

Manitowoc Public School District
Minutes of the Finance and Budget Committee Meeting
Monday, April 13, 2015

Committee Chairperson Karen Rohrer called the Finance and Budget Committee meeting to order at 12:02 p.m. Committee members Catherine Shallue and Board President Linda Gratz were present. In addition, Superintendent Marcia Flaherty and Director of Business Services Ken Mischler, were also present.

Fund 46

Mr. Mischler explained that he would like the Board of Education to look at establishing a Long-term Capital Improvement Trust Fund (Fund 46). The Long-term Capital Improvement Trust Fund can be used to address some of the long-term capital projects not included in the referendum. A DPI summary is attached that explains what Fund 46 is, how it needs to be managed, and the limitation of Fund 46.

A big advantage on the Fund 46 is that transfers to the trust fund are eligible for state aid in the year of the transfer. A disadvantage is that Fund 46 assets/cash may only be accessed five years after the establishment of the trust fund and may not be transferred to any other school district fund.

The key necessary actions are as follows:

1. Board approved 10 year capital improvement plan.
2. Board resolution to establish a trust.
3. Creation of a segregated bank account.

Discussion was held establishing the Long-term Capital Improvement Trust Fund (Fund 46). A motion was made by Linda Gratz and seconded by Catherine Shallue to bring forward to the Board of Education for approval to move forward in establishing a Long-term Capital Improvement Trust Fund (Fund 46).

2015-16 Budget

Mr. Mischler explained that the 2015-16 budget has changed because of the approval of the three referendum questions totaling \$2,000,000. As a result of the passage, the revenue limit calculation now has \$2,000,000 on the non-recurring referenda line, as a consequence the tax levy will increase.

Mischler stated that he will set-up a special fund to account for the \$600,000 used for capital projects and the \$400,000 for technology. He pointed out that the \$1,000,000 in operational costs is not an increase in expenditures, but used to cover the current year shortfall of \$948,638 that would have existed for next year without the referendum. Attached are budget documents that were shared at the meeting (pages 1-4)

An assumption of the 2015-16 budget is that the state will take away the \$150 per pupil adjustment aid that amounts to \$788,100. Thus, Mischler is proposing that the District use fund balance to help offset the drop in the per pupil adjustment aid of which then gets reinstated in 2016-17 school in the amount of \$165 per pupil adjustment aid.

The District will still need to make some budget cuts to balance the revenues and expenditures by about \$116,000. The District is currently working on budget reductions. Staffing at the elementary schools is down, however the secondary staffing is up. The final staffing will be shared at 4th Tuesday meeting in April. Mischler also stated that it is his desire that the tax levy not increase beyond the \$0.71 per \$1,000 as stated in the referendum information shared with the public.

A motion was made by Catherine Shallue and seconded by Linda Gratz to adjourn. The meeting adjourned at 1:05 p.m.

Respectively submitted,
Ken Mischler
Acting Secretary