

Budget Development
7/16/2018
11:00am-12:30pm
Administration Office – Room 137

Attendees:

<input checked="" type="checkbox"/> Dr. Hardebeck	<input checked="" type="checkbox"/> Abby Johnson	<input checked="" type="checkbox"/> Aaron Harder	<input checked="" type="checkbox"/> Lori Bica	<input checked="" type="checkbox"/> Chris Hambuch-Boyle
<input checked="" type="checkbox"/> Kay Marks	<input checked="" type="checkbox"/> Jim Schmitt	<input checked="" type="checkbox"/> Kim Koller	<input checked="" type="checkbox"/> Mark Goings	<input type="checkbox"/>

TOPIC	DISCUSSION	ACTION
1. Public Comment	<ul style="list-style-type: none"> • Mark Goings • E1745 County Road V Augusta • OPEB Comments • Board is looking at grandfathering • Gray area for people who have July or August Birthday Can work with HR now to get through the system • Retaining staff is a huge goal for the Board Board consider for those in the grandfather If they can continue to work and choose the best option for them 	
2. Salary and Fringe	<ul style="list-style-type: none"> • Abby's PowerPoint • Numbers are changing until 9/1 – this is what we have now • FTE on hold – SPED requests • What does additional time mean? More time being spent – hours and additional time for meetings or other activities Most significant increase has been summer school SIP – SPED project – Literacy What is the impact for grant writing? We do put the time in and don't always get the grant • Big difference between 15-16 and 16-17 because of new salary schedule • How does the \$3M compound each year from compensation study Will always be larger in order to retain - Board knew this • Projecting \$3.7M increase in salaries • Numbers are still changing, lots of moving parts • We are below state average 	<ul style="list-style-type: none"> ✓ Additional time ✓ Regular salary back 5 years ✓ Add current contribution limit for OPEB ✓ Copy from B1 cash flow ✓ Stipend ✓ Look at previous scenarios for 8 or 10 year



- Had a lot of changes in health insurance - lots of marriages and babies
- It is different than what we thought, but it is explainable due to marriage and babies
- OPEB number based upon retirees, still waiting for people to retire
- Don't get excited – we have outstanding needs – tried to operate within the budget we had last year
- We have significant needs in SPED so we will use this \$1M
- We have had growth in vouchers as well
- Final number will come in October
- Things will change as we move forward in our budget
- OPEB
- There was desire from Board to go back to the actuaries to get a B with 5-year grandfather
 - B1=raised grandfather to 5 years
 - Made factor 1.0 base to match what current employees get for defined contribution
- Was enlightening to come to the OPEB listening sessions
- The people don't really know the differences
- We should have provided more information to the staff up front
- Tier 3 will need a cap... cap is dollars not years
- People wanted comparison to what they had now
- B1 is \$52M in savings
- Seems that factor and grandfather would make the number get bigger... but it was smaller
- B1 good news – looks nice
- People have had questions about the stipend
 - Would this reenter this conversation
 - Number is dwindling down
 - Clear – it is off the table for change
 - We aren't talking about it now
- We can't make it safe – legally
 - Boards can change, people can make a different decision
 - Make a note that it was changed in the past and is not currently being considered
- Look at numbers for 8 year and 10-year grandfather
 - There may not be advantage to employee either
 - Family plan – your benefits will decrease



Limited family – options in B&C are more beneficial
Single – options are all better

Tied to H&D makes it very inequitable

- Tried not to attach money to benefits

As we have defunding to schools, we have to start having these conversations

Married couples' benefit

If they didn't pay a premium – if they had been what is that dollar amount

Haven't put an amount to the money for married couples

Need to be aware

This is why we want to remove benefits from dollars

- If I didn't work here, I wouldn't have that benefit
- Have been getting the compensation back in front of the employees

People don't realize that their salary is \$60k and they have of \$30k benefits – they are actually worth \$90k

- By having limited family plan, we are actually providing health care to our community

What about scenario D – nothing changes

Feeling in room was uncertainty and loss

Don't think that people do the math or are able to do the math to figure out their benefits

- Process has been messier than what other Districts have been going through

Understand how staff feels

By including them into our process it helps them understand the full picture

- Chris would like to talk funding at the bigger picture
- Not final listening sessions – will have lots more opportunities – wants conversations instead of presentations

- Scenario D – no change

Represents less than 1% of the District budget

Budget we are in now – the 1% makes a huge difference – there is no wiggle room

How do we have a balance between the 2 realities?

- People will perceive a negative impact
- 20 + years to keep getting worse and worse and layers that keep pulling at more and more
- Figure out how to message this to staff

- There are people before 2008 that won't retire in the next 5 years... not everyone will have choices – some will have options, and some will have to figure out what's next if this doesn't happen
- Would like 8 year and 10 year
 - We would have to have a cap for H&D if it was longer
- Health care study for Eau Claire county
 - Board may be interested in this....
 - Why we would cap costs? Because of high H&D premiums
- Time, we compare with MN
 - Others we went in with had a higher risk ratio to combine with us
- What more can we do to better pitch this to the staff?
- Make a stronger case
- Have we said what we can say about it.....?
- Yes, they are savings – but what else are the cuts to make up for this
- It's not just the savings of the actuaries
 - This is only part of the big picture
 - Bond Rating is 5-8% of our rating
- Every dollar matters
 - Add another column for 30 years
- Expanded grandfathered
 - Is this the time to look at those that don't actually retire and want to keep working
- Look up what it is like to have employees choose
- Do we do counseling with retirees to get cheaper plans
 - Talks about money in HRA to best fit your needs
- Make a decision in 5-year period, but not actually retire

Next Meeting: 7/19/2018