

Budget Development
11/12/2019
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"/> Tim Nordin		
<input checked="" type="checkbox"/> Dr. Hardebeck	<input checked="" type="checkbox"/> Abby Johnson	<input checked="" type="checkbox"/> Kay Marks	<input type="checkbox"/> Jim Schmitt	<input checked="" type="checkbox"/> Kim Koller

TOPIC	DISCUSSION
1. Public Comment	<ul style="list-style-type: none"> • Sue Bornick from the Public Schools Foundation shared: • Budgeting can be challenging • As the Board tries to do their workload, ECPSF is helping with funding needs for the solar project, the biggest piece is that the Foundation wants to help them figure out what they need • The district wants 100% funding before we go out for Bid • Next step energy was seen by the Board at the last meeting, have \$20K invested, with engineering, panels, delivery, total plan was \$400K. Because there is an uncertainty with the RFP, we may have to raise the additional \$20K if this vendor is not chosen • Next Step Energy was the group that found the other donor to make this project happen - chance we could lose the funding • Goal to educate on solar, encourage careers, saves district money estimated at \$20K per year and to promote green energy • We are unsure on how much to raise because of the bid process • Went through the policy for purchasing, wanted to pass out • Dustin from Wipfli and treasurer for the Foundation, was told no requirement for capital requirements to go out for RFP unless the policy states otherwise • Goal to do something positive for district – proper planning and budgeting is important • Want to help for proper donations and amounts - feels strongly for this and can feel that we can fundraise for this project • The word all and required are not in policy, believe there should be some expectations and board would take them into consideration when adding the solar onto the agenda coming forward • Mark Goings shared: • Solar project questions, unclear at Board meeting- \$400K is that the valuation of the total project, not sure where the donation fits... is it \$600K, unclear on the expense and the value of the project

	<ul style="list-style-type: none"> • If we are putting improvements on the buildings with 25-year warranty, can we account for something in the Fund Balance? • Passed out a letter – looked at this last spring, wanted to get on radar, expansion on bridge – when deductible went up, all cost went back on employees, ultimately could be \$500 or \$1000 benefit to all employees but realistically 10% of employees use it • As we are trying to attract and retain, those that have that event year, could mean a lot to have the higher bridge • Prior to the budget overhaul – increment/stipend conversation was put on hold, that review on the extras we pay for is very late in happening, will be a monumental project to look at, looking at equity, are we prioritizing athletics or music, what about secondary or elementary, Board should plan for large discussion when they want to look at it • Excited 2020 drop off made agenda, need to decide how we can leverage to the best use of the citizens for our district, short term debt or referendum
<p>2. 5-Year Capital Projects</p>	<ul style="list-style-type: none"> • Looking at 5-year capital budget • B&G has done work to prioritize things that are needed for improvement • Typically, we use \$1.6M for improvements each year • Bolded items are things that should be prioritized for 2020-21 year • Other items are things that have made the list, but can wait, italicized items are rising to the level of something on our radar • Somethings are prioritized for other work that needs to be done • MHS is listed for solar project, the roof warranty will be running out, don't want to put panels on then have to take them off in 5 years to reroof • NHS/MHS tennis is listed because of upkeep for safety • Safety features also rose to the top • Secure entrance at Roosevelt would require us to do a fire alarm system at the same time • Daktronics Accessibility at Memorial High School because it is on the second floor • Prairie Ridge has a few HVAC things on the list, some things changed due to a reroofing project to hold out on replacement a little longer • Spray booth at Service Center, HVAC was from when it was a Coca Cola factory, to prioritize employee safety a new unit is required • Always money set aside for contingency and asbestos removal • Have been doing a lot of school/community visits, something to telling community, we are just trying to keep up, community is asking what about modernizing? Where are the facilities of the future? • This is not glamorous work being done, these are the no fun things we do to our house that people don't notice

