

MILTON



OPPORTUNITY • ACHIEVEMENT
COMMUNITY

FOR IMMEDIATE RELEASE: **March 18, 2019**

Statement from the School District of Milton Board of Education

MILTON, WI — The School District of Milton Board of Education has released a statement in response to an independent investigation conducted by the law firm Axley Brynelson, LLP.

The investigation, which was requested by the Milton Board of Education, addressed the following questions: (1) Whether the manner in which a stipend for Tim Schigur, superintendent, was approved violated state law and/or board policy; (2) whether the manner in which a stipend for Jerry Schuetz, director of administrative operations, and Michael Gouvion, technology support specialist, was approved violated state law and/or board policy; (3) whether the manner in which the records/information related to the stipends were disclosed to Brian Kvapil, board member, and then to the media violated state law and/or board policy; and (4) if possible, what is the district's past practice of the use of stipends and what is the monetary extent of the use of stipends in the last two years?

"In response to a number of very serious allegations made, the school board sought an independent third party to conduct a thorough and completely unbiased investigation of a series of questions.

The report notes that there were some errors made by the board president in approving a temporary market adjustment for Dr. Schigur. Although no laws were broken, the investigation found that Board President Tom Westrick approved the compensation increase to Dr. Schigur without bringing the matter to the full board. The report states that, at the time, Mr. Westrick believed he had the authority to approve the compensation increase to Dr. Schigur. However, Mr. Westrick now understands that he did not have this authority based on board policy. Mr. Westrick apologized to the board earlier this year for taking this action and understands he should have brought the compensation increase to the full board.

The report explains that Mr. Westrick based his approval on comparable salaries in other districts after Dr. Schigur received his Ed.D. The report notes it is not uncommon for school boards to provide increased compensation to a superintendent once he or she obtains a doctorate degree, and that the increase placed Dr. Schigur in the middle of comparable district superintendents in terms of compensation.

The investigation found that the stipends provided to Mr. Schuetz and Mr. Gouvion did not break state law or violate board policy.

The investigation concluded that the past practices of stipends date back at many years. The board has plans to overhaul its policies governing financial oversight and related protocols, as well as the policies governing its minutes and recordkeeping. These plans are a direct result of the recent investigation. The board also plans to investigate the use of what are referred to as "stipends" in the district during the past 10-plus years. This process will include a financial audit.

It is critically important for community members to understand that Dr. Tim Schigur, superintendent, Mr. Jerry Schuetz, director of administrative operations, and Mr. Michael Gouvion, technology support specialist, were not found to have done anything wrong with regard to the stipends. This is in stark contrast to allegations and rumors that have been circulating in the community. To be clear, any suggestion that Dr. Schigur, Mr. Schuetz or Mr. Gouvion have acted improperly with regard to the stipends is inaccurate. To spread false information about these individuals is to perpetuate a lie.

The investigation also found that Board Member Kvapil violated state law in releasing confidential personnel information to the media. However, the investigator concluded that Mr. Kvapil acted with no intention to violate the law.

Over the past several months, numerous accusations have been made that this investigation found to be simply untrue. Now is the time for us to move beyond the name-calling and baseless accusations, and come together as a board and community to focus on our students and their achievement."

The entire report written by Axley Brynerson, LLP, is available for community members to review on the Milton School District website: <https://www.milton.k12.wi.us/>



AXLEY BRYNELSON, LLP

• • • • •

LORI M. LUBINSKY
llubinsky@axley.com
608.283.6752

March 4, 2019

CONFIDENTIAL ATTORNEY-CLIENT PRIVILEGED

VIA E-MAIL

School District of Milton

Attn: Karen Hall, Board Clerk (hallk@milton.k12.wi.us)

Mike Pierce, Board Treasurer (piercemi@milton.k12.wi.us)

448 East High Street

Milton, WI 53563

RE: School Board Investigation
Our File: 759.81913

Dear Ms. Hall and Mr. Pierce:

At the request of the Milton School Board, I conducted an independent investigation addressing the following questions:

- (1) Whether the manner in which the stipend for Tim Schigur was approved violated state law and/or Board policy?
- (2) Whether the manner in which the stipends for Jerry Schuetz and Michael Gouvion were approved violated state law and/or Board policy?
- (3) Whether the manner in which the records/information related to the stipends were disclosed to Mr. Kvapil and then to the media violated state law and/or Board policy?
- (4) If possible, what is the District's past practice of the use of stipends and what is the monetary extent of the use of stipends in the last two years?¹

To undertake this investigation, I conducted interviews of all current Board member as well as the following District employees: Tim Schigur, Jerry Schuetz, Michael Gouvion, Chris Tukiendorf and Mary Ellen Van Valin. I also reviewed numerous documents.

¹ My original assignment included only the first three questions. After discussions with various Board members, it was decided to add the fourth question with the understanding that the extent of the past practice of the use of stipends may be difficult to ascertain.

My report will be organized into three sections. First, I will outline my factual findings that are supported by substantial evidence. Second, I will answer each of the above questions. Third, I will provide the Board with recommendations for consideration moving forward.

The summary outlined below is based on all of the information and documents I reviewed. At its core, this entire situation can be explained by this conclusion: a breakdown in communication resulted in an incorrect assumption being made that then resulted in inaccurate characterizations of conduct on the part of District employees, all of which could have been avoided by communication, verification and compliance with Board policy and state law.

I. Factual Findings.

The use of stipends to compensate Milton School District (“District”) employees for performing work outside their contract or job duties is not something new. The practice dates back at least 10 years, and possibly as far back as 15 years. Whether the term used is stipend, bonus, or extra pay, the concept is the same. Employees in the District have been paid for performing work beyond their job duties/contracted work for many years.

The past practice has been used in circumstances where employees are asked to performance extra work due to a number of circumstances. The circumstances vary and include performing duties of other positions/employees. For example, if an employee is absent from work on an extended leave, other employees who take over some or all of the job duties of the employees on leave may be compensated for performing the extra work. As another example, employees are asked to take on projects based on new initiatives of the District and/or as directed by the School Board. Aside from phone and mileage stipends, the use of stipends for performing extra work is not a routine, regular practice of the District, but it is also not so rare that administrative employees are unaware of the practice. Stipends have been used to compensate teachers and administrators alike.

Some examples of stipends being issued to District employees beyond those at issue in this investigation include the following:

- (1) In the spring of 2018, Assistant Principal Randy Bartels received a \$4,000.00 stipend for performing extra duties (taking on another staff’s responsibilities);
- (2) On or about November 9, 2018, Sarah Brechtl received a \$2,500.00 stipend for compiling a school newsletter, which again was above and beyond her duties;
- (3) In June of 2014, Laura Jennaro received a \$1,000.00 stipend for time worked when she was not under contract;

- (4) Sometime during the 2013-2014 school year, Susan Probst received a \$1,000.00 stipend for performing extra duties (for an employee on leave); and
- (5) Sometime during the 2013-2014 school year, Mary Ellen Van Valin received a \$1,000.00 stipend for performing additional duties (for an employee on leave).

The extent of the use of stipends over the last two school years depends on what amounts are included in the category of stipends. Reports that were generated for purposes of this investigation show total payouts for the 2015-16 school year of \$568,359.52; for the 2016-17 school year, \$749,955.42; and for the 2017-18 school year, \$705,674.38. Another report run from January 1, 2018, through February 10, 2019, shows total payouts of \$803,869.41. However, these reports include payments such as PTO and vacation payouts, cell phone stipends for staff, and other payments such as department head payments. Unfortunately, absent going through every entry in these reports, and cross-referencing these reports with other records to ascertain the reasons for each payment, it is impossible to ascertain the extent of stipends used to compensate employees for extra work.

Complicating the analysis is that the District has used different forms to document the use of stipends over the years. Many years ago stipends were paid using a document entitled "Time Sheet." Apparently out of concern over the need for additional signatures and budget accountability, the Employee Recommendation form was implemented (the date of implementation is in dispute, but that dispute is not material). Based on my review of records, it appears the Employee Recommendation form began to be used in 2016, but it has not consistently been used since that time. Time Sheets and an additional document continued to be used to document stipend payments to employees.

The stipends at issue were issued for two different reasons: the stipend issued to Mr. Schigur was for a salary increase and the stipends issued to Mr. Schuetz and Mr. Gouvion were for the performance of extra work.

By way of background, Mr. Schigur completed his Ed.D sometime in the spring of 2018 and/or early summer of 2018. The Human Resources Committee of the School Board has discussed providing additional compensation to Mr. Schigur upon completion of his Ed.D. While there was generalized discussion in this regard, there was no vote taken and therefore there was no recommendation brought to the Board on a salary increase for Mr. Schigur based on his Ed.D. As an aside, it is not uncommon for school boards to provide increased compensation to a superintendent once he/she obtains a Ed.D.

