



# Wisconsin Rapids Board of Education

510 Peach Street · Wisconsin Rapids, WI 54494 · (715) 424-6701

## MINUTES

June 25, 2018

John A. Krings, President  
John Benbow, Jr.  
Larry Davis  
Sandra K. Hett  
Anne Lee  
Katie Medina  
Mary E. Rayome

### SPECIAL BOARD OF EDUCATION MEETING BUDGET HEARING

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

**TIME:** 6:00 p.m.

**PRESENT:** John Krings, Sandra Hett, John Benbow, Mary Rayome, Larry Davis, Anne Lee

**EXCUSED:** Katie Medina

**ADMINISTRATION PRESENT:** Craig Broeren, Daniel Weigand

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

#### Roll Call

Daniel Weigand, Director of Business Services, reviewed proposed amendments to the 2017-18 District budget. When State aid calculations were released recently, Mr. Weigand determined that there was a need to adjust areas of the 2017-18 budget. Various revenue account codes need adjustment for items such as inter-district payments related to the virtual program, as well as grant initiatives. A notable decrease has been documented in the Other Financing Sources category as a result of the insurance revenue settlement, which won't come in until the next budget year.

With regard to expenditures, the Undifferentiated and Regular Curriculum categories had adjustments made due to lower offsets than anticipated in the Fund 72 health insurance area. The Business Administration category had a significant reduction. This is due to construction expenses anticipated for the middle school addition Fund 38 being shifted toward the Lincoln gymnasium construction project. A decrease in special education and Medicaid aid, as well as an increase in open enrollment and private school instruction aid transfers, contributed to adjustments being made in the Transfers to Other Funds and Purchased Instructional Services categories.

The Board had an opportunity to ask questions about the recommended amendments.

**Motion by Larry Davis, seconded by Sandra Hett to approve of the recommended amendments to the 2017-18 District budget as presented. Motion carried unanimously on a roll call vote.**

Mr. Weigand presented the 2018-19 proposed District budget. A summary of revenues and expenditures for all funds was reviewed. In the past, Fund 38 had significant debt paid down in it; however, this fund has a significant increase of \$30 million due to the construction/renovation projects which have occurred or are in process at Lincoln, the Wisconsin Rapids Area Middle School (WRAMS), and District-wide energy projects. Mr. Weigand noted a substantial increase in overall budgeted amounts in the 2017-18 fiscal year compared to other years as a result of the Fund 49 projects at the middle school for the addition, and the energy projects at the high school. Mr. Weigand explained one reason behind Lincoln requiring significant upgrades compared to other buildings was Lincoln wasn't included in a QZAB loan utilized in the past to fund projects in other buildings.

A five-year summary of all funds was provided. With regard to Fund 50, Mr. Weigand explained that the decline reflected in the fund balance is a result of the kitchen serving area upgrades at Lincoln. An additional staff member to assist the Food Services Director was added in spring, 2018 and additional staff members have been added for Lincoln and WRAMS in 2018-19; although the overall food service staffing plan for next year resulted in a net reduction in staff FTEs being needed as a result of building closures. Other Fund areas were reviewed, including the increased amounts reflected in Fund 80 as a result of the addition of the Community Locker Room to the Lincoln High School pool. The Board questioned the significant increased amount reflected under the “Other Financing Sources” related to “Insurance on Fixed Assets.” Mr. Weigand explained that the amounts reflected have to do with the anticipated insurance settlement from past hail damage to District roofs. An area that Mr. Weigand anticipates an increase in is Debt Retirement as loan increase rates are going up, which will mean additional costs affiliated with short term borrowing. Outstanding District indebtedness as it relates to the applicable legal debt limit was shared. A final version of the 2018-19 District Budget in the format recommended by the Wisconsin Department of Public Instruction for budget adoption was presented by Mr. Weigand along with historical data relative to property value, tax levy, and enrollment.

The Board had an opportunity to ask questions.

A Resolution committing the 2018-19 District fund balance was reviewed. Areas designated include:

- Curriculum - \$647,000.00
- Technology - \$416,000.00
- OPEB Liability – any additional amount over the areas specified above

#### Public Comment

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.**

**Motion by John Benbow, seconded by Larry Davis to approve of the proposed 2018-19 District budget, including a Resolution to commit any remaining 2018-19 District Fund Balance as stipulated in the Resolution. Motion carried unanimously on a roll call vote.**

**Motion by John Benbow, seconded by Larry Davis to approve of the 2018-19 Tax Levy in the amount of \$23,693,876.00. Motion carried unanimously on a roll call vote.**

Mr. Weigand presented a report on the District’s Other Post Employment Benefit (OPEB) Fund. The Trust balance as of May 31, 2018 was \$1,956,830.30. Investment earnings from May 31, 2017 to May 31, 2018 equaled \$3,669.02. Total 2016-17 disbursement amounts for retiree health premiums and implicit rate subsidy is \$1,958,749.00. Disbursements in 2017-18 equaled \$1,255,363.00. Contributions made to Fund 73 in the 2016-17 fiscal year were \$2,099,950.00, and \$1,318,200.00 in 2017-18 for a total overall contribution amount of \$3,418,150.00. Mr. Weigand noted that due to a change in the employee’s contribution made by the Board a few years back, the amounts being paid by the District are decreasing, while the amount paid by retirees is increasing. When asked by the Board about the sustainability of the OPEB program, Mr. Weigand explained that the District had a significant reduction in the OPEB payout for 2017-18; but the Board could decide to eliminate OPEB in the future as a cost saving measure, similar to what other school districts have done. Mr. Weigand isn’t recommending this type of change at the moment; however, that doesn’t mean it wouldn’t be recommended in the future.

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

President Krings adjourned the meeting at 6:46 p.m.



John A. Krings – President

Maurine Hodgson – Secretary

Larry Davis – Clerk