



BOARD OF EDUCATION MEETING MINUTES

John A. Krings, President
 John Benbow, Jr.
 Troy Bier
 Larry Davis
 Sandra K. Hett
 Katie Medina
 Mary Rayome

June 30, 2021

**SPECIAL BOARD OF EDUCATION MEETING
BUDGET HEARING**

LOCATION: Thomas A. Lenk Educational Services Center, 510 Peach Street, Wisc. Rapids, WI 54494
 Conference Room A/B

TIME: 6:00 p.m.

BOARD MEMBERS PRESENT: John Benbow, Troy Bier, Larry Davis, Sandra Hett, John Krings, Katie Medina

BOARD MEMBER EXCUSED: Mary Rayome

ADMINISTRATION PRESENT: Craig Broeren, Aaron Nelson

President John Krings called the meeting to order at 6:00 p.m.

Roll Call

Aaron Nelson, Director of Business Services, presented the 2021-22 proposed District budget. Terms around fund accounting and an explanation of funds, sources, functions, and objects were reviewed. A review of revenue trends and sources was shared, along with an explanation of budget assumptions made in developing the budget.

Fund 10 revenues and expenditures are estimated at \$69,699,190.00 for the 2021-22 fiscal year. Other fund areas including Fund 20 – Special Project, Fund 30 – Deb Service, Fund 40 – Capital Project, Fund 50 – Food Service, Fund 70 – Trust Fund, and Fund 80 – Community Service Fund were reviewed for a total estimated amount of \$131,647,951.00 in revenues and \$114,981,517.00 in expenditures. The Capital Project Fund 40 provides for revenue and expenditures tied to new facilities and facility renovations and expansions, and will include the quadplex project for 2021-22.

The projected tax levy amount for the 2021-22 budget year is \$24,097,740.00 and as predicted during referendum information meetings held in spring, is lower than the 2020-21 levy amount. The actual final tax levy amount will not be known until the State certifies District aid in October, 2021. Equalized property values, Per Pupil Categorical Aid, and the third Friday pupil count taken in September all factor into estimated revenues and the subsequent tax levy. If necessary, an adjusted amount will be brought to the Board for discussion and action toward fall. The State biennium budget is working through the Legislature and Governor for final approval and once finalized, more will be known about its impact on the District budget.

A final version of the 2021-22 District Budget in the format recommended by the Wisconsin Department of Public Instruction for budget adoption was presented by Mr. Nelson along with historical data related to property value, tax levy, and pupil enrollment. The projected mill rate for 2021-22 is \$9.58, which is a decrease from the 2020-21 mill rate of \$9.73.

Current debt levels in comparison to the legal debt percentage allowed by state statute was reviewed. As of July 1, 2021 the District’s General Obligation indebtedness is comprised of the following issues:

<u>Fund</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Maturity</u>
Fund 38 Bonds – District Wide Energy Efficiency Projects	\$12,635,000.00	\$2,332,400.00	\$14,967,400.00	2027
Fund 39 Bonds – QZAB Sinking Fund	\$2,820,000.00	\$0.00	\$2,820,000.00	2022
Fund 39 Bonds – District Wide Building Improvements*	\$0.00	\$0.00	\$0.00	2041

*In July, 2021, the District will add a \$34,000,000 bond issue with a total estimated interest amount of \$10,451,169.00.

With the additional Fund 39 debt, the 2021-22 debt service tax levy is estimated to be \$3,538,805.00 to cover principal and interest payments that will come due. A principal balance debt schedule was reviewed.

The Board gave consideration to the information presented, and had an opportunity to ask questions. Mr. Nelson explained that no Resolution committing District fund balance would be necessary for the 2021-22 budget year.

Public Comment

Motion by John Benbow, seconded by Larry Davis to open the floor for District residents to comment on the proposed 2021-22 District budget. Motion carried unanimously.

President Krings opened the floor for public comment. There was no public comment made.

Motion by John Benbow, seconded by Katie Medina to close the public hearing portion of the budget meeting. Motion carried unanimously.

Motion by John Benbow, seconded by Troy Bier to approve of the proposed 2021-22 District budget. Motion carried unanimously on a roll call vote.

Motion by John Benbow, seconded by Troy Bier to approve of the 2021-22 Tax Levy in the amount of \$24,097,740.00. Motion carried unanimously on a roll call vote.

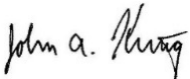
Mr. Nelson presented a report on the District's Other Post Employment Benefit (OPEB) Fund. Key Benefits Concepts, LLC completed an actuarial study of District post-retirement benefits, including District contributions toward the cost of health insurance premium paid for a limited number of years for qualifying employees. Results of the study indicate that as of June 30, 2019, the District's OPEB total liability was \$23,270,435.00. The Actuarial Value of Assets was \$2,135,365.00 with a net OPEB liability of \$21,135,070.00. The funded ratio was 9.2%. In the 2020-21 school year, the District contributed \$1,715,669.00; the Implicit Rate Subsidy was \$291,839.00; and the annual net cost to the District was \$1,423,830.00.

The District has established an Irrevocable Employee Benefit Deferral Trust in order to process post-retirement benefit payments, accrue interest and develop, if possible, a fund balance to help offset the impact of payments on the operating budget. A comparison of the Fund 73 budget from fiscal years 2020-21 and 2021-22 was shared. Trust Funds are invested through First Bank Investment Management Group located in Escanaba, Michigan.

Motion by John Benbow, seconded by Larry Davis to approve of the Other Post Employment Benefit (OPEB) report presented. Motion carried unanimously.

Mr. Nelson provided an update on the status of District energy efficiency exemption projects and affiliated savings. Overall utility cost savings reported for 2021 equals \$60,185.00; and non-utility cost savings amount equals \$1,228,929.00. The Board had an opportunity to ask questions.

President Krings adjourned the meeting at 6:45 p.m.



John A. Krings – President

Maurine Hodgson – Secretary

Larry Davis – Clerk