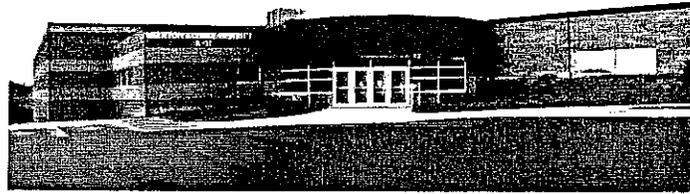


School District of Benton

Benton School Board

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*HOME
OF
THE
ZEPHYRS*

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First of all, thank you to the Speaker's TaskForce on Rural Schools for setting up this series of public hearings and trying to address the topic of school funding and the needs of rural schools in Wisconsin. I believe that having one school funding system for the entire state is difficult to provide equity when the needs of various school districts vary.

Transportation

For example rural schools especially in the northern portion of the state have a greater need for transportation aid. At Benton, being geographically small, this is not an issue but districts like Florence, Crandon, Winter and Phillips to name just a few, transportation is a financial challenge.

Other fixed costs such as heating or snow plowing/removal impact a school district's budget the same whether we have our current enrollment of 250 students or if we added 100 more students. The revenue limit worksheet currently partially assists districts with declining enrollment but over time this does not keep up with the fixed costs of maintaining a building. Districts have reduced the number of school buildings in use which causes animosity amongst communities when a town loses its school. And in our case we only have one school building so we cannot reduce it any lower.

Technology

Rural districts also need assistance with technology needs as well. Broadband access needs to be equal for all students in our state. If the legislature could assure that all students had adequate access it would level the playing field.

Distant learning opportunities also would benefit the rural schools of our state yet not all districts can invest the funds into a distant learning lab. Local school boards cannot justify spending the funds when only a few students will utilize it annually.

Retaining Quality Teachers

Each of the last three years at Benton we have lost at least one quality teacher per year due to the ability of another district within the state being able to pay the teacher more. When we have had an opening in a difficult subject area to fill such as special education, math or Spanish the candidate pool has been very limited and sometimes rural school must employ a candidate under an emergency license, who then in turn has to become certified.

Also, in each of the last three years Benton has had viable candidate(s) turn down an offer because our pay was not comparable to their current position or what they could get at another district. Understandably with Act 10 there is flexibility when offering a salary to a potential teacher however a school board and administrator still need to work within the district's budget and larger districts have the same ability.

Educational Needs

Rural school students have the same educational needs as any other school district in the state. We have fewer students but still have students at various levels of academic abilities including special education and advanced courses.

For example our current junior class has 18 students of which seven are enrolled in Accounting I. Next year the number of students enrolled in Accounting II will be seven or less. At what point does a district decide not to offer a course? Especially when the course cut could be the most important course to a particular student?

We have students taking independent study courses, working with teachers before or after school or on the teacher's prep time. We have students taking online courses through CESA 9's Wisconsin Virtual School. We try to meet all of our students' academic needs

Referendums for Operating Costs

In 2006, 2009, 2012 Benton School District successfully ran referendums to exceed the revenue limit for the purpose of operating costs. Our district has been very fortunate that our community not only values public education but can financially support our school. I would like to believe that most communities value public education however everyone cannot afford this added expense.

In 2015 Benton School District will again likely go to referendum to exceed the revenue limit for operating costs. Hopefully it will be for less funding than the 2013 referendum. I feel the state needs to develop a better funding system for rural schools to maintain operations without the need to go to referendums periodically.

If our operating cost referendum would fail we would use our fund balance. The purpose of a fund balance is to pay for onetime expenses and eliminate the practice of short term borrowing.

We do not have any certified staff positions which we could eliminate. We have 1 teacher per grade level at the elementary level and at the high school level we have only one teacher per subject area. We have one administrator, one bookkeeper and one secretary. We are as streamline or barebones as we can get as a district; select whichever term you would prefer.

I do not feel that this is unique to Benton School District but is probably very common amongst rural schools.

Potential Solutions

Rural districts need flexibility in setting the school calendars whether it would be with the start and end days of the school calendar and/or the number of days of instruction. I do not suggest impacting the number of hours of instruction however. Local school districts could save on energy, utilities, transportation, food and custodial services.

A school's fiscal year runs from July 1 to June 30 yet the final Equalization Aid Payment for the year is sent the next July. If these funds could be given to the districts earlier it may prevent some districts from having the need to do short term borrowing as often or at all. This solution should not add any cost to the state.