In the summer of 2018, Mr. Schigur analyzed the possibility of reorganizing the administrative team at the District office. The reorganization was designed for the District administration to

become more operationally efficient and avoid the large number of people reporting to the Superintendent. The potential reorganization was brought to the Human Resources Committee in early August of 2018 and then to the full Board in mid-August of 2018. The Board approved the reorganization.

The reorganization resulted in a significant change in hierarchy in the District's administrative team. Previously, approximately fifteen people reported directly to Mr. Schigur. After the reorganization, this number was reduced to five or six direct reports, with those persons responsible for supervising other employees. Part of the reorganization resulted in creating a new position entitled Director of Administrative Operations occupied by Jerry Schuetz, which is responsible for multiple areas including finance, buildings and grounds, nutrition, and transportation. Some of these areas were previously the responsibility of Mary Ellen Van Valin. Ms. Van Valin was one of several employees who no longer reported directly to Mr. Schigur after the reorganization. Instead of reporting directly to Mr. Schigur, after the reorganization Ms. Van Valin reported to Mr. Schuetz who, in turn, reported to Mr. Schigur.

As a result of the reorganization a smaller number of administrative employees are involved in the District's leadership team, which meets on a bi-weekly basis to discuss administrative issues in the District. After the reorganization, Ms. Van Valin was no longer involved at the District's leadership team meetings. Ms. Van Valin's absence from bi-weekly administrative leadership team meetings is, in the opinion of the undersigned, the reason for the confusion and miscommunication concerning the source of the funds for the three stipends at issue.

The undisputed evidence shows that part of the proposed budget for the 2018-19 school year included a new position identified as Communications Coordinator. At the annual meeting on September 24, 2018, this new position was identified with a total amount of \$41,431.41 included in the proposed budget. This amount was identified as "prorated at 61 percent FTE for 2018-19" because the position would not be filled the entire school year.

There was some initial disagreement between the witnesses I interviewed as to whether the final budget that was adopted by the Board on October 22, 2018, included this new position. I am satisfied based on the totality of the evidence that I have received that substantial evidence supports the conclusion that the final budget adopted by the Board included \$41,431.41 for the Communications Coordinator position. This conclusion is supported based on the following undisputed facts:

- (1) On August 27, 2018, the Board adopted the preliminary budget for the 2018-19 school year. The Communications Coordinator position was in that budget and was approved by the Board.

- (2) At the annual meeting on September 24, 2018, the Communications Coordinator position remained in the budget that the electorate voted on. The Communications Coordinator position is referenced on slide 30 of 32 of the presentation given to the Board and the community at the meeting.
- (3) The final budget was presented and adopted by the Board at a meeting on October 22, 2018. The budget amendments and adjustments did not remove the Communications Coordinator position. There is no reference to any adjustment related to this position from the budget preliminarily adopted by the Board on August 27, 2018, to the final budget presented and approved on October 22, 2018.

Thus, the Communications Coordinator position remained in the Board's adopted 2018-19 budget. It was approved in the preliminary budget; it remained in the budget at the annual meeting; and it was not adjusted and/or removed from the final 2018-19 budget the Board adopted on October 22, 2018.

This conclusion is critical to understanding the events that unfolded starting in November of 2018. As mentioned above, Ms. Van Valin did not participate in the administrative leadership meetings commencing in August of 2018. Unbeknownst to her, the administrative team (totaling approximately five administrators) met and discussed the administrative reorganization, and in particular discussed the duties of the Communications Coordinator position. The District has a very significant social media presence, and updating photos and content is extremely important to maintaining the District's on-line presence. The administrative team discussed the possibility of having the duties of the Communications Coordinator position performed "in house," meaning that the duties would be performed by existing employees.

Due to his past experience, Mr. Gouvion was identified as a possible option for some of the duties of the Communications Coordinator due to his prior work taking pictures for the media. Mr. Gouvion is a technical support specialist for the District. His duties include helping the District and its employees with regarding to computers and other technical equipment such as smart boards. A discussion occurred with Mr. Gouvion's supervisor as to whether Mr. Gouvion would be able to perform some of the Communications Coordinator position duties including website maintenance and social media content, in addition to his regular duties which did not include website maintenance and social media content. After discussion with both Mr. Gouvion and his supervisor, administration determined that Mr. Gouvion could perform part of the Communications Coordinator duties. The remaining duties of the Communications Coordinator position were discussed and it was determined that Mr. Schuetz could perform those additional duties, which were above and beyond the duties in his job description as the Director of Administrative Operations.

These additional duties for the Communications Coordinator position are in fact being performed and are in excess of the duties of both Mr. Gouvion and Mr. Schuetz. By way of example only, on the day I interviewed him, Mr. Gouvion was leaving later that day to attend the state wrestling tournament to take photographs of the student athletes who were participating in the state wrestling meet, with the intent to post photographs on the District's website and/or social media platforms.

After it was decided to divide the duties of the Communications Coordinator position between Mr. Gouvion and Mr. Schuetz, a discussion occurred regarding the compensation for performing the extra duties. Mr. Schigur decided that a fair amount for the additional duties for Mr. Gouvion and Mr. Schuetz was \$10,000.00 each, considering that this would save the District in excess of \$20,000.00 because the Communications Coordinator position was budgeted at over \$40,000.00. Mr. Gouvion and Mr. Schuetz agreed to accept this amount for performing the additional duties.

Around this same time, Board President Tom Westrick spoke with Mr. Schigur and advised that the Board was tardy in compensating Mr. Schigur for obtaining his Ed.D. He advised that he was going to ask Mr. Tukiendorf to obtain comparable data for salary comparison purposes. At Mr. Westrick's request, Mr. Tukiendorf obtained comparables for Rock County, Dane County and the Badger Conference and emailed the same to Board President Westrick on November 6, 2018. Board President Westrick reviewed the comparables he received from Mr. Tukiendorf and made the decision based on the data he obtained from Mr. Tukiendorf that a \$10,500.00 salary increase to Mr. Schigur was appropriate because it would bring him at a compensation level around the middle of the comparables, not on the high end and not on the low end. Mr. Westrick discussed with Mr. Schigur and Mr. Schuetz whether there were sufficient funds in the budget for the increase and he was assured there was, as the administration had already decided to have the duties of the Communications Coordinator position performed in house and, thus, there was over \$20,000.00 in savings in the budget.

Mr. Westrick believed at the time that he had the authority to approve the stipend for the salary increase to Mr. Schigur. However, Mr. Westrick now understands that he did not have this authority based on Board policy. Mr. Westrick apologized to the Board earlier this year for taking this action, and he now understands he should have brought this salary increase to the Board.

Board Policy 1220 – Employment of the District Administrator provides in relevant part:

The Board of Education vests the primary responsibility for administration of this District in the District Administrator of Schools. The appointment of that officer is, therefore, one of the most important functions the Board can perform.

• • • • •

School District of Milton
March 4, 2019
Page 7

Whenever the position of District Administrator shall be vacant, **the Board shall appoint a District Administrator of Schools as chief executive officer and fix his/her salary** and term of office which shall be no more than two (2) years. . . .

....

Such contract may include:

....

B. the salary which the District Administrator shall be paid;

....

(Emphasis added)

Despite that the policy permits but does not require a Superintendent's contract to include the employee's salary, the policy is clear that the Board sets the Superintendent's salary. No Board member alone has authority to determine part or all of the Superintendent's salary.

As noted above, there are three stipends at issue in this investigation. The first stipend was issued to Mr. Schigur in the amount of \$10,500.00 on an Employee Recommendation form that identified the stipend as a temporary compensation increase because he earned his Ed.D. Mr. Westrick signed this Employee Recommendation form, along with Human Resources Director Tukiendorf. The second stipend was issued to Mr. Schuetz for \$10,000.00 and on the Employee Recommendation form it was labeled as a temporary compensation increase "due to additional work/responsibilities given." His form also was signed by Board President Westrick and Mr. Tukiendorf, but has an additional signature for Mr. Schigur. The third stipend was issued to Mr. Gouvion in the amount of \$10,000.00 (\$5,000.00 per semester), and the Employee Recommendation form identifies the additional work as "website maintenance and social media contents and updates." His Employee Recommendation form was signed by Mr. Schuetz and Mr. Schigur.

These three forms were brought by Mr. Schuetz and Mr. Tukiendorf to Ms. Van Valin's office on November 13, 2018. There is a slight disagreement regarding the discussion that occurred in Ms. Van Valin's office but I do not believe the disputes are particularly material to the questions that I am investigating.² The forms were presented to Ms. Van Valin to process. Ms. Van Valin

² One dispute concerns Ms. Van Valin's assertion that she was told that the stipends were not going to be presented to the Board to avoid the Board and/or media attention to the stipends. Mr. Schuetz denies making that statement. He claims that in response to Ms. Van Valin's question about whether the stipends needed to go to the Board, he said

was uncomfortable. She did not know where the money was coming from in the budget adopted by the Board. Mr. Schuetz claims he advised Ms. Van Valin that he and Mr. Gouvion's additional work was for the work that would have been done by the Communications Coordinator, which position the administrative team had decided not to fill. Ms. Van Valin does not recall that statement, but does not deny it might have been made. Given the amount of the stipends, Ms. Van Valin questioned the stipends. She did not believe the amounts of the three stipends were within the District's budget. Ms. Van Valin believes she asked whether the forms would need to go to the Board, and Mr. Schuetz generally responded that his understanding was that the forms did not need to go to the Board, that Board President Westrick had approved two of the forms, and that the Employee Recommendation forms should be processed as all other similar forms have been processed in the past.

