

**WAUNAKEE COMMUNITY SCHOOL DISTRICT  
BOARD OF EDUCATION BUDGET COMMITTEE MEETING**

Monday, August 29, 2016

Waunakee High School  
301 Community Drive  
Waunakee, Wisconsin 53597

**AGENDA**

**I. ROLL CALL**

**II. APPROVAL OF AGENDA**

**III. PUBLIC COMMENTS**

**IV. 2015-16 PRELIMINARY AUDIT RESULTS**

The purpose of this agenda item is to review the preliminary audit results. I have attached the fund balance accounting report for your review. The fund balance accounting report shows the ending balances for the committed and assigned fund balance. The committed fund balance is for high school band uniform replacement and parking lot replacement. The assigned fund balance is for building/department/referendum carry over balances from one fiscal year to the next. In addition, the unassigned fund balance increased by \$84,645.71 to an ending balance of \$7,445,381.84. These audit results align directly with the budget planning framework discussions that started in January of 2016 and will be continued later on the agenda. Please let me know if you have any questions on the preliminary audit results. You can contact me via email at [ssummers@waunakee.k12.wi.us](mailto:ssummers@waunakee.k12.wi.us) or via phone at 849-2491. Thanks.

**V. 2016-2017 BUDGET PROCESS**

**A. Review Timeline**

The purpose of this agenda item is to review the budget timeline. I have attached the budget timeline for your review. The budget timeline next steps occur in October with the Annual Meeting presentation followed by the final version of the budget scheduled for approval on October 24th. Please let me know if you have any questions on the budget timeline. You can contact me via email at [ssummers@waunakee.k12.wi.us](mailto:ssummers@waunakee.k12.wi.us) or via phone at 849-2491. Thanks.

**B. Review Employee Handbooks/Teacher Points at Retirement**

The purpose of this agenda item is to review the employee handbooks/teacher points at retirement discussion. Employee handbooks were approved at the August 8th School Board meeting, with the teacher points at retirement language referred to the Budget Committee for further discussion. I have attached the HRA report from July 6th, the Option 1 language with HRA payment, the Option 2

language with salary payment, the comparison of language document, and the retiree medical valuation actuarial report.

The language for the payment of points at retirement for teachers is a long term commitment on both the end of the School Board and the teaching staff. If this language was in place at the end of the last two fiscal years, the cost impact to the district would have been \$20,400 in 15-16 and \$21,667 in 14-15. There are two options under consideration to fund these banked points at retirement.

#### SALARY OPTION:

The salary option would result in an additional payment in the final year of employment, added to the teacher's contracted salary amount, in the spring of the year after the retirement is announced. This salary payment would be eligible for Wisconsin Retirement System purposes, which would increase the teacher's retirement annuity. In addition, the amount paid by the district would have the associated benefits costs (roughly 15%, or \$3,000 per \$20,000). The salary payments would be eligible for state categorical aid for special education teachers, and would be an aidable cost under the equalization aid formula. The salary payment, and the increased retirement annuity payment, are taxable by the state/federal government. Under this option, the administration simply recommends the addition of a \$25,000 budget line item to fund these costs.

#### HRA OPTION:

The HRA option would result in an additional payment after the final year of employment, added to the teacher's calculated HRA amount, in the 4 years after the retirement is announced. This HRA payment would not be eligible for Wisconsin Retirement System purposes, which would not increase the teacher's retirement annuity. In addition, the amount paid by the district would not have the associated benefits costs (roughly 15%, or \$3,000 per \$20,000). The HRA payments would not be eligible for state categorical aid for special education teachers, and would not be an aidable cost under the equalization aid formula. However, under this option, the administration simply recommends reallocating funds within Fund 73 to cover these costs. HRA funds are used tax free, and can accumulate investment earnings over time.

Fund 73 is the fund that accounts for all post employment benefits for the district. Fund 73 had assets of \$0 as of 1998, and has increased to \$3,571,497.35 as of June 30th, 2016. The increase in assets during fiscal year 15-16 was \$500,300.22. Every 2 fiscal years, the district is required to hire an independent actuary who determines the amount of the unfunded liability, and the corresponding annual

required contribution to the fund. The required contribution for 14-15 and 15-16 was \$508,468, which was down from the previous required contribution of \$535,859 in 13-14. The 16-17 contribution will be determined in the spring of 2017, and this number may decline again based on the continued increase in the fund assets. According to the last actuarial report, the accrued liability in Fund 73 was \$5,334,989, with a net unfunded amount of \$2,788,880.

The financial implications vary under each option, and the budget impact has variables that make either approach viable for the district. Since both options are viable, the administration is recommending reconvening the teacher points committee in September, in order to review this additional information with members of the teaching staff on this committee, and then bring back the feedback to the next meeting of the Budget Committee, followed by School Board action on this language in either October or November. Please let me know if you have any questions on the employee handbooks/teacher points at retirement language. You can contact me via email at ssummers@waunakee.k12.wi.us or via phone at 849-2491. Thanks.

C. Review Budget Planning Framework

The purpose of this agenda item is to review the budget planning framework. I have attached the budget planning framework for your review. Please recall that this planning framework was a follow up to the Special Board meeting held in January.

I would like to review the updates to this document, and discuss items 1A, 1B, and 3A. These three items will all be coming to the School Board for consideration this fall or early this winter. Please let me know if you have any questions on the budget planning framework. You can contact me via email at ssummers@waunakee.k12.wi.us or via phone at 849-2491. Thanks.

VI. **DISCUSSION/ACTION ON PROPOSALS**

There are no proposals to discuss this month.

VII. **ADJOURN**

“Any person who has a qualifying disability as defined by the Americans with Disabilities Act who requires assistance with access or materials should contact the Waunakee Community School District Office at 849-2000, 905 Bethel Circle Drive Waunakee, WI 53597, at least twenty-four hours prior to the commencement of the meeting so that necessary arrangements can be made to accommodate the request.”