

**GERMANTOWN SCHOOL DISTRICT**

**Notice of Finance Committee Meeting**

September 30, 2019

**6:00-6:50 P.M.**

**Germantown School District Administration Building**

Performing Arts Center  
Germantown High School  
W180 N11501 River Lane  
Germantown, WI 53022

**AGENDA**

- I. Meeting Called to Order**
- II. Roll Call**
- III. Agenda Revisions and Approval**
- IV. Approve Minutes**
  - A. August 26, 2019 Meeting Date
- V. Consent - Review & Discuss**
  - A. September Vouchers
- VI. Unfinished Business – Discussion with Appropriate Action**
  - A. Energy Report and Rebate
- VII. New Business – Discussion with Appropriate Action**
  - A. Monthly Purchase Requests Exceeding \$15,000 & Purchasing/Project Bid Results
  - B. GASB 84
- VIII. Reports**
  - A. Voucher(s) Follow Up
  - B. Monthly Financial Reports
  - C. General Reports
- 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: **August 26, 2019 Meeting Date**

**ATTACHEMENTS:** See next page(s).

**RECOMMENDATION:** Approved as presented.

**GERMANTOWN SCHOOL DISTRICT**  
**Minutes of the Finance Committee Meeting**  
**August 26, 2019**

1. The meeting of the Finance Committee was called to order by Michael Loth at 6:00 p.m. in the District Offices Board Room.
2. Finance Committee Members Present: Michael Loth, Tom Barney and Ray Borden. Board President Bob Soderberg, Board Vice President Sarah Larson, Director of Business Ric Ericksen and Superintendent of Schools Jeff Holmes were also present.
3. Motion by Barney, second by Borden to approve the agenda. Motion carried.
4. Motion by Borden, second by Barney to approve the July 29, 2019 Finance Committee minutes. Motion carried.
5. Motion by Barney, second by Borden to approve August 2019 vouchers. Motion carried.
6. Director of Business Ric Ericksen updated the committee on the school breakfast program and indicated that it was decided to continue breakfast for 2019-2020 at MacArthur, Kennedy, and Germantown High School until a review of the impact of the new high school lunch/commons has taken place.
7. Motion by Barney, second by Borden to forward to the Board with a positive recommendation, awarding the 2019-2020 paper bid/purchase to Veritiv/Unisource in an amount not to exceed \$24,730.80, charged to the appropriate accounts across the entire district budget. Motion carried.
8. Ric Ericksen updated the committee on upcoming final payments for CD Smith and Plunkett Raysich Architects and the need for scheduled walk-throughs with the Board before payment. No action was needed at this time.
9. The committee reviewed the American Deposit Management activity statement and an accumulated interest statement prepared by ADM.
10. Ric Ericksen also discussed 2019-2020 cash flow requirements and indicated the budget line amount has been increased from \$5 million to \$6 million.
11. Motion by Barney, second by Borden to adjourn. Motion carried.
12. The Finance Committee adjourned at 6:54 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. – Energy Report and Rebate

Time constraints at the last Building Committee meeting required this item be deferred to the next board meeting and as a practical matter we are placing it on the Finance Committee agenda, especially given

### **Rebate**

From Director of Buildings & Ground Mr. Don Erickson:

The district will be receiving approximately \$60,000 rebate incentives from Focus on Energy for equipment purchases-energy measures taken at Germantown High School.

Below is a repeat of the Building Committee background information relative to the Trane Energy Report:

Trane Officials will be present to explain the attached report and may introduce other charts and graphs.

In addition, I have attached an extract of a page contained in the annual citizen mailing relative to the required reporting for the Energy Exemption. I will provide a verbal explanation.

