

GERMANTOWN SCHOOL DISTRICT

Notice of Finance Committee Meeting

July 29, 2019

6:00-7:00 P.M.

Germantown School District Administration Building

N104 W13840 Donges Bay Rd.

Germantown, WI 53022

AGENDA

- I. Meeting Called to Order**
- II. Roll Call**
- III. Agenda Revisions and Approval**
- IV. Approve Minutes**
 - A. June 10, 2019 Meeting Date
- V. Consent - Review & Discuss**
 - A. July Vouchers
- VI. Unfinished Business – Discussion with Appropriate Action**
 - A. 2019/2020 Budget
 - B. Municipal Finance Advisory Services
 - C. 2019/2020 Capital Project(s) Investments/Financing Options
 - D. 2019/2020 School Breakfast Program(s)
- VII. New Business – Discussion with Appropriate Action**
 - A. Monthly Purchase Requests Exceeding \$15,000 & Purchasing/Project Bid Results
- VIII. Reports**
 - A. Voucher(s) Follow Up
 - B. Monthly Financial Reports
 - C. General Reports
 1. Housing Development
- IX. Adjourn**

***Note:** School Board members who are not members of the Finance Committee may be present at this Finance Committee meeting.*

GERMANTOWN SCHOOL DISTRICT

TO: Finance Committee

FROM: Ric Ericksen, Director of Business & Auxiliary Services

AGENDA ITEM: IV.A. – Approve Minutes: **June 10, 2019 Meeting Date**

ATTACHEMENTS: See next page(s).

RECOMMENDATION: Approved as presented.

GERMANTOWN SCHOOL DISTRICT
Minutes of the Finance Committee Meeting
June 10, 2019

1. The meeting of the Finance Committee was called to order by Tom Barney at 5:30 p.m. in the District Offices Board Room.
2. Finance Committee Members Present: Tom Barney and Ray Borden. Michael Loth was absent (excused). Director of Business Ric Ericksen and Superintendent of Schools Jeff Holmes were also present.
3. Motion by Borden, second by Barney to approve the agenda. Motion carried.
4. Motion by Borden, second by Barney to approve the May 20, 2019 Finance Committee minutes. Motion carried.
5. Director of Business Ric Ericksen updated the committee on 2019-2020 budget development.
6. Ric Ericksen reviewed correspondence from Ehlers regarding the employment of Jerry Dudzik and the committee continued to discuss Municipal Finance Advisory Services. No action was taken at this time and the committee will receive a legal opinion on any potential conflicts of interest in choosing Baker Tilley or Ehlers before taking action.
7. The Finance Committee discussed summer roofing and other 2019-2020 capital projects investments and financing options. Committee members Borden and Barney are not in favor of borrowing for maintenance projects and would like the projects costs added to the budget, with both indicating they would like to work on building up Fund 41.
8. Motion by Borden, second by Barney to forward to the Board with a positive recommendation, approval of the 2019-2020 lunch price increases. Motion carried. Committee member Borden requested additional data from Food Service Director Shelley Juedes regarding participation statistics and ideas of things that could be done to be more cost effective.
9. Ric Ericksen updated the committee on 403(b) vendors and will continue to update the committee on any additional options that are added.
10. The committee discussed Student Activity Funds and Ric Ericksen informed them that Athletic Director Sara Unertl continues to work to make sure procedures put in place are being followed and will provide a report in July or August.
11. Ric Ericksen informed the committee that field audit work has begun and is going well with no problems found.
12. Motion by Borden, second by Barney to adjourn. Motion carried.
13. The Finance Committee adjourned at 6:00 p.m.

Jayne Borst
Recording Secretary

GERMANTOWN SCHOOL DISTRICT

TO: Finance Committee

FROM: Ric Ericksen, Director of Business & Auxiliary Services

AGENDA ITEM: V.A. – Consent of Vouchers: **Review & Discuss**

Vouchers List(s) & Board Governance

Review monthly bills and voucher payments.

Only the FC needs to consent and approve monthly vouchers. Based on policy, it does not go to the full Board of Education.

The report has been posted at the district's web site Finance Committee link.

ATTACHEMENT(S): None

RECOMMENDATION: Consent to Payment of Claims as presented & reviewed.

GERMANTOWN SCHOOL DISTRICT

TO: Finance Committee

FROM: Ric Ericksen, Director of Business & Auxiliary Services

AGENDA ITEM: VI.A. – 2019/2020 Budget

Previously Reported

Please see the December, January, February, March, & April finance committee packets for information previously presented: Student fees, state budget information, early estimates relative to state imposed revenue controls, Donges Bay proceeds impact, early estimates/projections of the current fiscal years revenue/expenditures, debt service, updates on state budget deliberations, fund balance review, state aid timetable, a timetable-checklist, additional estimates of state aid/revenue limits/property taxes were covered.

10% Budget Reductions

The board requested a list of 10% budget reductions. As reported at the last meeting the dollar range of these cuts are in the range of \$125,000 to \$150,000 (*recalculated to be in the area of \$240,000*). The requested 10% was calculated on site/department budgets that are “discretionary” line item accounts. For example, while each school building has a library budget as part of their site budgets it was not calculated as part of the reduction because the vast majority of the library budget is funded by the state’s Common School Fund.