Allow a teacher to teach a limited number of courses outside of their certified area. In a small, rural high school there may be a need for an additional course in a subject area however the teacher certified in that area may already have their schedule full or be on an overload. Or offer incentives for teachers that become certified in more than one subject area.

Offer incentives to districts who share services with other districts. We share our Spanish Teacher with Southwestern School District of Wisconsin along with our head cook. Our industrial tech teacher is shared through Shullsburg School District. And we are always looking for ways to share more because we want to provide the best education for our students. Exactly the same goal our counterparts in other locations across the state are trying to do.

Reevaluate the state funding system for education. I do not have an easy solution for this nor do I think an easy solution exists. I thank you for addressing the issues of the rural schools in Wisconsin and know that you will do your best to develop some solutions and answers. As with any rural school superintendent, I am willing to assist in any manner possible. Thank you for your time.



WISCONSIN PUBLIC FINANCE PROFESSIONALS, LLC
1020 NORTH BROADWAY, SUITE G-9
MILWAUKEE, WI 53202
414-434-9644
FAX: 414-226-2014

SCHOOL DISTRICT OF BENTON, WISCONSIN

SUMMARY OF SALE RESULTS \$1,930,000 GENERAL OBLIGATION REFUNDING BONDS

DATED: DECEMBER 18, 2013

PRESENTED BY: Carol A. Wirth, President

Today, the School Board is considering a Resolution Authorizing the Issuance and Sale of \$1,930,000 General Obligation Refunding Bonds. The Bonds will refinance the District's existing 2002 General Obligation Refunding Bonds outstanding at 4.98%. The 2002 Bonds refinanced interim financing originally issued to construct an addition to and remodeling and renovating the high school building and grounds to provide facilities to replace the existing elementary school, improve the existing high school, and acquire related equipment to be used for the SAGE program (September 12, 2000 Referendum). The 2002 Bonds will be "called" on April 1, 2014 and the 4.98% interest will stop. New Refunding Bonds, sold at a lower interest rate, will provide the funds to pay off the principal payments (due 2015 – 2020) on the 2002 Refunding Bonds.

Wisconsin Public Finance Professionals, LLC ("WFPF"), as Financial Advisor to the District, prepared the District to access the municipal bond market with the completion and distribution of an Official Statement, and coordinating the financing team.

The final net interest rate for the Bonds is 2.13%, which includes all expenses of issuance. The net savings to the District achieved by refinancing is \$196,165, which occurs as a reduction in the fund 39 debt service levy beginning in 2014/15 through 2019/20. The refinancing does not impact the 2013/14 debt service levy.

The final resolution is included herein containing a firm underwriting commitment from Bankers' Bank (the "Underwriter") - Bond Purchase Agreement – Exhibit A; and, the debt service schedule including final interest rates - Exhibit B. The Benton State Bank was contacted by the Underwriter and was excited about participating in the purchase of the new Bonds. As Underwriter, Bankers' Bank is directed to pay all expenses of the financing team (\$33,129.79) from the proceeds of the borrowed funds, as detailed in the Bond Purchase Agreement.

Upon approval of the resolution by the Board, the interest rates are locked in and the "Notice of Call" (Exhibit D) of the 2002 Bonds is authorized. WFPF will assist the District with disseminating the required notices. On January 16, 2014, the District will receive \$1,896,870.21 for deposit into the debt service account until needed to pay off the 2002 Bonds on April 1, 2014.

Final repayment and pricing schedules, as well as a savings comparison are included herein.

\$1,930,000 G.O. Refunding Bonds - Dated January 16, 2014

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
01/16/2014	-	-	-	-	-
10/01/2014	-	-	\$ 19,567.71	\$ 19,567.71	\$ 19,567.71
04/01/2015	\$ 310,000.00	0.700%	13,812.50	323,812.50	-
10/01/2015	-	-	12,727.50	12,727.50	336,540.00
04/01/2016	315,000.00	0.900%	12,727.50	327,727.50	-
10/01/2016	-	-	11,310.00	11,310.00	339,037.50
04/01/2017	315,000.00	1.200%	11,310.00	326,310.00	-
10/01/2017	-	-	9,420.00	9,420.00	335,730.00
04/01/2018	325,000.00	1.600%	9,420.00	334,420.00	-
10/01/2018	-	-	6,820.00	6,820.00	341,240.00
04/01/2019	330,000.00	1.900%	6,820.00	336,820.00	-
10/01/2019	-	-	3,685.00	3,685.00	340,505.00
04/01/2020	335,000.00	2.200%	3,685.00	338,685.00	-
10/01/2020	-	-	-	-	338,685.00
Total	\$1,930,000.00	-	\$121,305.21	\$2,051,305.21	-

