

MINUTES: Meeting of the Monona Grove School District, Business Services Committee, held on Wednesday, May 24, 2006, in the Nichols School, District Office Board Room, Starting at 6:02 P.M.

Board Members Present: Nancy Allen, John Weinberger, Mary Possin

Community Members Present: Judy Runk, Jim Blair

Administrators Present: Gary Schumacher, Mary Ellen Van Valin, Mark Scullion.

Others Present: Mike DuPlayee, John Kitslaar, Phil McDade, Kathy Bultman (left early), and John VanDerMerwe.

- I. Opening of Meeting-John Weinberger
- II. Declaration of Public Notice-Acknowledged
- III. Public Appearances-None
- IV. Approval of the Minutes of the April 26th, Business Services Committee Meeting.

Nancy Allen moved approval of the Minutes of the April 26, 2006, Business Services Committee meeting. Mary Possin seconded and the motion carried.

- V. Opportunity for Public Input on the 2006-07 school district budget

No one was in attendance to offer public input into the 2006-07 school district budget.

- VI. Presentation by MidAmerica Actuarial Services-Other Post Employment Benefits (OPEB) Actuarial Study.

Michael Blackburn, Chief Actuary, from MidAmerica Actuarial Services, presented the Valuation of Liabilities for Other Post employment Benefits, Pensions and Accumulated Sick Leave under the GASB (Government Accounting Standards Board) Standards 45/43. GASB Statements 45/43 were issued in 2004 and move from a pay-as-you-go system of paying benefits to retirees to an accrual based accounting of OPEB benefits as required by GASB 34 (1999). The benefits included are post employment benefits other than pension (WRS), which include: retiree healthcare (medical, dental, vision, hearing), retiree life insurance, retiree long term care insurance, and implicit rate subsidies and retiree premiums based on blended (active/non active) rates. The effective timeline for implementation for a district our size will be the 2008-09 fiscal year; earlier application is advised. While funding the OPEB liability beyond the current "pay-as-you-go" will not be required under the new Standards, the Standards will require booking the portion of the Annual Required Contribution, "ARC" which will have a profound impact on our financial statements and may severely limit our ability to borrow funds and the impact to our fund balance will be so significant. Mr. Blackburn indicated that the actuarial study completed would be required every two years after 2008-09. On an actuarial sound basis, the

District would need to fund Fund 73 (irrevocable trust fund-set up solely for the payment of retiree benefits) annually by an additional \$2,795,000 over the current “pay as you go” amount in order to fully pay our ARC payment. Mr. Blackburn offered to come back to the District to speak again. He has completed actuarial studies for 70 school districts in the State of Wisconsin. Jay Lauck, Vice-President, from National Insurance Services was also present. National Insurance Services aided the District in establishing the Irrevocable Trust in May 2005. Dr. Schumacher discussed that he and Mary Ellen Van Valin had met with Citicorp earlier in the day. Citicorp is one of several companies that have plans in place that aid the district in financing the increased financial need under GASB 45/43. Dr. Schumacher suggested that the Committee might consider bringing in two companies that specialize in plans that address the OPEB funding needs presented in the study at a future Business Services Meeting.

VII. Discussion on the Timeline/Process of Determining 2006-07 District-District Run Bus Routes-John VanDerMerwe.

John VanDerMerwe gave an update on the process the District has used in the past, and continues to use, for establishing bus routes for the upcoming school year. Mr. VanDerMerwe informed the Committee that until registration is completed finalized bus routes couldn't be determined, especially for the Cottage Grove routes as the registrants are over 1,700 students. The final registration will be mid-August, so approximately two weeks later the routes are established and posted. Discussion commenced by the Committee regarding a recent petition that was sent to the Board of Education regarding students arriving at Winnequah Middle School on the bus before the school building is open. Dr. Schumacher said that the administrative staff at Winnequah are aware of the situation of 3 buses arriving early and would address the situation for the upcoming year. Mr. VanDerMerwe said he too would inform the drivers of the need to stay on schedule, and not ahead of schedule.

