

**GERMANTOWN SCHOOL DISTRICT**

**Notice of Finance Committee Meeting**

October 22, 2018

**6:00 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. September 24, 2018 Meeting Date

**V. Consent - Review & Discuss**

A. October Vouchers

**VI. Unfinished Business – Discussion with Appropriate Action**

A. Final 2018/2019 Budget & Tax Levy

B. 2018/2019 Cash Flow Review

**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 Financial Updates & Other 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: **September 24, 2018 Meeting Date**

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

**RECOMMENDATION:** Approved as presented.

**GERMANTOWN SCHOOL DISTRICT**  
**Minutes of the Finance Committee Meeting**  
**September 24, 2018**

1. The meeting of the Finance Committee was called to order by Michael Loth at 6:15 p.m. in the Kennedy Middle School Gold Activity Center.
2. Finance Committee Members Present: Michael Loth, Tom Barney, and Ray Borden. Board President Bob Soderberg, 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 August 27, 2018 Finance Committee minutes. Motion carried.
5. Motion by Borden, second by Barney to approve payment of claims of vouchers for September 2018. Motion carried.
6. Ric Ericksen provided information regarding email archiving and retention and alternatives to GWAVA and indicated this will be brought to Finance Committee and the Board in October.
7. Motion by Barney, second by Borden to direct the business manager to pay the remaining balance of the Watertech cutting system for the high school tech ed department. Motion carried.
8. The committee discussed student activity and club start-ups and yearly renewals with Activities Director Sarah Unertl and reviewed policy and administrative guidelines as well as a proposed new template. Corrections were noted for AG5830 item J to remove double negative wording.
9. The Finance Committee reviewed cash flow information. Ric Ericksen indicated a two to three million shortage might lead to short term borrowing. Debt fund or district accounts will not be used for the short fall.
10. Ric Ericksen informed the committee that all financial reports are posted on the Finance Committee web link. The committee requested that Ric Ericksen provide all findings from the 2017-2018 audit.
11. The committee reviewed the American Deposit Management monthly activity report.
12. Motion by Barney, second by Borden to adjourn. Motion carried.
13. The Finance Committee adjourned at 6:48 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)**

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:** Board of Education                      **TOPIC:** Final 2018-2019 Budget & Levy  
**FROM:** Ric Ericksen                      **BOARD MEETING:** October 22, 2018  
**DATE:** October 17, 2018                      **AGENDA ITEM:**

**FC Date:** October 22, 2018  
**FC Agenda Item(s):** VI. A. – Final 2018/2019 Budget & Tax Levy

### **Recommendation to the Board of Education:**

Bring forward to the Board of Education with a positive recommendation to approve the 2018/2019 Final Budget and Tax Levy as presented in the Executive Summary and adjust the accounts as appropriate on the report identified as the Adoption Format for final submission to the Department of Public Instruction as required and certify the tax levies to the municipalities accordingly.

### **Highlights at a Glance (as it relates to figures presented at the annual meeting)**

- In the next 3 months, the Board of Education should consider exercising its authority to issue an additional \$1.0 million in debt to cover maintenance investments field repairs, concrete work, asphaltting, and roofing. The authority was received during the Amy Belle \$3.970 million bonding process.
- Less state aid than originally budgeted will be received in the amount of \$5,669.
- A new aid category was established under the title “Exempt Personal Property” and is included in this final budget. The additional-new amount is \$187,732.
- Due to a number of factors, including a change in the state imposed revenue control formula, the tax levy will decrease by about \$100,202.
- The equalized value is greater than projected by 1.32%.
- The tax impact on the average home of \$250,000 will be less by about \$37 compared to the previous estimate.

### **Annual Meeting**

At the annual meeting the voters approved all resolutions with respect to the tax levy.

### **Revenue Controls**

The state imposed revenue control formula has been reworked based on the 3<sup>rd</sup> Friday pupil count and resulted in a greater overall limit authority than was presented at the annual meeting by \$162,006.

