Annual Meeting

September 16, 2026

Election of Chairperson

Annual Meeting Agenda

1. Call meeting to order
2. Election of Chairperson
3. Approval of 2026 Annual Meeting Agenda
4. Budget Introduction
5. Treasurer’s Report
6. Budget Hearing
7. Public Comment on the Proposed Budget
8. Adoption of Tax Levy
9. Scheduling of Next Year’s annual Meeting
10. 2025 Annual Meeting Minutes Approval
11. Adjournment

South Milwaukee School Board

Member	Title	Service Began	Term Expires
Sophia Williams	President	2018	2028
Angie DeFord	Vice President	2021	2027
Melissa Ellis	Member	2026	2029
Tory Elliott	Member	2026	2029
Andy Simmons	Treasurer	2024	2027
Steve Hansen	Clerk	2025	2028
Brian Genduso	Member	2025	2029

Meetings are held twice a month. Minutes and agendas can be found on the district website

Budgeting begins with:

Our Mission:
The School District of South Milwaukee acts with a relentless commitment to remove barriers so that students are cared for and learn without exception

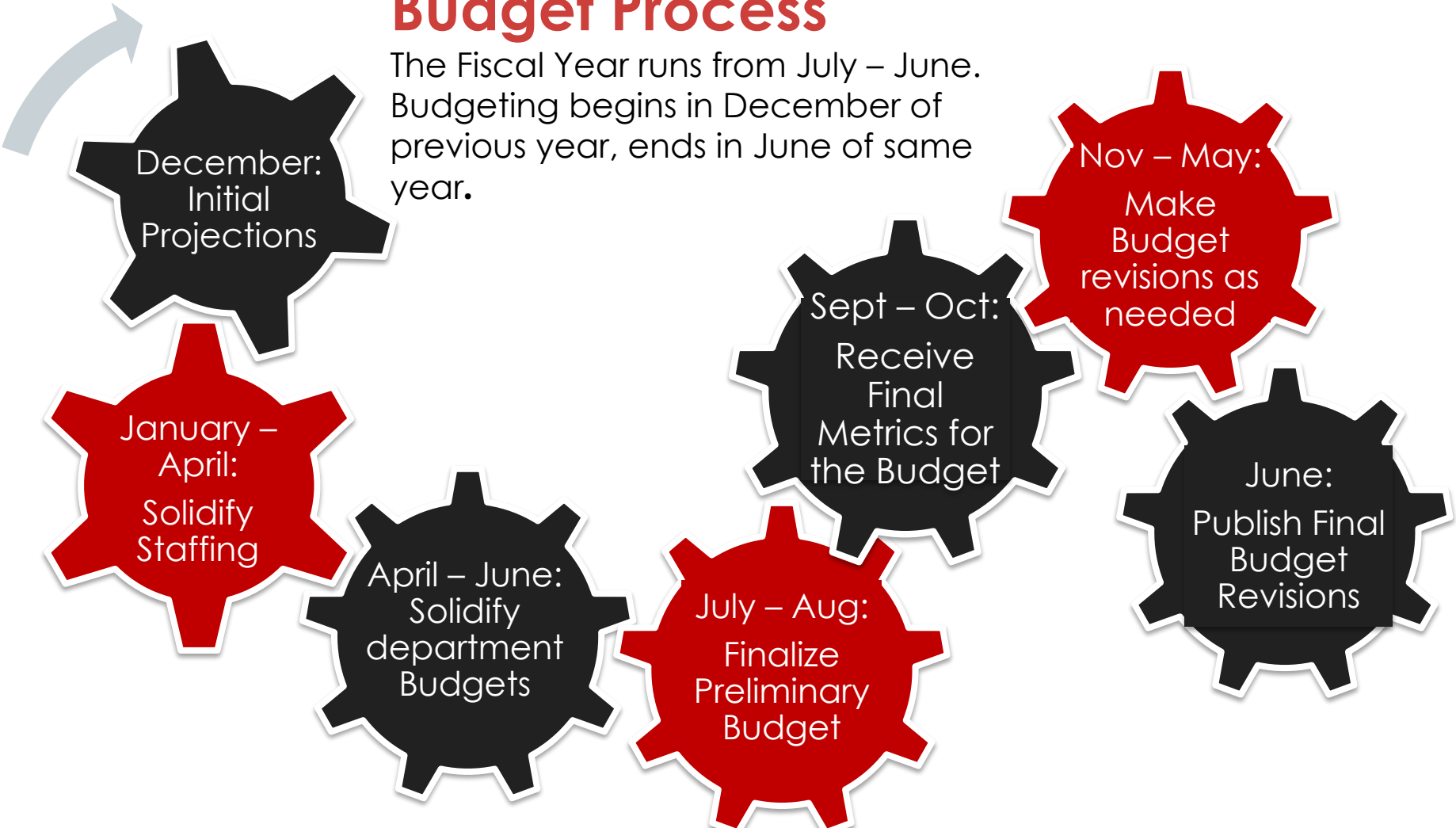
District Strategic Plan:

- Student Experience
- Employee Experience
- Communication and Engagement
- Fiscal Stability and Facility Planning



Budget Process

The Fiscal Year runs from July – June. Budgeting begins in December of previous year, ends in June of same year.



Treasurer's Report

25-26 Budget Summary

GENERAL FUND	Unaudited 2025-2026
Beginning Fund Balance	8,885,994.02
Ending Fund Balance	**8,924,384.82**
REVENUES & OTHER FINANCING SOURCES	
Transfers-In (Source 100)	30,860.28
Local Sources (Source 200)	13,833,839.14
Inter-district Payments (Source 300 + 400)	3,628,322.87
Intermediate Sources (Source 500)	700.00
State Sources (Source 600)	28,415,613.62
Federal Sources (Source 700)	1,348,522.46
All Other Sources (Source 800 + 900)	203,483.85
TOTAL REVENUES & OTHER FINANCING SOURCES	**47,461,342.22**
EXPENDITURES & OTHER FINANCING USES	
Instruction (Function 100 000)	19,130,248.84
Support Services (Function 200 000)	15,693,340.27
Non-Program Transactions (Function 400 000)	12,599,362.31
TOTAL EXPENDITURES & OTHER FINANCING USES	**47,422,951.42**

- F10 Rev: $47,492,202.50
- F10 Exp: $47,422,951.42
- $38,398.08 added to Fund Balance

Major Budget Items in 25-26

- **STEM Programming**
  Elementary students have STEM programming built into their day to day schedules allowing for more enrichment for students.

- **Safety**
  Continued work on new keying system and replacing locks and doors - Lakeview and Blakewood began 26-27 under the new key system

- **Staffing**
  All staff received an above inflationary raise - averaging at 3.79%, with teachers in the earlier years of the profession receiving higher raises to keep compensation at or above the area average.





Major Budget Items in 25-26, Continued

- **Updated Compensation Models for Operations and CoCurricular Activities**
  Market adjustments were provided for Operations staff as well as coaches and co-curricular advisors. This reflected an over $200,000 investment in our support services.



- **Technology**
  $300,000 from the referendum went towards technology last year, and this summer the district was able to purchase over $700,000 worth of new Chromebooks



- **10-year Capital Improvement Plan**
  The district completed its architecture study to update its 10-year capital improvement plan. This resulted in several large capital improvement projects this summer, including replacing the Blakewood windows, repaving the HS staff parking lot, and resurfacing the HS tennis courts.

Summary of 2026 Budget Session:

- The Capital Improvement Plan was updated - allowing for a better understanding of the district's recurring maintenance needs.
  - ISG and Kraus Anderson presented their findings to the board in May.
  - The Plan will be reviewed on an annual basis.
- State Biennial Budget
  - The Budget Recovery legislation did not pass the legislature. This would have increased Special Education Reimbursement, and added more money in General Aid.
- Self-Funded Health Insurance / Surest
  - The Health Plan's claim data is on track with funding, and the plan will continue to be monitored to ensure it stays in good fiscal health.

Next Steps to Keep in Mind:

- There are still large variables to be ironed out in the 26-27 budget:
  - 3rd Friday of September pupil count – helps finalize Revenue Limit
  - Aid Certification – October 15th – final factor in determining tax levy / mill rate

