

GERMANTOWN SCHOOL DISTRICT

Notice of Finance Committee Meeting

July 24, 2017

6:00 P.M.

To Be Held at 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. July 10, 2017 Meeting Date

V. Consent - Review & Discuss

A. July Vouchers

VI. Unfinished Business – Discussion with Appropriate Action

A. 2017/2018 Budget

VII. New Business – Discussion with Appropriate Action

A. Monthly Purchase Requests Exceeding \$15,000 & Purchasing/Project Bid Results

VIII. Reports

A. None

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 of the July 10, 2017 meeting

ATTACHEMENTS: See next page(s).

RECOMMENDATION: Approved as presented.

GERMANTOWN SCHOOL DISTRICT
Minutes of June 10, 2017 Finance Committee Meeting

Held at District Administration Building
N104 W13840 Donges Bay Rd.
Germantown, WI 53022

1. The Finance Committee was called to order by committee chair Michael Loth at 5:49 p.m. in the District Office Board Room. Roll call: Loth – yes, Borden – yes, Barney – yes. Also present: Board President Bob Soderberg and Superintendent Jeff Holmes. Director of Business Ric Ericksen was absent (excused).
2. Motion by Barney, second by Borden to approve the agenda. Motion carried.
3. Motion by Barney, second by Borden to approve the June 5, 2017 committee meeting minutes revised to include Tom Barney as present at that meeting. Motion carried.
4. Motion by Barney, second by Borden to table action to approve vouchers until an answer could be obtained regarding the voucher for the elementary math program approved at an earlier Board of Education meeting. Motion carried.
5. The committee discussed the 2017-2018 budget and was informed that 2016-2017 will end with a \$500,000 surplus most likely from savings on utilities and energy updates. The committee requested that Ric Ericksen provide detail on exactly where the surplus came from. The committee also discussed the status of State Budget negotiations and a news release from the WI School Administrators Alliance Department regarding the Department of Public Instruction's estimates that schools will receive less general aid in the 2017-2018 school year.
6. Director of Teaching and Learning Brenda O'Brien informed the committee that the voucher in question regarding the elementary math program is smaller than approved because all purchases have not been completed at this time. Motion by Barney, second by Borden to approve the June 2017 vouchers as presented. Motion carried (Borden abstained).
7. Motion by Barney, second by Borden to forward to the Board with a positive recommendation renewal of the Micro Focus contract in an amount not to exceed \$17,520 to be funded out of the appropriate Information Technology budget accounts. Motion carried.
8. Motion by Borden, second by Barney to table action regarding the computer and cart purchases and accompanying lease and move to the full Board for further discussion with Director of Technology Marc Gabrysiak present. Motion carried.
9. Motion by Borden, second by Barney to forward to the Board with a positive recommendation, awarding of the copy paper purchase for 2017-2018 to Veritiv/Unisource in an amount not to exceed \$20,565.60 to be funded out of the appropriate general fund accounts. Motion carried.
10. Motion by Barney, second by Borden to adjourn.
11. Finance Committee Chair Michael Loth declared the meeting adjourned at 6:05 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 July 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.

Report is posted at the google shared drive for the Finance Committee & at the district's web site Finance Committee link

ATTACHEMENT(S): None

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

GERMANTOWN SCHOOL DISTRICT

TO: Finance Committee

FROM: Ric Ericksen, Director of Business & Auxiliary Services

AGENDA ITEM: VI.A. – 2017/2018 Budget

Please reference information distributed at previous FC meetings.

Fiscal Year Ending June 30, 2017

<u>Account</u>	<u>Budgeted</u>	<u>Unaudited Actual</u>	<u>Favorable Variance</u>
General Fund Ending Balance	\$9,555,597	\$10,600,000	\$1.0 Million

This favorable variance is important given the current and future dynamics of the district's finances. Remember, on June 8, 2015 the Board approved a resolution to use fund balance to pay for the Rockfield addition until the 10-year bond is paid-off. This equates to reducing the fund balance by about \$500,000 year-over-year. The \$10,600,000 included last year principal and interest payments in this regards.

