

Annual Budget Report



2006-2007

School District of Kettle Moraine
P.O. Box 901, 563 A. J. Allen Circle, Wales, WI 53183
262-968-6330 • www.kmsd.edu



Good News from Kettle Moraine Schools

Dear Kettle Moraine Friends,

June, 2006

Each annual meeting presents the opportunity to share the good news about Kettle Moraine students, staff, and schools. Fortunately, the news continues to be very, very good. Reading and mathematics scores on the WKCE give the students and teachers "braggin rights." The number of students scoring advanced and proficient at all grade levels confirm that most of our students are able, competent, and focused. Are there areas for improvement? Of course there are. We use student achievement data to inform our continuous improvement cycle. Currently, language arts and science are areas we are targeting for improvement. Kettle Moraine staff recognize that continuous improvement is part of our commitment to the community.

Another one of the commitments is recognizing and analyzing our demographic profile. The reader will find the detailed data available from the 2000 CENSUS and from the Demographic Services Center, Wisconsin Department of Administration. Here is a summary of the facts:

- The total population includes 22,160 residents.
- Of that total 22,160, 5,520 residents are classified as rural
- Of the 22,160, 21,090 are white, 275 African-American, 100 American Indian, 175 Asian and 275 Latino.
- 6,500 residents are between the ages of 0 and 17.
- 1,780 residents are over the age of 65.
- The largest segment of the population is between ages 45 and 64: total = 6,385.
- The next largest segment of the population is between ages 25 and 44: total = 6,090.
- The total number of households is 7,690.
- The total number of households with children under 18 is 3,155.
- Of the 7,690 households, 7,100 are English speaking.
- The median household income is \$73,968 and median family income is \$81,738.
- Households reporting income of more than \$150,000 total 810. Households reporting income of less than \$30,000 total 865.
- 97% are above poverty status, 2.25% are below poverty status (485 persons).
- 25% of persons 25 years and over are high school graduates.
- 23% report some college - no degree.
- 34% report bachelors or associates degree.

- 11% report graduate or professional degrees.
- Of the 7,990 housing units, 6,705 units are owner occupied (86.74%) and 13.26% are renter occupied.
- 2,565 owner occupied housing units have 2 persons in the household.
- 1,180 owner occupied housing units have 3 persons in the household.
- 1,495 owner occupied housing units have 4 persons in the household.

We live in fast growing Waukesha County where growth between 2000-2010 is projected to increase 23%. Growth of race/ethnic groups between 1990 and 2004 is reported as follows:

- 10% increase Hispanic/Latino
- 242% increase Black/African American
- 23% increase American Indian
- 193% increase Asian

The Waukesha County birthrate is increasing steadily. In the 1990's, the fastest growing segment of the population was 70 to 75 years of age.

For those of you who have been persistent readers of all this data, you might be wondering, "why share this now?" The data is important because it gives a snapshot of the community and the projected changes. The data will be useful as the community and the board consider what to build and when to build it. The data may have impact on the work of the Transformation Task Force and the emerging directions that will be forthcoming.

This data tells me that Kettle Moraine schools will be exciting places in the next decades. The schools and communities may be different in many ways, but the data re-affirms that the residents deeply value education and will continue to be supportive of the schools and students served – reflected in the high level of education of the residents.

It has been a great honor and privilege to have served as your school superintendent for the past 15 years. Please accept this sincere, heartfelt message of gratitude for the opportunity. It is with great appreciation for your support and collaboration that I bid you adieu!

Sincerely,



Sarah Jerome, Ed.D.
Superintendent of the
School District of Kettle Moraine



Board of Education

The School District serves all or part of the following communities: City of Delafield, Town of Delafield, Village of Dousman, Town of Eagle, Town of Genesee, Village of North Prairie, Town of Ottawa, Town of Sullivan, Town of Summit, and the Village of Wales.

The Kettle Moraine School Board is a relatively new board. Gary Vose is the longest serving member with 19 years and he is serving as Board President. Their commitment and interest in schools of excellence, their steady guidance toward quality and attention to student achievement, and sound fiscal management will guide their decisions. Recognition of all schools as Blue Ribbon Schools of Excellence is a mark of the Board's historic interest in quality schools for a quality community.



DORIS MURPHY
Clerk
Term Expires
April, 2007
Years of Service
on School Board: 2



TERRI PHILLIPS
Board Member
Term Expires April, 2009
Elected April, 2006



GARY VOSE
President
Term Expires April, 2008
Years of Service
on School Board: 19



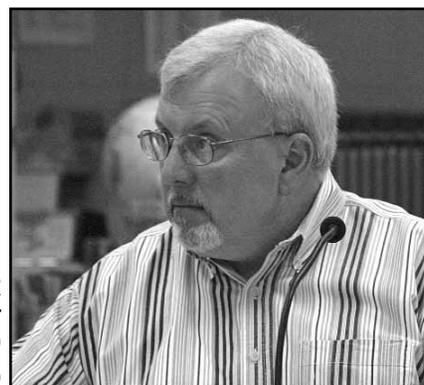
DR. ANDREW GREENE
Treasurer
Term Expires
April, 2009
Elected April, 2006



KRISTI DAVIS
Board Member
Term Expires April, 2008
Years of Service
on School Board: 1



DENNIS KRUEGER
Vice President
Term Expires April, 2007
Years of Service
on School Board: 2



COLIN BUTLER
Board Member
Term Expires April, 2009
Elected April, 2006



39th Annual Meeting Agenda

Tuesday, June 20th, 2006 — Kettle Moraine High School - 8:00 PM

The Superintendent reports that proper notification of this meeting has been posted in accordance with the open meeting laws of the State of Wisconsin.

