



MERTON

COMMUNITY SCHOOLS

THINKING AHEAD

Annual Budget Hearing
September 11, 2018

Presented by: Sherri MacGregor
Business Manager



AGENDA

- Guiding Principles
- Upcoming Budget Development Dates
- 2018-19 Budget Assumptions
- Fund Balance
- Membership and Revenue Limit
- Revenues Summary
- Decreasing State Aid
- Proposed 2018-19 Budget Expenses
- General Expenses Summary
- Fund 73
- Proposed Tax Levy/Mill Rate Comparison
- Questions?

Guiding Principles for this budget:

Align District's Financial Resources with Merton's newly created mission statement: *The Merton Community School District will foster academic excellence while inspiring curiosity and personal growth.*

Objectives developed by the Strategic Planning Facilities & Finance team:

- Develop and maintain a facilities and ground management program that focuses on a clean, safe environment.
- Evaluate core network infrastructure technologies to support Teaching and Learning, and District Operations objectives.
- Enhance the financial operations to make them more efficient and transparent to all stakeholders.



Upcoming Budget Development Dates

- September 2018
 - Annual Meeting & Budget Hearing
 - 3rd Friday of September Membership Count (September 21st)
 - # of resident students → Revenue Limit Impact
 - Open enrollment count updated
- October 2018
 - WI Department of Revenue certifies Tax Apportionment Value (October 1st)
 - MCSD's property value by municipality → Mill Rate impact
 - WI Department of Public Instruction General Aid certification (October 15th)
 - Level of state support to MCSD → Impacts the % paid by the State of WI and local property tax payers.
 - Board of Education certifies final tax levy (October 29th)



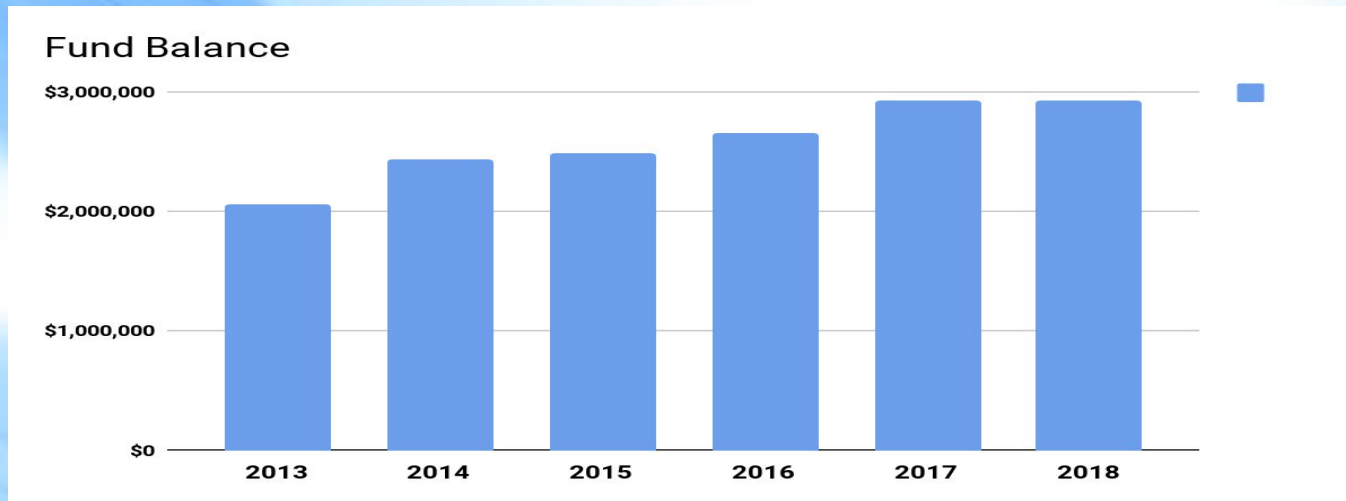
2018-19 Budget Assumptions

- 2.5% Increase in Salaries for Teachers & 2.13% Increase in Salaries for Administrators and Support Staff
- .16% Increase in Health Insurance Premiums by changing to UHC - Keeping HRA \$500/\$1000
- Governor Walker's 2017-2019 Bi-annual Budget adds \$204 per pupil which = \$148,918 in additional Per-Pupil Categorical Aid
- New Revenue Limit Ceiling increase for Merton from \$9,288 to \$9,400 in 18-19. This will continue increasing \$100 each year through 2023. For 18-19, provides only \$2,688 in additional funds due to a decrease in our hold harmless exemption.
- Estimating 5% increase in property values
- Remain debt free with over \$1,000,000 in F41 and over \$624,000 in F46 for future capital expenditures
- Continue Sharing Food Service Director with Hartland-Lakeside with projections for the program to make a profit this next year, in order to save funds to remodel the cafeteria.
- New building level and technology expenditure codes were issued this year by DPI



