

Annual Budget Report

2008-2009



Kettle Moraine School District

563 A.J. Allen Circle, Wales, WI 53183 • 262-968-6300 • www.kmsd.edu



purpose

To cultivate academic excellence, citizenship, and personal development.

vision

Learning without Boundaries



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board members

The KM 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 school board has a 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. As the Board looks at various ways to transform the educational delivery system to better and more efficiently meet the needs of all students, it recognizes valuable interest in quality schools for a quality community.



DENNIS KRUEGER
President
Term Expires April, 2010



TERRI PHILLIPS
Vice President
Term Expires April, 2009



DR. ANDREW GREENE
Treasurer
Term Expires April, 2009



COLIN BUTLER
Clerk
Term Expires April, 2009



KRISTI DAVIS
Board Member
Term Expires April, 2011



GARY VOSE
Board Member
Term Expires April, 2011



DAVID ZEIER
Board Member
Term Expires April, 2010

learning without boundaries

Dear members of the Kettle Moraine community,

The 2007-08 school year has brought many accolades, challenges, and opportunities as we embrace the directive from the Board of Education to “transform the educational delivery system to better and more efficiently meet the needs of all students.”

One of the many accomplishments was the recognition that Kettle Moraine High School received for earning the Perfect Perkins Award for the second consecutive year. The award means the programming in Career and Technical Education met or exceeded all of the federal benchmarks for model programs. We continue to add transcribed credit courses to our high school offerings in this area to help our graduates in their transition to post-secondary work.

The Milwaukee School of Engineering designated Kettle Moraine High School as a Center for BioMolecular Modeling Legacy School, recognizing the sustained commitment of our staff and students to their SMART team program. This program allows students and teachers to use cutting-edge molecular and engineering technology as they explore a science topic.

The District received recognition of musical excellence at many levels. Three of our music teachers, Susan Krechel, Mary Burczyk, and Mary Anne Zupan, received National Board certification for their demonstrated excellence in teaching. Music teachers Kevin Erickson and Teresa Catania received the Civic Music Association’s Certificate of Excellence in Instrumental Music Instruction. The Kettle Moraine Orchestra had the largest contingent of students in the state who earned seats in the 2207 State Honors Orchestra. In addition, the District celebrated the 25th Annual District Band Festival by honoring former Kettle Moraine and Marquette University band director Nick Contorno as guest conductor. This strong legacy of musical excellence will be reinforced next year through the reinstatement of keyboarding in our Kindergarten classrooms as a tool to develop spatial reasoning skills.

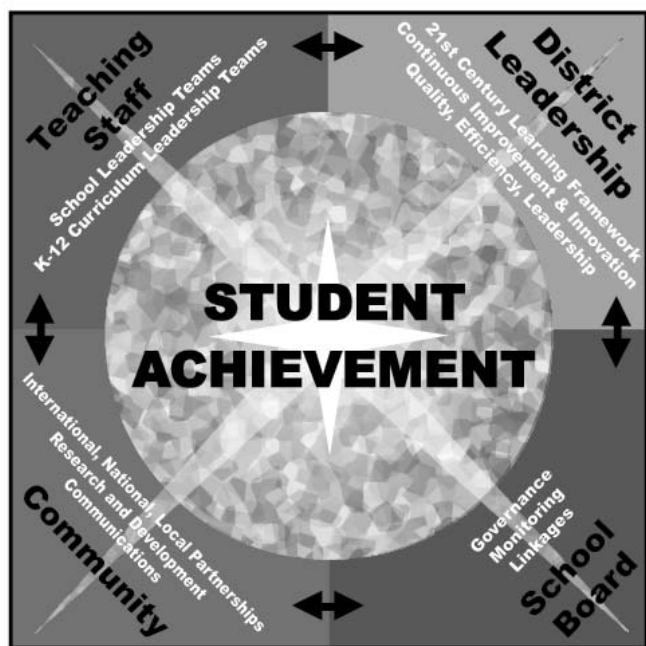
The District continues to reach high levels of academic achievement across all grades. Ninety percent or more of our students in grades three through eight and ten scored proficient or advanced in the areas of reading and mathematics as measured by the Wisconsin Knowledge and Concepts Exam. Participation in Advanced Placement (AP) courses increased by 211 over last year. This includes students taking multiple AP courses. There is a continuing focus to ensure rigor and relevance in our coursework at all levels, balancing local and standardized assessments.

