A SPECIAL MEETING OF
THE KENOSHA UNIFIED SCHOOL BOARD
HELD SEPTEMBER 19, 2016

A special meeting of the Kenosha Unified School Board was held on Monday, September 19, 2016, at 7:45 P.M. in the Board Meeting Room at the Educational Support Center. The purpose of this meeting was for Discussion/Action on a Resolution Authorizing Temporary Borrowing in an Amount Not to Exceed $25,000,000 Pursuant to Section 67.12(8)(a)1, Wis. Stats. and Views and Comments by the Public.

The meeting was called to order at 8:20 P.M. with the following members present: Mrs. Snyder, Mr. Kunich, Mr. Garcia, Mr. Falkofske, Mr. Wade, and Mrs. Coleman. Dr. Savaglio-Jarvis was also present. Ms. Stevens was excused.

Mrs. Coleman, 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.

Mr. Tarik Hamdan, Chief Financial Officer, introduced Mrs. Michele Wiberg of PMA Securities and she presented the Resolution Authorizing Temporary Borrowing in an Amount Not to Exceed $25,000,000 Pursuant to Section 67.12(8)(a)1, Wis. Stats. submitted by Mrs. Lisa Salo, Accounting Manager; Mr. Hamdan; and Dr. Savaglio-Jarvis, excerpts follow:

"Due to the timing of the receipt of the majority of school districts' funding (state aid and tax levy), there are periods throughout the year when expenditures payable are greater than cash on hand. In these cases, short-term borrowing is required to meet the district's current obligations. Last fall, the Board of Education approved authorization for issuance and sale of Tax and Revenue Anticipation Promissory Notes (TRANs) for $25 million. Based on the results of the 2015-2016 fiscal year and anticipated revenues and expenditures for the 2016-2017 fiscal year, the district's short-term borrowing needs are projected to be approximately $25 million for this fiscal year as well.

Attachment A is a monthly summary of the 2016-2017 cash flow projection that has been reviewed by the district's financial advisor, PMA Securities, Inc. This schedule confirms the district's projected cash flow shortfalls and supports the need to borrow funds. The document shows that November has the greatest month-end cash flow deficit.

Attachment B is a daily projection of the anticipated revenues and expenditures for November. The month-end deficit is projected to be $20,540,416. On the first Monday in December, the State is scheduled to provide the second of the five general state aid payments for the 2016-2017 school year.

Attachment C is a resolution that is presented to the board to authorize the borrowing. The district is scheduled to repay a portion of the $25 million in February

2017 when the second tax levy payment is scheduled to be received. The remaining balance will then be paid in September 2017. This repayment structure has been thoughtfully negotiated to help reduce the district's overall interest cost of the debt service. The Tax and Revenue Anticipation Promissory Notes (TRANs) were sold on September 19, 2016.

Administration recommends that the board approve the attached Resolution Authorizing Temporary Borrowing in Amount Not to Exceed $25,000,000 Pursuant to Section 67.12(8)(a)1, Wis. Stats."

Mrs. Snyder moved to approve the attached Resolution Authorizing Temporary Borrowing in Amount Not to Exceed $25,000,000 Pursuant to Section 67.12(8)(a)1, Wis. Stats. Mr. Wade seconded the motion. Unanimously approved.

There were no views and/or comments by the public.

Mr. Kunich moved to adjourn the meeting. Mr. Wade seconded the motion. Unanimously approved.

Meeting adjourned at 8:32 P.M.

Stacy Busby
School Board Secretary