Pricing Summary

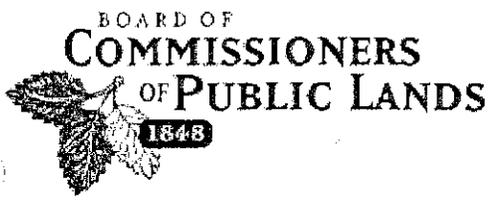
Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
04/01/2015	Serial Coupon	0.700%	0.700%	310,000.00	100.000%	310,000.00
04/01/2016	Serial Coupon	0.900%	0.900%	315,000.00	100.000%	315,000.00
04/01/2017	Serial Coupon	1.200%	1.200%	315,000.00	100.000%	315,000.00
04/01/2018	Serial Coupon	1.600%	1.600%	325,000.00	100.000%	325,000.00
04/01/2019	Serial Coupon	1.900%	1.900%	330,000.00	100.000%	330,000.00
04/01/2020	Serial Coupon	2.200%	2.200%	335,000.00	100.000%	335,000.00
Total	-	-	-	\$1,930,000.00	-	\$1,930,000.00

Bid Information

Par Amount of Bonds	\$1,930,000.00
Total Underwriter's Discount (1.717%)	\$(33,129.79)
Total Purchase Price	\$1,896,870.21
Bond Year Dollars	\$7,247.08
Average Life	3.755 Years
Average Coupon	1.6738487%
Net Interest Cost	2.1309952%

Debt Service Comparison – Final Savings

Year	2014 Bonds Debt Service	2002 Bonds Debt Service	Net Savings
2014	\$ 19,567.71	\$ 19,567.71	---
2015	336,540.00	368,675.00	\$ 32,135.00
2016	339,037.50	369,727.50	30,690.00
2017	335,730.00	369,750.00	34,020.00
2018	341,240.00	373,750.00	32,510.00
2019	340,505.00	371,875.00	31,370.00
2020	338,685.00	374,125.00	35,440.00
Total	\$2,051,305.21	\$2,247,470.21	\$196,165.00



Managing Wisconsin's trust assets for public education.

Amortization Schedule
for Loan ID: 02014062.01

Schedule Begin Date: 12/12/2013

Customer: SCHOOL DISTRICT OF BENTON

Loan Purpose: Refinance WRS pension liability

County: Lafayette

Amount of Original Disbursement: \$ 425,000.00

On: 12/12/2013

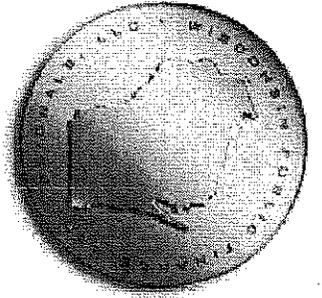
Original Term: 20 years

Interest Rate: 4.25 %

<i>Date</i>	<i>Payment</i>	<i>Principal</i>	<i>Interest</i>	<i>Balance</i>
3/15/2015	\$33,401.76	\$10,737.03	\$22,664.73	\$414,262.97
3/15/2016	\$33,401.76	\$15,747.35	\$17,654.41	\$398,515.62
3/15/2017	\$33,401.76	\$16,464.85	\$16,936.91	\$382,050.77
3/15/2018	\$33,401.76	\$17,164.60	\$16,237.16	\$364,886.17
3/15/2019	\$33,401.76	\$17,894.10	\$15,507.66	\$346,992.07
3/15/2020	\$33,401.76	\$18,614.19	\$14,787.57	\$328,377.88
3/15/2021	\$33,401.76	\$19,445.70	\$13,956.06	\$308,932.18
3/15/2022	\$33,401.76	\$20,272.14	\$13,129.62	\$288,660.04
3/15/2023	\$33,401.76	\$21,133.71	\$12,268.05	\$267,526.33
3/15/2024	\$33,401.76	\$22,000.74	\$11,401.02	\$245,525.59
3/15/2025	\$33,401.76	\$22,966.92	\$10,434.84	\$222,558.67
3/15/2026	\$33,401.76	\$23,943.02	\$9,458.74	\$198,615.65
3/15/2027	\$33,401.76	\$24,960.59	\$8,441.17	\$173,655.06
3/15/2028	\$33,401.76	\$26,001.20	\$7,400.56	\$147,653.86
3/15/2029	\$33,401.76	\$27,126.47	\$6,275.29	\$120,527.39
3/15/2030	\$33,401.76	\$28,279.35	\$5,122.41	\$92,248.04
3/15/2031	\$33,401.76	\$29,481.22	\$3,920.54	\$62,766.82
3/15/2032	\$33,401.76	\$30,726.86	\$2,674.90	\$32,039.96
3/15/2033	\$33,401.66	\$32,039.96	\$1,361.70	\$0.00
Totals:	634,633.34	425,000.00	209,633.34	