Ms. Van Valin handwrote on two of the Employee Recommendation forms "not in 2018-19 original budget," and on one of the Employee Recommendation form "unbudgeted for in 2018-19 original budget." Again, Ms. Van Valin did not know where the total amount of \$30,500.00 was coming from and believed at the time that the amounts were not in the final Board-approved budget. Ms. Van Valin also was concerned because the Board had just approved a salary increase to Mr. Tukiendorf (who did not receive a stipend) and a small salary increase to Mr. Schuetz of \$3,500.00.

Over the next several months, Ms. Van Valin questioned in her mind her role as a business official with the District and these three stipends. By that time, she had entered into a resignation/retirement agreement, the details of which are not relevant, but her employment with the District was going to end at the end of the 2018-19 school year. Ms. Van Valin felt she had no other option but to go to a Board member because her supervisor was Mr. Schuetz, her supervisor's supervisor was Mr. Schigur, and the Board President, Tom Westrick, signed two of the three forms.

Ms. Van Valin called Brian Kvapil, a Board member. She provided him with some initial information and eventually provided him with the three Employee Recommendation forms containing her handwritten notes indicating that the stipends were not in the 2018-19 original budget. Ms. Van Valin did not consider whether giving Mr. Kvapil these documents was a violation of the open records law.

When Mr. Kvapil received the documents, he concluded that the \$30,500.00 in stipends were not in the District 2018-19 budget. Like Ms. Van Valin, Mr. Kvapil did not know anything about the

that it was his understanding the stipends did not need to go to the Board, consistent with past practice. In the undersigned's judgment, this is part of the breakdown in communication noted more fully herein. Regardless, the undersigned concludes that Ms. Van Valin likely misinterpreted Mr. Schuetz's statements in light of her mindset and conclusion that the stipends were not within the Board approved budget.

nature of the extra work identified in Mr. Schuetz's and Mr. Gouvion's Employee Recommendation forms. He did not ask any questions and assumed that Ms. Van Valin's notes – that these stipends were not in the budget – were accurate.

The details of what happened next are disputed, but the dispute is largely immaterial. Mr. Kvapil attempted to call a special meeting over a weekend in early February. There was a meeting scheduled for the following Monday, but Mr. Kvapil did not believe the agenda would have allowed him to address the stipends. He did not consider asking that the agenda be amended to allow him to address the stipends. Mr. Kvapil had made numerous records requests, and he perceived (right or wrong) that he was not getting the records he requested. My conclusion from review of the various emails wherein Mr. Kvapil requested records and Mr. Schigur responded is that records requests kept changing and were not as easily filled/completed as Mr. Kvapil would believe. Regardless of this dispute, the evidence shows that Mr. Kvapil became frustrated with his perception that he was not getting the records he wanted.

By email dated February 7, 2019, Mr. Schigur provided information to all Board members pursuant to Board Policy 143.³ The attachments to that email included administrator compensation spreadsheets and payroll reports for the 2016-17, 2017-18 and 2018-2019 school years (2018-19 was information to date). The email contained an admonition regarding disclosure of the attached documents:

Please be advised that the attached information will be used for the discussion by the Board in closed session on Monday. It must NOT BE SHARED. While this information may be subject to disclosure under the Public Records Law, prior to such disclosure the District would be required to provide written notice to the administrators whose personal information is included in the attachments, as well as the right to augment the records prior to disclosure. If you share this information with anyone outside of the Board without providing such notice and right to augment, you will be violating their rights under the Public Records Law and could create liability for the District.

After more emails communications concerning whether the documents Mr. Kvapil requested were provided, Mr. Kvapil sent an email dated February 8, 2019, at 5:35 p.m. announcing his intent to provide to certain media page 8 the payroll report from this school year and stating that the Employee Recommendation forms "have also been provided" to the media. In his email, Mr. Kvapil states that he is not sure what augmentation "is even possible, but in the event there is, you may contact the [media] and inform them you will provide augmented versions."

³ That policy provides in relevant part: "No member of the Board shall be denied documents or information to which s/he is legally entitled and which are required in the performance of his/her duties as a Board member."

Before he sent his email dated February 8, 2019, Mr. Kvapil had already provided to one reporter the documents identified in his email; however, Mr. Kvapil asked that member of the media not to disclose the documents until Mr. Kvapil approved the release. After Mr. Kvapil sent his email on February 8, 2019, at 5:35 p.m., he notified the reporter that the records could be released.

Not knowing that Mr. Kvapil had already released the records, District legal counsel Attorney Shana Lewis sent Mr. Kvapil an email on February 8, 2019, at 6:51 p.m. advising as follows: "If you provide the media with a copy of a public record that pertains to a local public official without providing the public officials with notice and the opportunity to augment the records, you will be in violation of the public records law and you will likely create liability for the district. Please do not do this. Please wait for the meeting on Monday."

Prior to release of the records, Mr. Kvapil did not believe the law required him to provide notice to anyone. He relied upon a summary of the Public Records Law that he found on the Wisconsin Freedom of Information Council's website. That summary outlines the notification required under the Public Records Law for records regarding an investigation into a disciplinary matter involving a public employee. Unfortunately, that summary does not outline the notice and augmentation obligations that exist for local public officials.

As I explained to Mr. Kvapil during his interview, the notice obligations under the Public Records Law are found at Wis. Stat. § 19.356. The statute provides different notice rights depending on whether the public employee holds a "local public office." With respect to employees holding a "local public office," sec. 19.356(9), Wis. Stats., requires the following notice:

(a) Except as otherwise authorized or required by statute, if an authority decides under s. 19.35 to permit access to a record containing information relating to a record subject who is an officer or employee of the authority holding a local public office or a state public office, the authority shall, before permitting access and within 3 days after making the decision to permit access, serve written notice of that decision on the record subject, either by certified mail or by personally serving the notice on the record subject. The notice shall briefly describe the requested record and include a description of the rights of the record subject under par. (b).

(b) Within 5 days after receipt of a notice under par. (a), a record subject may augment the record to be released with written comments and documentation selected by the record subject. Except as otherwise authorized or required by statute, the authority under par. (a) shall release the record as augmented by the record subject.

Section 19.32(1dm), Wis. Stat., defines a local public office as follows:

(1dm) "Local public office" has the meaning given in s. 19.42(7w), and also includes any appointive office or position of a local governmental unit in which an individual serves as the head of a department, agency, or division of the local governmental unit, but does not include any office or position filled by a municipal employee, as defined in s. 111.70 (1)(i).

Mr. Schigur as the District's Superintendent and Mr. Schuetz as the District's Director of Administrative Operations are both employees of an authority holding a local public office. The records Mr. Kvapil released "contain[] information relating to a record subject who is an officer or employee of the authority holding a local public office." Accordingly, Mr. Schigur and Mr. Schuetz were entitled to notice and the right to augment the records before they were released. Mr. Kvapil did not provide the required notice by the required manner of service and did not allow the employees five days after receipt of the notice to augment the records, and then only release the records with the augmentation provided.

The right to augment records before disclosure is an important one that cannot be ignored. Individuals holding a local public office have diminished rights to challenge the release of records, but their right to augment allow local public officials to ensure that if records are released, all relevant information is provided when the records are released. Mr. Kvapil did not allow these two employees to augment the records in the manner required by law, and in the undersigned judgment that resulted in a great deal of speculation and misinformation about the nature of the stipends. Had the required notice been provided, it is possible the local public officials would have been able to explain some of the questions concerning the stipends.

Despite the legal admonitions, it is the undersigned's conclusion that Mr. Kvapil subjectively believed he was not violating the law when he released the records to the media. He credibly explained his reasoning and produced the material upon which he relied. Unfortunately, that material did not provide any information about the right of local public officials to augment records containing information related to the local public officials.

II. Conclusions.

- (1) Whether the manner in which the stipend for Tim Schigur was approved violated state law and/or Board policy?**

Answer: Yes. Board President Westrick violated Board Policy 1220 by unilaterally approving the Superintendent's wage increase. Board policy 1220 requires the Board to set the Superintendent's salary. While Board Policy 171.1 provides

certain duties of the Board President and the power to authorize a salary increase is not included, that policy does not prohibit the Board President from undertaking other duties. Accordingly, I conclude that Board Policy 1220 is the relevant policy and that it was violated in this instance.

