

PLEASE POST



SCHOOL DISTRICT OF SHOREWOOD
Shorewood, Wisconsin
August 23, 2022 AGENDA

2022-2023 Annual Meeting & Budget Hearing
7:00 PM

Shorewood High School Library Media Center (LMC)
1701 East Capitol Drive
Shorewood, WI 53211

The Shorewood School District's Annual Meeting and Budget Hearing will be held on Tuesday, August 23 at 7 pm.

Community members may attend the meeting in person; masks are recommended, but optional.

Parking is available in the Shorewood High School lot; please enter through the new Administration Building doors and take the west stairs up to the second floor. *An elevator is accessible on the east side of the Administration building.*

Due to active health and safety concerns associated with the ongoing COVID-19 pandemic, attendees can use the alternative method of access that the District is providing on Zoom:

Join Zoom:

<https://us02web.zoom.us/j/81599627722>

Meeting ID: 815 9962 7722

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Meeting ID: 815 9962 7722

Find your local number: <https://us02web.zoom.us/j/kdeePLnyIh>

This meeting notice was posted on August 17, 2022.

I. 2022-2023 Annual Meeting Agenda and Budget Hearing

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SHOREWOOD SCHOOL DISTRICT

**2022-2023
Annual Meeting and
Budget Hearing**

August 23, 2022

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ANNUAL SCHOOL DISTRICT MEETING

AGENDA

August 23, 2022

1. Call to Order
2. Election of Annual Meeting Chairperson
3. Approval of Agenda
4. Introduction of Board of Education
5. Approval of 2021 Annual Meeting minutes
6. Recess the Annual Meeting to Convene the Budget Hearing
7. Superintendent State of the District Report
8. Budget Hearing
9. Reconvene Annual Meeting
10. Consideration of a Capital Expansion Fund 120.10 (10M)
11. Consideration of the 2021-2022 Tax Levy (120.10)

12. Consideration of School Board Salaries (120.10(3))
13. Consideration of School Board Expenses (120.10(4))
14. Authorize the School Board to Establish the Date for the 2023 Annual Meeting
15. Adjourn

ANNUAL MEETING MINUTES

August 24, 2021

Board Members Present: Paru Shah, President
 Hilary DeBlois, Vice President
 Emily Berry, Treasurer (Virtual)
 Pablo Muirhead, Clerk
 Ellen Eckman, Member at Large

Call to Order: President Paru Shah called the meeting to order at 7 pm

- I. Election of the Annual Meeting Chair
 Nomination of Janet Kreilein by Todd DeBlois and Seconded by Heather Heaviland to Elect Janet Kreilein as 2021 Annual Meeting Chair; Motion: Passed
- II. Motion to Approve the 2021 Annual Meeting Agenda
 Moved by Todd DeBlois and Seconded by Ellen Eckman; Motion: Passed
- III. Introduction of the Board of Education
- IV. Motion to Approve the 2020 Annual Meeting Minutes
 Moved by Hilary DeBlois and Seconded by Paru Shah; Motion: Passed
- V. Motion to Recess the Annual Meeting to Conduct a Budget Hearing
 Moved by Ellen Eckman and Seconded Hilary DeBlois; Motion: Passed
- VI. State of the District Presentation, Dr. JoAnn Sternke, Interim Superintendent
- VII. Budget Hearing, Heather Heaviland, Director of Business Services
- VIII. Motion to Reconvene Annual Meeting
 Moved by Paul Zovic and Seconded by Joanne Lipo Zovic; Motion: Passed
- IX. Motion to Approve Resolution for the Creation of a Capital Expansion Fund
 Moved by Joanne Lipo Zovic and Seconded Paul Zovic; Motion: Passed
- X. Motion to Approve 2022-2023 Property Tax Levy of \$23,227,072, including \$275,000 for the Capital Expansion Fund

Moved by Paul Zovic and Seconded by Todd DeBlois; Motion: Passed

- XI. Motion to Approve Salaries of Board Members
Moved by Joanne Lipo Zovic and Seconded by Heather Heaviland; Motion: Passed
- XII. Motion to Approve Reimbursement of Board Member Expenses
Moved by Paru Shah and Seconded by Tony Seidita; Motion: Passed
- XIII. Motion to Authorize the School Board to Establish the Date for the 2022 Annual Meeting
Moved by Joanne Lipo Zovic and Seconded by Todd DeBlois; Motion: Passed
- XIV. Motion to adjourn
Moved without objection by Joanne Lipo Zovic and Seconded by Tony Seidita at 8:04 pm.

