

**WAUNAKEE COMMUNITY SCHOOL DISTRICT
BOARD OF EDUCATION BUDGET COMMITTEE MEETING**

Tuesday, September 3, 2024

7:30 AM

Waunakee Community School District
905 Bethel Circle
Waunakee, WI 53597

Members of the public may attend Board of Education meetings in-person, and will be asked to check in with District personnel when you arrive.

Public comments will be limited to 3 minutes. The Board will allow 30 Minutes for public comments.

Public comments may be sent to Rebecca McDonough at district_administrator@waunakee.k12.wi.us up to one hour before the start of the Board meeting. All comments will be reviewed by the Board members. Emailed comments will be reviewed by the board but not read out loud. Emailed comments sent during any part of the board meeting (Board Development, Closed session, Open session) will be forwarded to the board but may or may not be reviewed by the board until after the board adjourns. Comments must include the commentator's name, address, and must identify their connection to the District (if any) and any group they are representing in order to be considered by the Board.

If you would like to address the Board in-person during the public comments section of the meeting, you will be greeted in the lobby of the building, asked to check in with District personnel when you arrive so that you can be recognized and address the Board when your name is called.

A recording of the meeting will be posted on the District webpage within 24 hours of the meeting time.

Starting June 24, 2024 - August 30, 2024 the parking lot at 905 Bethel Circle will be under construction.

Visitors may park in the indicated spaces at Benda Welding (900 Bethel Circle), or Humane Restraint Co. (912 Bethel Circle). There will be very limited parking along Bethel Circle for brief visits. Please follow the signage to enter the building along the mulch path to the right of our driveway. If anyone has handicapped accessibility needs, please contact the district office during business hours at (608)849-2000 and we will accommodate you.

AGENDA

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF AGENDA

IV. PUBLIC COMMENTS

V. 2023-24 BUDGET UPDATE

A. Discussion of Preliminary Audit Results

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The purpose of this agenda item is to discuss the preliminary audit results. Attached please find the Treasurer's Report that was presented at the Annual Meeting. The fund 10 fund balance has declined to 9.7% of the fund 10 expenditures for 2024-25. The budget committee recommended approval of the projected deficit of \$338,000 during the budget revision process in June. The two main contributors to that deficit were the diesel fuel surcharge on our transportation contract and the consulting costs.

During the audit process, there were multiple expenditure categories that impacted the fund balance:

- self-insured dental program (\$154,690)
- building/dept carryover balances (\$261,000)
- health insurance plan changes (\$209,724)
- cash flow borrowing interest (\$123,818)
- maxed out ESSER III funding (\$138,585)
- food service deficit (\$63,839)
- employee termination benefits (\$79,263)

Some of the expenditures identified above will need a long-term solution as the costs will likely increase over the next few fiscal years. An example of that is the employee termination benefits. At the October budget committee meeting, we will review what options might exist for the 4th draft of the 2024-25 budget as well as the early stages of planning for the 2025-26 budget.

B. Allocation of Capital Maintenance/Equipment Expenses between Fund 10 and Fund 49.

The purpose of this agenda item is to consider moving capital maintenance expenditures and equipment purchases from fund 10 to fund 49. As a reminder, here is the legal authority for our November 2022 referendum: BE IT RESOLVED by the School Board of the Waunakee Community School District, Dane County, Wisconsin that there shall be issued pursuant to Chapter 67 of the Wisconsin Statutes, general obligation bonds in an amount not to exceed \$175,000,000 for the public purpose of paying the cost of a school building and facility improvement project consisting of: construction of a new Heritage Elementary School on district-owned land; construction of a new middle school on district-owned land; removal of the current Heritage Elementary School building; district-wide renovations, capital maintenance and site improvements; and acquisition of furnishings, fixtures and equipment.

We currently have \$998,000.03 allocated towards fund 10 instead of fund 49 for capital maintenance projects and equipment. The board could allocate these costs to fund 49 instead which would then increase the fund 10 fund balance to \$7,557,902.68 or 11.3%.