VIII. Discussion and Possible Approval of Updated Five-Year Facility Capital Outlay Plan-Mark Scullion

Mark Scullion presented an updated Five-Year Facility Capital Outlay Plan now that the April 4th Referenda has passed. He reviewed with the Committee the changes over the plan presented to the Committee on March 29, 2006. He reiterated that the Capital Budget includes estimates and the projected expenses will be adjusted once bids are received and firm pricing known. Mr. Scullion reported that his Capital Budget, \$238,138, is the closest he had come to the projected cost, \$275,304.99, in several years. Nancy Allen moved that the Committee approve the updated Five-Year Facility Plan as presented. Judy Runk seconded and the motion carried. The Committee will be forwarding all budgets to the Board of Education at such time as the final budget is presented for approval.

IX. Discussion and Possible Approval of the Plan/Bid for the Construction of the Visitor Side Of the Bleachers Located at the John Klement Athletic Complex.- Mark Scullion

Mark Scullion presented the bids that the District received on May 19th for the RFP that he sent out to four vendors for the construction of the visitor section of the bleachers located at the John Klement Athletic Complex. The project will be completed in August 2006 in time for the 2006 football season. Two companies bid the project. Nancy Allen moved that the Committee recommend to the Board of Education approval of the bid presented from Joe Daniels Construction in the amount of \$70,567. Jim Blair seconded and the motion carried.

X. Discussion and Possible Approval of After-School Daycare Providers

Mary Ellen Van Valin presented the two certified Daycare providers that requested consideration to use our elementary schools for after-school daycare for the 2006-07 school year. The Committee was presented the applications from the two providers as well as the recommendation from the Building Principals to continue allowing the current providers to continue for the 2006-07 school year. Mary Possin made the motion that YMCA (Maywood Elementary) and Learning Ladder (Cottage Grove Elementary) are recommended to the Board of Education for approval. Nancy Allen seconded and the motion carried.

XI. Discussion and Possible Approval of the Following Budgets for 2006-07: Fund 10-Audio visual Budget (870); Early Retirement (801); Fund 10, 27, 99-Special Programs (534); Funds 10 and 27-Pupil Services Tuition (883).

Mary Ellen Van Valin reported on the above budgets. She answered a few questions with respect to Special Project, location 534. She reported one change was just a shift in the coding of a salary account, and not a new budget item. The other item was a cost of our Police Liaison Officer, which was moved from Fund 80 (Community Service) to Fund 10 (General Fund). Nancy Allen moved approval of the budgets as presented. Jim Blair seconded and the motion carried. The Committee will be forwarding all budgets to the Board of Education at such time the final budget is presented for approval.

XII. Review of the 2006-07 District Grant Allocations.

Mary Ellen Van Valin reviewed with the Committee the federal Title Grant Allocations for the 2006-07 school year. She indicated that it is still early to know the total allocations, as carryover amounts have not been determined. Once they are the budgets, corresponding revenues and expense will be budgeted for. Upon questioning, she indicated that our Title 1-A grant allocation is down due to both a decrease in eligibility (based upon free and reduced lunch eligibility) at Maywood as

well as a decrease in the total federal allocation to schools. The four schools eligible in 2006-07 are: Maywood, Nichols, Alternative high school, and Immaculate Heart of Mary.

- XIII. Discussion and Possible Approval of Student Assurance Services, Inc. as the Provider of Voluntary Accident Insurance for the 2006-07 school year.

This item was tabled at the April 26th meeting pending clarification on some requested information. Mary Ellen Van Valin explained that the information pertained to lines of insurance that the District does not currently participate in. The Voluntary Insurance, paid for by families who elect the coverage, was recommended for approval. Nancy Allen recommended forwarding to the Board of Education Student Assurance Services, Inc. as the provider of the voluntary student accident insurance for 2006-07. Judy Runk seconded and the motion carried.

- XIV. Confirm Next Business Services Meeting Date-Wednesday, June 28, 2006 5 P.M., District Office.

- XV. Adjournment

Nancy Allen moved that the meeting be adjourned. Judy Runk seconded and the motion carried. The meeting was adjourned at 8:04 P.M.