We’ve also faced challenges. The fall enrollment failed to meet projections. Rather than a modest increase, the district experienced a decline in enrollment of 106 students. This provided relief in crowded elementary buildings but causes difficulty with projected revenues. We anticipate this is to be a one-time dip; however, enrollment numbers drive the state revenue formula. A decline in enrollment causes a negative impact on the amount of revenue the organization can generate.

Recognizing that state funding is not sufficient to support the charge of innovation, in December 2007 I began to examine current fund-raising in order to create a framework and strategy for future development. In addition to providing support for groups currently raising money to support the District’s programs and facilities, the strategy will focus on developing relationships with outside institutions, government agencies, legislators, foundations, corporations, alumni, and community organizations.

As a part of their work this year, the District’s Board of Education has clarified the District’s purpose and vision, while redefining their role in support of student achievement. Moving to a model of policy governance referred to as governing for student achievement, the board recently adopted the vision of **Learning without Boundaries**. The vision supports the district’s purpose of meeting each student’s needs by **cultivating academic excellence, citizenship, and personal development**. This defines the essential work of the District.

continued on page 3



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In May 2008, we began to reorganize district office responsibilities and reporting structures in order to strengthen support for improvement and innovation initiatives. The resulting plan of work maximizes the efforts of the organization in meeting the Board's expectations. The new structure retains the focus of the metrics supporting student achievement that were identified in October 2006: Quality, Efficiency, and Leadership.

Driving the reorganization is the Board's directive to transform the educational delivery system to better and more efficiently meet the needs of all students. Over the past two years, the District has worked to establish parallel processes that support and sustain the work of improvement and innovation. A system-wide expectation of **continuous improvement and innovation** was established and a common format is being implemented at all buildings. A system-wide cycle of **K-12 standards-based program evaluation** is also being implemented, utilizing the 21st Century Learning framework.

The District will be monitoring the progress of student achievement through program evaluation and school continuous improvement and innovation. This is work that requires a high level of collaboration, communication, and coordination. It is the work that will create the conditions that allow the School District of Kettle Moraine to better and more efficiently meet the needs of all students. It provides the structure that will allow the District to challenge the status quo in order to afford Learning without Boundaries.

There is a great deal of critical thinking behind the changes that are being implemented. Quoting noted policymaker and educational researcher, Andy Hargreaves, "If schools were learning organizations, they would develop structures and processes that enabled them to learn in and respond quickly to their unpredictable and changing environments." This is the work that administrators and staff embrace. We are committed to meeting the needs of each and every student. We believe that we can improve on the work that we do and we ask for your involvement as we undertake the challenge. Together, we are making a difference!

Thank you for your support,



personnel reorganization

The School District of Kettle Moraine is pleased to announce a reorganization of district work and responsibilities, accompanied with several staffing changes. Beginning with the 2008-09 school year, Tanya Kotlowski will be serving at the district level as Director of Employee Services. Mrs. Kotlowski is the current Principal for Kettle Moraine High School. Brandon Kostolni, will be serving as Director of Technology. Mr. Kostolni is currently the Manager of Computer Technology for the School District of Kettle Moraine. David Hay will be serving as Interim High School Principal. Mr. Hay is currently serving as Associate Principal at Kettle Moraine High School. Joe Claas will be serving as Food Service Director. Mr. Claas is currently employed at Sodexo, Inc., a provider of food services to area schools. In addition, the district level functions will be reorganized into three areas supporting student achievement: Business Services, Instructional Service, and Employee Services.

With the addition of Mrs. Kotlowski, Mr. Kostolni, Mr. Hay, and Mr. Claas in their new roles, the district is optimizing resources to accomplish the Board's direction.



Tanya Kotlowski



Brandon Kostolni



David Hay



Joe Claas

organization of district work

The purpose of the District is to serve our building staff in supporting Student Achievement. The work of the District is organized into three pillars that focus on the metrics of Quality, Leadership, and Efficiency.

Quality - Instructional Services has accountability for developing the Quality metric. This is accomplished throughout the teaching and learning environment by establishing standards and monitoring the success of the organization through both formative and summative assessments. This occurs through the coordination and program evaluation of district-wide programs (Student Services, Gifted and Talented Services, Library/Media, Writing, Assessment, K-12 Curriculum, Teacher Induction, and Summer Academy). Aligning with the Transformation Task Force research and development recommendation, this area is responsible for infusing the 21st Century learning framework throughout Kettle Moraine's standards and assessments in each K-12 content area as well as incorporating Response to Intervention as the protocol for differentiation. Instructional Services has responsibility for monitoring compliance with No Child Left Behind, Individuals with Disabilities Education Act, and various other federal and state requirements.