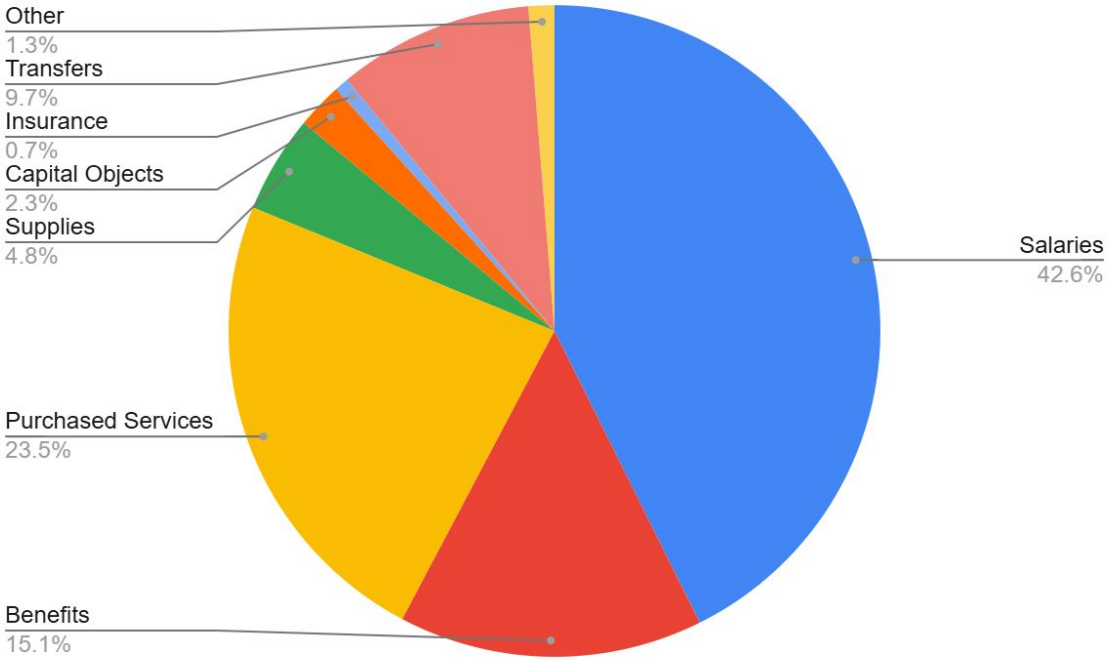
- As factors change, the board is notified and the budget may be adjusted

- District Administration continues to work tirelessly in order to leverage grants, assess staffing, and be good stewards of public resources.

- **The Board will review budget revisions at the October 21st meeting which will reflect these changes**

Presentation of 26-27 Budget

All Fund Expenses



*Purchased Services includes:

- ~3.9 Mil. OE Out Payment
- ~1.6 Mil. Voucher Payment

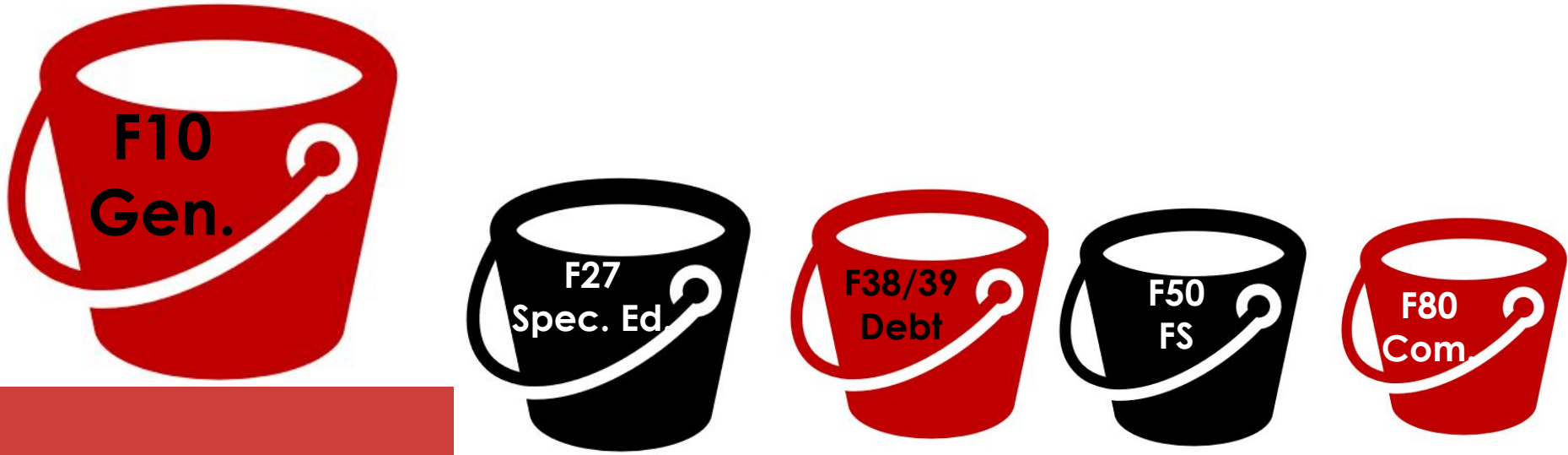
Expense Types:

Salaries	$29,358,600
Benefits	$10,391,959
Purchased Services	$16,145,940
Supplies	$3,380,371
Capital Objects	$1,573,564
Insurance	$483,231
Transfers	$6,681,745
Other	$886,110

Total:	$68,901,520

The Budget is made up of Multiple Funds

- The Largest, by far, is Fund 10 - the General Fund
- Most other funds are self sufficient, or receive their revenue from F10

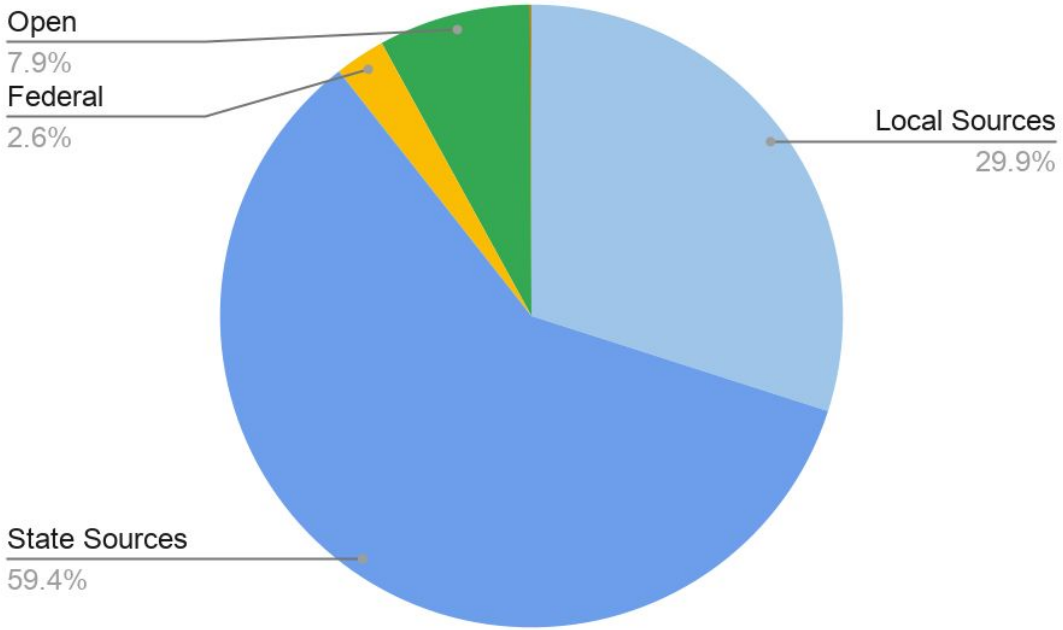


Fund 10 Revenue

F10 Revenue:

Local Sources	$14,369,223
State Sources	$28,528,804
Federal Sources	$1,258,532
Open Enrollment:	$3,800,000
Other:	$33,500

