanked, and documented for what the donor wanted • Showed financials through September 30, 2019 • \$600,000 granted in support for the District since inception, has already done \$250,000 in the last 2 years alone
2. Financial Audit	<ul style="list-style-type: none"> • April Anderson from CliftonLarsonAllen (CLA) • Presented 2018-19 financial information • Focused on the Executive Audit (Smaller Copy) • Audit opinion, unmodified opinion, clean, highest opinion you can receive • Commend Abby and her team on job well done • Required to note any internal control issues, District has no deficiencies noted • Compliance and internal control over compliance, DPI compliance, no findings or issues noted • Internal control is defined as overall financials and the process and controls to get the numbers correct and looking at smaller processes and the controls that are in each process to mitigate fraud or error • Opinion is based districtwide on the financial aspects, including onsite visits at secondary buildings • Parts of the information include just Fund 10, but general Funds are 10 and 27, some items may not compare apples to apples • Some changes in the balances shown in financials are due to timing of cash flow from outside sources • The District had less cash on hand because we didn't need the cash flow borrowing, the District did switch to line of credit borrowing so this will change the financials as well

	<ul style="list-style-type: none"> • In 2018 the District prepaid some contracts that would be finalized in 2019 • Fund Balance had an increase of \$2.3M because revenue exceeded expenditures for this year • There is assigned money in the Fund Balance for the self-funded dental program • Unassigned Fund Balance is 22.8% and auditors recommend 25-30% • Other districts CLA works with in WI are averaging about 27% for Fund Balance • The number is consistent with previous years for the district • These percentages are not including the Fund 27 transfer amounts • A lot of the increase is due to state aid increase • Expenditures seem pretty flat compared to last year • Large fluctuations in Capital Projects fund are expected due to referendum projects • Property tax and state aid are about 80% of your revenue • Long-Term obligations include refinancing dollars to reduce interest rates • Utilizing about 8% of district's debt limit • Other Long-Term Obligations include benefits employees have earned to be paid out at a later date • We have a positive outlook due to internal cost savings and state aid
<p>3. OPEB Communi- cation and Committee</p>	<p>COMMUNICATION</p> <ul style="list-style-type: none"> • Looked at some sample recommendations for OPEB Communication • Making a communication for staff to show reassurance and understanding on where this Board is at • Looking at the previous OPEB Committee recommendations using the fiscal year as a benchmark for employees to see • Helps with those employees who are looking to retire, they will not need to worry about making the decision to stay and then the Board changing things the next day • This is what the Board is thinking now, this recommendation will help ease staff fears • It could be helpful for Board members to see Budget Development work and see all recommendations for them to choose • Aaron moved to take these three recommendations to the full board with Budget Development recommending option 3 • Tim seconded - Passed by unanimous voice of acclamation <p>COMMITTEE</p> <ul style="list-style-type: none"> • Budget Development discussed how to put together an employee committee group to look into other District things • Answering a few key questions helps the people applying for the committee to be more knowledgeable on what they are applying for



- There was a positive outcome this year with budget, but we should still prepare for possible impact and what is the right way to prepare
- Engaging wider staff who may have an interest in this topic
- Building a deeper trust with staff - Ensure a successful referendum plan
- Looking ahead, where do staff see us going, if we find ourselves in a tight budget spot, do we have some sort of plan of which way to go?
- Is there something specific in the buckets that a committee can look into?
- Budget Development Committee could set a vision for 10 years of what to accomplish, relook at that vision every 2 years to see if you are in the right direction
- You can project what you want, but how you are going to do it is tricky because you don't know where funding is going to come from
- Potential cost saving measures, show them the list and ask if staff would prioritize anything toward the health of the district
- Revenue generating ideas and opinions about those ideas
- The ideas that are easy for the district to implement and maybe don't hurt much or at all
- Looking at the salary and fringe bucket, looking at the biggest things in that bucket to see if there are savings somewhere, health insurance and OPEB are large pieces in the bigger picture
- Abby can give Budget Development Committee buckets with estimated dollars in the salary area
- Showing some of these big things in the buckets can help generate ideas on how the district can do things differently
- Contracted services, transportation and substitutes are big pieces of that bucket
- Looking at transportation, other districts have their own transportation or contract out, we are in line across the state with transportation dollars
- We don't know how long our current budget situation will hold, here are some ideas if the situation arises
- Start with the Budget Development working list and conversations on how we are funded and our budget situation, education of the staff on the committee is important to see the big picture
- The Board is opening a window of transparency so if the Board has the need to make the changes in the future, staff can feel heard
- These conversations help build trust with employees
- ECASD has been doing well in that despite the budget situation we didn't cut positions and we actually added positions
- Could start with the working list and see what we get, similar to the Revenue Committee
- Before starting a committee would want to run past the Board to make sure everyone is on the same page
- Starting with the OPEB committee to see who is still interested

	<ul style="list-style-type: none"> • For OPEB we asked for a representative from each building and in each employee class, seems like a good way to start • Looking for a committee to start and get meetings under their belt for productivity would be difficult to have something in June, looking for something that goes into next school year as well • Need to work through the referendum question and bring to the Board, tying this committee with the referendum timeline will be important • Showing the historical view helps to understand <p>PUBLIC COMMENT</p> <ul style="list-style-type: none"> • Mark goings – timeline having the committee be a 2-year type committee, can help inform and sell. They will help with the what if referendum doesn't go through, people are ready looking at these things • Look to have this committee be roughly 4-5 months after the Board makes a decision on the referendum • Goals, to have staff be more informed, but would be careful to always be about cuts, committee to help District be better fiscal stewards, • Charge to be specific, may want to include language, xyz but not limited to... showing understanding that they may have additional information • If tied with referendum, can have an update to the Board every so often
<p>4. Referendum Conversation Update</p>	<ul style="list-style-type: none"> • Will be on the agenda for Budget Development on January 21 • Administration showed the Board some timelines and in February the decision should be made • There are target times that the Board should meet depending on which date they will go to referendum • Will want to communicate with the full Board about the small tax drop to prepare for the referendum to go back up • Tuesday we will talk about how to structure for the Board • Will want to be sure to stick to the timeline • Email electronic copy of timeline to Budget Development • Will most likely bring a recommendation to the first meeting in February to make a decision at the second one • South and Roosevelt will most likely be on the referendum, but looking at what else may be needed will be our work
<p>5. Future Agenda Items</p>	<ul style="list-style-type: none"> • When does Budget Development want to look at the OPEB Actuary Study? • How long the meeting will be, and can we work into another meeting • What are the next steps for Budget Development Committee work list? • Manicuring the list, prioritization of the list, make a little progress each time - 10 minutes to look at the list • Time for the staff committee