

Budget Development
10/8/2019
1:00pm-2:30pm
Administration Office – Room 137

Attendees:

<input checked="" type="checkbox"/> Aaron Harder	<input checked="" type="checkbox"/> Lori Bica	<input 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"> • Mark Goings, Augusta • Mark provided a letter for review • Compensation inequities and conversations have been happening and he believes that the district has one of the best compensation plans that he knows of • While transitioning people to the new plan he met with people to help them understand the system • Glitch group isn't mentioned in this letter, there are lots of people who self-identify as glitch or gap, there is a group of 15 people that should be looked at specifically, seems like it would be more than the \$38K suggested • Start with them and the let others close to that area share their story • We have lost people in the past, if the Board is going to do something, make it public before the hiring season in the spring
2. Structure of Issuing Debt	<ul style="list-style-type: none"> • Board Adopts a resolution with amount and project purpose • Publish notice to electors within 10 days of Board adopted resolution <ul style="list-style-type: none"> If GO Promissory Notes are issued, 30-day petition period begins from date of public notice to electors If GO Bonds are issued, then Board would need to have a public hearing within 10 days of publication, 30-day petition period begins at public hearing date • After 30-day petition period <ul style="list-style-type: none"> If no petition is received, proceed with issuing debt If valid petition is received, referendum is needed <ul style="list-style-type: none"> Lesser of (1) 7,500 electors of the district or (2) 20 % of the number of district electors voting for governor at the last general election • Tried to get number for the 20% and there is a cost involved to get the information • Do we consider or not? What is Budget Development Committee's recommendation?



- Some have opinions, has advantage to get money faster than a referendum, is this the only way to get money for the project? If it isn't, would prefer not to because of the petition period being a quieter process
- Two kinds of debt: Fund 38 and Fund 39
- Fund 38 issuing debt will affect the Fund 10 tax levy
- There is always an opportunity the Board could do some things with the fund balance depending on where we land after the budget adoption
- It takes a good solid 18 months to go to referendum
- A question would need to be adopted by the school board before August 25, 2020 to be included in the November 2020 election
- Could possibly do the spring the following year (2021)
- Tax levy would change in the November before
- Levy we set now will be for 2020 taxes
- Full board needs to do some work on a needs assessment for the District
- Do you want a capital referendum for South and Roosevelt?
- Do you want to do operational for staff as well?
- Questions will be raised about needs and staff will need to get answers to those questions
- Can we get an Exec Team recommendation? The full board needs to have the full discussions with the public about needs
- Staff came to talk about compensation needs at the last public needs discussion before the referendum
- If you decide to issue debt or to go to referendum, people would know why
- Last referendum was mostly operational \$87M total and out of that \$25M was for deferred maintenance
- Framing hasn't changed has it? Each one is very different
- Capital referendums across the state seem to be easier and more successful
- If we did capital only it would go in Fund 39 and could help keep the levy flat for the taxpayers
- It is more difficult to bring taxes back up when it goes down
- Are there any other solutions we can do to keep the tax levy flat?
- We did issue debt outside of referendum when we purchased Prairie Ridge in 2013 and there were many conversations prior to that if we should do it
- Understanding why it was needed and what the implications were for the district was very important
- Board would need to adopt a resolution and it takes time to get the resolution together
- If we are going to do this for July 2020, we would want to start conversations very soon
- Report to the full Board from Abby similar to today's presentation, but in context of what the needs are for the District.
- 5-year capital is coming in November

	<ul style="list-style-type: none"> • If looking to get construction work started in 2020 summer would be difficult to find contractors at this point - More realistically looking at summer 2021 • There are creative ways to issue debt for capital to minimize the interest • Would need to get a cost total for the district needs • Other buildings would mention that they may have needs too when it is discussed at the full Board meeting • Northstar doesn't have an auditorium, they may bring up that as a need • Roosevelt, South, 4K, Elementary Capacity all on the list of needs as well • South \$20M Roosevelt \$2.1M – outside of a referendum would not be recommended to do that amount would affect our Fund 10 levy • Concerned about the drop off... can Baird help brainstorm to get a timeline and if it is even feasible? • There are a lot of moving parts and this is complex • Secure entrance would be part of the next capital projects in summer, we know that there are other needs that should be put into words • South has significant infrastructure needs; they are past the amount of time DeLong had their renovations • As part of the presentation for 5-year capital the other needs could be mentioned, and we can ask if we go to referendum or through little chunks of issuing debt • There is a thought process the Board needs to go through to get all of the information and these conversations are a way to educate the public on your needs • First question is if this is even possible? There is a cost associated with this analysis • 2nd November Board meeting when you talk about fund balance and some challenges that face the district, can start the conversation at this point • The size of the project may determine what pathway you go down • PUBLIC COMMENT – agree with the flow and debt drop is something to take strategical on, not time for referendum for 2020, November 2022 – South, elementary, operational, district vision, strategically we have talked about Roosevelt, feel comfortable for short term Roosevelt, but looking at the district vision, question could be ready by August 2022
<p>3. 19-20 Budget Currently not included discussion</p>	<ul style="list-style-type: none"> • Plan right now to come in with a balanced budget, these items are currently outside of the budget • Board tabled the Alliance asking for a recommendation from Budget Development Committee • Glitch group will not go into 19-20 budget too late at this time; Aaron and Eric talked about this topic, it is a layered topic, some of the layers include facts and some include people feeling valued • Glitch group has an interesting case and vetting those numbers would be a good idea