Account categories showing savings include, but are not limited to: employee compensation, legal services, utilities, the board contingency account, and pupil transportation. On the revenue side, interest income is up slightly and Medicaid is greater than anticipated.

Continued on next page ...

Budget Year 2017/2018 at a Glance

State Budget

As of this draft the State of Wisconsin has not finalized its budget and this could impact school finance.

State Imposed Revenue Limits

As of the Dept. of Public Instructions July 11 release of the revenue control worksheet and based on zero enrollment growth our district will have \$98,000 less revenue. Under the current formula for every 10 new resident students, approximately \$40,000 of additional revenue is calculated.

June 30, 2018 General Fund Balance

The "Budgeted" 6/30/2017 balance was: \$ 9,555,597

The "Preliminary Proposed" 6/30/2018 balance is budgeted to be: \$ 9,574,871

Proposed/Preliminary Budget Highlights, Variables and Notations

Revenues

1. State General Aid: As of July 1, the Dept. of Public Instruction estimates that Germantown will receive \$741,357 (6.24%) less aid. This shifts aid dollar-for-dollar to the local property taxes.
2. Special Education State Aid: Continues to shrink.
3. This budget DOES NOT include any proceeds from the sale of Kinderberg Property.
4. This budget DOES NOT include any legal settlement proceeds.

Expenditures

1. This budget DOES NOT include any amounts for the purchase or lease of any property.
2. This budget DOES NOT include any amounts for the site renovation at MacArthur elementary school resulting from the purchase of property.
3. Interest Expense: For the first time in several years, \$15,000 has been budgeted. However, with the healthy June 30 fund balance, it may be possible it could be removed.
4. Private School Choice: The cost of this program was \$125,936 in 2016/2017 and is budgeted to be the same for 2017/2018. If the program continues, it will cost over \$1.2 million in 10 years.
5. Board Contingency: \$175,000
6. Legal: 2016/2017 = \$295,834 2017/2018 Budgeted at \$425,506
7. Employee Compensation: 2.5% increase
8. Site and department budgets frozen.
9. This budget maintains the levy of \$325,000 for Fund 41 Capital Projects and includes a rollover amount in Fund 49 Capital Projects (state trust fund loan) of \$250,000. This note is extremely important to the investments in our facilities and the operations of the Buildings & Grounds department.

Continued on next page ...

Taxes

1. This budget projects the total tax levy to increase by 7.5%. Without the referendum portion, it would increase 2.27%.
2. Based on a 2.5% increase in our tax base, the projected tax rate would increase from \$8.75/1,000 of equalized value to \$9.19 or 4.95%. The corresponding increase in a home valued at \$250,000 would be about \$108.00.

ATTACHMENT(S): The Detailed Budget will be sent under separate email cover and posted at the district web links over the weekend.

RECOMMENDATION: None, although the preliminary budget will need to be adopted by the second meeting in August (or sooner).

GERMANTOWN SCHOOL DISTRICT

TO: Board of Education

TOPIC: Purchases Over \$15,000

FROM: Ric Ericksen

BOARD MEETING: July 24, 2017

DATE: July 19, 2017

AGENDA ITEM:

FC Date: July 24, 2017

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. --

Several Items - Please see following pages.

GERMANTOWN SCHOOL DISTRICT

TO: Board of Education **TOPIC:** Purchases Over \$15,000: Food Service Box Truck Lease

FROM: Ric Ericksen **BOARD MEETING:** July 24, 2017

DATE: July 19, 2017 **AGENDA ITEM:**

FC Date: July 24, 2017
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. --

\$ 37,180.20 (5 year total): Food Service Box Truck Lease

Recommendation to the Board of Education and Finance Committee:

Bring forward to the Board of Education with a positive recommendation to award a 5-year lease to Selig Leasing Company Inc. for a 2017 Chevy 4500 Box truck as presented in an amount not to exceed \$657.61/month to be funded out of the appropriate accounts in the Fund 50 Food Service fund. Please note that on the attached bid(s) *Northshore's quote was for the extended chassis.*

Background/Attachment(s):

The current truck is a 2011. It is a Chevy CG 33903 Box Truck. It is being leased from Selig Leasing, which expires August 1 of 2017.