POWERS OF THE ANNUAL MEETING

The statute outlining the powers of the annual meeting is Section 120.10. The laws provide that the annual meeting may:

1. Set the annual salaries for board members or an amount for each meeting attended.
2. Authorize the payment of actual and necessary expenses for board members when traveling in the performance of their duties.
3. Designate sites for school buildings.
4. Authorize the board to acquire real estate by purchase or condemnation.
5. Vote a tax for the operation of the schools, to create a capital expansion fund, and for other purposes, enumerated in s.120.10.
6. Authorize the sale of school property.
7. Direct and provide for the prosecution or defense of any legal action or proceedings in which the school district is interested.
8. Direct the school board to furnish school lunches to district students and appropriate funds for that purpose.
9. Authorize the school board to furnish textbooks to students under conditions prescribed by the meeting or school board.
10. Authorize the purchase of vehicles or finance contracts for the use and services of transportation vehicles.
11. Adjourn the annual meeting from time to time or establish a different date and time

for a subsequent annual meeting.

THE BUDGET HEARING, WHICH WILL BE CONDUCTED DURING THE ANNUAL MEETING, PROVIDES AN OPPORTUNITY FOR THE BOARD TO EXPLAIN THE BUDGET AND TO HEAR COMMENTS AND SUGGESTIONS FROM THE CITIZENS. THE ANNUAL MEETING HAS NO AUTHORITY TO CHANGE SPECIFIC BUDGET ITEMS.

ANNUAL MEETING - Suggested Motions

1. School Board President, Dr. Paru Shah, will call the meeting to order at 7:00 p.m.:
 - a. The meeting is being called pursuant to State Statutes 65.90 and 120.08
 - b. The meeting was duly noticed and publicized in the 11th and 18th of August editions of the North Shore Now.

2. **ELECTION OF ANNUAL MEETING CHAIRPERSON:** nomination from the floor will be requested by the School Board President, not less than 3 times.

Nomination of:

Motion By: _____ Second: _____

(Repeat for additional nominations. A vote is not required for a nomination)

MOTION to close nominations. (If only one nomination, this could be a combined motion to close nominations and confirm [nominee] as Chairperson of the meeting).

Motion By: _____ Second: _____

Motion carried:

If more than one nominee, vote by show of hands (unless a motion for a division of the house is made).

3. MOTION TO APPROVE AGENDA

Motion By: _____ Second: _____

Motion carried:

4. INTRODUCTION OF BOARD OF EDUCATION

Position Name

President, Paru Shah

Vice-President, Emily Berry

Treasurer, Ellen Eckman

Clerk - in the absence of the Board Clerk, Board President Paru Shah will serve as Clerk for the Annual Meeting

Member at Large, Becky Freer

5. MOTION TO APPROVE MINUTES OF THE 2021 ANNUAL MEETING

Motion By: _____ Second: _____

Motion carried: _____

6. MOTION TO RECESS ANNUAL MEETING FOR THE PURPOSE OF CONVENING THE BUDGET HEARING

Motion By: _____ Second: _____

Motion carried: _____

7. STATE OF DISTRICT REPORT

8. BUDGET PRESENTATION

9. MOTION TO RECONVENE THE ANNUAL MEETING

Motion By: _____ Second: _____

Motion carried: _____

10. MOTION TO APPROVE RESOLUTION TO CREATE A CAPITAL EXPANSION FUND

RESOLUTION

BE IT RESOLVED by the electors of the Shorewood School District that a Capital Expansion Fund is hereby created pursuant to Section 120.10 (10M) of the Wisconsin Statutes for the purpose of financing remodeling, maintenance, repair and improvement projects at various district buildings and sites; and

BE IT FURTHER RESOLVED that a tax in the amount of \$275,000 be levied for the 2022-23 school year to be deposited in the Capital Expansion Fund created above to be used only for the purposes specified above.

Motion By: _____ Second: _____

Motion carried: _____

11. MOTION TO APPROVE PROPERTY TAX LEVY FOR THE 2021-23 SCHOOL YEAR.

TAX RESOLUTION

BE IT RESOLVED by the 2022 Annual Meeting, School District of Shorewood, Milwaukee County, Wisconsin, that there is hereby levied upon all the taxable property of said School District a tax in the amount of \$22,869,257, including \$275,000 for a Capital Expansion Fund, to provide for operation and maintenance of said School District.

