

A SPECIAL MEETING OF
THE KENOSHA UNIFIED SCHOOL BOARD
HELD JULY 9, 2013

A special meeting of the Kenosha Unified School Board was held on Tuesday, July 9, 2013, at 5:00 P.M. in the Board Meeting Room at the Educational Support Center. The purpose of the meeting was for Discussion on the Energy Efficiency and Security Project Proposal and Initial Resolution Authorizing General Obligation Bonds in an Amount not to Exceed \$17,000,000.

The meeting was called to order at 5:03 P.M. with the following members present: Mrs. Taube, Mr. Flood, Mr. Nuzzo, Mrs. Snyder, Mrs. Coleman, and Ms. Stevens. Dr. Hancock was also present. Mr. Bryan arrived later.

Ms. Stevens, President, opened the meeting by announcing that this was a special meeting of the School Board of the Kenosha Unified School District No. 1. Notice of this special meeting was given to the public by forwarding a copy of the notice to all requesting radio stations and newspapers. Notices were also published in the Kenosha News on July 5 and 7, 2013.

Mr. Patrick Finnemore, Director of Facilities, presented the Energy Efficiency and Security Project Proposal submitted by Mr. Finnemore; Mrs. Sheronda Glass, Executive Director of Business Services; and Dr. Hancock, excerpts follow:

“2009 Wisconsin Act 28 was developed with the intent to provide a mechanism for school districts to fund quick payback energy efficiency projects outside their revenue limit and use the energy savings to “pay back” the funds used for the capital improvement.

In identifying schools to include for energy efficiency improvements, we selected the eight lowest EPA Energy Star Rated schools in the District and the only schools with a rating lower than 70. Once the schools were identified, we reviewed all of our capital project, maintenance and energy data as well as performed a detailed walkthrough of each of the buildings to identify potential energy savings projects. Those projects were evaluated to determine the capital investment needed, potential energy savings, and other benefits related to each project. A detailed scope of work was developed for each school and that information is summarized in Attachment 2 of this report.

This proposed plan was reviewed by both the Audit, Budget, and Finance and Planning, Facilities, and Equipment Committees at the June 11, 2013 meeting, and the joint Committees unanimously recommended that it be forwarded on to the full Board for consideration. The School Board reviewed and approved the plan at the June 25, 2013 regular meeting. This report is being provided again in this evening’s packet for informational purposes to support the public hearing.”

Mr. Bryan arrived at 5:06 P.M.

Mrs. Michele Wiberg, Director of Wisconsin Public Finance at PMA Financial Network, Inc., presented the Initial Resolution Authorizing General Obligation Bonds in an Amount not to Exceed \$17,000,000, excerpts follow:

“The proposed energy efficiency projects total \$16,689,540. If KUSD wishes to finance these projects with long-term debt, the debt can be issued under revenue limits in Fund 38. The process for issuing Fund 38 debt would begin with an Initial Resolution. Upon Board approval of the Initial Resolution, a Notice to Electors is published in KUSD’s official newspaper. Within 10 days of publication of the Notice, a Public Hearing is held for informational purposes. From the date of the Public Hearing, the electorate has 30 days to file a petition to stop the process. The petition must be signed by 20% of the school district electors (as determined by the number of voters at the last gubernatorial election), or 7,500 electors, whichever is less. If no petition is filed, KUSD can issue the bonds to finance the projects. If the three parameters defined in 2011 Wisconsin Act 32 are met (as defined in (1.) above), the KUSD Board can levy for the debt service on the bonds outside revenue limits (energy efficiency exemption). The decision regarding the levy will be made on an annual basis, and future KUSD elected officials will make that determination. On a preliminary basis, we are contemplating a 20-year bond issue with a “wraparound” structure. As shown on Attachment 4, this methodology attempts to minimize the tax impact by taking advantage of the future decreases KUSD’s debt service payments, which decrease slightly in 2016 (approximately \$700,000) and then dramatically in 2017 (a decrease of over \$5,000,000). This structure may make that annual decision easier as it likely will have a minimal impact on the overall tax levy.

Lastly, KUSD also has an opportunity to refinance the 2002 Bonds. As shown on Attachment 5, the estimated savings associated with the refinancing is over \$225,000, or approximately \$75,000/year in 2014-2016. To create efficiency in issuance costs, the refinancing could be done in conjunction with the energy efficiency financing.”

There were no public comments.

Mr. Nuzzo moved to adjourn the meeting. Mrs. Coleman seconded. Unanimously approved.

Meeting adjourned at 5:09 P.M.

Stacy Schroeder Busby
School Board Secretary