Leadership – Employee Services has accountability for developing the leadership metric throughout the organization. Responsible for the human resources function of the organization, this area also oversees the development and evaluation of building principals and the monitoring of school improvement and innovation plans. This work aligns with the Transformation Task Force leadership recommendation. Hiring, costing, contract negotiations and administration, and licensing are responsibilities of this area. Working closely with the area of Instructional Services, Employee Services has responsibility for staff development.

Efficiency - Business Services has accountability for the functions of the organization that are necessary in order to do the work of our purpose and vision. This includes the responsibilities of the business office, facilities, technology, food service, and transportation. These functions are essential to developing and sustaining an optimal and conducive learning environment.



41st annual meeting agenda

Tuesday, June 24, 2008 — 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 6)
- IV. Election of Meeting Chairperson
- V. Approve Minutes of Last Annual Meeting (Page 10)
- VI. Superintendent's Report
- VII. Budget for 2008 - 2009 (Pages 7-9)
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 \$192,000 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 it resolved by the electors of the School District of Kettle Moraine that a tax in the amount of \$32,738,089 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 Members 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. Other new business
- XI. Informational Items
- XII. A motion to establish the date and time for the 2009 Annual Meeting as Tuesday, June 23, 2009, at 7:30 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 2008-2009. 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 Kettle Moraine High School on Tuesday, the 24th day of June, 2008 at 7 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 53183.

Dated this 1st day of June, 2008.

Colin Butler,
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 24th day of June, 2008, at 8 PM.

Dated this 1st day of June, 2008.

Colin Butler,
District Clerk

voter's qualification for 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).)

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 LUNCHESES. 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.

ground rules for 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 votes shall be voice votes unless a division of the house is specifically requested. Standing votes shall be used, unless paper secret ballots are requested.

budget highlights 2007-2008 to 2008-2009

The following changes reflect the difference between the 2007-08 budget and the 2008-09 proposed interim budget.

- Support services will increase due to interest on short-term loans, casualty insurance, transportation and an increase in pension costs as a result of an increase in retirees.
- The property tax rate will decrease. This is the 10th decrease in the last 12 years.
- Enrollment is estimated to decrease by 18 due to a larger graduating class and smaller classes entering the district.
- Staff reductions, necessary for a balanced budget, will be made by adjusting staff to reflect enrollment changes.
- Instructional costs will increase due to an increase in post employment benefit costs as a result of an additional 17 retirees.
- Food service and Community service cost increases are paid through increased revenues in the programs.
- A decrease in state revenues and an increase in the property tax levy is anticipated due to an increase in the district's equalized value. In addition, the City of Delafield's Tax Incremental District is closing and the value will be added to the districts total value.