	<ul style="list-style-type: none"> • Next step, will be presenting first meeting in December and seek approval second meeting in December, in order to get competitive bids, we look to bid them in February or March for work in the summer
<p>3. BDC Workload/ Timeline</p>	<ul style="list-style-type: none"> • Goal today is to figure out a timeline, reviewed workload list • Compensation Equity – Board directed some work to be done • Increments – has been on the list for a while • Athletic Fees – has been on the list for a while, need to decide what’s next • Time Clock System – we need to treat our hourly employees like hourly employees, we do a manual process now, want to start to have conversations now because it is a lengthy process, would need to wait until 2021 for proper implementation • Increment weather days – Hourly employees hired after July 1, 2018 fill out timecards, before that you are just paid like a salary, people were paid for not working and then had to make it up in the end without pay • OPEB communication to staff - actuaries are working on our data, hoping to get some preliminary data this month • Budget Surplus, projected balanced budget for 2019-20 • Clump of three items near the end that we hoped to get a little more information on today, OPEB, we are awaiting actuarial study numbers with projections based upon the OPEB committee suggestions • Would like to personally say to staff that we have chosen to do something this year or not, and a timeframe for when it will come back to the surface, want to avoid panic about retirement or uncertainty • Budget Surplus – important to those on Budget Development Committee to know how we got to this place so that we can share with the full Board and they can feel comfortable sharing going forward • Can we get a list of the key factors that aided in the surplus? – Revenue, factors of expenses, and subs vs non subs has been a hot topic • Every year is independent, we have a budget and an actual... actual is more important at this point, revenue vs expense actuals, want to understand trends, number of staff in the mix/number of FTE, and students served - Understanding is very important, cannot articulate now • Single page of talking points... every year is standalone so it’s not necessarily a pattern so much as a single time, FAQs sheet about what is happening this year • Did send a memo of where over and under spends were • BoardDocs budget presentations could be helpful from year to year • This year we got more money per student and more money for SPED, our costs did go up, but so did our funding • Challenges as a Board member include trouble communicating accurately, speaking with one voice, not sure that all members can communicate, FAQ may include myths or misconceptions about budget, want to get it across accurately to someone who maybe has minimal understanding



- OPEB like committees for reviewing the budget workflow document
- Opportunity to show staff our ideas and get input on the ideas
- We know there are somethings due for OPEB study, but we are in the midst of a tiny surplus and a budget deep dive
- February 1 is the deadline for certified retirements
- What point are we locked in for making changes? You can make a decision at any time with a recommendation on implementation date.
- The changes that were made already have dates implemented
- The Board could change at any time, it is a conversation we cannot shut down, it is always up for change
- What date could we give to give staff a way to think about it?
- Recommendation in the past was that they would have 1-year notice
- We have a number of budget decisions we need to make over the next year and the OPEB conversation should be in the context of that understanding
- We are having actuaries doing the work now, and we are incurring costs, at this point if we don't talk about it, would have to do another study
- What will the implementation dates be then, will we just not to talk about this for one year, a change may not go into effect until August 2021 is that the same of saying we are having a grandfather of at least a year?
- Noting where we may make changes and here is when we can expect an answer
- Board needs to make a decision instead of going down the road, this is the point, maybe the Board will just not talk about it until August
- The Board could make a change and could say that it could go into effect immediately. We don't know what will happen when the new Board comes in in April... we want to create a buffer for people to be able to make some decisions
- Would have more questions on why we do or do not make changes
- Trying to find a balance of honoring the benefits and how they have been used for long term employees. Yes, it may need to change, but we want to work with them to show them the changes
- Presentations and Committee presented lots of ways to save, we have gone through the process and how do we make the decisions, do we feel like we don't have enough information... missing something... this seems like a last resort to make, because of the impact to staff, have we reached the last resort, is that where we are at... to clear the air, do we make a decision, proposals we have so far, have been unfavored by staff, is to be expected. Is there something else? We are shifting burden and cost from the district to staff...
 1. Do we do that? 2. How much do we shift/what is the appropriate shift?
- Burden felt bigger than it should in the past proposals