Agenda

- I. Roll Call
- II. Pledge of Allegiance
- III. Voter Qualifications (Page 2)
- IV. Election of Meeting Chairperson
- V. Approve Minutes of Last Annual Meeting (Page 7)
- VI. Superintendent's Report
- VII. Budget for 2006 - 2007 (Pages 3-7)
Questions/comments period
- VIII. Approval of Tax Levy
 - A. Be it resolved by the electors of the School District of Kettle Moraine that a tax in the amount of \$217,000 be levied on all property, real and personal, within the bounds of the School District of Kettle Moraine, for the purpose of financing current and future capital expenditures related to building and building sites.
 - B. Be is resolved by the electors of the School District of Kettle Moraine that a tax in the amount of \$27,714,235 be levied on all property, real or personal, within the bounds of the School District of Kettle Moraine, for the purpose of operating the school district, including, but not limited to, maintaining buildings and sites, operating and maintaining transportation vehicles, discharge debts and liabilities, repay bond indebtedness, and operate a recreation program.
- IX. Unfinished Business
- X. New Business
 - A. Board Member are each paid an annual stipend of \$3,000 and reimbursed for actual expenses incurred in the conduct of official school business. A motion to maintain or change salaries and continue authorization for reimbursement of expenses would be in order. Sample Motion: "I move to maintain/increase/decrease (choose one) board salaries to \$ _____ and that School Board members be reimbursed for actual expenses incurred in the conduct of official school business."
 - B. Report on employee benefit trust fund.
 - C. Other new business
- XI. Informational Items
- XII. A motion to establish the date and time for the 2007 Annual Meeting as Tuesday, June 19, 2007, at 8:00 PM would be in order.
- XIII. Adjournment

All Welcome To Annual Meeting

The Annual Meeting is the opportunity for citizens to vote on the School District of Kettle Moraine's proposed tax levy for 2006-2007. Information about the levy is included in this Annual Report. We welcome your presence and participation at the meeting.

Notice of Budget Hearing (Section 65.90(4))

Notice is hereby given to qualified electors of the School District of Kettle Moraine, that the budget hearing will be held at the Kettle Moraine High School on Tuesday, the 20th day of June, 2006 at 7:00 PM. The summary of the budget is printed herein. Detailed copies of the budget are available for inspection in the District's office at 563 A.J. Allen Circle, Wales, WI.

Dated this 1st day of June, 2006.



Doris Murphy,
District Clerk

Notice for Annual District Meeting (Section 120.08(1))

Notice is hereby given to qualified electors of the School District of Kettle Moraine, that the annual meeting of said district for the transaction of business, will be held at Kettle Moraine High School, on the 20th day of June, 2006, at 8 PM.

Dated this 1st day of June, 2006.



Doris Murphy,
District Clerk

Voters Qualifications for the Annual Meeting

- A. A citizen of the United States, eighteen years of age or older.
- B. A resident of the district for at least ten (10) days before any election. (Wisconsin Statutes Sec. 6.02)
- C. If a person is challenged as to his/her qualifications to vote, the chairperson shall state the above qualifications to the challenged person. If such challenged person declares he/she is eligible to vote and the challenged is not withdrawn, the chairperson shall administer the following oath and affirmation to the challenged person: "You do solemnly swear (or affirm) that you are an actual resident of this school district and that you are qualified, according to law, to vote at this meeting."
A person taking such oath or affirmation shall be permitted to vote, but

if he/she refuses to take such oath or affirmation, he/she may not vote. (Wisconsin Statutes Sec.120.08 (3).)

Ground Rules for the Annual Meeting

- 1. Each person addressing the chair shall rise and state his/her name and place of residence.
- 2. No person shall speak more than twice on the same subject or more than two minutes unless authorized by a 2/3 vote of the assembly.
- 3. The chair may establish an order of speakers to give equal time to pro and con sides.
- 4. All voters shall be voice votes unless a division of the house is specifically requested. Standing votes shall be used, unless paper secret ballots are requested.

120.10 Powers of annual meeting. The annual meeting of a common or union high school district may:

- (1) CHAIRPERSON AND CLERK. Elect a chairperson and, in the absence of the school district clerk, elect a person to act as the clerk of the meeting.
- (2) ADJOURNMENT. Adjourn from time to time.
- (3) SALARIES OF SCHOOL BOARD MEMBERS. Vote annual salaries for school board members or an amount for each school board meeting the member actually attends.
- (4) REIMBURSEMENT OF SCHOOL BOARD MEMBERS. Authorize the payment of actual and necessary expenses of a school board member when traveling in the performance of duties and the reimbursement of a school board member for actual loss of earnings when duties require the school board member to be absent from regular employment.
- (5) BUILDING SITES. Designate sites for school district building and provide for the erection of suitable building or for the lease of suitable buildings for a period not exceeding 20 years with annual rentals as fixed by the lease.
(5m) REAL ESTATE. Authorize the school board to acquire, by purchase or condemnation under ch. 32, real estate and structures and facilities appurtenant to such real estate necessary for school district purposes.
- (6) TAX FOR SITES, BUILDINGS AND MAINTENANCE. Vote a tax to purchase or lease suitable sites for school building, to build rent, lease or purchase and furnish, equip and maintain school district buildings. The tax may be spread over as many years as are required to pay any obligations approved or authorized at the annual meeting including rental payments due to future years under an authorized lease.
- (7) TAX AND TRANSPORTATION VEHICLES. Vote a tax to purchase, operate and maintain transportation vehicles and to purchase liability insurance for such vehicles, and to finance contracts for the use and services of such vehicles.
- (8) TAX AND OPERATION. Vote a tax for the operation of the school of the school district.
- (9) TAX FOR DEBTS. Vote a tax necessary to discharge any debts or liabilities of the school district.
- (10) SCHOOL DEBT SERVICE FUND. Vote a tax to create a fund for the purpose of

paying all current bonded indebtedness for capital expenditures. All money raised through taxation or otherwise collected pursuant to this subsection shall be deposited by the school district treasurer in a segregated fund. Such money shall not be used for any other purpose, except as provided by s. 67.11(1), or be transferred to any other fund except by authorization by a two-thirds majority vote of the total number of electors of the school district.

(10m) SCHOOL CAPITAL EXPANSION FUND. Vote a tax to create a fund for the purpose of financing all current and future capital expenditures related to building sites. All money raised through taxation or otherwise collected pursuant to this subsection shall be deposited by the school district treasurer in a segregated fund. Such money shall not be used for any other purpose or be transferred to any other fund except by authorization by a majority vote of the electors present at a subsequent annual meeting and only if notice that the issue would be on the agenda was included in the notice of the subsequent annual meeting under s. 120.08(1) (c).

(11) TAX FOR RECREATION AUTHORITY. Vote a tax for the purposes specified in s. 66.0123.

(12) SALE OF PROPERTY. Authorize the sale of any property belonging to and not needed by the school district. If a school site or other lands are to be abandoned which were acquired or are held upon condition that they revert to the prior owner when no longer used for school purposes, the school board shall sell any school buildings thereon or move them to another site within 8 months after the school buildings cease to be used for school purposes or the site ceases to be maintained as a school district playground or park.

(14) LEGAL PROCEEDINGS. Direct and provide for the prosecution or defense of any action or proceedings in which the school district is interested.

(15) TEXTBOOKS. Authorize the school to furnish textbooks under conditions prescribed by the annual meeting or by the school board. The authorization shall continue in effect until revoked by a subsequent annual meeting.