Additionally, I did not request a reduction from Buildings & Grounds, Athletics, nor the PAC. The reason is that the additional square footage and new facilities will cause additions to these budgets. For example, the new field house will require new track equipment investments.

The attachments (next pages) are 10% budget reductions submitted by sites/departments with unedited comments. Some departments are still working on their reductions.

RECOMMENDATION: Pending discussions.

Amy Belle

Here is how I was looking at this 10%, so please let me know if this isn't what you were looking for or is not in line with your thinking.

Amy Belle bottom line approximately with everything **\$60,000**

Amounts that can't be taken out of:

Destination Imagination	\$2,200
Copy rental	\$7,000
Library	\$11,200
Total	\$20,200

Amy Belle bottom line with everything \$60,000

-\$20,200
\$39,800 new bottom line

10% of \$39,800= \$3,900 or approximately **\$4,000**

What will be deducted out of the Amy Belle budget for a total of \$4,000 in the following areas and the impact it will have:

\$1,000 Office of the Principal: This money will be taken out of professional development/conferences for the principal to attend with staff members to move forward best practices at Amy Belle.

Example from last school year and rationale:

Character Education Conference (Character Strong): which has been a building focus at Amy Belle to adapt PBIS and work towards a more positive school community

Inclusive Practices Summit: to create team teaching opportunities for special education and regular education teachers working, to provide in-house staff professional development around inclusive practices in all areas and classrooms in the building to meet student needs.

\$3,000 Furniture: At this time, money has been budgeted for staff members to request flexible furniture to meet the needs of all students and replace what is needed from wear and tear. Flexible furniture allows students to find what works best for them to be engaged and focused on their learning. This is also an inclusive practice, meeting the needs of students with special needs in the regular education classroom. Examples of furniture and rationale from last school year:

Wobble stools, soft district approved seating, and combinations of tables and desks to moved into different cooperative flexible groupings. This is adding furniture similar to what was purchased through the Referendum for more staff to utilize. These funds have also been used this past year to replace very old and/or broken chairs and staff desks.

County Line

CL's 2018-19 budget was \$66,120

The 2019-20 proposed budget is \$61,025 (This is a reduction of \$5,095 or 10.34% of controllable funds)

Amounts that can't be taken out of:

Destination Imagination	\$3,082
Library	\$13,783
Total	\$16,865

CL bottom line with everything \$66,120

<u>-\$16,865</u>
\$49,255 new bottom line

10% of \$49,255= \$4,925.50 or approximately **\$5,000**

What will be deducted out of the County Line budget for a total of \$5,000 in the following areas and the impact it will have:

-\$4,925 Office of the Principal: This money will be taken out of Office of the Principal line item for equipment. Last year these funds were used to purchase flexible seating for classrooms not impacted by the referendum.

-\$1,000 Reading Textbooks. Last year we didn't spend what we anticipated for reading textbooks. This line is being reduced from \$4,000 to \$3,000. These are resources used for our reading intervention. Reading intervention has \$2,500 available for reading supplies, making their new total \$5,500.

-\$500 Certified Staff Employee Travel. We are eliminating the majority of our professional development where staff needs to travel outside of the district.

-\$500 Support Staff Conference Registration and Travel. We are eliminating the majority of our professional development where staff needs to travel outside of the district.

These reductions also reflect some additional funds being added in other areas for the addition of a 5th grade classroom and a new SPED teacher.

CL's bottom line for the 2019-20 school year is 61,025.

MacArthur

Work-In-Progress

Rockfield

Rockfield's bottom line approximately with everything **\$50,000**

Amounts that can't be taken out of:

Destination Imagination	\$1900
Copy rental	\$7,521
Library	\$11,000
Total	\$20,421

Amy Belle bottom line with everything \$50,000

-\$20,421

\$29,574 new bottom line

10% of \$29,574 = \$2957 or approximately **\$3,000**

What will be deducted out of the Rockfield budget for a total of \$3,000 in the following areas and the impact it will have:

\$1,500 Undifferentiated Curriculum- Furnishings: Money has been budgeted in the area of furnishings to make equitable learning spaces for ALL students who attend Rockfield. Currently our first grade classrooms are outfitted with many of the old chairs and tables. Additionally, adequate shelving is missing in these classrooms. Previously, teachers bought their own shelving at low costs, thus breaking easily. As our other classrooms modernized their learning areas from the new addition and referendum budgets, we are still working to modernize first grade and two older classrooms that did not get touched by these funds.

\$1,500 Professional Staff Training: Each year professional development is offered across our state. Knowing what teachers' professional growth goals are for the year, as professional learning opportunities come up, teachers are offered the chance to develop their expertise and work with other professionals in these given areas. Last year alone, teachers attended the Character Education LACCS program, an Orten Gillingham reading intervention program, and Donalyn Miller's reading for 3-5th grader professional development. Specific to Donalyn Miller professional development, four teachers also then participated in a book study and revamped their methods used to inspire everyday readers in their classrooms. Reading success was very high and documented by these seasoned teachers.

KMS

KMS Budget - \$197,074

Lines that can't be adjusted:

Fund 21 - \$13,384

Common (library) - \$26,356

Project Lead the Way Dues/Fees - \$1, 250

Copies - \$45,728

Destination Imagination - \$2,958

Total: \$89,676

Adjusted KMS Budget - \$107,398

- 10% 10,739

\$96,659

We would take the \$10,739 from Other Regular Curriculum (10-301-551-129000) which was used largely for technology purchases (Smartboards, chromebooks and carts) prior to the one-to-one initiative implementation. We still use funds from this account for technology purchases other than chromebooks, as well as other classroom needs.

