

NICOLET HIGH SCHOOL DISTRICT

**2018 Annual Meeting
2018-19 Budget Hearing**

**Nicolet High School
August 27, 2018
Nicolet Library - Room D-110**

The Annual Meeting will begin at 7:00 p.m. A budget hearing is held at the time and place of the Annual Meeting [s.65.90(4)].

Nicolet High School District

Annual Meeting Agenda

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- Call to Order 7:00 pm – Board President Libby Gutterman
- Elect Annual Meeting Chairperson
- Approve the Minutes of the August 28, 2017 from Annual Meeting
- Official Reports and Recommendations
 - President’s Report – Mrs. Libby Gutterman
 - District Administrator’s Report - Dr. Robert Kobylski
- Presentation of 2018-19 Budget
 - Mr. Jeff Pruefer, Director of Business Services
- Public Hearing on the Proposed 2018-19 Budget
- Adoption of Proposed Resolutions
 - Resolution A: Adoption of Tax Levy
 - Resolution B: Set the Annual Salaries of Board Members
 - Resolution C: Reimbursement of Board Member Travel Expenses
 - Resolution D: Set the Date of the Next Annual Meeting
- Unfinished Business
- Adjournment

School Board, Administration, & Staff

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Board Members

Libby Gutterman

President

Ellen Redeker

Vice President

Leigh Wallace Tabak

Clerk

Theresa Seem

Treasurer

Marilyn Franklin

Member

Administration/Staff

Dr. Robert Kobylski

Superintendent

Greg Kabara

Principal

David Coyle

Assistant Principal

Josh Zimmers

Assistant Principal

Anne Ignatowski

Director of Pupil Services

John Reiels

Director of Technology

Brenda Turner

Director of Teaching & Learning

Jeff Pruefer

Director of Business Services

Ferne Hecker

Board Secretary

Nicolet High School District 2018-19 Budget Presentation

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- 2018-19 Budget Assumptions
- 2018-19 Budget and Levy Details
- Annual Meeting Resolutions



Budget Assumptions

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- State Biennial Budget
- Enrollment/Membership
- Revenue Details
 - Revenue Limit
 - State Aid
 - Property Taxes
 - Operational Referendum
 - Fund 38 (non-referendum) Debt
 - Computer Aid Stable
 - Revenue from state, federal, and other sources
- Expenditure Details
- Fund Balance

2017-19 Biennial State Budget

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- Revenue cap was flat (\$0/pupil) for both 2017-18 & 2018-19
- Recent state budgets have moved away from increases to the Revenue Limit to increases in Per Pupil Categorical Aid, which started in the 2015-16 fiscal year
 - The 2018-19 Per Pupil Categorical Aid increase is \$204 per pupil
 - Increase amounts to approximately \$227k in additional budgeted revenue from FY 2017-18 (projected)
 - Primary source of new funding in 2018-19
- School Safety Grants
 - Applied for and received \$19,340 for new/upgraded security camera's

Revenue Limit Factors

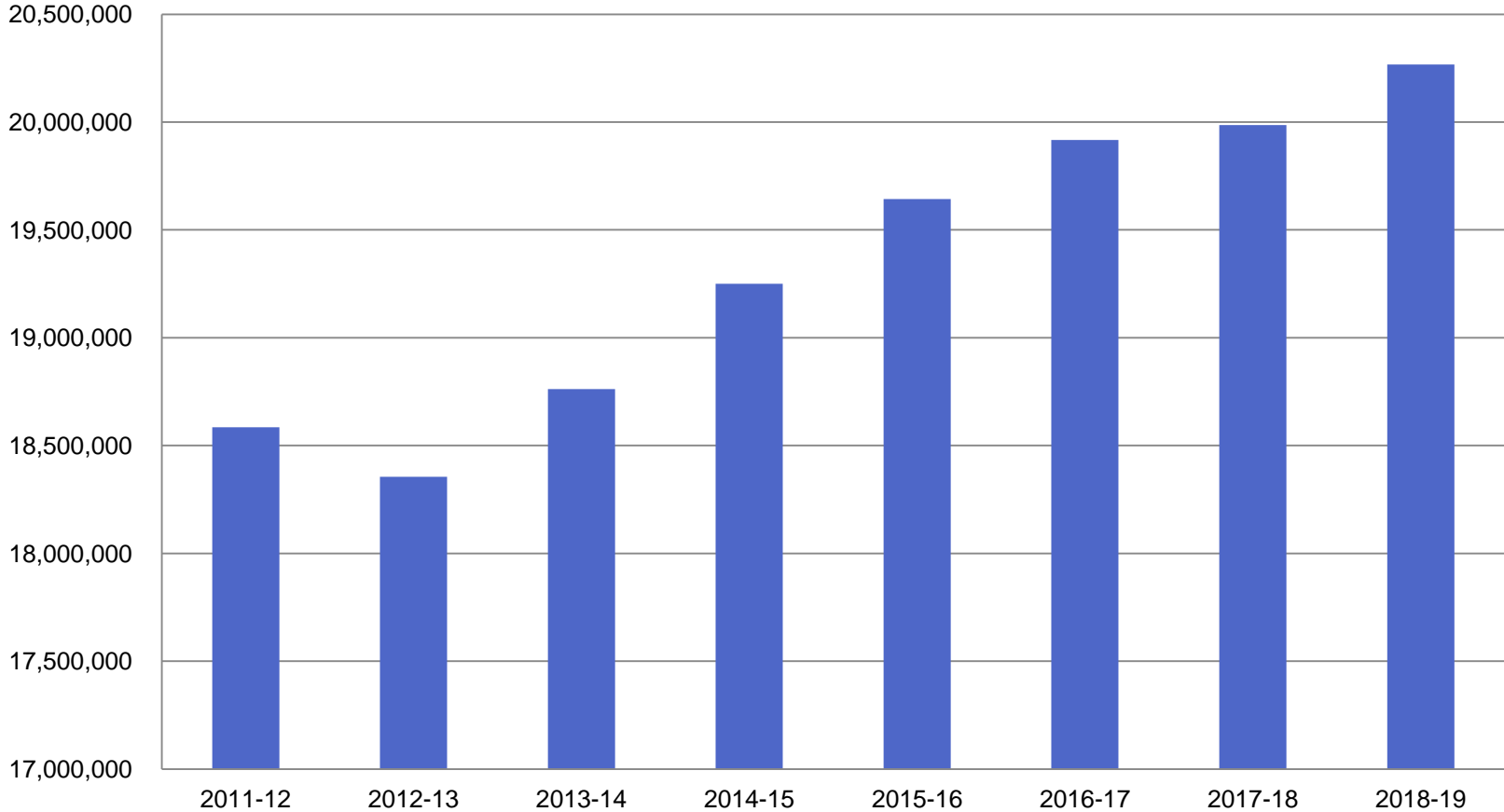
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- 2018-19 Revenue Limit per pupil increase: \$0
- Historical Revenue Limit in/decreases:
 - 2018-19 \$0
 - 2017-18 \$0
 - 2016-17 \$0
 - 2015-16 \$0
 - 2014-15 \$75
 - 2013-14 \$75
 - 2012-13 \$50
 - 2011-12 **-\$874.46***