(16) SCHOOL LUNCHES. Direct the school board to furnish school lunches to the pupils of the school district and appropriate funds for that purpose.

(19) CONSOLIDATION OF HIGH SCHOOLS. In an union high school district, vote to consolidate schools or to discontinue a school where more than one high school is operated by the school district.

Planning for the Future

2006-2007 Kettle Moraine School District Annual Budget Report

The School District of Kettle Moraine has high pupil achievement provided at reasonable cost. This is delivered by high quality staff and managed by careful allocation of resources made possible by thoughtful analysis of current and long-term needs and trends.

Kettle Moraine, like other school districts in Wisconsin, has operated under a school finance system that aligns financial resources to the change in the cost of living and change in the number of pupils served. It is clear that future increases in available resources will not keep pace with future increases in the cost to provide education under the present delivery model. To meet the challenge of providing high quality education with reduced funding, Kettle Moraine is engaged in a long-range scenario planning process to explore alternative delivery models that will continue the district's high pupil achievement even under a changing financial landscape.

The planning will continue for the next

two years. This planning will intentionally challenge the status quo as we evaluate our models of delivery. Any process that identifies a new way of doing things can be unsettling at first. We recognize this as not only necessary but a vital part of the process of proactively addressing challenges. We want you to know that the education of our students is paramount as we articulate the mission and align resources to maintain instructional excellence. To be successful, we will need the support, patience and insights of all stakeholders for this difficult work.

The proposed budget for 2006-2007 assumes continuation of

the current educational delivery model, while taking advantage of natural opportunities to begin to achieve greater cost efficiency. These natural opportunities include continued examination of procurement methods, reduction in non-essential services, restrictions on hiring, and taking advantage of employee turnover to eliminate costs when doing so will not impede the district's educational excellence.



2006-2007 Goals

The 2006-07 budget supported the following goals:

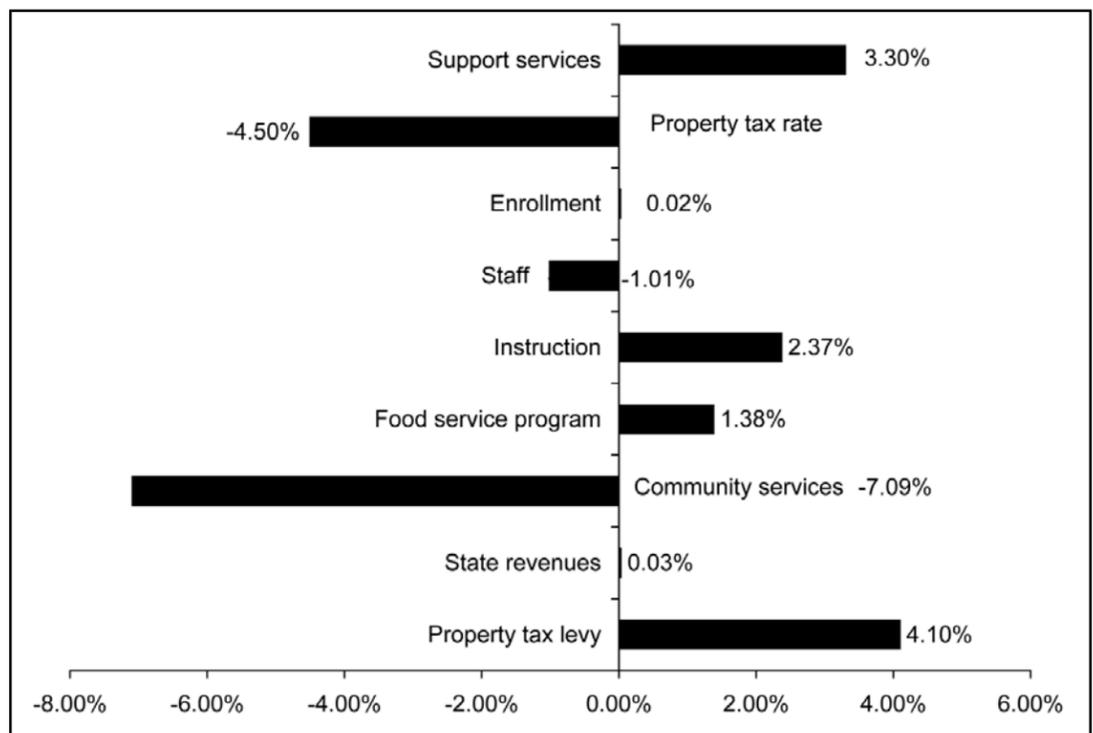
Goal	Status
1. Transform the educational delivery system to better and more efficiently meet the needs of all students.	Scenario planning process identified as the planning tool to support the goal. Task force convened January 2006. Community forum held February 2006. Task force will continue their work during 2006-2007.
2. Create an educational environment that is supportive of quality, balanced assessment; with an emphasis on Assessment For Learning.	Staff development to support growth in practices that support both assessment <u>of</u> and assessment <u>for</u> learning have been conducted throughout the year. This initiative will be continuously refined and evaluated to sustain progress.
3. Provide incentives to encourage National Teacher Certification and continue to support teacher mastery through advanced educational degrees.	Financial incentives have been created in the teacher's salary schedule. Technological, mentoring, and other supports are in place.
4. Create professional development guidelines to ensure rigorous and high quality professional growth, anchored in research based exemplary curricular, instructional, and assessment practices that enhance learning opportunities for students.	Professional development offerings are regularly reviewed and aligned to staff needs, curriculum focus, district/building goals and state standards. New software will enable monitoring and reporting on a timely basis.
5. Continue curriculum articulation with emphasis on K-5 literacy, 9-12 English & Science, K-5 Math, K-12 Information Media & Technology.	The curriculum review and support systems have focused on these areas.
6. Review courses of study and graduation requirements to align and realign with needed skills for 21st century successful living.	A formal 6-year curriculum improvement cycle to assure systematic evaluation has received School Board approval. Periodic reports are made to the Board.
7. Implement procedures and processes to meet the requirements of No Child Left Behind (NCLB) and new Wisconsin teacher certification standards.	Modifications to the pilot program resulted in an improved teacher induction program that spans 3 years. Procedures are in place to assure compliance with NCLB.
8. Seek resolution for wastewater treatment issues at the high school campus.	Benefits of a site based water treatment plant were not sufficient to outweigh costs. The district will continue to haul waste until a community wide solution is agreed upon.

Budget Highlights

2005-2006 to 2006-2007

The following changes reflect the difference between the 2005-06 budget and the 2006-07 proposed interim budget.