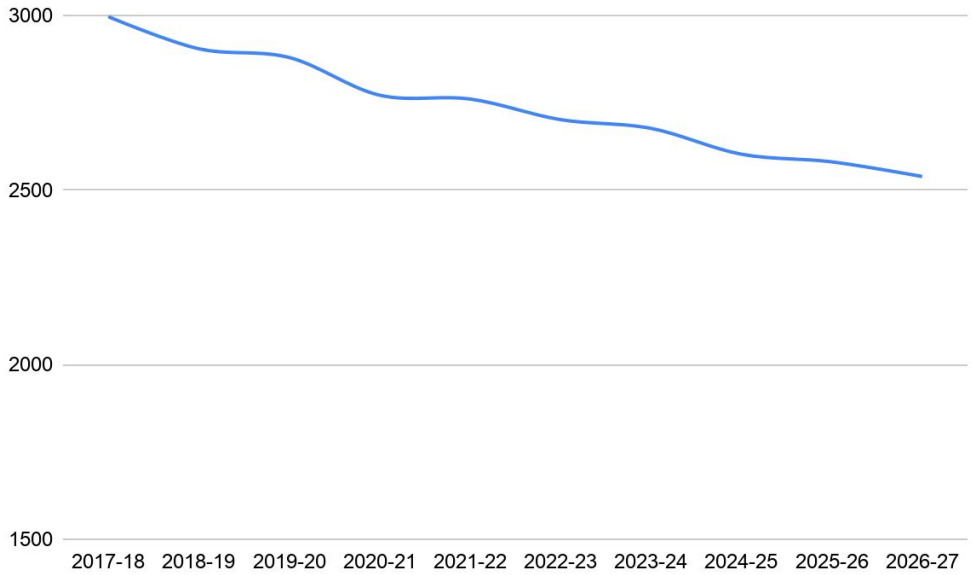
Total Revenue:	47,990,059.00



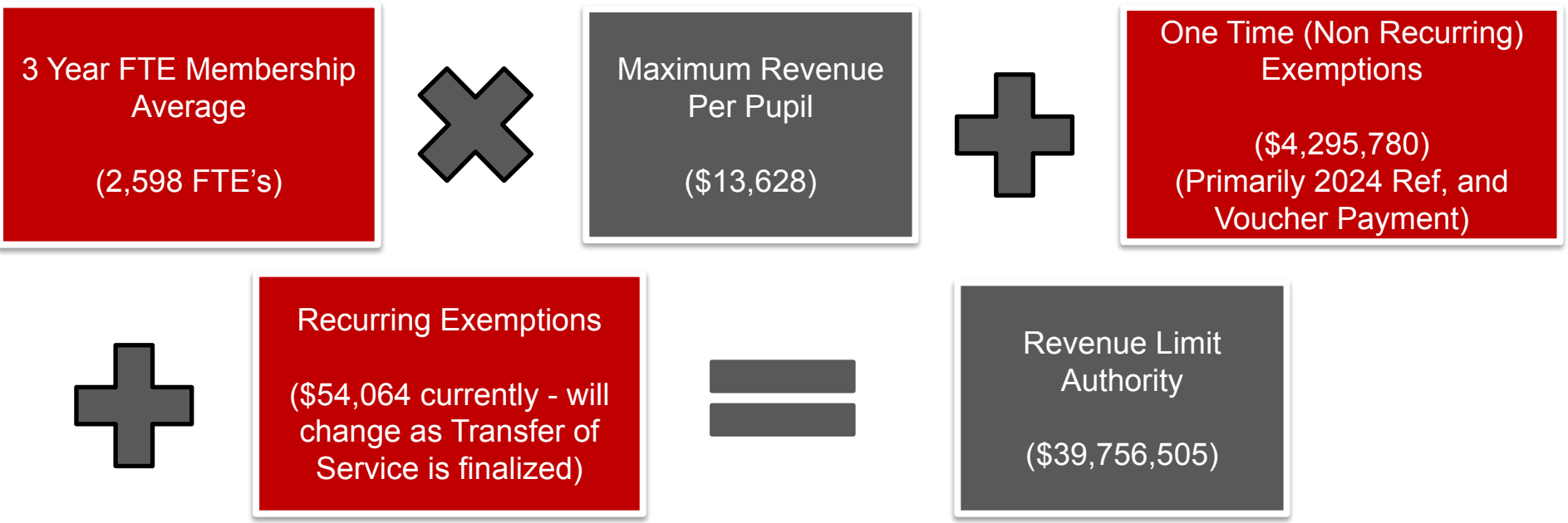
The vast majority of the school district's revenue (State Aid and Property Tax) is determined by the Revenue Limit

How the Revenue Limit is Calculated

- The primary driver is ***Membership***
  - Membership ***<u>is not</u>*** Enrollment
  - Membership is the number of our resident students plus students open enrolling to another district, prorated at their full time equivalency (FTE)
  - This year's FTE membership is projected to be 2,539, as compared to 2,581 last year
  - The three year FTE Average is used to calculate the Revenue Limit