*Prior to 2011-12 the Revenue Limit increased between \$200 to \$275/pupil annually

- Revenue cap will still fluctuate annually based on FTE, energy efficiency exemption, prior year tax rebates, prior year open enrollment changes, transfer of service, private school voucher participation, etc.
- Nicolet Community approved a six-year, \$3.15 million per year, non-recurring Operational Referendum; this represents a limited term increase to the school district's Revenue Limit for the 2016-17 through 2021-22 fiscal years.

Historical Revenue Limit Authority

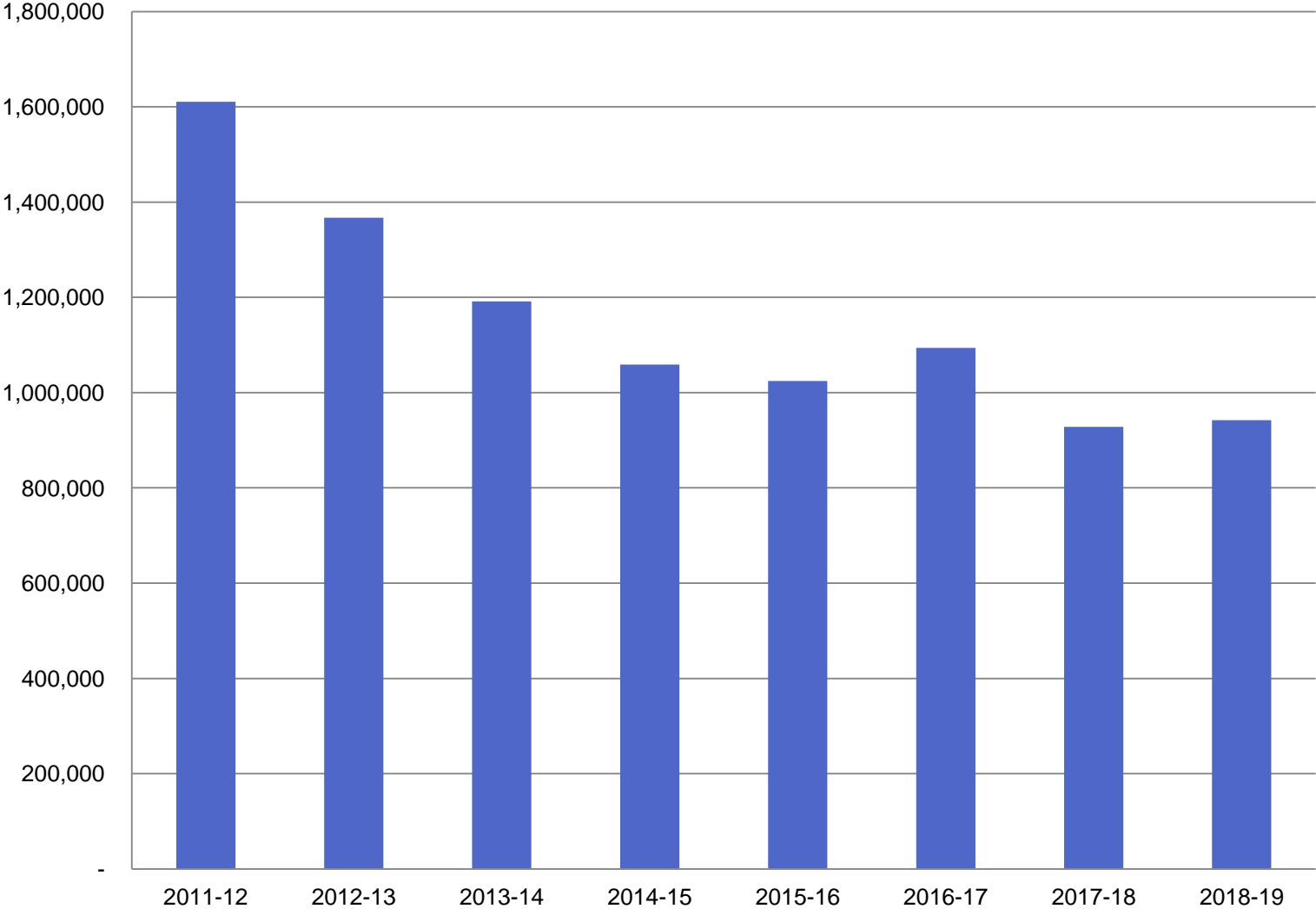


Why is the Revenue Cap up?

