

**GERMANTOWN SCHOOL DISTRICT**

**Notice of Finance Committee Meeting**

January 28, 2019

**6:15 P.M.**

**Rockfield Elementary School (Cafetorium)**

N132 W18473 Rockfield Rd.

Germantown, WI 53022

**AGENDA**

**I. Meeting Called to Order**

**II. Roll Call**

**III. Agenda Revisions and Approval**

**IV. Approve Minutes**

A. December 17, 2018 Meeting Date

**V. Consent - Review & Discuss**

A. January Vouchers

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

A. Other Post-Employment Benefits (OPEB)

B. 2019/2020 Budget

**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: **December 17, 2018 Meeting Date**

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

**RECOMMENDATION:** Approved as presented.

**GERMANTOWN SCHOOL DISTRICT**  
**Minutes of the Finance Committee Meeting**  
**December 17, 2018**

1. The meeting of the Finance Committee was called to order by Michael Loth at 6:21 p.m. in the District Offices board room.
2. Finance Committee Members Present: Michael Loth and Ray Borden. Committee member Tom Barney was absent – excused. Board President Bob Soderberg, Vice President Sarah Larson, Director of Business Ric Ericksen, and Superintendent of Schools Jeff Holmes were also present.
3. Motion by Borden, second by Soderberg to approve the agenda. Motion carried.
4. Motion by Borden, second by Soderberg to approve the November 26, 2018 Finance Committee minutes. Motion carried.
5. Motion by Borden, second by Soderberg to approve payment of vouchers for December 2018. Motion carried.
6. Motion by Borden, second by Soderberg to forward to the Board with a positive recommendation, approval of the purchase and installation of the Daktronics message board for the high school at a cost not to exceed \$47,850, paid out of the Board Contingency Fund. Motion carried.
7. Ric Ericksen discussed the 2019-2020 budget with the committee and reviewed the annual Sussex school district fee survey and the current Germantown fee schedule. A 2019-2020 fee schedule will be brought to the committee and to the Board early in the new year. Jeff Holmes informed the committee that after discussions with the athletic director and other clubs, a pool director is not being recommended at this time.
8. Other reports and updates included the American Deposit Management monthly earnings statement, Other Post-Employment Benefits (OPEB), and line of credit activity, along with updates on Village of Germantown meetings and TID districts. Michael Loth requested the money from the early maturing of TID #4 be used to replenish the General Fund.
9. Motion by Borden, second by Soderberg to adjourn. Motion carried.
10. The Finance Committee adjourned at 6:58 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:** Finance Committee

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

**AGENDA ITEM:** VI.A. – Other Post-Employment Benefits (OPEB)

**Background:**

Linda Mont is a Senior Benefit Consultant/Owner of Key Benefit Concepts. This is the firm that has prepared our actuarial valuations of post-employment benefits over the years. She will be providing an overview of the most recent report. Attached is an abbreviated 2-page summary.

The full report, 27 pages, is complex to read and is posted at the Finance Committee links under separate title.

Also know that the data being reported tonight becomes part of the financial audit report.

**ATTACHMENT(S):** As described above.

**RECOMMENDATION:** No formal action is necessary.

# **Germantown School District**

## Summary of Post-Employment Benefit Valuation Study

### Addressing Liabilities as of June 30, 2017

#### ***Background & Certification***

- Valuation performed by Key Benefit Concepts, LLC in accordance with new Government Accounting Standards Board (GASB) guidelines for Statements 74 and 75 as they pertain to Other Post-Employment Benefits (OPEB).
- The valuations are certified by Steven L. Diess, EA, MAAA.

#### ***OPEB GASB 74/75 Definitions***

- Calculated liabilities based upon benefits earned by actives and retirees.
- Total OPEB Liability (TOL): Present value of benefits earned by actives and retirees up (prior) to the 6/30/2017 valuation date.
- Service Cost (SC): Present value of benefits earned in the valuation year (6/30/2016 to 6/30/2017).
- Net OPEB Liability (NOL): Portion of the AAL that has not been funded. (The District has not established a trust to fund its OPEBs. Thus, the NOL is equal to the District's TOL, which was 11,645,188).
- Actuarially Determined Contribution (ADC): Amount determined by this study as the District's annual cost (annual expense or district obligation). The ADC is comprised of the Service Cost plus an amortized portion of the NOL.

