



SHOREWOOD SCHOOL DISTRICT

**2024-2025
Annual Meeting and
Budget Hearing**

August 27, 2024

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ANNUAL SCHOOL DISTRICT MEETING

AGENDA

August 27, 2024

1. Call to Order
2. Election of Annual Meeting Chairperson
3. Approval of Agenda
4. Introduction of Board of Education
5. Approval of 2023 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 2024-2025 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 2025 Annual Meeting
15. Adjourn

Motion By: Paru Shah
Motion carried.

Second By: Hilary DeBlois

X. **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 \$875,000 be levied for the 2023-24 school year to be deposited in the Capital Expansion Fund created above to be used only for the purposes specified above.

Motion By: Janet Kreilein

Second By: Richard Muirhead

Motion carried.

XI. **MOTION TO APPROVE PROPERTY TAX LEVY FOR THE 2022-23 SCHOOL YEAR**

TAX RESOLUTION

BE IT RESOLVED by the 2023 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 \$26,224,272, including \$875,000 for a Capital Expansion Fund, to provide for operation and maintenance of said School District.

Motion By: Hilary DeBlois

Second By: Paru Shah

Motion carried.

XII. **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: Richard Muirhead

Second By: Janet Kreilein

Motion carried.

XIII. **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: Abby Fowler

Second By: Ellen Eckman

Motion carried.

XIV. **MOTION TO AUTHORIZE THE BOARD TO ESTABLISH THE DATE FOR THE 2024 ANNUAL MEETING.**

This motion will allow the Board to set the Annual Meeting date within 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: Ellen Eckman
Motion carried.

Second By: Becky Freer

XV. **MEETING ADJOURNED at 8:02 pm by Pablo Muirhead**

The Meeting Chair can adjourn the meeting, without a motion, if all topics on the approved agenda have been considered.

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, Emily Berry, 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 7th of August and 21st 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 three (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, Emily Berry

Vice-President, Becky Freer

Treasurer and Governance Officer, Nathan Hammons

Clerk, Abby Fowler

Member at Large, Ellen Eckman

5. MOTION TO APPROVE MINUTES OF THE 2023 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 \$937,500 be levied for the 2024-25 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 2023-24 SCHOOL YEAR

TAX RESOLUTION

BE IT RESOLVED by the 2024 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 \$27,261,324, including \$937,500 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 2025 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	Emily Berry	April 2025
Vice-President	Becky Freer	April 2025
Treasurer/Governance Officer	Nathan Hammons	April 2026
Clerk	Abby Fowler	April 2026
Member at Large	Ellen Eckman	April 2027

ADMINISTRATION

Superintendent, Dr. Laurie Burgos
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, Ms. Erin Cross
Principal, Shorewood High School, Mr. Tim Kenney
Principal, Shorewood Intermediate School, Ms. Tiara Rogers
Principal, Atwater Elementary School, Dr. Janice Carter
Interim Principal, Lake Bluff Elementary School, Ms. Johanna French

2024-2025 BUDGET HIGHLIGHTS

I. General Operations Fund Balance (Pre-Audit)

The District maintains a fund balance as a safety net for unexpected and uncertain events. A fund balance of 10-25% of the preceding year's expenses is recommended, with 25% being the suggested target provided by the District's financial auditors. In reviewing the District's long-range financial projections and evaluating options to ensure future financial health, the school board set a goal of achieving at least 25% of operating expenses by the end of fiscal year 2024 with the majority of the increased balance expected to be achieved in the 2023-2024 school year.

The District met this goal in fiscal year 2024 with a projected year end fund balance percentage of approximately 25% of the current year's expenses. Because expenses are expected to increase each year, the fund balance will also need to grow in order to maintain this percentage. The fiscal year 2025 budget anticipates a year-end fund balance of \$9,615,434, or 29% of expenses.

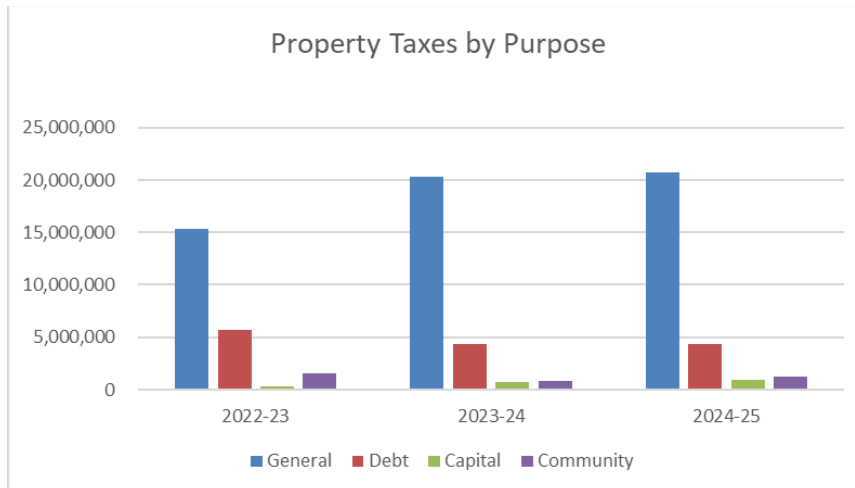
Fund balance is not a static amount, it is a single day balance on the last day of the fiscal year. Fund balance includes cash and booked receivables for the District.