ENROLLMENT

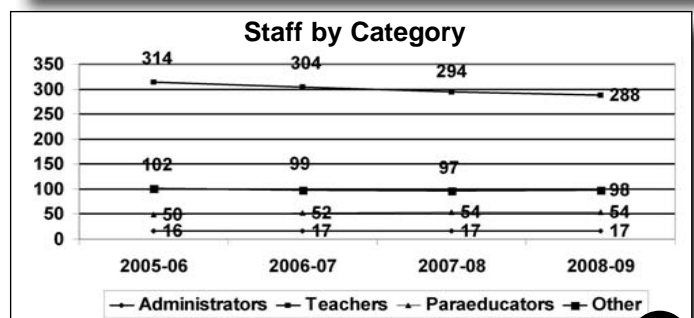
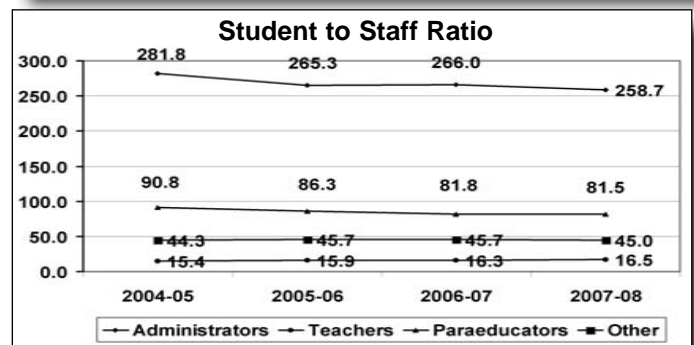
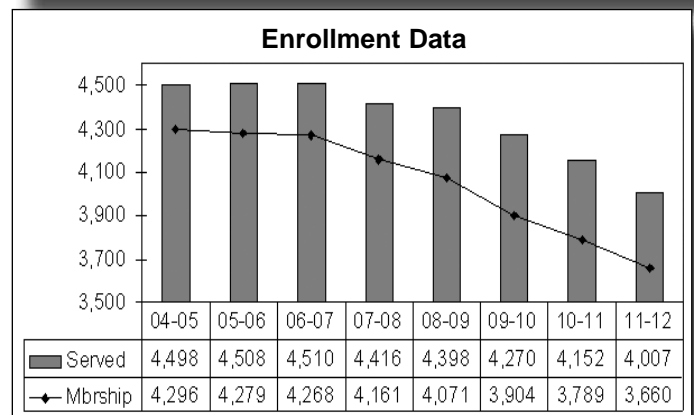
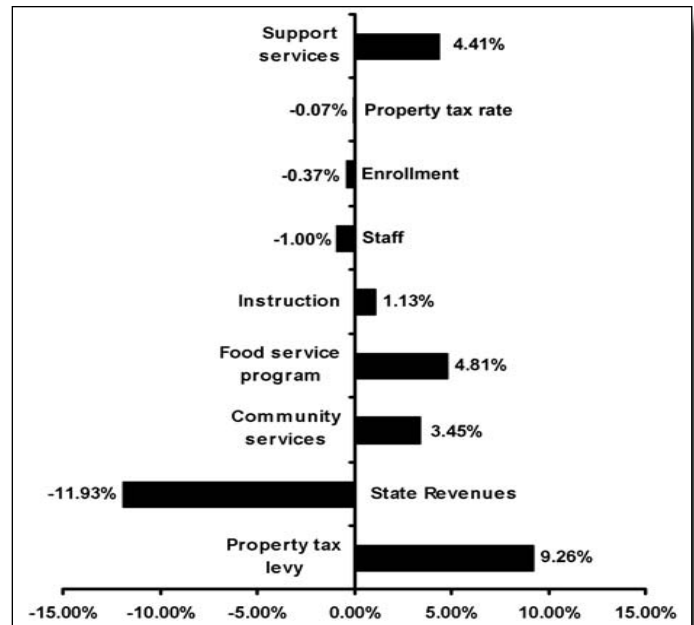
The primary budget driver for a school district is enrollment. The enrollment history for the past five years and enrollment projections for the next three years are shown. Following a greater than anticipated decrease in enrollment for next year, a continuing decrease is projected for the three following years. The housing market continues to remain flat.

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 82 resident students attending other school districts and 237 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. Membership is used for revenue limit and general state aid purposes.

STAFFING

Personnel costs continue to increase at a rate greater than revenues as a result of the misalignment of the state revenue caps and the QEO. Further, the cost of health insurance and post-employment benefits continue to create major challenges for the district. As a result the district made many difficult decisions, including a reduction of staff. The majority of staffing reductions were accomplished through attrition.



financial summary

The budget for all governmental activities of the district, except non-annual capital projects, is presented on page 9. The budget shows expenditures greater than revenue of \$308,604 due to the difference in timing of tax receipts and payments in the Debt Service Funds, and planned excess expenditures in the Capital Expansion.

REVENUE

Funds for public schools come from six sources, with two of the sources, property taxes and state aid, providing 89% of total revenue. The Revenue by Source chart illustrates the relative contribution made by each source for the current and next year: local – 5%, intermediate (usually other school districts) – 2.7%, federal – 2.9% 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 \$33 million in 2008-09. 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 \$32,930,089. This represents an increase of \$2,270,915, or 9.26%.

The 2008-09 estimated tax rate is \$8.49 per \$1,000 of equalized value, which is \$.11 less than the 2007-08 rate. The difference in the increase in tax levy of 9.26% and the decrease in the tax rate of \$.11 is due to an estimated 10.75% 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 impact the levy approved by the School Board in October.