- Enrollment is estimated to increase by 11, including new open enrollment students.
- Support services will increase due to higher costs for interest on short-term loans, casualty insurance, transportation, and an increase of \$115,000 for instructional technology.
- The property tax rate will decrease as a result of higher property values. This is the 8th decrease in the last 10 years.
- Staff reductions, necessary for a balanced budget, will be made by adjusting staff to reflect enrollment changes.
- Food service cost increases are paid through increased revenues in the program.
- A slight increase in state revenues is anticipated.
- The proposed property tax levy includes \$308,250 to retire outstanding debt early.

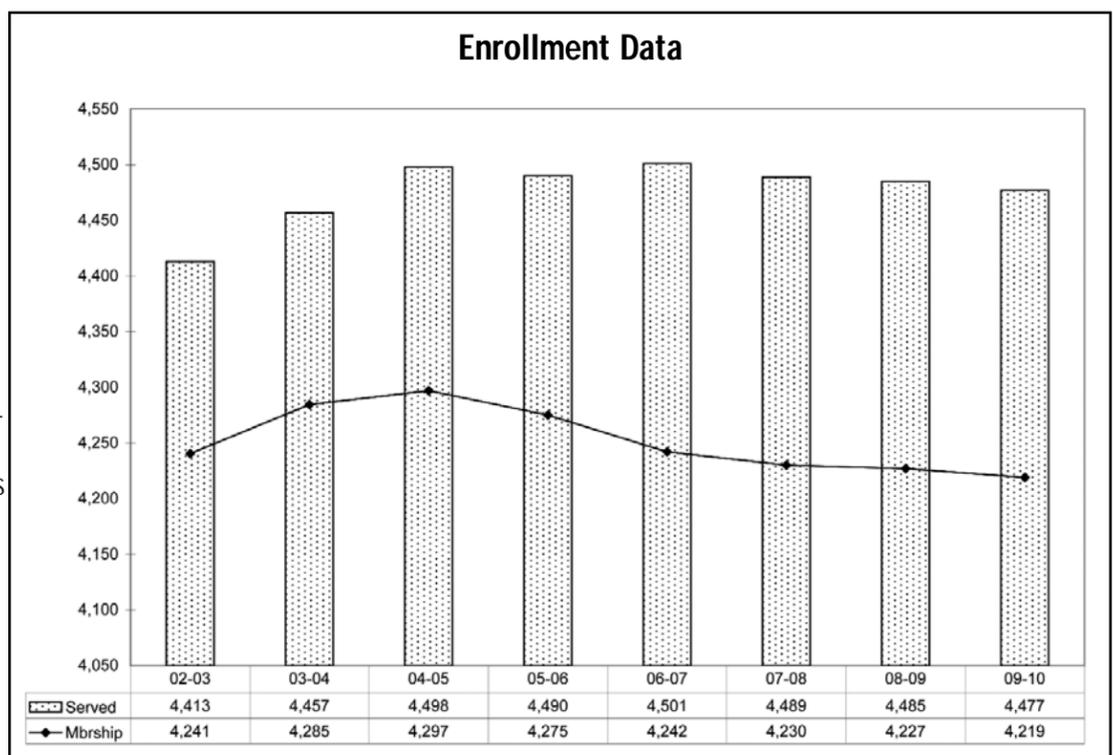


Enrollment

The primary budget driver for a school district is enrollment. The enrollment history for the past four years and projected for the next four is shown here. Following a small increase in enrollment for next year, a modest, but steady decrease, is projected for the four years thereafter. There are a number of proposed residential developments under consideration in the district which may have an impact of future enrollments.

Students served include both students who attend a Kettle Moraine school, regardless of their district of residence, as well as students who are residents of Kettle Moraine but have chosen to attend schools in other school districts. The budget includes 81 resident students attending other school districts and 229 students from other districts who will be attending a school in Kettle Moraine.

The graph also shows projected changes in membership which is total enrollment adjusted for residence status and full-time equivalency.

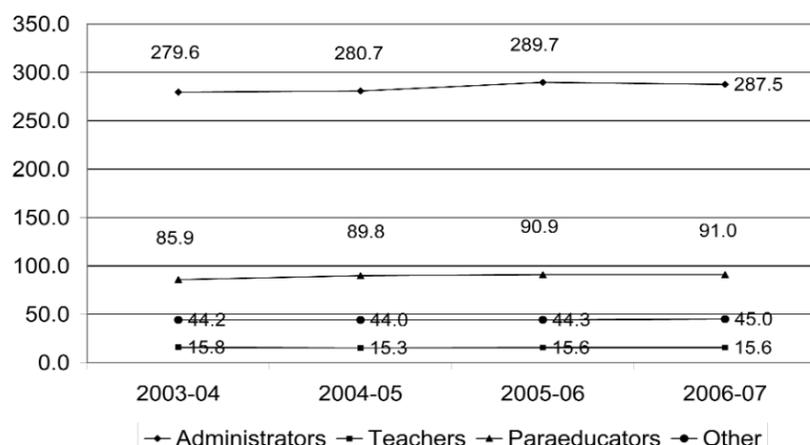


Staffing

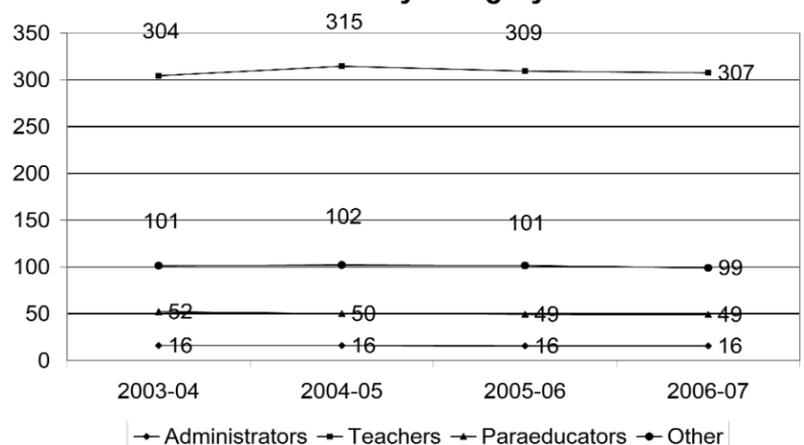
Personnel is the largest cost for school districts. Due to revenue limits, the district's ratio of teachers to pupils increased to above 15 to 1. Efforts to reduce the ratio have not been successful due to costs related to

postemployment benefits. A recent change in postemployment benefits will contribute to fewer future staff reductions.

Student to Staff Ratio



Staff by Category



Financial Summary

The budget for all governmental activities of the district, except non-annual capital projects, is presented on page 11. The budget shows expenditures greater than revenue of \$152,254 due to the difference in timing of tax receipts and payments in the Debt Service Funds, and planned excess expenditures in the Capital Expansion and Community Service Funds.