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- Cap increase projected at \$281k
- Three year rolling average for FTE is up 11 FTE from 2017-18
 - ▣ Revenue Per FTE: \$15,344 (Approximately \$169k)
 - ▣ Incoming Freshman class larger than usual
- Energy Efficiency Exemption
 - ▣ Window Replacement: \$303,043 non-recurring exemption (will drop slightly in final budget to account for energy savings)
 - ▣ \$110k increase from 2017-18 for debt service
- Other Miscellaneous Exemptions added/removed to arrive at projected \$281k increase to cap

Historical State Aid Amounts



2018-19 Operational Revenue Fund 10 (General Fund)

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2017-18 Revenue (est. actual)

| | |
|-------------------------|-------------------|
| Local Sources | 18,533,400 |
| Inter-District Payments | 658,074 |
| State Sources | 1,705,301 |
| Federal Sources | 132,667 |
| Other | 76,430 |
| Total | 21,105,872 |

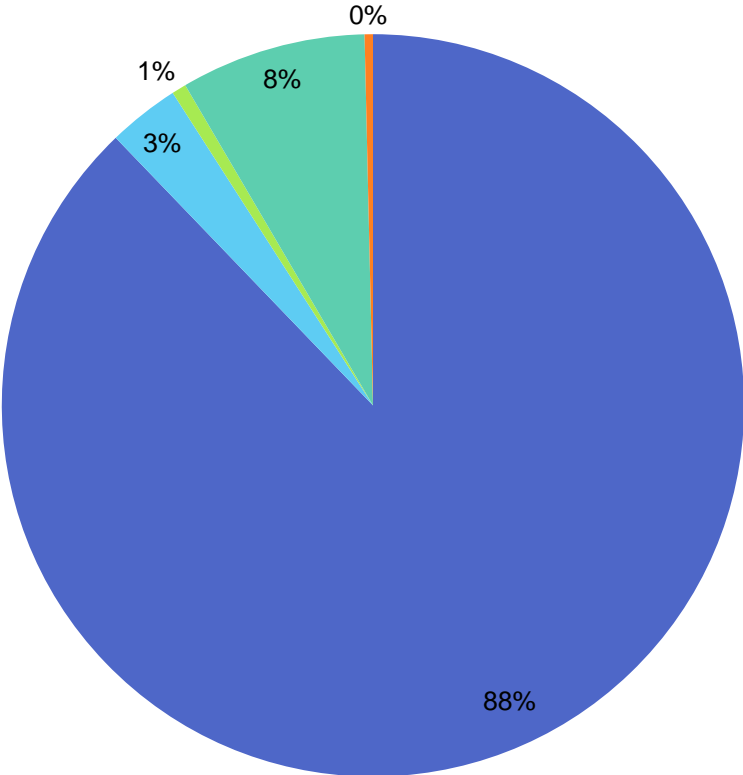
2018-19 Revenue (Budgeted)

| | |
|-------------------------|-------------------|
| Local Sources | 18,660,210 |
| Inter-District Payments | 504,171 |
| State Sources | 1,946,005 |
| Federal Sources | 135,768 |
| Other | 15,200 |
| Total | 21,261,355 |