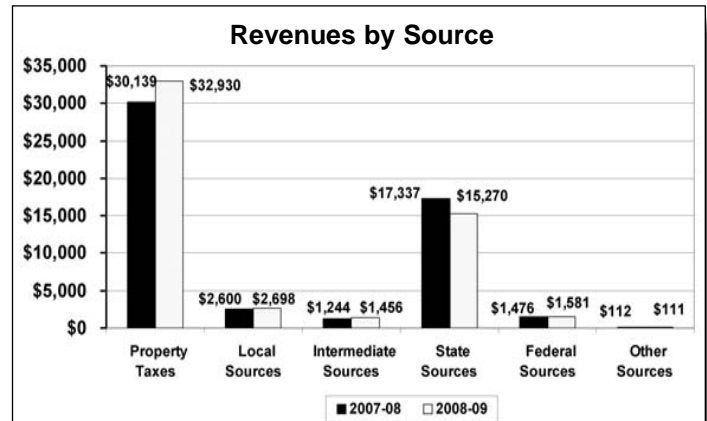
There are 10 Waukesha County school districts operating grades kindergarten through 12th. Kettle Moraine School District is the fifth lowest tax rate in the county. In addition, the Kettle Moraine School District per pupil operational spending is \$9,932. This is the third lowest of the 10 Waukesha County school districts.

EXPENDITURES

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

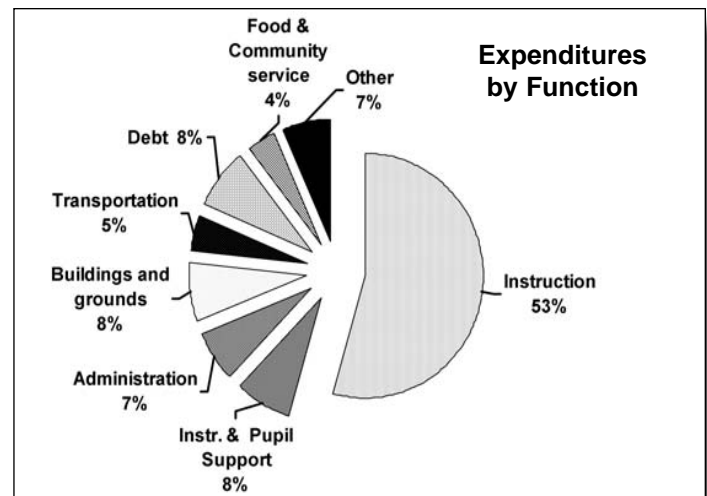
The function analysis shows that 61% of the district's budget is for direct instruction or to support direct instruction. Another 13% is used to provide for safe and adequate facilities and for transportation to and from schools. Overhead, payment of debt, the offering of food service and community programs accounts for 26% of the expenditures.

The object view shows wages and benefits at 74% of the budget. Total compensation costs are budgeted to increase 2.55%, which is



Waukesha County Tax Rates

	2005-06		2006-07		2007-08	
	Tax Rate	Rank (Highest = 1)	Tax Rate	Rank (Highest = 1)	Tax Rate	Rank (Highest = 1)
New Berlin	\$10.89	1	\$10.05	1	\$10.02	1
Pewaukee	\$10.44	2	\$9.98	2	\$9.85	2
Elmbrook	\$9.61	4	\$9.69	3	\$9.42	4
Meno Falls	\$9.40	6	\$9.27	4	\$9.33	5
Muskego	\$9.79	3	\$9.05	5	\$9.71	3
Hamilton	\$9.50	5	\$9.01	6	\$8.51	7
Kettle Moraine	\$8.65	7	\$8.61	7	\$8.60	6
Waukesha	\$7.78	8	\$7.78	8	\$8.00	8
Oconomowoc	\$7.49	9	\$7.33	9	\$7.47	10
Mukwonago	\$7.38	10	\$7.23	10	\$7.65	9



based on the contracted teacher agreement along with the contracts agreed to with the custodians and food service bargaining units. The cost of health insurance is budgeted to increase by 10%, plus an increase in post employment benefits of 1.7% minus budgeted reductions in staff.

The revenue and expenditures budget is shown below.

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.

