



BOARD OF EDUCATION MEETING MINUTES

John A. Krings, President
John Benbow, Jr.
Troy Bier
Larry Davis
Katie Medina
Kathi Stebbins-Hintz
Julie Timm

June 28, 2023

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: Troy Bier, Larry Davis, John Krings, Katie Medina, Kathi Stebbins-Hintz, Julie Timm

BOARD MEMBER EXCUSED: John Benbow

ADMINISTRATION PRESENT: Craig Broeren, Aaron Nelson

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

Roll Call

Update on Vesper Property Sale

Director of Business Services Aaron Nelson explained that closure of the Vesper property has occurred and the total proceeds from the sale equal \$98,744.39. Closing costs equaled \$1,407.00, and all utilities have been transitioned over to the new property owner's name. Superintendent Broeren explained that CESA 5 has moved their equipment into the south wing of East Jr. High in anticipation of hosting the Wood County Alternative School (WCAS) program there beginning this fall. The WCAS program will be keyed separately from other areas of the building, and the only access WCAS students will have is to the outdoors. Doors are being installed to keep this leased space contained and separated from the remainder of the building. There may be occasions for students in the program to utilize the gym area on a limited, regulated basis. The District foodservice program will continue to serve reimbursable meals to support the program.

Amendment to 2022-23 District Budget

Mr. Nelson presented proposed amendments to the 2022-23 District budget. He explained that there are minor adjustments needing to be made in revenue from \$71,782,455 to \$72,201,042 which is due to a number of factors including a Common School Library Fund amount that came in higher than anticipated, higher revenues for a mental health grant received, normal grant adjustments that are customary and anticipated in the budget, and a second allocation of the "Get Kids Ahead" initiative needing to be accounted for. On the expenditure side, Mr. Nelson explained changes due to various salary adjustments that were made, computer hardware purchases that occurred, and Fund 46 transfers. The total expenditure amount changed from \$71,782,455 to \$72,201,042. Adjustments were made to Fund 27 to account for an increase in salaries and benefits, and Fund 30 had a slight increase to account for debt defeasance costs. No changes were made to Funds 40, 50, and 70. Fund 80 adjustments were made based upon time studies completed to monitor custodial support being provided to the new Rapids Area Sports Complex. Mr. Broeren explained that final 2022-23 budgetary numbers will be available once the 2022-23 audit has been completed. The Board had an opportunity to ask questions concerning the proposed budget amendments.

Motion by Larry Davis, seconded by Troy Bier to approve of proposed amendments to the 2022-23 District budget as presented. Motion carried unanimously on a roll call vote.

Legacy Grant Playground Proposal

Superintendent Craig Broeren presented a proposal that he and a group of administrators presented to the Legacy Foundation of Central Wisconsin in April, 2023 entitled "Healthy Kids, Healthy Communities Playground Partnerships." The purpose of the request focuses on expanding health and wellness activities for children and the broader community by developing play and activity centers at individual District schools that are unique to each location and accessible to all. Each school has been

developing a plan and working collaboratively with community partners to generate support and interest in the projects. Upgrades to school playgrounds may include replacing and enhancing existing equipment and play structures (some of which is 25-30 years old), installing poured in place rubber surfaces for more accessibility, installing walking paths, upgrading kickball areas and installing basketball courts, disc golf courses, and 4-square areas, building shelter areas with picnic tables, and enhancing security through camera and surveillance equipment updates. Following is a projected overall budget which is still being finalized as numbers continue to be gathered:

SCHOOL	OVERALL TOTAL (Estimate)
Grant Elementary	\$861,600
Grove Elementary	\$422,863
Howe Elementary	\$371,000
Mead Elementary	\$1,148,000
Pitsch Early Learning Center	\$105,000
THINK Academy	\$245,712
Washington Elementary	\$643,760
WR Area Middle School	\$195,523
TOTAL	\$3,993,258

Mr. Broeren described a few of the organizations who have either expressed a willingness or are being contacted to partner in the projects, including the City of Wisconsin Rapids, Rapids Area Soccer, Inc., Rapids Kickers, Wisconsin Rapids Youth Sports Association, and various school parent organizations. Community collaboration and support is a key component that Legacy Foundation looks for when approving a grant. In terms of a timeline, the hope is to secure bids in the coming months and begin renovations in spring or summer of 2024. Since there are a number of projects involved, they may not all be able to be done simultaneously.

Point of Beginning has been contacted to assist in developing an overall plan and timeline for the projects, as well as coordination and bidding to secure the best quality and price possible. Mr. Broeren presented a contract proposal from Point of Beginning detailing their scope of services. He then reviewed the Legacy Grant proposal submitted on behalf of the District. The proposal calls for Legacy contributing \$3,000,000 toward the projects in a matching grant, with the District’s obligation and commitment being \$793,258. The Mead Elementary project is a bit unique in that it has involvement and collaboration from the City of Wisconsin Rapids. To enhance opportunities for community members living on the west side of the river, the City seeks to expand the project to include pickleball courts and additional inclusive play structures and picnic areas on City property adjacent to Mead. Legacy’s proposal calls for a \$200,000 commitment from the City, and this aspect of the plan is currently being worked through various City committees for approval. If the Board approves of the grant proposal, the Legacy Foundation intends to disburse \$2,200,000 to the District by the end of June, 2023 since the District would act as the grant’s fiscal agent.