Funding Sources

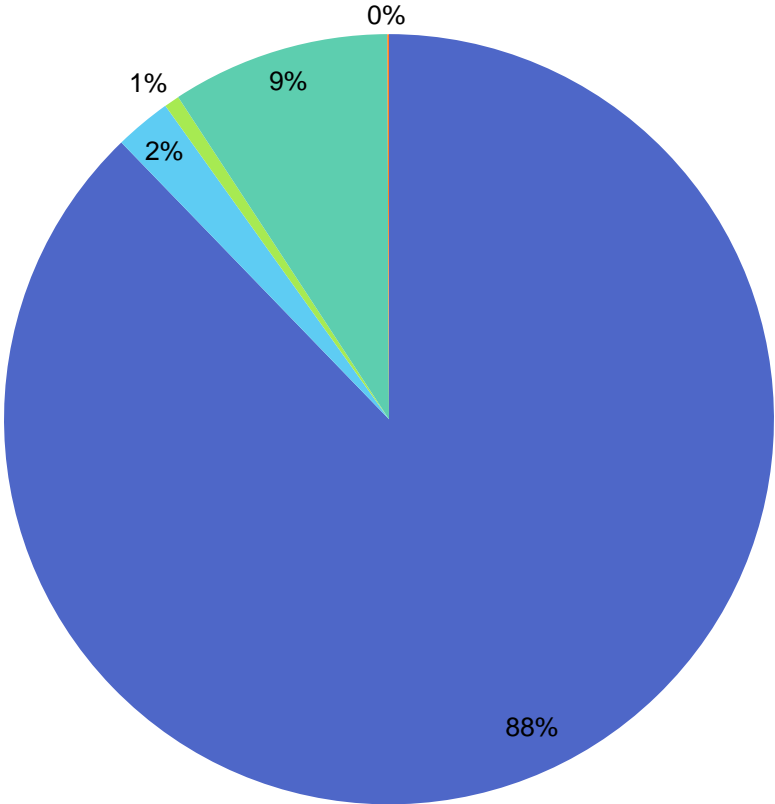
2017-18 Revenue by Source

■ Local Revenue ■ InterDistrict ■ Federal ■ State ■ Other

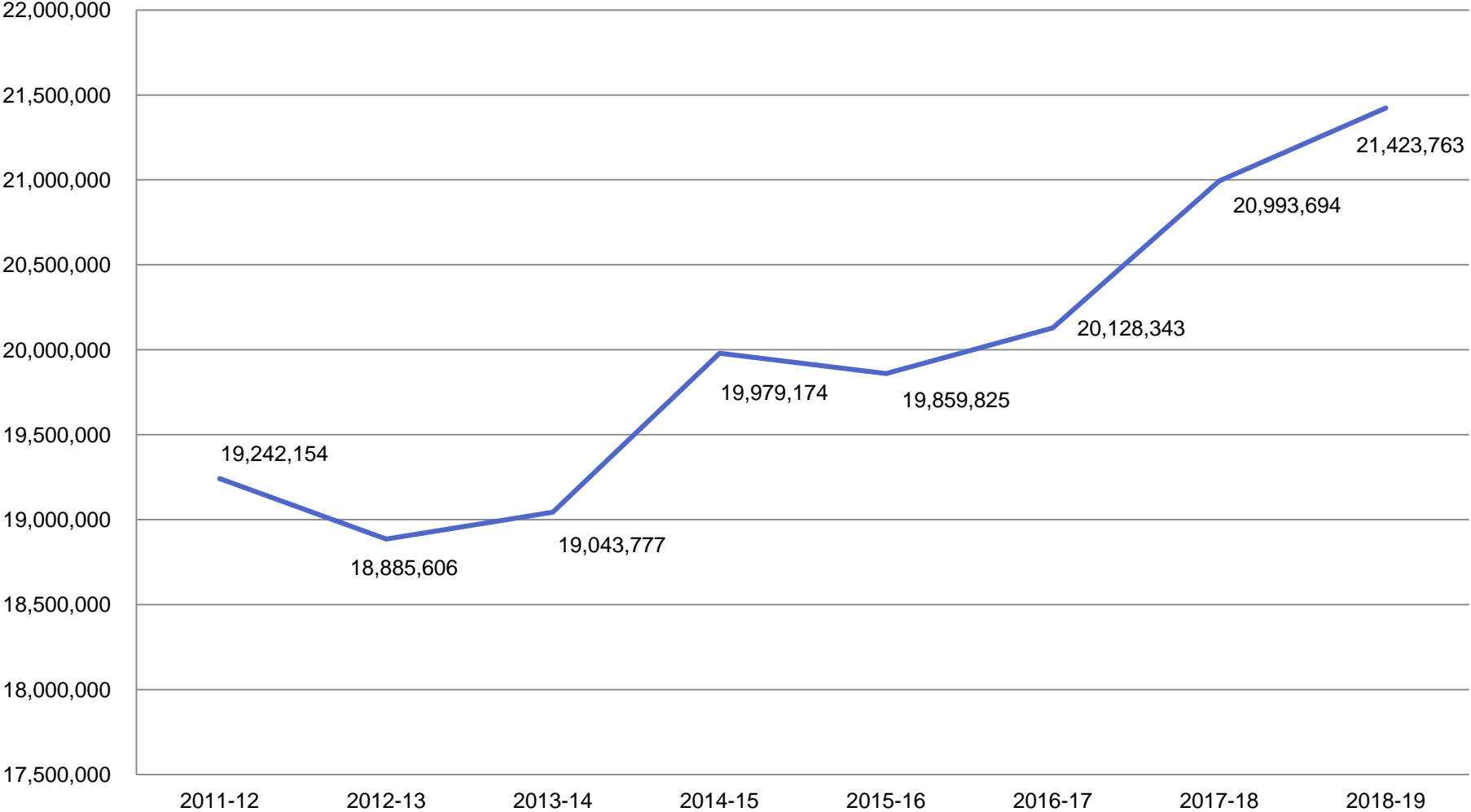


2018-19 Revenue by Source

■ Local Revenue ■ InterDistrict ■ Federal ■ State ■ Other

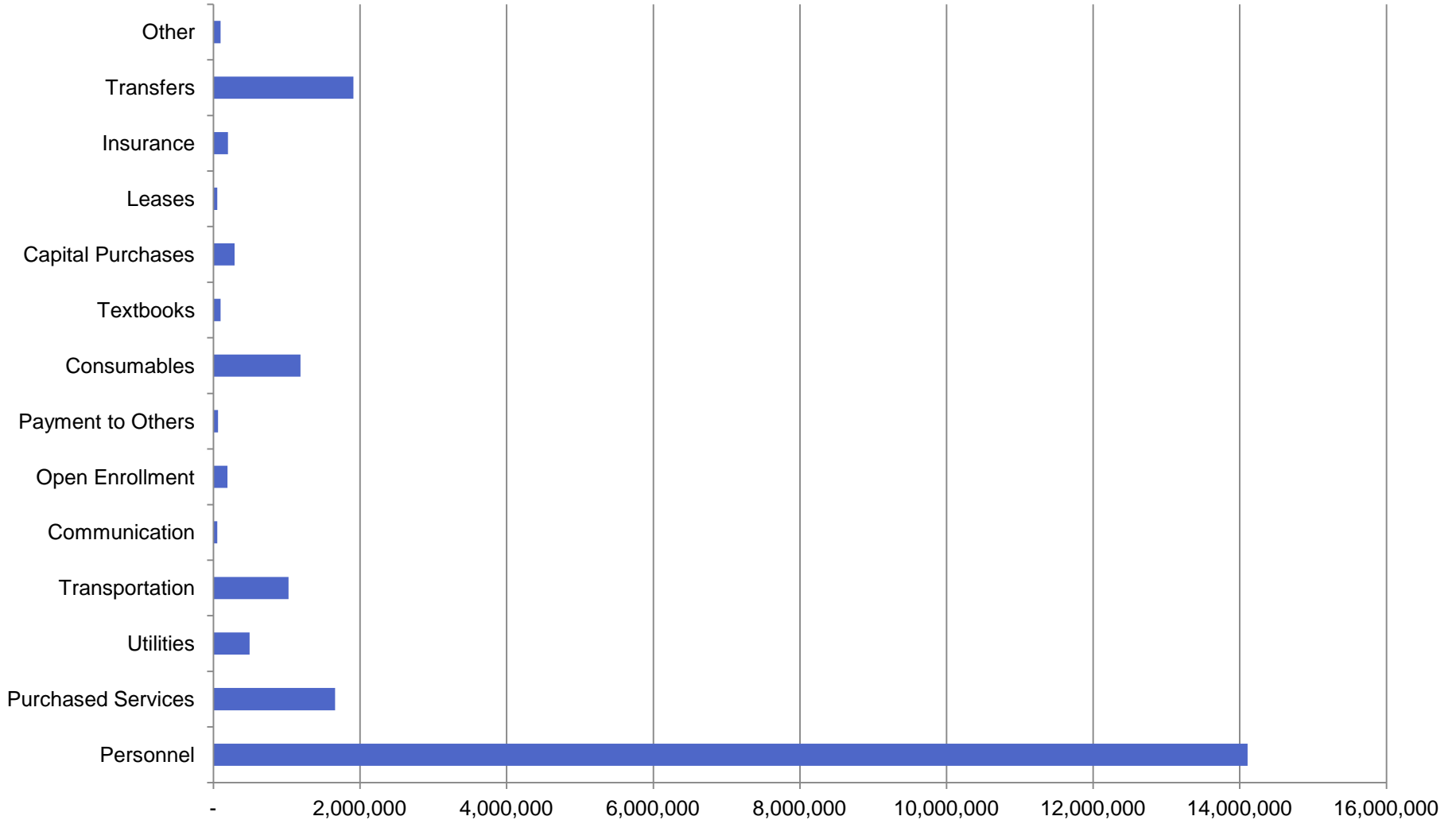


Historical General Fund Expenses



2018-19 General Fund Expenses (Sorted by Object)

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Fund 10 Expenditure Details

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- Budgeted salaries are \$114k less than 2017-18
 - ▣ Includes 2.13% wage increase for staff
 - ▣ Six Teacher Retirements
 - ▣ Decreased FTE in Business Office (Accountant)
- Budgeted benefits are \$80k higher than 2017-18
 - ▣ Fringe benefits associated with salary are down (\$40k)
 - ▣ Health Insurance is up \$140k from 17-18 (5.5% increase and benefit changes)
 - ▣ Cash in Lieu of Insurance down 9% (\$20k)

Fund 10 Expenditure Details

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- Facilities Projects: Over \$300k in budget directed towards one time projects:
 - ▣ Gym #2 Floor
 - ▣ D128 Room Remodeling
 - ▣ Roofing Needs
- Budgeted transportation costs increased \$31k (+3.3%)