Shelley Juedes, Director of Food & Nutrition, has received bids for new trucks and leasing.

It got a bit complicated inasmuch as some of the companies were bidding a longer chassis that ties to weight limits and is unnecessary for district needs. Regardless, Shelley and I did additional due diligence with respect to this truck option. The following was a response from R&R insurance Loss Control Specialist John Bregonsz:

My comment would be that the potential DOT issues would far outweigh potential insurance issues. The 2 big weight thresholds for DOT are 10,000 pounds and over 26,000 pounds gross vehicle weight. Anybody driving a truck over 26,000 pounds needs to have a CDL license and the requirements get numerous when you are above 26,000 pounds and crossing state lines. There are still some basic DOT requirements if your truck is above 10,000 pounds but less than 26,000 pounds and stays in the state.

I do not want to get involved in the CDL oversight business and therefore made the decision to only consider lease a box truck that spec'd to the shorter chassis frame size.

Lease Bids Results

Lease bids were requested from Selig, Northshore, and Lynch. Lynch did not bid.

The bids are attached.

**GERMANTOWN SCHOOL DISTRICT
VEHICLE LEASING FOR COMMERCIAL CUTAWAY BOX TRUCK**

FORM OF PROPOSAL

VEHICLE BOX TRUCK	36 MONTH	48 MONTH	60 MONTH	OUTRIGHT PURCHASE PRICE
PER MONTH	\$705.80	\$654.22	\$619.67	\$46,112.09
EXTENDED WARRANTY	FLT ACCT'S HAVE A 100,000 MI. 1-2 YEAR RETURN WARRANTY			
TOTAL	\$705.80	\$654.22	\$619.67	\$46,112.09

Leasers to supply pricing for a standard net closed end lease.

Net lease means that the customer is responsible for all fluids and minor wear parts not covered under the warranty. At the end of the leasing period, the vehicle is returned in lot condition.

Include a copy of the lease.

Include a list of any additions or exceptions to specs.

Include price for outright purchase.

Direct any questions to Shelley Juedes, Director of Food and Nutrition, 262-253-3419.

Firm Name North Shore Bank, LLC

Address 15700 W. Blue Marino Rd, Brookfield, WI 53005
(Street, City, State, Zip)

Business Phone 262-297-3589

Signed By Robert Phully Title Direct Lease Mgr

Approximate Delivery Date 10-12 wks from order date

Date 6/20/2017

Our bid prices apply for 30 days from due date.

**GERMANTOWN SCHOOL DISTRICT
VEHICLE LEASING FOR COMMERCIAL CUTAWAY BOX TRUCK**

FORM OF PROPOSAL

VEHICLE BOX TRUCK	36 MONTH	48 MONTH	60 MONTH	OUTRIGHT PURCHASE PRICE
PER MONTH	\$816.27	\$697.59	\$657.61	N/A
EXTENDED WARRANTY	5/100 Factory Drivetrain Warranty			
TOTAL	\$816.27	\$697.59	\$657.61	N/A

Leasers to supply pricing for a standard net closed end lease.

DRK 13,000
13,000 miles per year

Net lease means that the customer is responsible for all fluids and minor wear parts not covered under the warranty. At the end of the leasing period, the vehicle is returned in lot condition.

Include a copy of the lease.

Include a list of any additions or exceptions to specs.

Include price for outright purchase.

Direct any questions to Shelley Juedes, Director of Food and Nutrition, 262-253-3419.