* indicates prepayment

Schedule #: 0000009732



WRS Liability as Reported by State (Prior Service Rate - 1.20%)

<u>Year</u>	<u>Beginning Balance</u>	<u>Payments and Adjustments</u>	<u>Interest @ 7.20%</u>	<u>Ending Balance</u>	<u>General/Teacher Earnings @ 3.20%</u>
2011	\$ 585,977	\$ 15,593	\$ 41,068	\$611,452	\$1,299,383
2012	611,452	16,092	42,866	638,226	1,340,963
2013	638,226	16,606	44,757	666,377	1,383,874
2014	666,377	17,138	46,745	695,984	1,428,158
2015	695,984	17,686	48,837	727,135	1,473,859
2016	727,135	18,252	51,040	759,923	1,521,022
2017	759,923	18,836	53,358	794,445	1,569,695
2018	794,445	19,439	55,800	830,806	1,619,925
2019	830,806	20,061	58,374	869,119	1,671,763
2020	869,119	20,703	61,086	909,502	1,725,259
2021	909,502	21,366	63,946	952,082	1,780,467
2022	952,082	22,049	66,962	996,995	1,837,442
2023	996,995	22,755	70,145	1,044,385	1,896,240
2024	1,044,385	23,483	73,505	1,094,407	1,956,920
2025	1,094,407	24,234	77,052	1,147,225	2,019,541
2026	1,147,225	25,010	80,799	1,203,014	2,084,166
2027	1,203,014	25,810	84,759	1,261,963	2,150,859
2028	1,261,963	26,636	88,944	1,324,271	2,219,686
2029	1,324,271	27,489	93,368	1,390,150	2,290,716
		<u>\$399,238</u>		<u>\$1,203,411</u>	

FUND BALANCE - 6 YEAR HISTORY

7/26/2013

2007/08		2008/09		2009/10		2010/11		2011/12		2012/13	
Beginning Balance	ENDING BALANCE										
422,906.35	502,538.69	502,538.69	572,415.94	572,415.94	590,379.23	590,379.23	656,895.12	656,895.12	703,062.22	703,062.22	747,380.30
"INCREASE" FUND BALANCE		"INCREASE" FUND BALANCE		"INCREASE" FUND BALANCE		"INCREASE" FUND BALANCE		"INCREASE" FUND BALANCE		"INCREASE" FUND BALANCE	
79,632.34		69,877.25		17,963.29		66,515.89		46,167.10		44,318.08	
2007/08 <u>BUDGET</u>		2008/09 <u>BUDGET</u>		2009/10 <u>BUDGET</u>		2010/11 <u>BUDGET</u>		2011/12 <u>BUDGET</u>		2012/13 <u>BUDGET</u>	
\$2,948,764.00		\$3,031,475.00		\$3,039,282.00		\$3,113,007.00		\$2,992,729.00		\$3,080,741.00	
<u>Fund Balance %</u>		<u>Fund Balance %</u>		<u>Fund Balance %</u>		<u>Fund Balance %</u>		<u>Fund Balance %</u>		<u>Fund Balance %</u>	
17.04235%		18.88242%		19.42496%		21.10163%		23.49234%		24.25976%	
<u>% of Budget to Fund Balance</u>		<u>% of Budget to Fund Balance</u>		<u>% of Budget to Fund Balance</u>		<u>% of Budget to Fund Balance</u>		<u>% of Budget to Fund Balance</u>		<u>% of Budget to Fund Balance</u>	
2.70053%		2.30506%		0.59104%		2.13671%		1.54264%		1.43855%	