

Manitowoc Public School District
Minutes of the Finance and Budget Committee Meeting
Thursday, September 2, 2015

Committee Chairperson Karen Rohrer called the Finance and Budget Committee meeting to order at 12:00 p.m. Committee members Catherine Shallue and Linda Gratz were present. In addition, Board President Keith Shaw, Superintendent Mark Holzman and Director of Business Services Ken Mischler, were also present.

2015-16 Budget

Mr. Mischler explained the proposed 2015-16 budget revenues and expenditures. He stated that the proposed budget is based on taxing to the proposed referendum amount increase of \$0.71 per \$1,000. The MPSD will not use fund balance to offset the tax levy as in previous years.

Ms. Rohrer was glad to see that the proposed budget did not contain any provision to use Fund 10 fund balance to lower the tax levy. Based on that, the district's general fund balance is expected to remain at \$15,401,820 which will be enough to avoid short-term borrowing.

The revenue limit is projected to increase to \$50,688,454 or an increase of \$2,034,707 from last year. The large increase in the revenue limit is a reflection of passing the \$2,000,000 referendum. The final revenue limit amount will not be known until October. The state equalization aid is projected to increase to \$29,367,482. The proposed tax levy of \$21,003,340 results in an increase of 8.47% over last year or an increase of \$0.71 per \$1,000. The proposed budget 2015-16 budget shows that the tax levy will be \$199,955 under the revenue limit. Mr. Mischler indicated that even with the tax levy increase, the District is still 10% below the state average.

Mr. Mischler explained that the amount of operating transfers-out of Fund 10 have decreased. The reason being is that \$600,000 was transferred to Fund 46 and Fund 38 debt payments decreased, but \$390,000 needs to be put aside in a Fund 10 sinking fund to account for a substantial increase in debt service payments in fiscal years 2018-19 and 2019-20. Mischler explained that by setting up the sinking fund, the District can level the principal and interest payments over the next 10 years.

The committee was given detail on the various 2015-16 budget expenditures. The District's general fund expenditures increase by \$567,252 or 1.03% from the prior year budget. The biggest increase was purchased services and capital objects. This was a result of passing the referendum which included \$600,000 for facility capital projects and \$400,000 for technology.

Mr. Mischler added that the Capital Projects Fund (Fund 49) revenues decreased because of the \$5,000,000 borrowing for capital projects in fiscal year 2014-15. Fund 49 expenditures are expected to total \$2,585,000. The \$5,000,000 for capital projects will be spent over 2-3 years.

Linda Gratz voiced concerns and that the \$199,955 amount under the revenue limit can be used for helping some of the District's academic shortcomings. Mischler explained that the increase may affect the District financially in fiscal year 2016-17.

Karen Rohrer spoke on the budget. She stated that the Manitowoc Public School District has been a low spending and taxing district for years. Discussion was held regarding the proposed budget information. Budget discussion was held regarding expenditures, use of fund balance, state funding, and the tax levy. The Board will set the tax levy near the end of October.

The meeting adjourned at 1:25 p.m.

Respectively submitted,
Ken Mischler
Acting Secretary