

**Beaver Dam Unified School District  
Board of Education Proceedings**

**December 17, 2007**

The regular meeting of the Beaver Dam Unified School District Board of Education was held on the above date at the Educational Service Center. The meeting was called to order at 6:30 p.m. by President Mark Kirst. Board members present were: Bev Beal-Loeck, Kathie Berkvam, Nate Dassler, Jean Hill, Marge Jorgensen, Mark Killingsworth, Mark Kirst, and Laurie Propst. Absent: Dave Uttech.

President Mr. Kirst led in the Pledge of Allegiance.

Jorgensen moved, Killingsworth seconded, to adopt the minutes of the regular meeting on November 19, 2007, and the minutes of the special meetings on November 29, and December 10, 2007 as presented.

The motion was adopted by unanimous vote.

Mr. Kirst welcomed visitors.

There were no requests from members of the public to participate in the public comment session.

Propst, at the request of the President, announced the board may move into closed session following the regular meeting in accordance with State Statute 19.85 (1) (c) to discuss the employment, promotion, compensation, or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility. The meeting will reconvene into open session for the possible transaction of business and adjournment.

Propst moved, Jorgensen seconded, to adopt the agenda as presented.

The motion was adopted by unanimous vote.

Dr. Don Childs, Superintendent, acknowledged Kyle Pearson, High School Student, who will be operating the camera equipment for board meetings.

Ms. Mary Klawitter, High School Business Education Teacher, presented a proposal to implement a Personal Finance course at the High School beginning in Fall of 2009. The course will be a .5 credit course required for 11<sup>th</sup> and 12<sup>th</sup> grade students, beginning with the class of 2013. The course aligns with the State's content standards for Personal Finance Literacy and will focus on banking, budgeting, credit cards/loans, investments, insurance, purchasing a car, renting an apartment, purchasing a house, and taxes. It also aligns with the board's ends policies regarding students learning to manage their basic personal finances.

Questions were asked as to why it is only a .5 credit course and that some of the topics may apply to students in other grades as well.

Ms. Klawitter explained that there are facility limitations and, since the course requires extensive use of computers, expanding it to a full credit course would further burden the computer labs. She shared that some of those topics will be included in the required course and the elective course that is open to other grades will cover some the topics more in-depth.

Mr. Don Patnode, High School Principal, explained that as technology use increases in the classrooms, more strain is placed on the computer labs. Depending on the implementation date, there will be a 3 to 4 year cushion before the grade level requirement would have a staffing impact.

Comments were made that this is a very good proposal and is exactly what the board talked about while developing the ends policies. All board members felt it was important to help students to prepare for the real world. During the ends policies feedback sessions, the public was in favor of students receiving this teaching. Students need to receive the tools and the best place is in the classroom. It was asked if there is a way to teach the course without using the computer lab so that it could be a full credit course.

Ms. Klawitter shared that approximately 40-60% of the projects do not require computer use.

Dr. Childs said it is good to have lead time to explore options to work through the computer issues and develop a plan to ease the burden. He shared that this will be part of the graduation requirement discussion along with the staffing and facility implications. He suggested implementing the course as a .5 credit course to get it started and then evaluate it, eventually increasing it to 1.0 credit course.

Hesitation was expressed about making the course a full credit. It was commented that some students don't need it as much as others and that college bound students also need to take other courses.

A suggestion was made to begin the course as a .5 credit requirement and review a proposal from the teaching staff and administration as to the ability to make the course a full credit course. It was also suggested to begin offering the course in Fall of 2008, since the classes will not be taught for 2 years after that.

Killingsworth moved, Propst seconded, to approve implementation of the proposed Personal Finance course at the high school, beginning in Fall 2008, as a .5 credit course.

A question was asked concerning the cost and if it can be afforded.

