

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

Wednesday, May 31, 2017

7:30 AM

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

**AGENDA**

- I. **ROLL CALL**
- II. **APPROVAL OF AGENDA**
- III. **PUBLIC COMMENTS**
- IV. **2017-2018 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 for June includes a Budget Committee and School Board review of the second draft of the budget. The third draft of the budget will be reviewed by the Budget Committee and School Board in July. The administration will request approval of the budget at the July School Board meeting following a Budget Hearing. 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 or via phone at 849-2491. Thanks.

B. Review Second Draft of the Budget

The purpose of this agenda item is to review the second draft of the budget for the 17-18 school year. I have attached the second draft of the budget for your review. The changes between the first and second draft of the budget are as follows:

1. The positions listed on page 11 of the budget have been updated to reflect the following: additional special education teaching position approved at the May Board meeting; the new science teacher at the High School has been increased from .75 FTE to 1.0 FTE; a High School art position has been reduced by .25 FTE; the Middle School FACE teacher overload of .16 FTE has been removed. Randy is reviewing with administration other areas that may still experience some shifts in FTE based on scheduling and assignments.
2. The Strategic Planning discussions on the Facility Maintenance Plan have resulted in a change in the accounting for summer projects from Fund 41 to Fund 10. Fund 41 will have no expenditures for the next 3 years in order to build up a

balance over \$1.5 million. The summer projects will be charged to the Fund 10 fund balance account reserved from 2014 Operational Referendum funds.

3. The facility rental budget has been increased by \$30,000. Additionally an account will be designated in fund balance in the amount of \$30,000 for the replacement of the turf on Warrior Stadium has been created.
4. The Fund 50 budget has been updated to reflect the School Board approved fees.
5. The transportation budget has been updated to reflect the Lamers bid, which results in a savings of \$41,402 that is being added to the personnel line.
6. The Fund 73 budget has been updated to reflect the actuarial study that was received the week of May 22nd.
7. The remainder of the Warrior Stadium project has been added to the maintenance budget. I have estimated that approximately \$300,000 will be expended in 16-17 with the remaining \$517,000 expended in 17-18. The project cost is coming from the undesignated fund balance.

The third draft of the budget in July will at least include:

1. An update to Funds 21, 80 and 99 based on fiscal year-to-date activity
2. Federal grant allocations
3. State common school fund grant revenues and expenses
4. An update to state equalization aid/property taxes based on the July DPI state aid estimate
5. Staffing update based on additional schedule changes or reallocation proposals
6. An update to building-based resale revenue and expense accounts

I have also attached the staff budget presentation so that you can see the information that was shared with staff in May regarding the budget process. Please let me know if you have any questions on the second draft of the budget. 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.

#### C. Lease Agreements

The purpose of this agenda item is to review the lease agreements for the 17-18 school year. I have attached the lease agreements for your review. Dane County has their own formal lease agreement.

The district currently has leases with the Wisconsin Youth Company (K-4 after-school program), Dane County (1 office at Heritage Elementary School), and the New Teacher Project (office space at Heritage Elementary School).

The administrative recommendation is to approve all three leases with the Wisconsin Youth Company lease increasing from \$4,000 to \$2,450 per building, the Dane County lease continuing at \$75 per month, and the New Teacher Project lease continuing at \$300 per month.

Please let me know if you have any questions on the lease agreements. 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 UPDATE**

### A. Projected End of the Year Balance

The purpose of this agenda item is to review the projected end of the year balance. The contingency fund for the 16-17 fiscal year is \$59,800. As a reminder, this account is typically \$100,000, but the School Board approved \$40,200 towards the Innovation Center staffing which lowers the amount to \$59,800. A number of School Board approved projects in the last year will have a major impact on the 17-18 end of the year balance. These projects include the security camera and portable classroom move projects approved by the School Board in the spring of 2016, but not primarily paid for until the summer of 2016. Additional projects approved by the School Board include Warrior Stadium (will impact both 16-17 and 17-18 budgets due to the timing of the project), the Wellness Clinic (will impact both 16-17 and 17-18 budgets due to the timing of the project), the Bethel Circle loan repayment, and the innovation center remodeling project (cost sharing with fundraising covering the majority of the costs). Overall, the district fund balance will likely decline by \$1.5 million in 16-17. This reduction in the fund balance may be offset slightly by additional revenues or expenditure accounts not fully spent by June 30th. Please recall that this reduction in fund balance is planned for, and will keep the district above the Board policy target of 15%. We have added \$1.33 million into a district level designated fund balance account in just the last 2 years for the unspent operational referendum funds. Please let me know if you have any questions. 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. Budget Changes

The purpose of this agenda item is to review the formal budget change process that will be presented to the School Board for approval in June. The budget change document is attached.