GHS

\$24,000

Please see attachments from Principal Mr. Joel Farren

District Office

Director of Teaching and Learning: \$58,200 + \$15,000

Book Binding - \$3200 – This would postpone the rebinding of middle school/high school textbooks for one year, which would likely increase the cost for the 2020-21 school year.

Extended contracts for summer curriculum work - \$15,000 – Less teachers would have the opportunity to continue developing curriculum that is moving our district initiative forward.

Instructional materials - \$30,000 – This would reduce the amount of new instructional materials purchased this school year, including books for new literature circles (students studying different types of genres), pilots of new materials for science for elementary and middle school, pilots of new materials for English Language Arts in the elementary, and professional reading for teachers to continue to learn new instructional practices.

Professional Development for the Office of Teaching and Learning - \$1000 – The Director of Teaching and Learning would not attend updates for Title and Educator Effectiveness. The Administrative Assistant in this department would not attend Skyward update training.

Add no new classes at GHS - \$15,000 – The Instructional Improvement Committee would not approve new classes for the 2020-21 school year.

Summer School: - \$1000

Reduce new materials provided to teachers and students (office supplies, books, project supplies) or not replace worn out/damaged non-consumable supplies (eg, Lego Robotics, books, board games)

Business Office: -\$12,509

5 WASBO Membership fees \$240; Benchmarking software tools with Springsted \$1,750; Accounting & Payroll Conference/Workshops \$250; Fees associated with Arbitrage & Continuing Disclosures \$8,700; Equipment/Office Supply budget \$1,600 --- Total = \$12,540. With the exception of the benchmarking tools, the other items are important to our operation. The workshops provide important training and keep my staff current with legal, GASB/DPI accounting requirements, Skyward processes and these are presented by industry experts. The arbitrage and continuing disclosures could be done by myself, but am not an industry expert and often not aware of legal and banking regulatory changes.

Human Resources: \$18,000

Work-in-progress.

Office of the Superintendent: - \$58,000

Reduction in the legal fees \$58,000. There is always a risk of underfunding this account.

Pupil Services & Special Education: \$11,700
Department of Pupil Services 2019-2020
10% Budget Reduction

Fund 27 Project 019:

10% of \$116,400 = \$11,640

Given the unpredictable nature of Special Education needs, it is especially challenging to realistically plan a budget for an entire year. In addition, there is an annual amount of local funding that is required by law which districts must spend for Special Education services. IDEA requires that districts budget and expend the same amount of local funding for Special Education as it expended in the previous fiscal year. However, there are exceptional circumstances by which a district may be allowed to reduce this amount, including departure of special education personnel, decrease in enrollment of students with disabilities, and a student with exceptional special education costs no longer needing the services. Therefore, the required amount may change during the school year.

Given the needs of our students known to us at this time, we no longer have need for services through the Elmbrook School District. Removing this cost will reduce our local special education costs by the requested 10%.

However, this reduced budget amount assumes that unexpected, mandated student needs do not arise and that IDEA compliant calculations allow us to lower the required district spending.

General Fund

10% of \$7050 = \$705

This amount will be removed from the health supplies budget, which includes items necessary for health rooms in each of the six school buildings. Unanticipated purchases this past year included a replacement refrigerator to keep student medications and ice packs at their required storage temperatures. AED accessories were also in need of replacement. This budget also includes gloves, wipes, protective equipment for universal precautions, and other consumable items necessary to respond to the health needs of students.

IT: \$37,000

Work-in-progress.

All site/department totals = approximately \$243,309

GERMANTOWN SCHOOL DISTRICT

TO: Board of Education **TOPIC:** Municipal Finance Advisory Services
FROM: Ric Ericksen **BOARD MEETING:** July 29, 2019
DATE: July 23, 2019 **AGENDA ITEM:**

FC Date: July 29, 2019
FC Agenda Item(s): VI. B.

Recommendation to the Board of Education and Finance Committee:

Bring forward to the Board of Education with a positive recommendation to engage Ehlers and associates for Municipal Advisory services for the 2019/2020 & 2020/2021 fiscal years and apply legal counsel's recommendation to the engagement agreement as recommended.

Background:

Please review the April 29 and May 20 backgrounds on this subject.

May 20th Follow Up:

Committee members asked for a couple of follow responses:

Springsted Existing Agreement

In 2013 Springsted services were retained for general advisory matters. Subsequently, an agreement was executed April 11, 2016 prior to the 2016 referendum. It is called an Agreement for Municipal Financial Advisor Services. It contains a 30 day termination clause. This agreement, as well as in 2013, is essentially a "letter of commitment". It is similar to commitments for companies which provide risk management consulting, legal advice, roofing consulting, etc. Conversely, the Board of Education takes official action on agreements for companies which provide services for employee benefit consulting, audit, OPEB study, etc. The former does **not** require any annual fee – charges accrued on a time and materials basis; the later requires an annual fee/contract.

Legal Review of Conflict of Interest

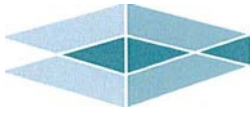
Committee members expressed concern over potential conflict of interest relative to Ehlers providing services to both the Village of Germantown and the Germantown School District simultaneously. As of this writing the opinion as not yet been received by legal.