Dr. Childs explained that there will be staffing implications, which are unknown at this time due to a number of factors, including the course enrollment numbers and how it relates to other graduation requirements. He speculated that an additional .5 FTE teacher or possibly 1.0 FTE teacher would be necessary. He also explained that there are already 2 teachers and that staffing can not be determined until students register for courses. Some of these courses could be available as a summer school option.

It was commented that if the graduation requirements are raised, there will be a cost impact, regardless of which courses are offered.

Dr. Childs said this course addresses a need that was identified in the ends policies.

It was asked if the district can afford not to do this. There are students who have a serious lack of economic and financial management and they need to be given the background. A comment was made that this is an important course, but need to look at cost within budgets. As other liabilities are discussed, need to know what it will cost.

Dr. Childs said to consider it as an addition of a 1.0 FTE teacher.

The comment was made that the staff won't be hired right away and there is some time.

Ms. Klawitter said to keep in mind that there will be a temporary swell in numbers until the requirement becomes effective and that the numbers will stabilize once requirement is in place.

The motion was approved by the following vote: *Ayes* – Beal-Loeck, Berkvam, Dassler, Hill, Jorgensen, Killingsworth, Kirst, and Propst. *Nays* – None. Absent: Uttech.

Mr. Andrew Sarnow, Director of Business Services, introduced Mr. John Knepel from Virchow-Krause to report on the 2007 budget and the district's financial status. Mr. Knepel reviewed the audit results and stated they issued an unqualified audit opinion, which is the highest level of assurance that can be received from a CPA firm. The district is in a positive situation for bond and investment purposes. He provided an overview of the Report on Internal Control, the Required Communication to Audit Committee or its Equivalent, and the Report on Federal and State Awards. There were no disagreements, or unusual situations that the audit firm needs to tell the board and there were no compliance findings relating to federal program costs.

Mr. Sarnow reviewed the district's three options for funding post-retirement benefits, including the advantages and disadvantages of each. He presented a recommendation to establish a Fund 73 irrevocable trust with designated funds from cash reserves. He offered the board an option to wait until January to take action if they prefer more time to make a decision.

It was asked if these were the only 3 options.

Mr. Sarnow said these are the only options and shared a chart to illustrate funding strategies.

It was clarified that the district has to put in \$1.5M each and every year for the next 30 years. If it is not done, there won't be enough to fund it.

Mr. Sarnow added that after 30 years, everything is pre-funded and it is done forever. He also said there are a number of factors in the study. Once the trust is created, the funds can only be used for post-employment funds.

Comments were made that the important part is that there is a \$24M liability right now that the district owes and that the premium contribution in 2020 will be \$1.5M. It is important to discuss the establishment of the fund. This could be the opening needed to start discussions with teachers and administrators about post-employment benefits. Younger teachers may be more willing to change what has been offered in the past. Other districts have also been dealing with this. Some district are paying teachers a lump sum at retirement and pay so much per year so they know their exact amount, which eliminates an escalating amount. The district needs to be

proactive and fiscally responsible. It was asked if the district received a legal opinion and if the district should wait.

Mr. Sarnow explained that a legal opinion will only review the steps the district has taken and if the district has the infrastructure to handle it.

A clarification was made that this proposal is only for the establishment of the fund and not to designate a specific dollar amount to be transferred yet.

Mr. Sarnow shared that he will be presenting a recommendation at a later date for the funding.

Berkvam moved, Jorgensen seconded, to adopt a resolution establishing a Fund 73 irrevocable trust for purposes of funding the district's post-employment benefits as documented in the actuarial study conducted by Key Benefit Concepts, LLC, and accepted by the board at its September, 2007 meeting.

Mr. Sarnow said there is an additional resolution that will need action to authorize the creation of the trust.

Propst called the question.

The motion was approved by the following vote: *Ayes* – Berkvam, Dassler, Hill, Jorgensen, Killingsworth, Kirst, Propst, and Beal-Loeck. *Nays* – None. Absent: Uttech.

