

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

Tuesday, December 6, 2016

8:00 AM

District Administration & Maintenance Center
905 Bethel Circle
Waunakee, Wisconsin 53597

AGENDA

- I. **CALL TO ORDER**
- II. **ROLL CALL**
- III. **APPROVAL OF AGENDA**
- IV. **PUBLIC COMMENTS**
- V. **2016-2017 BUDGET**

A. Loan on 905 Bethel Circle

The purpose of this agenda item is to review the loan on Bethel Circle. Please see the attached loan information document that details the loan payoff cost and future budget savings, the financing plan shares information on a potential replacement loan, and the fund balance document that provides fund balance comparable data from all Dane County school districts.

As you can see from the loan document, paying the Bethel Circle loan would cost \$607,369 in district cash, while saving \$818,894 in future costs. Administration is recommending that the School Board proceed with the necessary steps to pay off this loan using fund balance dollars.

The financing plan document outlines a potential replacement \$1,000,000 loan over a 10 year and 20 year period. The 20 year period loan provides an annual savings of approximately \$10,000 per year from the current loan. The Budget Committee may be interested in conversations over taking out a new \$1,000,000 loan that could be used to fund the Warrior Stadium project, energy efficiency projects, or maintenance projects. This document is informational only at this point.

The fund balance document provides comparable fund balance data from Forecast 5 for all Dane County school districts. Waunakee is in a fiscal position where paying off the Bethel Circle loan still keeps the district above the School Board policy fund balance goal of 15%.

If you have any questions please feel free to contact me at ssummers@waunakee.k12.wi.us or 608-849-2491 Thanks for your time.

B. Van Purchase - Food Service

The purpose of this agenda item is to review a request to purchase a food service van. Please see the attached quote from Middleton Ford, and the specifications of the van from Metro Ford, and the fund balance document from Forecast 5 that provides fund balance comparable data from all Dane County school districts for the food service fund, Fund 50.

We are in the process of obtaining a quote from Metro Ford, and updating the quote from Middleton Ford, and will have this information ready for the meeting. The cost of the van is under \$25,000, so School Board approval is not required. However, the purchase of this van would be a change in past practice so administration is requesting feedback from the Budget Committee. Currently all food is transported through the district maintenance courier van. There is a request from both the new food service director Connie Vacho, and the maintenance department, to separate these functions and allow the food service department to transport their own food. Connie has already made many improvements to our food service program, and would like to introduce more improvements with the addition of this van. Connie will be present at the meeting to introduce herself, and discuss this concept.

The fund balance document provides comparable fund balance data from Forecast 5 for all Dane County school districts for the food service fund, Fund 50. Waunakee is in a fiscal position where purchasing this van would be an appropriate use of reserve funds.

If you have any questions please feel free to contact me at ssummers@waunakee.k12.wi.us or 608-849-2491 Thanks for your time.

VI. 2017-2018 BUDGET PLANNING

A. Budget Timeline

The purpose of this agenda item is to review a draft 2017-2018 budget timeline. Please see the attached draft timeline. Please note that the 2017-18 fiscal year is in the first year of the 2017-2019 state budget process. As a result, our budget process will shift later in the calendar year to incorporate the Governor's state budget which will be released around the middle of February 2017. Please also note the planned Special Board meeting during the end of the month in February 2017.

If you have any questions please feel free to contact me at ssummers@waunakee.k12.wi.us or 608-849-2491 Thanks for your time.

VII. DISCUSSION/ACTION ON PROPOSALS

A. Audit Bid

The purpose of this agenda item is to review the audit bid process. Please see the attached School Board policy on audit bids. Please note that the 2015-16 fiscal year audit is the final year of the current five year agreement. Administration is recommending a full bid process for the next five year agreement, and administration is requesting that the current audit firm (Johnson Block and Company) participate in the process. The participation of the current firm provides more options for the School Board to consider when the bid results come back. Administration plans to utilize the WI DPI sample request for proposal process and list of audit firms, which can be found at:

<http://dpi.wi.gov/sfs/finances/auditors/overview>

In addition, administration is recommending a policy revision to change the date from November 1st to March 1st due to the change in the timing of the audit reports.

If you have any questions please feel free to contact me at ssummers@waunakee.k12.wi.us or 608-849-2491 Thanks for your time.