REVENUE

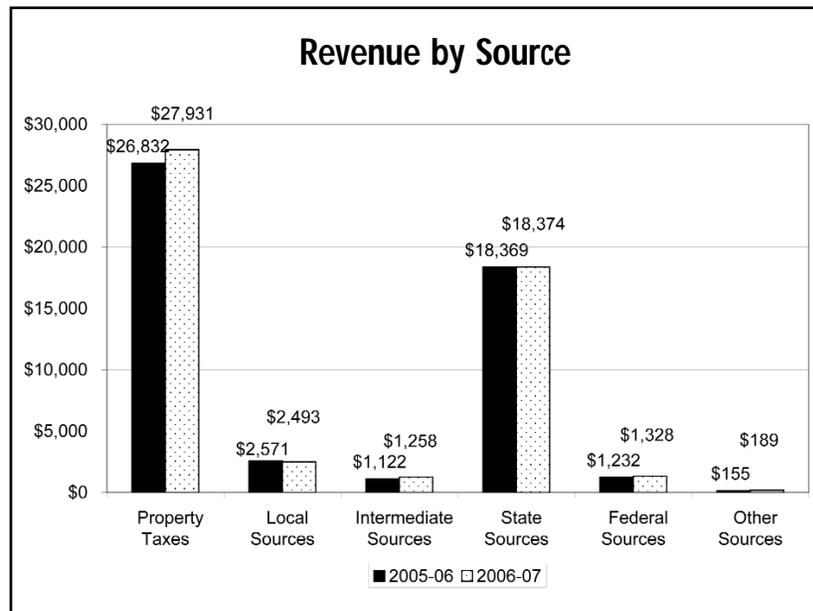
Funds for public schools come from six sources, with two of the sources, property taxes and state aid, providing almost 90% of total revenue. The Revenue by Source chart illustrates the relative contribution made by each source for the current and next year: local - 4.8%, intermediate (usually other school districts) - 2.4%, federal - 2.6% and other - less than 1%. The relative relationship of each revenue source does not change materially from year to year.

The largest revenue for Kettle Moraine is property taxes, accounting for nearly \$28 million in 2006-07. Property taxes are used for general

operations, repayment of debt, capital projects and to fund community education programs. The property tax levy is estimated at \$27,931,217 including a special levy of \$308,250 to retire outstanding debt early. The tax levy will increase \$1,098,770, or 4.1%.

The 2006-07 estimated tax rate is \$8.26 per \$1,000 of equalized value, which is \$.39 less than the 2005-06 rate. The difference in the increase in tax levy of 4.1% and the decrease in the tax rate of 4.5% is due to an estimated 9% increase in property values. The property tax levy and tax rate are estimates. A number of factors, such as actual enrollment and actual changes in property values, determined in September, and the amount of general state aid, determined in October, will change the levy approved by the School Board in October.

There are 10 school districts in Waukesha County that operate grades kindergarten through grade 12. Kettle Moraine School District consistently has the fourth lowest tax rate in the county.



	2003-04		2004-05		2005-06	
	Rax Rate	Rank (Highest = 1)	Rax Rate	Rank (Highest = 1)	Rax Rate	Rank (Highest = 1)
Elmbrook	\$10.46	6	\$10.05	6	\$9.61	4
Hamilton	\$11.40	3	\$10.78	5	\$9.50	5
Kettle Moraine	\$10.38	7	\$9.91	7	\$8.65	7
Meno Falls	\$10.82	5	\$11.06	2	\$9.40	6
Mukwonago	\$8.97	10	\$8.47	10	\$7.38	10
Muskego	\$11.37	4	\$11.03	3	\$9.79	3
New Berlin	\$12.13	1	\$11.74	1	\$10.89	1
Oconomowoc	\$9.22	9	\$8.91	9	\$7.49	9
Pewaukee	\$11.50	2	\$10.99	4	\$10.44	2
Waukesha	\$9.23	8	\$8.94	8	\$7.78	8

EXPENDITURES

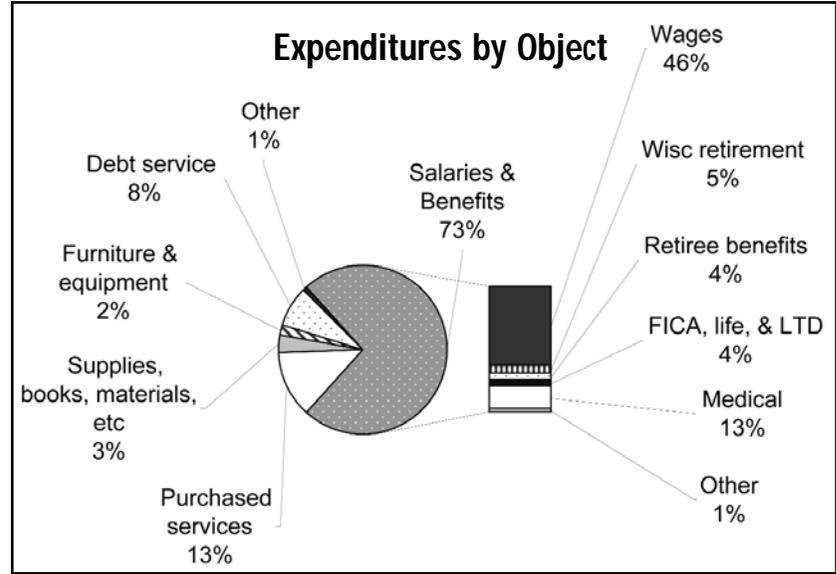
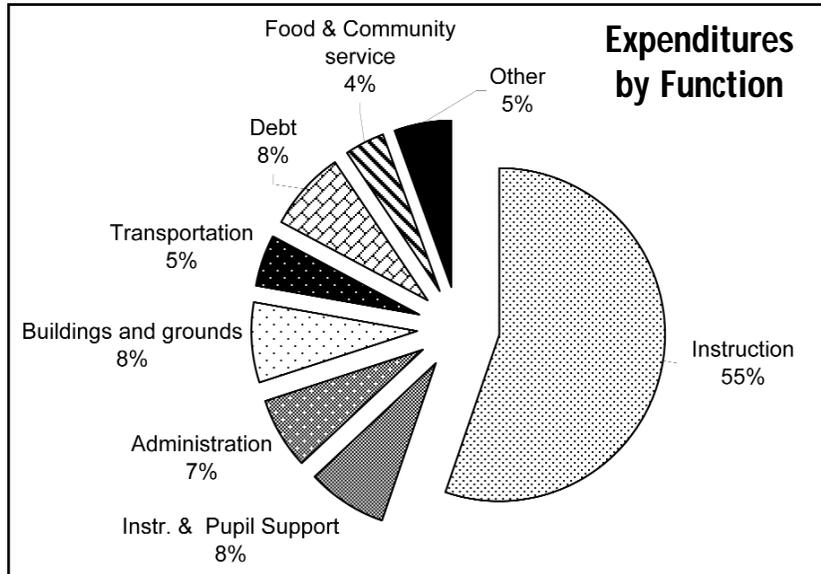
The school district analyzes expenditures from a number of perspectives. Two analysis, function and object, are shown in the following charts. Function is the purpose for which an expenditure is made and an object is the thing or service being purchased.