No other Board policies or statutes were violated with regarding to the stipend Mr. Westrick signed for Mr. Schigur. While the Wisconsin school administrator statute, Wis. Stat. §118.24, requires administrator contracts to be in writing and contain a term in compliance with the law, the statute does not require the Board to set all administrators' salaries. The statute in relevant part provides as follows:

(1) A school board may employ a school district administrator, a business manager and school principals and assistants to such persons. The term of each employment contract may not exceed 2 years. A contract for a term of 2 years may provide for one or more extensions of one year each.

(2) (a) Under the direction of the employing school board, the school district administrator shall have general supervision and management of the professional work of the schools and the promotion of pupils.

....

(6) The employment contract of any person described under sub. (1) shall be in writing and filed with the school district clerk. At least 4 months prior to the expiration of the employment contract, the employing school board shall give notice in writing of either renewal of the contract or of refusal to renew such person's contract. If no such notice is given, the contract then in force shall continue in force for 2 years. Any such person who receives notice of renewal or who does not receive notice of renewal or refusal to renew the person's contract at least 4 months before the contract expiration shall accept or reject the contract in writing on or before a date 3 months prior to the contract expiration. No such person may be employed or dismissed except by a majority vote of the full membership of the school board. Nothing in this section prevents the modification or termination of an employment contract by mutual agreement of the parties. No school board may enter into a contract of employment with any such person for a period of time as

to which such person is then under a contract of employment with another school board.

Nothing in this statute requires the Board to set the Superintendent's contracted salary, but again Board Policy 1220 does so.

The undersigned also considered other statutes including but not limited to misconduct in public office, Wis. Stat. § 946.12. The undersigned concludes that Mr. Westrick did not know his act in approving the stipend for Mr. Schigur was in excess of his lawful authority. Mr. Westrick credibly explained that he did not realize there was a Board policy that required Mr. Schigur's salary increase to be approved by the Board. I also credit Mr. Westrick with acknowledging and admitting his wrongdoing, and that candor further evidences his lack of knowledge that Board action was required to approve the Board stipend.

(2) Whether the manner in which the stipends for Jerry Schuetz and Michael Gouvion were approved violated state law and/or Board policy?

Answer: No. Based on all of the above factual findings, I conclude that the stipends issued to Mr. Schuetz and Mr. Gouvion do not violate any Board policy or state statute. In fact, pursuant to Board Policy 1220, the Board vested the primary responsibility for administration of the District in the Superintendent. Here, the Superintendent determined consistent with his authority to save the District over \$20,000.00 and have the duties of a budget position performed by existing employees. I conclude that these stipends were within the Board's approved Budget. As explained in detail above, these two stipends were budgeted under the Communications Coordinator position.

Even Mr. Kvapil agrees that *if* the amounts for these stipends were within the budget, then Mr. Schigur had the authority to issue the stipends. Mr. Westrick did not need to sign the stipend for Mr. Schuetz; Mr. Schigur had the authority to issue the stipends without any additional signatures.

While these stipends were much higher than similar stipends issued in the past, there is a long standing past practice of using stipends to compensate employees for performing work that would be performed by another employee.

(3) Whether the manner in which the records/information related to the stipends were disclosed to Mr. Kvpil and then to the media violated state law and/or Board policy?

Answer: No and yes. Ms. Van Valin reported what she reasonably but inaccurately concluded was unbudgeted stipends. She went to a Board member with that information based on her reasonable belief that the Board was the next reporting level. Disclosure to a Board member in his/her role as a Board member, rather than as a private citizen is not a disclosure under the Public Records Law. She did not violate state law or Board policy.

Board member Kvpil did violate the Public Records Law, as outlined above, by releasing documents relating to an individual holding a local public office without providing the required notice and right to augment. However, I also conclude that he did not do so knowingly, and reasonably but inaccurately believed that he was not required to provide augmentation notice prior to disclosure.

(4) If possible, what is the District's past practice of the use of stipends and what is the extent of this use of stipends in the last two years?

Answer: The past practice dates back at least 10 years if not longer. I cannot ascertain with any degree of confidence the extent of the amount of the stipends issued only for extra work or extra duties in the last two years without spending an extensive additional amount of time investigating this question.

III. Recommendations.

The Board will need to decide what action(s), if any, to take against the Board members who violated the above-referenced Board Policy and Wisconsin statute. Regardless of those decisions, I have five recommendations.

First, the Board needs to determine whether to ratify Mr. Schigur's salary increase. The Board should look at the comparable data collected prior to the issuance of the stipend to Mr. Schigur and consider any other data the Board may determine to be relevant.

Second, regardless of other actions taken, Mr. Westrick should be asked to review all Board policies and Mr. Kvpil should be asked to review the Department of Justice's Public Records Law manual. These two actions will serve to educate both Board members so that they do not repeat their innocent mistakes.

School District of Milton
March 4, 2019
Page 15

Third, the Board should consider whether to maintain the part practice of the use of stipends for an employee's performance of extra work beyond an employee's contracted work/job description, and if not to set limits on the Superintendent's ability to use stipends when he/she determines appropriate. Any such policy should be established so that the Superintendent can comply with any limitations in his/her authority set by the Board.

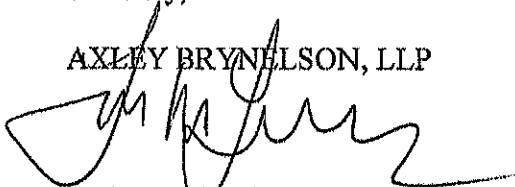
Fourth, I recommend administration be charged with developing a formal protocol for the use of Employee Recommendation forms so that there is no further confusion as to whether an extra expenditure is or is not in the budget. The form should be modified so that all relevant information is included without the need for hand-written notes that may be inaccurate or misinterpreted.

Finally, I believe the Board would be well served by having administration present all new proposed contracts, handbooks, and similar documents in red-lined format so that the Board can easily identify proposed changes. This will serve to promote trust between all Board members and administration, which at present is lacking at least with respect to at least one Board member.

I plan to attend the special meeting on March 7, 2019 at 6:30 p.m. to answer any questions the Board may have.

Sincerely,

AXLEY BRYNELSON, LLP



Lori M. Lubinsky

LML:kjb

cc: Attorney Shana Lewis - Via Email

Augmentation in compliance with Wis. Stat 19.356(9)(b)
Investigative Report prepared by Attorney Lori Lubinsky
March 11, 2019

Thank you for the opportunity to augment/clarify information found in this document.

I have identified two paragraphs that need clarification.

The first example is on page 7 paragraph 2. On Mr. Schuetz's stipend, I signed the document to acknowledge payment was being made. I did not approve this payment. That was approved by Dr. Schigur, hence his signature.

The second example is on page 8 end of paragraph 1. I did not approve 2 stipends. I approved Dr. Schigur's and I acknowledged Mr. Schuetz's

Thomas A Westrick
3-11-19

Augmented response to the investigation dated March 4, 2019 by Lori Lubinsky, Attorney, Axley Brynelson, LLP.

Submitted by: Mary Ellen Van Valin

Date submitted: Friday, March 15th, 2019

I will keep my augmented comments to this investigation relatively short given what I could write, as I personally have concerns with this entire investigative process. I cannot substantiate certain aspects of this process that I suspect may be faulty, so I will leave it at that what I have written in this document reflects my personal thoughts only. I have written this document in good faith, and with the continued premise that my role as Director of Business Services is one of a fiduciary to the Board of Education/administration and taxpayers of the School District of Milton. I have been a certified/licensed School Business Manager (Department of Public Instruction) for 24+ years. I have successfully served in this role, and reported directly to the Superintendent my entire career (until August 2018). I have worked as the Director of Business Services for Marshall School District, Monona Grove School District, Stevens Point Area School District (Assistant Superintendent), and Milton School District. I have never received an unsatisfactory performance evaluation, and in fact never received a score in any area indicating a “need to improve”. To date, I have not received an evaluation for fiscal 2017-18, which is required per my administrative contract. The Superintendent would be the responsible person to do so. In a year (summer of 2018) he was making a major reorganization’ this task of his would have been ever more important or so it would seem from me. I am not sure if the other administrators affected by the reorganization received their 2017-18 evaluations or not (or when).