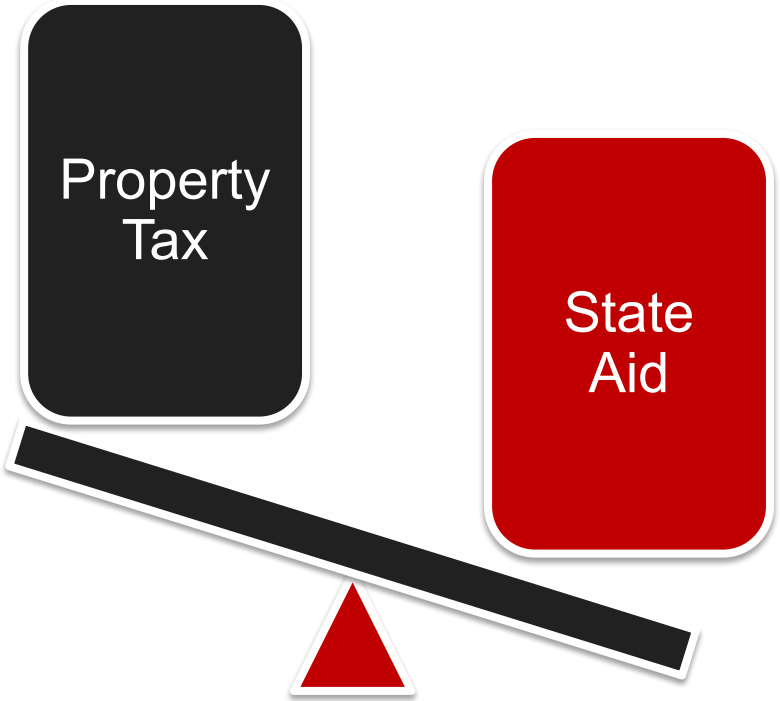


SDSM's 26-27 Revenue Limit



Revenue Limit, State Aid, and Property Tax

- The Revenue Limit is the maximum amount of money the district can receive from State Aid and Property Tax
- If State Aid increases, Property Tax decreases, or vice versa.
- Revenue Limit Aid Estimate: ***$25,937,683***
  - *Exempt Aids (non general) make up an additional $132,149*
- Revenue Limit F10/Debt Property Tax Estimate: ***$13,686,673***



Fund 10 Expenditures

GENERAL FUND	Audited 2024-2025	Unaudited 2025-2026	Budget 2026-2027
Beginning Fund Balance	8,716,681.01	8,885,994.02	8,924,384.82
Ending Fund Balance	**8,885,994.02**	**8,924,384.82**	**8,924,384.82**
REVENUES & OTHER FINANCING SOURCES			
Transfers-In (Source 100)	0.00	30,860.28	0.00
Local Sources (Source 200)	12,944,895.20	13,833,839.14	14,369,223.00
Inter-district Payments (Source 300 + 400)	3,324,064.50	3,628,322.87	3,800,000.00
Intermediate Sources (Source 500)	1,720.00	700.00	0.00
State Sources (Source 600)	28,859,459.92	28,415,613.62	28,528,804.00
Federal Sources (Source 700)	1,814,890.83	1,348,522.46	1,258,532.00
All Other Sources (Source 800 + 900)	67,166.12	203,483.85	33,500.00
TOTAL REVENUES & OTHER FINANCING SOURCES	**47,012,196.57**	**47,461,342.22**	**47,990,059.00**
EXPENDITURES & OTHER FINANCING USES			
Instruction (Function 100 000)	17,969,544.45	19,130,248.84	18,811,801.00
Support Services (Function 200 000)	15,632,744.58	15,693,340.27	16,746,545.00
Non-Program Transactions (Function 400 000)	13,240,594.53	12,599,362.31	12,431,713.00
TOTAL EXPENDITURES & OTHER FINANCING USES	**46,842,883.56**	**47,422,951.42**	**47,990,059.00**

Referendum - 24/25

Technology	24-25
SAM Labs	$31,337.50
Seesaw Learning	$2,450.00
Azure	$767.74
Chromebooks	$250,675.53
Totals:	$285,230.77

Instruction	24-25
STEM Staffing	$295,587.52
Interns	$59,533.16
German	$8,250.00
On to College	$8,973.00
Totals:	$372,343.68



Safety	24-25
Security Cameras	$294,870.61
Crossing Guards	$3,969.59
Vape Detectors	$17,872.44
Rawson Crosswalk	$133,787.43
Traffic Study	$14,773.68
Lock Testing	$17,058.00
Totals:	$482,331.75

Totals:	24-25
Safety	$482,331.75
Technology	$285,230.77
Instruction	$372,343.68
Compensation:	$860,093.80
Total:	**$2,000,000.00**



Referendum - 25/26

Technology	25-26
Chromebooks	$262,640.00
Newline Panels	$31,753.44
Totals:	$294,393.44

Instruction	25-26
STEM Staffing	$311,393.98
Interns	$85,887.30
On to College	$5,248.00
Mentor Stipends	$18,229.73
Panorama	$44,068.00
Curriculum	$150,000.00
Totals:	$614,827.01

Safety	25-26
Security Cameras	$3,061.00
Crossing Guards	$6,439.72
Traffic Study	$1,479.00
Safety Supplies	$3,205.16
Signage	$8,110.00
Doors	$231,268.25
Audio Enhancement	$12,056.53
Yondr Pouches	$30,058.13
Totals:	$295,677.79