- Consumables/Non Capital Equipment budget increased \$90k (+8.2%)
- Textbook budget increased \$28k (+40.1%)
- Capital Objects decreased \$28k (-8.8%)

Fund Balance

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- Beginning Fund Balance: \$6.96 million (32.5% of the 2018-19 General Fund Expenditure Budget)
- 2018-19 budget expenditures exceed revenues by \$162,408
 - Fund Balance will decrease to \$6,801,818 which is 31.75% of Fund 10 expenditure budget
- Unbalanced budget was planned as part of the level 6-year \$3.15 million per year operational referendum in April 2016
 - Early years of 6-year cycle will see fund balance increase
 - Fund balance will decrease during later years
- Board Policy of 25% of proposed budget expenditures

Fund 73: Employee Benefit Trust

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Asset History from 7/1/17 through 6/30/18

| | |
|--------------------------------|-----------------|
| Beginning Balance 7/1/2017 | \$ 2,484,456.34 |
| Contributions | \$ 1,044,987.87 |
| Withdrawals | (\$ 330,643.71) |
| Fees | (\$ 19,899.91) |
| Income Earned Interest | \$ 480.88 |
| Income Earned Dividends | \$ 52,812.85 |
| Change in Value of Investments | \$ 190,963.05 |
| Ending Balance 6/30/2018 | \$ 3,422,676.49 |