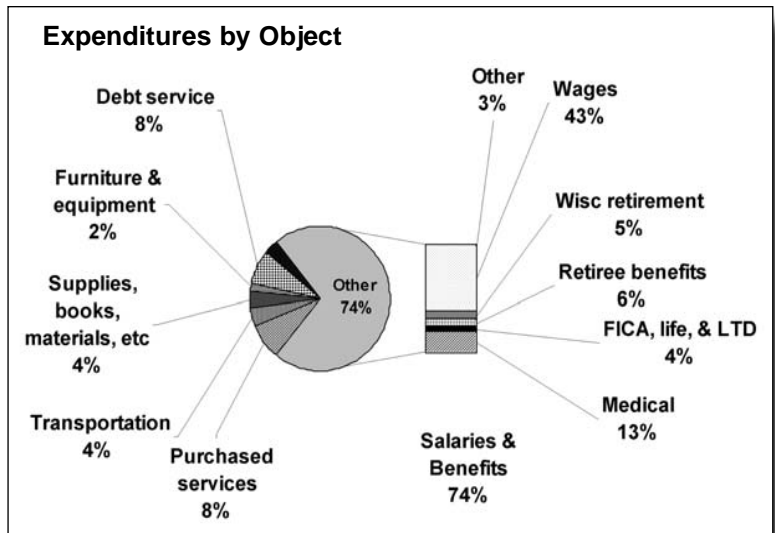
Kettle Moraine's estimated beginning fund balance for 2008-09 is \$6,503,293, which is 12% of budgeted expenditures.

In addition to the amounts reported here, the district will budget \$500,000 for the inter-governmental agreement with the Village of Wales for sanitary sewer construction as a part of 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. State statute requires the school district to make a report to the Annual Meeting on the financial activity in the trust since the last Annual Meeting.

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 Susan A. Graham, Chief Business Officer at 262-968-6303 or grahams@kmsd.edu



ALL FUNDS EXCEPT NON-ANNUAL CAPITAL PROJECTS

Combined Statement of Revenues, Expenditures and Changes in Fund Balance

Revenues by Source, Expenditures by Function

INTERIM BUDGET

	2005-06 ACTUAL	2006-07 ACTUAL	2007-08 BUDGET	2008-09 INTERIM
Revenues by Source				
Property Taxes	\$26,832,327	\$28,640,526	\$30,139,174	\$32,930,089
Local Sources	2,753,426	2,760,987	2,599,896	2,697,556
Intermediate Sources	1,024,180	1,122,883	1,243,557	1,455,931
State Sources	18,415,617	17,904,891	17,337,452	15,269,591
Federal Sources	1,275,740	1,379,937	1,476,190	1,580,628
Other Sources	157,240	168,622	111,580	111,300
Total Revenues	50,458,530	51,977,846	52,907,849	54,045,095
Expenditures by Function				
Instruction				
Regular Instruction	19,526,109	20,214,013	20,955,380	20,907,304
Vocational Instruction	1,122,196	1,164,209	984,384	990,155
Special Instruction	5,281,608	5,199,702	5,463,443	5,782,268
Other Instruction	1,806,610	1,842,084	1,863,585	1,917,595
Total Instruction	27,736,523	28,420,008	29,266,793	29,597,323
Support Service				
Pupil Services	2,085,115	2,075,133	2,173,603	2,257,735
Libraries & Instructional Support	1,913,322	2,025,275	1,930,661	2,004,083
Administration	3,457,324	3,389,246	3,438,533	3,566,445
Buildings & grounds	3,802,494	3,878,635	3,918,991	4,243,114
Transportation	2,423,858	2,341,157	2,483,502	2,604,716
Debt payments	4,035,729	4,110,490	4,279,244	4,287,186
Other support services	2,654,003	3,102,108	3,371,121	3,582,392
Food service	1,651,809	1,742,695	1,698,502	1,780,283
Community service	401,821	439,126	416,076	430,421
Total Support Services	22,425,474	23,103,864	23,710,233	24,756,376
Total Expenditures	50,161,997	51,523,872	52,977,026	54,353,699
Excess (deficiency) of				
Revenues over Expenditures	296,533	453,974	(69,177)	(308,604)

Employee Benefit Trust

Beginning balance as of July 1, 2007	338,256
Estimated deposits to trust during the year	1,908,943
Estimated investments earnings during the year (Average rate of return 5%)	<u>65,000</u>
Estimated total amount available	2,312,199
Estimated disbursements through June 30, 2008	<u>1,818,041</u>
Estimated ending balance as of June 30, 2008	494,158

**THE SCHOOL DISTRICT
OF KETTLE MORAINE
WALES, WISCONSIN 53183**

**ANNUAL MEETING MINUTES
June 19, 2007**

The Annual Meeting of the School District of Kettle Moraine was called to order by the temporary chairperson, Dennis Krueger, at 8:00 p.m., Tuesday, June 19, 2007, in the Kettle Moraine High School library.