II. Property Tax Levy

The budget anticipates a total property tax levy of \$27,261,324, which reflects an increase of \$1,037,052, or 4.0% over the current year levy. The equalized mill rate is anticipated to decline slightly, from 12.35 to 11.94.

10 Year Tax Levy and Mill Rate History					
Fiscal Year		Tax Levy	Increase (Decrease)	Change	Equalized Mill Rate
2015-16	Actual	19,679,974			
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	Actual	22,869,257	1,204,110	5.6%	11.84
2023-24	Actual	26,224,272	3,355,015	14.7%	12.35
2024-25	Proposed	27,261,324	1,037,052	4.0%	11.94

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.

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 is 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	6,657,039	1,276,240	1,220,491	9,153,770	328,175
2023-24	5,682,048	1,262,884	1,263,509	8,208,441	(945,329)
2024-25	5,683,357	1,242,850	1,244,180	8,170,387	(38,054)

The table above shows the amount of aid received in each of the three classifications since the 2011-12 fiscal year. Inconsistencies in data received by the Wisconsin Department of Public Instruction (DPI) from the Milwaukee Public Schools (MPS) has impacted districts throughout the state and contributed to a

decrease in aid for the Shorewood School District in 23-24. It is unclear how updated data from MPS will impact the final aid award for Shorewood. Aid estimates are based on the 23-24 award amounts for this reason. 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 2023 provides for an annual revenue limit increase of \$325 per member until the year 2425. While predictability is helpful to planning, this amounts to an increase of only 2.7% in per member revenue, and 1% after exemptions are applied, in fiscal year 2025.

The operating referendum passed by residents of Shorewood in April 2023 helps to bridge the gap between the actual cost of education and the baseline revenue limit provided by the state. Between the 2008-2009 and 2022-2023 school years, revenue limits lagged inflation by an average of \$3,235 per pupil. With the certified CPI amount for 24-25 standing above 4%, this gap is continuing to grow. The \$5.5 million annual increase approved for Shorewood allows the District to increase revenue to a level that more closely aligns with the actual cost of education.

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 students, although they do not each count as full-time student. The membership upon which the District's 2024-2025 revenue limit projection was determined is 1,675, 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 a decline in membership following the COVID-19 pandemic and in alignment with statewide decreases in the school age population and declining birth rates.

10 Year Membership and Enrollment History					
Year	Revenue Limit Members *	Member Change	Enroll	Enroll Change	Enroll Over (Under) Members
2015-16	1,771		2,026		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	1,719	(55)	1,933	18	214
2023-24	1,702	(17)	1,927	(6)	225
2024-25	1,675	(27)	1,928	1	253