Motion By: _____ Second: _____

Motion carried: _____

12. MOTION TO APPROVE SALARIES OF BOARD MEMBERS. Electors fix the salaries of School Board members and authorize one family fitness club membership per School Board member. Present salary is \$1,000 per annum for Board members and \$1,300 for the President

Motion By: _____ Second: _____

Motion carried: _____

13. MOTION TO APPROVE REIMBURSEMENT OF BOARD MEMBER EXPENSES. Electors may authorize the payment of actual and necessary expenses of a School Board member. Presently, the approval is for a maximum of \$3,000 per person, when traveling in the performance of duties.

Motion By: _____ Second: _____

Motion Carried: _____

14. MOTION TO AUTHORIZE THE BOARD TO ESTABLISH THE DATE FOR THE 2023 ANNUAL MEETING. This motion will allow the Board to set the Annual Meeting date within the parameters established by section 120.08(1), Wisc. Stats. which requires the Annual Meeting to be held between May 15 and October 31.

Motion By: _____ Second: _____

Motion Carried: _____

15. ADJOURN

Although it is common to have a motion to adjourn, the Chair can adjourn the meeting, without a motion, if all topics on the approved agenda have been considered.

BOARD OF EDUCATION

<u>Position</u>	<u>Name</u>	<u>Term Expires</u>
President	Paru Shah	April 2023
Vice-President	Emily Berry	April 2025
Treasurer	Ellen Eckman	April 2024
Clerk		April 2023
Member	Becky Freer	April 2025

ADMINISTRATION

Interim Superintendent, Dr. JoAnn Sternke
Interim Director of Teaching and Learning, Mr. Michael Joynt
Director of Equity, Ms. Shari Tucker
Director of Business Services, Ms. Heather Heaviland
Director of Special Education and Student Services, Ms. Kate Harder
Director of Recreation and Community Services, Mr. Jody Brooks
Principal, Shorewood High School, Mr. Tim Kenney
Interim Principal, Intermediate School, Mr. Samuel Nadolsky
Principal, Atwater Elementary School, Dr. Janice Carter
Principal, Lake Bluff Elementary School, Ms. Alejandra Ovalle-Krolick

2022-2023 BUDGET HIGHLIGHTS

I. General Operations Fund Balance (Pre-Audit)

The District maintains a reasonable fund balance as a safety net for unexpected events, such as the current pandemic. Credit rating firms recommend a fund balance between 10% and 25% of subsequent year’s expenditures. The 21-22 budgeted year-end fund balance for general operations was \$2,776,594. Due to a one-time TID closure payment, the actual projected/unaudited year-end balance is \$3,265,887, which is 12.4% of projected subsequent year expenditures.

The June 30, 2023 General Fund Balance is budgeted to increase by \$89,649 from the year ended June 30, 2022. Based on the preliminary year-end projection, this will bring the total fund balance in the general fund to \$3,355,536 as of 6/30/23. Based on preliminary projections for FY24, which included an increase on the largest expenses of 3%, fund balance as a percentage of subsequent year operating expenditures is likely to remain status or decrease from the current 12.4% projection for 22-23.

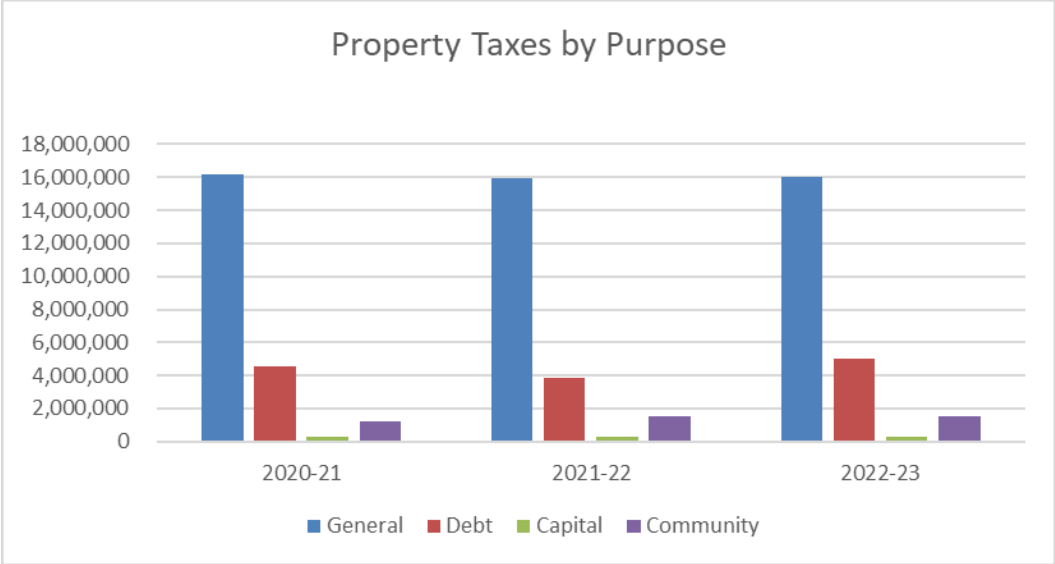
Fund balance is not a static amount, it is a single day balance on the last day of the fiscal year. Fund balance includes cash and booked receivables for the District.

