

JOHNSON CREEK SCHOOL DISTRICT  
**Finance Committee Meeting Minutes**  
**Wednesday, October 19, 2016**  
**District Board Room (455 Aztalan Street)**  
**5:15 p.m.**

Treasurer June McCaffery called the meeting to order.

Members Present: Duane Draeger, June McCaffery, Carol O'Neil, and Superintendent Michael Garvey

Dr. Garvey verified that the meeting was properly posted pursuant to s.s. 19.84(1) Wis. Statutes

Motion by Draeger/O'Neil to adopt the agenda as posted. Motion carried.

Dr. Garvey presented the 2016-2017 Revenue limit calculation worksheet and talked the Committee through all of the entries. He also shared information about the debt levy. The Committee agreed that the 12.24 mil rate should be a goal and a defeasance debt service levy will save the District in the long run.

Motion by Draeger/O'Neil to recommend the following resolution be passed by the Board:

BE IT RESOLVED that there shall be levied upon the taxable property of the Johnson Creek School District the sum of **\$3,206,160** for the purpose of defraying the costs of operation and maintenance of the public schools, **\$59** for the Charge back levy, **\$1,263,063** for the purpose of repaying debt and **\$45,000** for Community Service Fund, for a total levy of **\$4,514,282**. Motion Carried.

The Committee discussed increasing the capitalization threshold from \$1,500 to \$5,000. This is the dollar amount that is used to determine what items need to be depreciated. \$5,000 is currently the amount that the federal government uses.

Motion by O'Neil/Draeger to set the District's capitalization threshold at \$5,000.00. Motion Carried.

The Committee reviewed a proposal to renew our Site Pollution Liability Policy on the new site. This not only covers us for industrial spills during construction but indoor environmental issues like mold.

Motion by Draeger/O'Neil to purchase a 3 year policy at a cost of \$10,962.20. Motion Carried.

Dr. Garvey presented an option to purchase a supplemental insurance policy which protects the employees of the District in the event that they have their identity stolen. The annual cost of the insurance is \$5 per employee. Motion by O'Neil/Draeger to purchase Identity Fraud Expense reimbursement insurance. Motion Carried.

The Committee discussed the District's OPEB trust. Dr. Garvey explained that the original purpose was to set aside monies toward OPEB obligations for a time when the District may not be able to afford them in the future. However, the "rules" surrounding the trust requires quite a bit of financial activity (all expenditures for OPEB must go through the fund and then can be transferred back to Fund 10. Calculations of implicit rate in addition to an annual fund contribution). The result is more work than the advantages of having the fund. The District has done a very good job of limiting its OPEB obligations. Dr. Garvey shared that both he and the District's auditor feel that the trust is way more work than a benefit to the District. Motion by O'Neil/Draeger to begin spending the trust down until such time that it can be dissolved. Motion Carried.

Motion by Draeger/McCaffery to adjourn. Motion Carried.

Submitted By:

Michael P. Garvey, Ph.D.  
Superintendent