



# Wisconsin Rapids Board of Education

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

## MINUTES

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

September 28, 2015

### SPECIAL BOARD OF EDUCATION MEETING

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

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

**PRESENT:** Katie Medina, John Krings, Anne Lee, Sandra Hett, Mary Rayome, John Benbow

**ABSENT:** Larry Davis

**ADMINISTRATION PRESENT:** Daniel Weigand, Ryan Christianson

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

#### Roll Call

President Krings stated that the purpose of the meeting was to consider a Resolution for short term borrowing, and review District fund balances and outstanding debt.

Daniel Weigand, Director of Business Services, explained that the District has a need annually to short-term borrow in order to cover operational expenses during a period of time before state aid revenue is received. On a positive side, the \$5,200,000 amount needing to be borrowed for the 2015-16 fiscal year is substantially less than prior years.

Two bids were received for the borrowing. The first bid of \$1,250,000 came from R.W. Baird at an interest rate of 0.79596%. The second bid for the remaining \$3,950,000 came from BOSC (Bank of Oklahoma) at a rate of 1.04594%. R.W. Baird had one or two investors interested in investing an amount of \$1,250,000. The quoted rates are higher than last year's rates when \$10,000,000 was borrowed at a cost to the District \$43,700. The two combined bids this year will cost the District about the same (\$47,909), for half the amount borrowed.

Due to the amounts being borrowed, the District has done well thus far in securing short-term borrowed funds on its own. However, in the future, Mr. Weigand plans to check with local banks about a potential line of credit since larger institutions have a greater interest in borrowing larger amounts. Another option to be explored is working through a consultant like PMA Financial as they combine bids from a number of districts in order to secure the lowest rate possible.

**Motion by John Benbow, seconded by Katie Medina to approve a Resolution authorizing temporary borrowing in an amount not to exceed \$5,200,000 pursuant to Sec. 67(8)(a)1, Wis. Stats. with the combined bid from R.W. Baird and BOSC as presented. Motion carried unanimously on a roll call vote.**

Next, Mr. Weigand reviewed a monthly cash and investment report, as well as a revenue/expenditure summary for the month ending August 31, 2015. He explained that working capital for the District has been increasing since

2012-13 when the Board began refinancing debt and approving debt defeasance recommendations. Mr. Weigand believes that if the District continues to make financial gains, it is possible that short-term borrowing may no longer be necessary in approximately three years. Mr. Weigand explained that legislators and politicians object to large district fund balances, yet they also don't want districts to be short-term borrowing. State deferred revenue payments also impact districts in a negative fashion.

Mr. Weigand reviewed a number of transactions related to debt service funds and borrowing which have occurred since 2012-13:

- \$6,460,000 refinancing of Wisconsin Retirement System Bonds
- \$4,735,000 refinancing of 2006 Referendum Debt
- \$5,790,000 debt defeasance of 1/15/04 Bonds
- \$3,835,000 debt defeasance of 3/15/05 bonds
- \$2,670,000 debt defeasance of Wisconsin Retirement System Bonds
- \$960,000 debt defeasance of Wisconsin Retirement System Bonds

Fund balance and long term debt obligations were then examined. Mr. Weigand explained that in 2011-12, the District Fund balance at year-end was \$1,233,252. The balance has grown to a total of \$5,496,021 at the end of the 2014-15 fiscal year. Mr. Weigand projects an increase to occur at the conclusion of the 2015-16 fiscal year as well.

The aggregate long-term debt amount at the end of 2010-11 was \$25,630,000. As debt has been paid down, the amount has decreased to \$10,585,000 at the conclusion of the 2014-15 fiscal year.

The Board had an opportunity to ask questions concerning the information shared by Mr. Weigand.

President Krings adjourned the meeting at 6:20 p.m.



John A. Krings – President

Maurine Hodgson – Secretary

Larry Davis – Clerk