II. Property Tax Levy

The budget anticipates a total property tax levy of \$22,869,257, which reflects an increase of \$1,204,110, or 5.6% over the current year levy. The equalized mill rate under the budget estimate decreased by \$0.24 to \$13.16 due to an overall increase in property values.

10 Year Tax Levy and Mill Rate History					
Fiscal Year		Tax Levy	Increase (Decrease)	Change	Equalized Mill Rate
2013-14	Actual	18,402,018			
2014-15	Actual	19,022,886	620,868	3.4%	13.88
2015-16	Actual	19,679,974	657,088	3.5%	13.88
2016-17	Actual	20,105,480	425,506	2.2%	13.88
2017-18	Actual	20,816,294	710,814	3.5%	13.88
2018-19	Actual	21,659,543	843,249	4.1%	13.88
2019-20	Actual	22,405,811	746,268	3.4%	14.07
2020-21	Actual	22,284,348	(121,463)	-0.5%	14.13
2021-22	Actual	21,665,147	(619,201)	-2.8%	13.40
2022-23	Proposed	22,869,257	1,204,110	5.6%	13.16

The tax levy supports educational and support programs (general), repayment of debt, capital projects and community services. Taxes for uses other than the general fund are restricted to the specific purpose for which they are levied. As shown in the chart below, the levy is primarily for education and support.



In the three years shown, the proportion of taxes levied for each of the four categories does not change substantially. The capital projects levy was first used in the 2019-20 school year.

III. State Aid

The State of Wisconsin has three classifications of revenue designed to share the costs of education between the state and the local district. General Aid is direct property tax relief distributed to school districts in accordance with several aid formulae. Per Pupil Adjustment Aid is classified as a general-purpose aid and is used for operation and maintenance of school programs. Categorical Aid is based on performance of specific tasks or programs and restricted to the specific purpose for which it is intended.

State Aid by Category					
Fiscal Year	General Aid	Per Pupil Aid	Categorical Aid	Total State Aid	Increase (Decrease)
2011-12	3,633,592	0	808,602	4,442,194	
2012-13	4,870,290	82,800	818,009	5,771,099	1,328,905
2013-14	5,143,964	126,225	815,378	6,085,567	314,468
2014-15	5,039,363	256,200	919,545	6,215,108	129,541
2015-16	5,367,323	268,650	951,145	6,587,118	372,010
2016-17	5,641,758	458,250	963,561	7,063,569	476,451
2017-18	6,131,376	840,150	1,041,050	8,012,576	949,007
2018-19	5,824,659	1,226,250	1,403,679	8,454,588	442,012
2019-20	5,390,317	1,386,056	1,129,249	7,905,622	(548,966)
2020-21	6,396,264	1,348,956	1,136,122	8,881,342	975,720
2021-22	6,340,962	1,314,824	1,169,809	8,825,595	(55,747)
2022-23	5,871,416	1,271,945	1,130,303	8,273,664	(551,931)

The table above shows the amount of aid received in each of the three classification since the 2011-12 school year. Per pupil and general aid has remained relatively static for the last four years with an overall decrease in state aid projected for the 2022-2023 school year. Preliminary projections from the Department of Public Instruction showing aid for the Shorewood School District staying closer to the 2021-2022 aid amount, which is beneficial to the District. Aid estimates are based on 21-22 budget numbers, however, and do not take into account actual expenditures or the increase in property values relative to the rest of the state. Final aid amounts will be provided to the District in October.

