



Racine Unified School District

3109 Mt. Pleasant Street, Racine, Wisconsin 53404

**BOARD OF EDUCATION
AUDIT COMMITTEE
MINUTES**

February 10, 2014

The Board of Education Audit Committee meeting of Monday, February 10, 2014, was called to order at 5:30 p.m.

Approval of Audit Committee Minutes of January 13, 2014

Ms. Handrow moved, Mr. Eperjesy seconded, to approve the minutes of the January 13, 2014, Committee meeting. All were in favor.

Monthly Financial Update

Mr. Hazen provided a brief overview and explanation of handouts pertaining to the monthly financial update. Comments included:

- General Fund numbers are very close to last year's numbers.
- Utilities – these are again higher but the electrical costs have continued to be at a better level reflecting savings stemming from the performance contract initiatives

Dr. Frontier and Pastor Hargrove arrived during the Monthly Financial Update portion of the meeting.

School Financials Report

The timeliness of these reports appears better most likely as a result of the holidays.

2013-2014 Budget

This item should read "2014-2015 Budget." Mr. Duff and Mr. Hazen shared the usual process and timing for adjustments for the 2013-2014 budget. A comparison will be provided at the next Audit Committee meeting to help provide a better understanding how those adjustments come up and updates are generated.

Review of Budget Calendar

Mr. Duff shared a handout, "FY2014-15 Budget Calendar (Draft)." An interim budget is developed in June and a public hearing on the budget is done in August. Worksheets for schools to develop their budgets will be going out soon.

A formal presentation on assumptions will be conducted soon. It may be helpful for the board to have a budget work session.

Mr. Eperjesy asked if there was a way to get a better picture of the budget earlier than the usual June date. Mr. Hazen said pieces could be shared sooner here in the Audit Committee meetings.

Mr. Duff said budget roundtables are planned with the schools in March. Department heads are being asked to take more ownership of their budgets and in aligning items with district initiatives and goals. He said Baird has offered to attend an April 7 work session to share information and share differences from last year. The fee structure of the district is another item that should be reviewed and addressed.

Mr. Hazen shared a handout from Patrick Starken, Supervisor, Transportation, which shows total costs of transportation for the past 9 years. It was noted there has been approximately a \$2 million dollar savings each year.

Discussion of Tertiary Aid Possibilities

Mr. Hazen shared handouts, “Baird Budget Forecast Model (1.5% Secondary Guarantee and 1.0% Secondary Guarantee).” He provided information regarding the aid formula. The handouts provide information on forecast model scenarios (expense reductions, referendums and debt defeasance). It also shows the mill rate impact of the various scenarios.

Other Concerns

Mr. Hazen said the loan on the previous Central Office building has been paid off. He also shared information regarding a Request for Proposal (RFP) for banking services and a concern voiced from one of the banks regarding that RFP. There is no legal or financial concern associated with that RFP.

Adjourn

Ms. Handrow moved, Mr. Eperjesy seconded, and with no objection heard, the meeting was adjourned at 6:34 p.m.

Others Present:

Dave Hazen, Chief Operations Officer
Lolli Haws, Superintendent
Marc Duff, Deputy Chief Financial Officer
Melvin Hargrove, Board Member
Mike Frontier, Board Member
Julie McKenna, Board Member
Darlene Gallup, Administrative Assistant

Respectfully submitted,

Christopher J. Eperjesy, Chair (Present)
Pamala Handrow (Present)
Don J. Nielsen, (Absent)
Dennis Wiser, Ex Officio (Present)