General Fund Balance Update

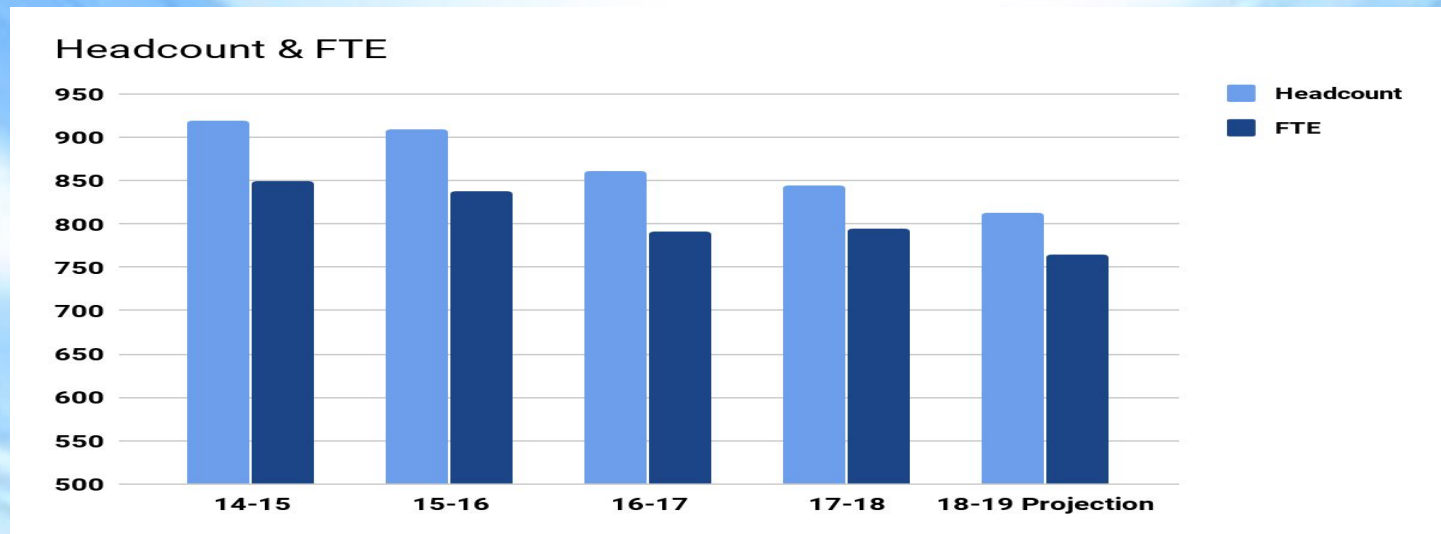
- Fund balance is not a cash balance- it is the difference between the fund's Assets & Liabilities. Includes A/R, A/P, other investments, etc.
- Auditors recommend 28-30% is considered healthy - affects bond rating and short term borrowing.
- Unaudited 17-18 decreased by \$5,750 to about 31.5%
- Plan to spend \$125,371 from fund balance for one time projects
- Will bring Fund Balance to 29.5%