Some comments I have to augment Ms.Lubinsky’s report are as follows:

- The reorganization Tim Schigur orchestrated in August 2018 was poorly done from my perspective, and in fact continues to be problematic, as there does not appear to be in existence a comprehensive well thought out plan. I was informed about Tim’s intent to dramatically change my position about 30 minutes prior to

a Human Resources Meeting on August 3rd in which Tim presented to me his “new plan”. He created a new administrative position, “Director of Administrative Operations” to which I would now report to. This position would apparently (no new job description for this new position at this time) encompass many of my current job responsibilities (oversight of building & grounds, food Service, budget/finance/payroll/accounts payable, district insurances and transportation). Human Resources also reported directly to me for eight years; only in 2018-19 did Tim move HR to report to him. This new position was never posted internally or externally. Ironically, I was not offered the opportunity to compete for the new position, of which many of the duties I was either currently responsible for, or assisted indirectly with. Why would Tim not open this position up at least internally? A Communications Supervisor (new position created in 2014-15) was simply moved to this role. To date, my job description was never updated to reflect the reorganization; evidence again that “the plan” was never implemented with basic due diligence. My director position, prior to the reorganization, is typically valued as the “right hand” position to the Superintendent for many, if not most, districts. After the abrupt change in August, I saw the ‘writing on the wall’. I asked for, and was approved by the Board of Education on October 22, 2018, the ability to retire one year early (9 years of service to Milton granted vs. 10 years as required contractually-no added retirement benefits were given to me). I knew I had to do so because I could foresee the next layers to unfold. Ironically, the 2017-18 actual revenues and expenditures came in very close to budgeted numbers. The 2017-18 budget year was one of the best ever that I have had. The apparent lack of respect for administering and tracking a 40+ million dollar general fund budget was apparent to me.

- On November 13, 2018, Chris Tukiendorf (HR) and Jerry Schuetz came to my office. As the report indicates, I was handed three Employee Recommendation forms that are noted in the investigative report. The heavy delivery method from my view,

(typically forms placed in my mailbox, as the written form memorializes previous definitive conversations), caused me immediate concern. In the brief conversation that ensued, I questioned “why now?” as the Original (October) 2018-19 Budget was just adopted, and July 1st pay increases established. I questioned the timing, as both Chris and Jerry each received pay increases a few months earlier. Both went to the full Board of Education for approval. Chris received on August 13th an additional \$22,000 per year. and Jerry \$3,500. I was deeply concerned as to why so soon would three other significant pay increases be presented to me that per Jerry would not need Board approval. I respectfully disagree with Ms. Lubinsky on this topic, as she does not consider the contract adjustment for Chris part of the scope of her investigation as the pay was not “a stipend”. I maintain and will “call a “spade a spade”, these mid-year salary increases, call them stipends, market adjustments, temporary pay, etc.; money is paid via payroll (plus fringe benefits) to said employee-period. There are definitely times, added pay for added duties due to vacancies/leave of absences are warranted. Market adjustment for Chris? Would this not have been when formulating a comprehensive reorganization plan? What data was used? My big struggle however was this consideration; why did the process change? Why would these three increases not go to the full Board of Education when similar (my perspective) increases did within the recent months, and one for the same person (Jerry)? I will restate that I questioned Jerry on this within a day or two of November 13th; he reported to me it was to avoid media scrutiny. Another conversation between the two of us that occurred several weeks ago, the topic came up again. Jerry and I were discussing the interest from the media and general public regarding the school district (public records, etc.). I commented, “Jerry, we to a degree do this to ourselves. You know that those three salary increases should have gone to the full Board.” I refused to sign my name to the three forms, even though it did not matter as those above me had approved them.

- After approximately two months of trying to decide what to do post November 13th, I knew that I had no one to go to for assistance, as my supervisors and the Board President had signed off approval for the increases. Who legally could help me? I am reporting a concern on behalf of the District, yet apparently District legal counsel does not assist me? I listened to my husband and myself during this difficult time in order to know that I needed to make a board member aware of these increases as soon as I be retiring (my last day of active work is March 21st), and I would not be in my position to discuss or defend myself in the future. I also worried about what else might come through my office until my retirement? If these three increases went through what would possibly come next?
- So why Brian Kvapil? Brian, at the Board meeting on 10-22-2018, made a comment that he would like to see the monetary savings from the reorganization. There had been (still is) discussion not to fill my position upon my retirement July 1, 2019. This new structure would be highly uncommon (as it the one currently in place), and I want all costs associated with this reorganization to be publically transparent and tracked. This in part, (along with my perception that all three increases needed the full Board of Education approval), was why I included the payment to Michael Gouvion, as his additional duties I felt were part of what Jerry, as Communications Supervisor, was hired to do. Jerry was hired for this role full time, so I wanted this salary compensation included in the tracking of “the savings”. Again, I have not been privy to a comprehensive plan for this reorganization, if one exists so my judgment is based on what I know.

In conclusion, I reported to Brian what I was concerned about. Whether or not I had all the facts remains what it is. I reported what I believed to be true. Passing my concerns to a Board member and trusting the elected official and other elected officials to look into the matter was what I expected. I have heard that some individuals in the business office may receive new titles and added compensation to

assume some of the duties I currently perform. I do not think this would be a wise decision and do wonder once again “why?”

This experience, as I head into retirement, has been awful. It has been weeks of isolation, scrutiny, and my perception of unfair access to district legal counsel. What I reported was done so on behalf of the District. I understand the impact on others due to the investigation(s) and I empathize truly. It is unfortunate that it had to come to this for the entire school district and community. For years, I have (as have others) asked for updated staff handbooks, updated policies, procedures, etc. and to date little has been updated in some HR areas. Board policies/administrative rules continue to move forward, but it has been years of this process. Job descriptions are not updated, yet positions are changed. After I sign an Employee Recommendation form, and the form circles back to Human Resources where it is to begin. I do not think that it is my responsibility (nor others such as the principals etc.) to ensure the approval goes to the Board of Education or not. Is this not a function of having a Human Resources Department? Did HR decide this internal routing form should be placed in an employee personnel file? If so, was legal counsel involved? Notes such as “not in budget” I would write on the form at times in order to track budget adjustments, and to explain after the fiscal year budget variances (memos to the Board of Education and comments in the annual district financial statements-Management Discussion and Analysis). These comments were merely my notes.

If there is a silver lining in all this, I hope for written procedures to be developed that are consistently practiced, much improved communication, and a hard and careful review of this new reorganizational plan. The District needs and deserves an experienced, licensed, School Business Manager with proven and successful experience in this capacity coming in from outside of Milton. It should be expected and embraced that the person in this position will respectfully challenge when needed.

Board Member Brian Kvapil's augmentation to the investigation report by Attorney Lori Lubinsky concerning payment of stipends to administration; file #759.81913

Attorney Lubinsky conducted the investigation into three stipends paid to the District Administrator, an IT professional and the Director of Administration Operations to determine if there was any wrongdoing. In her report, Attorney Lubinsky states on page 2 the entire situation can be explained by a breakdown in communication. While I respect Ms. Lubinsky's opinion, a breakdown in communication is a symptom of the root cause. The root cause of this situation is a culture which propagates distrust.

I believe Ms. Lubinsky's report did not identify distrust as the root cause because she came into this investigation with a blank slate and no historical context. This is appropriate for an independent investigator; however, not having context to apply to this situation leaves many of the public's questions, and my questions, the unanswered.

On page 9 of Ms. Lubinsky's report, she states "He (Brian Kvapil) did not ask questions and assumed Ms. Van Valin's notes – that these stipends were not in the budget – were accurate." This is not entirely accurate. Moreover, there is a very good reason I did not directly ask Mr. Schigur and Mr. Westrick questions specific to these raises.

My experience with Mr. Schigur and Mr. Schuetz has been one in which they provide as little information as possible and bias the information to their advantage. Some examples, which are only a few of a vast number of similar incidents, include the following:

- On January 20, 2016, Tim Schigur received an e-mail from a community member regarding a potential referendum for a new high school. This community member, who would later become co-chair of the F.A.C.T. committee, wrote "The Grassroots campaign you were hoping for finally began this week... I would be happy to share with you the final draft of the group e-mail from one of our committee meetings..." This e-mail came prior to the FACT committee member selection (which included many from the group e-mail) and two weeks later, Vote Yes for Kids, Inc. special interest group was officially incorporated by the state. The narrative of an unbiased, diverse community member FACT committee advertised by Mr. Schigur and Mr. Schuetz was nothing close to their claims.
- On Feb. 12, 2018, Mr. Schigur provided a report from Legislative Fiscal Bureau on revenue per student in each district in the state. Mr. Schigur's message to board and community during the regular board meeting was the Milton school district received the lowest revenue per student in the state. However, Mr. Schigur excluded two attachments of this report. In addition, the data from the report was from 2015-2016. Mr. Schigur failed to inform the board and the community that this data did not include the additional revenue the district is receiving through the passage of the operational referendum in November 2016.
- In December 2017, the district discontinued live streaming of board meetings. This was a great benefit for community members who could not attend these meeting in person. Mr. Schigur and Mr. Schuetz stated the reason for discontinuing this service is they heard a report lawyer groups from Michigan were targeting school districts which streamed meetings but did not have closed caption for ADA non-compliance. They stated the district was looking into solutions to comply with closed captioning of live stream videos and would discontinue them until they had a solution identified. I asked for a status update on the progress of identifying the live streaming closed caption issue during the Jan. 8, 2018 board meeting. Specifically, I asked for replies to the following questions:

What have been the accomplishments since Dec. 11, 2017 to ensure live streaming of board meetings and other SDM Content are being implemented again?