Additional Information:

It was formally announced early last month that Mr. Jerry Dudzik has joined Ehlers. It could not be disclosed "prior to" because of his "blackout" agreement with Springsted (*which has now expired*). I was informed by Ehlers officials that while Mr. Dudzik would not be the lead with Germantown School District, he would in fact play a significant supporting role. This can be advantageous given his history in the community of Germantown as a resident as well providing advisory services on debt financial matters.

A legal review has been completed and is attached.

ATTACHMENT(S): Legal Review.



STRANG, PATTESON
RENNING, LEWIS & LACY

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July 9, 2019

VIA ELECTRONIC MAIL

Germantown School District
Finance Committee

RE: Bond Consulting Firm

Members of the Finance Committee:

We understand that the Germantown School District's Finance Committee is evaluating two potential resources to engage for Municipal Finance Advisory Services. The District has heard presentations from two vendors: Springsted and Ehlers. The District has used Springsted in the past for prior bond issues. Both vendors present circumstances which the committee desires to evaluate for purposes of potential conflicts of interest should they be engaged.

With respect to Springsted, the company has recently been acquired by the accounting firm Baker Tilly. Baker Tilly is the District's auditing firm. The other vendor, Ehlers, is currently providing consulting services for the Village of Germantown.

The question of whether these firms are unable to provide advisory services to the district due to a conflict of interest is an inquiry that raises three separate, but inter-related, concepts of a conflict: (a) legal conflicts, (b) ethical conflicts, and (c) business conflicts. At the outset, my opinion is that neither firm is legally conflicted so as to prohibit them from providing consulting services to the District. Specifically, I have found no statutory or regulatory provision that directly prohibits receipt of advisory services from an organization that also performs the audit or from an organization that provides similar services to a municipality within the school district's boundaries.

The remaining analysis focuses on conflicts arising out of professional ethics and out of competing business interests. These conflict concerns are potentially present as to the former with respect to Springsted and as to the latter with respect to Ehlers.

Professional Ethics - Springsted

Should the District elect to engage Springsted's services, I recommend that it secure a letter from the company stating that the scope of services it provides to the District are not in conflict with its obligations to objectivity in the performance of the parent company's auditing services. Specifically, this should reference the Generally Accepted Government Accounting Standards (GAGAO) and that consulting services will not involve making management decisions and will not be services which are themselves subject to the audit process. Finally, the letter should address the firm's ability to maintain recognition as an objective auditor in the performance of its auditing services notwithstanding its contemporaneous engagement for consulting services.

The GAGAO imposes certain expectations on the part of auditors, one of which is that the auditor maintain independence in the performance of its auditing functions. This independence is both as to appearance – i.e. the firm must be recognized as independent in order to maintain public confidence as to delivery of the auditing services (referred to as "independence of mind"); and as to conflicts in fact, namely, that the non-auditing services being provided do not implicate management controls or related factors that are part of the audit process. Notably, in reviewing prior audit reports, the audit includes discussion, albeit brief, of the District's long-term debt obligations. The extent to which those obligations, and corresponding management decisions related to them, are evaluated by the audit is unclear. If the auditor evaluates management decision-making process relative to long term debt obligations, then consulting services advising on long term debt instruments is likely to close in kind for the auditor to maintain independence.

In short, provided that Baker Tilly is willing to address in writing these issues, so as to advise the District of its professional opinion that it can maintain independence in performance of its audit functions notwithstanding the delivery of non-audit services, then the Committee and ultimately the Board may engage Springsted subject to its comfort level with the same issue.

Business Conflicts: Ehlers

Much like the concept of independence of mind in the delivery of auditing services, the district ought to be comfortable that advice given by consultants is not compromised by competing interests of the consulting firms other clients. The District and the Village interact frequently on issues of public finance, e.g. in the management of tax incremental districts and in collaboration regarding facilities' usage. These interactions can create political conflicts between the two municipalities. If contemplated advisory services involve such matters (i.e. topics that involve disagreements between the two organizations) the District may feel that its consultants are in a position of managing advice in an effort to manage those differences, rather than objectively providing advice to the District.

As part of the engagement letter with Ehlers, I recommend that, if not already included, the agreement specify Ehler's consultant's obligation to maintain independence from those providing similar services to the Village, and, at all times, to provide advice independently and objectively in the best interests of the District. I would also recommend that the consultants assigned discuss with appropriate District officials how they would handle circumstances in which the advice the consultant deems to be in the best interest of the District recommends a course of action which may be contrary to the interests or preferences of the Village. Finally, I recommend that such engagement contain an unqualified right to terminate the engagement in the event that, in the District's sole opinion, the District is not able to confidently rely upon

consulting advice due to conflicting interests within the consulting organization or due to circumstances between the District and the Village.

In short, Ehlers is not prohibited at this point from engaging in finance advisory services based on its similar engagement by the Village of Germantown. It may be the case; however, that those services could impact areas in which the District and the Village interact with one another. As such, this presents a pure business interest type conflict. The appearance of competing interests within the same firm may, in the determination of the finance committee and/or board, compromise confidence in the advice provided.