Firm Name Selig Leasing Company, Inc.

Address 2510 S. 108th St. West Allis, WI 53227
(Street, City, State, Zip)

Business Phone 414-327-2100

Signed By DRK Title MANAGER OF FLEET LEASING

Approximate Delivery Date 10-12 weeks

Date 6/21-2017

Our bid prices apply for 30 days from due date.

GERMANTOWN SCHOOL DISTRICT

TO: Board of Education

TOPIC: Purchases Over \$15,000: Teaching
& Learning Discovery Education

FROM: Ric Ericksen

BOARD MEETING: July 24, 2017

DATE: July 19, 2017

AGENDA ITEM:

FC Date: July 24, 2017

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. --

\$ 33,712: Discovery Education Techbook(s)

Recommendation to the Board of Education and Finance Committee:

Bring forward to the Board of Education with a positive recommendation to purchase the Discovery Education techbooks as presented in an amount not to exceed \$33,317 to be funded out of the appropriate teaching & learning accounts in General Fund 10. *However, consideration should be given to the 6-year arrangement.*

Background/Attachment(s):

Please refer to background provided at the July 10, 2017 school board meeting.

See attached from Brenda O'Brien, Director of Teaching & Learning.

GERMANTOWN SCHOOL DISTRICT

TO: All Board Members **TOPIC:** Discovery Education
FROM: Brenda O'Brien **BOARD MEETING:** July 24, 2017
DATE: July 13, 2017 **AGENDA ITEM:**

An information item for the proposed purchase of Discovery Education Techbook for both science and social studies at the 8th grade was presented at the July 10 Board meeting.

One question raised during the Board meeting was the length of the contract. During a follow-up conversation with the representative from Discovery Education, there was another possible option. These options, including the original seven and six-year contracts, are outlined below.

- 1) Purchase the Techbooks for seven years at an up-front cost of \$33,712. The license prices are guaranteed for the length of the contract.
- 2) Purchase the Techbooks for six years, yearly payments, with the first year payment of \$10,234. The subsequent yearly payments would be \$3732.40. The license prices are guaranteed for the length of the contract. Note: This is a change from the information presented on July 10.
- 3) The representative said with the six year contract, we can do an opt-out clause after two or three years. The language of the opt-out clause would state there are insufficient funds to allocate towards the purchase of the Techbooks. The Germantown School District would need to submit a letter indicating we are no longer allocating funds to the Techbooks.
- 4) Purchase the Techbooks on a yearly basis, with prices subject to a possible increase. The representative said the price of the Techbook averages a \$3 increase per license yearly.

RECOMMENDATION: Purchase the Discovery Techbooks for both science and social studies at 8th grade for six years, with an opt-out clause after two years.

GERMANTOWN SCHOOL DISTRICT

TO: Board of Education

TOPIC: Purchases Over \$15,000: Teaching
& Learning Discovery Education

FROM: Ric Ericksen

BOARD MEETING: July 24, 2017

DATE: July 19, 2017

AGENDA ITEM:

FC Date: July 24, 2017

FC Agenda Item(s): VII. A.

-- The intent is to review due diligence with respect to seeking competitive bids/quotes when possible.
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\$ 18,480: Running Records

Recommendation to the Board of Education and Finance Committee:

Bring forward to the Board of Education with a positive recommendation to purchase the Running Records as presented in an amount not to exceed \$18,480 to be funded out of the appropriate teaching & learning accounts in General Fund 10.

Background/Attachment(s):

Please refer to background provided at the July 10, 2017 school board meeting.

See attached from Brenda O'Brien, Director of Teaching & Learning.

GERMANTOWN SCHOOL DISTRICT

TO: All Board Members

TOPIC: Running Records

FROM: Brenda O'Brien

BOARD MEETING: July 24, 2017

DATE: July 13, 2017

AGENDA ITEM: VIII.E.

