

# Parkview School District

106 W. Church Street – P.O. Box 250  
Orfordville, WI 53576

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## Board of Education

### Finance Committee Meeting

Monday, February 4, 2013  
6:00 p.m.

#### Parkview Jr./Sr. High School – Little Theater

**Present:** Terry Gerber, Troy Knudson

**Others Present:** Steve Lutzke, Ben Irwin, Lisa Ehrhardt, Vicki Neal, Jessica Hager, Traci Manthey, Jacquelyn Socwell, Cynthia Simonson, Connie Sturkey, Jamie McSherry, Melody Jones, Chris Abrahamson

**Absent:** Clay Hammes

- 1 Meeting Called for Order by Terry Gerber at 6:02 pm.
- 2 Business Office
  - 2.01 Mr. Irwin reviewed the copy of the rough draft of the Parkview School District Budget Manual with the committee. The purpose of the manual and the details on its setup were explained. Mr. Lutzke also talked about the benefits of the manual and zero-based budgeting, the financial model this manual is based on. Mr. Irwin stated that this manual is still a working draft and he is getting feedback from all areas of the District before it is rolled out.
  - 2.02 Mr. Irwin reviewed the pros and cons of a State Trust Fund Loan and a lease to help fund the proposed 1:1 initiative for Parkview School District. Mr. Lutzke also discussed how budgets for supplies and other related areas were being trimmed to help fund payments for either one of these options.
  - 2.03 Mr. Lutzke explained how a staff member had started their Masters Degree prior to July 1, 2011 and finished in May of 2012 but did not receive the total salary increase as a result of the revised master

contract. Under the previous contract the teacher's salary would have increased by \$4,800. The teacher was compensated \$798 for the credits completed prior to July 1, 2011. The committee agreed to recommend that the staff member receive two-thirds of the \$4,800 (\$3,200) as they had finished under a new master contract that had suspended lane and step changes.

### 3 Health Insurance

- 3.01 Mr. Irwin reviewed the previous Board discussion that recommended tabling the idea of a complete removal and a desire to look into alternative amounts for the benefit. Using feedback from staff who receive the benefit and use it for other health expenses, it was recommended not to remove the program altogether. However, with the possible increase in premium costs for staff on insurance, the committee decided to recommend to the Board to reduce the amount of the benefit from \$6,000 to \$4,900 per year.
- 3.02 The committee reviewed the different options for health insurance plans and contribution amounts for next year. With a \$700,000 budget deficit, Mr. Lutzke and Mr. Irwin stressed the need to begin looking at cost reductions. The committee decided to recommend to the Board going to a higher deductible plan (\$2,000 single/\$4,000 family) and increasing employee contributions to 10.5% for the 2013-14 plan. With this recommendation, the District would still fund deductible costs at \$1000 single/\$2000 family with the employee being responsible for the rest.
- 3.03 In order to help early detection of health issues and reduce the amount of claims through the District's insurance, the District has setup a Health Risk Assessment program for staff. In order to increase participation in this program, Mr. Lutzke recommended a 3% decrease in next year's premium contribution amount for staff that participate. The committee decided on making a recommendation to the Board, in conjunction with the health insurance plan, for a 3% reduction for participation in the Health Risk Assessment.
- 3.04 Mr. Irwin reviewed the current retirement benefit for staff and stressed a need to transition to something more affordable in the future. Mr. Irwin then explained the details of a Health Retirement Account for staff that would move the District from an unfunded liability setup to a defined contribution benefit. A HRA would also help save the District money by investing the money in an account while the employee is employed with the District and letting it gain interest over time. Mr. Irwin pointed out that the hardest point of implementing an HRA program is making

the change. Mr. Irwin and Mr. Lutzke also stated that staff with more years of experience would have to be grandfathered into the current plan as they would not have enough time to gain interest on a HRA account. The committee expressed interest in this setup and recommended bringing in a consultant from a company that sets up HRAs for a Board presentation.

- 3.05 In order to reduce costs for retirement benefits, the committee discussed reducing the number of years of health insurance paid out to retirees. The committee looked at reducing the current plan, which offers up to five years of coverage, to three years of coverage. However, the committee also expressed interest in allowing staff with 22 years of experience in the District or more the opportunity to receive five years if they retire at the end of the 2012-13 school year. The committee decided to have the Board make a decision based on the information learned from the HRA consultant's presentation.
- 4 The committee decided to wait until the next Board meeting to decide on a date for the next meeting.
- 5 Adjournment – The meeting was adjourned at 8:02 pm.