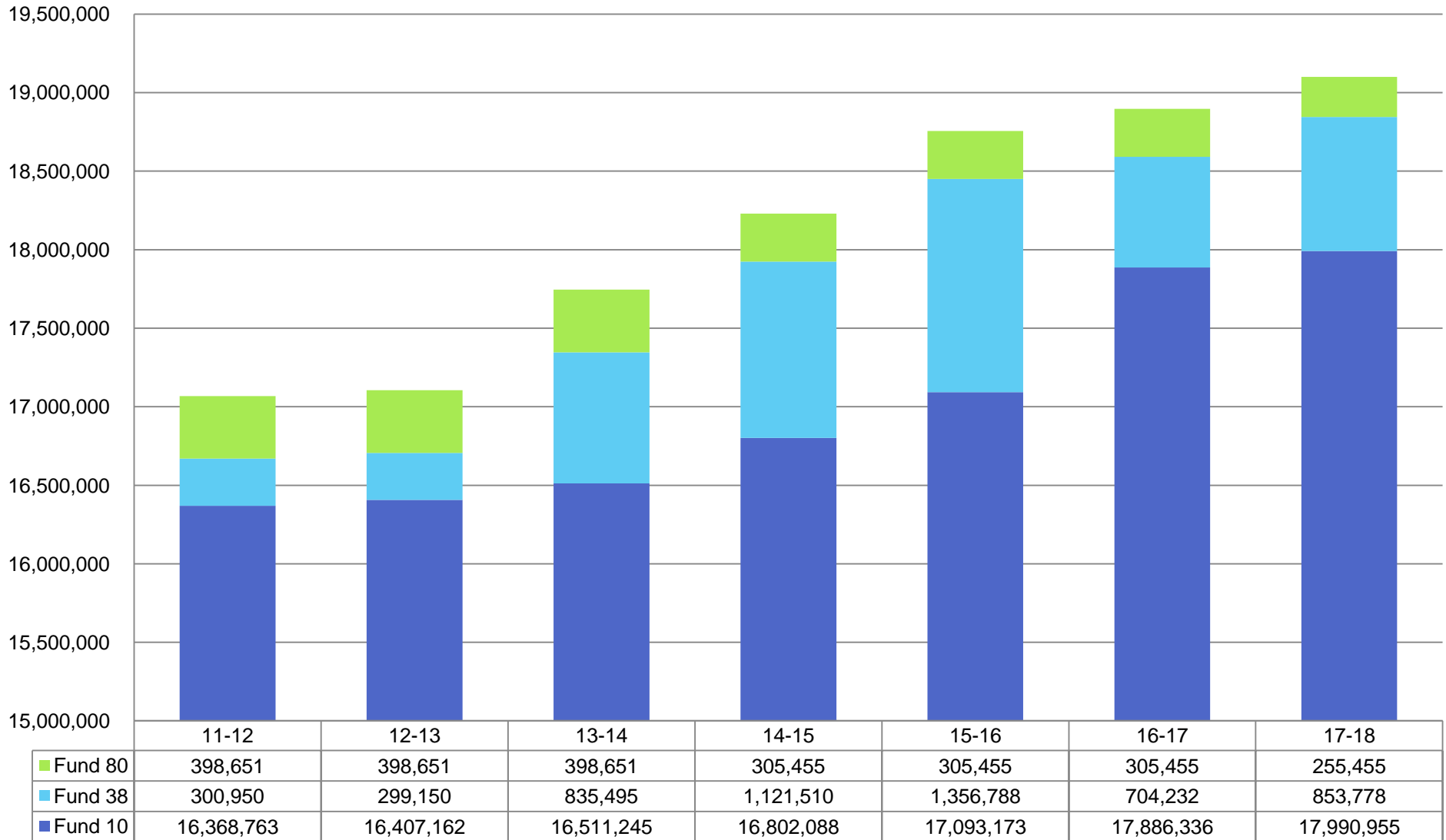
District Tax Levy

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- NHSD Tax Levy comprised of three funds
 - General Fund 10
 - Main Source of Funding for District
 - Debt Service Fund 30
 - Non-Referendum Debt (Four outstanding debts)
 - Community Services Fund 80
 - Community Services programming

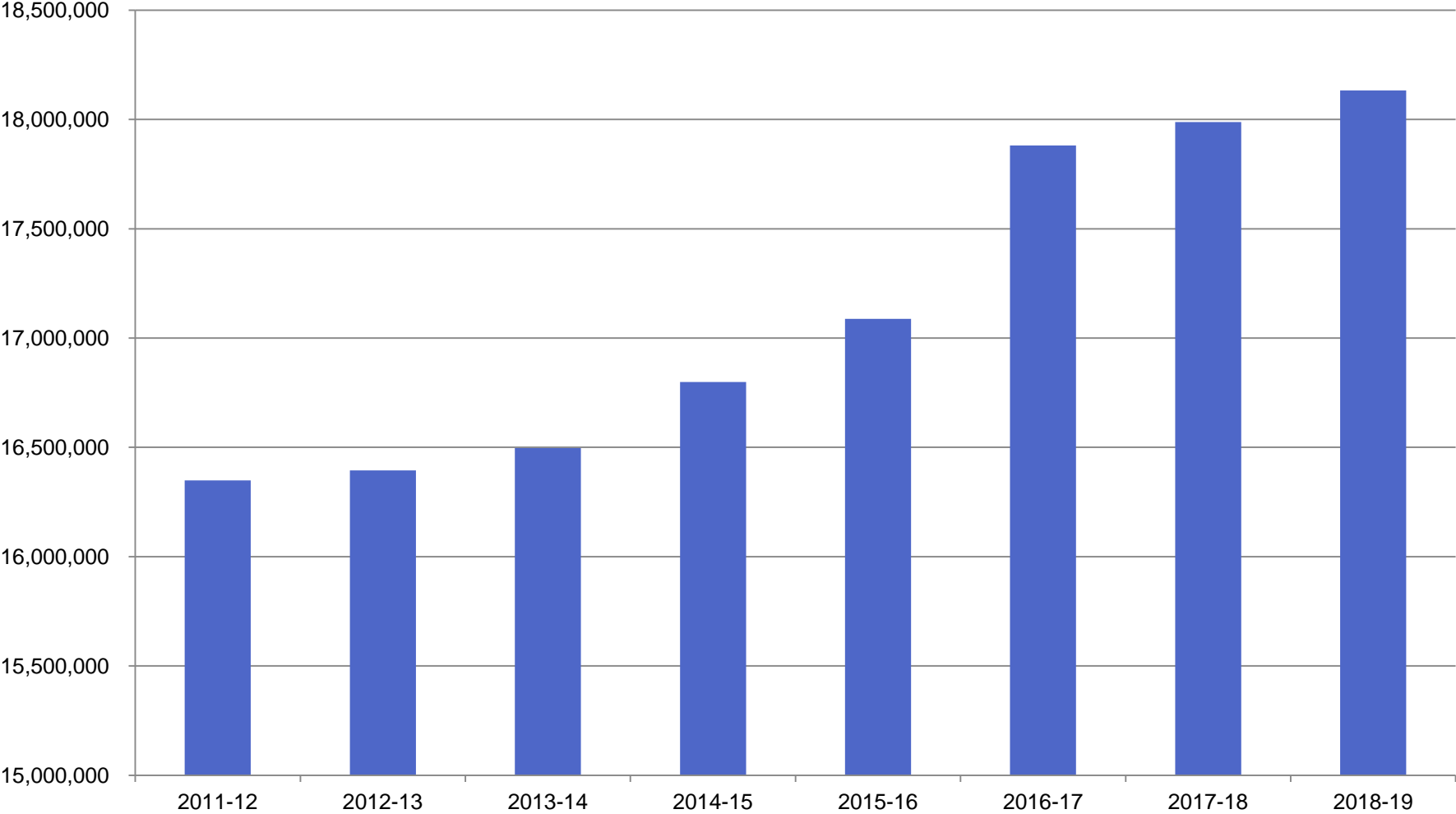
Historical Tax Levy

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Historical General Fund Levy