It must be noted too that the current business conflict, real or perceived, could become more significant and ultimately disqualify Ehlers. This could occur in the event of a disagreement and/or direct conflict, including formal disputes, between the District and the Village in matters implicating public financing decisions of the respective organizations. Should this type of situation arise, both parties may find themselves calling on the advisory services of the same organization in support of their relative position. This type of scenario would disqualify Ehlers from working with either municipality. At the time of this correspondence, I am not aware of any such actual disputes. District officials are in the best position of determining whether such a dispute is likely to occur, although the present absence of such conflict does not preclude the development of one in the future.

Conclusion

In my opinion, subject to the provisions of assurances as discussed herein, either firm can provide the services desired without disqualifying conflicts. It is further my opinion that the potential for conflicts is greater with Springsted, but that conflict arises with respect to the firm's delivery of auditing services (i.e. with Baker Tilly's services, not specifically with the consulting services proposed by Springsted) as described above. Selecting a different auditing firm is one option to eliminate that concern, alternatively, the Board may rely on the representation by the auditors that the non-auditing services do not interfere with its independence. Finally, as noted, the District ought to assure it has authority to dis-engage from the services of either firm it selects in the event that conflicts or the appearance of conflicts do arise or become apparent during the course of the engagement.

Please feel free to contact me should you have any further questions.

Respectfully submitted,

Strang, Patteson, Renning, Lewis & Lacy, s.c.



Geoffrey A. Lacy

GERMANTOWN SCHOOL DISTRICT

TO: Finance Committee

FROM: Ric Ericksen, Director of Business & Auxiliary Services

AGENDA ITEM: VI.C. – 2019/2020 Capital Project(s) Investments/Financing Option

(Given the general discussions that has ensued in previous meetings, I retitled this agenda item to make it more broad-based.)

Please review the April 29, 2019 background on this subject.

Please review May 20th minute(s) number 8.

See next page for the information provided at the May 20th meeting.

Recommendation – June 10th Meeting:

While my recommendation presented on May 20th is still valid, I feel it would be worthwhile to go into a holding pattern until more definitive information on the state's biennial budget is received.

As previously mentioned there is no particular hurry to finalize the funding. A funding decision should, however, probably be done at the latest in conjunction with adopted next year's budget.

New:

Based on previous discussions and due to recent action by the Village of Germantown causing the loss of anticipated revenue/proceeds from the sale of the Donges Bay property in the amount of \$690,000 and I urge the Board of Education to utilize a 10-year state trust fund loan in the amount of approximately \$853,000 to cover the cost of new parking lot at MacArthur Elementary School.

Summary presented at the May 20th Meeting

Building Committee meeting approved the summer 2019 Roofing project in the amount of \$360,849. There is about \$150,000 remaining in the Fund 41 fund to cover this investment. This investment, along with other capital improvements, needs to be financed. For example, at this evening’s Building Committee meeting Director of Buildings & Grounds Don Erickson reported on the GHS boiler bid results. The low bidder was \$150,000. At a bare minimum \$510,849 (360,849+150,000) is needed.

Financing Options for the two items above and other 2019/2020 Capital Projects

Option	Source	Amount Available	Comment
A	General Fund Buildings & Grounds Capital Expenditure Budget	\$70,000	Could be used in conjunction with Fund 41
B	Fund 41 Budget	\$300,000	This figure includes the remaining funds from this year and the new funds for next year
C	\$1.0 million loan	\$1,000,000 <i>(slightly less)</i>	These proceeds could be placed into Fund 41
D	Fund 10 fund Balance	\$9,293,798	Audited June 30, 2018
E	General Fund Budget	None really	This would require significant cuts
None of these options require additional taxes to be levied.			

Recommendation – May 20th Meeting:

Approve the strategy as presented at the last meeting (*Option C above*) and incorporate the financing schedule into the 2019/2020 budget and bring the financing resolutions back to the Finance Committee & Board of Education not later than July 22, 2019. *[Both the summer roofing and boiler replacements projects will begin. This does not need full board approval at this time].*

Attachments: None.

2018-2019 Breakfast Participation Rates

Average daily breakfast participation 2018-2019 (% of total students)

Mac Arthur	KMS	GHS
17%	4%	3%

Average breakfast meals/day

Mac Arthur	KMS	GHS
67 meals	37 meals	35 meals

Status of the students taking the breakfast

Mac Arthur	KMS	GHS
31% free	50% free	50% free
17% reduced	15% reduced	14% reduced
52% paid	35% paid	36% paid

DPI consultant, Hannah Snider, said we could just serve breakfast at Mac Arthur and not the other schools. With our lower participation rates at both KMS and GHS she understood why I had concerns about continuing with the program. I do think offering breakfast for the elementary students is beneficial to students, their families, and the staff at Mac Arthur. A well-fed child learns better than a child who is hungry and has to wait until lunch to be fed.

GERMANTOWN SCHOOL DISTRICT

TO: Board of Education **TOPIC:** Purchases Over \$15,000
FROM: Ric Ericksen **BOARD MEETING:** July 29, 2019
DATE: July 23, 2019 **AGENDA ITEM:**

FC Date: July 29, 2019
FC Agenda Item(s): VII. A.

-- The intent is to review due diligence with respect to seeking competitive bids/quotes when possible.
Vetting for the purpose of the purchases may have occurred at other committees. --

Window Replacements/Purchase(s): \$22,100.00

Recommendation to the Board of Education and Finance Committee:

Bring forward to the Board of Education with a positive recommendation awarding the County Line and Rockfield Elementary school’s window replacements to Milwaukee Plate Glass as presented below in an amount not to exceed \$22,100.00 and charge to the appropriate buildings & ground account(s) in the general fund.

