

**Budget Development**  
**3/31/2020**  
**1:00pm-2:30pm**  
**WebEx**

**Attendees:**

<input checked="" type="checkbox"/> Aaron Harder	<input checked="" type="checkbox"/> Lori Bica	<input checked="" type="checkbox"/> Tim Nordin		
<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>• No public comment at this time</li> </ul>
2. Actuarial Study Review Follow-up	<ul style="list-style-type: none"> <li>• Abby shared a PowerPoint</li> <li>• Apples to Apples unfunded liability change is actually \$9M</li> <li>• We would not want to include the implicit rate study as that was not included</li> <li>• Is the reason being we are paying money toward it</li> <li>• Talking about difference between cash flow and liability calculation – reconciling that and looking at it 2 ways and one may be more important than the other</li> <li>• This is the 30-year projection of the cash flow that we will spend</li> <li>• We have employees who qualify for the benefit, but they have not fully earned it yet</li> <li>• When budgeting we have to look at the cashflow because that is the money we are actually spending each year</li> <li>• This impacts our day to day budget, we are spending \$6M</li> <li>• There are assumptions that are in the calculation and when we do a new study things will change based upon who has left and what the current rates are</li> <li>• Cash flow is more of the immediate concern because we are paying that benefit</li> <li>• OPTION B – COBRA – retirees would stay on ECASD for 18 months and they would move onto another plan</li> <li>• The state plan is now becoming more popular</li> <li>• We were asked what the similarities or differences in the plans</li> <li>• We compared our plan to the current state plan</li> <li>• Looking at the premiums compared to ECASD</li> <li>• We are not aware if there are any members that have moved to the state plan, but we will continue to share with upcoming retirees</li> <li>• When people move to the state plan it wouldn't affect our cash flow, but it would affect our utilization – we are currently at 108%, if you get the</li> </ul>



	<p>retirees off the plan, you can potentially make an impact to the active plan and what the renewal rates will look like</p> <ul style="list-style-type: none"> <li>• ETF plans seem to be comparable; the premiums are a little more expensive, but the coverage seems comparable</li> <li>• Can we see and ABC example case, older people are leaving our plan, don't want to put extra burden on employees</li> <li>• Person A healthy, B high utilization, C average employee in a year</li> <li>• Benefits seem to be better, but it is a higher fee up front</li> <li>• These plans do offer most providers that we are currently using</li> <li>• Why can't the district use this insurance? We do not think we can because it is specifically a state retiree plan – something new for state retirees</li> <li>• The increased premium does not seem like much of a concern when you have a better plan</li> <li>• We would be anticipating utilization usage, but how can we quantify that?</li> <li>• Making retirees aware of these options – staff education – then Board question do they want to insist on this?</li> <li>• We did start sharing with staff last spring and will continue to share going forward</li> <li>• Does Budget Development want to consider the 3% cap? Bringing it forward could mean getting some information from Holistic – asking about B as well</li> </ul>
<p>3. Referendum Discussion for BDC</p>	<ul style="list-style-type: none"> <li>• There are 4 types of questions that the School Board could choose from</li> <li>• Recurring operational, Non-recurring operational, non-recurring operational with debt service, debt</li> <li>• Recurring – if voters pass, means that it is going on and on forever you don't have to go back the public</li> <li>• The Board would provide dollars and information that would be included in the capital</li> <li>• It could be revoked at some point in the future...If the Board/District decided they didn't need anymore...they could do less if they wanted- they could always levy up to that amount</li> <li>• Used to be more common because you could levy forever</li> <li>• Seems like more are moving to non-recurring because things could change with state funding</li> <li>• If you are always needing to go into the Fund Balance with a specific amount you may want to make sure you are able to cover that</li> <li>• Because of the funding formula, is it time to ask for a more permanent solution?</li> <li>• This does not give us flexibility to build onto another school?</li> <li>• Could have multiple questions – structural long term or more modest</li> <li>• As this unfolds and the emergency funding goes into other things for the pandemic – money that was potentially ear marked for education could possibly be gone</li> </ul>