Fund 49 currently has interest earnings of \$6,512,483 and \$5 million of that amount has been allocated to capital maintenance projects approved by the board, leaving a balance of \$1,512,483 in funds that are not allocated. Please note we also have two future borrowings that will also earn interest. Also, over \$2.5 million in contingency funds are remaining for the Heritage Elementary project. We are looking for feedback from the budget committee on this topic.

VI. DISCUSSION/ACTION ON PROPOSALS

VII. OTHER ITEMS FOR DISCUSSION

A. Operational Referendum Communication Plan 6

The purpose of this agenda item is to review a draft of our communication plan and first mailer. The draft communication plan has been attached. We are still developing the first mailer and may have a draft ready by the meeting. We have also attached the start of a community presentation on the operational referendum.

We are seeking budget committee feedback on the draft communication plan. Each physical mailing has a budgetary impact and we would like to discuss this topic. We also would like to discuss presenting the financial impact of the referendum. This topic will also be discussed at the September board meeting.

B. Inflation Reduction Act - Direct Pay Program Participation 15

The purpose of this agenda item is for administration to update the committee on the work that has taken place for the district to participate in the federal direct pay reimbursement program. As a reminder, the school board approved a legal team and an accounting team to assist district administration with this effort. Attached please find a 2-page high level overview of this program.

The reimbursement for the federal direct pay program would range from 6% up to 30% depending on the program requirements that are met. In order to receive the 30% reimbursement, prevailing wage requirements and apprenticeship requirements must be met. For a \$14 million dollar geothermal system, the reimbursement would range from \$840,000 to \$4.2 million. The cost to meet the 30% threshold is \$1,100,000 while the contingency for the middle is at \$4.3 million. We are seeking committee feedback on this topic.

VIII. FUTURE AGENDA ITEMS

IX. ADJOURN

“Any person who has a qualifying disability as defined by the Americans with Disabilities Act who requires assistance with access or materials should contact the Waunakee Community

School District Office at 849-2000, 905 Bethel Circle Drive Waunakee, WI 53597, at least twenty-four hours prior to the commencement of the meeting so that necessary arrangements can be made to accommodate the request.”

**WAUNAKEE COMMUNITY SCHOOL DISTRICT
2024 ANNUAL MEETING, AUGUST 26, 2024
TREASURER'S REPORT**

<u>FUND</u>	<u>DESCRIPTION</u>	<u>BEGINNING FUND BALANCE</u>	<u>2023-2024 REVENUES</u>	<u>2023-2024 EXPENSES</u>	<u>ENDING FUND BALANCE</u>	<u>CHANGE IN FUND BALANCE</u>	
10	General Fund*	8,022,096.97	64,037,278.80	65,499,473.12	6,559,902.65	-1,462,194.32	
20	Special Projects Funds	1,241,189.01	12,297,730.65	12,289,442.86	1,249,476.80	8,287.79	
30	Debt Service Funds	8,531,605.54	13,180,245.94	14,381,689.81	7,330,161.67	-1,201,443.87	
40	Capital Projects Funds*	101,681,312.49	3,760,593.79	66,139,935.24	39,301,971.04	-62,379,341.45	
50	Food Service Fund	0.00	2,962,497.26	2,962,497.26	0.00	0.00	5
73	Employee Benefit Trust Fund	8,521,126.04	1,494,757.75	1,080,180.81	8,935,702.98	414,576.94	
80	Community Service Fund	324,264.89	596,521.43	841,402.19	79,384.13	-244,880.76	
90	Package and Cooperative Programs	0.00	186,860.37	186,860.37	0.00	0.00	
	TOTAL ALL FUNDS	128,321,594.94	98,516,485.99	163,381,481.66	63,456,599.27	-64,864,995.67	

The above numbers are being audited by the district's financial auditor, the firm WIPFLI.

The ending fund balance for Fund 10 is equal to 9.7% of the Fund 10 2024-25 expenditure budget.

*** The budget committee/school board will be reviewing the allocation of districtwide maintenance expenses between funds 10 and 49.**

The Fund 73 employee benefit trust fund is managed by American United Life at a 1.65% guaranteed rate of return through December 31st, 2024.

