



BOARD OF EDUCATION MEETING MINUTES

John A. Krings, President
John Benbow, Jr.
Troy Bier
Christopher Inda
Kathi Stebbins-Hintz
Elizabeth St.Myers
Julie Timm

June 24, 2024

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, Christopher Inda, John Krings, Kathi Stebbins-Hintz, Elizabeth St.Myers,
Julie Timm

BOARD MEMBER EXCUSED: Troy Bier

ADMINISTRATION PRESENT: Craig Broeren, Aaron Nelson, Ronald Rasmussen

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

Roll Call

Amendment to 2023-24 District Budget

Mr. Nelson presented proposed amendments to the 2023-24 District budget. He explained that an adjustment was made in the revenue area to increase it by approximately \$1.1 million due to interest rates being on the rise, more Common School Library funds and various grant funds being received, and capital equipment lease agreements entered into by the District. On the expense side, the capital equipment leases also impact this area causing an adjusted increase needing to be made. Unanticipated expenditures in Fund 27 resulted in the need to increase expenditures, and the Fund 46 transfer will be increased by \$300,000 for a total of \$422,000. Fund 50 expenses will also be increased by almost \$200,000 due to higher costs in food and supplies affiliated with the nutrition program. The Board had an opportunity to ask questions concerning the proposed budget amendments.

Motion by Kathi Stebbins-Hintz, seconded by John Benbow to approve of proposed amendments to the 2023-24 District budget as presented. Motion carried unanimously on a roll call vote.

2024-25 District Budget Approval

Mr. Nelson provided an overview of the proposed 2024-25 District budget. Revenue trends and budget assumptions were explained, which are very preliminary since the projections were made toward the end of May, 2024 and final numbers will not be known until October, 2024. The budget includes the \$2,000,000 non-recurring referendum which is in year 4 of a 5-year referendum. Approximately \$450,000 from ESSER III funds is included as a one-time claim of indirect costs. The per pupil revenue limit amount for the 2024-25 fiscal year will increase by \$325, and per pupil categorical aid for next year will experience no increase. The Consumer Price Index for negotiations is at 4.12% for 2024-25 and projected to be 3.7% in 2025-26. Estimated anticipated employee related costs for salaries and benefits was shared.

The annual pupil count takes place on the third Friday in September, and the District estimates that the count for revenue limit purposes will decrease to 4,671 with a three-year rolling average of 4,705. District equalized valuation is estimated to increase by 4.0% when the Department of Revenue releases these figures in October, 2024. State general aid amounts are estimated to increase by 2%. Lastly, a levy of \$500,000 will occur in Fund 80.

Mr. Nelson reviewed overall revenues and expenditures by Fund type. A deficit budget is being proposed with Fund 10 revenues of \$72,450,654 and expenditures estimated to be \$73,950,654 for the 2024-25 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 budget amount of \$103,323,581 in

revenues and \$107,699,071 budgeted 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 2024-25 budget year is \$24,472,740 which is a 1.03% increase from the 2023-24 amount. The actual final tax levy amount will not be known until the State certifies District aid in October, 2024. 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 2024-25 is anticipated to drop from \$7.20 to \$6.99 due to estimated equalized property value increases. Once all information is available in October, 2024, 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 2024-25 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, 2024 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	\$7,095,000.00	\$721,250.00	\$7,816,250.00	2027
Fund 39 Bonds – District Wide Building Improvements	\$20,750,000.00	\$4,082,640.00	\$24,832,640.00	2039
TOTALS	\$27,845,000.00	\$4,803,890.00	\$32,648,890.00	

Mr. Nelson explained that the District currently has 8% of legal debt incurred, leaving 92% 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 2024 equals \$191,779; and non-utility cost savings amount equals \$1,603,755.

Mr. Nelson presented a report on the District’s Other Post Employment Benefit (OPEB) Fund. Foster & Foster Actuaries and Consultants 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, 2023, the District’s OPEB total liability was \$22,170,567. The Fiduciary Net Position was \$4,498,305 with a Net OPEB liability of \$17,672,262. The funded ratio was 20.3%. In the 2023-24 school year the District contributed \$1,761,589, the Implicit Rate Subsidy was \$258,099 and the annual net cost to the District was \$1,503,409. These numbers will be updated with the next biennial actuarial study which will occur in the 2025-26 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 had an opportunity to ask questions concerning the proposed budget.

Motion by John Benbow, seconded by Kathi Stebbins-Hintz to approve of the Other Post Employment Benefit (OPEB) report presented. Motion carried unanimously.

Public Comment

Motion by John Benbow, seconded by Julie Timm to open the floor for District residents to comment on the proposed 2024-25 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 Kathi Stebbins-Hintz to close the public hearing portion of the budget meeting. Motion carried unanimously.

Motion by John Benbow, seconded by Julie Timm to approve of the proposed 2024-25 District budget as presented, which includes modifications to the Community Service Fund 80 budget and provides equal access to all resident students within the community to participate in age appropriate activities. Motion carried unanimously on a roll call vote.

Motion by John Benbow, seconded by Kathi Stebbins-Hintz to approve of the 2024-25 District Tax Levy in the amount of \$24,472,740.00. Motion carried unanimously on a roll call vote.

President Krings adjourned the meeting at 6:25 p.m.


John A. Krings – President

Maurine Hodgson – Secretary

Julie Timm – Clerk