The function analysis shows that 64% of the district's budget is for direct instruction or to support direct instruction. Another 13% is used to provide for safe and adequate facilities and for transportation to and from schools. Overhead, payment of debt, the offering of food service and

community programs accounts for 23% of the expenditures.

The object view shows wages and benefits at 74% of the budget. Total compensation costs are budgeted to increase 3.6%, which is based on a total compensation increase of 3.8% plus additional compensation for educational preparation, minus budgeted reductions in staff and savings on post employment benefit payments.

The revenue and expenditures budget is shown on the following page.



Financial Summary

FINANCIAL CONDITION

The district's financial condition is of interest to creditors and regulatory bodies. The ability to meet current obligations is represented by fund balance. Generally the district's fund balance should be greater than 10%. A fund balance greater than 15% should be justified with a specific purpose, such as avoidance of cash flow borrowing.

Kettle Moraine's estimated beginning fund balance for 2006-2007 is \$6,070,233 which is 11.9% of budgeted expenditures. The percentage is unchanged from 2005-2006.

In addition to the amounts reported here, the district will budget \$206,600 to complete the high school expansion and renovation project.

EMPLOYEE BENEFIT TRUST

The School District of Kettle Moraine established an employee benefit trust during the 2005-2006 school year. The School Board is the trustee for the trust. A new state statute require the school district to make a report to the Annual Meeting on financial activity in the trust since the last Annual Meeting.

Beginning balance as of July 1, 2005	\$0
Est. deposits to trust during the year	\$1,263,500
Est. investment earnings during the year (Average rate of return <u>4.25%</u>)	\$19,200
Est. total amount available	\$1,282,700
Est. disbursement through June 30, 2006	\$969,770
Est. ending balance as of June 30, 2006	\$312,930

All investments of the trust, if any, are managed by the Business Office under the direction of the School Board.

For additional information visit the district's web site www.kmsd.edu. For questions on the budget contact Roger J. Dickson, Assistant Superintendent at 262-968-6303 or roger@kmsd.edu.

	2003-04 ACTUAL	2004-05 ACTUAL	2005-06 BUDGET	2006-07 INTERIM
Revenues by Source				
Property Taxes	\$26,110,433	\$27,172,174	\$26,832,327	\$27,931,235
Local Sources	2,435,306	2,488,690	2,571,229	2,492,767
Intermediate Sources	682,537	833,847	1,122,241	1,257,930
State Sources	16,254,905	16,607,546	18,369,026	18,374,237
Federal Sources	1,075,039	1,305,313	1,231,566	1,328,284
Other Sources	149,881	238,713	155,340	189,100
Total Revenues	46,708,102	48,646,283	50,281,728	51,573,553
Expenditures by Function				
Instruction				
Regular Instruction	17,899,816	18,800,511	19,727,857	20,377,526
Vocational Instruction	893,679	1,066,624	1,000,462	1,012,296
Special Instruction	4,467,925	4,915,820	5,423,443	5,371,296
Other Instruction	1,726,310	1,769,193	1,827,053	1,881,212
Total Instruction	24,987,731	26,552,149	27,978,815	28,642,330
Support Service				
Pupil Services	1,800,536	1,851,217	2,039,628	2,087,056
Libraries & Instructional Support	1,349,541	1,736,323	1,747,152	1,863,249
Administration	3,178,015	3,366,080	3,524,217	3,657,011
Buildings & grounds	3,423,199	3,470,665	3,787,946	4,006,065
Transportation	2,048,982	2,228,357	2,421,054	2,500,733
Debt payments	4,080,386	4,172,698	4,038,257	4,048,763
Other support services	2,739,841	2,987,026	2,687,288	2,828,065
Food service	1,651,865	1,612,677	1,660,645	1,683,562
Community service	458,387	409,269	438,896	407,776
Total Support Services	20,730,752	21,834,313	22,345,083	23,082,277
Total Expenditures	45,718,484	48,386,462	50,323,898	51,724,607
Excess (deficiency) of				
Revenues over Expenditures	989,618	259,821	(42,170)	(151,054)

A Warm Welcome To New Team Members

SUPERINTENDENT



Patricia Deklotz has served the last three years as Kettle Moraine School District's Assistant Superintendent of Curriculum/Instruction/Assessment. She has introduced staff to a continuous improvement cycle used in reviewing all areas of our curriculum, developed and implemented a teacher induction program, revamped professional development opportunities, and incorporated the new state assessment program into the district. She is energetic and passionate about focusing the district's attention on what is best for students. Mrs. Deklotz disparate experiences come from the banking software specialist field, parent activist and school board member, college student, teacher and elementary school principal. She is praised as a leader for listening to different opinions and considering all perspectives.

ASSISTANT SUPERINTENDENT



Peggy Smith has been living in Sao Paulo, Brazil for the last two years where she performed the duties of high school principal at an International Baccalaureate school. Her previous employment was as Director for Curriculum and Instruction in Superior School District where she supported and implemented many programs including WI PI-34 requirements, framework for meeting their district's goals, and the state and federal requirements of No Child Left Behind. Mrs. Smith's talents lie in supporting administrators and staff to learn professionally in order to improve student learning. She has a primary interest in uniting schools to create strong learning communities. Mrs. Smith is a very welcome addition to our assistant superintendent offices assuming the duties of Curriculum/Instruction/Assessment.

CHIEF BUSINESS OFFICER



Susan Graham has worked for the Kettle Moraine School District since 1999 assuming the duties of Director of Fiscal Services. She will succeed Roger Dickson as the new Chief Business Officer. Ms. Graham brings to the table an extensive background and educational experience from the financial arena. She holds a Masters of Science in Education and a Bachelor of Business Administration from the University of Wisconsin-Whitewater. Ms. Graham currently assists and trains personnel in the Wisconsin Public School system with regards to DPI reporting, bank reconciliation, and cash flow management. She holds a position on the UNITE board of directors which is a group that supports users of Cims and SASIxp - school district software products. KM administration looks forward to continued relationship with Ms. Graham.