Killingsworth moved, Dassler seconded, to adopt RESOLUTION NO: 2007/08~1 RESOLUTION AUTHORIZING CREATION OF POST-EMPLOYMENT BENEFITS TRUST.

**RESOLUTION AUTHORIZING CREATION  
OF POST-EMPLOYMENT BENEFITS TRUST**

**WHEREAS**, Beaver Dam Unified School District provides for the welfare of its eligible employees and former employees by maintaining one or more post-employment welfare benefit plans (the "Plan"); and

**WHEREAS**, the Beaver Dam Unified School District School Board has determined that it is advisable for Beaver Dam Unified School District to create a segregated trust fund to hold the assets and income of the Plan for the exclusive benefit of Plan participants;

**NOW, THEREFORE, BE IT RESOLVED**, that the Beaver Dam Unified School District Trust, in substantially the form as presented to Beaver Dam Unified School District School Board and as attached to this Resolution (the "Trust Agreement"), is approved. The Director of Business Services is authorized and directed to execute the Trust Agreement on behalf of Beaver Dam Unified School District.

**BE IT FURTHER RESOLVED**, that the Beaver Dam Unified School District School Board is appointed to serve collectively as the trustee under the Trust Agreement (the "Trustee") and is authorized to take such actions as are necessary to carry out the duties of the Trustee in accordance with the terms of the Trust Agreement.

**BE IT FURTHER RESOLVED**, that the terms of the Plan shall govern the payment and disbursement of the funds held in the Trust. Payments shall be made from the Trust only to provide benefits under the Plan and in accordance with the terms of the Plan.

**BE IT FURTHER RESOLVED**, that the officers, employees, and agents of Beaver Dam Unified School District are authorized and directed to do any and all things reasonably necessary to accomplish the purposes of the preceding Resolutions.

The motion was approved by the following vote: *Ayes* – Dassler, Hill, Jorgensen, Killingsworth, Kirst, Propst, Beal-Loeck, and Berkvam. *Nays* – None. Absent: Uttech.

Dr. Childs shared a report of emergency expenditures. Since the beginning of the current fiscal year, a total of \$34,000 has been expended for roofs and mechanicals, and additional expenses are anticipated. Most of the expenditures are the result of failures of aging and obsolete parts of systems. He presented a recommendation to establish a Fund 41 for the exclusive purpose of funding deferred and emergency maintenance projects; and that the board designate \$500,000 of existing cash reserves to the Fund 41 for its initial funding.

It was asked what the advantage is of the establishing the fund over keeping the funds in an account and asking for them as needed.

Dr. Childs explained that it eliminates dislocation of the annual year-to-year budgeting. A fixed amount is placed in the fund each year and provides the opportunity to develop a plan to address facilities needs issues. It also allows for the funds to be accessed on a planned basis and for maintenance to develop a planned maintenance process for addressing issues.

It was clarified that the fund will be established with the intent to expend the funds, however, expenditures still need to be approved by the board each year. This is only a commitment from the board that these funds will be expended on facilities.

Dr. Childs shared that in the future it will be possible to have a 3-year rolling plan and then possibly a 5-year rolling plan, so the board can see what is coming up. This is less costly and systematic, rather than waiting for something to break and operating in a crisis mode.

The comment was made that a long-range maintenance plan may eliminate some of the surprise items.

It was asked how the dollar amount was determined and if the anticipation is to reduce the cash reserve to zero.

Dr. Childs explained that the goal was to arrive at a number that would allow work to be done and not deplete the cash reserve. He shared that what needs to be done will be known ahead of time.

It was clarified that the goal is to have this fund be part of overall budget and that it is strictly for maintenance.

Dr. Childs said the fund have to be part of the budget and it is not a separate fund from the budget. All funds will be designated for maintenance.

It was asked if there are things that need to be done and who will oversee the fund.

Dr. Childs shared that there is approximately \$15M worth of work to be done and that the urgent items are being reviewed. Once the fund is established, a plan will be developed. The plan will be presented to the board with a staged proposal on how to complete the items. The fund will be part of the budget. The superintendent and business director will oversee it and ultimately the board.