What was the original plan vs. what actually is occurring with continuing with live streaming?
What is the critical piece that must occur in order to get back to live streaming?
What problems have been encountered impacting timely return to live streaming?
What is the plan/next steps to continue live streaming?
What are the due dates for next steps and who will be responsible to completing the next steps?

The board received a five-page report on live streaming which did not answer any of the questions I asked in advance.

- Talking points given to the Board in March 2018 regarding the potential purchase of the Hawk Zone stated the purchase price was \$485,000. However, the assessed value was \$398,000. Tim Schigur included the average 7-year assessment value for the Hawk Zone was \$546,228 in the talking points. However, this 7-year average assessment value included four years which the property was still operational as a bowling alley and had not been completely gutted. This information was not factored in the average assessment value. In addition, when asked why the rush to purchase the property, Mr. Schigur stated there were other buyers waiting to buy the property. To date, the property remains vacant.
- Mr. Schigur stated during a Strategic Planning Committee meeting in June 2018 "Transparency's not a word I don't think we should be using anymore when it comes to what staff does." I found this statement very concerning since more transparency should always be something to strive for in any government organization.

In addition to the long history of receiving biased, inaccurate, and/or incomplete information from Mr. Schigur and Mr. Schuetz, there is a long history of a hostility directed to me by Mr. Schigur, Mr. Schuetz, Mr. Westrick and other board members. This hostility towards me began when I started asking questions on different topics, particularly questions on the referendums. There are a vast number of examples which illustrate this hostility, but the most famous incidents were the events surrounding my censure in March 2018. After I had a conversation with the student representative at a board meeting, the following events occurred:

- Mr. Schigur falsely accused me of threatening the student without having any evidence.
- Against board policy, Mr. Schigur, Mr. Cullen and Mr. Westrick launched an investigation, conducted by the school district's legal counsel, Shana Lewis, to determine if I had violated any board policies. They did not; however, identify any board policies I may have violated prior to launching the investigation.
- The investigation did not provide due process, as required by board policy. Ms. Lewis stated due process was only applicable for land seizure as the reason I was not afforded due process.
- Ms. Lewis' investigation did not include interviews with any of the community citizens which were present and first-hand witnesses during this conversation.

As I stated, there are many occasions which unprovoked hostility was directed towards me by various board members. The reader only needs to watch the board meeting videos recorded by the Milton Courier.

So, when I received a call from the Business Office Manager concerning potential fiscal problems involving Mr. Schigur, Mr. Schuetz, and Mr. Westrick, I had a choice to make. Am I going to trust the information provided by the Business Manager or am I going put my faith and trust into Mr. Schigur, Mr. Schuetz, and Mr. Westrick? The Business Office Manager had an excellent reputation and an excellent record of being accurate and transparent for the past several years.

Given the long history of receiving biased, inaccurate, and/or incomplete information from Mr. Schigur and Mr. Schuetz, and the long history of a hostility directed to me by Mr. Schigur, Mr. Schuetz, Mr. Westrick and other board members, I made the decision to put my trust in the Business Office Manager. This also meant it would be problematic if I directly

asked Mr. Schigur and Mr. Westrick about these claims. First, I reasonably did not believe I would get a complete and accurate answer, given past history. In addition, and more importantly, I felt obligated to protect the Business Office Manager from retaliation for bringing these issues to me, even though she was required to report these issues to someone in authority by board policy. Thus, asking specific questions directly of Mr. Westrick and Mr. Schigur and bringing these concerns to them would expose the Business Office Manager as the person who made these claims. Both the Business Office Manager and I believed some form of retaliation would result, based on past experiences, observations, and discussions with former District employees.

At this same time, the board was preparing to review and possibly approve administrators' contracts. Thus, it seemed logical that I should request information from the District Administration to prepare for the discussion on administration contracts and attempt to verify concerns brought up by the Business Office Manager. On Thursday, January 24, 2019, I asked Tim Schigur for three pieces of information. The request was for 1.) any and all increases in salary for all administration positions within the 2018 calendar year, 2.) the total fringe benefits each administrator is receiving now and the total fringe benefits each will receive for 2019 once the board approves their salaries, and 3.) provide me with the Director of Administration Operation's resume, the Business Office Administrator's job description, and reasoning why this position will not be posted.

On page 9 of Ms. Lubinsky's report, she states "My conclusion from review of the various emails wherein Mr. Kvapil requested records... is that the records requested kept changing and were not as easily filled/completed..." suggesting the delay in providing me with the requested information is justifiable and not a delay tactic. This statement is incorrect. In the below table, I have copied and pasted the items I requested from the six emails provided to Mr. Schigur and Mr. Westrick. Although the wording may be slightly different, I am consistently requesting the same information, apart from making item #2 easier to fulfill by providing me with the contracts.

Data of Request	Item #1	Item #2	Item #3
1/24/2019	please provide me and the rest of the board with any and all increases in salary for all administration positions within the 2018 calendar year.	Please provide me and the rest of the board with what the total fringe benefits each administrator is receiving now and the total fringe benefits each will receive for 2019 once the board approves their salaries	Please, provide me with Jerry's resume, the Business Office Administrator's job description, and reasoning why this position will not be posted.
1/26/2019 (after providing wrong information)	please provide me and the rest of the board with any and all increases in salary for all administration positions within the 2018 calendar year.	Please provide me and the rest of the board with what the total fringe benefits each administrator is receiving now and the total fringe benefits each will receive for 2019 once the board approves their salaries	Please, provide me with Jerry's qualifications and the Business office administrator's job description.
1/27/2019 (after Mr. Schigur wanted clarification)	I am looking for all pay increases that occurred (board approved and not approved by board) during the time period of Feb. 1, 2018 - Jan. 1, 2019.	I am looking for the proposed 2019-2020 fringe increases. You may not know what the insurance part is, but as you said, there are other parts of fringe that you likely know - such as additional PTO, Cash payments in lieu of benefits, contributions to employees Wisconsin Retirement fund and to 403B, Tuition reimbursement, etc. (I then provided the 200 series accounting codes for benefits which I was interested in.)	Please provide the job description for the business office manager/administrator. Also, please provide Jerry Schuetz's resume
2/3/2019	all salary increases/bonuses/adjustments for administrators in calendar year 2018	and proposed increases to fringe benefits for the administrative contracts being proposed and waiting for approval from the board	I am still waiting for Jerry Schuetz' resume
2/4/2019 (I simplified my request for item #2)	provide any and all salary increases given to any administration position to include increases given as change in position, market adjustments, bonuses/incentives/stipends/etc.	Please provide me and the rest of the board with the past three contracts for each administrator - including the proposed contracts to be approved by the board for 2019 - 2021.	
2/5/2019 (To Westrick with copy to Schigur and attorney Lewis)	all salary increases/bonuses/stipends/cash incentives, etc.	I have simplified my request to past, current, and future contracts	

My actions to release the documents to the media was not impulsive or hasty. Over the 14 days, I engaged in extreme due diligence to obtain the information to verify or not verify the claims. I consulted with three outside experts, had over 20 email correspondence, multiple phone calls, 5 separate repeated requests for this information, multiple delays, and

an attempt to hold a special board meeting. The report does not provide a clear description of the timing of these events.

To give the public a proper context to this matter, I provided my timeline of these events, a timeline which is not included in the report, at the end.

Now that I have reviewed this investigation report, there are still questions which were not answered concerning this matter. I hope this is an oversight or due to brevity necessary for a report like this. In any case, here are some items I believe are still open questions

- My thoughts after Westrick confessed to authorizing unapproved stipends after being told by legal counsel three weeks prior – Shana Lewis knew or should have known what my specific topic was for the special meeting I requested. What is her rationale that this did not rise to the level of an emergency situation, especially when board meeting on Monday was to possibly approve contracts? Also, what did Shana Lewis advise Westrick to do when she informed Mr. Westrick his approval of Mr. Schigur’s raise was against board policy? I cannot imagine it was to sit on this board policy violation for a month or try to cover it up by delaying the information I requested. That would not be in the best interest of the district.
- Why did Mr. Westrick not come forward and inform the entire board of his violation of board policy in approving Mr. Schigur’s raise? This alone would have prevented the situation the District is currently in.
- How did the topic of Mr. Westrick’s violation of board policy in approving Mr. Schigur’s raise come to the attention of legal council **two** months after Mr. Westrick made the approval?
- How was Mr. Schigur’s stipend coded? Was it coded as central office and under the communication department, or coded to another account all together?
- Why was \$41,000 communication coordinator position kept in the budget for the October 22, 2018 budget approval but less than three weeks later given to others to do the communication coordinator job “in-house?”