KMMS PRINCIPAL



Ryan Krohn joins our administrative team from the School District of Elmbrook where he has been an associate principal for Wisconsin Hills Middle School. Mr. Krohn comes to the Kettle Moraine Middle School with a wealth of knowledge and a commitment to educate and inspire all children. His colleagues describe Mr. Krohn as a leader and always willing to take the extra step to further a child's achievement. He has continually shown the insight and ability to seek and implement creative solutions to many issues at the School District of Elmbrook and the School District of Kettle Moraine looks forward to his leadership skills and his compassion for children impacting positively on our staff and students.

KMHS PRINCIPAL



Tanya Kotlowski joins our administrative team as the new Kettle Moraine High School Principal. Her present position is with the Portage Community School District as associate principal at Portage High School as well as principal of Portage Academy of Achievement Charter School. Mrs. Kotlowski is known for her efforts in using data to improve professional practice, student performance, and leading new initiatives with her present staff. Her priorities always remain "the students first" with strong concentration on organizing professional learning teams setting effective goals. She is also known for engaging staff, students, parents, and the community in productive and meaningful dialogue using Community Learning Centers and Collaborative Learning Teams.

Annual Meeting Minutes

June 21, 2005

THE SCHOOL DISTRICT OF KETTLE MORAINE
P. O. BOX 901, WALES, WISCONSIN 53183-0901

ANNUAL MEETING MINUTES
June 21, 2005

As a prelude to the annual meeting, a quartet of middle school students, Nick Mann, Jessica Phillips, Stacy Bjorguaard, and Aaron Zupan, played. These students started as Suzuki students led by Dorothy Brauer. They are the first middle school string quartet to advance and receive a number one rating at the state level.

Dr. Jerome introduced Todd Jaeger and Diane Saxe. They sang *The Power of The Dream*.

The Annual Meeting of the School District of Kettle Moraine was called to order by the temporary chairperson, Jay Crouse, at 8:05 p.m., Tuesday, June 21, 2005, in the Kettle Moraine High School library.

Board of Education members present: Jay Crouse, Gerald Powell, Kristi Davis, Dennis Krueger, Doris Murphy, Gary Vose, and Patricia Millichap.

Others present: Sarah Jerome, Superintendent; Roger Dickson, Assistant Superintendent for Business, Pat Deklotz, Assistant Superintendent for Instruction; Debbie Williams, Carol Arnsen, Dawn Bajic, Lynn Behlin, Colin Butler, Shelly Christa, Melissa Cutting, Mac Davis, Colleen DeFouw, Magda Dimmendaal, Kelly Donaldson, Jennifer Draven, Kathleen Eimer, Jennifer Faris, Phyllis Fenelon, Mike Fink, Jenny Godin, Susan Graham, Leann Gronowski, Rick Grothaus, Char Hall, John Hallagan, John Hanold, Jerry Hansen, Mary Hauke, Victor Herbert, Germaine Hillmer, Laurel Hopkins, Todd Jaeger, Lance & Tamara Johnson, Patty Koshak, Sarah Leet, Laura Marusinec, Jim Merchant, Cindy Nelson, Rob Nelson, Jackie Offerman, Kelly Page, Debbie Persch, Terri Phillips, Andrea Ramsey, Larry Rigden, Diane Saxe, Diane

Scherwinski, Harriett Schmidt, Sarah Spencer, Paul & Ruth Sternemann, Gail Tessman, Sue Thomas, Shirley Tomasello, Carol Vandenberg, and Suzanne Woggon. Press: Erin Mellone of The Index

Mr. Crouse announced that notice of this meeting had been posted and published as per Wisconsin Statute 120.08 (c) in The Index, the official newspaper of the district.

Dennis Krueger led the assembly in the Pledge of Allegiance.

Mr. Crouse reviewed the voter qualifications and ground rules for the annual meeting. Nominations were opened for chairperson.

Motion: Dennis Krueger moved and Pat Millichap seconded the nomination of Jay Crouse as chairperson for the annual meeting. There were no further nominations. Motion carried.

Motion: Dennis Krueger moved and Kristi Davis seconded the motion to approve the minutes of the June 22, 2004 School District of Kettle Moraine Annual Meeting. Motion carried.

Kathy Cook, superintendent at Hamilton-Sussex School District, presented a flag to Dr. Jerome, Wisconsin Superintendent of the Year, on behalf of WSPRA (Wisconsin School Public Relations Association) and NSPRA (National School Public Relations Association). Dr. Cook said the flag was created in 1985 and inspired by national attention and support for education. WSPRA is proud to present this flag to Sarah Jerome in honor of outstanding work as an educational leader in our state and in appreciation of your continued efforts for public education.

Dr. Jerome welcomed everyone to the annual meeting and thanked everyone for coming. Dr. Jerome high-

lighted several facts from the almost 40 years of the district. Only three superintendents have served the district, leading its student enrollment from 1,650 to 4,500. What was once a rural community, it is now a highly valued suburban community. Quality education is highly supported as is affirmed by the successful passage of referenda.

Dr. Jerome said there have been two significant changes between 1965 and 2005. The number of students with disabilities served in the district has increased and technology has transformed the way we learn and live in the world.

This district is on the threshold of transition. Kettle Moraine will be searching for a new superintendent and other key educators in leadership and teaching roles. Facility needs and enrollment growth will need to be addressed. Dr. Jerome said that through thoughtful reflection, answers emerge. She is grateful for the opportunity to serve and pleased with the many things accomplished together.

There were no questions on the budget at this time.

Mr. Dickson explained that the School Board is bound by State Statute to create a budget. Voters at the Annual Meeting take action on the tax levy and the Board adopts the budget. The Board adjusts the tax levy in October staying within the parameters of the law. Because of the difference in timing of revenues and expenses, it is necessary to approve a tax levy in order for the Board to have authority to borrow funds.

Motion: Pat Millichap moved and Germaine Hillmer seconded the motion that it be RESOLVED by the electors of the School District of Kettle Moraine that a tax in the amount of \$217,000 be levied on all the property, real and personal, within the bounds of the School District of Kettle Moraine, for the purpose of financing current and future capital expenditures related to build-

ing and building sites. Vote taken by show of hands. Mr. Dickson explained that statutes require a separate vote be taken on the component of the tax levy that will be used for capital projects. This \$217,000 is to be used by this school board or a future school board only for the purpose of capital projects. Motion carried by a vote of 53, yes, and 0, no.