From Director of Buildings & Grounds, Don Erickson

Background:

County Line and Rockfield Window Replacements

VerHalen and Milwaukee Plate Glass provided quotes, shown below, to replace a library window at County Line and windows in rooms 115, 117 and 205 at Rockfield. Wingspan in Menomonee Falls declined to provide a quote. VerHalen would install Pella wood clad direct replacement windows. VerHalen did not include room 205 at Rockfield in the quote. Milwaukee Plate Glass would be installing storefront windows. Storefront windows will not need replacement in the future. The recommendation for this reason is to move forward installing the storefront windows by Milwaukee Plate Glass not to exceed \$22,100 to be funded out of the maintenance budget.

	County Line	Rockfield
VerHalen	\$2,965.31	\$12,187.16
Milwaukee Plate Glass	\$3,500.00	\$18,600.00

GERMANTOWN SCHOOL DISTRICT

TO: Finance Committee

FROM: Ric Ericksen, Director of Business & Auxiliary Services

AGENDA ITEM: VIII. Reports

A. Voucher(s): Follow Up

None

B. Monthly Financial Reports

1. General Report(s)
 - All Financial Reports are/will be posted to the FC web link.
2. American Deposit Management (ADM)
 - Activity statement is attached.

C. General Reports

1. Housing Development

The attached district boundary map intentionally does not include elementary attendance borders so as **not to imply** that the intent of this report is necessarily related to direct discussions thereof. More so, the agenda topic is intended to be a primer for discussions on future elementary attendance area considerations, pupil transportation traffic flow, population-enrollment growth & studies, state imposed revenue controls (*defined as state general aid shared revenue plus local property taxes*), and district property values.

For this meeting the emphasis is on state imposed revenue controls, specifically local property taxes and district property values.

For future discussions of this topic, it may be more appropriate that the topic be moved from the Finance Committee to another committee or the committee of the whole.

Continued on next page ...

Map (Attached)

Marked on the map are current known planned residential developments. Sources of information include, but are not limited to; V. of Germantown Community Development Department memorandums, previous population studies, local government web sites, and general conversations.

Disclaimer

The map and all information may or may not be 100% accurate inasmuch as proposed developments are continually changing.

Financial Impact

While it is difficult at this time to place a total property value on the proposed residential development(s), it is important to remember that in the world of school finance the impact of additional growth tends to reduce state shared revenue (state equalized aid) and tends to increase local property taxes. Simultaneously, the residential developments increases the overall tax base and the tax impact on the individual home tends to be minimal or trends downward. This scenario is also true for industrial & commercial growth and TID growth.

Monthly Enrollment Report (Attached)

I am working with HR to modify this report in a manner that the Board may find more beneficial especially given the increase in number of tracks at the elementary school buildings.

Report modification considerations:

- Removal of any reference to the Springsted projections.
- Perform a new housing/enrollment projection study.
- Include a reference to school building enrollment capacity.

AGENDA ITEM: IX. Adjourn

Germantown School District Account Summary

CGERSD03 – 2016 Referendum

6/19/2019

Deposit Activity

Total Credits - \$ 0.00

Withdrawal Activity

Total Debits - \$ 0.00

Investment Activity

Bond proceeds are currently spread across **21** financial institutions:

Altra Federal Credit Union	Riverland Bank
Axos Bank	Simmons First National Bank
Bridgewater Bank	SSB Bank
Charter Bank	Star Choice Credit Union
City National Bank of Florida	Starion Bank
Coulee Bank	Superior Choice Credit Union
CrossFirst Bank	Texas Capital Bank, National Association
LegacyTexas Bank	Tristate Capital Bank
NexBank, SSB	Union Bank & Trust Company
Pinnacle Bank (TN)	Western Alliance Bank
PrimeSouth Bank	


Miscellaneous: As a reminder, ADM only utilizes state approved investments for investing the District's funds. Investments that exceed \$250K per institution are backed with state and GFOA approved collateral which is held and tracked by ADM. All other investments listed on your statement are backed with FDIC insurance.

the
American Deposit Management Co.

June 19, 2019

Account Activity:
June 01, 2019 - June 19, 2019

Germantown School District
N104 W13840 Donges Bay Road
Germantown, WI 53022

Contact Us 

- For personal assistance, call:
414-961-6600
- Visit us online:
www.americandeposits.com
- Questions on products & services:
info@americandeposits.com
- Mail correspondence to:
W220 N3451 Springdale Road
Pewaukee, WI 53072

CGERSD03 - 2016 Referendum

There are no transactions. Balance as of 06-19-2019

\$ 7,098,490.97

Germantown School District Account Summary
CGERSD03 – 2016 Referendum
7/24/2019

Deposit Activity

Total Credits - \$ 0.00

Withdrawal Activity

7/12/2019 Withdrawal in the amount of \$102,624.34

Total Debits - \$102,624.34

Investment Activity

Bond proceeds are currently spread across **11** financial institutions:


City National Bank of Florida	Riverland Bank
Coulee Bank	Studio Bank
CrossFirst Bank	Tristate Capital Bank
NexBank, SSB	Union Bank & Trust Company
Pinnacle Bank (TN)	Western Alliance Bank
PrimeSouth Bank	

Miscellaneous: As a reminder, ADM only utilizes state approved investments for investing the District's funds. Investments that exceed \$250K per institution are backed with state and GFOA approved collateral which is held and tracked by ADM. All other investments listed on your statement are backed with FDIC insurance.

