

A SPECIAL MEETING OF
THE KENOSHA UNIFIED SCHOOL BOARD
HELD SEPTEMBER 12, 2012

A special meeting of the Kenosha Unified School Board was held on Wednesday, September 12, 2012 at 7:45 P.M. in the Auditorium at Indian Trail High School and Academy. The purpose of this meeting was for Discussion/Action on the 2012-2013 Short Term Borrowing.

The meeting was called to order at 8:24 P.M. with the following members present: Ms. Stevens, Mrs. Taube, Mr. Gallo, Mr. Nuzzo, Mr. Bryan, Mrs. Coleman, and Mrs. Snyder.

Mrs. Snyder, 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.

Mrs. Tina Schmitz, Chief Financial Officer, and Brett Weeden, representative from PMA Financial Network, Inc., presented the 2012-2013 Short Term Borrowing submitted by Mrs. Schmitz, and Dr. Hancock, 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 reater 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 revenue anticipation promissory notes for \$49 million. Based on the results of the 2011-2012 fiscal year and our anticipated revenues and expenditures for the 2012-2013 fiscal year, our short-term borrowing needs are projected to be around \$46 million for this fiscal year.

Attachment A is a monthly summary of the 2012-2013 cash flow projection that has been reviewed by the District’s financial advisor, PMA, and shows 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 and shows that November 27th has the greatest cash flow deficit for the year. The deficit is projected to be \$44,526,020. The following Monday, the State is scheduled to provide the 2nd of the five (5) state aid payments for the 2011-2012 school year.

Attachment C is a draft resolution that will be presented to the Board to authorize the borrowing. Like last year, the District is plans to repay a portion of the \$46 million in February. This is when the 2nd tax levy payment is scheduled to be received. This action will reduce the District’s overall interest cost of the debt service. The Tax and

Revenue Anticipation Promissory Notes (TRANS) are scheduled to be sold on September 12, 2012.

Attachment D is a recent Moody's report. The District had the promissory notes rated this year. Moody's Investors Service has assigned a MIG 1 rating (highest rating available on short-term borrowing) to the \$46,000,000 promissory notes. This rating expands the District's ability to sell the notes outside of a private placement, and is expected to save the District approximately \$60,000 in interest expense.

Administration recommends that the