**ATTACHMENT(S):** Trane Reports

**RECOMMENDATION:** None



TABLE 1.1 – YEAR 2 ENERGY COST AVOIDANCE SAVINGS

UTILITY	GUARANTEED ENERGY SAVINGS	VERIFIED ENERGY SAVINGS
Electric Energy (kWh)	784,218	910,995
Electric Kw	1,263	1,208.5
<u>Therms Natural Gas</u>	56,627	49,526
<b>Utility Cost Avoidance (\$)</b>	<b>\$137,265</b>	<b>\$137,583</b>

YEAR 3 GUARANTEED ENERGY SAVINGS TARGET \$141,383

Germantown School District

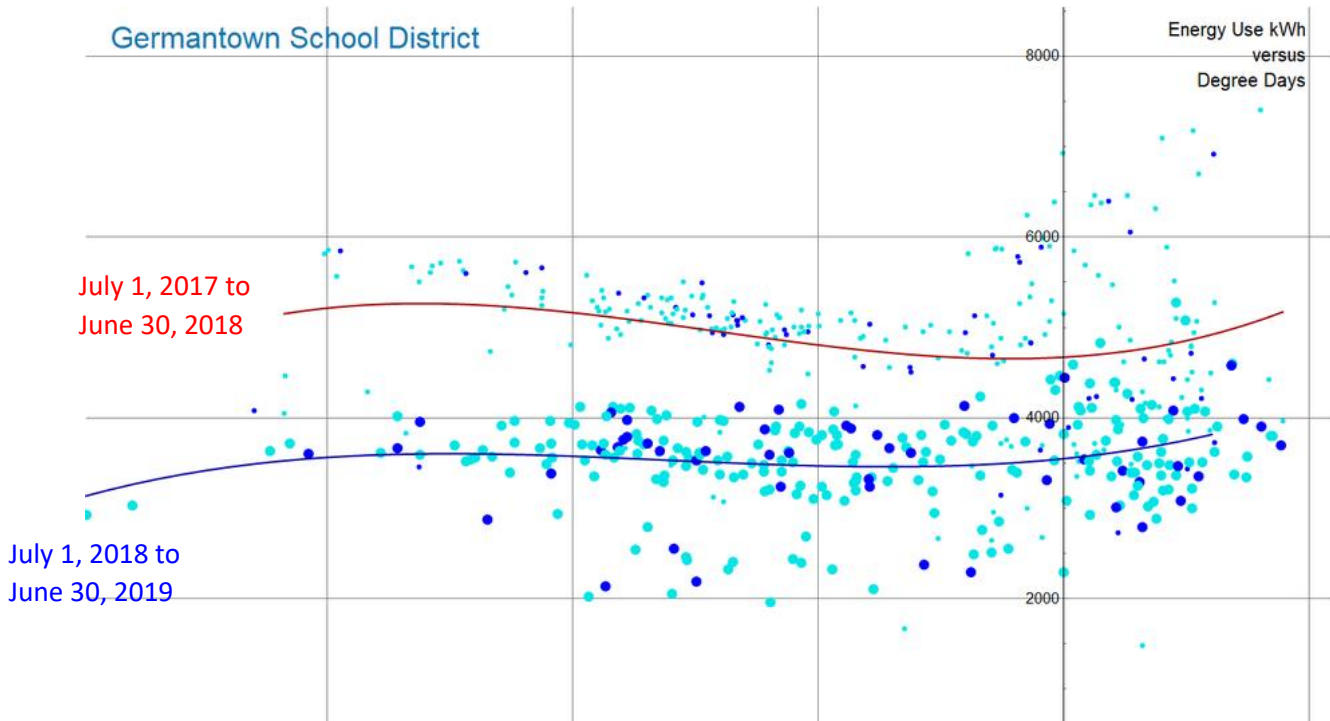
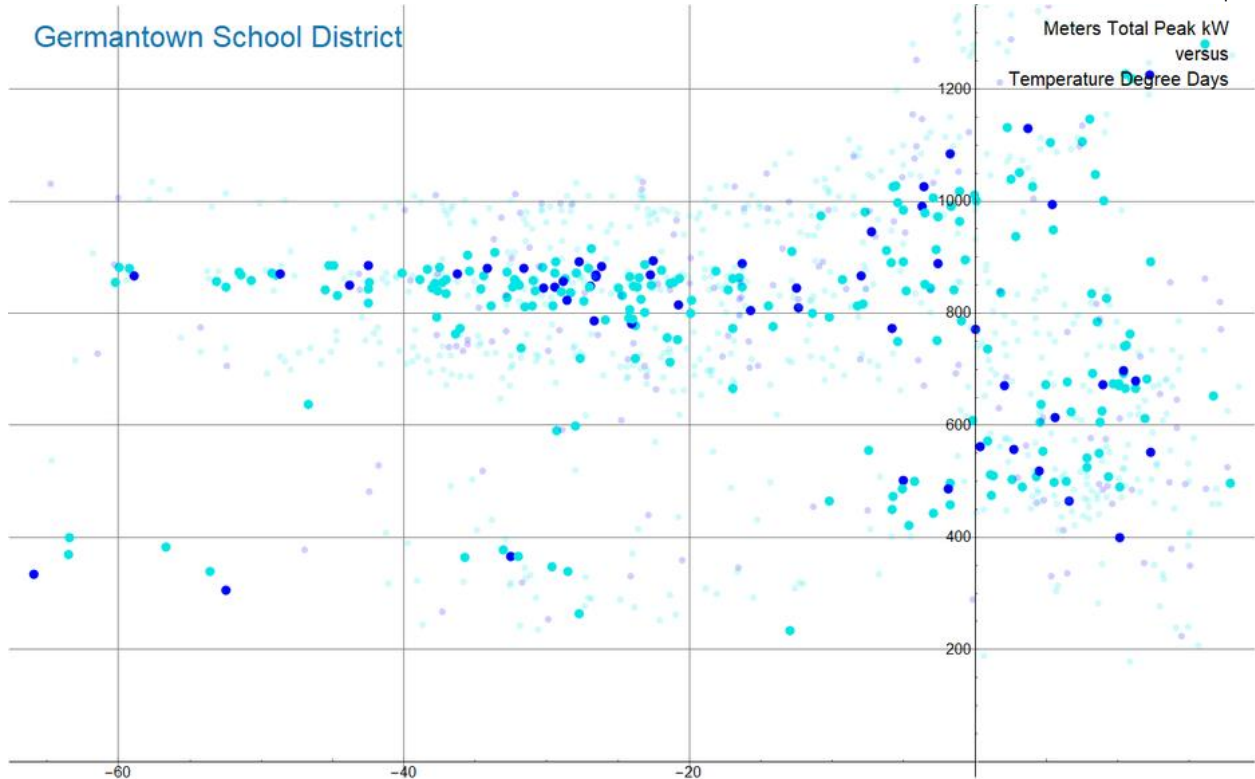
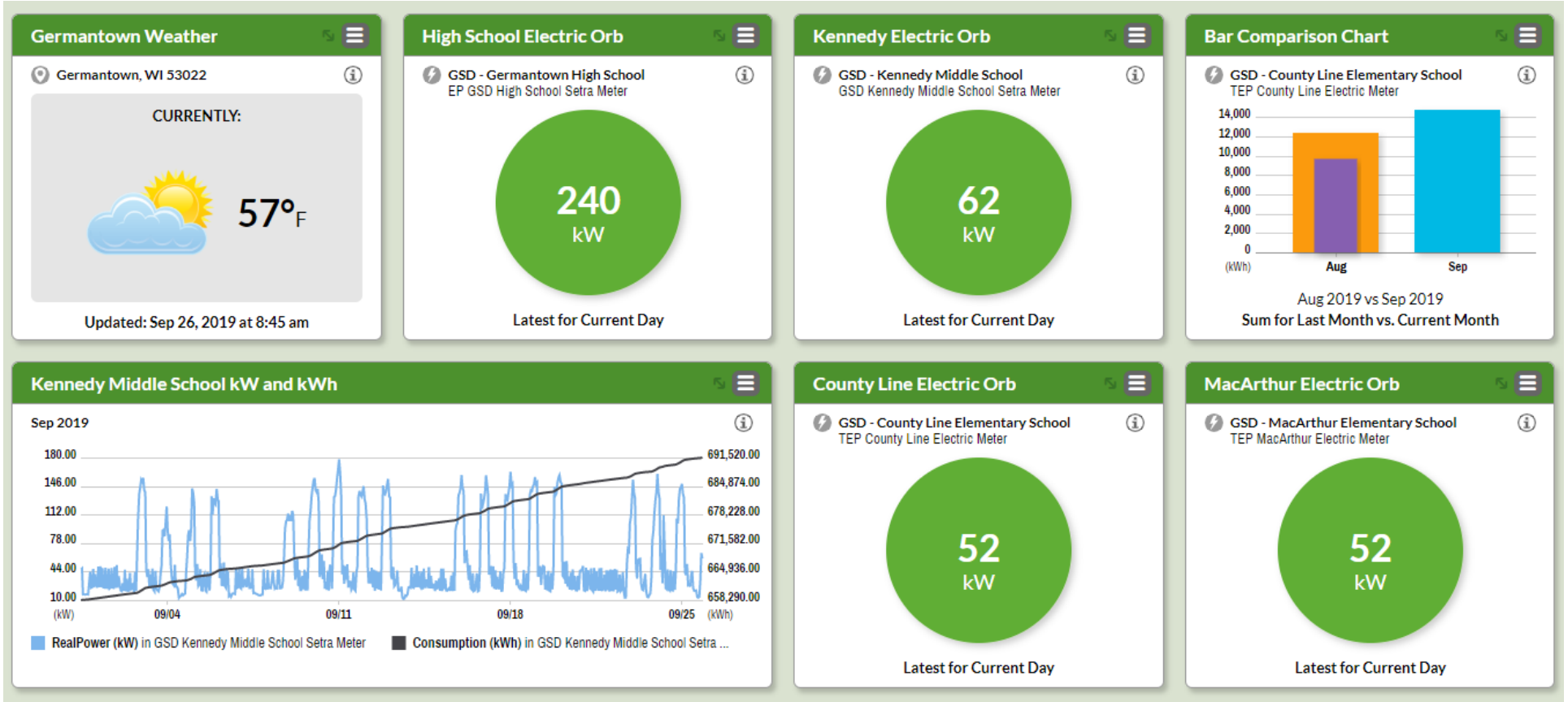