July 24, 2019

Account Activity:
July 01, 2019 - July 24, 2019

Germantown School District
N104 W13840 Donges Bay Road
Germantown, WI 53022

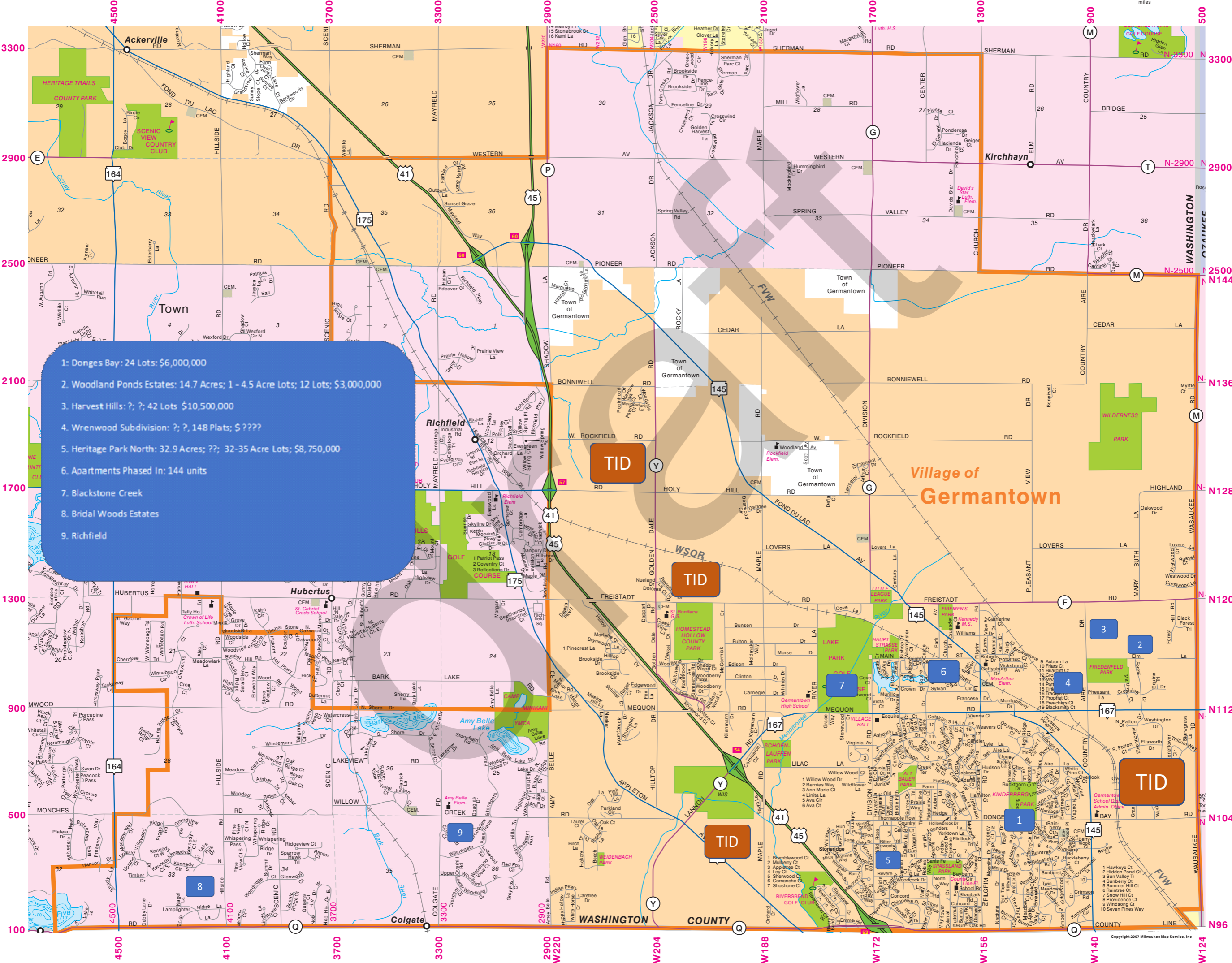
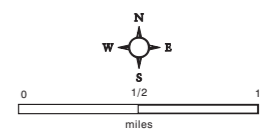
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CGERSD03 - 2016 Referendum

Transaction Type	Settlement Date	Amount	Balance
Beginning Balance	07/01/2019		\$ 5,461,845.12
Withdrawal	07/12/2019	-\$ 102,624.34	\$ 5,359,220.78
Ending Balance	07/24/2019		\$ 5,359,220.78

GERMANTOWN SCHOOL DISTRICT



- 1: Donges Bay: 24 Lots; \$6,000,000
- 2: Woodland Ponds Estates: 14.7 Acres; 1 - 4.5 Acre Lots; 12 Lots; \$3,000,000
- 3: Harvest Hills: ?; ?; 42 Lots \$10,500,000
- 4: Wrenwood Subdivision: ?; ?; 148 Plats; \$????
- 5: Heritage Park North: 32.9 Acres; ??; 32-35 Acre Lots; \$8,750,000
- 6: Apartments Phased In: 144 units
- 7: Blackstone Creek
- 8: Bridal Woods Estates
- 9: Richfield