	<ul style="list-style-type: none"> • Waiting until August 2020 does give a piece of mind, general instinct would be to use the information we have and make a decision • We do have a responsibility to deliver decisions • Happy to weave into motion something about putting work into the topic on a timeline • Would like to take time to think of the motion wording to make it clear • Would like to see the OPEB committee come back together with a revised charge – would like to rely on them – they did come up with great ideas – expand to other topics -great group, diverse, knowledgeable
<p>4. 2020 Debt Drop and Referendum Timeline</p>	<ul style="list-style-type: none"> • Worked on two potential timelines • November 2021 fall general election, about 730 days, longer plan • April 2021 spring days, 505 days, shorter plan • There are some benchmarks you must meet regardless of the timeline • Should make decision on which timeline in January or February 2020 • A lot of this timeline takes place as you are doing budget planning as well • November 2021 – would have to approve timeline by February 1, 2021 • The levy goes down for 2020-21 school year, taxpayers would see a change in December for a January implementation • Number of things to take into consideration, listening sessions on what the needs are of the district, longer 3-5 sessions, shorter 3 sessions • Also, must consider, once you get the input and you develop your question, you need to take the question back to the public, we did a phone survey last time • Do you want to tie the referendum to a general election for a bigger turnout or in April for the smaller turnout? • People in the district have different views on what should be included in the referendum, it is important to find that before you go out • All of this stuff takes a lot of time, conversation, listening sessions • If you are going to do referendum, want to set that timeline in January to be transparent • 70 days prior is when you set the question, you need to start the campaign to sell the referendum • Should be discussed in the work session to be sure everyone is clear of the expectation • General election may be out of reach because there is not a normal election in 2021 • If we pass in April or November, how fast can we start facilities work? Would have to wait until Summer 2022 • We missed our chance to avoid the dept drop in taxes, we talked about the possibility of issuing debt without a referendum in order to fill in that gap to help keep the expectations high • Do we just concede that drop off was missed? • Have looked into some things that we want a little more information on

	<ul style="list-style-type: none"> • These ideas are in our operating debt not where our debt is dropping • What kind of impact would you anticipate to our operating? • Would be hesitant to issue debt outside of referendum, it is taken out of Fund 10 and added to Fund 38 • If we increase outside of referendum, will directly impact our amount to levy in operations • If you issue debt with no referendum to impact 2020 debt drop, will not impact in the same place the drop is • Do taxpayers know the difference? Taxpayers no, but the district would notice and care • Cannot exceed the levy – we would have less money in Fund 10 and would need to do more budget reductions to make it work • If you don't have a lot of debt and no drop in debt, not the most effective way to use tax dollars, it would be affecting your operations • Depends on the dollars, structure of the debt you are going to issue • Want to be clear on why we don't want to do it • What can and can't we do with outside of referendum • If you do April 2021 there is one year for lower taxes, could have a possible quick turnaround time for November 2021
<p>5. Future Agenda Items</p>	<ul style="list-style-type: none"> • Wording for OPEB motion • Budget surplus additional information • Debt drop information for work session • PUBLIC Comment • Staffing trends split up into Hourly, Non-affiliated, Certified • OPEB committee model proves the understanding of what the issue is, helps with buy in • Could make a motion like: This Board has concluded its changes to OPEB for the 19-20 school year. Furthermore, this Board recommends that as future Boards review OPEB, any future changes that may be made would include a minimum of a 12-month grace period • This Board cannot obligate future Boards. Reality that OPEB will always need to be reviewed • Can band uniforms be donated in the future? Could we have a goal for 3-5 new uniforms each year from fundraising to keep supply up?

Next Meeting: 11/26/2019 – cancelled due to PD/IP day