Motion: Colin Butler moved and Jackie Offerman seconded the motion that be it RESOLVED by the electors of the School District of Kettle Moraine that a tax in the amount of \$28,305,714 be levied on all property, real or personal, within the bounds of the School District of Kettle Moraine, for the purpose of operating the school district, including, but not limited to, maintaining buildings and sites, operating and maintaining transportation vehicles, discharge debts and liabilities, repay bond indebtedness, and operate a recreation program. Mr. Dickson noted this amount covers general operations, all debt service, and community services program. It is a combination of the previous motion and this motion is the total school levy recommend by the school board at the annual meeting for adoption.

Kristi Davis would like to amend the motion. She said she feels people without children in the district as well as people with children in the district have a vested interest in the schools. Mrs. Davis stated Wisconsin residents are the fifth highest taxed in the country, paying high income taxes and high property taxes. Wisconsin legislature voted to increase school funding at a lower rate. She asked Mr. Dickson how this would affect KM's budget. He said his best guess was that our levy would have to be reduced \$350,000. Mrs. Davis believes we can maintain the quality of education in KM by evaluating programs to make sure they're meeting our education goals and are cost effective.

Motion: Kristi Davis moved and Jerry Hanson seconded the motion to reduce the tax levy by \$350,000.

Tamara Johnson, Terri Phillips, Jennifer Faris, Jennifer

Draven, Laura Marusinec, Mac Davis, Jenny Godin, Jackie Offerman, Dennis Krueger, Gary Vose, Andrea Ramsey, Sarah Leet, Pat Millichap, Colin Butler, Tamara Johnson, Dawn Bajic, Phillis Fenelon, Gerry Powell, Lynn Behling, and Kathy Pavin brought their concerns forward regarding the amendment to the motion to reduce the tax levy. The state budget, once approved, requires the school board to modify the tax levy in October when final student enrollments and state aid is known. Residents questioned what cuts would be made, if there would be layoffs, and if the district bond rating would be affected. Residents discussed whether the issue reflects the governor's budget proposal or the legislature's budget. The process used to develop KM's 2005-06 budget was consistent with last year's budget and created on current assumptions, not legislative proposals. Concerns were raised about the high cost of wages and benefits, dollars spent on testing, and class sizes. It was stressed that clear direction be given to administrators as they examine the cost of education and evaluate programs. The board has asked for public comments, email and input. The board does not always have control of expenditures such as bus transportation, special education, and mandated testing.

Following discussion, Kristi Davis and Jerry Hanson withdrew the motion to reduce the tax levy by \$350,000. The Board agreed to look at ways to reduce programs.

Mr. Crouse brought the original motion forward and a vote was taken by a show of hands.

Motion: Colin Butler moved and Jackie Offerman seconded the motion that be it RESOLVED by the electors of the School District of Kettle Moraine that a tax in the amount of \$28,305,714 be levied on all property, real or personal, within the bounds of the School District of Kettle Moraine, for the purpose of operating the school district, including, but not limited to, maintaining buildings and sites, operating and maintaining transportation

vehicles, discharge debts and liabilities, repay bond indebtedness, and operate a recreation program. Motion carried 52, yes, and 5, no.

There was no unfinished business.

Motion: Char Hall moved and Jennifer Faris seconded the motion to maintain the salary of school board members at \$3,000 per year for 2005-2006 and that the School Board members be reimbursed for actual expenses incurred in the conduct of official school business. Mr. Butler asked what was spent in current fiscal year for board expense. Mr. Dickson said it was be minimal and less than \$2,000 is budgeted for a board member to attend a national conference next year. Motion carried. School Board members abstained from voting due to possible conflict of interest.

There were no new business or information items.

Motion: Germaine Hillmer moved and Dennis Krueger seconded to establish the 2006 Annual Meeting to be held Tuesday, June 20, 2006 at 8:00 p.m. Motion carried.

Motion: Pat Millichap moved and Gerry Powell seconded the motion to adjourn. Motion carried.

The June 21, 2005 Annual Meeting adjourned at 9:40 p.m.

Submitted:

Debbie Williams
Secretary to the School Board

Approved: (FOR CONTENT ONLY) August 9, 2005

Jay Crouse, Board President - 2005
Gerald Powell, Clerk

SCHOOL BOARD CALENDAR

The 2006-2007 Board meetings are on the second and fourth Tuesday of each month. One meeting is held in August, December, April, June, and July. All School Board meetings begin at 7:30 PM.

2006

July 11 - District Office
 July 25 - District office
 August 22 - District office
 September 12 - Wales
 September 26 - Cushing
 October 10 - Middle School
 October 24 - District Office
 November 14 - Dousman
 November 28 - High School
 December 12 - Magee

2007

January 9 - Cushing
 January 23 - District Office
 February 13 - Dousman
 February 27 - High School
 March 13 - Wales
 March 27 - District Office
 April 24 - Magee
 May 8 - Middle School
 May 22 - District Office
 June 19 - High School—Annual Mtg.
 July 17 - District Office
 August 21 - District Office

CALENDAR HIGHLIGHTS

2006

Aug. 14 - Registration- students new to district (K-12)
 Aug. 16, 17 - HS Registration
 Aug. 18 - HS New Student Orientation
 Aug. 21 - Magee Registration
 Aug. 22 - MS Registration
 Aug. 24 - Dousman Registration
 Aug. 30 - Cushing Open House
 Aug. 31 - Wales Open House
 Sept. 1 - School Begins K-12
 Sept. 4 - Labor Day — No School
 Oct. 26, 27 - No School
 Nov. 6 - No School
 Nov. 23, 24 - No School
 Dec. 25-Jan. 1- No School

2007

Jan. 2 - School Resumes
 Jan. 22 - No School
 Mar. 26 - No School
 Apr. 6-13 - Spring Break — No School
 Apr. 16 - School Resumes
 May 28 - Memorial Day Observed
 June 8 - Last Day of School

The 2006-2007 School and Community Calendar will be mailed mid-July to all families with children enrolled in the KM Schools and also to those who have previously requested to be retained on the list.

Any resident is welcome to be included on the mailing list. Call 968-6300 ext. 326 and leave your name and address. Calendars will also be distributed through the village and town halls and all district public and parochial schools.



KETTLE MORAINE

Budget Report

Published - June, 2006
 Superintendent - Sarah Jerome Ed.D.
 Budget Summary - Roger Dickson
 Editor - Ruth Sternemann
 General Assistance - Kelly Donaldson

The *Communicator* is the official newsletter of the Kettle Moraine School District.

School District Of Kettle Moraine
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