Timeline -

- On Saturday, January 19, 2019, The Business Manager left a voice mail on cell phone to call her back as she wanted to speak with me. I was not able to call The Business Manager until the next day. I returned The Business Manager’s phone call the next day, January 20, 2019. The Business Manager expressed several concerns regarding financial decisions made by the District Administrator, Tim Schigur. Specifically, The Business Manager’s concerns were:
 - 1.) Change to administrators’ contract retirement benefit from 40% of an administrator’s last year salary to 60%, if the administrator worked in the district for 10 years. The Business Manager suggested looking at all contractual benefits of past and present contracts to identify these changes.
 - 2.) Several people received \$10,000 “raises” which Mr. Schigur did not want the board to know about.
 - 3.) The plan to move the Director of Administration Operations, Mr. Schuetz, into the Business Manager’s position once The Business Manager retired. Mr. Schuetz does not have the training or qualifications to effectively do the Business Manager’s job.
 - 4.) The treatment The Business Manager received over the past several months from administration leadership.
- On Tuesday, January 22, 2019, I contacted a business manager from a different school district to understand and gain some background knowledge of some of the topics related to The Business Manager’s concerns. This Business Manager gave information about qualifications needed for business office administrator. Very strong accounting background is a must.

We also discussed the type of benefits school administrators are eligible for. Her/his district no longer gives a percentage of last year salary to administrators that retire and have been in the district for 10 or more years. Stated administrators have contributions payed to their 403B retirement.

This conversation and the information I received correlated with some of the concerns The Business Manager expressed.

- On the morning of Thursday, January 24, 2019, I downloaded DPI's administrator salaries for all districts in Wisconsin. I compared benefits package and total salary compensation state-wide to see if there were any anomalies. I found that SDM is providing benefits package above the state average. Also, I found a discrepancy between what DPI reported as Susan Probst salary for 2017-2018 and the information provided to the board during closed session by Tim Schigur (on Jan. 14th. This also correlated with the concerns expressed by The Business Manager.

Later that day, I attended a session called "Understanding and Leading with Data" at the Wisconsin Association of School Boards Convention. This session included a method Sauk Prairie used to compare administrative salaries with school with similar student demographics. This compelled me to ask for more information from district administration to prepare for administration contract approval closed session talks and inquire about some of The Business Manager's concerns.

I sent an e-mail to Tim Schigur and Tom Westrick (Board President) requesting additional information from Tim to prepare for admin. Contract approvals on 1/28/19 board meeting. My request is provided below:

- 1.) I noticed a difference between the dpi data and an administrator's current salary you provided the board. To understand the full picture, please provide me and the rest of the board with any and all increases in salary for all administration positions within the 2018 calendar year.
- 2.) I also noticed that the majority of our administrators are receiving Fringe Benefits, when taken as a percentage of their salary, is above the State's mean and median. Please provide me and the rest of the board with what the total fringe benefits each administrator is receiving now and the total fringe benefits each will receive for 2019 once the board approves their salaries in the Monday board meeting.
- 3.) I also spoke to some of my contacts outside of the district. Based on these conversations, I have very strong reservations appointing the Director of Admin. Operations as the Business Office Administrator. Please, provide me with his resume, the Business Office Administrator's job description, and reasoning why this position will not be posted.

Tim Schigur responded to my e-mail 15 minutes later stating "I will have Chris pull the information that you are requesting and we will send it to the Board members by Saturday."

- The next day, January 25, 2019, according to the Business Manager, Tom Westrick met with Tim Schigur. According to the Business Manager, after this closed meeting, Tom and Tim informed the administrators that the administrators' contracts would be taken off the agenda for the next board meeting (Monday, January 28).

This is also approximately the timeframe (not necessarily on this specific day) Mr. Westrick claims he was made aware by legal council that the raise of \$10,500 he approved without board knowledge was against board policy.

- Early afternoon on Saturday, January 26, 2019, I received e-mail from The Business Manager providing the signed approvals of three administration raises she spoke of (the date of receipt of these documents are to the best of my recollection). On each "Employee Recommendation" for stipend, the words "Not in 2018 - '19 Original Budget."

I, immediately, recognized giving raises not budgeted without board approval was a major violation of state law and board policy. In addition, any pay given to the District Administrator outside their contract requires board approval.

Three hours later, Tim Schigur sends e-mail with some administration salaries and comparisons with other districts. This information Mr. Schigur provided did was not the information I requested. It was not even close.

I returned Tim Schigur's e-mail stating his response was unacceptable and asked to have the requested information by noon on Sunday so I would have ample time to review the information before our board meeting and administrators' contract discussions.

- Sunday, January 27, 2019, Board Members received an e-mail from Tom Westrick stating the board meeting for Monday 1/28/19 will likely be cancelled due to weather but looking for input to have meeting on 1/29/19. In addition, Westrick stated the board would not be approving admin. contracts due questions I raised. He stated "The executive session concerning administrative contracts has generated some questions that need to be discussed by the entire board before any formal action could be taken. Therefore, no action on administrative contracts will take place during our next meeting." Westrick also stated, "This process would also give the Board and Tim the opportunity to determine, as a group, what information is needed to address any questions or concerns about Administrative contracts."

I replied stating Tuesday is ok with me to have meeting. I repeated my request for the same information concerning administrator contracts with an expected delivery time by end of afternoon on Sunday. This was **request #2**.

At this point, I knew there was documented evidence suggesting the three stipends were "approved" without board knowledge or board approval; however, I did not know if they were paid out. I also did not know if there were more stipends given without the board's knowledge; thus, the reason for requesting the information again.

An hour later, Tim Schigur replies the 2019-2020 benefits have not been established so he could not provide me the data. Tim Schigur asks for clarification. He also provides job description for the Director of Administration Operations, a job description I did not request.

I replied to Tim Schigur, "I am looking for all pay increases that occurred (board approved and not approved by board) during the time period of Feb. 1, 2018 - Jan.1, 2019. I found an anomaly in the salary data which I am trying to reconcile with this data." I also clarified what fringe benefit data I was looking for by providing the accounting codes for benefits I was looking for information on.

Finally, Tim Schigur replies "Thank you for the clarification. These items are obtainable and we will assemble it for the Board. I will need Debra (Payroll) and Chris (HR) to gather that information and I hope that Tuesday morning is acceptable to the Board members as I am not going to ask them to come in tomorrow during the storm." Mr. Schigur does provide the correct job description for Business Office Manager.

- Thursday, January 31, 2019, I received an anonymous e-mail from MiltonCitizen@yahoo.com stating "Shigur and Shootz paid themselves extra huge stipends beyond their contracts in October/November? Open records request from a community member?" This was a second source to make this claim, making the claim more credible.

- Friday, February 1, 2019, Westrick sends e-mail to board indicating next board meeting would be Monday, February 11, 2019.
- Saturday, February 2, 2019, having a second source make claims about raises, I decided I needed to see if another board member knew anything about the stipends. I called board member Mike Pierce asking if he heard or knew of anything about stipends to Schigur and Schuetz going through the HR or Finance Committee. I told him about e-mail received from MiltonCitizen@yahoo. He said he did not know of anything and that he would check but he questioned the MiltonCitizen@yahoo's credibility.
- Sunday, February 3, 2019, after seven days of no response to my request for information from Tim Schigur, I sent an e-mail to Tim Schigur asking what the holdup was on the information I requested. I stated "I am still waiting for the Director of Administration Operations resume, all salary increases/bonuses/adjustments for administrators in calendar year 2018, and proposed increases to fringe benefits for the administrative contracts being proposed and waiting for approval from the board in the coming weeks." I asked to have this information by Monday, February 4, 2019. This was **request #3** for this information and ten days from my original request.

At this point, I could have asked Tim Schigur and/or Tom Westrick specifically about the stipends and ask for an explanation. However, this is where the issue of trust comes in. The information I requested, which should have taken less than an hour to compile, was purposely being delayed. My past history told me I would not get a straight answer. It came down to this... who did I trust, The Business Manager or Tim Schigur?

- Monday, February 4, 2019, Mr. Schigur replies via e-mail "The collection of the information you have requested is not as simple as one would believe and will involve significant staff time. Since we have not met as a Board, I have not been able to ask the question of the full Board and I cannot do so via email/phone without causing a walking quorum. It is not clear whether your request for records is in your capacity as a Board member in accordance with Board Policy 143 or as a member of the public in accordance with the Public Records Law. It is my intention to ask the Board how they wish for me to address your request. I plan to do so at the next meeting on Monday evening. Thank you for your patience and cooperation." I am not sure why Mr. Schigur thought the entire board needed to approve my request for this information since I am a board member and this information should be public record.

I replied to Schigur's e-mail stating "Policy 143 states 'No member of the board shall be denied documents or information to which s/he is legally entitled to and which are required in the performance of his/her duties as a Board member.'

The information I have requested falls within duties of the school board as the responsibilities include approving administrative contracts as stated in Wis. Statute 118.

It is the responsibility for each board member to review contract information of the administrators.

Please remember Wis. Statute 188.24(b) - The school district administrator shall not be a member of the board and shall not engage in any pursuit which interferes with the proper discharge of the duties.

The information I have requested should not take time to collect because it should already be collected for state reports and required general accounting practices.

