

SCHOOL DISTRICT OF JOHNSON CREEK  
**Finance Committee Meeting Minutes**  
**Wednesday, December 3, 2008**  
**7:00 p.m.**  
**District Office**

Treasurer June McCaffery called the meeting to order.

Members present: June McCaffery, Duane Draeger and District Administrator Michael P. Garvey.

Member absent: Don Battenberg

Motion by Draeger/McCaffery to adopt the agenda as posted. Motion passed.

Dr. Garvey presented the final audit report to the Committee. The Committee was pleased with the audit. The auditors will present the report to the Board at the December 17, 2008 Board meeting. The Committee will work on a few policy changes, recommended by the auditors, and then Dr. Garvey will present them to the Policy Committee.

The Committee discussed the unfunded liability the District has with the State Retirement Fund. Dr. Garvey reviewed with the Committee the aggressive nature the Board has demonstrated with regards to reducing the liability. During the 2006-07 school year the District paid off an additional \$200,000. The District made an additional \$200,000 payment during the 2007-08 school year. The Committee discussed making a payment in 2008-09. Dr. Garvey stated that even though cash flow may be an issue during the year, some of the fund balance could reasonably be used for this. Mrs. McCaffery was concerned about other projects in the works. The Committee and Dr. Garvey reviewed the fund balance, the retirement of long term debt, and other factors and determined that a reduction to the unfunded liability was feasible and appropriate.

Motion by Draeger/McCaffery to recommend that the Board of Education make a \$100,000 payment in December to the State Retirement Fund to reduce the unfunded liability and make a budget adjustment reducing the fund balance. Motion passed.

Dr. Garvey will also meet with the union officials to discuss the unfunded liability and request a waiver permitting refinancing of the loan while maintaining the loan's payments as part of the cost in formula.

The Committee discussed activity accounts and specifically discussed a deficit in the Yearbook Account. Dr. Garvey will contact other school districts to see how they handle the school yearbook.

The Committee discussed the 403b plan which needs to be in place by January 1, 2009.

Motion by Draeger/McCaffery to recommend to the Board for adoption the 403b plan and to designate Mid America as the third party administrator. Motion passed.

Dr. Garvey will prepare a summary of the plan for the Board.

Dr. Garvey reviewed the budget process with the Committee.

Motion by Draeger/McCaffery to adjourn. Motion passed.

Respectfully submitted,

Dr. Michael P. Garvey  
District Administrator