Board of Education members present: Colin Butler, Kristi Davis, Andrew Greene, Dennis Krueger, Terri Phillips, Gary Vose, and David Zeier.

Others present: Pat Deklotz, Sarah Spencer, Pete Balzer, Bill Chandler, Sue Chandler, Dale Crites, Therese Crites, Joe Deklotz, Susan Graham, Kim Haines, Char Hall, David Hay, Tammy Johnson, Patty Koshak, Tanya Kotlowski, Kathy Lewein, Larry Rigden, Harriett Schmidt, Jon Schmidt, Onnie Smith, Brian Stuckey, Kim Suhr, Debbie Williams, Tanya Kotlowski, Sharon Theide, Ryan Krohn, Amanda Thompson, and Brad Wirtz. Press: Kristi Haunfelder of The Index.

Mr. Krueger 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.

Mr. Vose led the assembly in the Pledge of Allegiance.

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

Motion: Gary Vose moved and Kim Suhr seconded the nomination of Dennis Krueger as chairperson for the annual meeting. Motion carried.

Motion: Terri Phillips moved and Patty Koshak seconded the motion to close nominations for chairperson of the annual meeting. Motion carried.

Mr. Krueger, as chairperson, continued the proceedings of the meeting.

Motion: Gary Vose moved and Kim Suhr seconded the motion to approve the minutes of the June 20, 2006 School District of Kettle Moraine Annual Meeting. Motion carried.

Mrs. Deklotz presented the Superintendent report, discussing the challenges facing the district and highlighting excellence. Recognitions include: Terry Kaldhusdal recognized as Wisconsin Teacher of the Year; six teachers received National Board Professional Teacher Certifications; KM strings was the first orchestra to play at the State Education Conference; the middle school forensics team placed first in state; and Project Lead the Way was implemented at the middle and high school and will be expanded during 2007-08 in both buildings. Student test scores average 90% proficient

or advanced and a staff continuous improvement model has been implemented throughout the district. District goals and milestones set the direction of the district. The goals are: student achievement as a capstone to the framework, supported by efficiency, facility, leadership, and quality goals.

Mrs. Smith said she is working with staff to build leadership and leadership capacity. An ongoing cycle of continuous improvement will be created. Data Delve is being used for improvement and SMART Goals are being set.

Mrs. Deklotz said the Transformation Task Force committee is supporting our quest for transforming schools. The focus is to development leadership, create partnerships, assess 21st century communications, and foster research and development. The TTF report is on the KM website. Administration will be looking for feedback to be used in developing an understanding of the future.

Mrs. Deklotz said 27% of staff was eligible for retirement this year. Ten percent of staff exercised their option. Induction and retention of new staff becomes very important when addressing succession issues such as these. Mr. Wirtz said the district has implemented new software to help in the hiring process and interview questions have been standardized.

Ms. Graham reported the Board had received a report from the Waukesha County Department of Parks and Land Use. This report provided a land use analysis and enrollment projection summary for facility locations. We will continue to monitor enrollments and investigate potential sites for future schools.

Mr. Wirtz said administrators reviewed the Emergency Response and Crises Intervention plan. He worked with a resident that specializes in the development of emergency preparedness plans in submitting a grant. Mr. Wirtz also reported they are focusing on the future to continue to address OPEB (Other Post Employment Benefits). Non-represented employees are now a part of a six-district health consortium. This change offered cost-savings to the district.

There were no questions on the budget at this time.

Motion: Char Hall moved and Patty Koshak seconded the motion that it be RESOLVED by the electors of the School District of Kettle Moraine that a tax in the amount of \$192,000 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 building and building sites. Vote taken by show of hands. Motion carried unanimously.

Motion: Char Hall moved and Pete Balzer seconded the motion that be it RESOLVED by the electors of the School District of

Kettle Moraine that a tax in the amount of \$29,579,209 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, with two no votes.

There was no unfinished business.

Motion: Patty Koshak moved and Sarah Spencer seconded the motion to maintain the Board salaries at \$3,000 and that School Board members be reimbursed for actual expenses incurred in the conduct of official school business. Motion carried. School Board members abstained from voting due to possible conflict of interest.