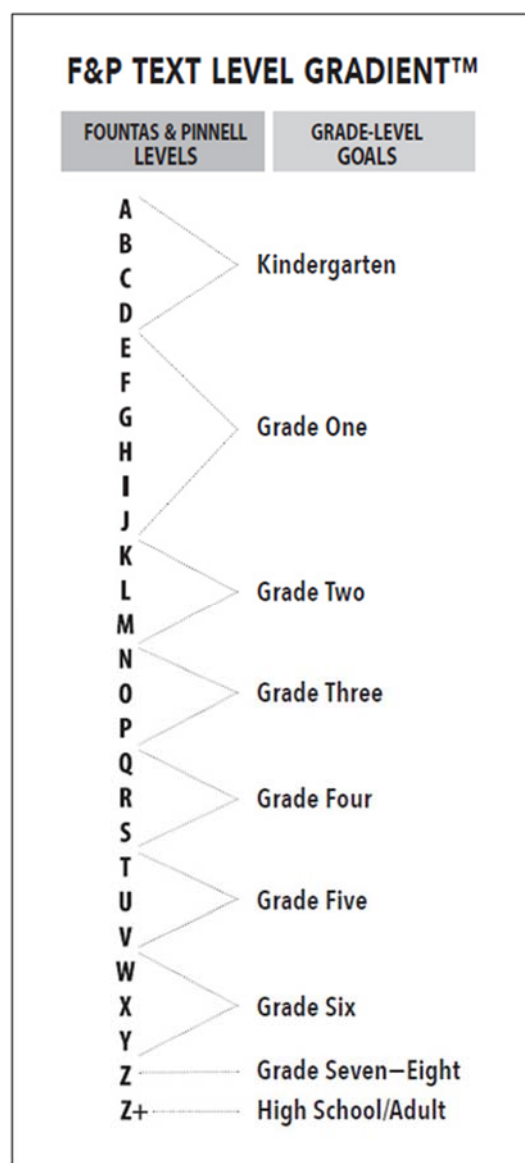
Fountas & Pinnell Benchmark Assessment System (Running Records) provides materials and procedures for observing and assessing the reading levels and behaviors of students. In Running Records, the "level" is determined by the "Benchmark Assessment" books that a student reads aloud and talks about during a one-on-one assessment conference. These books have been written to ensure they reflect the characteristics of texts and demands on the reader at each specific reading level. Finding an appropriate instructional level allows the teacher to teach the student at the edge of his/her current understanding and then to reach and go beyond it. The "Benchmark Assessment" conferences provide information to the teacher to help them:

- determine three reading levels for each student: Independent, Instructional, and Hard;
- form initial groups for reading instruction;
- select texts that will be productive for a student's instruction;
- select texts that will be productive for a student's instruction;
- plan efficient and effective instruction;
- identify students who need intervention and extra help; and diagnose particular areas of reading difficulty.

Fountas, Irene C. (2008). Fountas and Pinnell benchmark assessment system 2 : grades 3-8, levels L-Z. Portsmouth, NH :Heinemann,2017, print.

Running records are one of the most beneficial instructional tools teachers use to plan reading lessons, whether it is for mini-lessons, for whole group instruction, or for tailoring guided instruction for small groups of students. Analyzing these records along with informal observations can provide students' progress over time to guide and help plan effective reading instruction.

The Germantown School District purchased 90 Second Edition Running Records kits for elementary teachers during the reading adoption process in June, 2013. Unfortunately, the 2nd edition kits are now out of print. The proposal is to purchase 96 conversion kits rather than purchasing 96 new 3rd edition kits. A new 3rd edition running record kit is \$425 each. A conversion kit costs \$175 each.



Benefits of Upgrading Kits

Reading Instruction

- Instructionally, the comprehension questions allow teachers to delve more deeply into students' comprehension.
- The writing prompts require students to support answers with the text, encouraging them to write about what they are reading.
- Benchmark Assessment books have been revised for factual information in nonfiction and other minor changes in fiction and nonfiction
- The new kits have an updated scoring system does not include an extra point system where teachers were able to add an extra point potentially moving students along the continuum faster than they were actually comprehending.