### **Revenue and Expenditure Accounts**

Additional details are shown in the Executive Summary.

**ATTACHEMENT(S):** Executive Summary

**NOTE:** Due to formatting the October certified Revenue Control and State Aid worksheets will be only be posted at the Finance Committee district web links, along with an updated Budget Detail and Budget Adoption report. *In other words, each is best viewed on line.*

EXECUTIVE SUMMARY FOR FINAL BUDGET ADOPTION:  
COMPARES "OCTOBER FINAL PROPOSED" TO ANNUAL MEETING FIGURES

October 22, 2018 Finance Committee and Board of Education Meetings

FINAL BUDGET INFORMATION: REVENUE AND EXPENDITURES ADJUSTMENTS - GENERAL FUND ONLY - HIGHLIGHTS

	Presented at the September 24, 2018 Annual Meeting for the 2018/2019 Fiscal Year	October Final Proposed Budget for the 2018/2019 Fiscal Year	DELTA from Annual Mtg	Comments:  <i>The notes below compare annual meeting to this final October draft, as opposed to comparing to the prior year.</i>
Revenue Categories relative to State Imposed Formula				
Tax/General Aid Adjustment based on State Imposed Formula	-\$81,083	\$80,923	\$162,006	<i>The dollar increase is due to: 1) increase in Sept 3rd Friday pupil count over projection; 2) changes in the non-recurring exemptions: open enrollment, private vouchers; private special education vouchers.</i>
Property Tax: <i>Account 211</i>	\$29,298,523	\$29,198,321	-\$100,202	<i>Down due to state imposed revenue variables, i.e. recategorizing Computer Aid</i>
State Equalized Aid: <i>Accounts 616/621</i>	\$10,094,159	\$10,088,490	-\$5,669	<i>Insignificant change. Reminder the aid loss from the previous year is <b>-\$1,774,743</b>.</i>
Computer Aid & New Personal Property Exemptions: <i>Account 691</i>	\$131,976	\$319,708	\$187,732	<i>New category item and state imposed revenue formula adjustment.</i>
Revenue General Categories				
Property Tax Charge Backs, Student Fees & Misc: <i>Accounts 212/292/291</i>	\$583,000	\$644,103	\$61,103	<i>Adjusted tax chargebacks to actual, increased fees due to GHS parking expansion.</i>
Open Enrollment (Aid In): <i>Account 345</i>	\$734,208	\$572,102	-\$162,106	<i>Less students coming in than original estimate. Original figure was aggressive.</i>
Sale of Property: <i>Account 860</i>	\$0	\$0	\$0	<i>Only showing as a reminder.</i>
Expenditures				
Open Enrollment (Aid Out): <i>Account 382.435000</i>	\$839,324	\$729,498	-\$109,826	<i>Less students leaving that original estimate.</i>
Interest on Short Term Borrowing: <i>Account 682</i>	\$0	\$20,000	\$20,000	<i>Per previous FC discussions.</i>
Maintenance Repair Budget: <i>Account 324.254000</i>	\$400,000	\$460,000	\$60,000	<i>Originally reduced over prior year, very concerned about project needs.</i>
Employee Compensation: <i>Accounts 100.200</i>	\$29,817,502	\$29,885,514	\$68,012	<i>Adjustments for Dean of Students, 2 second grade teachers, health room aids, salary increase reduced to 2.0%, LTD reduced to 0%, life increased by 11.1%.</i>
Fund Balance Impact: Projected Surplus	\$40,118	\$18,124	-\$21,994	<i>Cause and effect of items above factored in. Please see page 1, line 6 for further information relative to the Board's commitment for the use of the General Fund Balance.</i>