B. Transportation Bid

The purpose of this agenda item is to review the transportation bid process. Please see the attached report from Forecast 5 on the transportation costs of Dane County School districts. I will be discussing this financial information in the context of the transportation specifications. Please note that the 2016-17 school year/2017 summer session is the final year of the current agreement. This agreement was extended for 1 year at the administration's request based on the opening of the new Intermediate School. Administration is recommending a full bid process for the next five or seven year agreement, and administration is requesting that the current bus company (Lamers) participate in the process. The participation of the current bus company provides more options for the School Board to consider when the bid results come back. There are several important factors when developing the specifications for a transportation bid:

1. Length of the agreement (typically 5 or 7 years)
2. School Board transportation policies (typically state required distances or additional services offered like in Waunakee)
3. Existing transportation practices (typically single routing or double routing)

- systems based on school start and end times)
4. Terminal location (required in district terminal or not)
 5. Technology (routing system, GPS tracking, cameras, student id badges, smartphone apps, etc)
 6. Average age of busses (higher numbers result in cost savings but more maintenance/safety issues)
 7. Staffing in bus terminal (how many managers and admin assistant staff)
 8. Fuel purchasing (either by district or contractor, and sometimes with cost protections for both sides)
 9. Number of spare busses available (which has a huge impact on number of field trips and co-curricular trips)
 10. Driver recruitment/salary and benefits/training (which has a huge impact on the cost of the contract, and the quality of the drivers)

I would like to discuss the process regarding this transportation bid, and how the Budget Committee/School Board members would like to provide feedback into this process.

If you have any questions please feel free to contact me at ssummers@waunakee.k12.wi.us or 608-849-2491 Thanks for your time.

VIII. **OTHER ITEMS FOR DISCUSSION**

A. 2015-16 Audit

The purpose of this agenda item is to provide an update on the 2015-16 audit report. The Wisconsin Retirement System is requiring all school district audit firms to audit specific information regarding employer compliance with WRS regulations. As a result, all audit reports in the state for public schools are delayed this year. The WI DPI has extended the due date for all audit reports as a result, and we will see the audit report presented in January 2017 instead this year.

If you have any questions please feel free to contact me at ssummers@waunakee.k12.wi.us or 608-849-2491 Thanks for your time.

B. Internal Controls Update

The purpose of this agenda item is to discuss internal controls. Please see the attached letter from the WI DPI, the report on gate receipts, and the cash receipt documentation process that has been required since the start of the 2015-16 school year.

We were notified last week that the WI DPI is requesting documentation

regarding two of the required internal controls on federal grants. We implemented these internal controls last year after sending a team to the WI DPI federal funding conference. I anticipate we may receive some suggestions from the DPI, but we do have these controls already in place. This letter serves as another reminder as to the overall importance of this topic of internal controls and the need to continue emphasizing this area through our district strategic plan.

The gate receipts report shows a history of the gate receipts, and the cash receipt forms/instructions shows the details of the process that has been required since the start of the 2015-16 school year. We have noted the number of football games per year on the gate receipts report, as this number drives the overall district gate receipts because of the large dollar amount involved with home football games.

If you have any questions please feel free to contact me at ssummers@waunakee.k12.wi.us or 608-849-2491 Thanks for your time.

C. Food Service Contract

The purpose of this agenda item is to review the food service contract. The current food service bid/contract was approved for the 14-15 school year. These contracts typically last 5 years. However, a School Board member has requested that the district evaluate the existing contract, including the possibility of the district creating an internal food service program instead of contracting out this service. Administration is recommending a delay of this type of evaluation until the next school year for the following reasons:

1. A new food service director, Connie Vacho, recently started in the district and is going through the process of evaluating and improving the programs offered to the district.
2. The 16-17 school year is the first year of completely being out of the national school lunch program, and the district needs to evaluate the impact of this decision after the completion of this school year.
3. The district audit and transportation bidding process leaves little time available to also conduct a thorough analysis of the food service contract at this time.

Administration is requesting feedback from the committee on this topic.

If you have any questions please feel free to contact me at ssummers@waunakee.k12.wi.us or 608-849-2491 Thanks for your time.

IX. **FUTURE AGENDA ITEMS**

X. **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.”