The business office has changed practices regarding budget revisions. All budget revisions are being entered into the Skyward Financial System using the Skyward Budget Revision process. The budget revisions for 16-17 include:

- \* changes in grant allocations
- \* changes to the State of Wisconsin Library Aid
- \* salary budgets approved by the Board of Education in November
- \* the high school Youth Options revenues and expenses
- \* additional revenues and expenditures related to the referendum projects
- \* reallocations within the Technology Department
- \* projects identified on the previous agenda item
- \* additional revenues and expenditures related to insurance claims
- \* summer science 2016 revenues and expenses
- \* updated post employment benefit costs per the actuarial study received on May 23rd

All budget revisions will be presented to the School Board for approval at the June 12th School Board Meeting. Please let me know if you have any questions. 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.

#### C. Fund Balance Classifications

The purpose of this agenda item is to review the fund balance classifications. The School Board is annually required to approve fund balance accounts prior to the close of the fiscal year. I have attached the fund balance accounts that are currently being used. I am not proposing any changes at this time. Please let me know if you have any questions on the fund balance classifications. 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.

### VI. **DISCUSSION/ACTION ON PROPOSALS**

#### A. Business Insurance Bids

The purpose of this agenda item is to discuss the 2017-18 business insurance bids. Attached please find a document outlining the bids received from local agent HUB and Marsh Agency from Eau Claire. Marsh represents a cooperative group of Wisconsin public schools purchasing business insurance together for better pricing/policies.

The total net premium is almost identical: \$245,144 for HUB and \$246,065 for Marsh. The Marsh policies have higher limits in some areas compared to the HUB

policies. Our insurance consultant is recommending the Marsh bid due to the better policy limits. However, HUB is a local business and they provided a very competitive proposal. We have been utilizing the policies from HUB for the past several years and we have had no concerns about the policies or the services being offered. We are looking for feedback from the Budget Committee on how to proceed.

Please let me know if you have any questions on the business insurance bids. 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. Transportation Contract

The purpose of this agenda item is to discuss the 2017-2024 Lamers contract. The School Board approved the Lamers transportation bid at the May Board meeting. One of our discussion items with Lamers during the interview process was the topic of performance standards/incentives. I have attached the PowerPoint slide that Lamers presented on this topic. As a reminder, performance standards/incentives were not included in the original request for proposal. However, Lamers has expressed a willingness to include this type of language in the next contract. I would like to have a discussion with the Budget Committee on this topic before preparing the 2017-2024 Lamers contract. Please let me know if you have any questions on the transportation contract. 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.

#### C. The TC Alan Company Proposal

The purpose of this agenda item is to review the TC Alan Company proposal for professional consulting services. I have attached the following:

- 1) The TC Alan proposal
- 2) a presentation that Todd and I prepared for a Business Manager conference
- 3) an updated data analysis from Forecast 5 that includes 2016 data and is broken down by type of expenditure
- 4) internet data on the average cost of management consultants

As a reminder, I reached out to Todd Carothers to request a proposal to address the topic of budgeting and purchasing policies/practices for the supplies and non-capital objects budget line items. Forecast 5 data identifies this budget category as one where our district is spending significantly above the Dane County average. This consulting proposal follows a similar process to our successful project on reducing copying equipment and costs districtwide a few years ago. As you can see in the proposal, the number of hours is significant (180), due to the scope of

this project.

At the May School Board meeting, there were several questions from Board members on this proposal. The first group of questions revolved around the success of the prior project on copy equipment. The attached presentation provides a thorough overview of the entire process as well as a financial summary on slide #32. The copy equipment project resulted in a \$85,000 budget reallocation, with \$50,000 coming from the District copy equipment budget and \$35,000 coming from the Technology Department. The second group of questions revolved around the topic of other consultants and costs. I have researched consultant hourly rates and have found that Todd's rate of \$135/hour is lower than typical consulting rates. We are not likely going to find a consultant near the hourly rate that Todd has proposed. The main reason for this lower rate is that Todd provides consulting services as a side business, in addition to his regular full-time job.

I am recommending approval of this consulting proposal, with the cost coming from the district consulting budget. School Board approval is not required, based on the dollar amount of the proposal. However, I am looking for feedback from the Budget Committee before moving forward. Please let me know if you have any questions on this proposal. 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.

## 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.”