I will make this easier. Please provide me and the rest of the board with the past three contracts for each administrator - including the proposed contracts to be approved by the board for 2019 - 2021.

Also, provide any and all salary increases given to any administration position to include increases given as change in position, market adjustments, bonuses/incentives/stipends/etc.” I asked to have this information by EOD Tuesday, February 5th, 2019. This was **request #4** for this information.

- Tuesday, February 5, 2019, I realized if the “unbudgeted” stipends were paid out, I would be required to report the payments. The problem was, who do I report this to? The President of the Board and District Administrator were both involved. I called Wisconsin Association of School Boards legal line to get advice. I talked to Dan Mallon. I gave him a high-level summary (no names mentioned) of the suspected wrongdoings and asked who and how I should report this since the matter involves the Superintendent and the Board President. He suggested having a special board meeting as the best option and allow the board as a group to hear the information and then can make a group decision on next steps.

Later that day, I did not receive the information I requested by the time I requested. However, Tom Westrick did send an e-mail to me and other board members addressing my request for information. He states “Brian, the information you are requesting from the district will be available for the closed session in hard copy form on Monday. I have not heard from any other board members on whether or not they feel this information is important. That discussion will take place in closed session. Tim has directed payroll to continue to work on gathering the information requested. Tom”

At this point, it has been 12 days since my original request, with no requested information given except the Business Manager’s job description. I still am confused why Tom and Tim feel my request for information needs to be approved by the whole board.

Consequently, I replied to Westrick’s e-mail stating there is no reason for the delay and why is this information not being provided to the board prior to Monday’s board meeting to allow board members the time to properly review the information and formulate questions. I repeated my simplified request and gave a Thursday, February 7, 2019 12:00pm deadline. If all information requested was not provided, I would take the next steps to get this information. The reason I gave Thursday, February 7 as the deadline to receive this information is the agenda for Monday’s board meeting still had approval of administrators’ contracts. I wanted to make sure there would be some time available to hold a special meeting of the board before Monday and allow the other board members to be able to digest the information I had. This was **request #5** for this information.

- Wednesday, February 6, 2019, still trying to figure out who and how to report the “unbudgeted” stipends, I had a phone call with a School District of Mercer Board Member seeking advise on how to report unapproved stipends and who to report this to. She gave a summary of her district’s situation and steps she and some of her peers have taken. She indicated dpi is a good step to take but they are very slow and will not correct the wrongdoing in a timely manner. She stated the School District Attorney was biased and trying to protect the Superintendent. She said ultimately, final resolution rests with the board. I made the decision to request a special board meeting if I received information which confirmed payment of the “unbudgeted” and not board approved stipends.
- Thursday, February 7, 2019, Mr. Schigur e-mails board members with administration salaries and benefits in a 6-month aggregate in spreadsheet. The requested copies of contracts are not provided. The requested salary increases/bonus are provided in a very cryptic aggregate 6-month payroll reports. The provided information does not list all specific salary increases given to administration in past year. However, payroll record does contain line item for Schigur’s \$10,500 bonus under same accounting code as listed on stipend form signed by Westrick on November 13, 2018. In addition, payroll record contains line item for \$3,333.35 as Appendix Pay with same accounting code as listed on stipend form signed by Westrick on November 13, 2018. This information matches

documents received by The Business Manager and closes loop of approval *and* payment of these unapproved stipends.

Included in the information is the Director of Administration Operations' resume. After 14 days since my original request, only a small portion of the information requested has been provided. This type of delay in providing information to a board member is extremely suspicious.

I replied to Schigur via e-mail (Westrick cc'ed; board not included) that my request was not completely fulfilled.

At 4:47pm, having had evidence of payment and initial paperwork of unapproved stipends, I called Board President Tom Westrick indicating I was going to request Emergency Special Board Meeting to discuss a very serious issue and the board needs to have a very serious discussion about the conduct of several administrators.

I sent an e-mail to Karen Hall, Board Clerk, with a written formal request for an Emergency Special Board Meeting either Friday evening or Saturday afternoon. Tom Westrick was cc'ed.

I also sent e-mail notifications to each remaining board member separately with a copy of my special meeting request.

At approximately 6:00pm, I received a phone call from Mike Pierce to discuss my request for Emergency Special Meeting. He indicated he could attend, but to him it sounded like Westrick and Hall could not get quorum. At this point, Mike Pierce understood what information and evidence I had to support claims of unapproved and unbudgeted stipends being paid out.

About 15 minutes later, I called Karen Hall and asked about my request for special meeting she had received. She indicated people are out of town during the weekend. I said I was flexible, could be available at any time during the weekend, even Sunday, and asked if she could ask the other board members if they were available possibly Sunday or Sunday night. Karen indicated she would be hard pressed to even make it back by Sunday night. As far as I know, Karen did not ask the other board members about a Sunday night special meeting to see if there would be a quorum available (4 Board Members).

Karen asked me what the topic of the special meeting is. I said it is the same as what is stated on my request, Administration Personnel Conduct. She asked me to tell her more information. I said I did not feel comfortable saying more on the phone and that it was better in closed session of my requested special meeting. I wanted to do this right and by the book. I told her it was important to have the meeting prior to Monday's board meeting because it would affect decisions that are listed on the Monday's Board Meeting agenda.

(Reasoning for special meeting: Monday's Board Meeting Agenda did not have a discussion item concerning unapproved stipends/misappropriated funds, this topic would have been out of order and not permitted by open meetings law, as I understood it).

At 6:34pm, an e-mail sent to me by Board Legal Counsel, Shana Lewis, indicating my request for a special meeting on Friday or Saturday had been denied due to lack of a quorum. She indicated the topics I wanted to discuss could be covered in the closed session on Monday's board meeting. She indicated based on my topic of concern, "Administration Personnel Conduct" and "Conduct of administration personnel... which is against board policy and Wisconsin state statutes" does not sound like an emergency situation.

➤ Other than Mike Pierce and Diamond McKenna, no other board member contacted me until our board meeting on Monday, Feb. 11, 2019 to ask me for more rationale on my request for a special board meeting.

- On Friday, February 8, 2019, I spoke with Mike Pierce on the phone. Mike said he talked to Diamond McKenna at HR meeting and asked her if she knew why I was asking for a special meeting. During their discussion, Diamond told Mike that she knew about the unapproved stipends a week-ago when Westrick told her.

Learning this information, I called Diamond McKenna. I told her I talked to Mike Pierce and I know that she knows what I know (i.e. the unapproved stipends). She told me she was aware of this and she was very disappointed with Tom, but saw no wrong doing on Tim's and Jerry's part. I told her the community needs to know about this ASAP because if it stays hidden from the public, it would be worse. At this point, I understood that the majority of the board knew about these unapproved stipends, but took no action.

After much discussion, I agreed to Diamonds request to wait until after Monday's board meeting before I took any action. If I was not satisfied with Monday's Meeting results, then I could take whatever action I thought was right.

I thought about the conversations with Mike Pierce and Diamond McKenna. I realized that a majority of the board knew about the unapproved stipends for a significant amount of time. No action had been attempted to address this issue. If the majority of the board knew about the unapproved raises and nothing had been done to this point, it was very unlikely anything would be done to correct this issue, it would not be reported as required, and the public would likely never know of the misappropriation of their taxes. It became clear to me that Monday's Closed Session Meeting would likely be an attempt to conceal this wrongdoing, hiding it from the public. There would be no accountability or reporting of this issue, as required.

I called The Business Manager and talked to her about the possibility of going to the press and giving them the information since it appeared to me that was the only course of action available to report this matter, as required. I told her that if I did this, it would be easy for the administration to put 2 and 2 together and figure out who the whistleblower was. I told her if she felt uncomfortable with this, I would respect her wishes and not give the press the information. After talking with The Business Manager and hearing the hostile work environment she is in, she indicated she was ok with me going to the press because if nothing were to happen to set things straight, then all of her work and dedication to the district and the hostile environment she has endured would be for nothing.

Based on this information and the sense of obligation to report this issue, I decided to give an interview to the media. At 3:30pm, I gave an interview with Jeff Brown from the Edgerton Reporter.

At 4:45pm, I gave an interview to Neil Johnson from the Janesville Gazette. After the interview, he said his editors would need to see the documents that would provide evidence to the information I was giving him verbally.

The next thing I did after talking to Neil Johnson was to go to the Wisconsin Freedom of Information Council's website and read the summary of the open records law summary to make sure I could release the records.

The information I read is as follows:

19.356, NOTIFICATION: No authority is required to notify a record subject prior to providing a requested record, except for records regarding an investigation into a disciplinary matter involving a public employee. In these cases, employees are entitled to a process of notification and potential appeal.

I erroneously concluded that I could release the records since there was not investigation which produced these records. Thus, I sent Neil Johnson the requested documents but asked he not use them until I sent a courtesy notification to district.

After sending an e-mail to Tim Schigur as a courtesy that I was providing the records, I notified Neil Johnson that I had given notice to the district and he could now use the documents for his report