IV. Other Budget Information

Revenue Limits

The State of Wisconsin limits the amount of revenue public schools generate through the combination of state general aid and the District tax levy. This limitation is referred to as “Revenue Limits”. The biennial budget signed into law in July 2021 provided for no increase in the revenue limit for Wisconsin Schools in either the 2021-2022 or the 2022-2023 school year. The Shorewood School District budget reflects this \$0 increase.

Student Membership and Enrollment

Student membership refers to the number of students that the District counts for the purpose of calculating the revenue limit. The District counts all full time, resident students who attend Shorewood schools, as well as Shorewood residents who attend other public-school districts through open enrollment. The District also counts part time students, such as K4 and Summer School, although they do not each count as a full-time student. The membership upon which the District’s 2022-2023 revenue limit projection was determined is 1,718, based on the rolling average of the previous three years.

Enrollment is the number of students that are educated in a District school, and

may include students who reside in other districts. Enrollment is important in determining the resources needed, such as space, instructional materials, and number of staff. Whereas membership determines revenue, enrollment determines costs.

School funding formulas reallocate funds from one district to another for the number of non-resident students in each school district. Therefore, for budget purposes, the District must monitor both membership and enrollment. The table below shows that membership has declined over the past two years after a relatively steady trend over the previous three years. The projected enrollment for 2020-21 is based on the assumption that 50% of students who chose not to enroll during the previous year will return to the District.

10 Year Membership and Enrollment History					
Year	Revenue Limit Members *	Member Change	Enroll	Enroll Change	Enroll Over (Under) Members
2013-14	1,683		1,951		268
2014-15	1,728	45	2,011	60	283
2015-16	1,771	43	2,026	15	255
2016-17	1,832	61	2,042	16	210
2017-18	1,867	35	2,020	(22)	153
2018-19	1,878	11	1,930	(90)	52
2019-20	1,868	(10)	1,942	12	74
2020-21	1,818	(50)	1,889	(53)	71
2021-22	1,774	(44)	1,915	26	141
2022-23	1,718	(56)	1,922	7	204

* Rolling 3-year average membership

V. Energy Efficiency Exemption

The school district borrowed \$5,515,000 in February 2018 to complete several energy efficiency projects as permitted under Wisconsin Acts 28 and 32. In compliance with the acts the District is required to report to the taxpayers the utility cost savings achieved during the most recent reporting period. The savings for the 2020 reporting period are provided in the table below.

ENERGY EFFICIENCY EXEMPTION			
§ 121.91 (4) (o) Revenue Limit Exemption for Energy Efficiencies-Evaluation of the Energy Performance Indicators			
Name of Qualified Contractor	Honeywell ESG		
Performance Contract Length (years)			15
Total Project Cost (including financing)			\$6,014,876
Total Project Payback Period			40
Years of Debt Payments			15
Remaining Useful Life of the Facility			50
Prior Year Resolution Expense Amount	Fiscal Year	2020-2021	\$599,849
Prior Year Related Expense Amount or CY debt levy	Fiscal Year	2020-2021	\$455,349
Utility Savings applied in Prior Year to Debt	Fiscal Year	2020-2021	\$159,474
Sum of reported Utility Savings to be applied to Debt			\$ 205,467
		Savings Reported for 2020	
Specific Energy Efficiency Measure or Products	Project Cost Including Financing	Utility Cost Savings	Non-Utility Cost Savings
Annual KWh electric savings		\$ 115,935	
Annual MMBtu gas savings		\$ 74,186	
Annual CCF water savings		\$ 15,346	
Entire Energy Efficiency Project Totals	\$ 6,014,879	\$ 205,467	\$ 22,174

VI. Budget Publication

The DPI has established standard formatting for the publication of budgets and a recommended format for approval by the Board of Education. The required publication standard was followed in the publication of the budget in the local newspaper. The recommended budget adoption format is displayed below, and provides additional information about the sources and uses of funds.

Projected budgets are estimates based on information available at the time of development and will change as additional facts and circumstances necessitate.