TAX INFORMATION

	Presented at the September 24, 2018 Annual Meeting for the 2018/2019 Fiscal Year	October Final Proposed Tax Levy for the 2018/2019 Fiscal Year	DELTA from Annual Mtg	
Equalized Value	\$3,465,978,606	\$3,510,442,202	\$44,463,596	<b>✓ October Certification by the Department of Revenue.</b>
<i>Percent Change over prior year</i>	<b>3.25%</b>	<b>4.57%</b>	<b>1.32%</b>	
Tax Levy Total	\$32,792,660	\$32,692,458	-\$100,202	<i>Down due to impact of State Imposed Revenue Controls &amp; General Aid Increase as noted in revenue section.</i>
<i>Percent Change over prior year</i>	<b>9.65%</b>	<b>9.32%</b>	<b>-0.33%</b>	
Tax Levy Rate per \$1,000	\$9.46	\$9.31	-\$0.15	
Tax on Home with \$250,000 Market/Equalized Value	\$2,365.32	\$2,328.23	-\$37.09	
<i>Percent Change over prior year</i>	<b>6.20%</b>	<b>4.53%</b>	<b>-1.67%</b>	
Three Year Average on Equalized Rate	<b>1.23%</b>	<b>0.67%</b>	<b>-0.56%</b>	

## **GERMANTOWN SCHOOL DISTRICT**

**TO:** Finance Committee

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

**AGENDA ITEM:** VI.B. – 2018/2019 Cash Flow Review

### **Current Update**

Everything that was reported previously still stands, except that I added \$20,000 to the final budget for interest expenses.

I will be meeting with Chase Bank officials on October 31<sup>st</sup> to discuss line-of-credit options.

### **Below was reported previously**

A review of our cash flow needs reveals a possible short fall \$2.0 - \$3.0 million. This could occur as early as mid-November.

I will likely bring a more comprehensive analysis to the October 22, 2018 Finance Committee meeting.

Strategies include the issuance of TRANS (tax & revenue anticipation notes) and bank line-of-credit or short-term loan.

Strategies that may not be considered. Using funds available in the debt or construction funds (bank accounts).

The preliminary adopted budget does not include a budgeted amount in the category of short term interest expense.

**ATTACHMENT(S):** None.

**RECOMMENDATION:** None.

## GERMANTOWN SCHOOL DISTRICT

**TO:** Board of Education

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

**FROM:** Ric Ericksen

**BOARD MEETING:** October 22,  
2018

**DATE:** October 18, 2018

**AGENDA ITEM:** XXXX

**FC Date:** October 22, 2018

**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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**\$17,607.00:**

**Buildings & Grounds: Germantown High School Door Replacement**

**Recommendation to the Board of Education and Finance Committee:**

Bring forward to the Board of Education with a positive recommendation to purchase and replace the door frame, hardware and doors with Milwaukee Plate Glass for \$17,607 and fund using the appropriate accounts in the General Fund 10 maintenance budget.

**Background:**

The doors #33 on the east side of Germantown High School are in need of replacement. The left door has been adjusted several times and no longer closes properly creating a safety and security issue. Most of the hardware on the doors has been problematic as well. Door stops have been ripped out of the top of the doors and re-attached several times over the life of the doors.

Quotes were requested to replace the door frame, hardware and doors at entrance #33. LaForce declined to quote after looking at the doors. Milwaukee Plate Glass quoted \$17,607 and Klein Dickert for \$19,200.



**\$49,674.00: Buildings & Grounds: DOJ Grant Window Safety Film**

**Recommendation to the Board of Education and Finance Committee:**

Bring forward to the Board of Education with a positive recommendation to move forward with Midwest Glass Tinters and the 3M S800 installation as presented below and fund using the appropriate accounts in the General Fund 10 funded by the Department of Justice Safety Grant.

**Background:**

As discussed at the October 8th Building Committee meeting, the approved grant for the window safety film is \$51,164. Quotes have been provided by through the Cesa 2 program, Midwest Glass Tinters and Shade Tree Window Tinting. Cesa 2 has multiple vendors to pick from will install the safety film for \$15.00 per square foot. Midwest Glass Tinters have matched the \$15.00 per square foot for \$49,674 estimated total price using the 3M S600 which will be upgraded to the 3M S800 if the work starts in December. The cost includes caulking to adhere the film to the window frame providing a stronger hold. Shade Tree Window Tinting has provided a quote at \$10.00 per square foot using Johnson Trident film which does not include the caulking cost. The caulking can be added bringing the cost to \$15.00 per square foot. The recommendation is to move forward with Midwest Glass Tinters and the 3M S800 product.