Communication Plan and Timeline - DRAFT

Tuesday, November 5 Referendum

Updated 08/27/24

Date	Project	Details	Completed/Notes
August - November	Community Mailers #1-3	<ul style="list-style-type: none"> • Text • FAQ 	
August 12, 2024	Board of Education Discussion and Approval of Referendum Question	<ul style="list-style-type: none"> • Finalize referendum • Adopt resolutions 	<ul style="list-style-type: none"> • Resolutions approved
August 13, 2024	Public Communications Efforts	<ul style="list-style-type: none"> • Share Board Update with staff and community • Begin website and create email address for Referendum 2024 questions 	<ul style="list-style-type: none"> • Sent communication BOE Update to Staff/Families 8/13 • Created website + new email address (per IT)
September 3	Public Communications Effort	<ul style="list-style-type: none"> • Budget Committee - Review of Timeline and Communication Plan • Review of #1 draft of postcard 	<ul style="list-style-type: none"> • Draft sent to Minuteman 8/26
September 9	Public Communications Effort	<p>Board of Education Meeting</p> <ul style="list-style-type: none"> • Approve communication timeline and plan • Approve postcard #1 • Define community engagement approach • Develop communication plan for staff and families, including social media • Develop talking points for Board of Education members • Work with vendors for community postcard/flyer creation • Frequently Asked Questions completed and posted on website • Website: 	

		https://www.waunakee.k12.wi.us/community/fall-2024-referendum <ul style="list-style-type: none"> Share referendum email address: wcsd_fall2024referendum@waunakee.k12.wi.us 	
September 10, 2024	Public Information Efforts	<ul style="list-style-type: none"> E-mail Board Update to staff and families Include website + email for questions 	
Week of September 16		<ul style="list-style-type: none"> Distribute Postcard #1 (Mailed by Minutemen) 	
September and October 2024	Public Information Efforts	<ul style="list-style-type: none"> Webinar Community/Staff Engagement - Zoom <ul style="list-style-type: none"> Wednesday, September 25 at 6:00 p.m. (<i>Zoom created</i>) In-person Community/Staff Engagement Session <ul style="list-style-type: none"> Wednesday, October 2 at 6:30 p.m. at High School Performing Arts Center (PAC) - <i>Booked with Facilities</i> Rotary Meeting <ul style="list-style-type: none"> Thursday, October 10 at 12:00-1:30 p.m. Chamber of Commerce/Executive Board <ul style="list-style-type: none"> Tuesday, October 8 at 8:00 a.m. - 9:30 a.m. Community Open Hours/QA for October 14-31 <ul style="list-style-type: none"> Library - Wednesday, October 16 at 2 p.m. (Living Room) Village Center - Tuesday, October 22 at 1:00 p.m. MNM Coffeehouse - Tuesday, October 29 at 9 a.m. 	<ul style="list-style-type: none"> Reserve space Calendar invites Share via newsletters Social Media Village/Community Communication
		<ul style="list-style-type: none"> Senior Center/ROMEO 	

		<ul style="list-style-type: none"> ○ TBD at 9 a.m. ● Lion's Club <ul style="list-style-type: none"> ○ TBD at 12:00 p.m. at Rex's 	
Week of October 7th	Public Information Efforts	<ul style="list-style-type: none"> ● Complete 2-page information flyer ● Mail Monday, October 7 (Minuteman) 	
Week of October 28	Public Information Efforts	<ul style="list-style-type: none"> ● E-mail communication to staff and families ● Social Media communication ● Video - redistribute Zoom recording ● Poster Boards to Schools ● Mail #3 (postcard) - reminder to vote 	
November 5, 2024	VOTE		
November 6, 2024	Follow-up communication		



What did the School Board Approve for the November 5, 2024 Election?