Kits

- The 2nd edition is no longer in print, so we can no longer replace ripped or ruined books.
- We are an existing customer so we can purchase the conversion kit, rather than having to purchase brand new kits.
- The conversion kit includes access to online resources, including training materials and scoring examples.

Training:

- Reading specialists will train teachers on the new protocols and scoring rubrics on a Wednesday, early start day. There are no subs or additional training expenses.
- Teachers have already been trained in administering Running Records. They would just need time to review the new scoring guides and familiarize themselves with the new protocols.

Budget Considerations:

Compared to the 2nd edition, there are many positive changes to the books and to the protocol in the 3rd edition. Therefore, the proposal is to purchase the appropriate conversion kit(s) for each teacher.

<i>School</i>	<i>System 1: Levels A-N</i>	<i>System 2: Levels L-Z</i>
County Line	\$175 x 17	\$175 x 17
Rockfield	\$175 x 10	\$175 x 10
MacArthur	\$175 x 10	\$175 x 10
Amy Belle	\$175 x 11	\$175 x 11
Total	\$8,400	\$8,400

Total of all materials = \$16,800 + 10% shipping

Grand Total - \$18,480

RECOMMENDATION: Purchase the running record assessments as presented.

GERMANTOWN SCHOOL DISTRICT

TO: Board of Education

TOPIC: Purchases Over \$15,000: 2017
Annual Asphalt and Crack Sealing
and Seal Coating

FROM: Ric Ericksen

BOARD MEETING: July 24, 2017

DATE: July 19, 2017

AGENDA ITEM:

FC Date: July 24, 2017

FC Agenda Item(s): VII. A.

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\$ 33,891.05: Annual Asphalt Work

Recommendation to the Board of Education and Finance Committee:

Bring forward to the Board of Education with a positive recommendation to award the annual 2017 asphalt work as presented to J.R. Boehlke in an amount not to exceed \$33891.05 to be funded out of the appropriate buildings and grounds accounts in General Fund 10.

Background/Attachment(s):

From Don Erickson, Director of Buildings & Grounds:

Parking Lot Maintenance	\$54,768.00
Poblocki	\$37,240.00
Asphalt Seal & Repair	\$57,400.00
J.R. Boehlke	\$33,891.05

Please know that Mr. Erickson reports to the Building Committee on projects and happenings around the district at its monthly meeting.

GERMANTOWN SCHOOL DISTRICT

TO: Board of Education

TOPIC: Purchases Over \$15,000: Copy Machine

FROM: Ric Ericksen

BOARD MEETING: July 24, 2017

DATE: July 19, 2017

AGENDA ITEM:

FC Date: July 24, 2017

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. --

\$ 100,000 +/-: Copy Machine Bid

Recommendation to the Board of Education and Finance Committee:

At this time, I am asking the administration to do more analysis on this commitment.

Background/Attachment(s):

There are four cost components in the current arrangement with Xerox:

1. On-site Xerox staffing;
2. Maintenance Charge (per copy charge);
3. Ancillary supplies and software;
4. Equipment Rental

Mr. Gabrysiak and I will be sharing results of the bids received at the FC meeting and would like to have a conversation relative to negotiating with the vendors who bid.

GERMANTOWN SCHOOL DISTRICT

TO: Finance Committee

FROM: Ric Ericksen, Director of Business & Auxiliary Services

AGENDA ITEM: VIII. Reports

A. Vouchers - Previous Months Follow Up:

None

B. Monthly Financial Reports:

1. All Financial Reports have been posted at both Google Shared Drive and Finance Committee web links when updated.

C. General Reports and Other Financial Happenings

None

AGENDA ITEM: IX. Adjourn