- Non-recurring operating (day to day) you can put amounts into number of years - the dollar amounts are clearly defined as well as the dates
- Can list number of years needed instead of each year listed
- Non-recurring operating with debt service – xxx dollars this year and following xxx years and include the words debt service
- Capital questions are easy to promote because you can show people the things that need to be done – operations are something you cannot really show
- This is a good way to not have to put two questions on the ballot to meet our needs
- This helped with the mill rate and ebbs and flows that the taxpayers will see... so we looked at our debt payments to see what was helpful and what was the dollar that would keep the levy where we could feel good and the community would as well
- Out of the \$5.86M we take the debt payment off first it has been about \$2M and we thought we were thinking we would be in that deficit of \$3M
- Debt (capital) question – you choose a dollar amount and the improvements on buildings with specific amounts
- This allows us to issue debt in the question
- The other one with debt service allows us to levy the dollars, but does not allow us to issue the debt – there is a hearing process that needs to be done
- The district has done this two times – once for Prairie Ridge and once for the 2016 referendum
- It seems like doing the same question and a similar strategy would be a good idea
- Want to look at how much debt we are looking to issue, payments, terms, how it is impacting your overall operating levy
- Hard to do until you have a dollar amount in mind – want to look at current debt as well to make sure we are utilizing the debt drops as well
- Should go through with listening session to determine the dollar amount, you can use this for lots of things, would want to list them out in the questions
- We know some of the things that are the needs, South, Roosevelt, Elementary Capacity, then looking into the operational piece to see what things we were unable to do with the last referendum – what do technology needs look like for the next few years?
- Are Superintendents beginning to talk about referenda upcoming because of how things have been changing and if people are changing thoughts?
- There is speculation on the funding and where it is going to go based upon the emergency



- How will the stimulus package change things now and does it change them down the road?
- Will need to do a survey to gauge tolerance for a mill rate change. How does this feel/ impact the community? This is very unknown, and we will have to wait to see
- Approaching the listening sessions with sensitivity is important and now it is difficult to see how that will play out. Wondering if people are putting their plans on hold?
- How will listening session play out going forward? We have been brainstorming on how to connect with staff and community... have been thinking about a survey, but not sure where we have landed
- There are so many different ways to look at the information – operational seems like in the past it was for targeted class size
- After we developed the list, we did do a formal community survey and hired an outside firm and they surveyed different types of people and what they would support or what they would tolerate
- Sample trial and error with different types of questions listed in the different ways
- Recommendation was not to go over \$0.90 in the mill rate, School Board decided on \$0.95
- Also talked about pressure on the increment piece in the budget backlog
- Are there any particular topics that you think should be addressed in the survey?
- Increments, what is the right class size?
- One general tone community as they see priorities or danger zones in the budget
- Is there any reframing that we need to do and to be sensitive with people's personal financing?
- The conversation is out there, but how we approach the discussion and sense of urgency and the board can show some empathy with the community
- All listening sessions have been cancelled and we will take the temperature of the community in a short survey
- How depends on what and how much?
- The timeline stays the same, but the way you are carrying it out differently/virtually
- Will be talking at next meeting with full board about where we were where we are and where we want to go.
- Survey will hope to be out the end of April
- Are there any samples around? Hoping for about 10 questions and focusing on what we have been talking about in Eau Claire
- PUBLIC COMMENT

	<ul style="list-style-type: none"> <li>• Questions to clarify on \$129M – it does not have changes made in August in there as they haven't been in effect yet</li> <li>• Insurance and out of network... people will see plans in their area</li> </ul>
4. Future Agenda Items	<ul style="list-style-type: none"> <li>• OPEB recommendation to full Board</li> <li>• Referendum – different types of questions</li> <li>• Working list – feeling at capacity at the moment</li> <li>• Continuing to look at Holistic Committee – hoping to get membership before the end of the year... not sure if we can still do that now</li> </ul>

**Next Meeting: TBA**

**Online Audio/Visual Event Address for Attendees: (Copy and Paste into address bar)**

<https://ecasd.webex.com/ecasd/onstage/g.php?MTID=e7395c13326ad045334d87b617ed62c25>

**Audio Only Conference Number for Attendees:**

**1-408-418-9388**

**Event Number:**

**965 237 239**

**Password:**

**Budget**