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ENROLLMENT REPORT (Revised 7/10/19) (Ric Edit)

Design Capacity

AMY BELLE (101)	EC	K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Totals	Total with EC	Student/Staff Ratio
2017-18		46	68	65	85	66	79	409		
Tracks & Pupil Count		15/15/16	22/23/23	21/22/22	21/21/21/22	21/22/23	26/26/27	18		
Staff		3	3	3	4	3	4	20		20.5
2018-19		61	55	74	66	85	66	407		
Tracks & Pupil Count		20/20/21	17/18/18	18/18/18/19	21/22/22	21/21/21/22	22/22/23	18		
Staff		3	3	4	3	4	3	20		20.4
2019-20		71	62	56	76	67	89	421		
Tracks & Pupil Count		24/24/23	21/21/20	19/19/18	19/19/19/19	22/22/23	22/22/22/23	18		
Staff		3	3	3	4	3	4	20		21.1

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COUNTY LINE (102)	EC	K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Totals	Total with EC	Student/Staff Ratio
2017-18		62	83	71	90	76	71	453		
Tracks & Pupil Count		19/21/22	20/21/21/21	23/24/24	22/22/23/23	25/25/26	23/24/24	18		
Staff		3	4	3	4	3	3	20		22.7
2018-19		64	68	85	80	90	77	464		
Tracks & Pupil Count		21/21/21	23/23/22	21/21/21/22	21/20/20/20	22/22/22/23	25/26/26	18		
Staff		3	3	4	4	4	3	21		22.1
2019-20		62	64	66	84	85	88	449		
Tracks & Pupil Count		21/21/20	22/21/21	16/16/17/17	21/21/21/21	21/21/21/22	22/22/22/22	18		
Staff		3	3	4	4	4	4	22		20.4

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MAC ARTHUR (103)	EC	K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Totals	Total with EC	Student/Staff Ratio
2017-18		64	41	67	68	56	68	364		
Tracks & Pupil Count		20/21/23	21/20	22/22/23	23/22/23	19/19/18	21/23/24	18		
Staff		3	2	3	3	3	3	17		21.4
2018-19		71	68	50	71	70	58	388		
Tracks & Pupil Count		17/17/17/16	22/22/22	16/16/17	23/23/24	23/24/24	20/20/20	18		
Staff		4	3	3	3	3	3	19		20.4
2019-20		60	71	68	50	72	70	391		
Tracks & Pupil Count		20/20/20	17/18/18/18	22/23/23	16/17/17	24/24/24	23/23/24	18		
Staff		3	4	3	3	3	3	19		20.6

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ROCKFIELD (104)	EC	K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Totals	Total with EC	Student/Staff Ratio (no EC)
2017-18	21	55	65	46	58	52	71	347	368	
Tracks & Pupil Count		19/18/18	21/22/22	23/23	19/19/20	26/26	23/24/24	17	0	
Staff		3	3	2	3	2	3	16	16	21.7
2018-19	24	55	60	60	45	57	49	326	350	
Tracks & Pupil Count		19/19/19	19/20/20	20/21/21	22/23	20/20/20	25/25	17	0	
Staff		3	3	3	2	3	2	16	16	20.4
2019-20	35	48	56	62	59	48	65	338	373	
Tracks & Pupil Count		16/16/16	18/19/19	20/21/21	19/20/20	24/24	21/22/22	17	0	
Staff		3	3	3	3	2	3	17	17	19.9

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ELEMENTARY TOTALS	EC	K	GRADE 1	GRADE 2	GRADE 3	GRADE 4	GRADE 5	TOTAL	Total with EC	Staff with EC
2017-18	21	227	257	249	301	250	289	1573	1594	73
2018-19	24	251	251	269	262	302	250	1585	1609	76
2019-20	35	241	253	252	269	272	312	1599	1634	78

ENROLLMENT REPORT (Revised 7/10/19) (Ric Edit)

KMS (301)	Grade 6	Grade 7	Grade 8	KMS TOTAL	GHS (401)	Grade 9	Grade 10	Grade 11	Grade 12	GHS TOTAL
2017-18	304	318	277	899	2017-18	357	328	342	329	1356
Staff	12	11	12	35						
Mathematical Ratio	25.3	28.9	23.1	25.7						
2018-19	301	311	324	936	2018-19	309	347	323	332	1311
Staff	12	11	12	35						
Mathematical Ratio	25.1	28.3	27.0	26.7						
2019-20	262	306	315	883	2019-20	360	310	348	336	1354
Staff	12	11	12	35						
Mathematical Ratio	21.8	27.8	26.3	25.2						

DISTRICT ENROLLMENT TOTALS Without EC

2017-18	3828
2018-19	3832
2019-20	3836
2020-21 Projections	
2021-22 Projections	
2022-23 Projections	

Projections	EC	K	GRADE 1	GRADE 2	GRADE 3	GRADE 4	GRADE 5	TOTAL	Total Incl. EC
2020-21 Projections									
2021-22 Projections									
2022-23 Projections									

Projections	GRADE 6	GRADE 7	GRADE 8	Total	GRADE 9	GRADE 10	GRADE 11	GRADE 12	Total
2020-21 Projections									
2021-22 Projections									
2022-23 Projections									