



410 South Commercial Street • Neenah, WI 54956 • Tel: (920) 751-6800 • Fax: (920) 751-6809

June 15, 2009

Wisconsin Department of Public Instruction  
School Financial Services  
Attn: Natalie Rew  
125 S. Webster Street  
Madison, WI 53707-7841

Dear Ms. Rew:

The Neenah Joint School District is excited to be in the midst of an evolutionary project that is expected to provide 21<sup>st</sup> Century learning opportunities to each and every student in our District. In October 2008, the Board of Education gave preliminary authorization to pursue the development and construction of a district-wide Fiber Optic Communication System that will connect all thirteen of our school buildings. At their January 20, 2009 meeting, after receiving more detailed information about project costs and funding options, the Board authorized the Administration to begin the Fiber Optic project and “commence work as soon as possible” (see attached Exhibit 1).

As identified in a report dated January 15, 2009 (attached), the Fiber Optic project will benefit our District in many ways:

- Increased reliability
- Increased bandwidth and speed at each school site (thirteen sites total)
- Increased network security
- Increased opportunities for long distance education, video streaming, and Wi-Fi capability
- Long-range cost savings

A comprehensive and technologically challenging project such as this does come at a cost, however. Per our summary plan presented to the Board, it has been the intent of the District all along to fund this \$1,200,000 project from several sources. The initial costs of the project which began in late March 2009 have been “self-funded”-- that is, the District has been using General Fund balance and anticipated savings in various 2008-09 expenditure accounts. The District has tentatively committed to use \$525,000 from our operating budget to fund this project. Of course, the District is very reluctant to further utilize our General Fund balance as we are aware of the economic uncertainties that face us in the coming years.

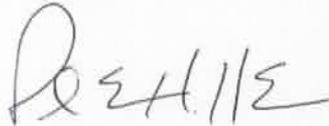
The District is just now (mid June) beginning to incur significant construction costs for the hanging of wire from telephone poles and the burying of fiber underground. It has been our plan to issue long term debt to pay for the remaining \$675,000 of this project. It is expected that the Fiber Optic project will be completed and operational by December 2009.

In summary, the District's current access to the World Wide Web is unstable, inefficient, costly, and does not offer the capacity (speed) for students to fully utilize the internet. Our Board of Education recognized this shortcoming and made a commitment to resolve it. The Neenah Joint School District has a project that is not only "ready to go"- it is "going". Upon completion, the Fiber Optic project will offer a vast improvement in our students' opportunities to learn and will provide a much more effective conduit from which to learn.

Please consider this letter as a request to issue \$675,000 in Qualified School Construction Bonds for our Fiber Optic project. These bonds will be issued as non-referendum debt. The District will comply with the Davis Bacon prevailing wage requirements as well as all other federal, state and local regulations associated with this project.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "P. E. Hauffe". The signature is written in a cursive style with a large initial "P" and "H".

Paul E. Hauffe  
Supervisor of Accounting

Attachments

Personnel. The motion was seconded by Peter Kaul and carried by unanimous vote. The resignations and requests for retirement benefits of LexAnn Hitchcock, Karla Huston, Vicki Wippich, Jerry Aronowitz, and Rosemary Dietz were accepted with regret.

Steve Dreger, Director of Curriculum and Instructional Technology, presented the first reading of the DPI-required Comparability Policy (Exhibit 1-G-09). Motion was made by John Lehman to approve the first reading of the Comparability Policy. The motion was seconded by Christine Grunwald and carried by unanimous vote.

Steve Dreger, Director of Curriculum and Instructional Technology, presented the first reading of the Naming of District Facilities, Advertising and Sponsorship, and Donation Policy (Exhibit 1-H-09). A lengthy discussion ensued. Board members requested administrators explore trade marking the Neenah Rocket name and drafting administrative guidelines regarding advertising and sponsorship. Motion was made by Scott Thompson to approve the first reading of the Naming of District Facilities, Advertising and Sponsorship, and Donation Policy with the following modifications: #782 to read "Advertisements in school facilities and district publications such as newsletters, yearbooks, and websites require administrative approval." Administration will bring forth a recommendation for a specific dollar amount. #793 to remove the comma between "scheduled" and "ongoing". #796.5 to read "May be given to a restricted or unrestricted fund for the purpose of supporting curricular and co-curricular programs and positions that meet the District's goals." Delete #796.8. The motion was seconded by Larry Lewis and carried by unanimous vote.

The Fiber Optic Network Recommendation (Exhibit 1-I-09) was presented by Steve Dreger, Director of Curriculum and Instructional Technology, Diane Doersch, Instructional Technology Leader, and Kandis Sullivan, Director of Business Services. Mr. Dreger recognized the work of the District K-12 Technology Committee and thanked all who were involved with this process. Representatives from Meyer Services, Access Engineering, and Wire Tech were present to answer Board members' questions. Motion was made by John Lehman to accept the Fiber Optic Network recommendation using Meyer Services for a total project cost of \$1,189,840 for infrastructure work in the NJSD and to commence work as soon as possible. The motion was seconded by Larry Lewis and carried by unanimous vote.