GENERAL FUND	Audited 2020-2021	Budget 2021-2022	Budget 2022-23
Beginning Fund Balance	2,468,658	2,679,854	2,697,367
Ending Fund Balance	2,753,555	2,697,367	2,787,016
REVENUES & OTHER FINANCING SOURCES			
Local Sources (Source 200)	16,646,257	16,650,774	16,529,186
Inter-district Payments (Source 300 + 400)	1,126,891	1,516,964	1,731,974
State Sources (Source 600)	7,935,208	7,787,834	7,212,894
Federal Sources (Source 700)	410,473	1,146,770	846,124
All Other Sources (Source 800 + 900)	281,585	97,160	0
TOTAL REVENUES & OTHER FINANCING SOURCES	26,400,415	27,199,502	26,320,178
EXPENDITURES & OTHER FINANCING USES			
Instruction (Function 100 000)	14,210,162	14,239,586	13,211,014
Support Services (Function 200 000)	8,524,119	9,444,885	9,711,200
Non-Program Transactions (Function 400 000)	3,381,237	3,497,518	3,308,316
TOTAL EXPENDITURES & OTHER FINANCING USES	26,115,518	27,181,989	26,230,530

SPECIAL PROJECTS FUND	Audited 2020-2021	Budget 2021-2022	Budget 2022-23
Beginning Fund Balance	47,018	340,580	326,580
Ending Fund Balance	327,413	326,580	337,520
REVENUES & OTHER FINANCING SOURCES	4,803,353	4,375,612	4,348,170
EXPENDITURES & OTHER FINANCING USES	4,522,958	4,389,612	4,337,229

DEBT SERVICE FUND	Audited 2020-2021	Budget 2021-2022	Budget 2022-23
Beginning Fund Balance	2,653,197	3,372,487	3,448,510
Ending Fund Balance	2,722,140	3,448,510	4,192,580
REVENUES & OTHER FINANCING SOURCES	4,571,727	7,950,833	5,029,310
EXPENDITURES & OTHER FINANCING USES	4,502,784	7,874,810	4,285,240

CAPITAL PROJECTS FUND	Audited 2020-2021	Budget 2021-2022	Budget 2022-23
Beginning Fund Balance	35,789,409	5,631,948	10,192,028
Ending Fund Balance	5,631,948	640,960	2,472,069
REVENUES & OTHER FINANCING SOURCES	764,737	420,100	275,200
EXPENDITURES & OTHER FINANCING USES	30,922,198	5,411,088	7,995,159

FOOD SERVICE FUND	Audited 2020-2021	Budget 2021-2022	Budget 2022-23
Beginning Fund Balance	0	155,458	198,310
Ending Fund Balance	75,411	198,310	114,239
REVENUES & OTHER FINANCING SOURCES	392,153	393,905	393,905
EXPENDITURES & OTHER FINANCING USES	316,742	351,053	477,976

COMMUNITY SERVICE FUND	Audited 2020-2021	Budget 2021-2022	Budget 2022-23
Beginning Fund Balance	481,026	297,349	533,857
Ending Fund Balance	480,072	533,857	568,897
REVENUES & OTHER FINANCING SOURCES	1,760,343	2,714,620	2,320,000
EXPENDITURES & OTHER FINANCING USES	1,761,297	2,478,112	2,284,960

Total Expenditures and Other Financing Uses

ALL FUNDS	Audited 2020-2021	Budget 2021-2022	Budget 2022-23
GROSS TOTAL EXPENDITURES -- ALL FUNDS	68,141,496	47,686,664	45,611,095
Interfund Transfers (Source 100) - ALL FUNDS	2,717,530	2,710,423	2,724,774
Refinancing Expenditures (FUND 30)	0	3,966,377	0
NET TOTAL EXPENDITURES -- ALL FUNDS	65,423,966	41,009,865	42,886,321
PERCENTAGE INCREASE – NET TOTAL FUND EXPENDITURES FROM PRIOR YEAR		-37.3%	4.6%

PROPOSED PROPERTY TAX LEVY

FUND	Audited 2020-2021	Budget 2021-2022	Budget 2022-23
General Fund	16,187,953	15,968,605	16,014,947
Referendum Debt Service Fund	3,971,546	3,271,473	4,425,210
Non-Referendum Debt Service Fund	599,849	600,069	604,100
Capital Expansion Fund	275,000	275,000	275,000
Community Service Fund	1,250,000	1,550,000	1,550,000
TOTAL SCHOOL LEVY	22,284,348	21,665,147	22,869,257
PERCENTAGE INCREASE -- TOTAL LEVY FROM PRIOR YEAR		-2.8%	5.6%
Equalized property tax rate	14.13	13.40	13.16