Totals:	25-26
Safety	$295,677.79
Technology	$294,393.44
Instruction	$614,827.01
Compensation:	$795,101.76
Total:	**$2,000,000.00**







Referendum - 26/27

Technology	26-27
Chromebooks	$200,000.00
Totals:	$200,000.00

Safety	26-27
Doors	$259,963.00
Crossing Guards	$24,222.00
Totals:	$284,185.00

Instruction	26-27
Interns	$73,000.00
Curriculum	$150,000.00
STEM Staffing	$324,191.00
Totals:	$547,191.00

Totals:	25-26
Safety	$284,185.00
Technology	$200,000.00
Instruction	$547,191.00
Compensation:	$968,624.00
Total:	**$2,000,000.00**

SCHOOL DISTRICT OF SOUTH MILWAUKEE

Fund 27 / Special Education Fund - Summary

Revenue:

- $5,395,920 - Transfers In
- $15,000 - Other School Dist.
- $10,000 - Transit of Aids
- $2,860,000 - State Aid *
  * $390,000 less than 45%
- $110,000 - High Cost
- $830,547 - Federal Grants

$9,221,467

Expenditures:

- $7,091,168 - Instruction
- $1,944,299 - Support Services
- $186,000 - Non Program Transactions

$9,221,497

Capital Improvement Trust (Fund 46)

2025-26 Projects	
Description	**2025-26**
Rawson - Roof - Areas A,B,C,D,	$882,245
MS - Roof - Area B	$580,580
HS - Tennis Court	$550,000
HS - Staff Parking Lot	$400,000
Blakewood - Window Replacement	$384,745
HS - Roof Area V & W	$338,000
MS - Generator	$150,000
Lakeview - Water Lateral Replacement	$65,000
District - Maintenance Jeep	$65,000
District - Warehouse Forklift	$65,000
Blakewood - Roof - Area F	$38,660
HS - Building Envelope	$9,750

- Budget includes $786,000 as a F10 to F46 Transfer - which is not enough to cover future projects
- The board will hear options for financing the HS Controls and MS Electrical projects in the future

2026-27 Projects	
Description	**2026-27**
HS - Controls	***$1,806,300***
HS - Cooling Tower	$742,500
MS - Electrical / Switchgear / Panels	***$607,500***
MS - HVAC / Exhaust Fan / Mini Splits / Ventilator	$177,174
HS - HVAC / Condensers	$72,900
Lakeview - Asphalt	$40,500
MS - Recommission Study / controls	$20,250
Blakewood - Recommission Study / Controls	$20,250
Lakeview - Plumbing	$20,250
Luther - Plumbing	$14,168
Blakewood - Building Envelope	$12,285
Lakeview - Building Envelope	$10,125
MS - Building Envelope	$10,125
Luther - HVAC	$8,775
Lakeview - Tuckpointing	$7,830
Lakeview - Caulking	$6,919
Rawson - Sidewalks	$6,750
Luther - Tuckpointing / Caulking	$4,394

Food Service / Community Service Funds

FOOD SERVICE FUND	Audited 2024-2025	Unaudited 2025-2026	Budget 2026-2027
Beginning Fund Balance	1,202,918.10	1,054,929.65	952,742.98
Ending Fund Balance	**1,054,929.65**	**952,742.98**	**952,742.98**
REVENUES & OTHER FINANCING SOURCES	**1,829,939.18**	**1,834,992.92**	**1,857,228.00**
EXPENDITURES & OTHER FINANCING USES	**1,977,927.63**	**1,937,179.59**	**1,857,228.00**

COMMUNITY SERVICE FUND	Audited 2024-2025	Unaudited 2025-2026	Budget 2026-2027
Beginning Fund Balance	2,044,125.24	2,626,616.48	2,087,535.54
Ending Fund Balance	**2,626,616.48**	**2,087,535.54**	**1,210,497.54**
REVENUES & OTHER FINANCING SOURCES	**2,413,940.16**	**1,417,234.88**	**1,221,577.00**
EXPENDITURES & OTHER FINANCING USES	**1,831,448.92**	**1,956,315.82**	**2,098,615.00**