Estimate

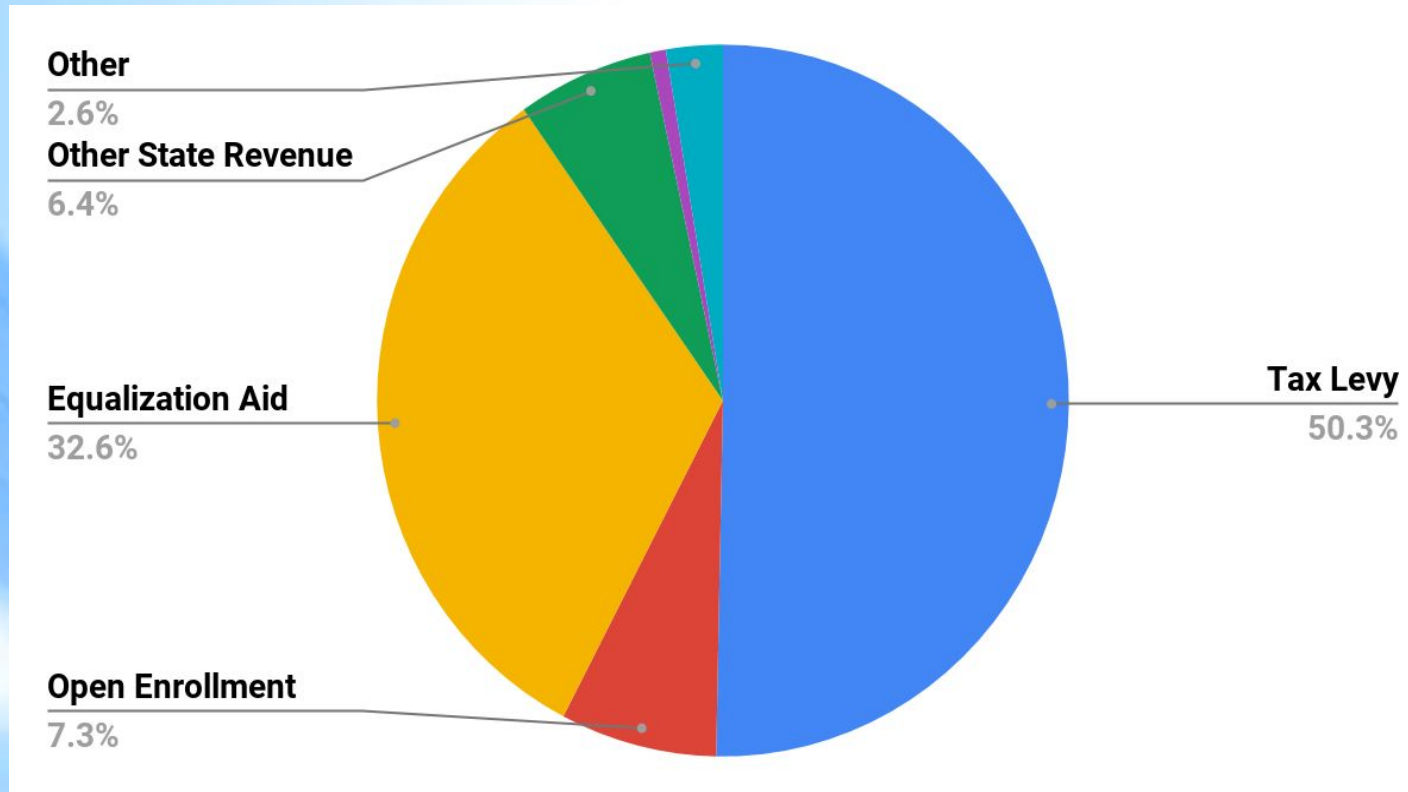
Membership and Revenue Limit

- The Revenue Limit controls the maximum amount of revenue that may be raised through state general aid and property taxes.
- Projected to lose 29 FTE in 18-19 from 780 FTE to 751 FTE
- Maximum Revenue Limit with Exemptions \$7,737,965
 - September membership count will change this



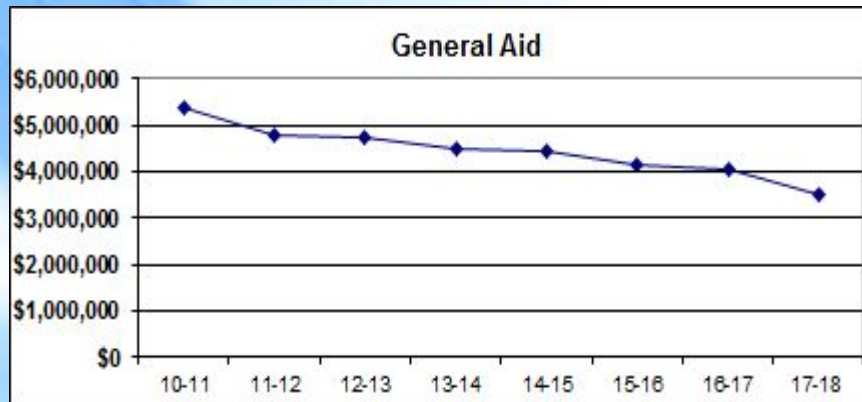
General Fund Revenue Summary

2018-2019 Total \$9,367,953 Revenue Estimate



Decreasing State Aid

- Equalization Aid is a formula that is meant to distribute state tax dollars so that students across the state are funded at roughly the same per member amount.
- There is an inverse relationship between equalization aid and property valuations
- Merton has a high, per-pupil property valuation will receive less aid.
- Estimated Aid per DPI for 18-19 \$3,041,271. (Will change Oct 15th)
- Revenue Limit - Aid = \$4,693,562 to be paid by local taxpayers