Motion: Kristi Davis moved and Andy Greene seconded the motion to authorize the Board of the District to convey to the Village of Wales such easements (whether temporary or permanent) as may be necessary or desirable to enable the Village's construction and operation of all sanitary sewer facilities that may be installed and operated under an Agreement for Intergovernmental Cooperation between the Village of Wales and the District for Sanitary Sewer Construction, which easements may run over, under, across, and through so much of the lands owned by the District and located in the Village of Wales, Waukesha County, Wisconsin as shall be needed to accommodate such conveyance(s). Mr. Vose noted that as part of the TIF district, this would allow Kettle Moraine High School and Wales Elementary to be hooked up to a sewer system. Discussion continued about the impact to taxpayers and the necessity and scope of the easement. Motion carried.

There was no unfinished business.

Motion: Jon Schmidt moved and Tanya Kotlowski seconded the motion to establish the 2008 Annual Meeting to be held Tuesday, June 24, 2008 at 8:00 p.m. Mr. Vose asked if consideration had been given to changing the date of the Annual Meeting. Mrs. Deklotz said it was considered but it was determined to keep the meeting date in June at this time. Motion carried.

Motion: Jon Schmidt moved and Terri Phillips seconded the motion to adjourn. Motion carried.

The June 19, 2007 Annual Meeting adjourned at 8:50 p.m.

Submitted:

Debbie Williams

Secretary to the School Board

Approved: July 17, 2007 (content only)
Dennis Krueger, Board President
Colin Butler, Clerk

The 2008-2009 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. 5326 and leave your name and address. Calendars will also be distributed through the Town Bank offices in Wales and Delafield, the village and town halls, and all district public and parochial schools.



SCHOOL BOARD CALENDAR

The 2008-2009 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 7:00 PM. Additional meetings maybe scheduled as necessary. Visit the district website (www.kmsd.edu) for up-to-date information, dates, and addresses.

- 2008**
- July 22 - District Office
 - August 19 - District office
 - September 9 - Cushing Elementary School
 - September 23 - Magee Elementary School
 - October 14 - Wales Elementary School
 - October 28 - Dousman Elementary School
 - November 11 - Kettle Moraine High School
 - November 25 - Kettle Moraine Middle School
 - December 9 - Cushing Elementary School
- 2009**
- January 13 - Magee Elementary School
 - January 27 - Wales Elementary School
 - February 10 - Dousman Elementary School
 - February 24 - Kettle Moraine High School
 - March 10 - Kettle Moraine Middle School
 - March 24 - Cushing Elementary School
 - April 28 - Magee Elementary School
 - May 12 - Kettle Moraine High School
 - May 26 - Dousman Elementary School
 - June 23 - KM High School—Annual Mtg.
 - July 28 - District Office
 - August 18 - District Office

CALENDAR HIGHLIGHTS

- 2008**
- Aug. 11 - Registration - new to district (HS)
 - Aug. 13 - HS Registration (Grades 11, 12)
 - Aug. 14 - HS Registration (Grades 9, 10)
 - Aug. 15 - HS New Student Orientation
 - Aug. 18 - MS Registration
 - Aug. 19 - Cushing Registration
 - Aug. 19 - Magee Registration
 - Aug. 21 - Dousman Registration
 - Aug. 25 - Wales Registration
 - Aug. 26 - MS (6th grade) Movin' On
 - Aug. 27 - Cushing Open House
 - Aug. 27 - Dousman Open House
 - Aug. 27 - Magee Open House
 - Aug. 27 - Wales Open House
 - Sept. 1 - Labor Day
 - Sept. 2 - School Begins K-12
 - Sept. 4 - MS Open House
 - Sept. 11 - HS Open House
 - Oct. 30, 31 - No School
 - Nov. 27, 28 - No School
 - Dec. 22 - Jan. 2 - No School
- 2009**
- Jan. 5 - School Resumes
 - Jan. 26 - No School
 - Mar. 30 - No School
 - Apr. 10-17 - Spring Break — No School
 - May 25 - Memorial Day Observed
 - June 12 - Last Day of School

KETTLE MORaine

Annual Budget Report

Published - June 2008
 Superintendent - Patricia F. Deklotz
 Budget Summary - Susan A. Graham
 Editor - Ruth Sternemann
 General Assistance - Kelly Donaldson and Cindy Nelson

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

School District Of Kettle Moraine
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