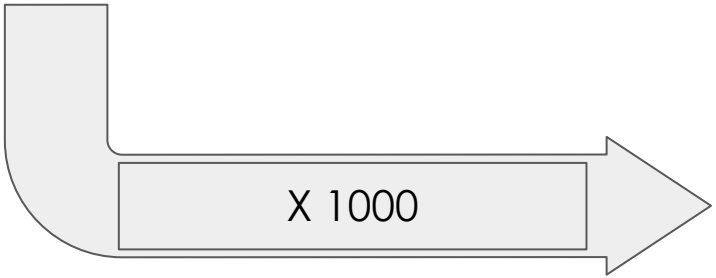
Mill Rate:

Within the Revenue Limit	Fund 10 Levy:	$13,686,673
	Non Ref. Debt (F38):	$0
Outside the Revenue Limit	Ref. Debt (F39):	$0
	Com. Srvc (F80:)	$468,465

Total Levy: $14,155,138

Total Levy:	$14,155,138

TIF Out Equalized Value (Property Value):	$2,108,752,900



Mill Rate: $6.71 per $1,000 of property value

Fund 80 Mill Tax Levy

- In Previous State Biennium Budgets, the State increased General Aid (for Fund 10) by the amount the Revenue Limit was increased
  - This was not the case for the current biennium budget
  - The $325 per pupil increase to the revenue limit, without any other changes, will result in an increase to the Fund 10 Tax Levy
- The board moved last October to offset the lack of aid increase by decreasing the Fund 80 tax levy - thereby relying on Fund 80 reserves to balance the Fund 80 budget.

- Fund 80 budgeted Expenditures is at $2,098,615
- Fund 80 budgeted Revenue is at $1,221,577
  - This includes $468,465 from the tax levy
- The current recommendation is to use $877,038 of Fund balance to balance Fund 80
  - After 26/27, Fund 80 would have approximately $1,000,000 in usable fund balance

Practically Speaking - Next Year:

	This Year:	Next Year - No Change from State
Description:	Prelim Budget	No FB used
Fund 80 Fund Balance used:	$877,038	$0
General Fund	$13,686,673	$13,686,673
Community Service	$468,465	$1,345,503
Total Levy:	**$14,155,138**	**$15,032,176**
Mill Rate:	$6.71	$7.13
250k House	$1,678	$1,782
Change from Prelim	**$0**	**$104**
300k House	$2,014	$2,139
Change from Prelim	**$0**	**$125**
350k House	$2,349	$2,495
Change from Prelim	**$0**	**$146**

If the state does not provide additional state aid, it's likely the Fund 80 will increase, and property taxes will go up as well.

Historical Mill Rates:

- 19-20: $10.92
- 20-21: $10.97
- 21-22: $10.17
- 22-23: $8.33
- 23-24: $7.95
- *24-25: $7.73*
- ***25-26: $7.16***
- ***26-27: $6.71***

Practical Application:

2025-26

Home Value:	$230,000
Mill Rate:	$7.16
School Property Tax:	$1,647

2026-27

Home Value:	$245,203
Mill Rate:	$6.71
School Property Tax:	$1,647

- This homeowner would not see an increase on their school district portion of their property tax
- NOTE: The key variable is how much the homeowner's property value changes relative to South Milwaukee's property value (if it increase at the same rate - no change)

2026-27 Budget Summary:

- Balanced Budget for Fund 10
- Mill Rate: $6.71 per $1,000 of property value
- Funding prioritized towards strategic plan and referendum objectives

- Challenges ahead:
  - Declining Enrollment
  - Continued work on Referendum Initiatives
  - State Biennium Budget

Public Comment - Hearing on the Budget

Opportunity for the public to provide feedback on the budget as presented

Motion to Approve Tax Levy

_____ move to approve a property tax levy for the 26-27 school year in the total amount of $14,155,138:

Fund 10 - General Fund - $13,686,673
Fund 80 - Community Service - $468,465

Motion to Schedule next year's annual meeting

The 2027-28 annual meeting is to be held on the second board meeting in September 2027.

Approval of minutes from the 25-26 Annual Meeting

Adjournment

Notice of OPEB Trust

The School District does maintain a trust for Other Post Employment Benefits. At the close of the 2025-26 fiscal year the trust had a balance of $3,427,793.82. The net investment return for the 2025-26 fiscal year was $289,420.47. In addition to the investment return the allocation of OPEB contributions to Fund 27 provides additional special education aid to be received.

The total disbursements for the 2025-26 fiscal year were $933,165. Funding is allocated every payroll to fund the disbursements. The investment manager for the Trust is Prudent Man Advisors, LLC (PMA). The trust is administered by CESA 6 and baking is through Midwest Institutional Trust Company.

Questions?