Source: DPI
Longitudinal data

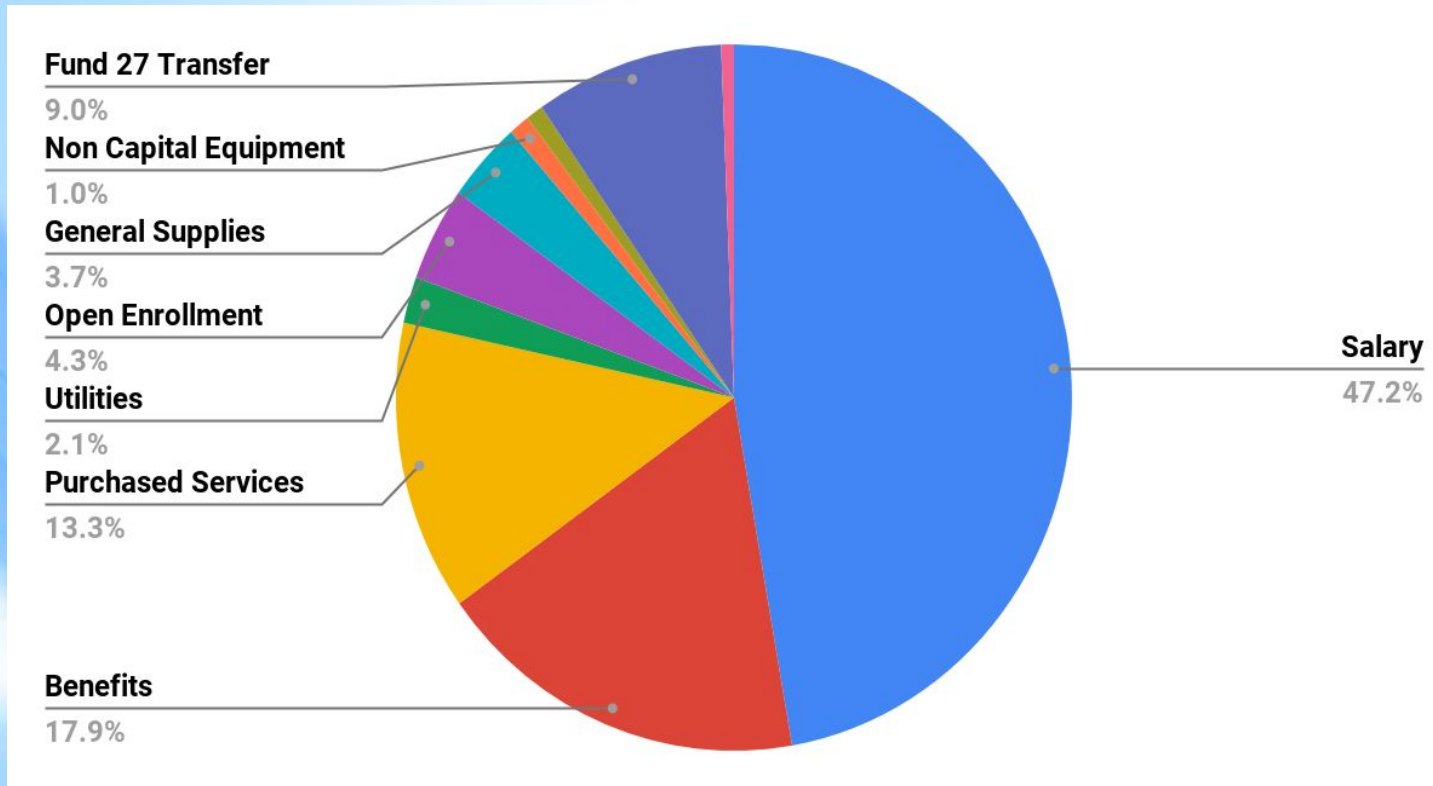
Proposed 2018-19 Budget Expenditures

- General - Fund 10: \$9,493,324
- Special Education - Fund 27: \$1,258,311
- Debt Service Non-Referendum - Fund 38: \$0
- Debt Service - Fund 39: \$0
- Capital Expansion - Fund 41: \$0
- Food Service - Fund 50: \$247,328
- Employee Benefit Trust OPEB - Fund 73: \$5,290
- Community Services - Fund 80: \$0