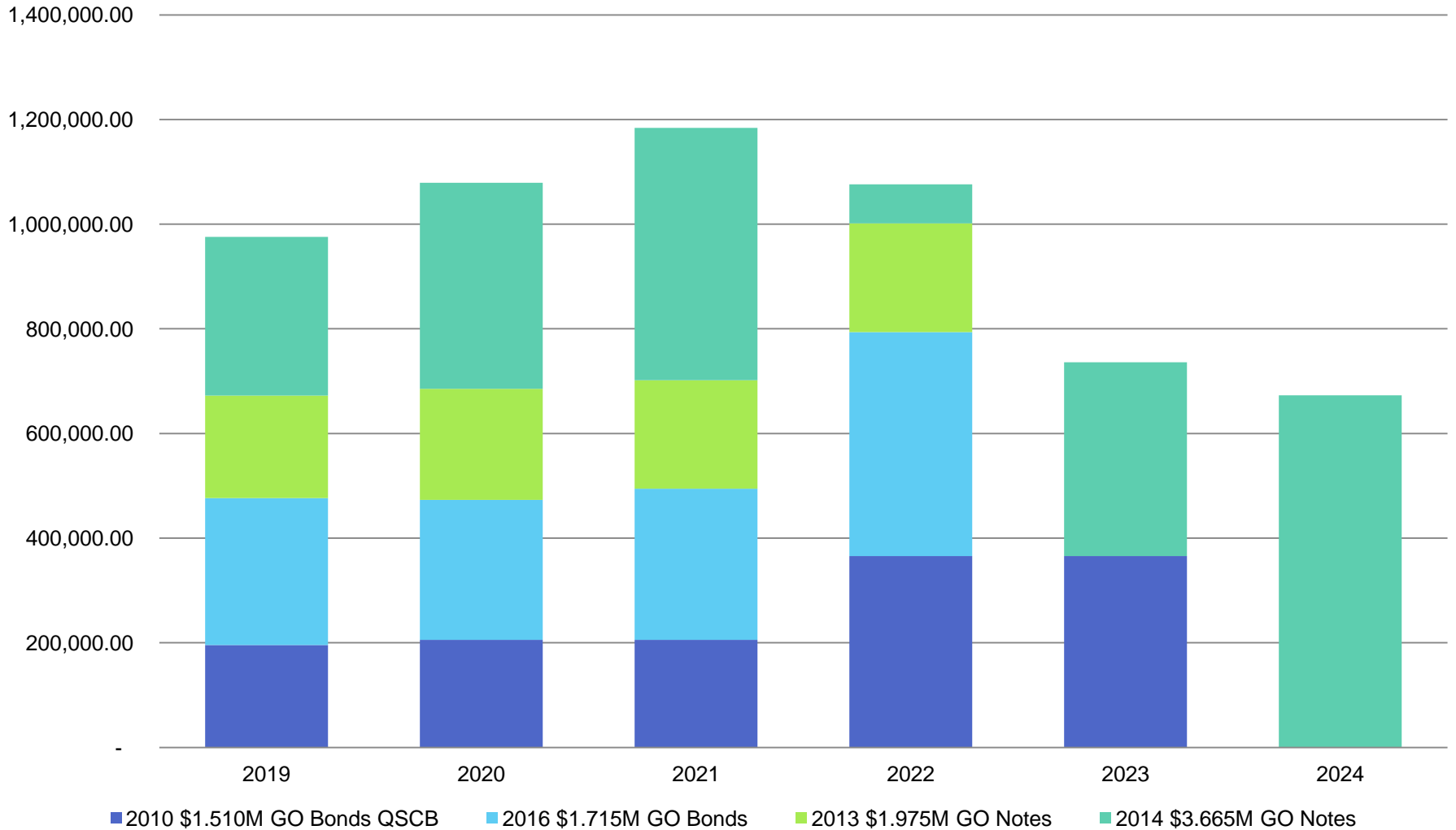
Fund 10



Non-Referendum Debt Service Levy

Fund 30

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Fund 80 Budget

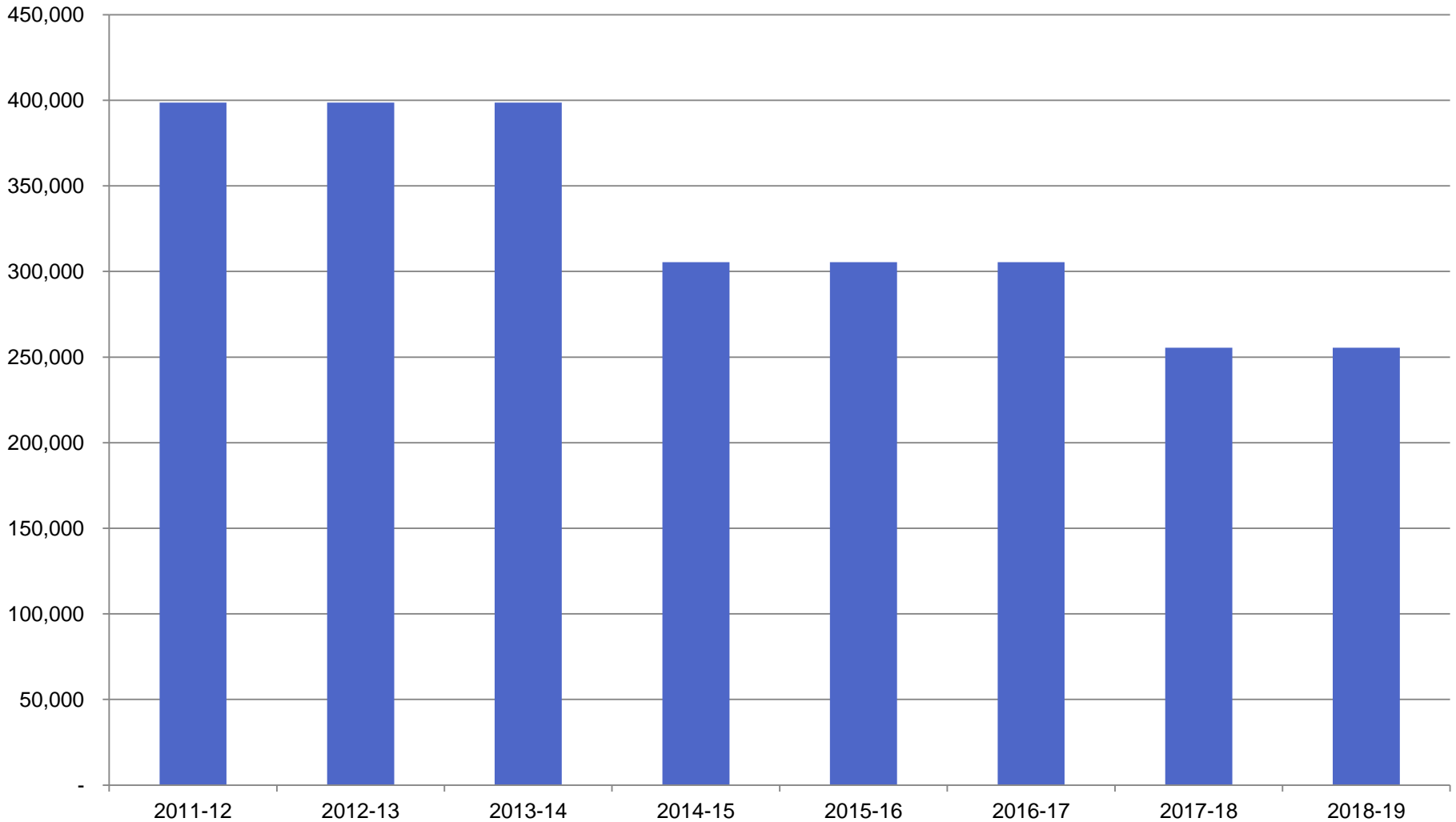
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| Revenue | | |
|---------------------------|---------------|---------|
| Property Tax | 255,455 | |
| Fees | 661,000 | |
| Gifts/Resale/Misc | <u>12,900</u> | |
| | Total | 929,355 |
| Expense | | |
| General Programming | 484,788 | |
| Recreation Administration | 388,467 | |
| Aquatics | 17,339 | |
| Summer Camp | 37,095 | |
| Softball | 16,463 | |
| WPRA Ticket Sales | 3,400 | |
| Recreation Supervision | <u>33,495</u> | |
| | Total | 983,412 |