* Rolling 3-year average membership

V. Energy Efficiency Exemption

The 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 2023 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	2022-2023	\$586,285
Prior Year Related Expense Amount or CY debt levy	Fiscal Year	2022-2023	\$600,068
Utility Savings applied in Prior Year to Debt	Fiscal Year	2022-2023	\$159,474
Sum of reported Utility Savings to be applied to Debt			\$ 259,046
		Savings Reported for 2023	
Specific Energy Efficiency Measure or Products	Project Cost Including Financing	Utility Cost Savings	Non-Utility Cost Savings
Annual KWh electric savings		\$ 162,302	
Annual MMBtu gas savings		\$ 80,162	
Annual CCF water savings		\$ 16,582	
Entire Energy Efficiency Project Totals	\$ 6,014,879	\$ 259,046	\$ 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 2022-23	Budget 2023-24	Budget 2024-25
Beginning Fund Balance	3,418,181	4,903,837	8,139,053
Ending Fund Balance	4,903,383	8,139,053	9,615,434
REVENUES & OTHER FINANCING SOURCES			
Local Sources (Source 200)	16,586,104	21,020,659	21,346,465
Inter-district Payments (Source 300 + 400)	1,893,141	2,085,556	2,326,860
State Sources (Source 600)	8,050,764	7,031,854	7,116,887
Federal Sources (Source 700)	1,474,702	1,123,240	247,859
All Other Sources (Source 800 + 900)	192,096	195,000	0
TOTAL REVENUES & OTHER FINANCING SOURCES	28,196,807	31,456,309	31,038,071
EXPENDITURES & OTHER FINANCING USES			
Instruction (Function 100 000)	13,978,849	14,189,799	14,463,551
Support Services (Function 200 000)	9,236,679	10,405,494	11,183,271
Non-Program Transactions (Function 400 000)	3,496,076	3,625,800	3,914,869
TOTAL EXPENDITURES & OTHER FINANCING USES	26,711,605	28,221,093	29,561,691
SPECIAL PROJECTS FUND	Audited 2022-23	Budget 2023-24	Budget 2024-25
Beginning Fund Balance	632,199	717,918	497,464
Ending Fund Balance	675,059	307,076	497,464
REVENUES & OTHER FINANCING SOURCES	4,525,713	3,966,324	4,206,672
EXPENDITURES & OTHER FINANCING USES	4,482,854	4,377,166	4,206,672
SPECIAL EDUCATION FUND	Audited 2022-23	Budget 2023-24	Budget 2024-25
Beginning Fund Balance	0	0	0
Ending Fund Balance	0	0	0
REVENUES & OTHER FINANCING SOURCES	4,061,963	3,966,324	4,081,672
EXPENDITURES & OTHER FINANCING USES	4,061,963	3,966,324	4,081,672
DEBT SERVICE FUND	Audited 2022-23	Budget 2023-24	Budget 2024-25
Beginning Fund Balance	3,447,956	2,380,966	2,722,201
Ending Fund Balance	2,380,966	2,380,966	2,722,201
REVENUES & OTHER FINANCING SOURCES	28,451,221	4,335,298	4,369,910
EXPENDITURES & OTHER FINANCING USES	29,518,210	4,335,298	4,369,910
CAPITAL PROJECTS FUND	Audited 2022-23	Budget 2023-24	Budget 2024-25
Beginning Fund Balance	9,576,362	1,835,502	1,835,094
Ending Fund Balance	1,835,502	1,835,094	2,174,854
REVENUES & OTHER FINANCING SOURCES	570,777	900,000	1,187,500
EXPENDITURES & OTHER FINANCING USES	8,311,637	900,408	847,740
FOOD SERVICE FUND	Audited 2022-23	Budget 2023-24	Budget 2024-25
Beginning Fund Balance	562,231	599,880	495,820
Ending Fund Balance	599,880	495,820	275,765
REVENUES & OTHER FINANCING SOURCES	587,413	518,500	518,001
EXPENDITURES & OTHER FINANCING USES	549,764	622,560	738,056

COMMUNITY SERVICE FUND	Audited 2022-23	Budget 2023-24	Budget 2024-25
Beginning Fund Balance	827,643	1,349,356	680,672
Ending Fund Balance	1,349,356	680,672	789,134
REVENUES & OTHER FINANCING SOURCES	2,610,105	1,724,775	2,264,895
EXPENDITURES & OTHER FINANCING USES	2,088,392	2,393,459	2,156,433

Total Expenditures and Other Financing Uses

ALL FUNDS	Audited 2022-23	Budget 2023-24	Budget 2024-25
GROSS TOTAL EXPENDITURES – ALL FUNDS	75,724,425	44,816,308	45,962,175
Interfund Transfers (Source 100) - ALL FUNDS	2,562,762	2,611,803	2,835,238
Refinancing Expenditures (FUND 30)	22,701,649	0	0
NET TOTAL EXPENDITURES – ALL FUNDS	50,460,014	42,204,505	43,126,936
PERCENTAGE INCREASE – NET TOTAL FUND EXPENDITURES FROM PRIOR YEAR		-16.4%	2.2%

PROPOSED PROPERTY TAX LEVY

FUND	Audited 2022-23	Budget 2023-24	Budget 2024-25
General Fund	15,353,032	20,338,974	20,703,914
Referendum Debt Service Fund	5,087,125	3,736,848	3,772,110
Non-Referendum Debt Service Fund	604,100	598,450	597,800
Capital Expansion Fund	275,000	750,000	937,500
Community Service Fund	1,550,000	800,000	1,250,000
TOTAL SCHOOL LEVY	22,869,257	26,224,272	27,261,324
PERCENTAGE INCREASE --			
TOTAL LEVY FROM PRIOR YEAR		14.7%	4.0%
Equalized property tax rate	11.84	13.40	11.94