General Fund Expenditure Summary

2018-2019 Total \$9,493,324 Expenditure Estimate



Fund 73 Report (Post Employment Benefit Trust)

<u>Account</u>	<u>2015-16 Actual</u>	<u>2016-17 Actual</u>	<u>2017-18 Unaudited</u>	<u>2018-19 Budget</u>
Assets	\$124,400.93	\$51,112.83	\$15,277.48	\$0
Liabilities	\$74,525.58	\$35,861.53	\$9,990.73	\$0
Fund Balance	\$49,875.35	\$15251.30	\$5286.75	\$0
Total Revenues	\$10,403.39	\$942.96	\$26.20	\$3
Total Expenditures	\$74,525.58	\$35,567.01	\$9990.75	\$5290
Amount in the trust on 6/30	\$114,144.71	\$50,271.15	\$15,277.48	\$0
Investment Earnings	\$147.17	\$101.28	\$26.18	\$3



Proposed Tax Levy/Mill Rate Comparison

Fund	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Proposed
10	\$4,055,222	\$3,967,625	\$4,191,985	\$4,692,562
39	\$484,000	\$529,000	\$338,540	\$0
41	\$200,000	\$200,000	\$200,000	\$1,000
Total	\$4,739,222	\$4,693,538	\$4,730,525	\$4,693,562
Tax Base	\$770,999,495	\$824,301,362	\$872,288,338	\$915,902,755
Mill Rate	\$6.18	\$5.69	\$5.41	\$5.12

Mill Rate = \$1,000 per equalized value of your home.

\$300,000 valued home = \$1536 in proposed taxes for 2018-19

Proposed decrease of \$87 from 17-18.

Estimated 5% increase in property values -Updated figures will be released Oct 1st

District	18-19 Mill Rates Proposed
Hartland-Lakeside	\$5.69
Swallow	\$6.38
North Lake	\$5.85
Richmond	\$6.62



QUESTIONS?





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Annual Meeting Presentation
September 11, 2018

Ronald D. Russ, Ph.D
Superintendent



Objectives for the evening

- Overview and Goals within the District's Strategic Plan
 - Teaching and Learning
 - Facilities and Finances
 - Community Engagement
 - Workforce Engagement and development
- Other focus areas





Teaching and Learning



- The District will complete a full analysis, develop new curricular programming, and professional development plan to be presented to the Board of Education by April 2019, to be implemented beginning with the 2019-20 School year in the following areas:
 - Writing
 - Physical Education and Health
 - Financial Literacy
- The District will create professional development opportunities for all staff throughout the year focusing around Inclusionary Practices for all students. A final report of opportunities and growth will be presented to the board by May 2019.





Facilities and Finances



- The District will develop a new 10 Year Facility Plan to be adopted by the Board of Education by January 2019.
- Key Projects for this year include:
 - Increased Security Measures
 - Focus on Visitor Areas
 - Exterior Doors
 - Interior Doors
 - Emergency Notification
 - Primary School Roof Project
 - Primary School Playground and Turf Surface - Together with PTO
 - Classroom Furniture and Environment Upgrades
 - Intermediate School Exterior Door Replacement
 - Intermediate School Generator
 - Technology Enhancements (Projectors, Chromebooks, MakerSpace)



Community Engagement

- The District will create and distribute two community newsletters, one by November 2018 and the other May 2019.
- The District will participate in the 2019 Merton Community Memorial Day Parade.
 - The District is also looking to have an expanded presence at Village of Merton events (Tree Lighting, National Night Out, etc...)



Workforce Engagement/Development

- Employee Retention Rates - High
- Professional Development
 - Teacher Support - Literacy, Math, & Tech/Science Specialists/Coaches
 - Mandatory Instructional Coaching
 - Ongoing training in the area of Literacy, Math, Leadership, Science, Arts, etc...
- Established/Communicated Roles and Responsibilities
- Created Commitments around Responsibility and Accountability



“Thinking Ahead” to 2018-19

In addition to the Strategic Plan

- Getting better at what we have been working on (A lot of changes have been going on!)
- Focusing on continuing to use data to drive instructional decisions - Mathematics and Literacy
- 5K-8 Mathematics Implementation (new curriculum for 2018-19)
- 4K-8 Digital Literacy Implementation
- 4K-8 Digital Literacy Teacher Standard Creation
- Creation of a 4K-4 MakerSpace



Our Mission...

The Merton Community School District will foster academic excellence while inspiring curiosity and personal growth.





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Superintendent

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