Funding Initiatives	2025-26	2026-27
Maintaining current programs/services (recurring)	\$8.1 million	\$8.1 million
Increasing hourly employee compensations (recurring)	\$500,000	\$1,000,000
Increasing employee compensation costs (non-recurring)	\$1.05 million	\$2.1 million
Total	\$9.65 million	\$11.2 million



Maintaining Current Programs & Services

- \$8.1 million to replace:
 - \$2.1 million from November 2020, non-recurring operational referendum
 - \$6 million from November 2022, non-recurring operational referendum
- Funds have been fully utilized in the 2024-25 budget planning process
- These funds have been primarily used for supporting compensation increases, including CPI, district compensation systems, and the loss of federal ESSER funding



Increasing Hourly Employee Compensation

- \$1 million over two fiscal years to close the compensation gap between Waunakee hourly employees and our Dane County comparable school districts
- Waunakee hourly employees are the only employee group not at an average compensation level



Increasing Employee Compensation Costs

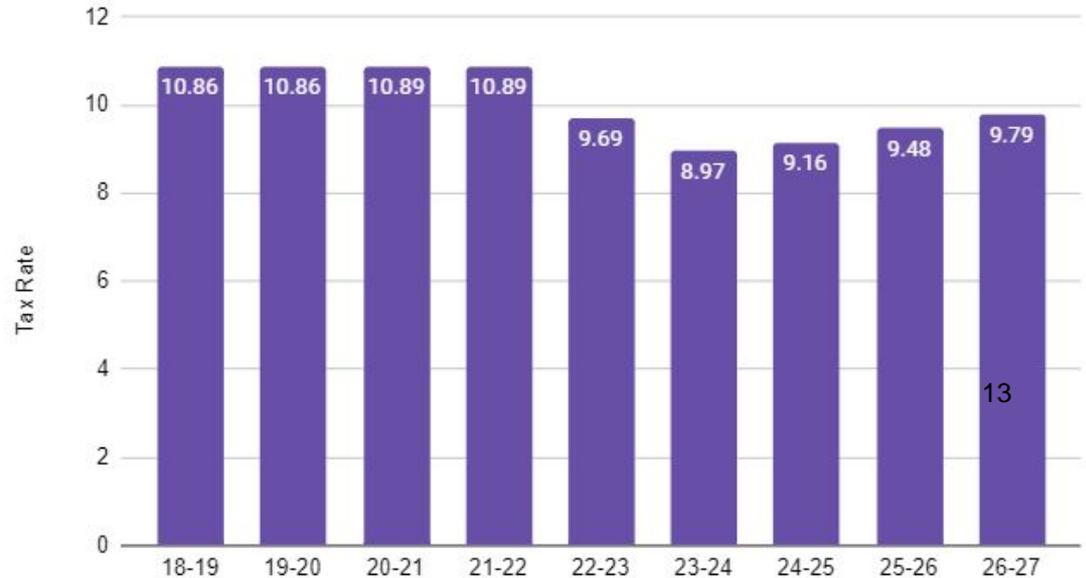
- \$2.1 million over two fiscal years to support compensation increases, including CPI and district compensation systems
- The \$2.1 million is an estimate of the difference between the increase in state revenues (\$325/student) and cost increases
- The goal of the \$2.1 million is to keep all other employee groups competitive with Dane County comparables



Tax Impact

- 25-26 increase is an additional \$0.32 per \$1,000 of property value (\$160 for a \$500K home)
- 26-27 increase is an additional \$0.31 per \$1,000 of property value (\$155 for a \$500K home)

Tax Rate





Tax Impact

- \$8,127,502 of the 25-26 request for \$9,650,000 will already be included in the 24-25 tax rate
- \$9,650,000 of the 26-27 request for \$11,200,000 will already be included in the 25-26 tax rate
- The tax impact calculations do not assume property value growth that could absorb a portion of the tax levy increase. In addition, the tax impact calculations do not make any assumptions regarding the 2025-27 state budget
 - As an example, real property growth of 3% in 25-26 would absorb \$0.29 of the \$0.32 increase in the tax rate.

The Inflation Reduction Act & Schools

New funding for healthy, sustainable, efficient schools

Overview

New clean energy tax credits help schools defray the cost of clean energy equipment that can promote health, sustainability and efficiency.