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## Treasurer’s Report of the General Fund

	<u>Budgeted 2018/2019</u>	<u>Audited 2018/2019</u>	<u>Adopted 2019/2020</u>
<b>Sources of Revenue</b>			
Beginning Fund Balance	\$ 9,293,798	\$ 9,293,798	\$ 6,604,122
Total General Fund Revenue	<u>45,448,113</u>	<u>45,705,960</u>	<u>47,071,391</u>
<b>Total of Sources</b>	<b><u>\$ 54,741,911</u></b>	<b><u>\$ 54,999,758</u></b>	<b><u>\$ 53,675,513</u></b>
<b>Uses of Revenue</b>			
Ending Fund Balance	\$ 6,747,622	\$ 6,604,122	\$ 4,820,802
Total General Fund Expenditures	<u>47,994,289</u>	<u>48,395,636</u>	<u>48,854,711</u>
<b>Total of Uses</b>	<b><u>\$ 54,741,911</u></b>	<b><u>\$ 54,999,758</u></b>	<b><u>\$ 53,675,513</u></b>

## Financial: \$7.0 Million Energy Exemption/Investment Statement

**ENERGY EFFICIENCY EXEMPTION**

§ 121.91 (4) (o) Revenue Limit Exemption for Energy Efficiencies-Evaluation of the Energy Performance Indicators			
Name of Qualified Contractor	Trane U.S. Inc.		
Performance Contract Length - <i>"up to 10 years"</i>			10
Total Project Cost (including financing)			\$ 8,303,363
Total Project Payback Period (In Years)			18.3
Years of Debt Payments / Years Remaining Debt Payments			10 / 6
Remaining Useful Life of the Facility (In Years)			47
Prior Year Resolution Expense Amount (To Adjust Project or Debt)	Fiscal Year	none	none
Prior Year Related CY (Calendar Year) Debt Levy	Fiscal Year	2018	\$ 797,970
Utility Savings applied in Prior Year to Debt	Fiscal Year	2018	\$ 141,383
Sum of reported Utility Savings to be applied to Debt	Accumulated	2016,2017,2018	\$ 411,915
<b>Anticipated Savings for 2019</b>			
<b>Specific Energy Efficiency Measure or Products</b>	<b>Project Cost Including Financing</b>	<b>Utility Cost Savings</b>	<b>Non-Utility Cost Sav- ings</b>
Calendar Year 2019	\$ 8,303,363	\$ 145,625	\$ 383,379
<b>Energy Efficiency Project/Investment Totals Since Inception</b>			
<b>Measurement Period of 4 Years</b>	\$ 8,303,363	\$ 557,540	\$ 1,467,812

**GERMANTOWN SCHOOL DISTRICT**

**TO:** Board of Education

**TOPIC:** Purchases Over \$15,000

**FROM:** Ric Ericksen

**BOARD MEETING:**

**DATE:**

**AGENDA ITEM:**

**FC Date:**

**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. --

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**NONE**

## GERMANTOWN SCHOOL DISTRICT

**TO:** Finance Committee

**FROM:** Ric Ericksen, Director of Business & Auxiliary Services

**AGENDA ITEM:** VII.B. – GASB 84 (Governmental Accounting Standards Board)

This topic is being introduced to give the Finance Committee and may or may not come back for further review.