- Valued conclusions, was hired and didn't know there was a freeze coming in 08-09, 2010 knew freeze was coming, 2011 knew there was a freeze
- Last time formal discussion was a closed session Board meeting and full Board was going to decide what next steps are
- Will bring to full Board in closed session on next steps
- There are multiple threads of this group and those that also consider others
- What will the process be and how will it work?
- There was already a transition period discussion, but after that the Board never finalized a decision on what's next
- Data has been gathered and presented for Board to review
- There were multiple opportunities for employees to share their thoughts on transition and it was determined it was done correctly. After that there were those that were not happy with the final decisions
- We did acknowledge that we hear you, but we don't have money for this in 2017. Now specifically leapfrogging from outside the district is a concern.
- There are lots of people who think they are in that gap group and how do you define those included is where the conversation was left with Board
- Research has been done on those that felt leapfrogged, previous hiring year we showed Board where all new hired teachers fell on the salary schedule
- Not resolved, are there other people that fall into the categories, once people hear that there are groups that get increases it makes it an open issue for all and ongoing
- There are many parallels between this and OPEB, and what happens with this group. Will everyone else's salary be revisited or not, when you reach the end of the bachelor's schedule has been brought up.
- Never really close the conversation on salary, you may always be making improvements on your model, has been in place long enough, how is it working, can anything be improved, no consideration of increases, but we realize that there are structural inequities in the plan, so then what?
- Some assumptions years of experience should equate to step level
- District didn't build compensation model on years of service for a reason, moved away from old level of credits, wasn't sustainable and people couldn't afford the cost of university credits, and District PD was strong at that time, was also supply and demand in education, labor market was very different pre and post Act 10, whole vision had changed, wanted to still have a BA and MA difference, years of experience is very different now because of freezes, internally and externally it wasn't on even playing field anymore, we have one of the best salary components in the state
- Everyone in the state experienced leapfrogging, reality is you have to do what you have to do, you have to put a qualified teacher in front of the kids and the pool is small to pick from
- Try to take emphasis off individuals and put it on the structure



- Maybe individually the compensation cannot happen, but as a whole can the structure can be strengthened
- The compensation comparison to labor market that the Board put into plan is helping to strengthen the structure moving forward
- Alliance – value for Alliance seems necessary, but don't have a strong feeling either way
- Seemed alarmed by things that were said at Board meeting, it is upsetting that they knew when the grant funding was running out and how did they plan for that?
- Seemed enthusiastic about this funding strategy and it is innovative, seems backwards
- Did you feel it was stop gap or sustainability?
- Seems they think this model is sustainable moving into the future
- There is no other position that is AODA specific, grant ending, had no plan, asked people who they served to pay for this, or they would go into fund balance. Seems wrong that schools are funding this. We try so hard so that people are not affected, there comes a point that you have to say no, if you want radical change, you cannot keep taking on more and more, sometimes when you say no and people get hurt that's when change happens, it seems this is their way moving forward. Hate to force anything on AODA
- What irreplaceable thing are we losing, could cost district .1 FTE costs about \$9,000 - Service doesn't go away, they just help facilitate – seems we would be paying in more than the .1 we get back
- Grant pays part of district person salary
- We would not make clubs go away; we would just have to find a new way to make it look a little different
- For summer we reach out to the County for other help, we don't have any less of a cost
- It is possible that we could do a contingency approval for a smaller amount contingent that 90% that the other people come forward for a year to support the grant or that they secure additional private sources to fund the work
- Think possibly giving pause, how many of these organizations actually committing, when we asked, it was only two and we have the largest portion
- District has delayed response and Budget Development Committee may want to wait again to see who else is going to get involved
- Could spend \$22K on our own person?
- Is the information that we received insider information or is it something that we could find elsewhere? There is a lot of research that could help
- Person is a district employee and they pay for .1 of her FTE
- What is the FTE that they are asking for? Heard different numbers and what it was funding

	<ul style="list-style-type: none"> • Jim will talk to Kaying about what transition would look like if it went away • Not coming forward for 10/21 waiting for Joe to be present for conversation and Jim's additional information • Problem is the absence of a position at the Health Department, can't create a position for them, but we can create our own • Is this position housed at the Heath Department and is Alliance the employer? • Seemed one position, but then they said plural, seemed like there was some more research to be done • Articulating benefits between Alliance and District • Group seemed like good people and felt bad that it had to go public so quickly • Chippewa and Altoona, are the other Boards having these conversations? • City and County have signed on, what are other districts doing? Their dollars are very small compared to ours • Why have we not heard from Prevea and Mayo, why have they not signed on yet? • Could recommend based upon the contingency that other organizations also signed on • Interesting about proposal the corporate piece, Mayo, Marshfield, Prevea, dollars were so much smaller than the district, which is funded by taxpayers, \$2.00 per pupil for district and \$0.03 for city and county
<p>4. BDC Workload/ Timeline</p>	<ul style="list-style-type: none"> • Last time we broke the document into different topics • Encourage Budget Development Committee Members to review the document
<p>5. Future Agenda Items</p>	<ul style="list-style-type: none"> • Working Document • Revisit Alliance question for Full Board

Next Meeting: 10/22/2019