Board members took the opportunity to ask questions about timelines, community partners involved, the District’s financial commitment, and anticipated equipment lifespan and sustainability of the upgrades being proposed. Mr. Broeren anticipates that the only additional maintenance or upkeep that may be needed is with snow removal in newly paved areas depending upon the location. The Board expressed deep appreciation for the Legacy Foundation’s willingness to lend such significant support to District schools and the community. Mr. Broeren echoed that appreciation and stated that the Legacy grant opportunity is further evidence of what it means to be a meaningful partner in an engaged and supportive community. Focusing on positive opportunities with private entities and showcasing projects or attributes that make Wisconsin Rapids and the surrounding areas a great place to be is a more impactful and productive way to enhance and advance the community.

Motion by Katie Medina, seconded by Troy Bier, to approve of the Legacy Foundation Grant proposal to upgrade District playground areas at various buildings, including a commitment by the District of not less than \$793,258.00 toward the overall project. Motion carried unanimously on a roll call vote.

Motion by Troy Bier, seconded by Julie Timm, to approve of an initial Legacy Grant proposal disbursement to the District in an amount of \$2.2 million in June, 2023 with subsequent disbursements accepted as outlined in the grant. Motion carried unanimously.

Motion by Troy Bier, seconded by Julie Timm, to approve of a contract with Point of Beginnings for proposed playground project construction administration. Motion carried unanimously.

2023-24 District Budget Approval

Mr. Nelson provided an overview of the proposed 2023-24 District budget. Revenue trends and budget assumptions were explained, which are very preliminary since the projections were made toward the end of May, 2023. While a \$200 per pupil revenue cap adjustment was utilized in the projections, it is looking like that amount will be \$325 per pupil as details from the State budget take shape. The Consumer Price Index for negotiations is at 8% for 2023-24 and projected to be 4.3% in 2024-25. Mr. Broeren explained all of the details and nuances that go into development of the proposed budget, and the reasoning behind numbers used in projecting enrollment and other factors. With the State budget still being developed and finalized, and unknown factors tied to potential increases such as with health insurance, the District is unable to fully predict the impact that factors such as these will have on the upcoming fiscal year.

A balanced budget is being proposed with Fund 10 revenues and expenditures estimated to be \$69,980,449.00 for the 2023-24 fiscal year. Part of the reason for the decreased budget when compared to 2022-23 lies in the fact that the District has had declining enrollment in recent years. 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 \$99,436,645.00 in revenues and \$102,566,269.00 in expenditures for all funds. Anticipated Fund Transfers from Fund 10 to Fund 27, Fund 38, and Fund 46 were reviewed.

The projected tax levy amount for the 2023-24 budget year is \$24,222,740.00 which is a 0.52% increase from the 2022-23 amount. The actual final tax levy amount will not be known until the State certifies District aid in October, 2023. 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 2023-24 is anticipated to drop from \$8.04 to \$7.77 due to estimated equalized property value increases. Once all information is available in October, 2023, 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 2023-24 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, 2023 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	\$9,235,000.00	\$1,183,000.00	\$10,418,000.00	2027
Fund 39 Bonds – District Wide Building Improvements	\$26,045,000.00	\$5,443,610.00	\$31,488,610.00	2040
TOTALS	\$35,280,000.00	\$6,626,610.00	\$41,906,610.00	

Mr. Nelson explained that the District currently has 11% of legal debt incurred, leaving 89% of legal debt available.

An update was provided on the status of District energy efficiency exemption projects and affiliated savings. Overall utility cost savings reported for 2023 equals \$182,406.00; and non-utility cost savings amount equals \$1,516,849.00.

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. These numbers will be updated with the biennial actuarial study to occur in the 2023-24 school year.

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. The Fund 73 Irrevocable Employee Benefit Deferral Trust Budget was reviewed.

Board members considered the challenges of staff retention and how the OPEB benefit might be modified in a way to attract new, incoming staff while also maintaining the current benefit that many employees have worked and planned for throughout their career. Mr. Broeren explained that options in this regard continue to be explored.

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

Public Comment

Motion by Julie Timm, seconded by Katie Medina to open the floor for District residents to comment on the proposed 2023-24 District budget. Motion carried unanimously.

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

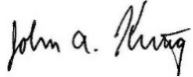
Motion by Katie Medina, seconded by Julie Timm to close the public hearing portion of the budget meeting. Motion carried unanimously.

The Board gave consideration to and discussed the 2023-24 budget information as presented by the administration. Questions and conversation centered around the static enrollment projections used, private school vouchers and their impact on local taxpayers which is not reflected on individual residential tax bills, increased staffing levels in the past few years which have been made possible through available ESSER funding, the expenses school districts face to cover costs associated with programming that not only covers academics but includes a variety of initiatives that support students in many more ways not only physically, but also socially and emotionally. Discussion also centered around parental responsibility and societal issues being spilled into schools to deal with, which has an impact on the budget and can at times be difficult and complex.

Motion by Troy Bier, seconded by Larry Davis to approve of the proposed 2023-24 District budget. Motion carried unanimously on a roll call vote.

Motion by Troy Bier, seconded by Larry Davis to approve of the 2023-24 District Tax Levy in the amount of \$24,222,740.00. Motion carried unanimously on a roll call vote.

President Krings adjourned the meeting at 7:36 p.m.



John A. Krings – President

Maurine Hodgson – Secretary

Larry Davis – Clerk