Fund 21 is entitled Special Revenue Trust Fund. The district utilizes this fund heavily to report gifts and donations.

Fund 60 is entitled Student Activities Fund. District officials has given a lot of attention on the compliance side over the last 10 years to this fund.

A response from the district auditor/partner Wendi Unger as to a quick-simplified explanation of its definition:

The kicker to all of this is that unless you can prove that the district has no administration involvement in the various student activities then they can not be fund 60 and shown as trust funds – because they really are not.

Although the standard is new the thought around fund 60 and what should and should not be there is not.

The cyber chatter in my association is robust. It seems that Germantown School District is handling things perfectly. But my concern is that some district, either intentionally or unwittingly, will move revenues and expenses to the general fund causes minor changes in state aid. In other words, Germantown could be a loser.

This subject is worthwhile keeping an eye on and at some point our auditor/partner Wendi Unger from Baker Tilly should provide some guidance.

The GASB 84 statement is an excruciating painful 94 pages of reading.

**ATTACHMENT(S):** None

**RECOMMENDATION:** None

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

### **C. General Reports**

#### 1. Construction Warranty Follow Up

At the last FC meeting I brought to the committee attention the subject Final Construction Payment Applications (August 26 agenda item VII. B.)

Chairman Loth directed me to confirm construction warranty/guarantees. Mr. Josh Rooker of CD Smith provided the following statement:

“Construction Warranty per the contract documents is 1 year from substantial completion for each school or area turned over to the district. If there are issues that arrive after those date, we will most likely take care of free of charge for an additional 1 year if these are determined to be constructability issues vs user wear or damage.”

I did review AIA document A133 – 2009 (the agreement with CD Smith) signed by the Board of Education at the project onset. After a fairly extensive review, my sense is that it would not be appropriate for me to make an assertion on this subject inasmuch as it is a comprehensive legal instrument and the district would be best served with legal comment.

### 3. MacArthur Elementary Fire Damage

Update for the FC and Board of Education. The following came:

Just a heads up regarding the fire damage project at MacArthur Elementary.

- Your insurance carrier is issuing a check to the district for \$11,448.75.
- The district's deductible (your responsibility) is 25K.
- Our invoice was \$36,448.75.

Regards,  
Dave Schultz  
Environmental Services Manager  
Kelmann Restoration

### 4. Baker Tilly Municipal Advisors, LLC

Update for Finance Committee. I have scheduled officials from Baker Tilly to attend the November 25 meeting to provide the Committee with any sort of debt structure analysis and/or restructuring analysis, etc.

In August I met with their team and provided the debt background in this regards. It is important for the Finance Committee to hear from Baker Tilly as our advisors. I will keep this on the agenda as a placeholder.

### 5. Tax Rate Analysis: \$84 million Referendum

I will have a power point slide available for the annual meeting should this topic come up.

I have had a two conversations with citizens over the summer regarding the tax impact relative to the \$84 million bonds. It was hard to ascertain during these conversations whether or not there was a lot of misinformation in the community. For example, someone asked will their property tax stack each year because of the debt levy. In addition, it was reported to me that chatter on facebook is our new/remodeled buildings as a cause to assessments to going up. I do not know how that is even possible.

Regardless, it is worthwhile to review.

Please see attached.

