



BOARD OF EDUCATION MEETING MINUTES

John A. Krings, President
John Benbow, Jr.
Troy Bier
Larry Davis
Julie Des Jarlais
Sandra K. Hett
Katie Medina

June 29, 2022

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, Julie Des Jarlais, Sandra Hett, John Krings, Katie Medina

ADMINISTRATION PRESENT: Craig Broeren, Aaron Nelson

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

Roll Call

Approval of Minutes

Motion by Troy Bier, seconded by Katie Medina, to approve special closed session Board of Education meeting minutes of May 5, 2022; May 12, 2022; May 16, 2022; and May 23, 2022. Motion carried unanimously.

Administrator Resignation Request

Superintendent Craig Broeren presented a resignation request for James Oliver, Associate Principal of Wisconsin Rapids Area Middle School, which would be effective at the conclusion of his contracted 2021-22 year on June 20, 2022. Mr. Oliver has accepted another administrator position in Miami, Florida. Liquidated damages have been submitted by Mr. Oliver.

Motion by Troy Bier, seconded by Katie Medina, to approve of the resignation of James Oliver from his position of Wisconsin Rapids Area Middle School Associate Principal effective June 20, 2022. Motion carried unanimously on a roll call vote.

Amendment to 2021-22 District Budget

Aaron Nelson, Director of Business Services, presented proposed amendments to the 2021-22 District budget. He explained that Fund 10 revenues have changed due to increases in state categorical aid, federal grants, and Medicaid revenue received. On the expenditure side, Fund 10 areas that have changed pertain to shifts in staffing due to ESSER III funding and a decrease in health insurance premiums based upon a plan switch adopted by the Board. The State biennial budget provided no increase in revenue cap authority to districts; however, the District received a one-time aid payment from the State through action taken by Governor Evers using his administrative discretionary powers in an amount of \$653,000. With regard to non-recurring referendum funding, \$1.3 million was spent of the \$2 million available which means \$673,000 will carry forward and be designated for future use as outlined in the operational referendum question. Another notable change is in a Fund 10 to Fund 46 transfer in the amount of \$3,750,000 for future capital project items. Taking action to transfer these funds allows the District to continue receiving the maximum state aid amount possible. The Board had an opportunity to ask questions concerning the proposed budget amendments.

Motion by Troy Bier, seconded by Larry Davis to approve of proposed amendments to the 2021-22 District budget as presented. Motion carried unanimously on a roll call vote.

2022-23 District Budget Approval

Mr. Nelson provided an overview of the proposed 2022-23 District budget. He described the method by which building budgets have been built for the 2022-23 school year to provide equitable funding on a per capita basis per student. Revenue trends and budget assumptions were explained. Funding from non-reoccurring referenda and ESSER III is included and budgeted for, but the per pupil revenue limit amount and per pupil categorical aid amount is anticipated to be \$0 in the

upcoming year. The Consumer Price Index (CPI) for negotiations was set at 4.7% for 2022-23, and is anticipated to increase significantly for the 2023-24 budget year due to inflation.

Fund 10 revenues and expenditures are estimated at \$71,546,931.00 for the 2022-23 fiscal year. Other fund areas including Fund 20 – Special Projects, Fund 30 – Debt Service, Fund 40 – Capital Projects, Fund 50 – Food Service, Fund 70 – Trust Fund, and Fund 80 – Community Service Fund were reviewed for a total estimated amount of \$97,333,132.00 in revenues and \$120,778,811.00 in expenditures. Anticipated Fund Transfers from Fund 10 to Fund 27, Fund 38, and Fund 46 were reviewed.

The projected tax levy amount for the 2022-23 budget year is \$24,097,740.00 which is identical to the 2021-22 amount. The actual final tax levy amount will not be known until the State certifies District aid in October, 2022. Equalized property values, Per Pupil Categorical Aid, and the third Friday pupil count taken in September all factor into estimated revenues and determine what the final tax levy will be. In terms of impacting taxpayers, the projected mill rate for 2022-23 is anticipated to drop from \$9.11 to \$8.76 due to estimated equalized property value increases. As explained to the community during informational sessions held for passage of the April 2021 referendum, the impact to taxpayers by passing the referenda has either had no increase on the school portion of their property taxes or they will decrease slightly for the 2022-23 fiscal year. Once all information is available in October, 2022, any adjustments needing to be made in the anticipated budget and/or tax levy will be brought to the Board for discussion and action.

A final version of the 2022-23 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.

Current debt levels in comparison to the legal debt percentage allowed by state statute was reviewed. As of July 1, 2022 the District’s General Obligation indebtedness is comprised of the following individual issues:

<u>Fund</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Maturity</u>
Fund 38 Bonds – District Wide Energy Efficiency Projects	\$11,005,000.00	\$1,733,250.00	\$12,738,250.00	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	<u>\$30,520,000.00</u>	<u>\$7,571,380.00</u>	<u>\$38,091,380.00</u>	2040
TOTALS	<u>\$44,345,000.00</u>	<u>\$9,304,630.00</u>	<u>\$53,649,630.00</u>	

Mr. Nelson explained that the District currently has 16% of legal debt incurred, leaving 84% of legal debt available. While incurring too much debt is not advisable, there are advantages to having some District debt for levy purposes. A principal balance debt schedule was reviewed.

An update was provided on the status of District energy efficiency exemption projects and affiliated savings. Overall utility cost savings reported for 2022 equals \$143,609.00; and non-utility cost savings amount equals \$1,200,956.00.

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, 2021, the District’s OPEB total liability was \$19,606,013.00. The Actuarial Value of Assets was \$2,852,754.00 with a net OPEB liability of \$16,753,259.00. The funded ratio was 14.6%. In the 2021-22 school year, the District contributed \$1,772,736.00; the Implicit Rate Subsidy was \$289,978.00; and the annual net cost to the District was \$1,482,758.00.

The District has established an Irrevocable Employee Benefit Deferral Trust in compliance with the requirements of the Governmental Accounting Standards Board (GASB). The purpose of this Trust is to process postretirement benefit payments, accrue interest and develop, if possible, a fund balance to help offset the impact of Actuarially Determined Contribution (ADC) payments on the operating budget.

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

Public Comment

Motion by John Benbow, seconded by Larry Davis to open the floor for District residents to comment on the proposed 2022-23 District budget. Motion carried unanimously.

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

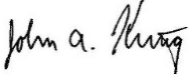
Motion by John Benbow, seconded by Larry Davis to close the public hearing portion of the budget meeting. Motion carried unanimously.

The Board gave consideration to and discussed the 2022-23 budget information as presented by the administration.

Motion by John Benbow, seconded by Troy Bier to approve of the proposed 2022-23 District budget. Motion carried unanimously on a roll call vote.

Motion by John Benbow, seconded by Troy Bier to approve of the 2022-23 Tax Levy in the amount of \$24,097,740.00. Motion carried unanimously on a roll call vote.

President Krings adjourned the meeting at 7:31 p.m.



John A. Krings – President

Maurine Hodgson – Secretary

Larry Davis – Clerk