

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

**Planning Committee Meeting**

**August 17, 2015**

A meeting of the Planning Committee of the Beaver Dam Unified School District Board of Education was held on the above date at the Educational Service Center at 5:55 p.m. Board members present: Bev Beal-Loeck, Marge Jorgensen, John Kraus, Jr., Laura Lerwick, Lisa Panzer, Chad Prieve, Gary Spielman, and Joanne Tyjeski. Administration present: Bob Avery, Director of Business Services, Mark DiStefano, High School Principal, and Sandra Garbowicz, Director of Teaching and Learning.

Mr. Avery presented a report outlining a long-term plan to address the District's fund balance. Current board policy (#6235) requires that "when the fund balance is less than fifteen percent (15%) of Fund 10, the District Administrator will present a long-term plan to the Board that will restore the balance to fifteen percent (15%)." Current fund balance is at about 9%. To reach 15%, an additional \$2.3M would need to be added to the fund balance. The plan presented by administration is to set aside 1% of the budget, or about \$375,000, for each of the next several years to restore the fund balance to the policy mandated percentage. Moody's rating agency, during its recent ratings review of the District in which it downgraded the District from Aa2 to Aa3, also expressed a desire to see the District move in this direction after a few years of declining fund balance.

There was discussion about whether this plan is manageable or not, as well as whether 15% is the correct target. DPI has no advice on a fund balance percentage, as it is a local decision. School districts across the state vary, with some as low as 2-3% and others as high as 40%. To eliminate short-term borrowing for cash flow purposes, 23-24% would be necessary. Mr. Avery also reminded the committee that fund balance is *not* cash in the bank. The calculation of fund balance includes all assets as of the end of business on June 30<sup>th</sup>, including taxes receivable (the property tax payment to be received from the County in late August) and other receivables (mostly grants), as well as liabilities such as summer payrolls for school year staff. And while the District has a fund balance of \$3.35million as of June 30<sup>th</sup>, it is anticipated there will be a need to cash flow borrow \$5.5 million by December 1.

The next Planning Committee meeting will be September 21<sup>st</sup>.

Minutes submitted by Marge Jorgensen, Committee Chair.