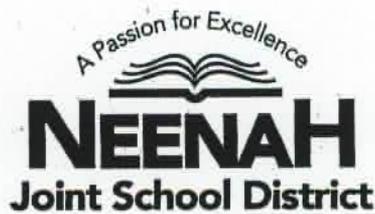
#### FINANCE AND PERSONNEL COMMITTEE

The quarterly financial report for the three-month period ending December 31, 2008, together with a three-year comparison, was presented by Committee Chair John Lehman (Exhibit 1-J-09).

Chair John Lehman reminded Board members of the Finance and Personnel Committee meeting on Wednesday, January 28, 2009 at 6:00 p.m.

#### CURRICULUM AND PROGRAM DEVELOPMENT COMMITTEE

Chair Christine Grunwald stated that the Curriculum and Program Development Committee meeting originally scheduled for January 13 was rescheduled for Tuesday, January 27, 2009 at 4:30 p.m. to allow additional time for the NHS administrative team to develop guidelines for course offerings.



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To: Jerry Schutz, Superintendent  
Scott Thompson, President, School Board

From: Steve Dreger, Director of Curriculum and Instructional Technology *SD*  
Diane Doersch, Instructional Technology Leader *DD*  
Kandis Sullivan, Director of Business Services *KS*

Date: January 15, 2009

Re: Fiber Optic Network Recommendation

### Background

The Neenah Joint School District contracted with the Tammy Stephens Group to facilitate a process to create a five-year strategic technology plan for the District. The collaborative process resulted in recommendations in the following general categories: Vision, Professional Development, Access to Information, and Infrastructure.

A specific recommendation from the Stephens report included “owning a network that is able to handle a variety of applications, be a reliable high-bandwidth infrastructure, supporting data, VoIP, wireless applications, and video technologies.”

The NJSD currently leases a combination of fiber optic and coaxial cable connections with Time Warner for its network at a cost of \$50,500 per year. Owning a complete fiber optic network would provide the following:

- Network reliability
- Increased bandwidth at each site
- Increased network speed
- Centralized management
- Centralized data storage
- Increased network security
- Opportunities for voice over IP (VoIP), video streaming, and Wi-Fi
- Return on investment (Appendix A)

The Board approved moving forward with planning for the construction of a fiber optic network in the District. The process included defining the structural plan for the fiber network, creating a plan for infrastructure replacement, consulting with the City of Neenah, obtaining estimates from Access Engineering, Meyer Services, and Faith

Technologies, negotiating costs with companies, consulting with WE Energies, performing reference checks on the companies, and discussing funding options with the Business Department.

### Recommendation

The administrative recommendation is for Meyer Services to construct the fiber optic network at a cost of \$894,940 (Appendix B). Meyer Services guarantees the costs of project engineering, materials, permits, construction and payment to the city. The Make Ready allowance of \$13,200, which is included in the \$894,940, is an estimate. We are recommending Meyer Services for the following reasons:

- Local company
- Experience with building fiber optic networks in school districts
- Positive references from schools throughout the state
- Constructed the FoxNet fiber optic system in Neenah to which we will connect
- Provides ongoing support and maintenance services

In terms of Other Costs (Appendix B), we recommend budgeting \$15,000 per year for utility pole lease and maintenance. Additionally, we estimate a one-time cost of \$20,000 to install a secure climate-controlled cabinet and uninterrupted power for the core switch at Central Office.

The fiber optic network requires specific hardware to connect each of the District buildings. The administrative recommendation is to purchase Hewlett Packard ProCurve switches at an estimated cost of \$259,900. Our plan includes creating Wi-Fi hot spots at Neenah High School and Central Office within the first year of the fiber optic network. We will continue to expand hot spots at other District sites.

The total estimated cost of the fiber network with switches is \$1,189,840. The estimated time for project completion is one year from date of Board approval.

### Funding Recommendations (Kandis Sullivan, Director of Business Services)

This project is essential to the current strategic plan of preparing our students for the 21<sup>st</sup> century. I recommend that any surplus from the current year budget be available to be reallocated to this project, as this project benefits the entire district. I further recommend that we start by funding the fiber optic network now by using the current year cash flow. The current potential savings for this year's budget include textbook adoption, fuel for transportation, reduced transfer of funds for food service based on increased participation, and decreased utility costs.

In May, the Business Office will make specific recommendations to the Finance and Personnel Committee regarding funding through long-term loans or utilization of Fund Balance (Fund 10 or Fund 41) based on the impact of maximizing equalization aids.

Potential funding sources are listed below. For each source of funding, there is a suggested range of percent of the total project cost that may be used.

| <u>Potential Funding Source</u>                       | <u>% of total project cost</u> |
|---|--------------------------------|
| Reallocation of 2008-2009 Budget                      | 40 to 65                       |
| Use of Fund Balances of Fund 10 and Fund 41           | 35 to 60                       |
| Long Term Lending – Fund 38 (Not to Exceed \$750,000) | 35 to 60                       |
| 2009-2010 Operating Budget                            | 10                             |

Diane Doersch, Steve Dreger, Bryan Von Deylen and Kandis Sullivan will present this recommendation at the January 20, 2009 Board meeting and answer any questions you may have about the report.