## **Reporting below as an FYI**

Mr. Gabrysiak wanted to report on a purchase that is below the \$15,000 threshold.

From Marc:

### Email Retention Information 2018

This is presented as an informational item as it was brought to the board's attention in the September 24, 2018 board background. Our current email retention product, Gwava Retain is up for renewal this month. If the board will remember, I talked last year at this time about looking at different options based on the fact that the costs for Retain have been increasing significantly, and that they no longer offer a discount for doing a multi-year renewal. I looked at three different options, Retain being one. The others were Barracuda, and Mimecast. Mimecast came in at the lowest cost, and is my selection to move forward with as our retention product. I've included the bids received, so the board is aware of the costs involved. The Mimecast bid is \$14,712, which is a savings of \$6010.34 over what the renewal of Retain would have been.

Email archiving is an absolute necessity in doing business in the public sector for a multitude of reasons. I am confident that Mimecast will be able to provide the security and features that the district needs going forward for its archiving needs. If anyone has any questions, please feel free to let me know. Thank you.

<b><u>Vendor</u></b>	<b><u>Cost</u></b>	<b><u>Rank</u></b>
Barracuda	18,502.74	2
Gwava (Retain)	20,722.34	3
Mimecast	14,212.00	1

## **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 will be updated and posted to the FC web link after the Board finalizes the October budget.
2. American Deposit Management (ADM) – Monthly Activity Report
  - The monthly earnings statement is attached.

**C. General Financial Reports**

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**AGENDA ITEM: IX. Adjourn**

## Germantown School District Account Summary

CGERSD03 – 2016 Referendum

10/17/2018

### Deposit Activity

10/01/2018	CD Interest Earned, Westbury Bank - \$5,917.80
10/01/2018	CD Interest Earned, Westbury Bank - \$8,424.65
10/05/2018	CD Interest Earned, Associated Bank - \$45,875.36

**Total Credits - \$60,217.81**

### Withdrawal Activity

10/03/2018	Withdrawal in the amount of \$211,491.71
10/12/2018	Withdrawal in the amount of \$3,456.50

**Total Debits - \$214,948.21**

### Investment Activity

Bond proceeds are currently spread across **10** financial institutions:

Altra Federal Credit Union	Luther Burbank Savings
Associated Bank, National Association	NexBank, SSB
City National Bank of Florida	Webster Bank, National Association
Coulee Bank	Westbury Bank
Landmark Credit Union	Western Alliance 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.

October 17, 2018

Account Activity:

October 01, 2018 - October 17, 2018

**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	10/01/2018		\$ 25,197,306.59
CD Interest Earned	10/01/2018	\$ 8,424.65	\$ 25,205,731.24
CD Interest Earned	10/01/2018	\$ 5,917.80	\$ 25,211,649.04
Interest Distribution Client	10/01/2018	-\$ 8,424.65	\$ 25,203,224.39
CD Interest Earned	10/01/2018	\$ 8,424.65	\$ 25,211,649.04
Interest Distribution Client	10/01/2018	-\$ 5,917.80	\$ 25,205,731.24
CD Interest Earned	10/01/2018	\$ 5,917.80	\$ 25,211,649.04
Withdrawal	10/03/2018	-\$ 211,491.71	\$ 25,000,157.33
Interest Distribution Client	10/05/2018	-\$ 45,875.36	\$ 24,954,281.97
CD Interest Earned	10/05/2018	\$ 45,875.36	\$ 25,000,157.33
CD Interest Earned	10/05/2018	\$ 45,875.36	\$ 25,046,032.69
Withdrawal	10/12/2018	-\$ 3,456.50	\$ 25,042,576.19
Ending Balance	10/17/2018		\$ 25,042,576.19