Historical Community Services Levy

Fund 80

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Historical Total Tax Levy

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| Fund | 2016-17 | 2017-18 | 2018-19 (Proposed) |
|-------------------------------------|-------------------|-------------------|-----------------------|
| General Fund (Fund 10) | 17,886,336 | 17,990,955 | 18,132,766 |
| Non-Referendum Debt Fund (Fund 38) | 704,232 | 853,778 | 975,649 |
| Community Services Fund (Fund 80) | 305,455 | 255,455 | 255,455 |
| Total School Tax Levy | 18,896,023 | 19,100,188 | 19,363,870 |
| Percentage Increase from Prior Year | 0.75% | 1.08% | 1.38% |

Proposed 2018-19 Tax Rate

Assumption: District assumed 0% increase in property valuation when determining mill rate

| School Year | Estimated Equalized Value | Equalized Value Increase | Tax Levy (Total) | Tax Rate per \$1,000 Equalized Value | % In(De)crease in Mill Rate |
|-------------|---------------------------|--------------------------|------------------|--------------------------------------|-----------------------------|
| 2016-17 | 3,944,382,100 | 2.64% | 18,896,023 | 4.79 | (1.84%) |
| 2017-18 | 4,030,134,100 | 2.17% | 19,100,188 | 4.74 | (1.07%) |
| 2018-19 | 4,030,134,100 | --- | 19,363,870 | 4.80 | 1.38% |

Reality: District realized a 1.31% increase in valuation

Impact: Mill rate should be decreased to a level similar to 2017-18 (if levy holds stable through final budget adjustments)

Where do we go from here?

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- The District will modify the budget based on:
 - ▣ Revenue Changes
 - Final Revenue Limit Calculation
 - Actual Student Count (September enrollment count)
 - Final District property values
 - Aid certification in October
 - Exemptions (Prior Yr OE, Vouchers, TOS)
 - Final levy determination
 - Final Per Pupil Allocation (based on enrollment)
 - ▣ Expenditures finalized
 - Open Enrollment/Voucher shifts
 - District grants
 - Staff changes/Benefit updates
 - Other
- Board Meeting set for October 22, 2018 to adopt final budget and set tax levy for 2018-19 school year

Public Hearing on the Proposed 2018-19 Budget

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- Questions?

Nicolet High School District

Annual Meeting Agenda

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Nicolet High School District

The Annual Meeting Resolutions

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In accordance with State statute 120.10, Powers of the Annual Meeting, the following resolutions are proposed:



Nicolet High School District

The Annual Meeting Resolutions

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Resolution A: Adoption of Tax Levy

Be it resolved that there be levied upon the taxable property of the Nicolet High School District the sum of \$19,363,870 for the purpose of funding the operation and maintenance of the public school, funding of debt payments, and providing for recreation authority.

Motion by: _____

Second by: _____

Nicolet High School

The Annual Meeting Resolutions

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Resolution B: Annual Salaries of Board Members

Be it resolved that the Annual Salaries of the Board Members be:

(Note: Present salary: \$1,000/per member annually)

Motion by: _____

Second by: _____

Nicolet High School District

The Annual Meeting Resolutions

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Resolution C: Reimbursement of Board Members Expenses When Traveling

Be it resolved that payment shall be made for actual and necessary expenses of a School Board Member when traveling in the performance of duties.

Motion by: _____

Second by: _____

Nicolet High School District

The Annual Meeting Resolutions

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Resolution D: Set the Date for the Next Annual Meeting

Be it resolved that the School Board is authorized to set the date of the 2018 Annual Meeting, not to be held before May 15, 2018, or after September 30, 2018.

Motion by: _____

Second by: _____

Nicolet High School District

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Thank you for Attending the
2018 Nicolet High School District's
Annual Meeting/Budget Hearing