It was clarified that any large projects would still come before the board for approval.

Dr. Childs said that anything that needs prior approval per board policy will come before the board.

It was asked how this is different from the maintenance budget.

Dr. Childs shared that this is in addition to the maintenance budget.

The comment was made that the district wouldn't have to go through the 8 year cycle. This allows the board to see what's coming and have funds designated. This fund is for items that are not a wish list, but for necessary items to be repaired.

Berkvam moved, Hill seconded, to authorize establishing a Fund 41 for the exclusive purpose of funding deferred and emergency maintenance projects; and that the board designate \$500,000 of existing cash reserves to the Fund 41 for its initial funding.

The motion was approved by the following vote: *Ayes* – Hill, Jorgensen, Killingsworth, Kirst, Propst, Beal-Loeck, Berkvam, and Dassler. *Nayes* – None. *Absent*: Uttech.

Mr. Kirst read a proclamation from the Wisconsin Department of Public Instruction honoring crossing guards and establishing January 7-11, 2008 as Adult School Crossing Guard Recognition Week.

Ms. Jorgensen, Chairperson of the Beaver Dam Education Association (BDEA) Negotiations Committee, stated the 2007-09 contract was ratified by both parties.

Ms. Berkvam, Chairperson of the Beaver Dam Support Staff Association (BDSSA) Negotiations Committee stated the 2007-09 contract was ratified by both parties.

Mr. Killingsworth, Chairperson of the Administrative Compensation Committee, stated the committee is meeting on December 19<sup>th</sup>.

Marge Jorgensen, Wisconsin Association of School Boards Delegate, was instructed by the board to vote at her discretion on the WASB resolutions during the State Education Convention.

There were no resignations or retirements.

Propst moved, Beal-Loeck seconded, to approve the following leave of absence requests:

- a. Carri Homan-Douma – Special Education Teacher – Middle School (Medical Leave 2/16/08–end of the 2007-2008 school year)

The motion was approved by unanimous vote.

Propst moved, Hill seconded, to approve the following appointments:

- a. Shelly Ehlenbeck – Grade 4 Teacher – Prairie View Elementary School (BA, Step1) (LTE – 62 days)

b. Mary Sidney Neuman – Early Childhood Teacher – Prairie View Elementary School (BA+45, Step 6) (LTE – 113 days)

The motion was approved by the following vote: *Ayes* – Jorgensen, Killingsworth, Kirst, Propst, Beal-Loeck, Berkvam, Dassler, and Hill. *Nayes* – None. Absent: Uttech.

Killingsworth moved, Dassler seconded, to approve the payment of financial claims (Voucher #10 and #11, Net Payroll, Payroll Related Voucher, Payroll Taxes, WI Retirement, WI Retirement-Admin. Annuity, Credit Card, and Insurance) for a total of \$2,682,844.83 (A listing of these vouchers can be found in the Accounts Payable Check Register.)

The motion was approved by the following vote: *Ayes* – Killingsworth, Kirst, Propst, Beal-Loeck, Berkvam, Dassler, Hill, and Jorgensen. *Nayes* – None. Absent: Uttech.

Propst moved, Beal-Loeck seconded, to move into closed session.

The motion was approved by the following vote: *Ayes* – Kirst, Propst, Beal-Loeck, Berkvam, Dassler, Hill, Jorgensen, and Killingsworth. *Nayes* – None. Absent: Uttech.

During the closed session, discussion was held regarding personnel items. No action was taken during closed session.

Killingsworth moved, Jorgensen seconded, to reconvene into open session for transaction of business and adjournment.

The motion was adopted by unanimous vote.

Propst moved, Killingsworth seconded, to adjourn the meeting.

The motion was adopted by unanimous vote.

The meeting was adjourned at 8:50 p.m.

(Mark Kirst)

President

(Mark Killingsworth)

Clerk