The Inflation Reduction Act is poised to be the largest ever federal investment in school infrastructure.

[Visit Schools & the Inflation Reduction Act website for more information](#)



Key Features

- ★ **Non-competitive:** All schools with qualifying projects are eligible to claim clean energy tax credits.
- ★ **Cash reimbursement:** Tax credits will be paid to schools in the form of a cash reimbursement.
- ★ **Available for years to come:** Funding is available by statute until at least 2032.
- ★ **Unlimited funding:** There are no caps on funding. Schools can claim multiple tax credits in a single year and over subsequent years.

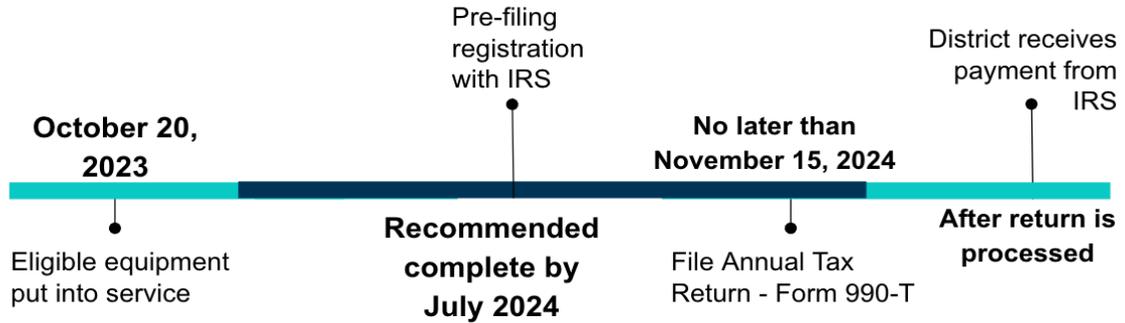
Eligible Technologies

	<p>Solar Energy: Generates on-site, reliable, clean energy at a fixed price. Nationally, one in every 10 schools is already solar-powered.</p>	<p>Sec 48: Investment Tax Credit</p>
	<p>Energy Storage: Provides back-up power. Can also contribute to a reduction of utility costs, generate revenue, and reduce carbon emissions.</p>	
	<p>Ground-Source Heat Pumps: Provides heating and cooling with one set of equipment. Up to six times more efficient than a “high-efficiency” furnace.</p>	
	<p>Electric School Buses: Reduces exposure to harmful air pollutants for students and communities, while saving ~\$100,000 in lifetime fuel and maintenance per bus.</p>	<p>Sec 45W: Commercial Clean Vehicles Tax Credit</p>
	<p>Electric Vehicle Charging Equipment: Facilitates charging of electric school buses and other electric vehicles.</p>	<p>Sec 30C: Alternative Fuel Refueling Property</p>

How does this process work?

- Place eligible clean energy equipment into service
- Complete a pre-filing registration using the IRS' Elective Pay portal to receive a registration number for the eligible equipment
- File Form 990-T using the registration number provided
- Receive payment from the IRS after submission is approved

Sample timeline



Example for equipment placed into service by a school with a fiscal year from July 1, 2023 to June 30, 2024.

Advantages of Investing in Clean Energy Technologies

Efficiency & Savings: Clean energy technologies are often more cost-effective to operate. Savings can be reinvested into student learning. In many cases, clean energy tax credits may make the clean choice also the most affordable choice (see figure).

Student Health & Learning: Clean energy can support healthy learning environments by keeping classrooms comfortable. And clean energy projects at schools can provide hands-on learning about climate solutions and green jobs.

Resilient Schools & Communities: Adopting clean energy can enhance the resilience of school facilities allowing buildings, for example, to serve as shelters for students and communities through extreme weather and power disruptions.

Sustainability & Social Responsibility: School buildings, transportation fleets, and land assets will play a critical role in reaching climate goals. Students are looking to adult decisionmakers to ensure that schools are embracing their responsibility to address air pollution and reduce greenhouse gas emissions.

Cost estimates for HVAC system installation w incentives (Gas vs Ground-Source Heat Pump)

