



**SWEETWATER COUNTY
SCHOOL DISTRICT #1**

Consent Agenda Item 7-c

Approval of the minutes from the July 18, 2018 Budget Hearing

**BUDGET HEARING MINUTES
CENTRAL ADMINISTRATION BUILDING
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MEMBERS PRESENT: Lenny Hay, Max Mickelson, Paul Kauchich, Stephanie Thompson and Carol Jelaco

MEMBERS ABSENT: Emma Waldner and Neil Kourbelas

ALSO PRESENT: Kelly McGovern, Mark Portillo, Scot Duncan, Gina Harvey, Dan Selleroli, Stephanie Tolman, Wanda Maloney, Fernando Moreno, Terry Bernatis, Nicole Bolton, Tiffany Gunter, Lisa DeBernardi, Shannon Garrison, Zach Gunyan and Tonette West. Also in attendance were staff members, constituents of the District and members of the media.

CALL MEETING TO ORDER – Mr. Lenny Hay, Chairman of the Board opened the Budget Hearing at 6:03 p.m.

Mr. Duncan presented a summary of the 2018-2019 budget. A brief review of the General Fund for the 2017-2018 Fiscal Year shows actual expenditures and transfers of \$84,575,708 (94.70% of the budget) and revenues and other sources of \$84,961,683 (100.22% of the budget). The current cash carryover of \$11,402,592 is the direct result of reduced spending, specifically in unfilled employee positions, fuel, and special education placements. The District's Insurance Fund experienced a 10.76% decrease in claims over the prior fiscal year.

The 2018-2019 General Fund Budget shows revenues of \$83,939,750 and expenditures of \$87,185,137. Once again expenditures exceed revenues. The District will rely on the cash carryover to balance the budget.

The District's Foundation Guarantee for FY 2019 is estimated to be \$81,523,769. This amount will be reduced by excess taxes collected in 2017-2018 of \$521,906. District funding for 2017-2018 was based on 5,714 ADM's compared to 5,545 ADM's for 2018-2019.

The General Fund Cash Reserve Accounts clearly show the District's effort to fund its share of future expenses and follow District Policy DA - Fiscal Management Goals.

The State of Wyoming is currently experiencing an economic downturn that has serious repercussions for the District. The current economic climate has reduced funding at the state level, and negatively impacted funding for the School Foundation Program and the construction of new school buildings. The District is committed to sound fiscal management and will continue to plan carefully and prudently to provide resources to meet the needs of students in the years ahead.

Furthermore, the District must prepare for the reduction in funding that occurred during the 2018 State Legislature. The 2018-2019 General Fund budget reflects significant cost saving measures needed to present a balanced budget. These measures included absorbing staff positions; reducing reimbursable transportation line items; and creating a stabilization reserve for premiums in the Health Insurance fund, thereby allowing the District to reduce the health insurance budget in the General Fund.

Any future changes in the funding model could have a significant impact on the operations of the District. A further reduction in funding from the legislature could adversely affect the District's ability to provide the basket of goods. The District will need to continue to make strategic use of available resources and evaluate various cost saving measures to ensure that student needs are met now and in the future.

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The District will continue to fund its Health Plan benefit at a high level and closely monitor claims during the 2018-2019 fiscal year. In an effort to control the rising cost of health care and unpredictable expenses, the District has taken various steps in recent years to redesign the Health Care Benefits Plan. These steps include offering a new Supplemental plan for Medicare eligible retirees, adding three new health plan options, eliminating the \$400 PPO Health Insurance option, and establishing a stabilization reserve for premiums.

Capital Construction Funds reflect the current planning and construction of the District's building needs, including the completion of the new K-12 school in Farson, and the planning stage of a potential new Satellite High School.

The Capital Projects fund continues to play an important role in fulfilling the District's technology plan; securing additional fixtures, furniture, and equipment (FF&E) in new buildings; providing emergency generators at strategic locations throughout the District for student and staff safety; and balancing the budget in the General Fund. This fund provides funding for current and future technology refreshes, minor building repairs, and other equipment needs that were previously funded in the General Fund. As such, the General Fund is able to reduce the budget for these line items.

The remaining Funds in the 2018-2019 Annual Budget appear to be healthy. Again, the Insurance Fund is budgeted at a high level to meet anticipated claims. This fund will continue to be monitored closely.

There being no further business to come before the Board, the meeting was adjourned at 6:06 p.m.

Chairman

Clerk