

Tri-County Area School District

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Minutes from Special School Board Meeting
Held August 2, 2017

Jeff Hopkins, Vice-President called the meeting to order at 5:07 p.m. in the boardroom.

School Board Members present were Jeff Hopkins, Cindy Baumgartner, Jim Cesar, Wayne Cummings, Jim Knutson, and Jerry Knutson. Susan Lederer arrived at 5:15, and Mark Bacon arrived at 5:45 p.m. Peggy Buckholt was absent. A quorum was declared. Also present were Anthony Marinack, Nicholas Marti, Shawn Jepson, Amy Hopkins and Wendy Hetzel.

The "Pledge of Allegiance" was recited. Jim Cesar made a motion, Jim Knutson seconded and carried on a voice vote to adopt the Agenda.

Jeff Hopkins passed the floor to Anthony Marinack, he presented the Department of Public Instruction 2017-2018 Revenue Limit Worksheet to the board. This entails all the details of where our funding comes from. The tax levy is determined on this, and the tax levy will go down again to a 0.00797883 mill rate, which amounts to a 3.2% decrease from last year. This highly affects our total revenue. Jim Cesar questioned the tax bills going up, but Tony said you have to look at the school tax only for the Tri-County School District. Most people only look at the total tax bill, which includes State, County and Municipality.

In 2016-2017 school year we were at a shortfall of \$126,000 but that also included a \$30,000 roof repair. In the 2017-2018 school year it is estimated we will be \$200,000 - \$300,000 short.

The Revenue limit was \$6,499,547 in 2015-2016 and last year went down to \$6,233,172 in 2016-2017 and next year 2017-2018 it will come down even more to \$6,150,000. Making it very hard to pay your monthly bills.

The board had asked for an overview of the budget numbers and how Amy and Tony project for the new year. The funding area the board was interested in was 250000-259000. Tony and Amy explained that is a projected budget that has to include some unknowns. What if a boiler goes down, what if a chiller goes out, what if something major happens. You can't plan for the whole cost, but you have to plan for the possibilities.

In the 259000, that is the deferred cost section. That is where an employee retired and the board set up, prior to July 2011, that an employee would receive the health benefit of 3 years if they retire early and have 15 years of experience in the District. If they were hired after July 2011, and meet the eligible requirements, they will get the lesser of \$500.00 per month or 50% of the monthly single health insurance premium. The support staff must be employed for 20 years (12-month employee) and 25 years (school year employee) to receive the benefit and

they were also changed on July 1, 2011 as stated before like the teachers. Yearly deferred benefits are determined by who is retiring, who is still on, and who is coming off.

Next discussed was the Fund balance, Tony explained that the Auditors want you to have a certain % of your total budget in a fund balance. Tony explained that the fund balance is like your checking account balance. The bi-monthly bills have to be paid starting with the first day of July every year. But, our schools do not receive most of their aid until the second half of the year. We even have to wait for one aid payment in July the following year. November, and June are the 2 months that we dip down in our fund balance (checking account balance). If we continue to lose money, every year we will have to short-term borrow or have a referendum. Even though we have a good fund balance (checking account balance), it still dipped down to around \$350,000 in November and June of this past school year.

Jeff Hopkins asked Tony what did he think, what dollar amount out of the \$200,000-\$300,000 shortfall are we going to target to try to make up this year. Where can we save dollars? Tony stated Steps and Lanes, 1.26% CPI index raises, and deductibles. We can make up some of the shortfall, but will have to take from the fund balance next June 30 to cover the rest.

The board asked what is the cost per employee right now for health insurance. Single coverage is \$8361, Employee and Child is \$17,141, Employee/Spouse is \$17,977 and Family \$28,429. The employee pays 12.5% of this amount. The board would like to know what other districts are paying, and what the employee is paying in other districts.

Jim Cesar asked the board how they felt right now about what they had covered for suggestions for the Negotiations committee. The board stated that 80% of our budget is Salaries and benefits. We may get more sparsity aid or categorically aid, but not enough to make up the budget shortfalls.

The board then discussed what could they do to help with this shortfall.

It was discussed, that possibly a 0% raise, but the board felt that was not a good idea, at least give some kind of raise. They questioned the retiree benefit? Employees hired prior to July 1, 2011 receive 3 years of health insurance after retirement if meeting all criteria. Tony explained for people hired after July 1, 2011 it is a \$6,000.00 per year benefit for 3 years if they qualify. Bus trips, insurance deductibles, and then positions was suggested. Tony explained to the board we are lean in positions right now. Elementary grades K-3 are under a Sage grant, and to try and cut down there it would be a lose, lose situation. Right now with the enrollment that is not an option. A referendum was discussed again. Steps and Lanes are an option, Jeff Hopkins stated he would not like to see the lanes cut because that is educational development and we want to encourage that. The Negotiations committee will meet sometime in August; hopefully the State will have settled the state budget by then. Another suggestions by the board was to change the deductible from \$250.00/ single coverage to \$500.00 and Family coverage deductible from \$500.00 to \$1000.00. Jerry Knutson suggested to have the single employee move the deductible to \$3750.00 like the private sector has. Other suggestions maybe to have some in-service cuts, field trips cut, sport fees, co-op sports and possibly athletic fees. Jerry Knutson suggested we ask the teachers where we can cut?

Negotiations for busing was suggested for August 7 or August 8. Tony will contact the bus companies to see if this would be possible. Personnel negotiations meeting will be determined at the August 22, 2017 board meeting.

Adjourned at 7:58 pm
Recorded by: Wendy Hetzel

Submitted By:

Susan Lederer, Clerk