**Germantown School District Account Summary**  
CGERSD03 – 2016 Referendum  
9/25/2019

**Deposit Activity**

**Total Credits - \$ 0.00**

**Withdrawal Activity**

9/25/2019

Vendor Payment to CD Smith in the amount \$1,229,036.43

**Total Debits - \$ 1,229,036.43**

**Investment Activity**

Bond proceeds are currently spread across **1** financial institution:

City National Bank of Florida


**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.

September 25, 2019

Account Activity:  
September 01, 2019 - September 25, 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](http://www.americandeposits.com)
- Questions on products & services:  
[info@americandeposits.com](mailto:info@americandeposits.com)
- Mail correspondence to:  
W220 N3451 Springdale Road  
Pewaukee, WI 53072

## CGERSD03 - 2016 Referendum

Transaction Type	Settlement Date	Amount	Balance
Beginning Balance	09/01/2019		\$ 1,281,123.55
APS Vendor Payment CD SMITH	09/25/2019	-\$ 1,229,036.43	\$ 52,087.12
Ending Balance	09/25/2019		\$ 52,087.12

# the American Deposit Management C<sup>o</sup>

## ACCOUNT SUMMARY

Germantown School District  
2016 Referendum  
Summary as of 8/31/2019



## QUESTIONS?

Give us a call

**800.407.5150**

or send us a message

**INFO@AMERICANDEPOSITS.COM**

American Deposit Management, LLC (ADM) is a municipal advisor registered with the Municipal Securities Rulemaking Board (MSRB). #K0353. Registration with the MSRB does not imply a particular level of skill or training. No information contained herein should be considered investment advice on behalf of ADM or its registered municipal advisor professionals. Past performance is not indicative of future results.

## Interest Earned Project to Date

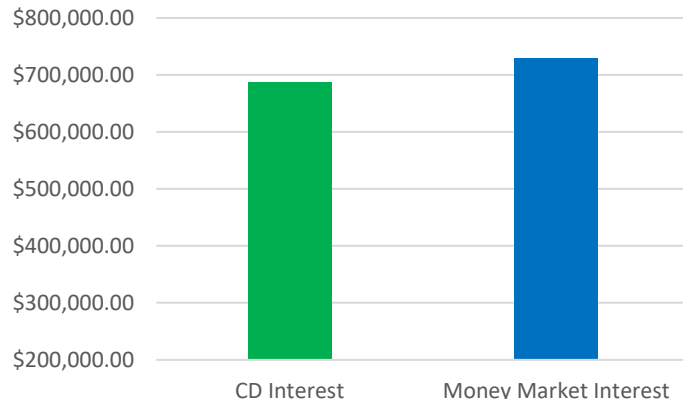
\$1,416,190.37

## Account Balance as of 8/31/2019

\$1,281,123.55

## Interest Earnings by Investment

Project to Date



## Investment Activity

Bond proceeds are current spread across **9** financial institutions:

- |                               |                            |
|-------------------------------|----------------------------|
| City National Bank of Florida | Prime Alliance Bank        |
| Coulee Bank                   | Riverland Bank             |
| NexBank, SSB                  | Studio Bank                |
| Pinnacle Bank (TN)            | Union Bank & Trust Company |
| PNC Bank, NA                  |                            |

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<b>Tax Rate Analysis: \$84 million Referendum</b>
<b>September 30, 2019 Finance Committee Meeting</b>

**General Points**

- 1) Remember, that the tax levy is considered an "Irrevocable or Binding Levy". It can never be voted down.
- 2) Referendum passed November 2016
- 3) Published information estimated that the tax impact would be about \$260 per year on the average home with a value of \$250,000 beginning 2017
- 4) The tax requirement ends in 2036
- 5) State law requires disclosure on individual's property tax bill beginning 2016 relative to referendum debt and its levy impact AND NOTE: this amount shown on the tax bill, if for example you live in the V. of Germantown, is the V. of Germatown portion of the Total Required Levy shown below. Thus, all figures shown are on an equalized basis.

<u>Current Impact Analysis</u>	<u>Total Required Levy</u>	<u>Tax Rate</u>	<u>Tax Impact on \$250,000 Home</u>
2016 Property Tax Bill	N/A	<i>No Impact</i>	<i>No Impact</i>
2017 Property Tax Bill	\$ 1,500,000.00	\$ 0.45	\$ 111.71
2018 Property Tax Bill	\$ 2,607,196.00	\$ 0.74	\$ 185.67
2019 Property Tax Bill (Estimate)	\$ 4,438,309.00	\$ 1.24	<u>\$ 309.88</u>
		3 Year accumulated	\$ 607.27
		<i>3 Year average</i>	\$ 202.42
		3 Year Estimated (\$260*3)	\$ 780.00