

Opt-Out

From Page 1

hear that constantly," Bietz said. "You could look at it that way, if the school board took all this money, but we don't know what next year's funding is going to do in Pierre, and we don't know where our student enrollment is going to be for sure. So you put in place a very realistic set of variables."

Bietz also clarified the uses for the school district's general fund, which is used for school operations.

The general fund can be used for things such as employee salaries and benefits, instructional materials, activities, upkeep of the school buildings and grounds, transportation, utilities, fuel, professional development and insurance.

"Contrary to some of the rumors that are out there, the school cannot put that money to any other use," he said.

Money also cannot be transferred from the general fund to any other fund, with the exception of the special education fund.

Bietz added that certain expenditures may be paid from either the general fund or capital

outlay fund, but many of those options have a sunset clause attached to them, so it is not a feasible option to transfer too many expenditures to the capital outlay fund from the general fund.

Bietz also addressed the significant reserve balance in the insurance fund, which has raised a lot of questions.

The school district, which is self-insured, does not buy insurance on the open market. Instead, premiums are placed in a separate fund called the insurance reserve fund.

Bietz said that while there is approximately \$7 million in that fund, it is difficult to use that money for other purposes.

"That money cannot be readily transferred back to the place that it came from without refunding the federal government, state government, special education fund and food service fund," he said. "So it's not as easy as reaching in and saying, 'Let's just spend that money now.'"

He added that if that money is transferred back, it must be rebated in the same proportion that it was received.

"So now you have to start talking about writing a check to the federal government saying, 'Well, we didn't end up using this particular contribution, so here's your money back,'" he said. "I

don't think that is a very good fiscal plan. The best way to control that is to assess your future potential for risk and try to manage your exposures and control the future contributions."

Gertsema added that one reason the fund balance is so high is because of an agreement that was made when the school district became self-insured in 2002.

"The agreement was to have an 18-month reserve in that fund, so in the event that the district would cease being self-insured and go to a company to insure, they wanted to make sure that they had enough money to pay for all the tail-end claims,"

he said.

The 18-month reserve accounts for approximately \$3.5 million of the reserve fund balance. This still leaves a large surplus, which Gertsema said was "really good news."

"If we wouldn't have gone self-insured, all of those dollars would have gone to an insurance company, and the district would have lost all those dollars," he said. "If we continue to have this good trend, the board will work into their future budgets a way to drive that down."

The opt-out special election is May 24.

Tax

From Page 1

and we have roads that are closed to truck traffic."

The current roads weren't built to withstand modern traffic, Pesek said. "These roads were built for Model-T's and Model-A's," he said.

Highway Superintendent Dennis Hovorka faces a daunting task, said Auditor Tammy Brunken. At last week's commission meeting, Hovorka said he was finally getting the blades out for spring work, she said.

Hovorka was planning to work on gravel roads and do some patching of asphalt, Brunken said. "Our roads are just breaking apart horribly," the auditor said. "Heavy truck traffic traveled on it when it was so soft, and it has just played havoc."

The 2011 county road and bridge budget is \$2,035,528, Brunken said. The figure includes a \$400,000 supplement from the county's general fund.

"That (supplement) still doesn't cover the full amount of what is needed," she said.

The wheel tax would help cover spiraling costs for the highway department, Brunken said.

"It would help cover fuel costs, which keep going up and up. We also have higher costs for gravel," she said. "We have a company that hauls our gravel from (the pile in) the southwest part of the county to the northeast, so there you have a lot of expense for both gravel and fuel."

Brunken noted a limit on the wheel tax collected from any given vehicle.

"With a \$2 tax, the most we can

collect is \$8 per vehicle," she said. "That's something people need to understand. If someone has a semi, they're still only paying a maximum of \$8 regardless of the number of wheels."

Pesek said he supported a \$4 wheel tax, with a maximum \$16 per vehicle. However, he went along with the other commissioners on pursuing a \$2 wheel tax.

"You can't do a lot with \$77,000 (collected this year), but it can take care of some problems," he said.

The commission reached the consensus that a \$2 wheel tax might be more acceptable to county residents, particularly when it accompanies an increase in state license fees, Brunken said. "Our commissioners didn't want to overwhelm the people," she said.

Brunken was instructed to draw up the Bon Homme County ordinance. She contacted other counties with wheel taxes as a basis for the Bon Homme model.

According to the South Dakota Department of Revenue, the following are the wheel tax amounts and years of implementation for counties in the southeast part of the state:

- Charles Mix, \$4 per wheel (starting out as \$2), 2006;
- Clay, \$4 per wheel, 1996;
- Douglas, \$2 per wheel, 2007;
- Hutchinson, \$3 per wheel, passed in 1995, took effect in 1996;
- Turner, \$4 per wheel, 2004;
- Yankton, \$4 per wheel, 1998.

The Bon Homme County commissioners are looking at the wheel tax as one way to put a dent in the massive road work around the county, Pesek said.

"We're taking it one step at a time," he said.

Save During NATIONAL KARASTAN MONTH



Save Up To \$1,000 Cash Back

During National Karastan Month you can save on every gorgeous Karastan carpet and rug. Every pattern. Every color. Come in today and Save. Sale ends May 31, 2011.

www.hatchfurniture.com
hatch
 FURNITURE
 & FLOORING

"Your Home's Best Friend"

109 East Third, Yankton, SD
 605-665-4416 • 800-798-4663
 M-F 10-6, Sat. 10-5
 Closed Sundays, Evenings by appt.



WHO ARE THE AMERICANS WHO'LL BENEFIT FROM CANADIAN OIL SANDS?

Brenda W.
 Operating Engineer

1'm one

Developing Canadian oil sands could create more than **342,000** American jobs

Brenda is an operating engineer, and she knows the promise of Canadian oil sands. Today, Canada is America's number-one supplier of imported oil by far, and tomorrow our neighbor could supply even more. Canadian oil sands are the second-largest proven oil reserves on Earth, and developing this resource and the infrastructure to bring this energy to U.S. consumers could create more than 342,000 American jobs. Thousands of skilled workers are ready to start work provided that the government issues a permit for the Keystone XL Pipeline. Energy from Canada can keep driving America's economic recovery – and provide a stable, secure energy resource for generations to come.



Explore the promise of Canadian oil sands at EnergyTomorrow.org