#### ***OPEB Benefit Factors***

- For eligible Administrators, upon retirement, the Administrator, spouse and eligible dependent(s) will be eligible to receive up to 96 months of premium payments by the District for the Hospital/Medical insurance plan, dental insurance plan and vision insurance plan until Medicare/Medicaid eligibility occurs. The plan and the District's premium contribution levels shall be the same plan and premium contribution levels as are made available for current active administrators, including any amendments.
- For eligible Teachers, upon retirement, the teacher will receive health insurance at the same rate as active employees until he/she reaches the age of 65 or until he/she becomes eligible for Medicare/Medicaid. Upon reaching the age of 65/ Medicare eligible, this benefit will cease.
- *Implicit Rate Subsidy*: Difference between the value of the benefit and premium paid for coverage.
- Of the Administrators and Teachers currently waiving coverage in the District's group medical plan, 50% were assumed to elect participation in the District's health plan in retirement and receive a District-provided benefit. Further, 20% of active Support Staff currently covered in the District's group medical plan were assumed to elect Single coverage on the District's health plan in retirement for the duration of COBRA. The

liability incurred on behalf of the above assumptions was calculated and included in this valuation.

- The valuation date and measurement date are June 30, 2017. This valuation is eligible for reporting periods ending June 30, 2018 and June 30, 2019, though the accompanying exhibits are only valid for the reporting period ending June 30, 2018.

#### **Sick Leave Benefit**

- The District will provide eligible Administrators and Support Staff a cash payout of 50% of their unused sick leave accumulated upon retirement, up to the maximum of 35 days for Administrators. These days will be paid out at the retiree's final rate of pay.
- According to GASB guidelines, when sick leave is converted into a dollar amount, the resulting monies are not considered – nor should they be accounted for – as an OPEB. Rather, the dollars resulting from the unused sick leave are considered termination payments and should be accounted for as a compensated absence under GASB Statement 16. The sick leave benefit was not valued nor was it included in this valuation.

<b>Other Post Employment Liability</b>		
<b>1</b>	Total OPEB Liability (TOL)	\$ 11,645,188
<b>2</b>	Fiduciary Net Position (FNP)	\$ 0
<b>3</b>	Net OPEB Liability (NOL)	\$ 11,645,188

<b>Changes in OPEB Liability</b>			
	<i>July 1, 2013</i>	<i>July 1, 2015</i>	<i>June 30, 2017</i>
<b>1</b> Net OPEB Liability*	\$ 16,809,109	\$ 11,588,346	\$ 11,645,188
<b>2</b> Total Medical Pay-As-You-Go (30 years) **	\$ 41,024,255	\$ 30,761,193	\$ 31,263,121

*\*Previously known as the Unfunded Actuarial Accrued Liability.*

*\*\*A 4.0% discount rate was used in both the 7-1-2013 and 7-1-2015 valuations. 3.50% discount rate was used in the 6-30-2017 valuation.*

**GERMANTOWN SCHOOL DISTRICT**

**TO:** Finance Committee

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

**AGENDA ITEM:** VI.B. – 2019/2020 Budget

As of this writing no new information is being provided. Any state budget updates will be provided when received.

**ATTACHMENT(S):** None.

**RECOMMENDATION:** None.



## GERMANTOWN SCHOOL DISTRICT

**TO:** Board of Education

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

**FROM:** Ric Ericksen

**BOARD MEETING:** Jan 28, 2019

**DATE:** January 25, 2019

**AGENDA ITEM:** XXXX

**FC Date:** January 28, 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. --

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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)
  - All Financial Reports will be updated and posted to the FC web link.
2. American Deposit Management (ADM) – Monthly Activity Report
  - The monthly earnings statement is attached.

### **C. General Financial Reports**

1. **LOC** (Line of Credit) – Update from Comptroller Tessa Krentz:

No more draws are occurring. We are waiting for the last invoice from JP Morgan Chase and will report on the interest cost impact at the next FC meeting.

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**AGENDA ITEM:** IX. Adjourn

**Germantown School District Account Summary**  
CGERSD03 – 2016 Referendum  
1/23/2019

**Deposit Activity**

1/8/2019 CD Interest Earned, Associated Bank - \$11,381.10

**Total Credits - \$11,381.10**

**Withdrawal Activity**

1/11/2019 Withdrawal in the amount of \$31,058.25

1/23/2019 CD Placement Fee in the amount of \$1,616.44

**Total Debits - \$32,674.69**

**Investment Activity**

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

Altra Federal Credit Union	Coulee Bank
Associated Bank, National Association	NexBank, SSB
CF Bank, NA	Pinnacle Bank (TN)
Citizens State Bank of La Crosse	Starion Bank
City National Bank of Florida	Westbury Bank
Commerce West 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.

January 23, 2019

Account Activity:  
January 01, 2019 - January 23, 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	01/01/2019		\$ 14,072,419.07
CD Interest Earned	01/08/2019	\$ 11,381.10	\$ 14,083,800.17
Interest Distribution Client	01/08/2019	-\$ 11,381.10	\$ 14,072,419.07
CD Interest Earned	01/08/2019	\$ 11,381.10	\$ 14,083,800.17
Withdrawal	01/11/2019	-\$ 31,058.25	\$ 14,052,741.92
Fee CD PLACEMENT CDASSOC213	01/23/2019	-\$ 1,616.44	\$ 14,051,125.48
Ending Balance	01/23/2019		\$ 14,051,125.48